



# Communicating with Your Parents about Finances

**PATTI C. WOOTEN SWANSON**, Nutrition, Family, and Consumer Sciences Advisor, University of California Cooperative Extension, San Diego County; **NANCILYNNE SCHINDLER**, Staff Research Associate, University of California Cooperative Extension, San Diego County; and **THOM T. TRAN**, Staff Research Associate, University of California Cooperative Extension, San Diego County

## OVERVIEW OF THE FINANCIAL CAREGIVING SERIES

The publications in this series are based on research conducted with adult child caregivers and caregiving professionals. The series provides practical insights and strategies for adult children (and other family members or friends) who are concerned about or caring for their aging, ill, or disabled loved ones. Financial caregiving tasks are organized and prioritized for caregivers according to three possible scenarios: when there is time to plan, when you observe that some assistance may be needed, and when there is a crisis. Caregiver resources include step-by-step implementation plans, consumer checklists, worksheets, and locations for finding more information. The series contains seven publications:

1. *Introduction to Financial Caregiving and Glossary* (Publication 8379)
2. *Communicating with Your Parents about Finances* (Publication 8380)
3. *Getting Organized: Bill Paying and Record Keeping* (Publication 8381)
4. *Understanding Long-Term Care* (Publication 8382)
5. *Planning and Paying for Long-Term Care* (Publication 8383)
6. *Estate Planning* (Publication 8384)
7. *Financial Fraud and Abuse* (Publication 8385)

The information presented in the Financial Caregiving Series is for general educational purposes only and is not intended to substitute for professional advice regarding legal, tax, or financial-planning matters.

## COMMUNICATING WITH YOUR PARENTS ABOUT FINANCES

Many adult children don't know much about their parents' financial situation. They don't know if their parents have enough money to live on, what type of care they want, whether they can pay for the care they would want, or even what their parents would want if they became incapacitated and unable to make decisions for themselves.



Many people are not accustomed to talking about their finances, even with other family members. So, bringing up the subject with your parents may feel awkward or like you are prying into their personal lives. However, it is never too early to begin the discussions with them. This article will

- give you tools to begin discussing financial issues with your parents
- suggest solutions to potential sources of conflict when discussing finances
- offer communication strategies to help you facilitate discussions about financial matters with your parents and others involved in their care

### Is it Time to Talk with Your Parents?

Perhaps you are planning to visit your parents for the holidays and wonder if you and your siblings should ask Mom and Dad what financial and legal plans they have made for the future. Should you talk to them now? To help you decide, ask yourself the following questions (Atlantic Inquirer 2002):

- Are your parents living on a fixed income that requires a strict budget?
- If your father had a medical emergency, would you know who his doctor is and how to contact the doctor?
- Do your parents have enough money to cover their future medical expenses?
- How important is it to your parents to stay in their own home as long as possible?
- What is your mother's opinion about assisted living?
- Has your mother designated you or someone else to make financial decisions for her if she becomes incapacitated?
- Does your father have an advance medical directive or treatment preferences that you and his doctors should know about?
- Does each of your parents have a will? If so, where are they kept?

***"She said, 'I think I have a lot (burial lot) in Los Angeles.' That is as much as I know, and she doesn't want to talk about it. It's really hard to talk about those things with your parents. You don't want to. You don't want them to pass; you don't want to face those reality things. Well, we're going to have to come to some kind of terms..."***

—Caregiver, discussing communication challenges

If you don't know the answers to these questions, it may be time to ask your parents some questions (Atlantic Inquirer 2002). This publication aims to help you get started.

What prevents you from talking to your parents about financial matters? Maybe you are avoiding the subject out of respect for your parents' privacy, or concerns that you might upset them by talking about issues related to their possible incapacity or death. Maybe it is because of your own sadness about the potential losses that such conversations represent. Perhaps you've tried to bring up the subject of finances before and your parents assure you that they are doing fine and there is no reason to talk "now." Possibly you've raised questions about whether or not they could use some household help, how they would pay for long-term care if needed, and whether or not they have wills, but they refuse to talk about these matters.

Unfortunately, most families don't talk about these important matters until a crisis occurs. Then, they have hurried, hushed conversations in the hospital waiting room. They argue about "what Mom would want," and often end up making important health and financial decisions under emotional stress and without the time to find and consider all the alternatives.

### Benefits of Advance Planning

Planning ahead can provide peace of mind (for you and for your parents), save money, lead to more options and better choices (in housing, health care, and legal matters), prevent hurried decision-making during a crisis, avoid or reduce family conflicts later, and ease the emotional stress caused by aging, with its potential limitations and losses.

