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Helping Aging Parents Manage Their Money

The role reversal between parent and child isn't easy. Here are some strategies to get

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May 29, 2012

Felicia Gopaul's 79-year-old father had always been careful with money. But when Gopaul heard from a family friend that her father had bought \$50,000 in gold from a telemarketer, she knew it was time to help him manage his finances, especially in light of his advancing dementia.

Gopaul's brother took their father to the bank and helped him put the gold into a safe deposit box. The brother also added him to the National Do Not Call Registry and put expired credit cards in his wallet. "If a telemarketer calls, my dad now gives them a credit card that no longer works," explains Gopaul, who works as a certified financial planner in Bloomfield, N.J. "My father has the belief he is helping the telemarketer and we no longer get surprised by persistent telemarketers."

[See [10 Ways to Avoid Online Scams.](#)]

Estimates from the Aging, Demographics, and Memory Study at Duke University show that 13.9 percent of people have dementia, so Gopaul is among the millions of caregivers trying to protect parents from financial predators. Of course, even those who don't have a dementia diagnosis may find it more challenging to pay bills or

As Gopaul has discovered, the role reversal between parent and child isn't easy. Here are some strategies

- **Watch for red flags.** Every family situation is different, but when parents stop taking care of themselves, their adult children to speak up. For instance, Cindy Lail says while visiting her parents' house, she noticed a refrigerator that was past its prime. "She would normally take good care of her fridge, so that was something she normally would."

After noticing her parents' lapses, Lail, who works as a money manager and certified senior adviser in Raleigh, N.C., A look at her dad's credit card bills revealed that he'd paid to renew his computer's antivirus software but didn't know how to use the activation code in his email. Lail called the software company to resolve the issue.

[See [Should Seniors Live Alone or With Family?](#)]

- **Start small.** A heavy-handed approach could rub parents the wrong way, so tread carefully. Pete D'Amico, a member of the Advisory Group in Cary, N.C., and host of the Financial Safari radio program, suggests giving parents a heads-up on matters to show your concern and jumpstart the conversation. "It's about letting the parents know you're coming in and trying to take over," he says. "If their eyesight is good, you could highlight chapters in a

Adult children might ask their parents' permission to access copies of bank statements or set up online especially if parents and children live in different parts of the country, adds D'Arruda.

Lail suggests offering these strategies as a way to help, not take over. "My dad seems relieved now to give him an excuse to call me," she says. "He'll call just to make sure I'm taking care of things." As parents of teenagers at times. "You can't tell a teen what to do," she says. "Sometimes you have to lead them to decision. You can't meet them head-on with what you want them to do because then they are going to

- **Stay in touch with other people in your parents' life.** In Gopaul's case, a concerned friend clueed her in. After that discovery, Gopaul instructed her father's caretaker to answer the phone for him and only have the phone really needs to talk to him.

D'Arruda suggests meeting with parents' financial advisers in person to build trust. "I like them to bring a personal financial planning team," he says. "Children should be educated on what mom and dad are doing after a second or third marriage. The widow is distraught and all of the sudden a smooth-talking guy comes

Lail visited her parents' local bank branch to introduce herself and keeps in touch with members of their family (see up). "They can point out things sometimes," she adds.

[See [How to Help Family Members Without Hurting Your Own Finances.](#)]

- **Keep other siblings in the loop.** Sharing responsibility for aging parents can cause friction among siblings over concerns over a potential inheritance. Some families choose to delegate financial responsibilities to one sibling according to siblings' skills or proximity or hire a professional instead.

For instance, Lail's brother lives closer to their parents, so he handles in-person tasks like driving to do the finances online. "I keep [my brother] involved," she explains. "He knows all the log-ins so he can get into the account, so he could go to the bank if he needed to."

- **Set up power of attorney.** A power of attorney form authorizes an agent to make business or financial decisions while durable power of attorney means the agent can act even after the grantor dies or becomes incapacitated.

If a parent is willing to sign and notarize a power of attorney form, it could give the adult child greater control. However, the topic can be touchy, especially for parents used to their independence. Lail's father was resistant because "if something happened to him, mom might not be able to handle the things that needed to be

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