



you're not alone. Many families find it difficult to openly talk about money without emotional outbursts or hurt feelings. Unfortunately, these discussions are often put off until a family emergency (i.e. the death of a parent) or a fiscal crisis (i.e. the failure of the business).

Every family has its own, unique blessings and difficulties. But discussions about family money matters don't have to be avoided. And as long as the underlying emotions are dealt with openly and honestly by each family member involved, such discussions don't have to be a painful experience. The goal of this article is to help you talk about the most sensitive family subject: money.

Why We're So Sensitive About Money

As children, we depend on our parents for the necessities of life: food, shelter and clothing. These are some of the things that money can

Can't Buy Me Love: The Sensitive Subject of Family and Money

“My twin daughters are approaching college age and looking at expensive private schools. They're both great students, and I want to give them the same opportunities that my parents gave me. Even though the store is profitable, it needs what little cash it has to pay bills. I don't know how to suggest looking at less expensive universities when they deserve to attend the best schools, without regard to cost.”

“My father wants to retire and leave the music store to me and my two brothers. But one of my brothers knows nothing about running a music store, and the other one is fiscally irresponsible. I know I can make the store more successful all by myself. I don't know what to say to my father or my brothers.”

“My wife and kids want to take a family vacation, and so would I. I'm not sure how we can afford it or who I can trust to run the store in my absence. Frankly, I don't know what to tell my family without looking like a louse.”

Are financial dilemmas like these preventing you from having family discussions about money? If so,

buy. But love and money sometimes become synonymous in our young minds—and can remain that way forever. We start to interpret our parent's purchase of “things” for us as a demonstration of how much they love us.

I can remember the bribes of love: “If you learn to use the potty, Mommy and Daddy will buy you a

fire truck." Or, as I got older, "If you get straight A's, Mom and Dad will buy you a guitar." Right or wrong, we've all been exposed to these tactics of eliciting good behavior. (Just for the record, I got my fire truck, but was on my own for the guitar.)

As we grow older, we start to look outside our family for things—including money. We go from summer jobs in high school to part-time jobs during college to full-time careers as adults. This journey is often a triumphant and frightening experience.

On the other hand, our parents often feel a combination of pride and loss as we grow and move on. And a variety of feelings get stirred as children become more or less financially stable than their parents. The emotional residue left from our transition to independence from dependence can affect family relationships for years, even decades.

During the transition from adolescence to adulthood, parents often use money to express affection, encourage discipline, create closeness and reward achievement. It can also reveal hidden agendas of guilt, control or mistrust. As parents and children grow older, wills are written and estates are planned. It's at this time that the childhood equation of love = money can surface, dragging with it a tidal wave of deep emotions.

As a result, money becomes a very sensitive subject. For some, it's easier to avoid the subject entirely. While avoidance may relax some short-term uneasiness, it often leads to long-term difficulties for you, your parents, your children, your siblings and your relatives.

Money: Blah, Blah, Blah

Money makes the world go round; Money can't buy happiness; Money doesn't grow on trees; Money don't get everything, it's true (dah,dah,dah,dah), but what it don't get I can't use.

Ever since we were little kids, we heard these cliches from our parents, our relatives, even the Beatles. We also learn about money from the culture in which we live. Each generation grows up in a different economic time that shapes their views on the "right" and "wrong" way to make, spend and save money.

Accordingly, some generations develop a frugal, "save for a rainy day" mentality while others develop a freewheeling "spend it while you have it" attitude. These generationally changing attitudes about money can often leave parents and children at odds, scratching their heads trying to understand each other. Taken together, the sensitive topic of money coupled with generationally divergent views on the value of money makes it easy for families to avoid discussing family money matters. As a result, when wills are written and estate plans are developed, this miscommunication can often lead to long-term emotional scars.

A Will: The Legacy of Your Life's Work

Money is far from the most important thing we can leave behind. But in the end, we generally want the fruits of our labor to go to our children, grandchildren and other family members.

A will is nothing more than a written set of directions for the execution of your final wishes. It is often viewed as a financial expression of our love for family and friends. Your will can show love and affection, mend fences, express disappointment or strike a blow—even if that wasn't your intent. The provisions of a will can help and protect a family, or cause unintended pain and strife. Because it can be so difficult for families to discuss their feelings about money, a will may speak clearly about deeply held beliefs. It can also allow the decedent to control the use of their money "from the grave."