The sooner you and your parents begin planning, the more options they will have for their future. For example, given the time to plan and compare different supportive housing arrangements, your parents might choose a continuing-care retirement community (CCRC) near their present home. (A CCRC is a retirement complex offering a range of services and levels of care, including

***"The siblings are all together right now...because of the health crisis, and I suggested to my husband, to my sister-in-law, and to my mother-in-law that this would be a really good time to start discussing a little bit about who can do what and who knows something about anything and start asking questions..."***

—Caregiver, explaining how her family began the process of financial caregiving



independent living, assisted living, and a nursing home). They may prefer it over other options because they can stay in the neighborhood near their friends and be assured of lifetime health care. The CCRC may also offer other amenities that are important to your parents such as transportation to shopping sites and their place of worship, a fitness center on the premises, and planned social activities. For this option, advance planning may be essential since many CCRCs have waiting lists. Some only accept residents who are healthy and mobile. An accident that results in a parent being confined to a wheelchair could eliminate this alternative altogether. Due to the circumstances (limited mobility) they might have to choose another, less desirable (to them) living arrangement.

Decisions are more difficult if your parents haven't considered the options, or if you are not aware of their preferences regarding issues such as "spending down" to qualify for Medicaid, continuing medical treatments versus hospice care in the case of a terminal illness, and whether or not to sustain life in certain situations. The discomforts of talking about the issues (when there is still time to plan and make choices) is much less than the distress caused by failure to plan and crisis decision-making. Recognize that you may not be successful in getting your parents to do some advance planning—but the risks of not even trying to have the conversation are significant.

### Preparing to Talk with Your Parents

When you decide to talk with your parents about their financial plans, you can take steps to facilitate a positive, productive conversation. First, think about *why* you want to talk to your parents, and *what* you hope to accomplish. Second, consider what you want to discuss and even make a list of topics that you feel are important to bring up.

***"Currently, funeral and burial arrangements are not in writing but are known by myself and siblings."***

—Caregiver, expressing appreciation for knowing her parents' wishes

### Think about Your Own Motivations and Concerns

Why are you bringing up the subject *now*? Do you want your parents to plan ahead for their own financial security—or for your security so you don't have to worry about them? Either may be okay, but it helps to know what your motives are.

### Clarify What You Hope to Accomplish

Ideally, the purpose of the conversation(s) is to understand your parents' financial situation and preferences so you can help them make informed

choices. Your parents will recognize if you are there to "convince" them to take certain actions. Resistance is likely if you try to give them advice, persuade them toward a certain course of action, or take over managing their finances.

### Consider What You Want to Discuss

While you will probably not cover all the important topics in one conversation, it's a good idea to have a plan. The most important concern is making sure your parents have a variety of important documents in order and that you (or another designated person) can readily access the documents (Khalfani 1999). Over time, you should address these questions to your parents (Goetting and Schmall 2003):

- Do you have a will? If so, where is it located?
- Have you designated a durable power of attorney? If so, who is the agent and where is the legal document kept?
- Have you designated a power of attorney for health care (also called a health-care proxy), and where is the legal document located?
- Do you have a safe deposit box? If so, where is it located and where is the key? Where is the list of contents?
- Where do you keep important personal papers, such as birth and marriage certificates, dissolution of marriage documents, Social Security numbers, and military service records?
- Where do you keep your life, health, and property insurance policies?
- Have you made a list of your checking, savings, and investment accounts? What are the names, addresses, and phone numbers of the institutions that have the accounts?
- Have you made a list of the personal and real property that you own? Where is the list located?
- Who are your financial advisors and where do you keep their contact information?
- If you have a retirement program, is there a death benefit for survivors? If so, who should the survivors contact?
- Have you written a letter of last instruction? If so, where is it kept?

### Look at Matters from Your Parents' Point of View

Before approaching your parents, think about how they might view the issues and what concerns they might have. Some of the common stumbling blocks that older people face when thinking about the future



include fear of losing control of their resources (having someone else make decisions for them or “taking care” of them), fear of confronting their own mortality, fear of stirring up family conflicts, discomfort with deciding who to put in charge of their estate, and how to divide their assets after death (Edinberg 2002a). Being aware of some of these potential fears and problems ahead of time can help you facilitate conversations with minimal discomfort for your parents.

