



FINANCIAL E-BOOK

WHAT FOUR ESTATE PLANNING THINGS PARENTS SHOULD TELL THEIR CHILDREN

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It's interesting that as parents age, especially when they get 70, they start thinking about their own mortality. It's hard to know what to tell your kids. As parents they have kids that get older, they start to think about which of their kids they think are responsible and which aren't especially when it comes to money. Many parents are nervous to tell their kids about how much money they have or what's happening with the family finances because they either don't want to bother their kids or they're based on how much they know their future inheritance will be. However, there are a lot of parents that don't spend enough time talking to their kids about estate planning or overall long-term planning with their kids at all. If you wanted to cue your parents in on what they should tell you, here are four things that we think are a must.



1 WHO IS THE EXECUTOR OF THE ESTATE?

If you have a will set up, it's important to tell which child or children are the executors of your estate. Inevitably, they should know where your will is stored. Is it in a safe deposit box? Is it somewhere at the house? Or, what's the name of the attorney that has the will on file? As the executors of the estate, they're the ones that are going to be responsible for the orderly administration of all of your assets. So it's important to at least let them know that they are the executors. Sometimes, kids don't want this responsibility. This doesn't mean you need to talk about how much money you have, but you should be able to let them know that they will be the ones that will be helping to administer the estate down the road.

2 WHAT'S THE GAME PLAN FOR LONG TERM CARE?

This is one that parents will avoid all day long due to the challenging nature of the question. Many parents that hit the age of 60, 65, or 70, may or may not have nursing home insurance. If they don't have long term care insurance, one of the questions they should be discussing with you is who might be available to help in the future. Sometimes, the kids want to pay for long term care insurance if in fact the parents cannot afford it themselves. You may think it's your middle daughter or you may think it's going to be your youngest son that will take care of you. The kids may have thoughts themselves about who's going to do what or worse yet they may have not talked at all. So it's important to have some discussion so that if something happens your children have some idea of how the chain of command and responsibilities will roll down at that time. This is a quality discussion to have as a family.

3 ADVANCED MEDICAL DIRECTIVE/LIVING WILL?

You should talk to your kids about whether you have a living will or an advanced medical directive as part of your overall estate planning. Letting your children know these types of things and if you are an organ donor can at least prepare your children for your wishes somewhere down the road. You may be uncertain about your wishes if you had some tragic situation that actually put you on some sort of thing that's keeping your life going. And if you've already pre-made decisions about what's going to happen, that would be an important thing to share with them.

4 WHERE IS EVERYTHING LOCATED?

We've yet to see someone pass away without the family having to deal with some level of mystery on where documents, collectibles, or bank accounts are located. With today's technology, getting your finances organized in an electronic account aggregation type software or at least collecting all of your documents in one place with instructions on where everything is located will be important for your children. Often, families can have a major struggle over personal possessions especially if one member of the family has more knowledge than another including brothers and sisters as well as children. The goal of doing this isn't to share your financial picture, but merely to give your family a go to person or a location so things can be sorted out easily in the event of a premature death.

The key within this article is that, as a parent, you don't have to discuss money, your net worth, or what's happening with your overall budget. Many parents don't want to be a burden on their children or they don't want their children counting on a future inheritance. Make sure to discuss with your kids these important points so at least they can take the opportunity to discuss and plan their own lives to best support you and your overall estate plan.