

Conversations Beyond the Balance Sheet

Planning for Diminished Capacity and Lasting Legacy

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The financial services profession offers much more than the opportunity for quantitative analysis, providing insurance solutions, portfolio construction, tax, college and/or retirement planning.

At its core, the financial services profession is about life... your life. It is about what matters most to you - your core life values and beliefs. Once we are clear about your life priorities, we then figure out how to use your money to create, support and sustain these priorities.

For most of us, the possibility of declining health becomes a primary concern at some point. Consider the following research from Vanguard and the Society of Actuaries:

- **Male:** A 65-year-old man has a 41% chance of living to age 85 and a 20% chance of living to age 90.
- **Female:** A 65-year-old woman has a 53% chance of living to age 85 and a 32% chance of living to age 90.
- **Couple:** If the man and woman are married, the chance that at least one of them will live to any given age is increased. There's a 72% chance that one of them will live to age 85 and a 45% chance that one will live to age 90. There's even an 18% chance that one of them will live to age 95.

While plans may be in place for financial solutions in later life, people are seldom given the opportunity to hold important conversations within the family about the emotional, psychological and physical demands which often accompany the aging process.

For example, you may appoint a family member as Power of Attorney (P.O.A.) for Financial Management or for Health Care without discussing your expectations with the person named as P.O.A. Then, on a moment's notice, the designated P.O.A.'s are expected to know what to do and how to do it. They desperately want "to be there for Mom" or "to do a good job for my Dad," but have not been adequately prepared to carry out their new responsibilities.

Instead, they may find themselves feeling fearful, frustrated, overwhelmed, and/or angry when they need to be clear and confident about their responsibilities.

At the same time, you, the person who is depending on their loved one to "be there," may experience a loss of control and/or be unable to speak or think clearly. You may also be scared and possibly angry.

Obviously this is not the time to be making difficult choices or complex decisions. Instead, it is the time to be able to implement plans that were made when everyone involved was in a personal space in which they were able to discuss preferences and options and to match future responsibility with individual capacity.

For example, it does not make sense to simply name the oldest child as P.O.A. for Financial Management if another child is more skilled with money and investing. Nor does it necessarily make sense to name the person

living in town as P.O.A. for Health Care if there is a health care professional in the family living elsewhere. It is important to match skill sets and training with defined areas of responsibility.

As these topics can be difficult to face emotionally, psychologically and/or relationally, we find that families often do not create the time for these important discussions to occur. Since lack of preparation often creates more stress when action is needed, Resonate Inc. offers “Conversations Beyond the Balance Sheet.” This service provides an opportunity to participate in a facilitated discussion with family members and loved ones to create a system of support for the entire family for “when life shifts.” The professional facilitators create a safe environment for all to share their most important thoughts and feelings on various “what-if scenarios” involving aging and end-of-life. All voices are honored and captured in the plan that emerges from “when life shifts.”

Here are a few examples of what is discussed:

The House:

How do I know when it’s time to move? What information do I/we need to decide?

How do I feel about moving closer to children or grandchildren?

Personal Property:

Who wants what? When should they receive it? What do we do with the rest?

Serious Diagnosis:

If I have a serious diagnosis, how much do I want to know about it?

Support Team:

If I need a support team, who do I want on it? Think of friends, family, clergy, personal physician, etc.

Caregivers:

Ideally, who will provide my care?

Do I want my children to be involved?

If so, in what capacity?

Are there things I would not want my children to do?

If so, what are they?

Options for Care:

If I need skilled care, what are my preferences: Stay at home, live with family, or enter a facility?

If I need to go to a facility, where would I want to go?

Where would I not want to go?

Cost of Care:

Do I want to insure against the expenses of long term care through an insurance company or do I want to self-insure?

If I choose to self-insure, is there a limit to what I am willing to spend?

Legacy:

What are my thoughts about leaving a financial legacy?

Do I want to be sure to leave something?

If so, to whom?

When?

How much?

What needs to be done so that my intentions for a financial legacy will be implemented?

The categories and questions above are just a sample of what all is considered in the conversation.

End-of-Life:

We offer a similar process to consider end of life wishes and decisions.

As the holidays approach, please consider the experience as one of the greatest gifts you can give yourself and your family. It is the gift of sharing and knowing in order to prepare everyone for “what happens when.” Rather than family members feeling scared, unsure and overwhelmed, we want them to be as prepared as possible to be present during a time of need and to implement the decisions that have already been made.

Please call us (513) 605-2500 to set a time for your “Conversation Beyond the Balance Sheet.”

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