Before talking with your parents, think about how they might respond. Are they fearful about getting older? Afraid they will be left alone? Worried that you might put them in an “old folks’ home”? Concerned that they don’t have enough money to last until the end of their lives? It is possible that they will be relieved when you bring up the subject of their future plans. They might feel that they need help, but are too embarrassed to ask or don’t want to “trouble” you.

### Think about the Way Your Family Typically Communicates

Consider how your family typically communicates so you can anticipate how the conversation might unfold. Think about previous family interactions—what worked well and what did not—and figure out the best approach.

Also, think about your parents’ typical decision-making styles and consider the following questions (Work/Family Directions n.d.). Do they need a lot of information and want a chance to review all the options before taking action? Or do they like to move quickly to resolve a situation? Expect them to respond to these issues as they have done to other important decisions in the past. Do they welcome new ideas and new ways of doing things? Or is their first response to new ideas usually negative? Do they like to systematically gather information to make decisions? Or is their approach to decision-making more intuitive? Do they have a hard time making decisions? Or do they like to make decisions gradually over time?

### Recognize and Avoid Stereotypes That Might Influence Communication

Do you have stereotypes of aging that might influence or interfere with communication? Without realizing it, some adult children have outdated views of the elderly and the aging process. These include the notion that older people tend to be forgetful or even senile, that they are not as competent as

when they were younger, and that aging always leads to inflexibility. Don’t underestimate your parents’ intelligence, wisdom, or sense of self (Timmermann 2001).

### Identify Questionable Assumptions

A common assumption is that mental decline and physical illness are inevitable as one ages. An adult child caregiver with this perspective may fail to pursue aggressive medical care for an elderly parent that could alleviate or reduce cognitive problems and physical ailments and give their parents a better quality of life during their later years.

You and your parents (as well as other family members) may have outdated ideas about long-term care. Many people still hold onto the idea that everyone eventually “ends up” in a nursing home where they live until the end of life. (Not true!) If this is the case in your family, help your parents and others get accurate information about all of their long-term care options. After reading the publications in this series, you will be aware of the alternatives to nursing home care, as well as the financial resources that can be used to pay for long-term care, and the many community resources to facilitate independent living.

### Starting the Conversation

#### Choose the Time and Place

No one looks forward to talking with their parents about these matters because of the potential sadness and loss they represent. Carefully choose when and where to start the conversation. Choose a time when you *and* your parents are rested and relaxed and won’t be rushed. If possible, avoid the holidays. Choose a place where your parents feel comfortable, whether in your home, their home, or somewhere else. Ideally, choose a meeting place that offers privacy and where you are not likely to be interrupted. Generally, public places such as restaurants are not the best choice.

#### Take the Pressure Off

If you are bringing up the subject of finances with your parents for the first time, it may be easier and less stressful to think of this as the *beginning* of a conversation, rather than *the* conversation (where you have to get all the details and make all the decisions at once). Most likely, you will have opportunities to continue the conversation in the future. Changing your perspective can reduce the pressure for everyone.



### Decide on Your Approach

All families are different, and there is not a one-size-fits-all way to approach your parents about these issues. Here are several ways that you might initiate a discussion (Simon 1999).

### Be Direct

Make your parents—and their wishes—the primary focus of the discussion. Ask: “What would you like me (or the family) to do in the event of an emergency? Where do you keep your insurance identification cards and information about your hospitalization policies?” Or, “I don’t know if you have long-term care insurance.” What would you like me to do if you couldn’t return home for a while? Hopefully it will never happen, but just in case, I would like to understand your wishes and know where to find your financial records.” (Schmall, Nay, and Bowman 2005)

### Look for a Natural Opportunity to Talk

Rather than approaching the topic directly, you might bring up the subject in response to an event such as the hospitalization of a family member or friend, or when someone close to you (or your parents) becomes incapacitated or dies. You could say something like, “Did you hear that [fill in name] unexpectedly passed away? If something happened to you, I’m not sure I would know where to find your important papers.” Even a movie, television show, or news story about someone else can provide the right opening. Ask your parents, “What if you became ill and I needed to temporarily take care of your financial matters? How would you want me to handle your finances?” (Schmall et al. 2005)

### Present the Issue in the Context of Your Own Planning

Many of the financial-planning issues that your parents face are also relevant to your own financial well-being. One way to start the discussion is to (sincerely) ask for advice about your own financial planning. Say something like “I need to draw up a will. How did you make yours?”

You could invite your parents to attend a financial planning program, such as an estate-planning seminar, with you. This might provide an easy lead-in to discuss their financial plans and concerns. An added benefit of this strategy is that, as you tackle these issues yourself, you will probably be better positioned to assist and support your parents. (Be sure you choose an estate-planning seminar led by experienced, credentialed professionals.

