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[00:00:00] In the 20 plus years of helping people plan for the cost of retirement and long term health care, we've identified one consistent theme among families and caregivers; people don't like to talk about money. Lifecare Affordability Planning helps families who are facing long term health issues and increasing health related expenditures to make better informed financial decisions during a time when there are so many unanswered questions. It's time to face this topic head on, address the emotional charge of discussing money, and discover practical ways to bridge the gap between a long term health care plan and your ability to pay for it.

[00:00:52] Hello and welcome to the Lifecare Affordability and Planning podcast with Tom West and Arvette Reid from Signature Estate and Investment Advisers. Today we're going to be talking about something that people don't talk about, and that's money. And it's an important conversation to have with families as people get older and health declines or other things come up in life. So good morning, how are you guys?

[00:01:12] Good morning Aric. Hello there.

[00:01:14] Howdy, howdy. OK.

[00:01:15] So where are we starting today with this subject of not talking about money? Well when we're thinking about how the topic of money and personal finances impacts people that are facing chronic illnesses and whatnot, you know, remember the folks that are facing some of these illnesses they need to plan ahead for, that's just a subset of the broader American population that's uncomfortable talking about money period. And just a comment or two on that, I mean part of what you see with a lot of personal finance literature and media, you know, speaking to a lack of financial literacy, one of the things that contributes a lot to a lack of financial literacy is just like a personal resistance to talk a lot about money. And I think one of the things that's important to recognize in American society is, you know money is a topic that at a personal level, people feel very judged about. People feel very insecure about. They don't want to be second guessed. And when you're moving into a chapter of a family's life where things are changing quite a bit, that insecurity doesn't go away. Sometimes it's amplified. Now that they might be in a circumstance where the cost of care associated with the plan of care gets a whole lot more significant, they just might feel a little bit more vulnerable and there might be a default tendency to try to be protective about that information.

[00:02:35] Well and to me it's not even about the fear that someone's going to second guess them, they might just feel stupid about the topic altogether. I mean, there are just a lot of people out there that are uncomfortable talking about money at a basic level. You didn't grow up talking about it, you don't talk about with your friends. So you know, coming from the health care world and then jumping into the finance world, you guys talk about money all the time. You probably talk about money with your own families because you're finance professionals. But the rest of the world doesn't.

[00:03:03] Yeah, we're the weird ones. There's no doubt. And by the way, the flipside is true too because I think sometimes there's a little bit of oversharing about what your health

problems are, my health issues. Like, just going to the gym in the morning the number of unsolicited news updates that I have from the other guys in the locker room cleaning up, it's overwhelming in terms of all the information that I didn't need to know.

[00:03:27] So it's interesting there's a convergence in terms of these different topic areas about challenges and hopes and opportunities that people have about health and a complete resistance to talk about any of the different financial resources or decisions that people need to make that that are required to be able to afford, you know, the care needed for good health outcomes.

[00:03:48] And Tom you alluded to culturally, right. And I think of it as generationally. My parents, as they have gotten older, when they were when we were younger and they were younger they didn't talk about money with us as kids or even early 20s. It's just something that they didn't do, so it was kind of taboo.

[00:04:04] Yeah. I think, and there is a generational component to it as well. I think that that part of just speaking, just a comment on generations, I think one of the things for example that that the difference between Greatest Generation and then boomers and even down to millennials, each of these generations have dramatically different outlooks for how they're going to be financing retirement and health care as sort of a subset of retirement. You know as pensions get pulled away you know over the course of the last decade or two, you have this cohort of boomers that are all going towards retirement with the expectations that they're going to be able to spend and to live the same way that their parents did in retirement, but they don't have the same type of income. They don't have the same type of financial security that previous generation has. The lack of an ability to talk about money and to be self aware of where you are in in these different generational differences, that that only exaggerates. And I think that the other piece too, Aric, that I think is important particularly when you're talking inside the family if you have two different generations that each have discrete reasons for not liking to talk about money, you know, that doesn't make the conversation flow anymore. When you have different reasons that everybody wants to clam up about the topic. Well I think for me, it's also back to the idea that

[00:05:27] we are adults and in our jobs we have to talk about budgets and numbers and targets and so we can talk about numbers in a sense from a professional standpoint, but when we go home, we're not talking about personal finances. So how do we help people understand that it's just as important to take ownership and responsibility for what's going on in your household and teaching those in your household as you would take in a professional work environment with your team.

