



Family Conversations

Talking with your adult children about your future can benefit the whole family.

KEY POINTS

- Create an agenda to help you stay on track during discussions.
- Topics like long-term care and powers of attorney should be a part of your conversations.
- Also, review your financial information and discuss important decisions.

As you prepare for the later years of your life, you may want to involve your grown children in the conversation, since your plans can have an impact on their future as well as yours. “There are so many financial decisions that need to be made in retirement and so much information to handle,” says Stuart Ritter, CFP®, a senior financial planner with T. Rowe Price. “It’s a good idea for parents to discuss these matters openly with their adult children before any needs arise.”

GETTING STARTED

Consider the following suggestions for beginning this discussion with your children:

- **Speak in person**, at times of low stress, preferably while you’re healthy.
- **Lead the discussion.** Provide them with only as much information as you feel comfortable sharing, and find out how involved they’d like to be. Explain that they may be able to help you make your retirement planning decisions, while respecting your right to accept or decline their ideas.
- **Consider addressing your living arrangements.** Tell them how long you plan to live in your current home and what you are considering doing about housing if your situation changes.

SETTING AN AGENDA

Covering these subjects can help you stay on track as you talk with your family:

- **The location of important documents**, including lists of financial providers and



“We all sat down, had a meeting, went over my parents’ will and accounts—it felt good to know and gave us a sense of peace.”

— T. ROWE PRICE
RESEARCH PARTICIPANT*

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doctors. Compile documents, names, phone numbers, and addresses in a binder or on your computer. Keep them in a safe place, and let your children know how to access the information.

- **Your will and/or trusts.** Make sure you have an up-to-date will and that you've reviewed it within the last several years to accommodate any changes in your family or your wishes. If you have any trusts, determine whether they still meet your needs by talking with an attorney.
- **Durable powers of attorney.** These documents enable you to give a specified person the authority to make decisions on your behalf if you're incapacitated. You and your spouse each should have one for both finances and health care. It's often a good idea to add powers of attorney to your investment accounts as well.
- **Long-term care arrangements.** Long-term adult day or nursing care can be expensive: upward of \$200 per day and considerably more in many parts of the country. If you don't have long-term care insurance and you're already in your late 60s or older, discuss what role your children might play if such care is ever needed.
- **Financial information and decisions.** Review your financial situation with your children to be sure you haven't missed strategies that could save you money or maximize your income. For example, you may benefit from waiting to start Social Security benefits.

69%
of parents have some reluctance about discussing financial matters with their grown children.*

It's important to remember that you don't have to solve everything or share the information all at once. "The conversations may be very new and different for all of you—both financially and emotionally," says Ritter. "Taking the time for an honest and open dialogue ultimately will provide everyone with greater peace of mind." ■

Tips for Adult Children

Taking these steps can make a difference as your parents get older.



- **Increase your emergency fund.** Having more money available can help in the near term if you need to travel or take time from work to help your parents.



- **Consider the roles your siblings could play.** Brothers and sisters who live near your parents could drive them to doctors' offices or assist with chores, while a sibling who lives farther away might handle monthly bill paying.



- **Talk with your parents.** While you don't need to know account details, be sure your parents have a solid estate plan, including wills, trusts, and beneficiary designations.

*2017 T. Rowe Price research included 50 individuals.

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