Many advertised “seminars” are actually sales presentations, so investigate the opportunities carefully.)

### Have Realistic Expectations

Don’t expect to cover all the issues in one conversation. Instead, expect to have several conversations or possibly an on-going discussion. Also, don’t expect to make decisions about health care, housing, or estate plans “once and for all.” Instead, expect to make decisions, and then later revisit the decisions as your parents age or when their circumstances change. Don’t expect problems and decisions to be simple. They seldom are. Unless you and your parents have always seen eye-to-eye, expect some disagreements.

Finally, expect your parents to take care of their own financial responsibilities and make their own financial decisions as long as they are able. Expect them to be reluctant when they must let go. Most of us would likely feel the same way.

### Communication Strategies

The following tips may be helpful when discussing financial issues with your parents (Timmermann 2001; MetLife Mature Market Institute 2005).

### Start Discussions Early

It’s never too early to plan, but it can be too late! Don’t wait to talk with your parents. Find or make an opportunity to start the conversation before you *need* to. If you wait until one of your parents develops a serious illness, it will be much more difficult to have this kind of conversation. If one of your parents becomes incapacitated and unable to make decisions for themselves—due to a stroke that leaves them unconscious or cognitive impairment from Alzheimer’s, for example—you may have to make decisions without knowing what they would want, and even take costly, intrusive legal action to manage your parents’ financial matters. In these circumstances, families typically experience stress and grief that could have been avoided by talking to their parents ahead of time about their concerns and preferences.

### Include Other Family Members

Bring other family members into the discussions with your parents. They may have different perceptions or opinions to consider, and may offer insights or suggestions that would otherwise be overlooked. If you are concerned about conflicts among family members, consider talking with them



before talking with your parents and try to agree about what you hope to accomplish. If left out, they might undermine the plans.

If your parents are able, they should decide who to include—or exclude—from these discussions. For example, they should decide whether or not they are comfortable with their sons- and daughters-in-law present during these conversations. As more family members get involved, be careful to protect your parents' financial privacy. Some families involve everyone in the planning and decision making, and then only one designated person needs to know the specifics about accounts, assets, insurance, and other matters (Goetting and Schmall 2003).

#### Explain the Purpose of Your Conversation

To help your parents understand why you want to discuss these sensitive issues, let them know you are concerned and want to know what they prefer and what is best for them as they age.

#### Understand Your Parents' Need to Control Their Own Lives

You may be tempted to jump in and take over your parents' financial matters at the first sign of a problem. However, financial independence is extremely important, particularly among many of the World War II generation, who grew up during the Great Depression (Edinberg 2002). Avoid taking on tasks that they are capable of, such as balancing the checkbook, paying bills, and selecting a long-term care insurance policy. Recognize your parents' rights to make their own decisions. This is their life and their money (Cibuzar 2002).

At some point, you may need to balance your parents' independence with their safety, but try not to take away their sense of control over their own lives. The following attitudes and approaches may help.

- Respect your parents' opinions and desire for autonomy.
- Encourage your parents to continue their financial management and decision-making responsibilities as long as possible.

- Focus on the tasks that your parents can do, rather than what they can't do.
- Involve your parents in all financial planning and decision-making that affects them.
- Inform your parents of important decisions and actions even if you are not sure they are able to comprehend what you are telling them.
- Review financial plans and options as your parents' situation changes.

Avoid viewing your parents as helpless children. Although you are taking on responsibilities for them, your roles are not "reversed" as some assume (Edinberg 2000).

#### Agree to Disagree

While your heart may tell you that you are right and that you know how a particular financial problem should be handled, your parents may disagree with you. Avoid bullying your way through. As long as your parents are mentally competent, their wishes should be honored unless their health or safety is in question (Timmermann 2001). They have the right to take on reasonable risks and make financial mistakes (Cibuzar 2002).

#### Learn and Use Good Communication Skills

Some communication styles and techniques make conversations easier and less confrontational. Ask for your parents' ideas and listen carefully to what they say. For example, they may insist that they don't need to move to an assisted-living facility, but they might be open to having someone drive them to the bank, take them shopping, review their credit card bills, and take care of the lawn—tasks they no longer feel comfortable doing.