[00:06:00] Right. Right. So I think that one of the ways that we'd like to frame this and get back to how families need to talk about money in a different way when we're dealing with with long term care, I think that there's this whole dialogue that we can have about how to improve financial literacy and communication, but we want to start I think with the tail end of a lot of people's retirement where we sometimes have some attendant health care costs. Because that's where I think that the population is sometimes the most vulnerable. And if you think of what are the implications of different families and different life chapters of not being able to talk about money, well sometimes it can be most severe at that tail end of retirement when there's changing health and there's changing decision making because if we, if we make mistakes then money, if we don't change the way that we think about cash flow or taxes or investments, then there might not be enough money to pay to take

care of somebody. So you know, what are the implications of that? Well you're talking about people not asking for help, not getting the help they need. Maybe sometimes people have the ability to afford care but because they don't have the capacity to talk about it, they don't get help that they would be able to just because they're sort of intentionally blind to this as a topic. So our focus today is specifically on those families that have some transitions, that involve money but are not about money and really really want to sort of delve in a little bit more into some of the psychology on why this topic is so difficult. And then when you're thinking specifically about for example, an individual who might have a family role of doing a lot of financial decision-making, if it's the dad was the one that took care of the investments and the bills where Mom had different type of responsibilities in their marriage and family coming up, like what happens when dad's ability to manage personal finances becomes a little bit more compromised? What are some of the reasons that dad might not want to talk about it?

[00:08:08] We can explore that a little bit more. Arvette, any thoughts on that and where people would start? You know, so you bring a really interesting point Tom, 'cause when you're talking about someone who has had the primary role and then now they're have an illness whether it's dementia or whether it's just physical illness and they just can't deal with it anymore, that's really hard. It's hard for the person with the illness, and it's also for their hard for their loved ones that are watching it. Right. So let's talk a little bit about that person. Now all of a sudden something that they've done for a long time and maybe enjoy doing, they can no longer do but they haven't necessarily taught anybody else how to do it. Right. So now they're feeling vulnerable because they can't do it the way they used to and now they're feeling guilty that they actually haven't talked to anybody else about how to do it.

[00:08:58] They're like having a plan B in place. Having a plan B in place. Yeah, they feel defeated.

[00:09:01] I mean, I assume you'd feel very defeated in that situation. Anxious, there's a bunch of it.

[00:09:06] And you know, I think dementia is a subset of this group. And a part, among the laundry list of challenges that individuals are facing with dementia, a lot of this is fear of loss of identity. And if part of your family identity, my role as a as a father, as a husband or whatnot, is these are the things that I was taking care of- and I didn't talk about it - and I didn't talk about it before when I was taking care of, you know it's it's by being able to call attention to now an area where I'm less able, does that mean I'm a little bit less of who I was before?

[00:09:40] And there's there's a lot of psychology going down that path of you know, my changing and my loss of identity with each of these different roles that I was playing being taken away, there's this whole attentive sort of who am I type of thing, but sometimes it's very correlated with depression with some of these folks. So sometimes, you know, the conversation about why you're not talking about money, maybe it's a bigger thing than that. Maybe with dementia, it's it's something that has a lot more to do with identity. It's a domino effect. Yeah, I mean it very much can be. I think that the other piece too, individuals that have some illness that were primary decision makers you know, they're also feeling very vulnerable, Aric, about people telling them what to do and responsibilities being taken away from them before they're ready to give them up and maybe there's sort of an acceptance dimension to you know how self-aware I am in this situation. You know

denial is a really big deal with different parts of the population that needs some assistance with chronic illness. I mean, you can speak a little bit to that Arvette, about just denial being a gigantic impediment for people asking for help. I think that when I'm thinking of denial is like you know I'm doing fine, I don't need any help, as sort of a defensive mechanism where you're right, maybe sometimes people are scrambling to figure out what to do next.

[00:11:02] Yeah. Well and the other part of it is back to the idea of them feeling guilty, is maybe they've also now realized because they've been in charge of finances that their health care situation is now costing way more than they ever anticipated. And it's also putting them in a position where they're not able to do the things that they thought they were going to be able to do for their loved ones. So that's another part of the guilt. The guilt could be I am not doing this as well as I used to, now all those promises like I promised I was going to take the grandkids to the beach, I promised I was going to pay for the grandkids to go to grad school, or I promised my wife she was going to get that you know, new car. Whatever it is. Right. And you haven't, and since most likely the person hadn't been talking about money to anyone else but they know that they're spending way more than they ever did before because of the health care need.

