

## Don't Keep Quiet About Your Parents' Finances

Every child-parent relationship is distinctly different across the world. Some are open and warm. Others are cold and distant. Regardless of the nature of the bond, most of them have a common element to them: the adult children don't know much, if anything, about their parents' financial situation.

In most cases, adult children are kept in the dark because they don't think to ask until faced with a crisis. When that happens, confusion arises and it could result in serious financial hardship. To avoid such problems, it is never too early to talk about wills, powers of attorney and long-term health care considerations with your parents.

What makes the topic so uncomfortable is the numerous ways it can be misinterpreted. Some people don't like the thought of their own mortality. Others might perceive their children taking stock of any inheritance money that might be coming their way. Many adult children don't want to feel like they are parenting their parents. Regardless of the reason, they are all just excuses for putting off a potentially uncomfortable but important discussion.

The first thing to do before talking to your parents is involving other siblings. The dynamics of your family can prove to be an important element in how your parents perceive your questions. Meeting before allows you to determine the most appropriate child to approach your parents and ease into the conversation. It also removes a hurdle that most parents face in that they don't want to have this talk with each of their kids and don't want to be perceived as though they are only telling things to one child and not the others.

When you actually do speak to your parents, do so in a warm, positive way where you are open about your own thoughts about the future. Avoid being confrontational or aggressive, simply convey your concern and let them respond. If necessary, introduce the topic indirectly as something your friend is experiencing or something you read about recently.

Once you get the ball rolling, there are a few key things to address. The most important is a will, which the majority of Americans do not have established. A will is the best way to make your parents' intentions clear when it comes to key financial and medical decisions. An attorney or estate planner is the best option for setting up a will. If those are too costly, there are books and on-line sources that provide basic step-by-step information to help you do it yourself.

Also discuss setting up elements that can make their lives easier, such as direct deposit and a daily money manager. These ensure that your parents' bills are paid on-time and their day-to-day finances are in order should anything unexpected happen.

Other subjects to square away are senior living concerns, long-term health care and health insurance. Overall, you want to make sure they have these matters addressed. If not,

then you can start getting these things taken care of for both your and your parents' peace of mind.

The most important aspect in all of this is patience on your part. Not every parent is going to be receptive to talking about money matters right away. In fact, it may take you a few tries before they respond positively. If your parents make it clear that they don't want to talk about the subject, step back and try again at another time. Just introducing the idea might be enough to make them think about it themselves and open the lines of communication down the road. Try to also remain flexible in what you discuss. They may be open about some matters but not others. Even a rough outline of their financial life is a start from which you can build a solid plan.

Regardless of the outcome of the conversation, be respectful. Even if your parents' decision-making abilities are impaired, they still have their own self-respect and determination. No matter your age, you are still their child and may not respond well to you telling them what they could or should do. Address your concerns and make suggestions as to the best way to approach each situation and come to a solution together.