Rather than telling your parents what they should do, express your concerns, listen, and don't be afraid of silence. Offer opinions, not advice. Use open-ended questions that foster discussion rather than closed questions that are answered with a "yes" or "no." For example, instead of asking if your parents "want" to hire someone to assist them with some of

*"When my mother-in-law is to the end stages of Alzheimer's disease, she's still going to be my mother-in-law; she's not my child. And granted, we are caring for her, we're protective, we're looking out for her like we would a child, but she's still my mother-in-law, and that's a different process. And there's a different set of issues there than if she were really my child...I think some of the complications come in because we don't just reverse roles. Kids don't become parents and parents don't become kids."*

*—Eldercare professional, commenting on the issue of perceived "role reversal"*



their daily activities, such as meal preparation or personal hygiene, ask your parents, "How would you feel about having a part-time home health aid come several times a week to help out?" Or, "We could arrange for a personal care assistant to come to your home and help you with meals and bathing. What do you think the advantages (or disadvantages) might be of such an arrangement?"

Find out if the nonprofit agencies serving older adults in your community offer classes on effective communication. If so, consider taking a class to increase your skills and to practice the important conversations you want to have with your parents.

#### Provide Information

Your parents may need a lot of information about the legal and financial options available to them. You can play an important role by helping them find unbiased, noncommercial information and providing materials for them to read. For example, if you are talking about long-term care insurance, give your parents a brochure discussing how to choose a long-term care insurance policy, or obtain copies of several policies for them to review.

If you feel you don't have enough experience with the financial and legal issues that your parents are facing, offer to help them find a qualified professional that they can consult. Work on your own legal and financial planning to gain knowledge and experience that you can share with your parents. (Planning is important for all ages—not just the elderly.) Do you have a will and durable power of attorney? If not, you and your parents can consult an attorney about this together.

#### Re-evaluate If Things Aren't Working Well

If your conversations aren't going well, try to figure out what is going wrong. Perhaps you are not coming across the way you think you are. Or perhaps you don't have enough information. If you think your parents could use expert assistance, suggest that they talk with a third party (a geriatric care manager, a financial planner, a lawyer, or other qualified professional).

#### Treat your Parents with Respect

Your parents have lived a long time and have learned a lot during their lifetime. While old age can

be a rewarding time, it is also often a time of loss—of loved ones, of health, and of independence. Treat your parents with love and respect, and reassure them that you will be there for them as they age (Timmermann 2001).

### Family Communication

Often several family members are involved in the decision-making process with their aging parents. There may be a complex structure of caregiving relationships involving one parent who is the primary caregiver for the other, siblings and their families, grandchildren, unmarried partners, step families, as well as your parents' siblings, and even occasionally one or more of your parents' parents (*your grandparents*). Although this publication doesn't explore these broader interactions, it offers some insights and suggestions for positive communication among members of the financial caregiving family. These include

- potential sources of conflict
- practices that reduce the likelihood of conflicts
- tools to facilitate family communication and conflict management

#### Potential Sources of Conflict

Financial caregiving is filled with potential land mines that can disrupt the process and leave lasting scars in a family. Recognizing common sources of conflict may help you avoid some problems and facilitate effective problem resolution when conflicts occur. In a study of family decision making pertaining to long-term care, eight potential sources of conflict were identified, which may also be relevant to broader financial-caregiving issues (Stum 2002). These include

- differing perceptions of a problem
- role expectations about who is responsible for various caregiving tasks
- conflicting values, attitudes, or beliefs
- different decision-making styles within a family
- unresolved conflicts from the past
- failure to communicate
- miscommunication
- different opinions about suitable solutions

**Table 1** contains a list of potential sources of family conflict, with examples and possible solutions.

### Strategies to Prevent or Reduce Family Conflicts

During discussions about financial decisions and caregiving for your parents, previous family rivalries and old conflicts may surface. Here are some suggestions to prevent potential conflicts so you can stay focused on the needs of your parents.

### Keep Records of All Income and Expenditures

When someone assumes responsibility for helping their parents manage their finances, suspicions can arise among other family members. Avoid some potential problems by keeping careful records, so you can show “where all the money went” if necessary. Make it known that the “books are open” for all to review. There might be concerns about the actual costs of services, such as household help

