

Preparing for Durable Power of Attorney

A durable power of attorney or a trust can give your aging parent continued control over their financial affairs while also empowering you to step in and help when needed? Here are some important factors to keep in mind if you are considering setting up a Durable Power of Attorney.

Planning & Preparation Are Keys to Success

You should raise the topic of financial management for your aging parents well before they become incapacitated. Dealing with financial issues before the onset of cognitive decline allows aging parents to be fully involved in the management of their estate. Early and full involvement by aging parents not only preserves their dignity and right to self-determination but also allows you to have the benefit of parents' intimate knowledge of their own financial affairs.

Collect & Organize All Relevant Information

Early information collection and organization will be the key to managing situations quickly and with clarity. What are your aging parent's financial institutions and account numbers? What sources of income do they have? What recurring bills must be paid? Do they have private health insurance in addition to Medicare? Does they have an attorney or financial planner? Where are their important financial and estate planning documents kept?

Look For Warning Signs & Act Quickly

Be on the lookout for a deterioration of your aging parent's ability to manage everyday life activities; often this is a sign of struggle with financial matters as well. And signs of financial exploitation or abuse are direct indications that intervention is needed. Pay attention to how clean/messy their house is, if they are able to feed themselves, if they are bathing regularly, and if they are changing clothes daily. Also look for general forgetfulness. If you notice any of this, it's important to move quickly before the situation escalates.

Know The Signs of Elder Abuse

Elder financial abuse is significantly underreported, with one estimate suggesting that just one case in 44 is reported. According to a 2016 Allianz Life Insurance Co. survey, 72 percent of elder caregivers cited embarrassment as the main reason why financial abuse isn't reported. Has your parent suddenly changed beneficiaries on any insurance policies? Do they have large piles of unopened mail? It may be a difficult conversation, but it's better to have it now before there is irreparable damage done.

It's difficult to know when to step in and assist aging parents with their financial affairs. Conversations about money are uncomfortable, and aging parents may become defensive. We can help you get the conversation started. Contact us today to learn how!