

Make Finances an Ongoing Family Conversation

According to data compiled by the Social Security Administration, a man reaching age 65 today can expect to live, on average, until age 84.3, and a woman turning age 65 today can expect to live until age 86.6. Also, nearly 25 percent of 65-year-olds today will live past age 90, and 10 percent will live past age 95. But this increased longevity isn't without consequences.

While statistics show your parents (and yourself) will likely be around a long time, the chances of diminished mental and physical capacity increase with longevity – meaning at some point, your parents will likely need assistance ranging from help with their finances and health care choices to even completing every-day activities.

In a recent *U.S. News* article, Kate Stalter puts it best: “The best time to discuss a financial plan is before your parents’ cognitive abilities start to decline.” Dementia – including Alzheimer’s disease, which is the most common type of dementia – occurs with increased age but is not a normal part of aging. Still, as of the 2010 census, one in nine people age 65 and older (11 percent) has Alzheimer’s disease, and about one-third of people age 85 and older (32 percent) have Alzheimer’s disease.

The Alzheimer’s Association lists 10 signs for early dementia detection, including: Memory loss that disrupts daily life; challenges in planning or solving problems; difficulty completing familiar tasks at home, at work or at leisure; confusion with time or place; trouble understanding visual images and spatial relationships; new problems with words in speaking or writing; misplacing things and losing the ability to retrace steps; decreased or poor judgment; withdrawal from work or social activities; and changes in mood and personality. The Alzheimer’s Association recommends consulting a physician if any of these warning signs are present, as early diagnosis provides the best opportunities for treatment.

Ideally, financial conversations would occur before any decline of cognitive abilities, but as Stalter points out, “it’s not unusual for financial advisors ... to see elderly clients who no longer have the cognitive abilities to handle all aspects of their finances, including their investments.” I can help you have those important family conversations about finances, healthcare and power of attorney early – with your aging parents and with your growing children – to help lessen the burden and avoid confusion later if mental capacity does diminish.

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