[00:11:54] Right. And I think that's right. What about the fact that some of them probably don't even realize it? I think about my grandfather and how many times he told me the same story and didn't remember that he had actually already told me that. You smile and you listen and you know that you've heard it before and you just enjoy his company, however, he thinks he's telling you for the first time. So there's maybe just lack of awareness that they don't have that same memory capability and they just don't know that they are not able to handle the finances anymore, and so they just don't do anything about it. Yeah, and Aric, that's the perfect timing because if no one in the family has talked about money prior to that point, there's no way grandpa is going to talk about money now.

[00:12:34] Absolutely.

[00:12:35] Yeah. There's sort of a, there's sort of an inability to pivot, you know, depending on depending on ways you know we know we know about brain function and neural pathways and when people start thinking about a topic, about vacation, about money, about love, about kids, whatever it ends up being, there are patterns to thinking that groove like like erosion on a riverbank. And if you've grooved one particular pattern for so long, it's very unlikely that you're going to, you're going to be resistant to start thinking about something new. I think that because the financial realities of sometimes having to come up with 50, 100, 150 thousand dollars of new expenses to cover a period of care where professionals might be needed to help out in addition to the standard of living, you know that that that's a bandwidth problem too. You know, not even speaking to dementia which probably you know we can hover on a little bit more because you know that's actually the physiological changes in the brain and the way those pathways work. Just for folks that are you know, are have, are neurotypical -- it's one of the words of I learned. Neurotypical. Neurotypical. Normal brain function. I think that for folks that don't have cognitive impairments, this might just be too hard. Yes. You know because you know we have we have multiple CFPs in our practice that are using you know 20 plus years worth of experience to do modeling on variable withdrawal rates because you don't know how long somebody is going to live and you don't know how much care they're going to need, taking that from portfolios that are variable and tax policies that seem to change pretty regularly, like that's really hard. So sometimes there's a ceiling of complexity where people just lock

up and they throw up their hands and say like, listen I can't possibly keep track of all these moving parts. Therefore I'm just going to kind of roll over on the topic and part of I think what we're really trying to let the audience know is that's that's part of where this life care affordability plan kind of thing can really be impactful. As we continue to discuss this, we're going to identify areas that you can really refine a lot of the assumptions about how much things are going to cost in a way that can support much more effective decision making and sometimes, coming back to the topic of the day, give people a new opportunity to talk about money in a different way. So I think that one of the things that I'd like to talk to a little bit more about the person with illness that that has a little bit difficulty talking about money, is a privacy issue. You know, sometimes the reason that people aren't talking about money it's not the cost, sometimes it's not the lack of identity, sometimes it's it's nobody's business. This maybe gets a little bit back into Aric's generational idea. And you know when you start thinking about the way that media has appropriately started putting more attention to identity theft, to Alexa's always listening, to you know elder financial abuse, these sorts of pieces, you know folks are a whole lot more defensive about topics associated with their finances just as a sign of the times. Like it doesn't matter what generation you are, in 2018, I've got to be much more protective of some of these personal information than it than it might have been before. So that sometimes contributes to people's unwillingness to talk about money. And maybe there's a little bit of unwillingness like you know, this isn't, this isn't my kid's business. This isn't my grandkids' business. I mean I think that most of the families that I've met in my life, professionally and personally, I think everybody is a good person and tries to do their best but sometimes the undercurrent of, these are people that are just expecting a big legacy from me or they're the ones that are telling me how not to spend money so I think there might be a bigger pot leftover, that sometimes makes people feel real defensive on a privacy standpoint and that might be one of the reasons that people don't talk about money as well. Again, go ahead Aric.

[00:16:40] I was just going to say, how do you get people past that trust issue? Because to me it all comes down to trust and trusting your family, your children, your grandchildren to be able to have those conversations maturely. I don't even know how you would get somebody across that threshold.

[00:16:54] I think at the end of the day, everybody wants what's best for the loved one.

