



*FINANCIAL PLANNING FOR THE LONG TERM
PROTECTING YOUR SAVINGS FROM FINANCIAL FRAUD*



ST. JOHN'S NORWOOD
Bethesda - Chevy Chase

Today's Presenters



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Today's Conversation

- Julie's Story
- Safeguarding your finances
- Sharing financial info with your family
- Q&A



Safeguarding & Protecting Your Finances

- ◆ Estimates peg the cost of financial exploitation of older Americans around \$2.9 billion a year, but many cases slip below the radar
- ◆ One in nine people aged 60 and older has reported being abused, neglected or exploited within the last year according to the National Adult Protective Services Association (NAPSA)
- ◆ Financial exploitation of seniors cuts across demographics
 - ◆ Rich & Poor
 - ◆ Educated & Less Educated
 - ◆ All races, cultures & creeds are victimized.
- ◆ 90% of financial abuse is committed by a family member



Safeguarding & Protecting Your Finances

- ◆ What are the signs?
 - ◆ Unusual activity in an older adult's bank accounts, including large, frequent or unexplained withdrawals and/or transfers
 - ◆ ATM withdrawals by an older adult who seldom (or never) uses a debit or ATM card
 - ◆ Sudden non-sufficient fund activity, unpaid bills, or trouble paying for things they once could afford
 - ◆ Suspicious signatures on checks, or outright forgery
 - ◆ Unnecessary or expensive home repairs
 - ◆ Altered wills and trusts



Safeguarding & Protecting Your Finances

- ◆ *Reporting Suspected Financial Exploitation*
 - ◆ *Anyone who has reason to believe an older adult has been subjected to financial exploitation may report it and the report can be anonymous.*
 - *Local police*
 - *Adult Protective Services (APS)*
 - *Office of Attorney General, Consumer Protection Division*
 - *National Elder Fraud Hotline*



Safeguarding & Protecting Your Finances

- ♦ *Strategies for Staying Safe*
 - ♦ *Be Informed – regularly review your financial accounts*
 - ♦ *Check your bank & credit card statements frequently*
 - ♦ *Be Proactive – think about your plans for the future and identify a 'Trusted Contact'*
 - ♦ *Consider a 'Daily Money Manager'*
 - ♦ *Put a 'Credit Freeze' in place*
 - ♦ *Set alerts on your bank accounts for certain transactions / thresholds*
 - ♦ *Consider giving up some privacy and autonomy*



Sharing Information with Your Family

The 'Other' Talk

- ◆ Your finances in your later years will likely impact your adult children or aging parents (and vice versa).
- ◆ The later years of life and issues and decisions and perhaps even role reversals that you and your family need to confront while you are still able to lead the conversation
- ◆ The Other Talk is intended to help get past the barriers that may interfere with having an open, honest dialogue



Sharing Information with Your Family

The 'Other' Talk

Why is it so hard and why do we avoid it?

- ◆ It's an emotionally challenging subject
- ◆ It acknowledges an inevitable transformation that we don't want to face
- ◆ Desire to maintain the existing parent / child relationship



Sharing Information with Your Family

The 'Other' Talk

- ◆ The National Hospice Foundation has found that about 75% of American's don't make their end-of-life decisions known to their families
- ◆ A Pew Research survey revealed that only 55% of adult children have talked to their parents about what to do if their parents' can't live independently.
- ◆ But how to open the door to this conversation . . .



Sharing Information with Your Family

The 'Other' Talk

- ◆ Parent / Principal should take the initiative to talk through the four essentials:
 - ◆ Financing for an uncertain future. How to budget for unknown needs and an uncertain length of time.
 - ◆ Selecting the best living arrangements. Will you, and if so when will you, move out of your home and to where?
 - ◆ Getting the medical care you need. Who will advocate for your medical needs, and how?
 - ◆ Taking charge at the end of your life. How do you want your kids to start taking over decision making when you no longer can?

