

Estate Planning

Keeping it all in the family

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Senior Market Advisor Magazine

Silence is not always golden. Certain conversations between generations often are avoided because of the possible tension created by topics many consider inappropriate or difficult. It is in these situations that an open and honest dialogue is especially important.

For example, it is difficult to ask your own parents how they have set up their will or how much they are going to leave you so you can do the appropriate financial planning.

Though the discussion may seem objectionable at the time, it is still important to talk about these decisions for the future.

As financial advisors, we can help generate these conversations within a family by explaining to senior clients how important it is to initiate the discussions with their children. Encouraging a client to talk with his offspring enables him to clearly communicate why specific financial decisions were made, as well as his vision for their financial legacy.

A family meeting can foster dialogue and create clarity between the generations about things that they've always wanted to ask, but felt it would be inappropriate or unsettling. When the older generation creates a welcoming environment and opens the conversation by inviting people to ask questions, all of a sudden, positive, uplifting family moments can take place.

For example, most seniors work to preserve and protect part of their estate to leave a legacy to their children or grandchildren. In doing so, a senior may put himself in a position where he's lowering his own standard of living. He is no longer keeping pace with his friends, because he is harboring assets for the benefit of the next generation. In many cases, if the children become aware of the sacrifices of the parents, they may tell their elders they would rather see them live a life of fullness and vibrancy, rather than change their lifestyle to benefit the family after they are gone.

When these family discussions do not occur, financial advisors are often left explaining to adult children the rationale behind some of the decisions their parents made.

Sometimes the conversations bring moments of joy and the children understand, and are grateful for, the gift from their parents. However, in the end it is bittersweet because they cannot express their gratitude directly to their parents.

The opposite can also occur: The children may understand why decisions were made, but because there is missing information, the intention of the loved one who has passed away is lost.

As trusted financial advisors we must educate our senior clients on the importance and emotional benefits of not waiting for tomorrow. Seniors can feel a sense of peace, knowing their loved ones understand and see the benefits of the sound financial planning they have done.