

  
HOLIDAY  
RETIREMENT

Budget and Beyond:  
How to Help Older Adults Manage Finances





## The Big Picture

Money isn't ever a simple conversation. For most of us, it's a private topic only discussed with professionals when we need advice, spouses when we make decisions and plans, and perhaps close family members when necessary. Sharing personal financial information doesn't come naturally to most of us and can feel awkward. But, at times, it is necessary.



Do you manage or help manage an older adult's finances?

Manage finances

15%

Help manage finances

28%

Do not assist with finances

57%

That's the challenge that many people with older relatives come to face at a certain point. How do you step up to help without stepping in where you're not needed? Especially when you don't know the specifics? How do you insert yourself into the conversation after a lifetime of not knowing much of a parent or other aging relative's financial situation?

While the conversation may not be easy, communication is the most important tool you have to make everyone feel more comfortable and confident in the path ahead.

Fortunately, even at its most challenging, this situation is not unique. You are not alone. 43 percent of adults ages 53 to 71 manage or help manage a parent or other aging relative's finances.

So, if you find yourself wondering whether you should be doing more and how on Earth to go about it, remember that there's quite a lot to be learned from the experiences of others.

Even William Power, a Wall Street Journal editor, found himself thrown by the experience and penned an [article](#)<sup>1</sup> about the 18-month (and counting) journey he and his wife undertook to unravel his in-laws' finances when they could no longer manage to do so themselves. He writes:

**“These are the kinds of elder-care issues that people talk about, but until you have lived it, you don't truly realize all that is involved—not even someone like me who has spent decades as a financial reporter.”**



## The Survey: Real Insights from People Who've Been There

That's why we surveyed more than 500 adults about their involvement in their older relatives' finances, where the older person needed the most help, how financially prepared the older adult was and how, exactly, one can start helping without meddling.



Survey respondents who:

Manage or help manage senior finances because they were asked to help.



Spend time managing or helping manage finances in a given week.



This is what we found: Managing senior finances is a nearly universal challenge, and the reasons for helping and related concerns that weighed most heavily were highly similar among all respondents who manage or help manage an aging relative's finances.

Given the increasing ages of baby boomers — known by many as the Silver Tsunami — it seems likely that circumstances will change for many of the 57 percent of respondents who are not yet managing or helping manage an older adult's finances. That coming change echoes the concerns of a great many people who want to support the older adults in their lives. For this group, it's at least as important to know when to step up as it is to know what to expect. We'll explore both in these pages.





## When to Step Up

Quite often, the people who meet with us about the older adult in their lives tell us that they feel they missed signs, that it all happened so fast and that they should have seen the need for a little help sooner. We say to those people: You're not alone. In fact, you're in the majority.

At the start of each year, we hear from concerned adult children who tell us they noticed changes in an aging relative when spending time together over the holidays. The clues might be a pile of untouched mail, missed appointments, past due notices or spoiled food in the fridge. Your parent might have fallen prey to a scam. Other times it's smaller things, such as odd comments, uncharacteristic forgetfulness or mild confusion. And when those happen, it's hard to know for sure what to do next.

### **Our advice? Always start with a conversation**

You can ease into the topic with a general observation, perhaps about the cost of fuel or cable and then ask a higher-level question about finances. The older adult may not immediately shift from "Yeah, gas sure is expensive" to "I'm finding it more challenging to manage my finances," but you'll probably see where you can build on the conversation and get a better understanding of the situation before you offer counsel or assistance.



The more you know about the situation, the better you'll know when you're needed. These kinds of conversations may not always feel comfortable at first, but based on the experience of our survey participants, they will likely be invaluable later on.

We asked respondents why they stepped up to help an aging relative with finances, and the top response suggests one huge takeaway: These conversations matter. More than any other reason, respondents stepped up because an older adult asked for their help.



