

CNN Money

You need to talk to your parents about their retirement

by Kathryn Vasel @KathrynVasel October 27, 2017: 9:42 AM ET

Is it time to have "the talk"?

Discussing finances with your parents can be as uncomfortable as the talk they gave you about the birds and the bees. But it still needs to happen.

"This is a touchy topic, because older parents can get the idea either that their kids are trying to take control of the parents' finances, or that they are just trying to see what they will get when the parents are deceased," said Kimberly Foss, a certified financial planner and founder and president of Empyrion Wealth Management. "Either conclusion can make for a tense and unproductive conversation."

Knowing your parent's retirement situation can help provide clarity about their financial security and give a glimpse of any potential gaps or help they might need in the future.

But if the thought of bringing it up makes your palms sweat, experts suggest asking the following questions to get the conversation started:

Do you have a will?

To help get the money talk flowing, start by asking if they **have a will and whether it's up to date**, suggested Janis Cowhey, a lawyer and partner at Marcum.

"I find that conversation easily leads into finances," she said. "Older generations don't like to talk about finances, it's very personal."

Reviewing their will or getting them to create one will outline your parent's assets and their financial wishes. "Couch it in terms that they should decide exactly where their assets go," advised Cowhey. It's also good to make sure beneficiaries and guardians are current.

What do you plan to do in retirement?

Some people dream of jet setting across the globe in their golden years while others want to open their own business or spend more time with family.

Talking about their dream retirement can lead to an honest look at your parent's financial situation, and whether their savings can realistically support them in retirement.

Where and how is your retirement invested?

Many retirees will rely on [a mix of savings accounts](#) to fund their retirement

"When you have multiple accounts in a variety of financial institutions it can get confusing, particularly as parents get older," said Randy Schechter, vice president and branch manager of the Charles Schwab branch in San Diego.

Investment mix is another area that will factor into their overall security. Taking a look at your parent's investment portfolio can help make sure they're taking on the right amount of risk.

Cowhey recently reviewed her parent's brokerage statements and discovered that they were 100% invested in stocks -- an extremely aggressive portfolio better suited to young investors. The general rule of thumb is the older and closer you are to retirement, the less of your retirement savings should be invested in the stock market.

Have you reviewed your Social Security options?

How and when your parents file for Social Security benefits can effect how much they get.

Married couples usually have more filing options with two checks involved, and delaying collection of benefits can result in a bigger check from the government.

Do you have any debt?

Carrying debt into retirement is becoming more common and can delay or derail retirement plans.

"I've found many clients have been surprised that their parents had credit card debt," said Cowhey. "They assumed they had none and it can bite them in retirement."

[Calculate: How much will I need for retirement?](#)

Have you considered your insurance options?

[Health care costs](#) can eat up savings quickly, but it's impossible to know exactly how much to budget for. Most likely retirees will have Medicare to help cover some costs, but it doesn't cover everything. Experts recommend considering a Medigap policy and prescription drug coverage.

Schechter also suggested talking about long-term care insurance. "The longer people live, the more likely they will need some type of extended care, Medicare is only going to pay for certain costs."