

dealing with aging parents

**PERSONAL
FINANCE**



You need to talk to your adult parents about their plans

Whether it has happened already or not, you will eventually switch roles with your parents. They will look to you for guidance. They will look to you for care. And they may even look to you to help them financially. This is inevitable in one way, shape or form. And to be fair, it can be a bit emotional. This emotional process can have a serious impact on your financial life.

No one really knows how to retire, including your parents. Most people have never done it before, so when the time comes to retire (when it comes time to give up your earned income), many mistakes can be made. People often retire too early, with too many expenses and without a health care plan in place. But what do you care? You're in your 20s, 30s or 40s, so you have your own things going on. You are getting married, having kids, building careers, etc. All you generally know about your parents' financial situation is that it's probably better than yours. And THIS is where the trouble begins.



We are relative thinkers

We hold ourselves in certain regard, and anyone who seems to be in a better spot than us, we hold in high regard. It's kind of odd, but that's what we do. If someone is relatively more successful than us, then we generally remove the "relatively" and simply call him or her financially successful. This most often occurs with our parents. They generally have more stable jobs, bigger 401(k)s and they don't have the same material expenses that the typical young American family has. All this adds up to assuming that our parents will be fine when it comes to retirement. That's a mistake.

At first, it seems like none of your business. But it is. Well, it will be. You will most likely be dealing with their estate when they pass away. You will liquidate their assets, pay their debts and keep the remainder. This process is difficult no matter how much money they have. If your parents are adequately prepared, it's challenging. And if your parents aren't adequately prepared, then it's REALLY, REALLY, REALLY challenging. The sooner you have a conversation with your parents about their retirement and estate plans, the less the situation will challenge you. Remember, it's still going to be challenging.



So how exactly are you to say “hey Pops, I want to make sure everything’s cool when you die?” It’s not as cut and dry as death. You actually want to make sure everything is cool if they live. That’s the whole point. They need planning. They need retirement planning, long-term care planning and estate planning. These are things you generally don’t think about on a daily basis. The best way to bring it up is with a casual “hey, can you walk me through your retirement plans so that I know what my job is?” That will inevitably raise a “huh?” That “huh?” is a good thing. It gives you a chance to say something like this:

“I’ve been doing a lot of reading on financial stuff recently. I read this article the other day about your parents’ retirement and estate plans. It said that I should know what’s going on so that I can step up when necessary.”

Make sure that your parent knows how important it is to you to help them. You aren’t doing their planning; you are simply trying to find out what their plans are. And if they don’t have any plans, then badger them until they get it done. It’s at this point in time when you realize you have officially switched roles with your parents.



Get your homework done. Clean your room. Take out the trash. **Get your retirement, long-term care and estate planning done** so that you don't leave the entire family hanging.



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