**Table 1.** Potential sources of conflict in family financial caregiving

Source of conflict	Example	Possible solution(s)
perceptions of a problem	Mom needs some help balancing her checkbook (vs. Mom is no longer capable of managing her money).	Get a professional assessment or expert opinion from a geriatric social worker or other qualified professional.
role expectations	The oldest adult child should have the power of attorney for financial decisions (even if he or she is not a good manager).	Encourage your parents to discuss this role with the family and find out who is best suited for the responsibility in terms of skills, experience, willingness to assume the role, availability to fulfill the responsibilities, and potential conflicts of interest that might interfere.
differing values, attitudes, or beliefs	Conflict over how to pay for Mom's long-term care: Sell the family home and use the money to buy into a CCRC? Get a reverse mortgage on her home so she can stay at home and hire care? Or buy long-term care insurance and keep her at home?	Listen to your parents' priorities and opinions. Offer to help find information that will help them make informed decisions. Remember, it is their money and their decision about how to use it to meet their needs as they age.
differing decision-making styles	Dad should visit and compare all the options before deciding to move to an assisted-living facility (vs. quickly choosing the closest one to a family member).	After evaluating the choices, choose the best facility for Dad that is in close proximity to the family.
unresolved conflicts from the past	One adult child feels left out of the decision making.	Focus on what is best for Mom and Dad.
failure to communicate	Why are we spending Mom's money on “that”?	Write down all expenses and keep a log of recommendations and discussions.
miscommunication	The statement, “Dad needs your help,” can be interpreted as “you need to care for him” instead of “help him find some solutions to his needs.”	Have a meeting and write down notes and steps to be taken by different members of the family. Give each family member a copy of the notes.
suitable solutions	Mom insists on staying in her home and refuses to move to an assisted-living facility, even though she is lonely and she can't negotiate the stairs very well.	In-home personal care for 6-8 hours a day could allow Mom to remain at home and provide interpersonal contact, and perhaps even transportation to community shopping or an outing with friends. If she can afford it, Mom could add a downstairs bedroom to her house and make modifications for easier access and safety.

Source: Stum 2003.



(“I don’t even make that much an hour!”) or the need for specific goods or services. Make note of any expenditures recommended by members of the caregiving team, including doctors, attorneys, and other professionals. In some situations it might be a good idea to rotate record-keeping responsibilities (along with the related caregiving duties) among family members.

#### Keep Your Parents’ Money Separate from Your Own

As a financial caregiver there are several good reasons for keeping your parents’ money separate from your own. Comingling your funds with your parents’ money can lead to suspicions and conflict among family members. Combining your money with your parents’ could affect their finances in some unexpected ways, such as making them ineligible for Medicaid, food stamps, subsidized senior housing, or other public benefits. It could also affect tax liabilities for both of you (Schmall et al. 2005).

#### Keep a Log of Conversations and Decisions

You might find it useful to keep a log about the ongoing “conversation” with your parents. Record the nature of all discussions, who was involved, any decisions made, the basis on which decisions were made, concerns raised, and any planned or suggested follow-up. Of course, not all elements will be a part of each discussion.

#### Keeping a Log: Sample Entry

“Last night Mom and I discussed the importance of planning for the costs of long-term care. She has Medicare and was surprised to learn it won’t pay for long-term care. She has been reading about the rising costs of care and is worried she won’t have enough money to pay for the care she wants. Since she is active and healthy, we decided to look into long-term care insurance (LTCI). I will get her some information about long-term care policies and what they cover. She is going to talk to a friend who recently purchased LTCI to find out why she decided to buy it, and how she decided which policy to buy. The next step will be to find out if she qualifies for LTCI and how much it costs. In the meantime, Mark (my brother) will go on the Internet to find out exactly what long-term care expenses are covered by Medicare. The three of us will meet for coffee on Friday to discuss what we find out and help Mom decide whether or not to buy long-term care insurance.”

#### Keep Everyone Informed

You can potentially reduce your workload and the stress of caregiving by keeping everyone informed and up to date about your parents’ needs, concerns, questions, options, and decisions. While you may prefer face-to-face personal conversations, this may be difficult or impossible, particularly if some siblings live at a distance from their parents and each other.

There are several technologies (besides e-mail) that can facilitate virtual meetings. The easiest is a conference call. Arrange this through your long-distance provider. The advantage of a conference call over individual telephone conversations is that all family members can talk together at one time, so everyone gets the same information at the same time and can hear others’ concerns firsthand. It is also an efficient way to share information.

Another possibility is to use the Web to communicate. You or someone in your family may know how to put up a private Web site so that you can discuss financial caregiving issues. If you don’t have the technical expertise, there are companies that will build a Web site for you. You can post information for everyone to read, such as a letter from an attorney about the disposition of a piece of real estate your parents own, or a copy of the contract for a continuing-care retirement community (CCRC) that your parents are considering. Of course, you can also download photos of the grandchildren for their grandparents, too.

