

So, Mom Is Dating Again?

How advisors can help alleviate the concerns of adult children

By Marguerite Lorenz

Key Takeaways:

- Whose money is it anyway? Ethically, can the children reasonably expect to get it all?
- Expectations management: If adult children serve as a fiduciary for an elderly parent, can they really be objective?
- Everyone has the right to be foolish. How do we balance independence and safety?
- Many adult children want their parents to be happy and safe, but it is usually a crisis that brings up the conversation.

As a professional fiduciary, I often remind my clients that they are the first beneficiary of their trust. Estate planning is much like an airplane oxygen mask; you must put on yours before you assist anyone else, even your children. What if your elderly mother (the family matriarch) wants to enjoy her last days in love and companionship, but her children want to prevent any loss of their inheritance?

Real-life example

Daughter calls the mother's financial advisor for the first time. The daughter's mother has been a client for over 15 years. Daughter demands to know how much money Mom has with the F/A. Without permission from his client, of course, the advisor cannot share any information with the daughter.

"What prompted you to call?" the advisor asked.

Daughter said, "My mother is behaving strangely. She smiles all the time, is mysterious about her schedule and wouldn't let me come in the last time I dropped by to see her. I think she's seeing someone but won't admit it. What if the man she is seeing takes advantage of her? What if he takes all her money?"

The advisor said, "I would be happy to call your mother to find out how she is doing." He didn't offer any more information, and finally the daughter thanked him and hung up.

When my financial advisor friend shared this story above, he said his client, age 75, told him she was fine. She was dating a friend from her college days and wanted to figure out her feelings for him before introducing him to her daughter. The client denied the advisor permission to share information about her romantic life. The advisor suggested that if the client developed the kind of feelings that might lead to marriage, he had some ideas to keep the peace within the family. The client thanked the advisor for alerting her to her daughter's phone call.

How would you and your family react to this situation?

When first meeting with new clients, I have learned to let the clients drive the conversation, as the most important things they want to discuss are often themselves, their personal independence and their families. I listen for the clues about *how elders see themselves and their aging process*.

For adult children, there is often no perceived line between themselves and their parents' money. The family discussions are often limited to daily logistics or other non-inflammatory topics. Parents are expected to help their kids financially, and yet few families ever discuss the details about what each family member has in the bank, or what their respective tax returns look like. Many adult children want their parents to be happy and safe, but it is usually a crisis that brings up the conversation.

Prenuptial agreements have long been a tool for keeping control over a client's (and the family's) wealth. But many clients feel prenups are unromantic things and adversarial. In this article, I will focus on other estate planning solutions, as elders in love may be more willing to address these issues as part of planning with the end in mind. Each elder may have children of his or her own and each may even have a separate trust in place.

Expectations management

When Mom starts dating again, she becomes vulnerable to flatterers and predators. The kids may or may not be supportive of newfound love, and a skilled financial advisor can offer an objective discussion. The best elder dating circumstances I've experienced have been when each elder has his or her own funds and doesn't ask for "help" from the new "friend." Make sure a family member or your parent's financial advisor is kept abreast of any travel plans, any changes in residence, or any requests for financial help or financial information. A number of financial advisors I know offer to be the "bad guy" on behalf of elder clients so that their client can always tell a date, "I don't know, I'll have to ask my financial advisor." Your parent and their primary financial advisor can set a threshold dollar amount (for example, anything over \$500) that requires your parent to contact you or the advisor if asked for a loan or gift. We have seen lots of scams that would have been prevented if only the senior had reached out to a trusted third party before writing the check or sending the wire.

An attorney friend shared this story with me. The gentleman client came in with his new girlfriend. The attorney, aware of his wife's passing two years before, asked what the gentleman would like to accomplish. When my friend's client said he wanted to update his estate plan, the attorney asked the girlfriend, who appeared to be much younger than his client, to step out so he and his client could have a private conversation. Behind closed doors, the attorney expressed his concerns about what the client's children would say about his much younger girlfriend. The client said, "I'm having the time of my life. I want to marry her and let her have some money, but not all of it. The kids will be okay. I'm 78, but she thinks I'm 93! Isn't that great?"

Balancing independence and safety

If an elder still has capacity, he or she has every right to spend their money as they wish. There is no law against being foolish. Even the most successful, intelligent and accomplished elders can get taken in, especially when romantic feelings are involved. Here are a few tips that you and your parent's advisor can use for opening a dialogue with an elderly single parent:

- Even very smart people can get scammed; there is no defense against deceit, so tell your parent there is no shame in asking more questions or "sleeping on it" before making big life decisions.

- If the deal (or the dating) is a secret, something might be “wrong” with it. Please warn parents about Internet dating. If the new romantic interest asks for money, it may be a scam and not love, or sometimes a combination of the two.
- If the new couple is serious about being together, the financial advisor can offer to hold a “yours, mine and ours” discussion. This discussion might include having your client and the new love reveal financials to each other, asking whose home they will live in, who will pay the household bills, and how death or incapacity of one or the other would play out for them, etc.
- There is an opportunity to talk about estate planning prior to marriage. Couples who are 50-plus are often receptive to the discussion of logistics, having had some life experience, but may need an interested third party to get the details out in the open.

There has been another interesting development among seniors over the past several years. Statistics from the [Centers for Disease Control and Prevention](#) indicate rapid increases in sexually transmitted diseases among older people. For instance, between 2007 and 2011, syphilis has increased in the 65-and-older crowd by 52 percent. Senior residences are filled with lots of people of comparable ages, “blue pills” abound and, because of the perception of no risk of pregnancy, protection is not necessarily considered or discussed. As a professional advisor, you may want to suggest a medical checkup when you become aware that your client is dating again. The [National Survey of Sexual Health and Behavior](#) reports that among people age 60 and older, more than half of men and 40 percent of women are sexually active.

The estate planning process

Having an estate plan in place and knowing when to have someone else responsible for managing the trust/estate are powerful tools in the prevention of financial elder abuse. I have seen the value of the proactive relationship between financial advisors and clients. The advisors who guide the estate planning process and then support the ongoing maintenance of the plan have the best opportunities to keep the conversation going with at-risk clients—the ones who are generous with gifts to friends and family, they describe themselves as frugal, and they are interested in every new investment opportunity that comes along. The estate planning process can take several months to complete initially. You and your parents’ advisor should remind your parent that this life event (meeting someone new, getting married or moving, for instance) is a great time to revisit the estate plan to see whether it will still meet his or her needs, the relationship will grow.

Conclusion

We all want to have a choice about how we live our lives, and with whom we share our abundance. We often don’t realize we have become vulnerable until it is too late. A skilled advisor genuinely cares about their clients and is always willing to risk talking openly about their client’s life choices!

About the Author

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