

HELPING AN AGING PARENT WITH THEIR FINANCES

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Savvy Living



Can you offer any tips on helping an elderly parent with their finances? My 82-year-old mother is having some trouble keeping up with her bills. What can I do?

Millions of adult children today serve as financial helpers to their elderly or ill parents or other loved ones. They provide services like paying bills, handling deposits and investments, filing insurance claims, preparing taxes and more. Here are some tips and resources that can help you help your mom.

HAVE A TALK

Taking on some or all of the financial responsibility of an elderly parent or other loved one can sometimes be awkward and difficult.

The first step in helping your mom is to have a thoughtful and respectful talk with her, expressing your concerns and offering your help in simplifying her financial life. If you have siblings, it can be a good idea to get them involved too. This can help you head off any possible hard feelings, plus, with others involved, your mom will know everyone is concerned.

GET ORGANIZED

If your mom is willing to let you help manage her financial affairs your first order of business is to get organized by making a list of her financial accounts and locating her important legal documents. This will help you get a handle on her overall financial situation and let you know if any key documents are missing. Your list should include her:

- Monthly Bills: Phone, cable, water and trash, gas, electric, credit card accounts, etc.
- Financial Accounts: Including bank accounts, brokerage and mutual fund accounts, safe-deposit boxes and any other financial assets.
- Company Benefits: Retirement plans, pensions or health benefits from a current or former employer.
- Insurance Policies: Life, home, auto, long-term care, Medicare, etc.
- Important Legal Documents: A will, advanced medical directive (that includes a living will and health-care proxy) and durable power of attorney that gives one or more people the legal authority to handle your mom's finances if she becomes incapacitated. Make sure these documents are prepared.
- Taxes: Copies of your mom's income tax returns over the past few years.
- Contact List: Names and phone numbers of key contacts like insurance agents, a financial advisor, a tax preparer, the family attorney, etc.

SEEK ADVICE

If your mom has considerable assets or a complex financial situation, you and your mom should sit down with her financial advisor or attorney to review her situation. If she doesn't have anyone, consider hiring a reputable fee-only financial planner who can help you figure things out and put a smart plan in place. Fee-only planners do not earn commissions by selling you financial products. They charge only for their services, which can be around \$150 to \$300 an hour. To locate one in your area, visit napfa.org or garrettplanningnetwork.com.

SIMPLIFY FINANCIAL TASKS

One of the easiest ways to simplify your mom's monthly financial chores is to set up automatic payments for her utilities and other routine bills and arrange for direct deposit of her income sources. You can also make arrangements to have her bank statements mailed directly to you so that you can monitor what's coming in and going out each month. Alternatively, you could set up your mom's online banking service (if available) so that you can pay bills and monitor her account anytime.

For more tips on financial caregiving, the Consumer Financial Protection Bureau offers four guides on "Managing Someone Else's Money" that you can read online at consumerfinance.gov/blog/managing-someone-elses-money.

If you need some help or live far away, you may want to consider hiring a daily money manager (aadmm.com, 877-326-5991) who can come in once or twice a month to pay bills, make deposits, decipher health insurance statements and balance her checkbook. Costs range between \$50 and \$150 per hour.

Savvy Living is written by Jim Miller, a regular contributor to the *NBC Today Show* and author of "The Savvy Living" book. Any links in this article are offered as a service and there is no endorsement of any product. These articles are offered as a helpful and informative service to our friends and may not always reflect this organization's official position on some topics. Jim invites you to send your senior questions to: Savvy Living, P.O. Box 5443, Norman, OK 73070.