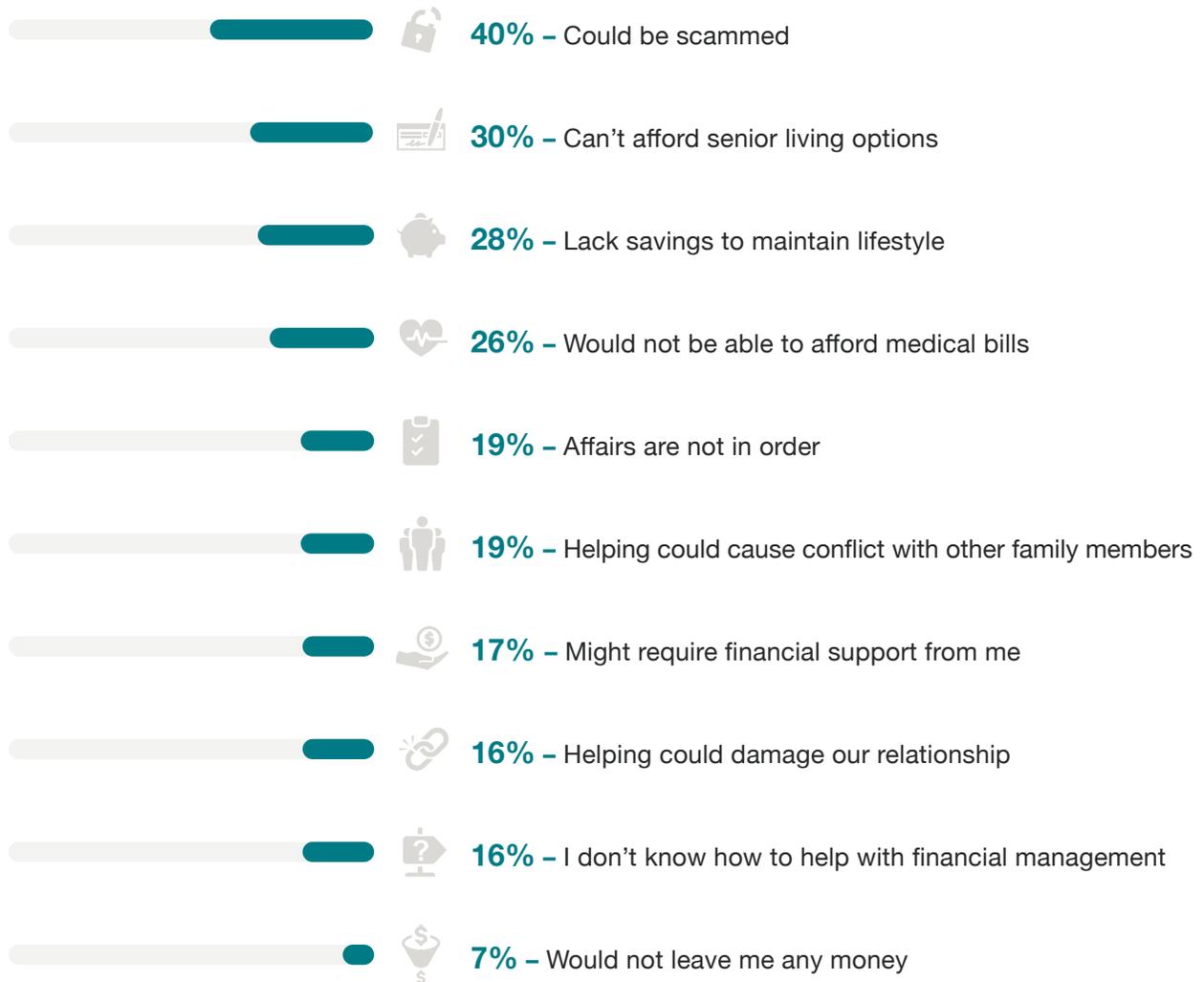
#### Why respondents stepped up:

- 1 The older adult asked for help or was not interested in managing his or her own finances
- 2 The older adult has diminished capacity, such as dementia or Alzheimer's
- 3 The older adult was mismanaging finances in a way that affected his or her lifestyle

While being asked for help or seeing a clear need for assistance were the primary prompts for respondents to take action, respondents did have other concerns about their older relatives' finances. The responses point to a desire to provide support where needed, rather than a wish to take control for the sake of control.

## Major concerns about older relative's finances:

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If any of these concerns echo your own, talk to your relative and make a plan together. If your help isn't needed yet, try to agree on a plan that outlines how you can help when the older adult wants or needs it. You can also work together to plan ahead to make future decisions and financial management easier for both of you.