#### WHERE TO BEGIN

##### When There Is Time to Plan

- Look for natural opportunities to initiate a discussion with your parents about their financial situation and any future plans they have made.
- Learn about the aging process to provide a context for planning and decision making.
- Find out where your parents keep their financial records and documents.
- Talk with them about the importance of preparing or updating their wills and preparing advance directives.
- Invite them to join you in learning more about estate planning through reading, discussions, seminars, or community classes.



## When You See Signs That Some Assistance May Be Needed

- If you have not already done so, initiate a discussion with your parents about their plans and preferences for the future.
- Be aware of indicators that they may need assistance with specific financial tasks such as bill-paying, or any signs of financial fraud or abuse.
- Assure your parents that you don't want to take over their financial management and decision making, but desire to "partner" with them if they need assistance.
- If appropriate, offer assistance or help them find professionals who can assist them.
- Help your parents implement solutions that allow them to retain control over as much of their financial situation as possible for as long as possible.
- Encourage them to put all their financial records and documents together in one location. Offer to help them get organized.
- Identify and get to know financial advisors who can assist them now or in the future.
- If they do not have wills and advance directives, talk with them about the importance of these tools which allow them to remain in control of their lives and possessions. Strongly encourage them to take action on these matters.
- Respect your parents' feelings and rights to make their own decisions.
- Help your parents estimate the potential costs of long-term care and evaluate resources they have available to pay for care.
- Become familiar with the range of supportive services in your parents' community and find out who to contact for information or assistance.

## When There Is a Crisis

- Get a professional assessment of your parents' situation and care needs.
- Locate and, if necessary, organize your parents' records.
- Review the details of their health insurance, including Medicare and Medicaid if they are eligible.
- If your parents are mentally competent, involve them in all financial decisions and respect their wishes unless their safety is an issue.
- If your parents are able, arrange for them to legally write or update their wills and appoint durable powers of attorney.
- Talk with your parents about the importance of advance directives for health care and urge them to make decisions, complete the appropriate paperwork, and let at least one family member or trusted friend know their wishes and where to find the paperwork.
- Contact financial advisors that your parents have worked with in the past to ask their advice about the best way to proceed and how the advisor can assist with next steps.
- If at all possible, visit an assisted-living facility or nursing home to assess its appropriateness *before* signing a contract.
- If your parents anticipate qualifying for Medicaid in the future, choose a Medicaid-certified facility so your parents won't have to move when they use up their personal assets and start receiving Medicaid.

---

## RESOURCES FOR COMMUNICATING WITH YOUR PARENTS ABOUT FINANCES

### Family Dynamics

Eldercare Online (<http://www.ec-online.net>). Select the "I, Caregiver" link (on the home page) to find articles on family dynamics. These include

- "Talking with Aging Parents about Finances"
- "Using Family Meetings to Resolve Eldercare Issues"
- "Promises, Promises (Avoiding Potentially Damaging Promises to your Parents)"
- "The 11<sup>th</sup> Commandment: Thou Shalt Not Parent Thy Parent"
- "The Do's and Don'ts for Communicating with Aging Parents"



## Guidance for Specific Conversations

Conversations about Financing Long-Term Care: University of Minnesota Extension Web site, [www.financinglongtermcare.umn.edu](http://www.financinglongtermcare.umn.edu).

Conversations about Inheritance: University of Minnesota Extension Web site, [www.yellowpieplate.umn.edu/indexB.html](http://www.yellowpieplate.umn.edu/indexB.html). (See "Free Articles.")

Talking about Independent Living: EKU Human Resources Web site, <http://www.hr.eku.edu/wellness/docs/aarp/Independent%20Living.pdf>.

Talking to Dad's Doc: AgeNet.com Web site, [www.agenet.com/link.asp?DOC/12116](http://www.agenet.com/link.asp?DOC/12116).

Talking with Aging Parents about Finances: Montana State University Extension Web site, <http://msuextension.org/publications/FamilyFinancialManagement/MT199324HR.pdf>.

Talking with Your Parents about Estate Planning: 6 Tips for Breaking the Ice: AARP.org Web Site, <http://www.aarp.org/community/search.bt?query=Tips+for+Breaking+the+Ice&x=55&y=13>.

## Understanding Our Parents

*Another Country: Navigating the Emotional Terrain of Our Elders.* M. Pipher. New York: Riverhead Books, 1999.

