5 Steps to Address Concerns About an Aging Parent



As your parents begin to settle into their final phase of life, their health, residence, and finances could become a factor in your retirement planning. This is especially true if you are the person your parents have tasked with settling their estates.

There’s no simple way to tackle all the logistical and emotional challenges associated with caring for an aging parent. But these five steps will help you get the help you’ll need to make sure your parent is safe, cared for, and financially secure.

1. Call a family meeting.

No two families are the same, but in most cases, you’re going to want to gather together all siblings and close family members for an open and honest discussion. If your parent is dealing with a serious and potentially debilitating health

issue, don’t sugar-coat the truth. Hiding the facts now will only lead to hurt feelings, resentment, and poor planning.

Depending on the parent’s condition, you might consider dividing up a caregiving or visitation schedule. Even pitching in on small day-to-day tasks like helping mom or dad buy groceries can be a big help.

If you’re contemplating a more serious decision, like assisted living, make sure you give everyone space to voice an opinion. Try to keep the conversation as positive and solution-focused as possible. Employing a mediator or family counselor to facilitate might be a good option if you’re concerned old family issues could boil over and prevent a solid resolution.

2. Don’t try to parent.

Shifting from the role of adult child to caregiver is going to be a difficult transition for both you and your parent. Don’t try to do too much too soon. Seniors who feel like they’re being “babied” are prone to depression or dangerous outbursts of independence, like grabbing the car keys or refusing to take medication.

A better approach is to try to frame your caregiving as a way of being more involved in your parent’s current routine. Take a seat at Dad’s weekly card game. Put the grandkids’ sports and performance events on the calendar and offer transportation. Bring an extra dish to a dinner party. Drive mom to the movies … and let a sibling know the house will be unoccupied for a few hours if there are any cleaning or hoarding issues that need attention.

3. Gather the essentials.

If your parent doesn’t keep all important documents in one location, now is the time to collect, copy, and file things like:

- Identification (driver’s license, passport, birth certificate, marriage certificate, etc.)
- Bank records
- Home deeds and vehicle titles
- Insurance records
- Investment and retirement account records
- Wills and trusts
- Power of attorney
- End of life directives
- Login information for important online accounts (banking, subscriptions, social media)

There may be other documents that are unique to your parent’s living or financial situation. We can help you make a comprehensive list.

4. Tag along.

Start attending doctor’s appointments. Don’t be afraid to ask questions that will help you familiarize yourself with your parent’s medical condition and aid with any at-home care like prescription drugs.

Also, ask your parent to introduce you to his or her financial advisor and attorney. Make sure the relevant professionals have all the important information about changes to your parent’s health, mental capacity, or living situation.

5. Plan for the next steps.

At some point, your aging parent may no longer be self-sufficient. The earlier that you and your close family members decide upon an action plan, the better. Do you or anyone in your family have the room, the time, and the means to take in your parent? How can non-caregiving siblings or other family members chip in on associated costs of living?

In many cases, an assisted living facility is a more realistic option. But be aware that your parent’s Medicare plan probably

will not cover those costs. If your parent does not have retirement funds earmarked for end-of-life care, you and your close family members may need to hold another meeting to discuss how to pay for a facility.

None of these steps are easy, and none of the associated options your family settles on will be perfect. The sooner you loop us in on how caring for an aging parent might affect your financial picture, the sooner we can get to work on the money side so that you can concentrate on giving your family the love and support it needs during this difficult time.

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4 Things to Consider Before Committing Financial Support to Your Adult Children



A large part of being a parent is making our children's lives easier which often comes in the form of committing financial support to those adult children. But before writing a check or making a deposit through Venmo to your children, ask yourself these four key questions:

1. What, specifically, is this money for?

The key word here is SPECIFICALLY.

Many parents tend to err on the side of protecting their child's feelings when weighing financial support. We know asking for money can be embarrassing, and we don't want to deepen that embarrassment. Or we're worried that if we ask too many questions the child will become frustrated and hide serious problems from us going forward.

These are understandable concerns. But it's also important that you understand whether your child needs support because of something beyond his or her control (a car accident, serious health issues, unexpected job loss) or because they're struggling with basic adult responsibilities. If your child is

making poor budgeting decisions or settling for underemployment, you may be throwing good money after bad.

Be tactful but get to the root problem before you decide if your money is the best solution.

2. What is the real cost to me?

Many parents are already helping their adult children more than they realize.

