# Talking to parents about money

**It can be one of the most difficult conversations to start – but it's also one of the most important. As parents get older, it's essential for their children to understand the investment, insurance and estate plans they have in place.**

**AN OPEN APPROACH** can help identify and address any gaps in planning. In addition, a multi-generational perspective frequently enables implementation of more efficient and cost-effective strategies that benefit the entire family. Here are some ways to raise the topic and make the most of money conversations with your parents.

**Open your books:** Set the tone with a frank discussion of your own financial plans. Explain the work you are doing with your advisor to build wealth and protect your family. Describe why you've made this a priority in your life.

**Emphasize the benefits:** Tell your parents that you would like to become familiar with their financial plans to ensure that you are prepared – whatever happens.

**Acknowledge discomfort:** Don't be afraid to admit that you feel awkward talking about money, if you do. You might want to lighten the mood by pointing out that this discussion is easier than conversations you may have had with them as a teenager.

**Don't judge:** Whatever immediate thoughts you have about your parents' plans, be positive, not negative, in initial discussions. You don't want to shut down lines of communication before they're fully open.

**Be patient:** It may take time for your parents to feel comfortable sharing all the details of their financial plans with you. Be prepared to have a series of conversations over a period of some weeks or months.

**Offer a referral:** If your parents aren't working with an advisor, point out the benefits of an objective, professional opinion. Offer to put them in touch with an advisor.

**Involve other family members:** How soon you ask other family members – such as siblings – to join the conversation depends a lot on family dynamics, aptitudes and interests. While this process may be complicated by geographic distance, it can help to prevent resentment and family disputes later in your parents' lives.

**Fine-tune your plan:** Understanding what strategies your parents may or may not have to manage costly risks – from requiring long-term care to running out of money in retirement – can help you prepare for expenses you may be expected to finance. It is always better to anticipate than to manage unexpected costs on the fly. ■



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