Destigmatizing Money Talk

How to Talk About Money Matters in Retirement

TABLE OF CONTENTS

INTRODUCTION

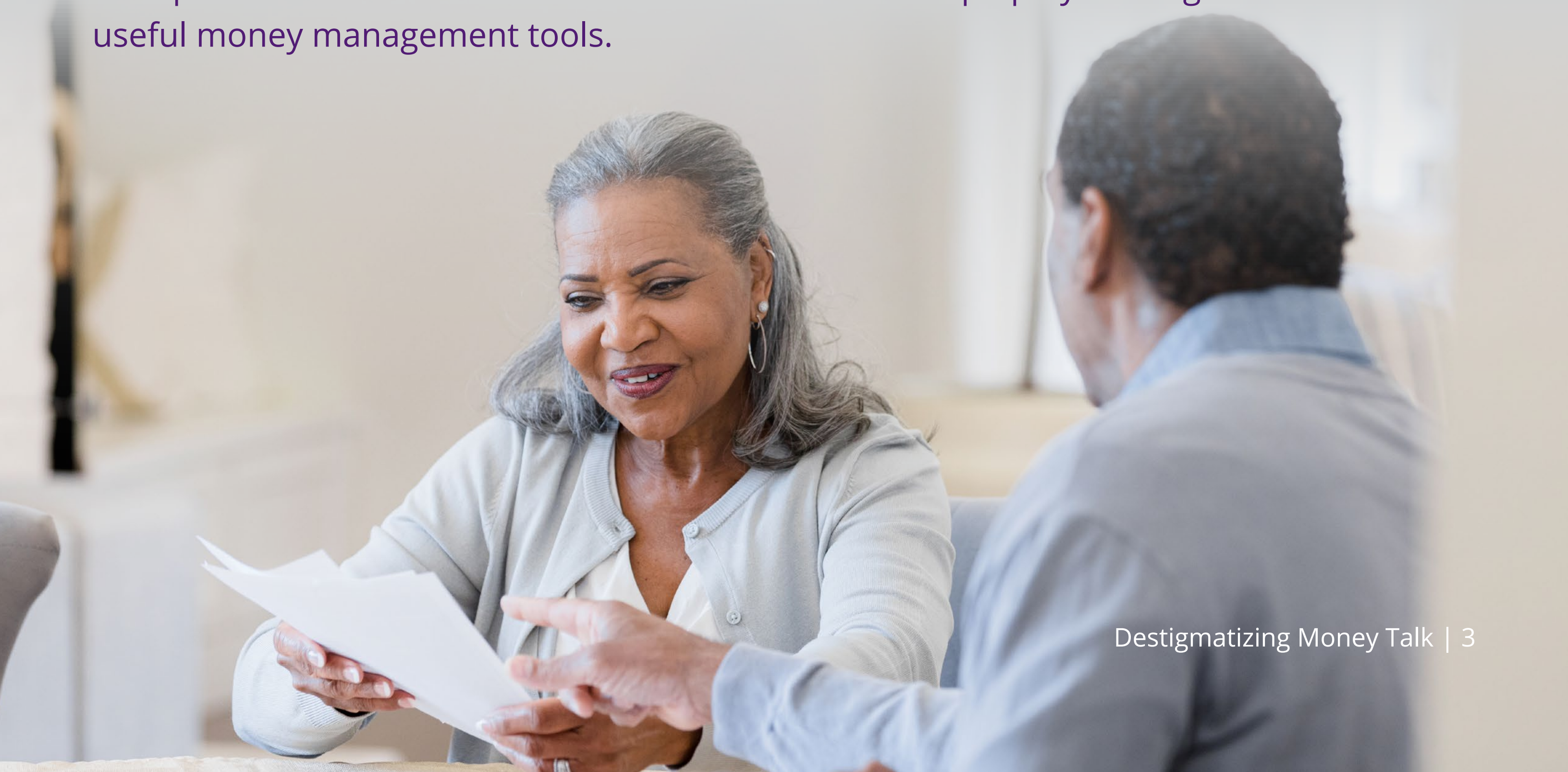
Why are money conversations so essential in retirement? It's an area many families hesitate to talk about—so much o that they often put off or completely avoid having these discussions. Then, when a crisis occurs, a spouse or an adult child is left scrambling to figure out where important financial documents are located and what shape the family finances are in.