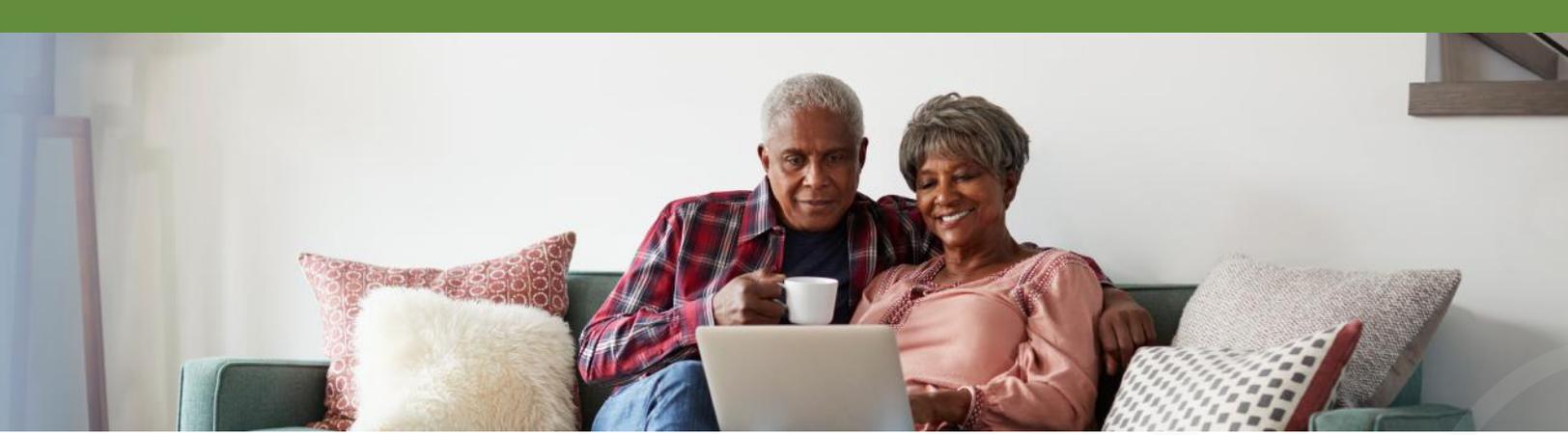
# Start with this checklist to get the ball rolling

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## Help your older relative plan ahead:

- Identify the older adult's financial goals and what needs to be done to stay on track
- Look for opportunities to maximize the older adult's resources, such as weighing the benefits of aging in place versus senior living — [this cost calculator can help](#)
- Consult an expert such as a financial or estate planner to confirm your plans and offer advice
- Seek legal help to make a will and/or trust if the older adult does not already have these in place





## How to Step Up

With the lines of communication open, you can feel more confident that you're stepping up at the right time. Now, you can focus on how best to do so and, happily, we can offer some insight there. Our survey data revealed five ways you can effectively step up to help an aging relative manage his or her finances. You can perform three of these exercises on your own, while the other two call for a bit of professional help. It's important to remember that every situation is unique, so it may be that only some of these actions apply, but all of them are worth thinking through as you start this journey.

### 1 Plan

We don't want to belabor the point, but if you only follow one of these tips, planning should be it. With some careful planning, you can save time, money and frustration. Our respondents who've been through this all before felt that any planning done by the older person was by far the strongest financial decision they made.

#### **Respondents pick their relative's best financial decision:**

- 41%** – Made provisions for retirement or senior living
- 14%** – Completed estate planning, including setting up a trust or prepaying for a funeral
- 9%** – Were debt-free

### 2 Monitor

A second pair of eyes on financial transactions and records never hurts. Help your older relative keep tabs on everything by monitoring his or her finances or finding a service to help you do so. Either path will help your relative feel confident that someone else is looking out for any potential blips or miscalculations.

#### **How respondents help with financial monitoring:**

- 64%** – Have direct access to view bank accounts
- 9%** – Use a monitoring service such as EverSafe or LifeLock

### 3 Manage

Eventually, the best help you can offer your older relative may be to take over direct management of his or her finances. This might include paying the bills on their behalf, holding financial power of attorney and/or sharing a joint bank account. Our survey respondents reported using all of these methods with success.

