

Having 'The Talk' With Your Parents



About Health and Finances

Have you had “the talk” with your parents? You know, the conversation or series of conversations that will help you help them secure their health and financial future? Talking to older parents about their finances is as hard for you as the “sex talk” was for them, but every bit as important.

By Kent M. Brown

Growing up, many of us were taught by our parents never to talk about money. The subject was viewed as taboo, like discussing your political or religious beliefs. Adult children who grew up with this mindset typically feel uncomfortable broaching this difficult subject with their aging parents.

Today we live in an age where planning ahead makes all the difference in the world. The elder generation, ages 75 and older, was taught to save every penny. This generation is now experiencing considerable wealth even in this economy. If there occurs a significant life change that requires assisted living, skilled nursing, in-home health care, etc., your parents' assets need to be preserved, and important health care decisions made. Many families do not discuss these issues until a crisis occurs. It is far easier to talk with parents when they are healthy than when they are incapacitated or hospitalized.

The American Health Care Association estimates that along the Wasatch Front the average cost of nursing home care is between \$50,000 to \$72,000 a year for a shared room. The average cost for an assisted-living facility is between \$24,000 to \$38,000 a year. The 2009 MetLife Market Survey of Nursing Homes estimates that in Idaho the average cost of nursing home care is between \$56,160 to \$82,800 a year for a shared room, with the annual cost for an assisted-living facility averaging \$15,600. If your parents are not prepared financially for that kind of care, the burden may rest upon you to provide some or all of that care, which can become emotionally and financially draining.

By having open discussions with aging parents now, you can help to improve their finances and health care, reduce potential problems, and ease their burdens in the future. The following tips will make that conversation easier and more productive.

Pick the right time to talk. You want to make sure to have the conversation when you won't be interrupted and when everyone is relaxed. Having this discussion during family gatherings is not the best time. You also might want to cover things in more than one conversation.

Maintain a sensitive stance. Don't be judgmental of your parents. Remember, these are difficult subjects for them to discuss. You may not agree with their decisions, but remember, these are *their* decisions. A good way to set the right tone is by saying, "It's important for me to understand your finances and health care decisions in case I need to help you in the future."

Involve an expert if needed. There are many resources available, such as attorneys, financial planners, CPAs and geriatric care managers, which can help you manage later life decisions and financial issues.

Make a list of assets and liabilities. Be sure to get bank information, including safe deposit box number and key location.

.....
As uncomfortable as having the talk with your parents may be, it is important you do it to avoid family disagreements later. The rewards are endless, and the experience will help you prepare for your own future.
.....

Establish arrangements for financial management. Your parents will want to consider establishing a durable power of attorney. This is a legal document that enables someone to designate another person to act on his or her behalf should they become disabled or incapacitated.

Understand your parents' health care wishes. You'll need to know where your parents stand on health care issues. Your parents should have a medical power of attorney and a living will.

Know where important documents are kept. Make a list of where your parents' important documents (birth and marriage certificates, military records, wills and trust agreements, Social Security records, burial instructions, insurance policies, mortgage and real estate deeds, and car titles) are located. Also make a list of important contacts with phone numbers such as attorneys, financial advisers and doctors.

Review estate planning and investments. Do your parents have estate planning documents? If not, you should gently urge them to do their planning as soon as possible. Are their investments appropriate for their age and risk tolerance?

As uncomfortable as having the talk with your parents may be, it is important you do it to avoid family disagreements later. The rewards are endless, and the experience will help you prepare for your own future. ☺

Kent Brown is a shareholder with the law firm of Callister Nebeker and McCullough. He is licensed to practice in Utah and Idaho. He practices in the areas of elder law, estate planning, long-term care planning, asset protection, veterans benefits, Medicaid benefits, guardianship and conservatorship, probate, and tax planning. Visit him on the Web at www.cnmlaw.com.

Please note: The preceding article is offered for informational purposes only, and should not be construed as legal advice or as pertaining to specific factual situations. Consult an attorney concerning your own needs and circumstances and to obtain any legal advice with respect to the topics discussed in the article.