

# ***The “Daily Plan-It™”***

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## ***Helping Clients Assume Control of Their Aging Parents’ Finances***

Convincing senior parents to turn over management of their bank accounts can be more challenging than taking away their car keys.

After all, Mom and Dad have been role models on the importance of saving money and investing.

Their repeated advice: Pay your bills as soon as they arrive, but check them for accuracy. Anything left over after you pay your living expenses goes into savings accounts or conservative investments.

### **Bounced Checks, Spendthrift Behavior**

But now, a client reports seeing some serious red flags in their parents’ fiscal behavior. They don’t seem to be living up to their own sage advice.

The “every penny counts” mother mentions bounced checks and overdraft fees. Her electricity was shut off because she forgot to pay the bill for two months. A review of her checkbook shows that she mistakenly paid the same insurance bill twice.

The historically frugal father has uncharacteristically paid \$2,500 to sweepstakes entries over the last year and written six \$100 checks to a TV evangelist – the one recently arrested for fraud.

It’s scary for clients with parents who might make a devastating financial move and lose everything.

### **Start With a Compromise**

If your client’s parents are reluctant to cede control, suggest starting with the “unofficial” role of financial monitor. The first step is to set up online account monitoring.

Gradually, the adult child (your client) can move into the more official role of money manager as a parent gets comfortable with sharing control.

A more formal step is to enlist the help of an estate planning attorney to draft a Durable Financial Power of Attorney. This legal document allows a loved one to handle a person’s finances when he or she no longer can. It can be written to go into effect immediately or upon a doctor’s certification that the parent is incapacitated.

## **Options for Outside Help**

Another solution for some families is to hire a licensed and bonded private fiduciary to pay the bills.

There is also a growing body of professionals who help seniors without any family available to help, or whose loved ones are overwhelmed by the prospect of dealing with a senior’s financial problems.

Most large cities have a Council On Aging. They have bonded representatives who visit the elderly at home and are able to assist in financial matters.

There are a variety of strategies in handling a senior parent’s finances. If you have ideas or previous experiences, pass them along to us and we’ll compile them with others and write about them in an upcoming article.

As always, I hope this article has helped you and your clients. If you have a specific case or concern, please contact our office.



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