

“For Boomers Only”

Edition 3

Mom’s Finances

One of the greatest challenges that senior citizens face in today’s economy is the record low returns that they are able to earn on their retirement funds. The “Boomer” children, who are inevitably involved in their parents’ lifestyle decisions, must not only understand the complexity of this issue, but must also be assertive in helping their loved ones address the practical alternatives which exist in this environment.

To begin your family’s analysis of this important consideration, you must first remember the following items:

1. Your Mom’s perspective regarding her assets is totally different than your own.
2. Your Mom has lived through much more oppressive economic periods than we are currently experiencing. She knows from experience that the economy can get even worse than it is today.
3. Your Mom has probably prepared herself to live out her life without dependence upon you and your siblings. She unfortunately presumed that she would be able to earn a minimum of 5% to 6% on her available funds.
4. Your Mom is absolutely willing to compromise her lifestyle needs rather than disturb her inclination to do nothing during an economic cycle such as exists today.
5. Regardless of how financially secure you and your siblings may be, your Mom probably still believes that whatever money she has is really yours. In her mind, she is only entitled to live off of the earnings on this money.
6. If your Mom lives in a home that is free and clear, she will often not understand all of the cost implications of home or condominium ownership.

Assuming that your family has already made the decision that a Parc Communities lifestyle is the right choice for your Mom, you will need to clearly and decisively address these items. Without a comfortable financial strategy, your loved one will never be able to embrace the idea of a lifestyle change.

Although we at Parc Communities have no crystal ball regarding the future of this economy, the experts upon whom we rely believe that this extraordinarily low interest rate environment will prevail for at least the remainder of this year. They see nothing on the horizon that will reflate the economy during the likely remainder of your Mom’s life, nor do they envision any economic catastrophe such as the Great Depression.

The simplistic problem then becomes, “How can Mom enjoy a Parc Communities lifestyle when she can only earn 1%-2% on her estate?” Since, in most instances, it is not advisable for Mom to invest in higher-yielding securities that might risk her capital, the answer to this question must be found by addressing the issues as they specifically relate to your family. Although there is considerable commonality among all of the Depression-era generation, your family will need to focus clearly upon those matters that are particularly relevant to you and your Mom.

At Parc Communities, we have had the opportunity to address practically every financial question that your family will consider. Our experience can be helpful in providing you with the insight necessary to make your loved one comfortable with this aspect of her lifestyle decision.

In a nutshell, our belief is that a Parc Communities lifestyle is so beneficial to the quality of your Mom’s remaining life that your family must approach the financial issues as if they are not really material to the consideration. In order to do so, your family must carefully and graphically chart your Mom’s financial future. If you need assistance, our staff will be glad to assist you in developing this chart. The objective is to remove any and all fear from your Mom’s mind regarding her financial future and independence.

Our hope is that your family will lovingly address your Mom’s commitment to leaving her children “their” inheritance. In many instances, it may be necessary for Mom to spend some portion of her savings each year in order to supplement her current earnings. Your family must persuade Mom that her happiness and well being for the remainder of her life is far more important to you than whatever she might leave behind. It is because of this fact that you have already begun exploring the possible benefits of a Parc Communities lifestyle.

The financial considerations of a lifestyle change, particularly in today’s economy, are challenging. In most instances, they can be resolved in a straightforward manner that will relieve your Mom from the incredible anxiety surrounding her money.

The Parc Communities staff has developed a number of charting tools that are available upon request. We are also delighted to assist your family in developing a financial strategy that will be comfortable for your Mom.

Please do not hesitate to give us a call if we may be of further assistance. If you have just recently been added to our Parc Communities’ extended family and would like to receive copies of our previous “For Boomers Only” letters entitled “Taking Charge” and “Identifying the Issues,” either call or log onto www.parccommunities.com. If you would like to be removed from this list, please advise.