The goal is to provide you with the tools and road map to successfully engage your family



Sharing Information with Your Family

- ◆ *Share thinking about the meaning of money, as well as personal and family goals*
- ◆ *Exchange questions, concerns, hopes, and fears about wealth, the future, and responsibilities*
- ◆ *Discuss the family “story” — the history of the wealth and family enterprises at hand*
- ◆ *Invite younger generations to contribute their thinking*
- ◆ *Establish a values framework for personal and family decision-making and expectations going forward*
- ◆ *Be sensitive to individual differences & rivalries*
- ◆ *Make family money meetings a regular thing*



Sharing Information with Your Family

- ◆ *Tips for When the Going Gets Tough – If the conversation gets emotional, here are a few tips:*
 - ◆ *Take deep breaths before responding.*
 - ◆ *Express sympathy to your family member, and try to see things from their point of view.*
 - ◆ *Do more listening and less talking.*
 - ◆ *Avoid push-button behaviors. Everyone has certain quirks that drive other family members crazy. Try to acknowledge these to yourself and attempt to avoid saying things that add an extra layer of complexity to an already complex situation.*
 - ◆ *If appropriate in your family, humor can disarm heightened emotions. Laughter is usually a welcome salve for difficult conversations.*



Sharing Information with Your Family

The 'Other' Talk

Emotionally and Strategically setting the stage:

- ◆ *Start with your own mental state*
- ◆ *Factor in the kids' emotions*
- ◆ *Establish a frame of reference*
- ◆ *Adopt a comfortable tone*



Sharing Information with Your Family

Emotionally and Strategically setting the stage - Start with your own mental state

- ♦ *Confront and come to grips with two practical yet emotion-laden issues:*
 - ♦ *Role Reversals*
 - ♦ *Acknowledge the inevitability of ceding decision making and managing the day-to-day to your kids*
 - ♦ *Establish ground rules on the potential circumstances or trigger points that will affect the change of responsibilities in key functions*
 - ♦ *Embrace as liberating and not denigrating; it's the gain of security and freedom and not loss of power and control*
 - ♦ *Your finances*
 - ♦ *When and how much of your financial situation you are willing to share*



Sharing Information with Your Family

Emotionally and Strategically setting the stage – Factor in the Kid's Emotions

- ◆ *Expect a jumble of reactions that can be wide-ranging and at times contradictory: fear, sadness, nervousness, anger, queasiness, panic, responsibility, guilt, inadequacy, embarrassment, resentment, jealousy . . .*
- ◆ *Imagine what issues are troubling or terrifying and to which child*
- ◆ *Share 'The Other Talk' by AARP in advance of the conversation*
- ◆ *Encouraging siblings to collaborate – how might they work together in the final years?*
- ◆ *National Alliance for Caregiving study: 17% said caring for a loved one took a toll on their health and 31% described the situation as emotionally stressful*



Sharing Information with Your Family

Emotionally and Strategically setting the stage – Establish a Frame of Reference: Trigger Points & Evolving Knowledge Base

- ◆ Evolving Knowledge Base
 - ◆ Dynamics & resources are going to change
 - ◆ Be organized and stay informed with current trends, medical treatments, legal & financial regulations
 - ◆ Insurance forms, sources of funding, new living arrangements, estate planning & regulatory changes
- ◆ Trigger Points
 - ◆ How and When to shift decision making and responsibilities
 - ◆ Tests for visual, physical and mental dexterity
 - ◆ Missed payments, overdrafts



Sharing Information with Your Family

Emotionally and Strategically setting the stage – Setting the Tone

- ♦ *The most productive conversations occur when the principal invests the time creating a welcoming and involving environment for the agents*
 - ♦ *Informal*
 - ♦ *Informative*
 - ♦ *Collaborative*
 - ♦ *Productive*
 - ♦ *Loving*
 - ♦ *Empowering*



Sharing Information with Your Family

The Practical Approach – Establishing a Partnership

- ◆ You are the managing director
- ◆ The kids/agents are full partners – not corporate minions (their participation is voluntary . . .)
- ◆ Each member of the partnership (including you) understands that responsibilities will change as your condition evolves
- ◆ The goals of the partnership are:
 - ◆ Frame decisions now, before a crises, to ensure better outcomes, less panic and stress
 - ◆ To manage your affairs the way you intended and avoid choices you don't want
 - ◆ To ensure that everybody benefits and everybody contributes.



Navigating Life's Changing Seasons

Questions / Comments / Conversation

