

## Protecting Your Parents — Financially

People reach their peak decision-making abilities sometime in their 50's, and then decline slowly until after age 70, when the decline starts to take off more dramatically. This helps explain why sweepstakes frauds, Nigerian investment schemes and other scams target seniors and retirees.

What can you do to protect yourself—or your parents—from fraud and bad financial decisions? An article in NerdWallet suggests that parents and children can start by drafting powers of attorney, one for health care decisions and the other for financial decisions. This lists who the retirees want to speak for them in case they become incapacitated.

You can also simplify the financial lives of aging parents by consolidating the checking accounts at one bank, and the investments at a single advisor or brokerage account. If there are many credit cards, cut up all but two: one for daily purchases and one for automatic bill payment.

The adult children should also make a habit of communicating with their aging parents. Scam artists do their best work when their victims are isolated, without family and friends looking for signs of exploitation. A weekly visit might help you spot the variable annuity salesman who's getting too friendly.

Some places to learn about the more creative elder fraud schemes include StopFraud.gov, AARP's Fraud Watch Network and the IRS, which offers consumer alerts and an annual list of the "Dirty Dozen" top tax-related scams. Adult children can discuss common frauds, such as telephone imposters pretending to be IRS agents or Microsoft tech support.

Meanwhile, many financial institutions offer text or email alerts to notify their customers (and their advisors) of unusual account activity. People over 65 can have these automatically forwarded to an adult child who functions as an extra pair of eyes on what's going on in the account.

For many older retirees, there comes a point when the financial issues become too complex and overwhelming. That's the time to have a trusted successor or advisor take over the management of finances. The best advice here is: don't resist giving up the day-to-day financial minutia. Experts report that most older Americans don't recognize their gradual impairment, and often try to hang onto financial control beyond their capacity—and then hide the fact that they fell for a scam out of embarrassment until the next one comes along.

*By Bob Veres, publisher of [Inside Information](#) - the premier publication of financial industry trends and information for leading practitioners in the financial planning profession.*

