

HELP CLIENTS DESIGN END-OF-LIFE PLANS

Susan Goldberg / May 4, 2018



In 2017, Monique Madan was approached by two different sets of clients. In both families, one spouse had been diagnosed with stage IV cancer.

“They wanted to discuss what they could afford to do while the afflicted partner still felt well enough, while not leaving the survivors in a pickle,” recalls Madan, a fee-for-service planner in Toronto.

A critical diagnosis can often spur clients to clarify their financial priorities. But clients—and their advisors—shouldn’t wait for shattering news from a doctor before discussing either bucket-list goals or end-of-life financial planning.

Ideally, those conversations are built into the overall planning process, says Scott Plaskett, senior financial planner and CEO at Ironshield Financial Planning in Toronto. Naming beneficiaries and creating documents such as wills and powers of attorney are obvious entry points to discussing end-of-life goals and care, he says, but those topics should be integrated into series of frank, holistic discussions about clients’ goals, values, fears and desires.

Planning for illness and premature death happens early in a financial-planning process, he says. For example, clients can explore solutions like critical illness or long-term care insurance, or tapping into home equity. In Ontario, there’s also a [Direct Funding program](#) for self-managed, personal-support care.

Clients with terminal diagnoses often have to weigh competing values: leaving the surviving spouse (and children) better off financially, or spending more money to enjoy the declining spouse’s remaining time. Pay down the mortgage or travel the world? “That’s a tough one,” Madan says. “Very often, spouses disagree on which path to take. I can’t tell them what to do. My job is to quantify what they can spend without compromising the estate plan.”

Neither advisor finds it difficult to begin discussions around end-of-life planning. “It’s about not being afraid and asking lots of questions,” says Madan. She’ll talk with terminally ill clients about whether they’ve been given a timeframe by their doctors, and if they know when they might feel better or worse. She uses that information to plan: if a client has been given three to five years to live, for example, she’ll plan for five years to ensure the family doesn’t run out of funds. And she can suggest booking travel during more vital times.

For clients who still qualify for travel insurance, she’ll recommend travel agencies that cater to the less mobile, or cruise lines with onboard nursing care. One client, she recalls, was able to bring a personal nursing aide for one last trip to her beloved vacation property. She notes clients whose parents died young are particularly open to these kinds of conversations.

For her two sets of terminally ill clients, Madan adjusted their financial plan to increase the families' standard of living during the initial stages of the illness to account for bucket-list goals like travel or leasing a fancy sports car. She also made room for more daily comforts, like going to the opera or theatre more frequently, or entertaining at home. Then, during declining health and toward the end of life, the families' budgets built in funds for private nursing care or the healthy spouse taking time away from work.

THE NEXT GENERATION

“People aren't scared of dying, or talking about dying,” observes Plaskett. “They're scared about screwing up their kids and their family, because of the amount of wealth they're about to pass on to the next generation.”

With some \$750 billion being transferred from baby boomers to younger generations in the coming decade, says Plaskett, the need for open conversation and financial education will be crucial. End-of-life discussions must prepare younger generations for responsibly managing wealth. “We're looking at longer-term legacies and cascading wealth plans that affect not only a client's lifetime, but the family's lifetime. It's multigenerational.”

Clients, he says, need to have frank conversations with their beneficiaries about their estate plans: who's getting what and why. Advisors will play an increasingly valuable role in educating the next generation. His own office is exploring the option of starting to facilitate family meetings for precisely this reason.

In the face of terminal illness—or its possibility—thorough financial planning helps clients understand what their finances can bear. It also gives clients confidence to optimize the time they have left and the legacy they'll leave to future generations. While shepherding ailing clients through end-of-life planning may not be the most cheerful of an advisor's tasks, it can certainly be one of the most meaningful.

“What an honour,” says Madan, “to be invited into those conversations.”

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