[00:16:58] And what is the family and what is the person with the illness most hopeful for. So what we found like after 15 years in the healthcare industry, is when a healthcare event happens, people rally and everybody wants to figure out what they're most hopeful for, or what's best for them, what does she want, or what is best for Dad, what does he want. So if you can get everybody rallied around what they're most hopeful for, or from from an outcome perspective, stay at home, move, a cure or whatever it is, then the finances should follow that conversation.

[00:17:32] Yeah. I've got some stories that we've got with clients that that trust factor Aric has been so important. And it isn't just trust with professionals, sometimes it's trust in a different way with your spouse or with your family. And I think about that trust thing, Arvette hit it on the head.

[00:17:48] The person that needs to establish trust in order to be more comfortable talking about money, you know that person needs to be put in a position where they don't feel judged, where they feel like their wishes are going to be understood. It's really important

when you're establishing trust to listen and not prescribe and not do counterpoints and to let somebody tell their story and to give that person time to have their opinion or the perspective even if it's a goofy one, sort of sit in a room and breathe. You know I think that I learned from a colleague of mine who's a neuropsychiatrist that in that line of work it's called a therapeutic alliance where you want to make sure that the person who needs to establish trust to become a little bit more comfortable with financial topics, they need to have confidence that you're, you have the same priorities and they do. You think that the most important things are the same thing that they think are the most important things. So a lot of times, dialogue with families has to do you know, with identifying what's the new most important thing. And sometimes that's well we need to make sure my wife stays home. Regardless of what her medical condition is, we want to stay in the home that we've been together for 30 years and that is the biggest priority. So what I don't need is somebody in really early in the conversation to say like, time to move. You know there's just no way it's going to work. Even if, by the way even if it really is time to move, you can't established trust if you jump right into prescribing. You actually have to, you actually have to let them express what's important and work with them there. You've got to go to where they are as compared to bring them to where you are.

[00:19:34] That makes sense. Okay, we've spoken to a lot about the person with the illness who's still the decision maker and how they don't want to talk about it. What about the rest of the family members?

[00:19:45] Yeah, when Tom mentioned some families that we've spoken with, one popped into my mind in particular where this was a daughter who was the power of attorney for mom and she really had done a very good job of trying to keep it all together, but she was extremely insecure about how she was doing and afraid that someone was going to tell her she had done something wrong. And so I remember being in that meeting and Tom and I being like you have done an amazing job taking care of your mother and letting her know that we were there to support her from this point forward.

[00:20:23] And that everybody else in the family that she felt was gonna question that she hadn't done the right thing by mom, we could say she'd done the right thing by mom.

[00:20:32] Yeah. I think that it gets back a little bit into the judgment. Right. Right. Like the thing where there's there's sort of a higher standard like listen I can screw up my own money, but if I'm if I'm if I'm managing the money of somebody else that I care about then that's. Especially when I'm not even comfortable manage my own money. Right.

[00:20:51] So I'm not really comfortable managing my money, and now I'm managing my mother's money and I'm trying to be the best I can, but I'm really not quite sure what's going on. Yeah.

[00:20:59] Yeah I think that's not the recipe for success in opening up a complicated financial discussion. I think that's right. I think there's is also something to be said for you know, a sensitivity like sort of the flip side Aric of the discussion of you know, family roles. Sometimes people don't want to take that role away you know, from an individual that needs help and is like, I can't do this to them. You know and we've had a lot of conversations with families along those lines. Like you know, can can you maybe just help keep an eye on things so it doesn't, you know we don't screw up things too bad. But listen I just I can't take that role away from him because it's it's too debilitating. Is it just denial? It's not denial, I think it's an expression of love and support and being protective.

[00:21:44] And I think it's also a dynamic, a family structure, where you have the matriarch or the patriarch and you just, that's the way it's always been.

[00:21:52] Yeah and I'm not disrespecting dad by saying he can't do the money even though he's sold Exxon seven times today.

[00:21:58] And let's be clear. We've had lots of females in here who have been managing their money very well and they run into the healthcare issue where they just aren't managing it just as well.

[00:22:07] So the same dynamic. I don't think you ever shake that being a kid thing. So if you have your parents and they still have siblings that are alive, those siblings, aunts and uncles are going to second guess what you're doing. Your own siblings are going to second guess what you're doing if you have brothers and sisters that aren't taking the reins. And so there can be resentment there.

