



Lend

ST

Web  MSNBC

Alerts Newsletters RSS Help

MSN Home Hotmail Sign In



MSNBC Home » Today » Monday Money

Sponsored by

**TODAY** BOOKMARK THIS PAGE | ABOUT THE SHOW | E-MAIL US

**Monday MONEY** | with Jean Chatzky

**Today Show**

- Concert Series
- Entertainment
- Health
- Money
- Kitchen
- Wine
- Relationships
- Fashion & Beauty
- Books
- Parenting
- Home & Garden
- Weekend Edition
- Early Today

**U.S. News**

**World News**

**Business**

**Sports**

**Entertainment**

**Tech / Science**

**Health**

**Weather**

**Travel**

**Blogs Etc.**

**Local News**

**Newsweek**

**Multimedia**

**News Video**

**Most Popular**

**NBC NEWS**

**MSNBC TV**

# How to help aging parents with their financial future

## 'Today' financial editor Jean Chatzky offers advice to adult children on how to help them plan for the future

**By Jean Chatzky**

"Today" financial editor

Updated: 3:08 p.m. ET Dec. 16, 2005



**Jean Chatzky**  
The 'Today' show  
Financial Editor

- Profile
- E-mail

*Worried about your parents' financial security? 'Today' financial editor Jean Chatzky shares tips for how you can help them plan for the future.*

Talking to your older parents about their finances is as hard for you as it was for them to talk to you about sex. Both conversations, however, are absolute must-haves. But this month you have an edge. The new Medicare drug plan has opened for enrollment and that gives you just the opening you need to have a conversation about finances and the future with your folks. Here's a look at the ground you want to be sure to cover:

Story continues below ↓

advertisement

**RELATED STORIES** | What's the

- Make the most of your last-minute
- Take the sting out of buying sc

**MOST POPULAR**

**Most Viewed** - • Top Rated -

- Sixth postal shooting victim die
- Agent drops 'A Million Little Pie
- No clear Katrina chain of comm says
- Deputy shoots airman after 10
- Briton not expected at funerals
- **Most viewed on MSNBC.com**

**FIND OUT ABOUT 'TODAY'!**

Sign up today! Each week you'll be first to know about upcoming show segments, top stories and more.

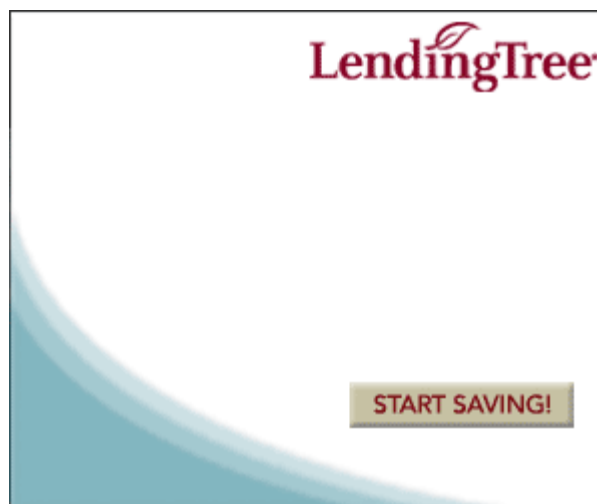


[Today Show](#)[Nightly News](#)[Meet the Press](#)[Dateline NBC](#)[MSNBC Classifieds](#)[Shopping](#)[Jobs](#)[Personals](#)

with PerfectMatch.com

[Autos](#)[Real Estate](#)

with HomePages.com

**RESOURCE GUIDE**

- Personals with PerfectMatch.com
- Real Estate and Mortgage
- Buy Life Insurance
- Shopping

- Make sure they're on stable financial ground. Your parents, thankfully, will likely live a lot longer than their parents before them. It would be nice (for all involved) if whatever assets they've stockpiled for retirement (supplemented by Social Security) could last as long as they do. But in order to make that happen you need to understand — or to bring in a trusted financial adviser who understands — how your parents are living today. Do they have a substantial pension? Are they draining their savings? Or are they subsisting on Social Security? In other words, do they have enough?
- Help make their money last. Although the financial industry (and financial writers like me) have a lot of emphasis on accumulating assets, we haven't talked enough about withdrawing money from retirement accounts in a way to make it last. If your folks aren't sure how much they can safely withdraw each year, four percent of total assets is usually a good starting point. But then take the time to access some of the retirement planning tools on Web sites like TRowePrice.com, which can help you get an even more accurate idea. If they don't like the idea of being subjected to any market fluctuations, you may want to consider an immediate annuity that can convert their retirement assets into an income guaranteed to last for life.
- Consider where they want to live. You need to understand what sort of day-to-day life your parents envision today and in the future. Are they willing to move closer to you or one of your siblings to make taking care of them easier? Do you, or they, envision them moving in?

For some people, their most important goal is to live the rest of their

**ONLY ON TODAY.MSNBC.COM!**

**Money MONDAY** with Jean Chatzky

Financial editor Jean Chatzky answers your

life in the family home. If your parents are among them, one way to increase their incomes and

questions about personal finance.

