

## Families Fear Talking About Money



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To plan effectively for clients' retirement, advisors are going to have to broach sensitive subjects like family finance. That's the message from a new Bank of America Merrill Lynch study entitled, "Family & Retirement: The Elephant in the Room."

The study showed that many adults 50 and older with over \$250,000 in investable assets were simply not discussing with their families—in many cases even their spouse—some of the most important financial planning concerns. More than half had not discussed issues such as wills or health directives with their children, and nearly one-third of respondents over 50 had not had those discussions with their spouse.

"The old analogy that silence is golden has been shattered with this study," says David Tyrie, head of retirement and personal wealth solutions at Bank of America Merrill Lynch. "It is a real problem." The survey, which was conducted in partnership with geriatric research firm Age Wave and polled 5,415 individuals between 25 and 88, examined the family-wide implications of retirement.

Almost one quarter of respondents cited a desire to avoid family conflict as the primary reason they steered clear of discussing wealth transfer or health care. Another 19% said those matters were too uncomfortable to discuss. "People are avoiding those conversations because they are afraid of what could come out," Tyrie says.

But those who had conversations about financial planning with their adult children or spouse were twice as likely to say that they would be prepared in the event of a sudden family emergency. Advisors should consider it their responsibility to ask the right questions to encourage families to have those discussions in a safe and open forum, says Andy Sieg, head of global wealth and retirement solutions at Bank of America Merrill Lynch.

"The role of financial advisors, among other things, is to start this dialogue and help have a level of understanding across generations that advisors can use to make this a safe conversation," Sieg says. "Where we see that happening with clients, it is paying enormous dividends in terms of confidence in the future."

While the need for dialogue is not new, the oncoming generational wealth transfer and the additional complication surrounding retirement planning make it a higher priority, Sieg says. "Historically, financial advisors wanted to ensure that they knew their client's goals and tax status, and that's still foundational," Sieg says. "But we're training and positioning our advisors to be asking very new and very different questions with clients." Advisors at Bank of America Merrill Lynch are encouraged to ask clients questions about their family, health, work, and whether their children know what their plans are surrounding retirement and health care, he says.

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