



## Worried About Your Parents?– Want to Have “The Conversation?”

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**Introduction:** At some point in time, the roles reverse and the child starts worrying about the parent. Since my wife's and my parents are gone, I guess we have completed that journey. Now, sooner or later, my children will start on that journey with us. And that got me to wondering just how does one open that conversation with one's parents? It certainly isn't an easy thing. And what should the children be worried about? [\[Back to Top of Article\]](#)

**What Do You Want to Accomplish:** It starts with finances and it ends there. Basically, can they afford to continue to live in their present lifestyle? That means healthy or ill, is there money or insurance there to take care of them? [\[Back to Top of Article\]](#)

**Getting it Started:** Oftentimes, the parent will indicate that they want to discuss this subject. In my case, my mother-in-law mentioned that she didn't have enough to do what she wanted. Of course, I'm an attorney so maybe that invited her inquiry. But if your parent brings up the fact of large bills (maybe medical or otherwise), investment losses, or wonders aloud how he will pay for the new car, this can be an invitation. Don't miss it! [\[Back to Top of Article\]](#)

But even if no invitation is made, you can inquire whether your parent suffered any investment losses in the recent recession or whether he has thought about how he will replace the car. That should get things going. [\[Back to Top of Article\]](#)

**Living Expenses:** You want to make sure that with social security, retirement pensions, and investment income there is enough to handle the monthly living expenses. And don't forget that sometimes some things need to be replaced (car, appliances, etc). So include the replacement cost of these things in the living expenses (cost to purchase new/useful life). If there isn't, and mom or dad is drawing out from principal to make ends meet, this is a potential warning sign. It might be alright, but it might not. And if you are not equipped to analyze this, you are probably going to need a financial planner to help.



One further thing I learned is that you can't just go through the checking account register to see where the money is going. You must also go over the monthly credit card statements. It is amazing what you can find. With my mother in law I discovered that she was paying several hundred dollars a year to a charity on an automatic basis. Further, she had purchased an extended warranty on her car. Every month there was a charge on her credit card statement for this. While I may not be a fan of these warranties, others are. But in her case, the manufacturer's warranty had several years to run when she purchased the car. The extended warranty kicked in several months after she sold the car. Apparently a salesman had called her a week after her purchase (she had turned down this option at the time of purchase) and convinced her to buy it. So, all in all, there was an approximate 20% reduction in her monthly income based on these two items. [\[Back to Top of Article\]](#)

**Health Insurance:** You want to determine whether your parent has enough (or maybe too much) health insurance. Remember, it is not free. The monthly premium on these policies is being paid out of savings or reducing the amount of the pension payment. If there is too much insurance, then the money your parent has to use is being wasted. If not enough, then your parent probably needs to purchase some type of Medi-Care Supplement policy. In my parent's case, they had way too much. But before we made the decision to cancel a few policies, we requested the aid of a health insurance agent. [\[Back to Top of Article\]](#)

**Long Term Care:** There is insurance for this. It covers such things as Skilled Nursing Facility, Assisted Living Facility, and In Home Care. Is any such insurance in force? Can your parent purchase any at a reasonable price? Sometimes this insurance is available through organizations to which your parent belongs. But keep in mind, this is complex stuff. I have a background in financial planning and insurance and have a reasonable understanding of this type of insurance. When I tried to analyze what was available to me through my trade groups, I was overwhelmed. So I bit the bullet, called in an insurance agent who handles this product and let him break it all down for me. Yes, I probably paid more for what I bought than if I had simply purchased the policy being offered by my trade group, but I know that I obtained the right policy and options for me. That would not have been the case had I bought through my trade group.

If no such insurance exists or can be purchased, then you need to consider whether your parent will be eligible for the Veterans Aid & Attendance Non Service Connected Disability Pension (Surviving Spouses are also eligible) or Medi-Cal. And even though they may not need long term care now, they need to be able to qualify in the future, if necessary. This means that their estate planning documents have to enable this capability. This is a service that we provide constantly, so feel free to call us. [\[Back to Top of Article\]](#)

**Estate Planning:** Does your parent have a Will, a Trust, or a Power of Attorney? Is it up to date? When was it last reviewed? These are all valid and important questions and can save your parent's loved ones (i.e. you) 10's of thousands, maybe even 100's of thousands of dollars. [\[Back to Top of Article\]](#)

**How to Handle It:** My suggestion is that you make it a team effort. Remember, most people don't want to give up control if they can help it. If they feel you are taking over before they are ready, that will probably doom the entire project. You are concerned about your parent and want them to be happy and comfortable. And to accomplish that, you and your parent need to get a handle on the financial data and, maybe, have it looked at by some experts.



## About Living Trusts

San Diego estate planning, wills, trusts, probate, elder law attorney, lawyer Merwyn Miller  
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For example, when I discovered the money that was going out by the automatic credit card charges, I did not get upset, at least not when my mother in law was around. So don't you, either. Just discuss the issue with your parent and ask them what they think about it. Most of the time they are going to come to a very rational decision. [\[Back to Top of Article\]](#)

**Other Resources:** The University of California has a pamphlet on this subject that you may want to review. Communicating with Your Parents about Finances Or just do a Google search on the topic. [\[Back to Top of Article\]](#)

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