

5 Money Issues Families Never Talk About

Avoiding sensitive issues can lead to big trouble down the line.

By Richard Eisenberg



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Sensitive Subjects

Why do we have such a hard time talking with our children about important financial matters affecting the entire family? For some of us, avoiding sensitive discussions, especially about money, is a family tradition. For others, there's concern that bringing up financial worries will harm our relationships with our children and grandchildren. The following slides focus on five money issues no one likes to talk about, but should, and sooner than later.



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Managing Hard Times

Given the ongoing economic slump, there should be no stigma in telling your children that your finances aren't as secure as they once were. If you're having trouble handling expenses, don't expect your kids to figure that out from subtle signs, like saying you'll take the bus for your next visit, not a plane.

Instead, advises financial planner Jonathan Pond, author of *[Safe Money in Tough Times](http://www.amazon.com/Safe-Money-Tough-Times-Everything/dp/0071629610)* (<http://www.amazon.com/Safe-Money-Tough-Times-Everything/dp/0071629610>) (McGraw-Hill), talk frankly about how you're struggling. If you need some temporary help, and they can afford to lend a hand, ask. It's better to be open about your financial situation with family than to agonize internally about it, or worse, to keep it a secret until you're really facing a crisis.

Dividing Your Estate

Financial advisers say it's generally best to divide your



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estate equally among your adult children. But if that's not your plan, talk with your kids about it now to avoid unpleasant surprises later.

Say you have two children, one wealthy and one with a fairly low income. If you know the wealthy child won't need the inheritance money, but her brother could truly use it, "have a detailed conversation about this with the child who will get the lesser share," says financial planner Stewart Welch of Birmingham, Ala. If you can't bring yourself to divide your estate unevenly, "go to the well-off child and say, 'Your brother needs help, so please watch over him,'" Welch says.



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Making Residential Plans

As a group, grandparents are living longer than ever before. That's why you and your children should talk now about where you'll want to live if you wind up needing help with daily activities — and how you imagine paying for it.

Families need to have "the dreaded nursing-home talk," Pond says, "in rational times." Start the conversation in your 60s or early 70s and be candid with your kids about when you'd want to move. If you wait too long to make decisions and adjust your finances, you may find yourself in a bind when the time comes and neither you nor your kids have the savings to help you make the transition.

Getting Paid for Child Care

Maybe you've generously watched your grandkids four or five days a week without pay so their parents can work without having to pay for child care. But if you're starting to feel some financial pressure, it may be time to talk candidly about getting paid for your efforts. Dick Edwards,



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author of [Mom, Dad ... Can We Talk?](http://www.amazon.com/gp/product/1604942401?ie=UTF8&tag=grandparentsc-20&linkCode=as2&camp=1789&creative=9325&creativeASIN=1604942401) (http://www.amazon.com/gp/product/1604942401?ie=UTF8&tag=grandparentsc-20&linkCode=as2&camp=1789&creative=9325&creativeASIN=1604942401) (Wheatmark), suggests that you collect three bids for local or in-home daycare, "then tell your child that you'll watch the grandchildren for 50 percent of what they'd have to pay someone else. This puts the kids on notice that you can provide them with child care at a discount, but not for free."



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Getting Scammed

Have you been the victim of a fraud, or think you might be about to become one? You're hardly alone. Scam artists frequently prey on trusting people; the so-called "grandparent scam" alone has roped in numerous otherwise savvy couples.

If you've been cheated, or worry that you may be the victim of identity theft, discuss it with your children and work together to find out if and how badly you've been taken, and what action, if any, you can take. "Your child is the best second opinion you can get if you are skeptical of something that someone is trying to sell you, or if you feel you are the victim of a scam," Pond says.

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