



A Family Guide to Aging



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A Family Guide to Aging

Watching my mom and dad grow older had a profound influence on my awareness of aging and the changes it creates.

My dad was healthy and extremely active — so when he fell and suffered a skull fracture, I suddenly realized that he would not always be there. He recovered, but was never as invincible as he had once seemed.

A few years later, following some incredible adventures including an Alaskan cruise, a Canadian moose hunt, sturgeon fishing and our annual elk hunting trip in the Clearwater, he passed away suddenly – and the whole family was in shock.

Because of my mother's health issues, we all expected my dad would outlive her and be there for her. With his death, came our first realization that there should have been a better plan in place.

Mom slowly adjusted to living alone but it was a difficult and lonely time in her life. As her health declined, her ability to make decisions gradually disappeared, leading to a reluctance to take action on financial decisions. She had expected to die peacefully in the home she shared with my dad for 61 years — that plan didn't work very well.

Our family adjusted our schedules to help with her daily care – our lives and careers often placed on hold. Eventually we came to the conclusion she was no longer safe at home alone. It was a turbulent time for our family – full of drama and emotions. With the help of a good support system, we were all there for her as her life came to an end.

The lessons learned during my mother's final years have become her gift to me. I am now able to share what I learned with others so that I can make a difference in my own life, and hopefully, in the lives of those around me.

Everyone has a vision of their future. And as we age, we're probably more aware of what we want that future to look like. Some envision travel, a second career, more time for family, favorite hobbies and recreational activities, involvement in community and charitable causes, and other things we didn't have time for when we were working. Many have a "bucket list."

As much as we may be looking forward to living that vision, it's also important to think about how your future can be impacted by the physical and/or cognitive challenges that aging can bring.

There are four possible health scenario combinations:

- #1 - Good cognitive & good physical

Of course this is the scenario we would prefer - to remain active and healthy both mentally and physically to a ripe old age, and then die peacefully while asleep. We would have few limitations, few restrictions on our ability to do what we want to do.

- #2 - Good cognitive & bad physical

We may find ourselves with some of the physical limitations of heart, circulatory, breathing or digestive issues or we may have difficulty getting around due to aging joints and bones. Many seniors would prefer to find ways to cope with problems with our physical health, as long as our mental acuity remains intact.

- #3 - Bad cognitive & good physical

For others, our physical health may be fine, but as our brains age, many begin to worry about whether they are experiencing early symptoms of serious memory loss, dementia or Alzheimer's disease.

- #4 - Bad cognitive & bad physical
If aging brings both cognitive and physical health issues, that could be the most difficult challenge to face.

How would bad cognitive and/or physical health impact your vision for your future? For any but the first scenario, how would you define living with dignity and grace for yourself or your loved ones?

By considering the possibilities and with a little planning and communication with those who are closest to you, perhaps you can envision how to make the best of these challenges and live out your life as you would choose.

A key consideration is deciding who you would want to step in to help with decision-making or even make decisions on your behalf, if necessary.

Some areas to consider include:

- General oversight - someone who could take charge of the big picture, coordinating any care or other services you might need
- Legal oversight - someone who could help with or make legal and financial decisions on your behalf
- Medical oversight - someone who could help with or make medical decisions for you

- Backup oversight - someone who could step in if your primary decision-maker is or becomes unwilling or unable to act on your behalf
- Neutral third party - someone who is unrelated to you - perhaps an attorney or trust company - who can provide guidance or even step in as a back-up.

Once you have decided on the "who," think about the "what." What do you want them to do and how much guidance do you want to provide?

- Do you want them to follow your instructions? You can provide specific, formal instructions in your will, your trust and your health-care directives. You can provide additional guidance in other informal documentation by writing in a journal, preparing a binder, even making an audio or video recording.
- Do you want them to use their own judgment? If you want them to rely on their own judgment, make certain you have complete trust in their perspective and understanding of you and how you would make decisions if you were able to do so.
- Do you want them to use a combination of both? If the person taking over for you is a trusted family member or friend, you may be comfortable with providing the legal documentation required for the responsibilities they will have, along with some guidance and your assurance that you trust their judgment.

Preparing for the Possibility

Financial organization is an important first step in preparing for the possibility of physical and cognitive limitations, beginning with an understanding what you have or will have to work with.

First are your balance sheet items - assets and liabilities:

- Assets include your financial assets, such as cash, bank accounts, investment & retirement accounts, individual securities, and possibly life insurance proceeds. You may also have non-financial assets, such as real estate, collectables and personal property, some of which you use every day and others that might be sold in the event of disability or death.
- Liabilities would include any mortgages or loans you might have outstanding against some of your assets as well as other debt such as personal loans or credit card debt.
- The difference between the value of your all of your assets and your liabilities equals your net worth. This is a good number to know if you think you might have to sell or cash in everything to pay for your last days on this earth or if you want to know what you might leave behind to your heirs.

Next, consider your income and expenses.

- Your income can come from many sources, including full- or part-time employment, Social Security, defined benefit retirement plans, rental properties, and annuities, as well as bank, investment and retirement accounts.
- Your expenses include the cost of maintaining your home, apartment or other living arrangement, transportation, food, clothing, recreation and other personal expenses, insurance, taxes and charitable contributions. Many expenses recur monthly, but some are less frequent, so review your records carefully to get an accurate picture of the total.