For example, you might not think much of letting your adult children stay on the family cell phone plan or piggyback on an HBO subscription. After all, it’s only twenty bucks a month, right?

But how long have you been giving your child that monthly free pass? Years? You can also set time limits. For example, tell your child they can remain on the family cell phone plan until age 25 or until they get married, whichever comes first.

Are you helping with larger monthly expenses, like student loan or car payments? When will it finally be time to pull the plug?

Our advice: get it all down on paper. Make a spreadsheet that accounts for the financial support you’re already giving your child, large and small. Seeing how even small expenses accumulate over time will be eye-opening for both of you and help inform a good decision.

3. What are the terms of the bailout?

This is another area that parents tend to tiptoe around because they’re afraid of insulting their children. But do you know of any bank that’s going to loan your kids money indefinitely, charge no interest, and ask for no repayment? Then why should your money be subject to such lousy terms?

Your children have to understand that your generosity is not

open-ended, especially as you near retirement age. You've probably made many sacrifices for them already. You should not sacrifice your financial security or the nest egg that is meant to support you in retirement.

If your children want you to "be the bank," then you have every right to act like one. Set clear terms in writing, including a repayment schedule. In more serious cases, you might want to bring us a copy of this agreement so that we can include it in your estate plan.

4. How else can I help?

It's very likely that your child spent 16 or more years in school without learning a single thing about managing money. Financial literacy just isn't taught in schools. This knowledge gap could be a big reason your young adult is struggling.

Does your child need money suddenly because he or she doesn't know how to budget? Help find that balance between covering current expenses and contributing to savings and investment accounts.

Housing and transportation expenses can be a shock to recent college grads. You could help your child negotiate a car lease. You might help a child who's already chasing after the Joneses by counseling against a rash home purchase that will stretch his or her finances thin.

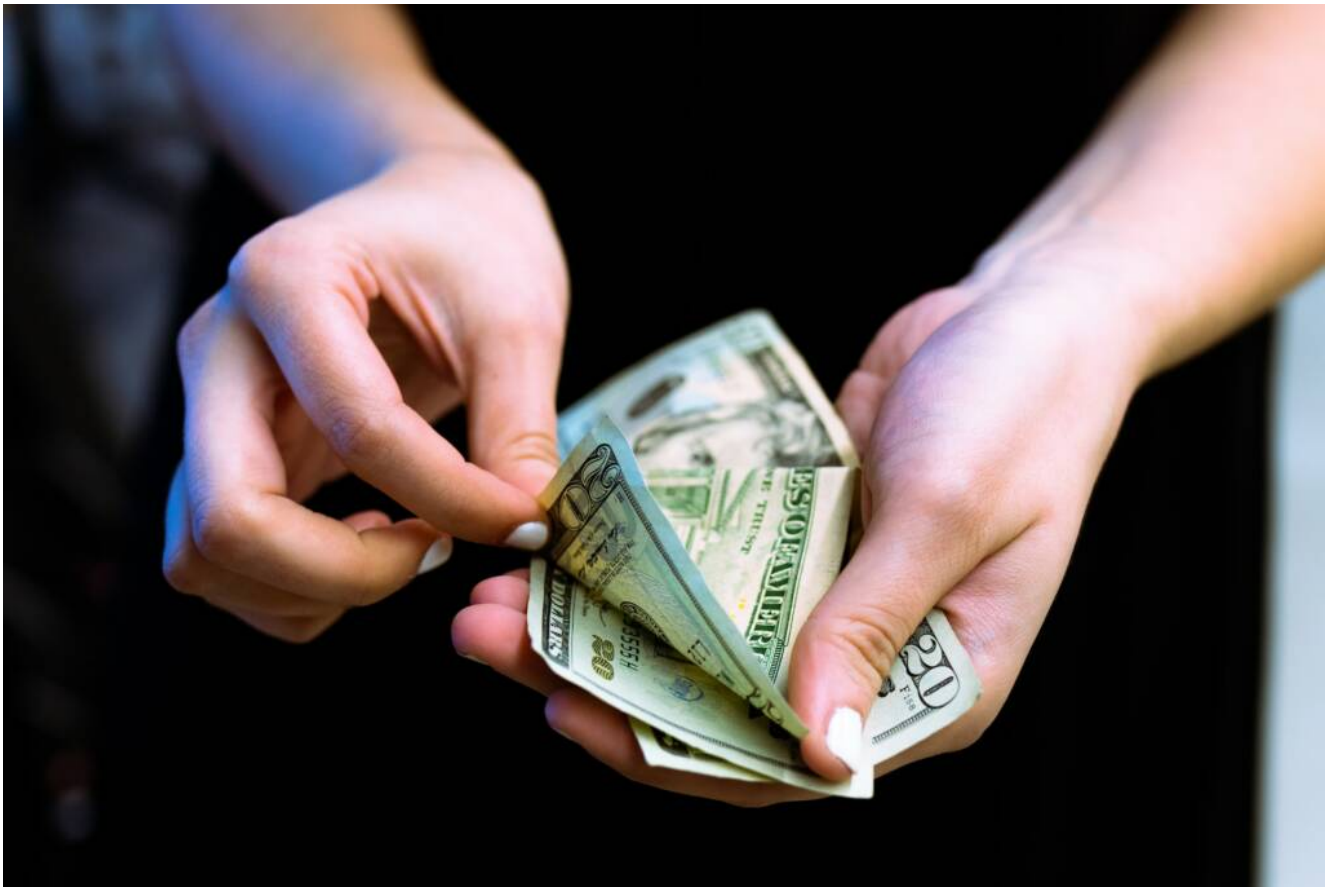
Introducing your underemployed child to some of your professional connections might lead to a significant career upgrade.

