



FINANCIAL WISDOM

- WEALTH MANAGER -

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Helping Elderly Parents Manage Their Money

It is always a difficult transition when people move from being the ones taking care of their family to the position where their family takes care of them. This is especially true when it comes to finances. Because these changes usually happen very gradually, many adult children do not immediately recognize the need their parents may have for additional help with managing their finances. In many cases, aging parents simply don't feel comfortable asking children or other family members for help.

That is where you come in. With sensitivity and knowledge, you can help your parents effectively manage their financial matters using some of these tips. Below we've listed some ways to help you ensure your elderly parent's finances are properly managed without you needing to take complete control yourself.

Review Bank Documents & Statements

Don't let your parents depend entirely on their own skills for understanding accounting or portfolio statements. If a parent is comfortable sharing their financial information with a child, it adds an extra degree of monitoring to ensure that nothing unusual (like large transfers) is happening within the financial accounts. This oversight is especially critical when a parent is suffering with Alzheimer's or dementia.

Hire a Financial Consultant

If your parents haven't already hired a financial advisor, now is a great time to start. Though they might insist they can handle their finances on their own, they are likely unprepared for the challenges of handling money as they age and confront new circumstances. A financial professional can help assess your parent's financial situation and identify investment or planning strategies that may help either provide more after-tax income or preserve more wealth in their estate after death.

Combine Accounts for Streamlined Management

Throughout their lives, many people accrue various bank accounts and investments like collecting baseball cards. You can help your parents consolidate their financial picture by combining similar types of accounts and reducing unnecessary fees. This will produce a streamlined view of their finances which will simplify the decision-making processes in the future.

Create a Data Organization Plan

For seniors, financial assets and information can be spread far and wide both physically and digitally. In conjunction with their financial advisor, plan to summarize and organize any investment statements, professional contacts, policies, safety deposit boxes, legal documentation and important passwords or account details.

Ensure an Up-To-Date Estate Plan

No one wants to consider the inevitable, but it's vitally important that your parents prepare wills, up-to-date directive documents, power of attorney, and other critical documents pertaining to the matters that will occur after their death. Don't assume that a decades-old will is sufficient—encourage regular reviewing of all documents to ensure that your parents' most recent wishes are honored.

Approaching an aging parent about extra financial management help is seldom an easy conversation, but by addressing the above-mentioned issues with sensitivity and poise, you might just save them from significant financial stress when their days should be as care-free as possible.

Questions about money management? We can help.

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