

## Talking With Family Members About Finances

Many families do not discuss finances until a crisis occurs. Rationally, we may know that the best way to minimize feelings of helplessness and stress is to plan ahead. Emotionally, however, we may find it difficult to talk about these issues. Planning ahead requires anticipating negative situations – dependency, disability, incapacity, and death – and exploring solutions to these uncertain, hard-to-face problems. Discussion of such topics can make everyone feel uncomfortable or uneasy. Despite these anxieties, there are good reasons to plan ahead. Planning ahead:

- Prepares you or family members to make informed decisions in times of crisis;
- Saves money and helps you avoid financial disasters or setbacks;
- Ensures that you (or your spouse's) life-style, personal philosophies and choices are known before the time comes when you or they are not able to participate in making decisions;
- Allows time to gather information, compare options and determine which options help achieve what is most important;
- Decreases the possibility that the family will have to engage in more intrusive, restrictive activities, such as taking court action to seek a guardianship or conservatorship;
- Reduces disagreements among siblings about "what Mom and Dad want" and how assets should be handled.

Discussing and planning the future with family members while everyone is comparatively healthy and financially secure puts families and individuals in a better position to cope with unexpected life events. Remember, it's difficult for many people to talk about finances, so starting the discussion can be uncomfortable. Below are some tips to help you start the discussion.

- **Start by taking care of your own financial documents** – share your preferences and plans. This may open the door to discussion.
- **Use other people's experiences as examples** – real life examples make the importance of having this conversation more tangible. If something happens to a friend or neighbor, such as a move into a long-term care facility or the extended hospitalization following an illness, these events can provide a good entry point for a conversation.
- **Timing of the discussion** – when and where the discussions are held can have a tremendous impact on outcome. Set your tone to the tone you'd take with another adult friend. A relaxed, shared activity, such as walking, golfing or baking, may diffuse some of the tension when the conversation turns to money.

Planning ahead does not prevent all problems, but it does provide individuals with more options and enables their families to act more effectively. Planning ahead can help families avoid disagreements over care and finances and help alleviate the stress of making difficult choices in crisis situations.