

Help parents organize their finances



Wealth
Management

If you have elderly parents, you may, at some point, need to step in and help them get their financial house in order—so you'll want to be prepared.

Of course, the extent of your involvement will depend a great deal on the physical and mental health of your parents. Many people will age without losing the ability to manage their financial affairs; however, you can't dismiss the possibility that some type of medical condition may limit your parents over time.

Since you can't predict what the future will bring, you should be ready for any possibility. Here is how you can begin to take action now:

Communicate with your parents

Talking to your parents about their financial situation, their needs and their wishes is important, and the sooner you open the lines of communication, the easier it will be when the time comes to transition responsibilities.

Review their finances

Once you have the information you need, document their income, assets, expenses and debts to ensure their finances are in order when the time comes to transition responsibilities.

Get help

If your parents use trusted advisors, you may be able to rely on them for a great deal of help, should

you need to get involved in your parents' affairs. But you also may need to rely on other professionals, such as a geriatric care manager who can evaluate your parents' situation and suggest options.

Apply for tax benefits

If you provide some financial support for your parents, you may be able to receive some tax benefits, such as a dependent care credit and an exemption for your parents as dependents. If you have a dependent care account at work, you can put pretax dollars into it and use the money to pay for some costs associated with caring for your parents.

Review your own financial situation

If you're a member of the "sandwich generation," you may still be paying the expenses of growing children—including college costs—while possibly providing some financial support for your parents. At the same time, you need to be saving and investing for your own retirement. Consequently, you'll need to review your overall financial picture to see what moves you may need to make.

Leverage Family Inventory

As you help your parents organize their finances, you may find it useful to use the Family Inventory that we've developed. In this easy-to-use document, you'll find space to enter a wide variety of financial information pertaining to your parents, including the following:

- Financial assets (mutual funds, stocks, bonds, collectibles, etc.)
- Name of insurance companies
- Name of financial and tax professionals
- Bank location
- Checking and savings account numbers
- Mortgage information
- Car loans, other commercial loans and credit cards
- Safe deposit box location

The Family Inventory also contains a glossary of terms related to investing and estate planning.

To discuss end-of-life planning issues or to obtain a copy of the Family Inventory, contact your financial advisor.

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