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Talking Turkey About Family Finances

Discussions about money are often put off 'until an event or emergency occurs.'

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As families gather for a turkey dinner this Thanksgiving, some financial advisers want them to bring up a taboo topic: money.

Too many families are reluctant to discuss important financial matters, such as the state of aging parents' savings or their plan for leaving what's left to children and charities. According to a recent [Merrill Lynch study](#), 70% of investors have never talked with mom and dad about their will, their plans to handle long-term health-care costs or other such issues.

Among married investors, 28% have never had such a conversation with their spouse, according to the same study, conducted by Merrill in partnership with demographic consultant Age Wave.

People avoid talking "until an event or emergency occurs," says Michael Conway, president and chief executive of Conway Wealth Group in Parsippany, N.J. He believes advisers first need to bring up the question with clients, and then encourage the families to engage in a discussion.

Lisa Kent, a Merrill Lynch financial adviser in New Jersey, says she considers the casual, social atmosphere of Thanksgiving to a good time to broach the subject. "It's a fun, easy holiday," she observes.

"But it may not be the time to get into the weeds," she adds. A short conversation to get the ball rolling after dessert is a good plan--but she suggests saving the specifics for another time, perhaps in a follow-up gathering dedicated to financial issues.

Ms. Kent says she tends to use leading questions, as opposed to statements of fact, when bringing up financial issues with clients. They are less likely to become defensive or to feel they are being criticized with this approach.

"I say, 'Have you ever spoken to the executor of your estate about what your wishes are?'" she says. "You'd be amazed how many people have assigned an executor but never told them or spoken with them about it."

Many people steer clear of talking money to avoid a potential conflict. But a casual discussion with family members already gathered around the holidays "doesn't necessarily have to start with money," says Harold Elish, a New York-based adviser with UBS UBSN.VX +0.65% Wealth Management Americas.

The conversation could begin by affirming a goal, which is "try to have the family be harmonious and act as a family" when the parents are no longer living, Mr. Elish suggests. "Communicating while you're still alive gives you a better shot."

Before engaging the wider family, couples have some business to take care of on their own, advisers say: They need to make sure they are in agreement on important issues.

For instance, some children may expect their parents to continue providing financial help as they reach adulthood. While one parent may want to help those children buy a car or house, the other may not. That kind of disagreement can quickly sink a family meeting.

"The husband and wife need to make sure they're on the same page," Mr. Conway says.

Advisers say they are happy to help facilitate a discussion, either a break-the-ice meeting or a follow-up to that initial discussion over pie at the holiday table.

Adam Nugent, president of Foresight Wealth Management in Sandy, Utah, said he is a proponent of organizing legacy meetings among extended families. At these gatherings, the discussion can range from who gets what in inheritance to discussion of trusts and medical directives.

Often, Mr. Nugent says, conflict arises not over cash but over personal assets--who gets Mom's pearls, or Dad's antique cars. Talking about the bequeathing of such objects isn't always necessary--and actually may be a bad idea, he says, but it's important to put down in writing who will get them.

"I've seen a family torn apart by doilies," he says.

The Elephant in the Room (4:27 video)



Investors too often fail to talk to their families about their finances, says Ken Dychtwald, CEO Age Wave, and David Tyrie, managing director at Bank America Merrill Lynch. Advisers sometimes need to push them into these conversations.

For video go to: <http://live.wsj.com/video/the-elephant-in-the-room/2D4ED3FE-912F-4C9D-A0AE-95E64F944884.html#!2D4ED3FE-912F-4C9D-A0AE-95E64F944884>

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