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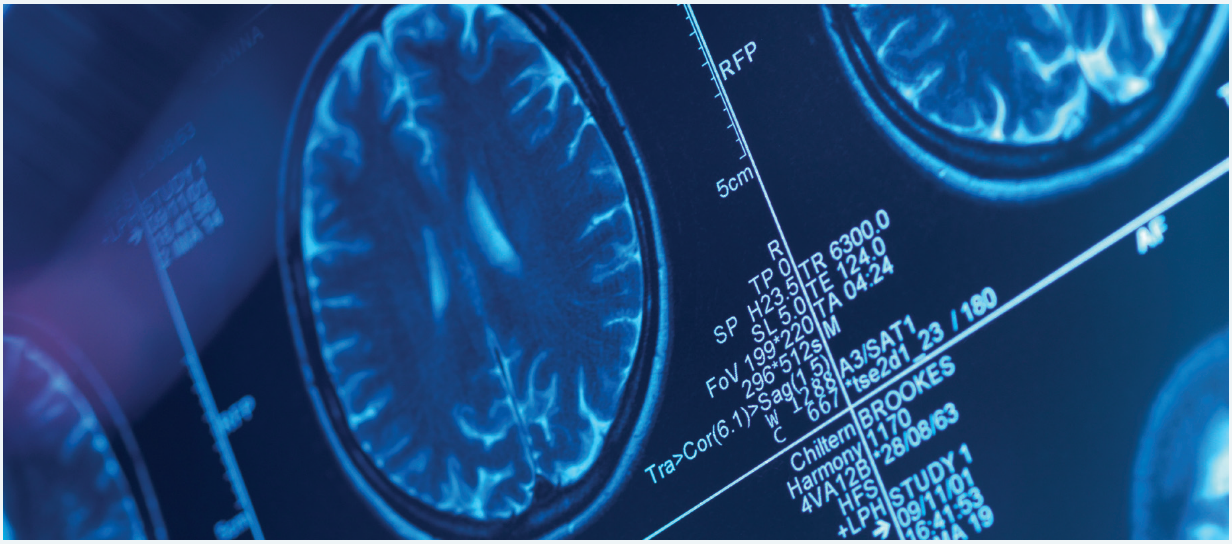
Q:

Do you have plans in place to manage cognitive decline?



BY DARBY ARMONT

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RICHARD P. SLAUGHTER ASSOCIATES, INC.

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 temperament regardless of his or her location. Have this conversation early to make your wishes clear and to provide a path forward. 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: Introduce 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 person 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 significant 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 decision-making or is unable to reach you.

6. Gather and share documents.
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 documents are located and have their own copies 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 illness, 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 available that your advisor can recommend. ●

> "Declining ability to make or understand financial decisions is often one of the first recognizable signs that something is wrong."

ABOUT RICHARD P. SLAUGHTER ASSOCIATES, INC.

Richard P. Slaughter Associates is a leading wealth-management firm specializing in delivering tailored strategies as a fiduciary and advocate for high net worth individuals, families and businesses. Slaughter Associates constructs a comprehensive financial relationship with its clients by delivering expertise in financial planning and asset management and coordinating with tax, insurance and estate professionals. The result is a holistic approach—unique in the financial industry—that generates a clear path to the individual financial goals of the client. Founded in 1991 in Austin, Texas, Slaughter Associates was among the first fee-based firms in the nation, a fiduciary status that allows it the freedom to provide advice that is always in the best interest of the client. Slaughter Associates is a NABCAP Premier Advisor, recognized for its commitment to maintaining top business standards, first-class financial management capabilities and dedication to preserving transparency in the financial-services industry.

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