[00:22:28] I mean, I can't imagine the drama that this can all cause. And the drama comes from a number of different ways. There are a number of different places. One of the main places is people are not looking at the situation through the same prism. That's right. You know you know, if I'm sitting here as an adult son, we're talking about my parents, I'm going to be looking at it entirely differently than my mom or my dad or my uncle would look at it. So, so there's there's all sorts of different narratives. We read books that says you know, you talk about the same event through the eyes of the different characters, that's one of them. A second reason that these family dynamics are so important, they might not have the same information. And you know Arvette can talk a little bit about you know nobody knows what's going on with the plan of care and if you don't know what's going on in terms of what the actual needs are going to be, then you can't have a functional conversation about money where there is an agreement about what the situation is to begin with.

[00:23:27] Right. If we take it back to the idea of us trying to help families by doing the lifecare affordability plan where we're taking all input from a healthcare and financial perspective and then putting them together, that is the exact scenario that allows us to get everybody in the family on the same page. But first going back to the trust, you have to have trust and you have to get the person with the illness and the information to open up about A) the health care side and B) the finance side. You then have to work with the family members or the other people that are involved in the conversation to just listen, like Tom said, without giving judgment, without trying to solve.

[00:24:10] Because then when everything's laid out on the table, it allows us to help the family really determine what they're most hopeful for and how can we go about mapping out these different scenarios so that they can make a decision with all of the data. Right.

[00:24:27] Right. Because what happens is you have the child who lives in California who calls in and says mom and dad need to move right now. And then you've got the child that's here, who's like no they're doing fine, we've got the caregiver in, and then the arguments as well, the caregiver's too expensive, it's cheaper if they move, and the whole thing spirals because everybody's looking at it from a different viewpoint like Tom said. With the different information.

[00:24:48] Yeah. And I will, you know, and you did say Aric appropriately, you know denial's still a big thing. You know, we have had conversations where we're like, listen we don't talk about financing because Dad doesn't need help. Exactly. We've got to go back to the beginning. And that's where I think that the positioning of the service with a lifecare affordability plan,

[00:25:12] it starts with health care. It starts with an awareness and an acceptance of this is where I am, these are the kinds of things that we need. And then what are the subsequent decisions that involve money that need to be made to give me the best chance of taking care of the person that I love. But if you're not at the place of acknowledging that they need help, we're not going to get too far in the financial conversation either because that's going to sound prescriptive. It's going to sound like the reason we talk about it is because you can't manage yourself. Right.

[00:25:42] Tom and Arvette, I know that we're running short on time, what is our take away from today's podcast?

[00:25:48] Aric, the main takeaway is that we don't want to discount as professionals the challenges of just talking about the intersection of money and how it relates to healthcare decisions. You know, in our business you know even if you make fantastic recommendations about what to do with money, if those recommendations are never taken then they don't matter. And it all comes down to effective decision making. Effective decision making is based on the right information understood by the right people at the right time, that is all about communication. The next podcast we're going to be talking about how professionals in the senior housing and healthcare industry have parallel, have similar difficulties talking about personal finance sometimes just with themselves but oftentimes, how do I how do I talk to my potential clients or my potential residents about are you sure you're going to be able to afford that? You know, please come back next time for the podcast to talk about that issue. We've got a lot to discuss about how professionals themselves that are serving this population, their inability to talk fluidly and literate about money is a major problem and one that we look forward to helping them solve.

[00:27:05] Okay, that sounds great. I'm going to ask a big favor. My take away from this podcast is that I'm going to need to have these conversations, and I'm going to need some tools. Can we do a podcast about what tools and resources are out there for kids of you know, the sandwich generation as it is called, of people that are aging and need to have that financial conversation with their parents?

[00:27:24] Oh, yes absolutely. And that's me, I'm the sandwich generation. So I hear you Aric, and that's definitely something that Tom and I are excited to put together for the listeners.

[00:27:32] Yeah, I think that we're going to be bouncing that also with some prescriptions and tips for professionals to better be able to talk about housing financing and how people pay for them. So I think that will give a well rounded attention on some of the issues of financial conversations and we're looking forward to that.

[00:27:49] Awesome. Thank you guys so much for your time today. Thank you. Thank you. And thank you everyone out there for joining us today on the Lifecare Affordability Planning podcast with Tom and Arvette. If you have not subscribed to the podcast yet please click the subscribe now button below. This way when Tom and Arvette come out

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