Money Matters: Helping parents with their finances

By Rick Gross

Keeping track of finances takes time, attention and energy at any age. In the case of older adults, health challenges such as memory loss can make it difficult to manage their financial obligations as well as they did in the past. If you're the son or daughter of aging parents, here are a few items to keep in mind that can help protect your parents from financial missteps as they grow older.


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For many seniors, signs of memory loss or dementia may first become apparent when they start to lose track of financial responsibilities. These signs could include unusual spending patterns, failing to remember which bills were paid or incurring uncharacteristic late or overdraft fees. Unfortunately, seniors are far more vulnerable to financial scams as well. Savvy swindlers routinely target older adults who may not be as quick to discern fraud in the form of phony phone calls, letters, emails or texts.

If you notice that mom or dad is struggling to stay on top of their finances, approach the situation delicately. People experiencing memory loss may not want to admit they're having difficulties, while other family members may be in denial about mom or dad needing help. Start the conversation by offering a helping hand. Older adults often want to maintain their independence, so keep that in mind as you start to get involved.

Creating a support plan

Ideally, it's best to get mom and dad involved in creating a financial plan while they're able to communicate their wishes. While this isn't always possible, any preparations you can do before the situation is critical can help you feel better about their financial affairs.

Start by reviewing your parent's financial situation, covering off on all their assets and liabilities. If he or she is working with a financial advisor, invite that professional to the meeting. Work together on a strategy to make sure mom or dad is able to cover current expenses and prepare for future ones. The following checklist can help you get started:

1. **Designate someone who is committed to the best interest of your parent to take the lead on financial matters.** While many family members may want to be involved in decisions affecting the individual with memory issues, consider choosing one person as the financial contact. This person should make sure bills are paid on time, taxes are completed and keep track of mom or dad's overall finances, looping in other family members as necessary. Meet with your attorney to discuss if the designated person should seek legal financial responsibility as well, by becoming a power of attorney.

2. **Ensure each asset is properly titled and has a beneficiary that reflects your parent's wishes.** Suggest a meeting with an estate attorney if you think your parent needs to set up or update their will, health care proxy or other estate planning documents.

3. **Establish automatic bill pay where you can.** Suggest that your mom or dad set-up his or her account to receive emails when bills are due or paid so that there's a paper

trail to follow in case of confusion.

4. **Create a retirement income strategy – or document your parents' income if they're already retired – so that it's clear what their sources of income are and how they will pay for caregiving expenses.** Sources of income may include Social Security, pensions, retirement accounts, annuities or other investments, while their life, health, long-term care and disability insurance policies may provide important coverage to offset expenses. Caregiving costs can be significant, particularly if a higher level of care is needed. Take the time now to explore options and costs for in-home and facility care, and make sure you understand how your parent feels about the various options.

5. **If your parent is still fairly independent financially, remind him or her about the prevalence of money-related scams.** Demonstrate how your parent can protect themselves against fraud.

If you are concerned about your parents' memory issues, try to find some time to lay out a caregiving and financial plan of action while your parents are still able to be part of the conversation. Consulting with a financial advisor or an attorney familiar with elder law issues may help get the discussion started.

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