

A banner image featuring a close-up of a desk with a calculator, a pair of glasses, and several US dollar bills and coins scattered around. The text 'Financial Planning Life Stages' is overlaid in white on the left side.

# Financial Planning Life Stages



## Six Steps Toward Helping Aging Parents

Most of us know that on average, people are living longer. In 2010, there were more than 40 million people over the age of 65 in the United States, an increase of more than 15% since 2000. One consequence of living a long time is that a number of elderly individuals experience a physical or mental health decline as they approach their later years. Close to 15% of people age 71 and older in the United States have dementia. By 2050, the Alzheimer's Association estimates that up to 16 million will have Alzheimer's disease.

### MENTAL HEALTH DECLINE

While mental decline may happen gradually and be difficult to identify initially, the inability to understand money is one of the early signs of Alzheimer's. Sometimes, before the mental decline is identified, catastrophic financial events have already occurred and it is difficult to recover, leading to unfortunate lifestyle consequences. These times can be very stressful for the elderly as well as their family as they try to sort out what went wrong and get things back on track. There are some simple steps that you and your family can take to prepare for the possibility of mental decline.

#### 1. *Stay in contact.*

Keep in contact with your elderly loved one. If you live out of town, establish a time to talk regularly. Be attuned to items such as changes in personality, memory issues, or caregivers or other people in their lives who appear to be acting inappropriately.

#### 2. *Offer to help with their finances.*

Some individuals are more willing to share details about their financial situation while others are very private. Offer to assist with financial matters, but be prepared to be rejected. Keep in mind that not all assistance that you might provide requires full disclosure of your parent's entire financial situation.



**BENJAMIN F. EDWARDS & CO.**  
INVESTMENTS *for* GENERATIONS

One North Brentwood Boulevard, Suite 850 | St. Louis, Missouri 63105 | 314-726-1600 | [@GrowWithBFEC](#) | [benjaminfedwards.com](#)

Member SIPC

They can still keep certain matters private. There are many levels of assistance, from helping with mail and bill paying to assisting with investment decisions.

**3. *Get the right documents in place.***

There are certain documents that assist in management of finances during times of mental incapacity. One such document is a durable power of attorney. A durable power of attorney is a document where you name another person or persons to act on your behalf in the event of certain circumstances, such as your incapacity. This document allows your agent to act on financial, legal and administrative matters if you are unable to make these decisions for yourself. If your parent has a revocable trust where they are the trustee, make sure they have named a successor trustee who can continue to manage their investment and financial affairs for assets held in the trust in the event of their incapacity.

**4. *Meet your parents' advisors.***

It is useful to establish a relationship with your parent's advisors like their CPA, attorney or financial advisor. If you live out of town, you may want to suggest meeting with them when you are home for a holiday. If your loved one wants you to attend meetings regularly, you can help take notes and ask questions. At a minimum, you should know who their advisors are and where to find important documents.

**5. *Explore whether it makes sense to simplify their finances.***

After a lifetime of changing jobs and moving, many of us have accumulated a number of investment, retirement and checking accounts at various places. This can create confusion and extra work, especially as we get older. By consolidating and limiting the number of accounts, your loved one will receive less correspondence and be able to more easily monitor their finances.

**6. *Encourage your elderly loved one to regularly see their doctor.***

Most doctors are trained to identify signs of mental decline. By encouraging regular doctor appointments, you have another set of eyes to help ensure that your elderly loved one is getting the appropriate level of care.

While having these discussions can be awkward, remember that the discomfort multiplies exponentially when you are trying to do this after a mental decline has been identified. Taking the time to review these steps and establish a plan ahead of time will pay great dividends in the long run.