Therefore, as we and our parents age, we need to recognize the importance of starting and continuing an open dialogue about money.

There are various things we can do to make it easier to have open discussions about money with our parents and children. Let's talk about some them.

Talking Money with Your Children

In many families, money messages are fairly clear, and each child has a realistic idea of what will happen to their parents' estate when they pass on. In other families, children have little understanding of their parents' estate, and parents have little understanding of the long-term consequences that can stem from lacking communication about the subject. Recognizing that money can represent deep emotions for all family members, here's a few strategies that parents should use to better communicate their money



attitudes to their children:

- Set aside time to think through your will. Do you want to divide your estate equally, or do you want to provide a little "extra" for a child who might need extra support? Before you decide how you'd like to divide your estate among your family, realistically appraise the skills and strengths of your children. Perhaps a child

has special needs because of an illness or disability. By making this honest appraisal, you may conclude that giving more to one particular child is appropriate.

- Hold a meeting with your children to discuss your intentions. Start the meeting by explaining the provisions of your will and the reasoning behind your bequests. Consider inviting your attorney to explain the legal motivations behind the structure of your estate plan. Be prepared to explain any provisions that might be considered controversial.

- Invite your professional advisor to that meeting. Having your attorney, accountant or financial advisor at the meeting may set a more businesslike tone. The better you plan the meeting, the more productive it will be.

- Listen to your children's reactions. Your family is facing emotional issues of affection, sibling relations and their future without you. In this meeting, you can learn more if you listen carefully to your children's words and keep your reactions to yourself.

- Think over your family's response. It's important that your estate decisions are thoughtful and made with the interests of your family in mind. After a period of consideration, incorporate your decisions into your will, and give strong consideration to sharing your decisions with the family.

- Write a "letter from the heart" to you children. This letter should be read at the same time as your will. Consider preparing a letter for each of your children and your spouse. This will ultimately make it easier for your children to understand and accept your final decisions, in addition to having your final words reflect your love for each member of the family.

Talking Money with Your Parents

It makes great sense to talk to your parents about their future

expectations for retirement, long-term health care and estate planning. Remember, it's easier to plan than to react in an emergency situation. The best time to have this talk is when your parents are in good health and spirits, and can rationally discuss their hopes and fears about the future. Here's a few thoughts for children to consider when preparing to discuss the topic of money with their parents:

- Clear your mind of any resentments or expectations. Remember, you are doing this because you care about the people who loved you and protected you during your younger years.

- Put yourself in your parent's place. Consider how you would like your children to approach you when you reach your parents' age. Take into account their fears about dying or becoming unable to care for themselves.

- Find a reason to introduce the topic. Current media discussions about retirement, estate planning and long-term health care give you ready-made reasons to discuss these topics with your parents. You might mention a magazine article that you read or television show you watched. The reason for bringing up the topic should be irrelevant to your financial position, but relevant to theirs.

- Offer a reason for broaching the subject. You might explain that in our day-to-day rush, we don't always take the time to plan ahead. Tell them you're concerned and want to protect them. Explain how careful planning for the future is a benefit to the entire family.

- Introduce possible scenarios. Present various situations, beginning with the least threatening. You might ask your parents about their savings and pension plans, and whether they think these funds will provide adequate income for the next 10, 20 or 30 years. Discussing practical matters can lead to an easier commu-

nication about more difficult issues, such as the financial burdens of failing health or coping with a spouse's death.

- Remain neutral if controversial issues surface. You parents may have a lot to say. And they might be happy or relieved at the opportunity to express their feelings. But if the conversation becomes too emotional, postpone it for a short while or consider involving a third-party family advisor. Sometimes the presence of an "outsider" can keep the discussion objective and less emotional.

Some Final Thoughts

Once you have discussed financial arrangements with your parents and/or children, you should seek the assistance of financial advisors, such as an estate planning attorney, accountant, insurance agent and/or financial planner. A will, durable power of attorney, health care proxy statement and list of your assets and their location are essential documents to a proper estate plan.

Whether you're a child watching your parents grow older or a parent watching your children mature, you may be worried about whether they're adequately prepared for the future. An open and honest discussion between parents and children about money and related issues could ease many concerns and bring the entire family closer together.

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