One key connection you should be sure to tap: your team at WaterRock! We're always happy to help our clients' adult children get on their feet. We consider this a service to our clients because we know that the less you're worried about supporting your children, the more secure your own retirement

goals will be.

This article was prepared for Aaron Larson's use.

How to Start Teaching Your Kids About Money



It's back-to-school season, which means it might be a good idea for parents to think about something their kids won't be learning in a classroom this year: how to manage money.

While there has been a growing movement in some states to include financial literacy as a high school graduation requirement, most kids head into adulthood without a good

understanding of money or a baseline for good financial habits. And finance is a taboo topic for many parents because they don’t want their kids to worry about money or get a distorted view of the family’s wealth.

Our advice: start small. Here are three easy ways that parents can teach children the value of a dollar and start them on a path toward greater financial literacy.

1. Let kids help budget for a family vacation.

When kids think about a big family vacation, they picture endless entertainment. Putting a value on what all those rides, shows, meals, and souvenirs actually cost can help youngsters set realistic expectations and prevent the trip from turning into a spending spree.

Once you and your spouse have settled on a total budget, break out a whiteboard or a large piece of paper and start making line items. Start with essentials like airfare, hotels, and the price of admission to attractions. Add in the estimated cost of a meal or two at a destination restaurant. And so on.

As the leftovers from your top budget number get a little smaller, your kids will see how splurging at the gift shop could be the difference between an extra day in paradise and coming home early.

2. Help kids set short-term and long-term financial goals.

There’s nothing wrong with surprising kids between birthdays and holidays. But if you find yourself buying everything your kid points at any time you go shopping, your generosity might be sending the wrong message about how money works.

The next time your child is eying a new toy, talk to them about what that toy costs, how long you have to work to earn enough money to buy it, and how the child can help to pay. A couple of extra chores might help the child appreciate the

connection between work, money, and spending. There can be a fine line between educating and shaming them about money, but you know your kids best, so consider tailoring your approach to each child.

It can be challenging to help kids think about anything in the long term. But simple money rules, like setting aside a set percentage of gifted money into the bank, can help kids start to understand concepts like saving, compound interest, and building wealth over time. You could also set family savings goals for that next big trip and talk to older kids about what they should contribute.

3. Encourage kids of all ages to earn money.

If your teenager doesn’t have a part-time job by the time they start high school, you might want to have a conversation about who’s paying what for college, and whose car they plan on driving when they turn 16. Even if you can afford these luxuries, working teaches teens teamwork, professionalism, and how to manage their time. They’ll also need a bank account to deposit those checks, which is a good opportunity for you to start talking about saving and investing early. One popular strategy is to match what your teen puts into a long-term savings account with contributions into a custodial investment account.

Point your younger children towards ways they can earn money in your home and neighborhood. Simple lawn care, collecting recyclables, cleaning up around the house, and babysitting are all valuable services that can help them pad their piggy banks.

When your children get a little older, consider bringing them into our office for a friendly money chat. We can help you introduce your kids to basic saving and investing principles so that getting the best life possible with the money you have becomes a value the whole family shares.

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