- LAST WEEK:  
Three numbers that can halt credit card fraud
- GO TO ALL MONEY MONDAY COLUMNS

simultaneously guarantee that they will be able to stay at home is to consider a reverse mortgage. This is an arrangement by which, essentially, the bank buys the house back from your parents either with a lifetime of monthly payments or by a single lump sum. If your parents live longer than the bank expects, it can turn out to be a very good deal for them. If they live a short time, it's a better deal for the bank. The AARP Web site — AARP.com — is chock-full of great information on how these loans work. But note: Make sure your parents want to stay in the home for themselves, not because they're intent on leaving the family home to you — particularly if you don't want it.

- Do they have the proper paperwork? You need to know that your parents have three documents that will allow you to manage their health and finance needs if they become ill or incapacitated. Those are a living will (which tells a doctor or hospital whether or not they want life support); a health care proxy (which gives you or another individual the power to make health care decisions on their behalf); and a durable power of attorney for finances (which gives you or another individual the power to make financial decisions on their behalf). If they don't have these, I recommend getting a copy of the "Five Wishes Living Will," which is essentially a living will and healthcare proxy in one. I like it because it's written in plain English rather than in legalese. You can find it on the Web at [www.agingwithdignity.org](http://www.agingwithdignity.org).

*Jean Chatzky is an editor-at-large at Money magazine and serves as AOL's official Money Coach. She is the personal finance editor for NBC's "Today" show and is also a columnist for Life magazine. She is the author of four books, including 2004's "Pay it Down! From Debt to Wealth on \$10 a Day" (Portfolio). To find out more, visit her Web site, [www.jeanchatzky.com](http://www.jeanchatzky.com).*

#### QUESTIONS OR COMMENTS?

**Do you have a question for Jean Chatzky? She'll try to address your concerns and comments in a future column.**

**(PLEASE NOTE: Questions and comments about show segments or columns not featuring Jean should be sent to [Today@nbc.com](mailto:Today@nbc.com))**

Write your question or comment in box below.

NOTE: Your e-mail address will not be used for publication. Also, please be sure to let us know if you do not want your name or hometown used.

**Your name**

**Your city & state**

**Your e-mail address**

**Send**

Your e-mail address and/or phone number will not be published. Leave your name or hometown blank if you do not want it published.

**Rate this story** Low  High

Current rating: **4.5** by **16** users • **View Top Rated stories**



Print this



Email this



Blog this



IM this

#### MORE FROM MONEY

**Next →**

**Money Section Front**

- Is the new Roth 401(k) option right for you?
- 5 tricks to stop the shop-till-you-drop habit
- Three numbers that can halt credit card fraud
- What to do when the debt collector calls
- Multi-tasking on the job. Is it good or bad?
- How to slash your debt from \$50,000 to zero
- Learn how to stick to your financial resolutions
- Not so fast! What to do with your holiday cash
- 'Tis the season for giving (and returning)
- Make the most of your last-minute donations
- Money Section Front

#### TOP MSNBC STORIES

- Bush takes goals on the road
- Inquiry faults Katrina response
- Saddam, lawyers absent from trial
- Sixth postal shooting victim dies
- Coretta Scott King funeral unclear

#### MSNBC TV HIGHLIGHTS

- State of the Union play-by-play
- MSNBC-TV Question of the Day
- Good samaritan act saves girl
- Polls make Dems happy again?
- Enron: Lay and Skilling lawyers talk

advertisement



### Books to curl up with

- Fiction best sellers
- Literary collections
- Cookbooks
- Reading gadgets
- Nonfiction best sellers
- Oprah's favorites

---

#### SPONSORED LINKS

[Get listed here](#)

##### **A Brand New Computer, No Credit Check**

At Financing Alternatives, we help customers with poor credit finance a desktop or laptop computer, home electronics, or jewelry with no credit check. We say yes! Visit our site today.

[www.myfai.com](http://www.myfai.com)

##### **Get A Cash Advance from \$200 to \$1500**

Get an overnight cash advance with no credit check. Direct deposit is required.

[www.prescottfinancial.com](http://www.prescottfinancial.com)

##### **Costa Rica Real Estate Opportunity**

Property values on the central Pacific coast are skyrocketing. Now is the perfect time to invest in mountain and ocean view homesites at pre-development prices. Free DVD and brochure.

[www.costalandsales.com](http://www.costalandsales.com)

##### **Refinance Rates Hit Record Lows**

Get matched with top lenders that can get you lower rates. Receive up to 4 free quotes fast. Bad credit OK - free service.

[www.lowermybills.com](http://www.lowermybills.com)

##### **Fast, Easy Student Loans**

Instant pre-approval. Borrow up to \$120,000. Get your funds within 5 business days. No payments till 6 months after graduation. 20 years to repay. Apply online now.

[www.nextstudent.com](http://www.nextstudent.com)

---

[Cover](#) | [U.S. News](#) | [World News](#) | [Business](#) | [Sports](#) | [Tech/Science](#) | [Entertainment](#) | [Travel](#) | [Health](#) | [Blogs Etc.](#) | [Weather](#) | [L](#)  
[Newsweek](#) | [Today Show](#) | [Nightly News](#) | [Dateline NBC](#) | [Meet the Press](#) | [MSNBC TV](#)

[About MSNBC.com](#) | [Newsletters](#) | [RSS](#) | [Podcasts](#) | [Help](#) | [News Tools](#) | [Jobs at MSNBC.com](#) | [Contact Us](#) | [Terms & Conditions](#)

© 2006 MSNBC.com

---

© 2006 Microsoft [MSN Privacy](#) [Legal](#) [Advertise](#)