

How to help a client manage their senior parent's money

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It's a story I'm hearing a lot more often these days...

Brenda reached out to me after she attended a virtual Chartwell presentation I made on retirement living affordability. With her mom gone for years now, her dad was living in his home alone. COVID-19 made it nearly impossible for her to provide the same level of care for him that she was able to before the pandemic. Everything seemed to hit her at once. Her dad's physical and cognitive health began to unravel almost overnight, and she was barely treading water herself. Within a few short weeks, she had to repair and sell his home, find a retirement residence for him to settle into and figure out his finances. It was like having an anchor thrown over her neck - she was trying not to drown!



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Brenda's situation didn't have to unfold this way. With some advanced planning and conversations, they could have relaxed and taken their time with the major decisions they were faced with.

As a financial professional, it likely doesn't come as surprise that one third of Canadian adults are not prepared for retirement. But did you know that a whopping three quarters of Canadians have made no provision for additional care and supportive living costs in their retirement planning?

This gives you a phenomenal opportunity to not only educate and support your clients to plan for this eventuality, but also to gain massive market share as a leader in this growing field of concern for seniors and their families.

Review your client list

Today is a great opportunity to examine your client list and reach out to those adult children with aging parents. By anticipating their needs now and what they may face in the future, this will allow them to breathe a sigh of relief, and you a chance to connect deeper with them.

Think about reaching out to your clients who you know have a parent in need of more care, have expressed stress about their parent's situation, or are in the process of helping a recently widowed parent.

In 2016, there were **1.835 million widows and widowers in Canada**. For every four widows in our country, there's one male widower, and the average age in 2011 was only 56 years old. Although all seniors should be preparing for their retirement living needs years in advance, those living alone are at a greater risk of loneliness, isolation, falls, malnutrition and much more.

For your clients with recently widowed parents, they likely need assistance in setting up or figuring out their finances, will, powers of attorney and much more.



Provide timely and relevant advice

You know that any investment move can have major consequences, such as a loss of future income potential and unintended tax consequences. Think again about your clients with older parents: they may make investment moves without understanding the entire impact to their government benefits and taxes triggered. In fact, data shows that **less than 20% of widows and widowers were concerned about the tax implications of making withdrawals**. This provides an excellent opportunity for you to educate your adult children clients with aging parents about the funding options available to their parents, whether they decide to age at home or in a retirement living residence.

It's also a great time to work with your clients to research their retirement living options. You can walk them through virtually or in-person and encourage them to start the process well in advance of them needing care. We all know complex decisions such as these require as much lead time as possible, so your clients are prepared for their future!

Lastly, whether it's a phone or zoom call, or a mention in your newsletter, you'll want to remind your clients of the importance of getting their or a parent's power of attorney in place long before it's needed, and to have the affordability conversation well in advance too.

Why Brenda needed a professional

If you're wondering how Brenda's situation turned out, the good news is that her dad is happily settled in a Chartwell retirement residence in Midland, Ontario, and jumps out of bed each morning to join his bridge club.



But it's not all rosy; because Brenda doesn't have a financial pro on her side, the money from the sale of her dad's home is just sitting in a savings account doing

nothing for her and her dad. She's totally unaware of the tax credits she can apply for to offset his residence costs and therefore is leaving thousands of dollars of available money on the table. They were both concerned that the proceeds from the sale of his home may not last his entire stay at a retirement residence, and they both could have benefited from the peace of mind that a financial plan and a pro could have provided.

Brenda isn't alone and shouldn't be navigating these difficult financial considerations on her own. Reach out to your network and clients to ensure people like Brenda and her dad don't fall through the cracks. You can support them so they have the confidence to afford the senior years they deserve and navigate the tricky transition and financial decisions they'll be faced with.

About Kelley Keehn

Kelley is a Personal Finance Educator, author, speaker and media personality with over 20 years of experience in the Canadian finance industry. She recently released her 10th book, **"Talk Money to Me"**, and has two audio courses. She serves on many prominent financial committees and has conducted thousands of television, radio and print interviews on a variety of financial literacy topics for a global audience. Her mission is to help Canadians feel good about their money.



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