SHARPEN THE SAW

FINANCIAL QUAGMIRES AND AGING PARENTS

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My clients as well as yours are mostly those in their 50s and 60s. Many of them–up to 28%, according to research–are still caring for aging parents (and many will care for a spouse, who could have been the financial overseer of the family). The lament I hear is, "I have no idea if my parents have the resources to take care of themselves as they age!" Or, "I have never managed our finances, let alone know where they are all invested; my spouse did all that before his death."

Sometimes it is, "I suspect my parents might be taken advantage of by their housekeeper, my sister, or scam artists."

Either the parent will not share financial information with them or they are fearful the adult children will take control from them before they are ready to share it. Most of us get a little nervous about trusting someone else to take control over all that we have accumulated for our "later years." It is often our security as well as a symbol of our life's accomplishments.

It is interesting that so many older adults, even those who are bright, get caught up in scams where they trusted when they should not have, and then don't trust skilled financial advisors or their adult children. The number one perpetrator in financial abuse of elders is family members, so some caution should be taken when choosing someone to manage your resources when you can't.

Recently, I was interviewed for a leading consumer magazine about taking control of your parents' finances and was asked the question of when and how to step in.

Sometimes a parent asks for help directly. My own mother, at about age 82, asked that I be on her quarterly calls with her financial planner to talk about her needs for cash or changes to her portfolio. This proved to keep her in quasi-control and to keep track of what she needed cash for: mostly home maintenance issues. However, many of you might find it more challenging.

Linda Fodrini-Johnson is a licensed family therapist and a certified professional care manager who founded Eldercare Services in 1989 – the first full service professional care management and home care company in the East Bay. She has been guiding, coaching, and counseling families in the Bay Area for over 30 years. Linda served as president of the National Association of Professional Geriatric Care Managers (NAPGCM) and is still an active member.

Here are five red flags for knowing when it is time to step in:

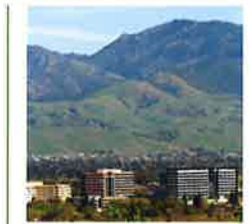
1. You see clutter start to accumulate or notice bills piling up. "Shut-off" notices from utility companies are a very blatant alert.
2. You hear your parents complaining about the cost of medications and you believe they have insurance to cover most of these costs. It could be they have not paid their policy or they have not submitted information to the correct parties.
3. An individual, like a paid caregiver or family member, moves in with your parents, and they come up with excuses for you not to visit; they start to isolate the elder from family. Families should only use caregivers from agencies accredited by The Joint Commission as they adhere to strict standards.
4. You suspect the elder might have dementia: either their memory is failing or they are just not thinking logically or sequentially. About 50% of those over 85 have dementia such as Alzheimer's disease.
5. Your parent shares with you information about them giving a loan to a family member or friend, when you believe they will need those funds for their own care and well-being.

As a therapist and certified professional care manager, I believe that giving up the control of one's finances is a greater loss for some than giving up driving. When you are no longer in charge of your resources, there is either heightened anxiety or, in my mother's case, less anxiety. She knew she could trust me and that I would take care of her if anything happened to her assets.

Below are eight ways to step in that could make a difference in your success!

1. Start by stating that you are thinking about who would make decisions for your own life and you want to be sure you know their wishes, values, and who has the powers (legal tools) to assume these types of responsibilities. This could start a dialogue.
2. Talk to your family members about entitlements. Help them research the www.benefitscheckup.org website. It is a great way to find resources and to gather information at the same time.
3. If your parents have not renewed or updated their trusts and legal tools, you might suggest they do so since some things have changed with trusts and end of life tools, such as the Physician Orders for Life-Sustaining Treatment (POLST) form, which will change again in April 2014.
4. Start slow, maybe by just assisting with reconciling bank statements. This is a good time to see if there are unusual expenses or large amounts being taken from accounts.
5. Sometimes, by stating that tax laws change and that you can assist with gathering information, the two of you can work together on bill paying once a month.
6. As the "overseer" of finances or health care, you should have a consultation with a professional care manager in the beginning of your journey. This consultation can equip you with all the options and costs for care, as well as all the local resources you won't find on a government website. It will also help with the emotional issues of loss of control, anger, grief, or guilt that can befall a family or elder during life transitions.
7. Every family should have three professionals to consult in managing the life (assets) of another: an elder law or estate planning attorney, a financial planner, and a professional care manager who is certified and a member of the National Association of Professional Geriatric Care Managers (NAPGCM, www.caremanager.org).
8. Those who don't have a family member to manage their assets should be referred to a bank trust or a professional licensed fiduciary. These professionals can also be a Durable Power of Attorney (DPOA) for health care, so a good match is essential.

This is a delicate subject matter that needs respect and concern, not a take control approach. Include the elder as much as possible in decisions; handle with care and show respect to help reduce anxiety. Timing is everything when you want to talk to your parents or aging family members about their financial resources. Don't do this at the Thanksgiving gathering, though. Do set a specific time to talk about securing their future based on their values for the "what ifs" of a longer life.



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