Q:
Do you have plans in place to manage cognitive decline?

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It is common to believe that cognitive decline will never affect you, or perhaps it’s just wishful thinking. However, today’s reality is that a majority of those over age 60 will experience some level of cognitive impairment at some point in their lives.

Even more distressing is the fact that very few have a plan in place to identify and address this decline.

While cognitive decline is a broad phrase that covers a range of conditions from mild impairment to severe dementia, it is very important to recognize the symptoms of decline early to avoid issues that sometimes ensue, such as poor financial decisions and the tendency to fall victim to financial fraud. In fact, declining ability to make or understand financial decisions is often one of the first recognizable signs that something is wrong.

To build your own plan, we recommend taking the following steps before the process becomes much more challenging.

1. Involve adult children now.
Disclosing financial information can be difficult, especially when you’re managing complicated family dynamics, or have a strong desire for privacy. In such cases, your advisor can play a key role in explaining complicated investment and estate plans to your children, and provide the “why” behind certain decisions.

2. Clearly define roles and responsibilities.
Make sure the right person is in the right role. Don’t let geography or a child’s profession determine who is assigned each role. If your son works part-time and lives nearby, he may be the best person to help with doctor’s appointments and day-to-day needs. However, financial...
decisions should be left to the person with the best experience and tempera-
ment regardless of his or her location. Have this conversation early to make your
wishes clear and to provide a path for-
ward. Be sure, too, to give your children
the chance to form their own questions.

3. Discard “busy” from the equation.
Parents often allow their busy schedules
to take precedence over difficult family
financial planning. Everyone is busy, but
your children will thank you down the
road when plans are in place and a tough
situation arises but doesn’t have to be
dealt with like a crisis. Meanwhile, if family
conflicts occur, your advisor can act as a
neutral party and get everyone onto the
same page. As for your own role: Intro-
duce your advisor to your adult children
early in the process to open a line of
communication and provide familiarity.
Also give your advisor permission to
disclose account locations as necessary.

4. Tell your advisor to be
your voice of reason.
In many cases, an advisor is the first per-
son to notice that something is wrong,
particularly when children live far away.
But if your advisor is worried that you’ll
react poorly to the conversation, he or
she may avoid it until something signifi-
cant happens. Nevertheless, your advisor
can be a great resource, so clear the path
and allow this advocate you have to do
the best job possible on your behalf.

5. Provide a trusted contact
to brokerage firms.
This is a relatively new trend, but many
firms will allow you to name someone
they can contact in the event that the
firm has questions about your deci-
sion-making or is unable to reach you.

Make sure your financial documents and
medical powers of attorney are in order,
and that family members know who is
named in what capacity. Named family
members should also know where docu-
ments are located and have their own cop-
ies for ready access in an emergency.

Cognitive decline is not the only condition
that can throw a wrench into the best-laid
financial plans. Other disabilities, whether
a temporary hospital stay or long-term ill-
ess, can trigger the need for someone to
step in and assist with financial matters.
Regardless of the situation, the key is to
plan early so that matters are handled as
smoothly as possible for all parties involved.
And, for those without the benefit of family
members to rely on in such circumstances,
there are resources and professionals avail-
able that your advisor can recommend.

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Richard P. Slaughter Associates is a leading wealth-management
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**EXPERTISE**

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<td>Specialization in comprehensive wealth-management services for families with over $1 million in net worth</td>
<td>$500M (as of 03/20/18)</td>
<td>One of the first fee-only advisor firms in the United States</td>
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