#### Methods respondents use to manage an older relative's finances:

- 51% – Pay the bills on their behalf
- 42% – Have financial power of attorney
- 41% – Share a joint bank account with older relative

### 4 Seek Guidance from an Estate Manager

For some families, expert assistance simplified the process and proved immensely helpful in confirming their plans. Even if you start the process on your own, sources such as AARP attest to the value of getting an expert to look at your work. Leanna Hamill, an estate planner and elder-law attorney, made clear why in an [AARP planning guide](#)<sup>2</sup>:

**“I’ve seen people use online documents, documents out of estate-planning books or documents borrowed from friends. But they screw up their estate plan because they don’t understand the legal and technical aspects of the documents.”**

### 5 Consider the Benefits of a Trusted Financial Planner

If expert verification is a sure way to protect yourself from future headaches, it’s also a great measure to improve the present and near future for your family. Financial planners come highly recommended by experts because they can simplify budget planning and help your family avoid potential (and costly) mistakes.

Michael Haubrich, a certified financial planner, explained why those who have recently begun to manage an older relative’s finances can benefit from assistance. “Like it or not, you now need to become a financial detective,” he told [Bankrate](#)<sup>3</sup>, noting that such work often begins with seemingly simple tasks such as identifying the various accounts your relative has in his or her name.

Despite the expertise planners bring to these tasks, few survey respondents reported taking the extra step to recruit them.

#### Respondents managing older relative's finances with professional support:

- 5% – Estate planner
- 3% – Financial planner

# Resources

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If the best advice you can offer to your older relatives is “Don’t be afraid to ask for help when you need it,” it may also be the best advice we can offer you when it comes to providing support for these financial issues.

Earlier in this guide, we provided checklists to help you prepare to step up. To help you in the next stages of this journey, we’re sharing a few additional checklists and resources you may want to consider.



## Help your older relative monitor their finances:

- Make a list of all financial accounts, including banking, credit cards, investments and insurance
- Find out what monitoring services those institutions offer, including email alerts and fraud protection
- Evaluate third-party monitoring services such as EverSafe and LifeLock
- Set up credit monitoring via credit bureaus or a third-party service



## Help your older relative manage his or her finances:

- Consult an attorney to understand the legal implications of managing finances on your relative’s behalf
- Consider seeking financial power of attorney
- Take inventory of all financial resources, bills and daily expenses and use this data to create a budget
- Evaluate bill-paying and money-management services such as SilverBills, True Link, Mint and Paytrust
- Connect with financial institutions and service providers to learn what you need to do to gain access



## If you’d like more information, these organizations have excellent resources to help you get started, and all of them are just a quick Google search away:

- AARP
- American Academy of Estate Planning Attorneys
- American Association of Daily Money Managers
- Consumer Financial Protection Bureau
- National Academy of Elder Law Attorneys



## What next?

Finances are only one part of a much bigger picture, and we're here to help you support your older relative every step of the way. We've seen everything in our years in this industry, and we're proud to be a resource for you and your family.

To find out more about about what we do and how we can help an older adult in your life do more of what he or she loves, simply **get in touch**. Our knowledgeable teams are ready to answer any questions you may have.



**HOLIDAY**  
RETIREMENT

*Holiday Retirement is here to help you live better and do more of the things you love the most. We invented the concept of independent senior living in 1971, and are the largest provider in North America today with more than 260 retirement communities and over 30,000 residents throughout the U.S.*

**For more information, call 800-322-0999 or visit [www.holidaytouch.com](http://www.holidaytouch.com).**

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<sup>1</sup> <https://www.wsj.com/articles/the-difficult-delicate-untangling-of-our-parents-financial-lives-1459130770>

<sup>2</sup> [https://www.aarp.org/money/estate-planning/info-01-2011/4\\_costly\\_estate\\_planning\\_blunders.html](https://www.aarp.org/money/estate-planning/info-01-2011/4_costly_estate_planning_blunders.html)

<sup>3</sup> <https://www.bankrate.com/personal-finance/smart-money/8-steps-for-managing-parents-finances/>

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