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Your Client has a Car, a Gun — and Alzheimer's

Are you helping clients with the four key transitions in retirement?

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By Steve Gresham

Pretty much every week my wife and I hear from a relative, neighbor or friend about some challenge of getting older. Most issues involve aging parents. The consistent theme is preparation — they weren't prepared for the situation now vexing the family. They need help, they want to talk to someone who's "been there" and get some practical advice about the crazy bad situation they now face: "My dad was arrested walking down the middle of the street," or "Mom took the car again when no one was looking."

Aging is a bad lottery — your ticket decides your fate in retirement. Good genes help you live longer, but longevity brings the challenge of funding a longer life. Lousy genes shorten the timeline but can crank up the medical expenses. And that's just the beginning of the journey.

I'm sad to say that most of our callers are otherwise smart and successful people who seem to have had no clue about what might happen when their parent/friend/relative got older. That's not a wealth management issue — that's just common sense, right? Should you have to warn them?

Planning for getting older is a squirrel's nest of issues charged with emotion and often fed by unresolved family rivalries, but there are really four key categories for sorting out the steps to take. The four transitions of aging are rooted in "ability" — planning for the loss of ability to do something you do now.

I'm not talking about hanging up the hockey skates or stowing the surfboard — I mean the basics of daily living. Older people fear their loss of independence far more than death. Being dependent on other people just to get through your day is demoralizing, then frightening.

The psychological impact of aging is one of loss — you gradually lose the ability to do things you like to do, as well as people you know. Unless you engage in new activities and find new friends, aging is a slowly declining one-way street. Preparation can make a world of difference.



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Transition No. 1: Health Care

Your clients are also patients with specific opinions, preferences and fears about medical care. Each has a vision of how they'd like to be treated, by whom and where. Where and how are you capturing these preferences? This isn't the medical proxy — that's farther down the road. The most common disconnect I've noted over the years is the range of opinion about what Mom "should" do versus what Mom actually wants to do. And no one had discussed it, so now it's a battle.

Health care is a collection of trade-offs. Quality, consistency of the personnel, proximity — all important. Driving neighbors to health care appointments is a big job in my neighborhood and often the most time-consuming of all the tasks associated with aging parents. Think this one through very carefully — most people don't.

Most financial planning programs spitball a dollar figure from a national survey with no regard for who will actually do the work — and it typically falls on unprepared family members with busy lives of their own. And don't say, "Uber to the rescue." Someone has to monitor the care, not just make the drop-off and pick-up.

Transition No. 2: Financial Decision-Making

Cognitive skill at working with numbers peaks — on average — at age 53. The average age of wealth management clients is 65. Most of the industry's clients are on the downslope of their ability to accurately analyze the data you give them and make good decisions.

Adding to the challenge is the fact that 12% of people 65 and older currently suffer from some stage of Alzheimer's disease, and a larger portion have other cognitive disorders. Finra has mandated that advisers try to identify a trusted contact for clients, and many states are weighing policies to protect seniors. But how would you or your clients know if they were beginning to lose their ability to make good decisions and if they are vulnerable to fraudsters?

Many clients — and advisers — don't realize that preparing for assistance with — and ultimately the transition of — financial decision-making is a very important step to safeguard their hard-earned savings. And the shift in ability can change in a matter of weeks. Please do not be that guy — the CEO of a bank, no less — who called up because he wondered if his father was OK making all of the buy/sell decisions in his account, which only the father had access to. Dad's 91. Who is



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named on the accounts, and who's watching them? What about my mom's friend who tried to send money to Mexico to a caller claiming to be her grandson? The grocery store manager stopped that one — not a relative.

Transition No. 3: Living and Lifestyle

My father was a quiet champion of aging Americans as a pioneer in rehabilitation medicine. But he turned into a warrior when he saw ads about idyllic retirement cruises and golf resorts depicting "silver-haired models living the good life." His reality was that many couples experienced retirement in three stages — a peppy first stage enjoyed by both partners, a second stage when one of the two is ill or impaired, and a third lived by a surviving spouse.

Very few folks stay in the same place through all three stages — and seldom at the level they had hoped to enjoy (no golf course). My parents had four: the downsized townhome after the kids departed, the lakeside cottage that became too much work, the small house in Florida, and the retirement facility he needed after he was diagnosed with pancreatic cancer. At least two of the four homes included very tough conversations — to abandon the cottage and to buy into the retirement center.

The last lesson was learned caring for my mother-in-law with Alzheimer's, who needed a place but faced a long waiting list. Don't assume there is room at the inn — one of the great surprises for many adult children. So where will they live next — and next?

Transition No. 4: Transportation

The best is last. Even the most prepared professionals admit that the bloody battleground of age-related planning can be confiscating the car keys. With independence slipping away, the car represents freedom — not unlike the feeling you get at 16 with your new license. Check out this season's migration of aging snowbirds driving south for the winter.

This is a dangerous and increasingly tragic situation as skills deteriorate. That 4,000-pound-plus machine is a lethal weapon under law. Doctors are supposed to confiscate licenses of anyone they deem unfit to drive, but most don't. Some states have real screens for competency, but most don't. Florida takes away 100 licenses each year for DUI versus one for incompetence.

Actually, that word — incompetence — says it all, right? Who wants to hear that? Among the worst examples in my experience was a former neighbor with three accidents at ages 86, 87 and 88. At 88, she nearly killed a father of three jogging on



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the side of the road in broad daylight and lost all of her savings paying the unreimbursed medical expenses. Remorse? Nah, she told the cops on the scene, "My daughter will be happy now — she's been trying to take away my keys for years." Unbelievable — especially if you knew her earlier as a wonderful and caring person.

Aging is scary.

By the way, did you know that one-third of Americans over the age of 65 own a gun? Talk to your local police department about how that interaction — taking the guns away from your neighbor with Alzheimer's — plays out. My friend, Chris Heye of Whealthcare Planning, has just added that item into his firm's age-related planning tools. Be safe out there.