Understanding your financial situation and that of the older adults in your life is important. Where is the will? How much monthly income does a parent have? And what are their weekly expenses? These are just a few of the issues that need to be shared as a senior grows older.

That's why we've created this guide. We hope it helps older adults and their family members have open and honest conversations about finances and future plans.

INSIDE THIS GUIDE

This resource is for retirees, near retirees, and adult children and family members who may be called upon to provide assistance. In this guide, we'll tackle everything from understanding generational differences in attitudes about money to having respectful, transparent conversations about finances. And we'll wrap up by sharing links to some useful money management tools.



STIGMAS THAT MAKE PEOPLE AVOID FINANCIAL CONVERSATIONS

Talking about money isn't easy, even within your own family. But as we grow older, having these conversations is important and necessary. If you are trying to find a way to initiate a money talk with your adult children or an aging parent, there are a few stigmas that might be making it more difficult:

- **Generational attitudes toward money**: Older generations frequently link money talk to status, manners, or survival, so silence feels safer and more respectful. By contrast, younger generations see money as a shared problem—unaffordable rents, lagging wages, and significant debt are more prevalent today than when seniors were young—so they are more likely to talk openly about it.
- **Common emotional barriers**: Emotional barriers like shame, fear, and insecurity may cause people to avoid money conversations. They see staying silent as a way to protect their identity or relationships. This can, however, lead to misunderstandings, stress, and repeated financial mistakes.
- **Dynamics within families**: Money talk is shaped through family dynamics such as power differentials, roles, and past conflicts. This can make it easier or more difficult to be honest. Patterns like secrecy, control, or favoritism can turn money into an emotional trigger instead of a practical topic.

Avoiding money talk now might result in forced conversations later, when a senior loved one has a crisis such as a health emergency or a safety issue at home. Taking time to share openly about financial matters can help you all feel more prepared for the future.

BENEFITS OF HAVING OPEN MONEY CONVERSATIONS

While it may take time and a change in attitudes to be able to have candid talks about money, the benefits of doing so are numerous:

- **Better preparedness**: Talking and planning means everyone will be on the same page regarding how seniors in the family see their retirement years playing out. That understanding is essential for everyone involved. And it will make it easier should the day come when an adult child may need to assist an aging parent with their finances.
- **Reduced anxiety**: Not knowing the financial situation of people you may be responsible for in the future can create uncertainty and worry. By working together on a budget for retirement, both generations will gain peace of mind and avoid financial surprises should a crisis occur.

Talking openly about money within families builds trust, reduces conflict, and empowers everyone to make better decisions together.

TIPS FOR TALKING ABOUT MONEY WITH YOUR SPOUSE/PARTNER

Throughout your retirement, it's important to have periodic discussions with your spouse or partner about money. While both parties might not be equally comfortable doing so, it's a vital part of staying on track once your income is more limited. These tips might be helpful for couples:

- **Start the conversation with the right focus:** Start by focusing the conversation on the life you want to enjoy together in retirement. Use calm, open-ended questions and be respectful of one another's opinions.
- **Be collaborative instead of confrontational**: Adopt an attitude of working together to ensure you can achieve shared goals during retirement, rather than trying to "win" the conversation or be "right."
- **Make regular financial check-ins a habit**: These discussions will be easier if you have them on a regular basis. You'll be able to see how your money is doing and whether you are sticking to your budget, and make adjustments before small issues become big ones.

Even if the two of you have never had an in-depth discussion about money before, it's important to start having them now.

DISCUSSING MONEY WITH ADULT CHILDREN/FAMILY

The relationship between a senior and their adult children often changes as a parent grows older. While most people want to remain independent in their own home for as long as possible, situations often arise that require a senior to accept help, whether it's in-home care from a local provider or a transition to a life plan community. Looping in adult children on financial matters before that happens will be invaluable.

