

Involving Family in Your Finances

You are at the stage that when the gutters need cleaning, and you're not doing it yourself like you used to. You are smart enough to ask for help from a family member, maybe a son or daughter-in-law. But at what point do you get family members involved in your finances? Or let's reverse roles: you are helping Mom & Dad around their house but have not offered or inquired about their finances. How soon do you offer help? I think the answer to both questions is the sooner the better.

Here are some steps that parents and their trustworthy adult children can take to begin the process:

- Begin by sharing personal and financial records. Without some starting point and the exchange of information, it will be not worth the effort for either party. Understand, however, that it may be difficult for parents to share information about their financial affairs with their children. This may be a gradual process. Make sure all parties can fully trust one another.
- Find out the location of important documents such as a will and a living will, marriage and birth certificates, military records, financial account information, mortgages and debts, and tax returns. Also secure the names and phone numbers of a parent's advisors (such as their lawyer and financial advisor) and learn the location and contents of their safe deposit box.
- Arrange direct deposit for regular income streams (for example, Social Security and pension) and automatic withdrawals for regular monthly expenses. This will make managing daily finances much simpler.
- Help parents calculate their net worth (assets minus debts) and develop a budget for meeting basic living expenses. If parents are going to need financial support from their children, the sooner this is known, the better it is for all involved. If you would like a worksheet to help you with this, give us a call at 216.520.1711, and we can email it to you.
- Children will need the information described above to pay bills, deposit money in accounts, apply for insurance benefits and Medicaid, and handle other financial transactions as their parents age and are no longer capable of managing their finances on their own. They may also need some type of legal authority, such as a durable power-of-attorney, guardianship, or Social Security representative payee status.
- Use online software to consolidate investment and retirement accounts. Lineweaver Financial Group has developed online consolidated account reporting for our clients so they can see all of their accounts at a glance.

Give Lineweaver Financial Group a call to further discuss the wisdom of having family members help with your finances.