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navigating.

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By Jim Tucker, CFP®, CRPS®.

Money is usually a topic that families avoid around the dinner table. Thus, it often is extremely difficult to introduce this topic as we age. However, money matters must become an essential discussion topic for aging parents and their adult children. Aging brings about unanticipated financial challenges that elderly parents need help

navigating. For this reason, most adult children should understand how to gradually

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My personal experience is that a family financial discussion can be among the most difficult topics to raise between aging parents and children. "Trust, but verify" is often an effective strategy that allows parents ongoing independence while giving children permission to review a parent's finances and create an early detection system that identifies deteriorating health. There is an industry that has developed to outsource elder financial management to an independent third party. This can be part of the solution. However, a third party doesn't absolve the adult child from checking in to both understand their parents' finances as well as to protect against an errant hire.

In my wealth advisory practice, I regularly see contention within families as they struggle to introduce financial oversight for their aging parents. This manifests in several ways, including between parent and child as well as between siblings who have a varying understanding of the need or how to best implement a plan. The ideal strategy is for the parents to take the lead with these discussions. Unfortunately, this rarely happens.

As a result of my personal experience, along with observing my clients' efforts and failures, regarding elderly financial oversight, I developed a timeline to begin conversations with specific topics.

This roadmap should be used as a guide. Because we all age differently, physically and cognitively, a chronological age for when to begin this process is only a suggestion and should be modified based on the family member.

Mid 50's

- Long-term care insurance. High Premiums and the increased chance of a disqualifying health event make it critically important for parents to evaluate their retirement healthcare strategy in their mid 50's. This decision needs to be driven

by the parent. While not perfect, a long-term care policy that can be used as life

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- Meet the Financial Advisor (or suggest finding one).
 - Review the retirement spending plan and, ideally, the Retirement Forecast.
 - Understand the retirement income sources (Social Security, pensions, etc.).
 - Review the health care plan (Medicare & Medigap insurance). This must be done at age 65, even if the parent is still working.
- Confirm that the necessary legal documents are in place to deal with incapacity and death.
- Suggest automating most bill payments through online banking
- Freeze all credit cards to avoid financial scams. The U.S. The Federal Bureau of Investigation (FBI) estimated seniors lost more than \$1.7 billion due to financial scams in 2021.

Mid 70's

- Require automation of all bill payments through online banking.
- Discuss whether any type of bill paying is becoming too much of a burden; look for credit card late fees that may start to creep into bills.
- Suggest reviewing monthly bank statements and credit card statements
- Review charitable giving (often seniors make charitable donations with money they don't have).

Early 80's

- Quarterly check-ins

How to Start Financial Conversations With Retiring Parents

While they are essential for ensuring a strong financial future, starting conversations with retiring parents about their finances can be incredibly difficult. The best

scenario is when a healthy, retired parent raises the issue rather than it coming from

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also. Often, the toughest concept for adult children to understand is that they are helping manage their parents' financial life, not protecting their inheritance.

In our society, we are taught from an early age that you don't talk about money. For some families, this conversation around a parent's retirement finances might be the first time the topic is even addressed. It will likely be a learning experience for both parents and their adult children. But effective, compassionate communication can help make the conversation a productive step toward avoiding unpleasant surprises.

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