



Assisting Your Aging Parents

Caring for an aging parent can present both loving opportunities and difficult challenges – especially when crisis hits. You may be suddenly faced with a myriad of new responsibilities. You might be the only person who steps in to help, or you may be the lynchpin in a network of family members willing to contribute. Either way, here are five strategic tips to help you manage your aging parent's finances.

1. Organize the cash flow. Often times an aging parent has not kept up with their recordkeeping. Your first strategy is to organize their cash flow with two specific tools – a budget and a bill pay system. The budget will include all incoming sources of income and all outgoing normal expenses. You will be able to understand if there is an “income gap” which might require the use of your parent's investments to cover it. The bill pay system will help regulate and automate payments to ensure that important bills don't get missed. Call us to request our free Budget Tool and Bill Pay System Tool to help you get a handle on your parent's cash flow.

2. Record key information. You will need to know your parents key information in order to assist them. You will need to know full names, dates of birth, social security numbers, doctor information, and medication data. You should make copies of Medicare cards, social security cards, driver's licenses, and insurance policies. Learn where the safe deposit key is stored, and gather passwords for their computer. Record and store this data in a safe place.

3. Familiarize yourself with their financial resources. Make a list of what assets your parents have. Do they own real estate? How much is in savings accounts, IRA's stocks, bonds and other investments? What is their home worth? Visit with your parent's financial advisor to understand why things are set up the way they are, and what benefits their investments may be able to provide.

4. Set up a Financial Power Of Attorney. Work with your parent and an attorney to establish this very important document. At the point your parent is no longer able to handle things on their own, it will give you the ability to step in and help. Without this document, you will be very limited on handling accounts and accessing information.

5. Evaluate future living arrangements. This is often the hardest part of assisting your parents. Determine if home health care, an assisted living facility or a nursing home is the best housing step to take. Next, evaluate the facilities that are within your price range. You might also look into services to help you transition an aging parent, and to organize the possessions that they no longer need or want to keep. Work with the housing facility to understand the costs and benefits of the new home. Circle back to your budget to make sure that your parent's cash flow can support the new arrangement.

The Sterk Financial Team has a specialized program for caregivers who are assisting aging parents. Our goal is simple – to help you support your loved one in the best way possible. Call us to learn how we take the complexity and uncertainty out of parent care, and help create clarity and confidence as you move forward.