After Christmas is the time to talk turkey

The most difficult conversations we probably had with our parents were about the birds and the bees or where that big dent came from on the family car. Becoming adults ourselves, we probably thought that we'd never have to have another awkward conversation with them again, right? Wrong.

Talking to our parents about their money is hard and many of us avoid it. A US survey revealed that 44% of Americans cite personal finances as the most challenging chat anyone can have. (Death came second at 38%.)

A US psychologist explains that money is shorthand for happiness, power and personal value. "When money is short, it can be seen as a deficiency on the part of the breadwinner, and when there is lots of money, there can be fears that greed takes the place of genuine love".

We may not want to contemplate taking responsibility for our parents' financial wellbeing, but it pays for all concerned to be prepared. As parents, we can proactively let our kids know whether we're in good financial shape before they start worrying.

Why you need to have the talk

Not knowing whether your parents' financial position is sustainable can be stressful, but if you're going to need to pitch in this could also become financially straining.

You may have to plan how you and your siblings can share the responsibility as not everyone has the financial resources or sense of caring to contribute.

Your parents may have expectations about who will be the executor of their estate, who will help them in financial need, who will help out at the house… but have they told you?

When to talk

Start the conversation well in advance of your parents' retirement while they can still do something about their retirement savings.

How to have the talk

Steven Zarit, a professor of human development and family studies at Pennsylvania State University, advises: "Do not pick arguments. Do not make a parent feel defensive. Plant an idea, step back, and bring it up later. Be patient."

Arrange a discussion and involve your siblings from the beginning. As your parents may not be willing to open up, make them aware of your caring and concern. If they understand how much relief will be achieved for you and your siblings by assessing their sustainable financial means, they may be more willing to engage.

What to discuss

1. **The budget.** Suggest that if they're spending more than 5% of their capital they should be concerned. Suggest that they ask a financial planner to do a retirement cash flow exercise.
2. **The important documents.** Do you know where their wills, financial records and important documents like title docs for cars and houses are? Scanning them to secure electronic storage could be helpful. Don't forget about user names and passwords.
3. **Key contacts' details.** Keep a list of the contact information for their lawyers, accountants, tax practitioners and other key role players.

4. **Health.** Do they have medical aid and long-term care insurance?
5. **A power of attorney.** Obtaining a power of attorney from their bank will enable you to assist with admin and make payments for them if needed.
6. **Living arrangements.** Will they be staying in the family home? Downsizing? Keen on a retirement village? You may need to be proactive here.

Don't expect your parents to immediately address all the discussion points above. There's a lot to consider, but if you're proactive with an initial conversation followed by gentle reminders every six months, things will get done and you'll have nothing to worry about.

The good news is that as parents who have partnered with our team and regularly review your financial choices and consequences, you won't have to worry about your children having The Talk with you. And the only turkey you'll have to worry about is the one that's left over after Christmas dinner.

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