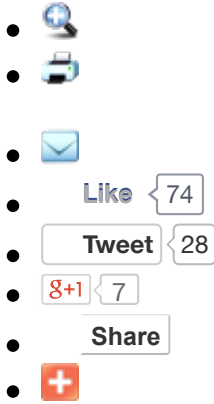


'The Talk': Your Kids and Your Money

Families should keep all members in the loop, financial planners say

by [Jane Bryant Quinn](#), [AARP Bulletin](#), January 2015



In any situation, "the talk" lets you put your personal finance wishes into words that your children will understand. — Istock

What should you tell your [adult children about your money](#)? That's a question all of us confront. Some people think it's none of the [children's business](#). A few tell all. Most of us are probably somewhere in the middle, revealing some things and reserving others, depending on our own feelings about money and whether the facts might cause anyone distress.

I put the disclosure question to members of the National Association of Personal Financial Advisors, who are all fee-only financial planners. They lean strongly toward having "the talk."

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Start by telling the children where to find your will, [health care directive](#), financial records and any life insurance policies (small policies sometimes get lost). If the will leaves them uneven shares, explain your decision. Often, the children will understand. If you can't bring yourself to discuss their shares in person, at least leave a thoughtful, explanatory letter so that the siblings won't start blaming each other for secretly currying your favor. Tell them, too, if one of your children has power of attorney or is the executor of your will. "They should hear this from the parents," says Marc Roland of Dean Roland Russell Family Wealth Management in San Diego. "If they learn only after your death, they might think that Mom and Dad loved one kid over another."

You might not want to tell your children exactly what you're worth, in case your assets get depleted later in life. The kids shouldn't be planning on an inheritance they might not get. On the other hand, upfront disclosure about your intentions can help prevent one sibling's dishonesty in handling family assets, if that's a risk, says Daniel Johnson of Parsec Financial Wealth Management in Asheville, N.C.

It becomes more important to talk to the children as you get older. [You might become ill or incapacitated](#) and need help with your finances. Children also might wonder, and worry, about whether you have enough income and savings to last for life. If so, it's a kindness to let them know that you'll be OK. If not ... well, it's hard to face this yourself, let alone discuss it with a child, says Rob O'Dell of Wheaton Wealth Partners in Naples, Fla. But the sooner they learn about the problem, the better.

In any situation, "the talk" lets you put your wishes into words that your children will understand, says Dan Fitzgerald of Aequus Wealth Management Resources in Chicago. It can even result in useful changes to your plan. I've had personal experience with improving a financial decision because my kids were in the loop. Families manage better when you leave no big surprises behind.

[Jane Bryant Quinn](#) is a personal finance expert and author of Making the Most of Your Money NOW.

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Get Organized

You don't want your family scrambling to find documents during an emergency. Help by putting these items in a safe place where loved ones can find them.

1. Inventory **your assets** and their location. Include the name of your doctor, accountant, insurance agent and financial adviser.
2. Make a list of **passwords** for your computer, mobile devices and accounts.
3. Compile a list of **medications** you take.
4. Prepare an advance directive, which often consists of two parts: a power of attorney that names someone to make medical decisions for you if you're incapacitated, and a living will that details the life-sustaining measures you want if you're unlikely to recover. *Execute a durable power of attorney so someone can make financial

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decisions on your behalf if you're unable. *Don't put a will or advance directive solely in a safe-deposit box, where family members might not have access to it. Give copies to trusted relatives.

—Eileen Ambrose

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