- **Share your plans and wishes with your family**: Having a plan in place for retirement is important. Equally essential is making sure your family members are aware of your plan. Conveying your wishes and financial situation allows them to better support your goals should they need to act on your behalf, even temporarily.
- **Set boundaries while staying transparent:** While having frank discussions about money requires trust, it's also okay to set boundaries. For example, unless you need help managing your checking account or have fallen victim to a scam, you likely don't need an adult child to take over your financial affairs. (But you might want to show them where account logins are documented, in case of an emergency.)
- **Consider what topics to address**: Before you all sit down to talk for the first time, it's a good idea to think through some of the topics families often struggle to discuss. Some of the most challenging ones are:

- Who will have financial power of attorney, should it become necessary?
- Is there a will or trust in place that carefully spells out an inheritance plan?
- In the event you need to employ an in-home caregiver or relocate to a life plan community, what income and assets are available?

Keep in mind that many families will have a long list of agenda items. You might need to break up topics and cover them over a few meetings.

ADVICE FOR HAVING PRODUCTIVE, RESPECTFUL CONVERSATIONS

As you prepare to discuss finances with a partner or your adult children, keep in mind a few tips that will allow you to make the most of your time together:

- Choose the time and setting carefully
- Use neutral, nonemotional language
- Frame conversations around goals and values
- Keep your tone calm and respectful
- Listen more than you talk
- Take good notes
- Avoid blame, guilt, or ultimatums
- Know when to pause or revisit the conversation

Remember, your goal is to have a productive talk that helps everyone involved come away with a better understanding of the elder's financial situation, without causing disagreements or disputes that can have a long-term negative effect on the family.

KEY FINANCIAL TOPICS TO COVER

For many, figuring out how to get organized for a family financial discussion and what topics to cover can feel overwhelming. This is especially true for families who've habitually avoided sharing information on money matters. This list might help you get started:

- Share income sources (Social Security, pensions, investments), amounts from each, and the dates they are usually received.
- Outline monthly expenses, when each one is due, and how it is paid (online, automatic withdrawal, check, other).
- Review your monthly and yearly budget together, making sure to examine items paid only once a year, such as car and homeowner's insurance, HOA fees.
- Another area to cover is insurance, including Medicare, secondary coverages, long-term care insurance, and life insurance. Make sure to list where policies are kept.
- Debts and liabilities are also a vital part of retirement financial plans, so don't forget to pull together a list of these.
- Finally, talk about what estate planning documents, such as a trust, will, or power of attorney, are in place and where they can be found.

While this may seem like an overwhelming amount of information, each of these items is important. Depending on the size and complexity of the estate, you might want to include the senior's financial advisor or attorney in the meeting.

TOOLS TO SUPPORT MONEY MANAGEMENT

Lastly, it might be useful for you to take advantage of the many online tools and resources that are available. It can help you save time while also making regular financial reviews easier to manage.

- **Net worth and cash flow trackers**: Monarch is a money management platform that earns high marks from experts, including The Wall Street Journal and Forbes. Another one to explore is Quicken Simplifi. Like Monarch, it allows you to track net worth and a host of other financial metrics, including cash flow and budgeting.
- **Estate planning documents checklist**: Many people find estate planning to be more than a little confusing. It's easy to understand why—there's so much to consider, from wills and trusts to advanced healthcare directives and powers of attorney. The National Council on Aging offers a simple estate planning checklist that makes it easy to explain the basics to loved ones.
- **Online calculators**: Financial planning often requires a lot of tracking and forecasting, which can be time-consuming and tedious. Online calculators can simplify the process. Bankrate, for example, has a variety of calculators that can help you make informed decisions on everything from annuity payouts to debt pay down.

One word of caution: Before taking advantage of an online money platform, research the company and the website to make sure it is legitimate and secure. The Consumer Financial Protection Bureau's article What to Consider When Sharing Your Financial Data is a quick read that you might find helpful.

The tools, platforms, and websites referenced in this guide are provided for your convenience and are not endorsed by Presbyterian Senior Living. We encourage you to research any online platform carefully before sharing personal or financial information.

Conclusion

We hope this information on talking about money matters with family members has been helpful. While initiating the conversation might be a little awkward, including trusted loved ones in your retirement planning helps ensure your current and future wishes are respected.

If you have any questions or would like to schedule a time to talk with a member of our team, we encourage you to call a PSL community near you!

[View Our Community List](#)

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