## REFERENCES

- Anonymous. 2002. Caring for the financial health of aging parents: CCCS offers tips for broaching a sensitive topic. *The Atlanta Inquirer* (Atlanta, GA), May 11.
- Cibuzar, L. 2002. Some tips for talking about money. *Keeping in touch: News for family caregivers*. St. Paul, MN: DARTS.
- Edinberg, M. 2002a. Talking with aging parents about finances. *ElderCare Online* Web site, <http://www.ec-online.net/knowledge/Articles/finances.html>.
- . 2000b. The 11th commandment. *ElderCare Online* Web site, <http://www.ec-online.net/Knowledge/articles/11thcommandment.html>.
- Goetting, M., and V. Schmall. 2003. Talking with aging parents about finances. Montana State University Extension Web site, <http://msuextension.org/publications/FamilyFinancialManagement/MT199324HR.pdf>.
- Khalfani, L. 1999. Protecting your parent's finances. *Black Enterprise* (June): 29, 293–294.
- MetLife Mature Market Institute. 2005. Ten tips for talking to your aging parents. MetLife Web site, <http://www.metlife.com/Talking to your aging parents>.
- Schmall, V., T. Nay, and S. Bowman. 2005. Helping older family members handle finances. Corvallis: Oregon State University. Pacific Northwest Cooperative Extension Publication 344.
- Simon, R. 1999. In the end—speaking the unspeakable: A guide to helping parents and children discuss the inevitable. *The Wall Street Journal*: 26.
- Stum, M. 2003. Long-term care and family decision making: Potential sources of conflict. University of Minnesota Extension Web site, <http://www.financinglongtermcare.umn.edu>.
- Timmermann, S. 2001. The changing needs of your aging parents: Have you talked to mom and dad lately? *Journal of Financial Service Professionals* 55(5):3.
- Work/Family Directions. N.d. Helping an older relative who's reluctant to be helped. Boston, MA: Work/Family Directions.

## ACKNOWLEDGMENTS

This series was developed in part by gifts from the Dr. Zoe Anderson Stout Scholarship Fund and the California Association of Family and Consumer Science-San Diego District Scholarship Fund.

### FOR FURTHER INFORMATION

To order or obtain ANR publications and other products, visit the ANR Communication Services online catalog at <http://anrcatalog.ucdavis.edu> or phone 1-800-994-8849. You can also place orders by mail or FAX, or request a printed catalog of our products from

University of California  
Agriculture and Natural Resources  
Communication Services  
6701 San Pablo Avenue, 2nd Floor  
Oakland, California 94608-1239  
Telephone 1-800-994-8849  
510-642-2431  
FAX 510-643-5470  
E-mail: [danrcs@ucdavis.edu](mailto:danrcs@ucdavis.edu)

©2009 The Regents of the University of California  
Agriculture and Natural Resources  
All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the written permission of the publisher and the authors.

#### Publication 8380

ISBN-13: 978-1-60107-652-6

The University of California prohibits discrimination or harassment of any person on the basis of race, color, national origin, religion, sex, gender identity, pregnancy (including childbirth, and medical conditions related to pregnancy or childbirth), physical or mental disability, medical condition (cancer-related or genetic characteristics), ancestry, marital status, age, sexual orientation, citizenship, or service in the uniformed services (as defined by the Uniformed Services Employment and Reemployment Rights Act of 1994: service in the uniformed services includes membership, application for membership, performance of service, application for service, or obligation for service in the uniformed services) in any of its programs or activities.

University policy also prohibits reprisal or retaliation against any person in any of its programs or activities for making a complaint of discrimination or sexual harassment or for using or participating in the investigation or resolution process of any such complaint.

University policy is intended to be consistent with the provisions of applicable State and Federal laws.

Inquiries regarding the University's nondiscrimination policies may be directed to the Affirmative Action/Equal Opportunity Director, University of California, Agriculture and Natural Resources, 1111 Franklin Street, 6th Floor, Oakland, CA 94607, (510) 987-0096. **For information about ordering this publication, telephone 1-800-994-8849. For assistance in downloading this publication, telephone 530-754-3927.**

To simplify information, trade names of products have been used. No endorsement of named or illustrated products is intended, nor is criticism implied of similar products that are not mentioned or illustrated.

An electronic copy of this publication can be found at the ANR Communication Services catalog Web site, <http://anrcatalog.ucdavis.edu>.



This publication has been anonymously peer reviewed for technical accuracy by University of California scientists and other qualified professionals. This review process was managed by the ANR Associate Editor for Human and Community Development.

web-12/09-LR/CR