There are many ways of organizing and streamlining how you manage your finances. Here are some suggestions:

- Develop and maintain a budget to keep expenses under control.
- Set aside a specific day and time each week to pay bills and manage your record-keeping.
- Create a paper or electronic filing system to organize bills and receipts by category or by vendor.
- Use financial software such as Quicken to help manage your finances.
- If your bank offers online billpay services (and most do), consider using them, particularly for recurring payments.
- Put together a financial operating manual to organize your important financial records & documents.

Legal preparation for changes brought about by aging is just as important as getting your financial house in order. You and your family will need to have certain documents in place for when someone else must step in because you are no longer willing or able to make decisions for yourself.

The following documents should be put in place as well as kept up to date:

- A Durable Power of Attorney enables your designee to make financial and other decisions on your behalf.
- A Medical Power of Attorney & Healthcare Directives will enable your designee to make medical decisions for you as well as give him or her guidance as to your wishes.
- A Trust enables your trustee or successor trustee to manage any and all assets that have been placed in the trust according to the parameters outlined by the trust.

Other areas where discussion and preparation are beneficial include lifestyle and living arrangements. Family members or others who may be involved in arranging for and/or paying for your lifestyle and living needs and expenses must have a clear understanding of your desires and preferences.

Recognizing Signs of Change

In addition to regular medical check-ups and periodic tests as recommended by your physician, you and your family should watch for indicators of change that come with the aging process. Some of these signs include:

Physical changes

- Coordination and balance problems
- Vision limitations, particularly at night
- Hearing loss
- General weakness and loss of stamina
- Difficulty in carrying out the normal activities of daily living (ADLs) - eating, bathing, dressing, toileting, transferring/walking, and continence

Awareness

- Becoming generally less alert, or changes in sleep habits
- Confusion of time or place
- Disorientation
- Memory loss
- Verbal issues

Processing

- Inability to focus
- Difficulty completing tasks or when attempting to multi-task
- Decision-making issues, including the inability to recognize potential scams or fraud

Emotional

- Unexplained mood swings
- Withdrawal from others

Widows and widowers can be at particular risk if no one is around to notice if medications are not taken properly, or if there are changes in eating, exercise or other daily activities. Someone should be designated to check in at least weekly on seniors who live alone.

If There is a Diagnosis

Whenever there is an actual diagnosis of one or more of the major cognitive or physical issues, it's time to bring together your support team.

You might consider including:

- Members of your immediate and extended family and/or friends
- Primary care physician and various specialist(s), as appropriate
- Financial advisor or planner
- Estate planning and/or elder care attorney
- Attorney-in-fact, successor trustee or others designated to step in on behalf of the individual
- Clergy or other spiritual advisor
- Senior care specialist or case manager

In addition to deciding who will be on the support team, it's important to determine who will assume the leadership role, coordinate communication, facilitate development of an action plan and make certain all the various responsibilities are handled appropriately.

Family Dynamics

Families come in all sizes and types. The days when marriages lasted a lifetime, and Mom, Dad and their children and grandchildren lived in the same community, have all but disappeared.

With blended families and global mobility, fewer adult children are able to provide much in the way of care and support for aging parents.

Additional challenges arise when one spouse is healthy and the other is not, or when one spouse is gone, leaving a widow or widower to manage on their own.

Lines of communication can be difficult to maintain in spite of improvements in technology. Family members may be reluctant to share important financial and other information across generations. Some families are simply dysfunctional due to long-standing disputes and jealousies.

Family meetings facilitated by an experienced professional can help everyone focus on the issues at hand rather than air old grievances or unresolved problems. Your trusted financial advisor may be a good resource for helping your family members address the concerns and challenges brought about by a loved one who is longer able to care for his or her financial matters.

Preparing for the Future

As family members look to the future, they should have plans in place to address a broad range of decisions and concerns, such as:

- Housing decisions, including potential sale of the family home, assisted living and long-term care
- Medical care and decision-making
- Managing income and expenses
- Preserving family history and legacy concerns
- Maintaining family communications
- End-of-life decision-making
- Funeral arrangements
- Probate/estate settlement
- Asset transfers
- Transfer of personal property



Some Final Thoughts

The importance of helping clients through the loss of a spouse hit home with me during an annual review with a client who had lost his wife a few years earlier. When I asked about updating his will, I discovered he hadn't done any probate on his wife's estate nor had he updated his own will in over 20 years.

He was lost, living in his own cloud — he needed some help. He gave me permission to get the ball rolling. I set up a meeting with his attorney to discuss what needed to be done. I was there to document the discussion, make a checklist and offer assistance.

We updated his estate plan, transferred assets, and cost basis stepped up on appreciated assets. He engaged in preparing his estate plan and worked with his children to make sure they would know what to do, where to find documents and what their responsibilities would be upon his passing.

My client died in peace surrounded by family. He left them prepared, with no mess to clean up and lots of good memories.

Rather than beginning the conversation with the loss of a spouse, it is much better to start early. I can help identify the issues a caregiver or widow would face and create a plan to provide for an easier transition. It is a gift that keeps on giving after you cannot.

Drawing from my training, experience and resources, I can help facilitate a discussion on how to navigate through some of life's twists and turns. By having that conversation before you and your family are faced with a difficult, emotional situation, we can identify and explore options as well as prepare a resource packet for you and your family.

For now, I hope that I may be a resource to you, providing advice, guidance, and coordination, as well as the tools to plan the final quarter of your life.

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