

# Learn your parents' financial plans ASAP

## On top of managing grief, don't guess their wishes

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My mom died at age 61, when I was 31. Seeing her headstone in a field of others smacked me with a brutal, if obvious fact: Everyone, including everyone's parents, will die.

I promise I'm not trying to depress you. I want to prepare you, as this loss can happen sooner than you'd expect. And when parents die, it's often up to their children to manage not just grief but also financial tasks.

Planning for those to-do's now could help later, when you experience what may be some of your hardest days.

"We surely ought to have some idea of what we're facing," says Melanie Cullen, San Francisco Bay Area-based author of "Get It Together: Organize Your Records So Your Family Won't Have To." She adds: "On the other side of it, our parents need to know we're interested, we care, we're there to help."

Here's why, how and what to talk about with your parents.

Without documented plans for your parents' end-of-life finances, you may wind up scraping for cash.

Say you weren't given access to your parents' financial accounts in the case of incapacitation or death. What would happen if your parents were too sick to manage their finances? You would need to pay their bills but couldn't tap their money to do so. Then you couldn't use their money for their funeral, which could cost thousands of dollars.

Many caregivers wind up "digging into their own money," says AARP family caregiving expert Amanda Singleton. You can't save or invest money that's covering your parents' expenses, she adds. And if you're short on cash, you may take on debt.

Beyond this potential financial hit, your parents' plans and wishes are less likely to be fulfilled if you don't know what they are.

For example, in the months when my mom was dying, we never discussed her funeral. So when I planned it, I was engulfed in both grief and guesswork.

My family spent an enormous sum of money on an open-casket service, in part because we didn't know what to do and struggled to focus on the decision. I suspect that my thrifty, camera-shy mom would have preferred a simple (and less expensive) cremation.

Broach the subject with sensitivity and respect. Personal finance is an uncomfortable topic for many. Now your parents must talk about both money and death with their kid.

Your parents have likely attended more funerals than you and may have managed their own parents' deaths. Consider tapping those experiences to start your conversation, suggests Singleton, who's also an estate-planning attorney in St. Petersburg, Florida. Ask how they handled their loved ones' end-of-life care.

Did Grandma have an up-to-date will and make her financial information easy for your parents to find? Maybe they can follow her lead. Or if your parents had to sort out messy finances, recalling that experience could prompt them to get organized.

Another option: Lead with a topical or personal prompt. That's what Mark Schrader, a Charlotte, North Carolinabased certified financial planner, did with his mom. When his CFP courses covered certain planning-related topics, he would bring up what he was learning and ask about her intentions.

If you've learned about end-of-life planning on your own – say, in an article – or are making your own arrangements, let your parents know and ask for their point of view.

“Make it a planning and preparation conversation,” says Schrader, who's also a financial planning strategist at TIAA , a retirement-planning organization. “It's not as much about the numbers or ‘how much do you have in these accounts?’ but ‘what accounts do you have, and how can I help if for some reason you couldn't be there?’ ”

Ask if your parents have a power of attorney for finances. This legal document names someone who can make money decisions on their behalf. Also learn whether they have similar documents for medical care, such as an advanced care directive, health care proxy or power of attorney for health care. A living will can be helpful, since this document outlines what they might want for end-of-life care.

Learn whether or not your parents have an up-to-date estate plan. This might include a will or a living trust that specifies how they want their assets distributed. Assets would include their house, vehicle, stocks and money in various accounts.

If your parents die without an estate plan, state law determines who gets their stuff – and the distribution may not be what they wanted.

If your parents (or you, for that matter) don't have an estate plan, consider looking for an estate-planning attorney or low-cost will services.

Discuss this topic now, as loved ones can die sooner than you'd imagine.