

## Do Mom & Dad Need Help With Their Finances - Transcript

**Tom Mullooly:** In episode 88, we're going to talk about helping Mom and Dad.

Welcome to the Mullooly Asset Show. I'm your host Tom Mullooly and this is episode number 88. Where do we get these questions? These are really good topics that we're talking about on these videos. Big surprise, they come from you. They come from topics that we talk about in conversations with our clients, with our listeners, with our viewers. So if you've got a question or topic that you would like to see covered, get in touch with us. We may wind up featuring it on an upcoming video.

So Tim, what are we going to be talking about today?

**Tim:** My parents are getting older. Is now a good time to step in and help them with their finances?

**Tom Mullooly:** That's a really important topic. You know, helping an older parent or if you're a parent, when do you bring the kids in? We could probably end the video with two words: Don't wait. Please don't wait. It's really awkward sometimes. It can be really uncomfortable at times when a parent needs to go to their kids and ask for just help, not necessarily giving them money, but asking them to help them in terms of managing things. Managing their day-to-day bill paying and how much money should I keep in a checking account, things like that.

On the flip side, it's really awkward to be nosy and ask your parents, "Hey, you know, Mom, Dad, do you need help with paying the bills? I notice that the bills are piling up. What are you doing? You know, you're losing it Dad. What's going on?" It's a very awkward topic. It's a very uncomfortable topic. My suggestion to everyone who's watching this video, please don't wait. Please do not wait.

We've seen it from both sides. Clients who have elderly parents. Elderly clients, they feel funny about getting their kids involved. Some of them, they are just secretive and they just don't want to share it with their kids. Other adult children just simply don't want to know. My suggestion? Like I said, don't wait.

And to take it a step further, get a power-of-attorney. Formalize this. Make sure that everybody involved knows so-and-so has power-of-attorney so they can pay bills, write checks, it's covered. Don't worry about it.

So, the best thing that I would suggest is to get an unrelated third party. A friend of yours who's an attorney. Someone who's an accountant. Someone who's got some kind of financial background and can communicate well with the client and the other parties, whether it's children or parents.

So, we saw a terrific article recently in the Wall Street Journal. Tim, can you link to that when we put the show notes together? So great article in the Wall Street Journal about when to step in to help your parents with managing their money.

One of the things that they mentioned in the video was to add an adult child to one of the parents' checking accounts. That's actually a pretty good idea. It's not like, that is, it's not a bad idea if you don't keep all of your eggs in that basket. If you have all of your money in a checking account, you know, it could be a little risky and a little dangerous. So, be smart about this.

Make sure that there's access to an account that they can write checks out of, pay bills out of, but also let them know where everything is. We've got an account over here. We've got an account over there. We owe this loan. It's important that somebody in the game knows where everything's hidden.

One of the things that TD Ameritrade has started doing on their account applications is they've added room for clients and advisers to add a trusted contact. It doesn't necessarily have to be a legal power-of-attorney, but hey if you're incapacitated for some reason, is there someone else that we can reach out to? That's always a good thing to have some other person, family member, friend, whatever. It's important to have a trusted contact out there who'll be able to help you out.

So, like I said, we've seen things from both sides. We've seen situations where an elderly client passes away. The kids are reluctant. They didn't want to get involved in helping Mom or Dad, and now they have to get involved because there's an estate. Sometimes cleaning up that mess can be a real pain in the patootie, so be really careful about this stuff. It's always better to be transparent. Let everybody know what's going on.

We recently saw two situations where elderly clients got milked out of money. One was an outright scam. The other one was a situation where an elderly client got milked by family members. It's sad to watch especially when you know that it wasn't the original client's wishes to see all this happen. But you know, this kind of tips over into another area that we should probably do another video on.

But hey, before I forget, the Consumer Finance Protection Bureau put out a very good piece that you can download for free. Just go to [consumerfinance.gov](http://consumerfinance.gov). Tim, put that link in the video as well. [Consumerfinance.gov](http://Consumerfinance.gov). There's a booklet you can download called *Managing Someone Else's Money*. For goodness sakes, if you don't have anyone to talk to, talk to your investment adviser or financial planner.

But the last thing that I'll end on is money can, every now and then, make normal people crazy. I mean, absolutely crazy. So, it can wreck families. It can split up relationships. Money is an emotional topic. We see people getting euphoric and depressed when the market's going up, going down. Think about what happens when they have to inherit your mess that's left behind, or start paying your bills when it becomes a job, not something that they want to do to help Mom or Dad.

So, money makes people emotional. Please be aware of that. Talk to your Mom and Dad. Moms and Dads, talk to your adult kids about what's going on with the money. It's important. See you on the next video.