

Flourish Wealth Management

Quarterly Newsletter

OCTOBER 2024

Welcome to the Autumn edition of our quarterly newsletter! As we enter the homestretch of 2024, we're excited to bring you insights from the Flourish Team! We are thrilled to announce that Money.com has recognized Kathy Longo as one of the [Best Financial Planners of 2024](#)! This prestigious honor places her among a special group of just 80 financial planners nationwide, selected from over 1,000 candidates.

This quarter's featured article covers the importance of having candid discussions with aging parents about money and finances. As always, we have the latest market commentary from Director of Investments, Jay Pluimer, AIF®, CIMA® to inform you about the financial landscape.

We hope you find this edition helpful and inspiring as you plan for your financial future. Enjoy the read and have a wonderful fall!

QUARTERLY ARTICLE

Money Talks with Aging Parents: Navigating Family Finances

Practical Strategies for Navigating Complicated Conversations



By: Kathy Longo, CFP®, CAP®, CDFP®
President and Founder

Discussing finances with your aging parents can feel like walking on eggshells. It's one of those topics—along with health and retirement—that often remains unspoken. However, these conversations are important for understanding their financial situation and planning for the future.

3rd Quarter | 2024

Avoiding the conversation may seem easier in the short term, but it can lead to confusion, stress, and misunderstandings later on. As adult children, it can be helpful to start this dialogue with care and sensitivity, but that doesn't mean the task is simple. How can you broach the topic of money without creating tension or misunderstanding? This guide includes tips for navigating family finances and we'll explore strategies for having productive, respectful money conversations with your aging parents, helping to clarify their financial situation and future plans.

The Importance of Timing and Sensitivity

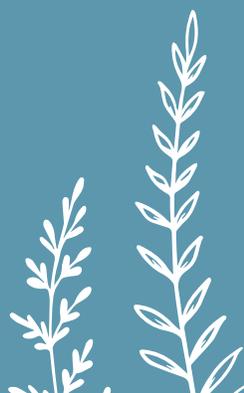
The first step in talking to your parents about their finances is choosing the right time. These conversations are delicate, and it's crucial to approach them when everyone is calm and focused. Timing, in this case, isn't just about finding a free afternoon—it's about considering where your parents are emotionally and financially in their lives. Avoid bringing up money during times of crisis, such as after a medical emergency, as this could amplify stress.

Instead, look for natural transition points, such as when they mention retirement, downsizing, or any major life changes. These moments provide opportunities to talk about the future without it feeling forced or abrupt. A conversation centered around planning for the future can ease them into a conversation about their finances without making them feel uncomfortable or vulnerable.

Start Small: Initiate with Care

For many older adults, discussing money can evoke feelings of discomfort, particularly if they are concerned about their financial future. Rather than diving into specifics right away, start the conversation gently. You might lead with questions about their overall vision for retirement or their long-term goals. Something as simple as, "Have you thought about how you want to handle things in the future?" can open the door without making them feel like their independence is being questioned.

A helpful way to ease into more detailed conversations is by offering examples from your own financial planning. This not only makes the discussion feel more mutual but also emphasizes that you're approaching the conversation as a



family discussion. For instance, you could say, “I’ve been thinking a lot about my retirement and how to structure my savings. How are you handling that part of your future?”

Listen More Than You Speak

Once you’ve started the conversation, the key is to listen—really listen. Your parents might have concerns or plans you hadn’t considered and giving them the space to express these is important. Interrupting or steering the conversation too aggressively can lead to defensiveness. Instead, let them articulate their thoughts before offering advice or suggestions. You might learn more about their perspective than you expected, and this can guide the conversation in a more thoughtful direction.

Active listening also helps create a more trusting atmosphere when discussing sensitive subjects like money. Use empathetic statements, such as “I understand why that would be a concern” or “It sounds like you’ve put a lot of thought into this.” By showing that you value their perspective, you can create a more collaborative environment, rather than one that feels confrontational.

Focus on Key Financial Areas

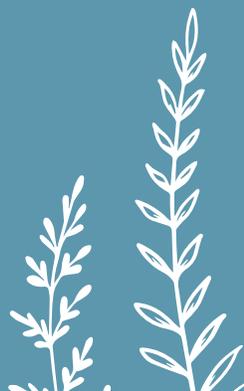
Once your parents are comfortable, it can be useful to address specific financial topics. The goal is to understand their financial situation better and to discuss how they would like things handled in the future. Here are a few key areas you might cover:

1. Estate Planning and Wills

Discuss whether they have an updated will and any [estate planning](#) documents, which can help avoid legal complications and ensure their wishes are clear.

2. Insurance Policies

Review the status of their health, life, and long-term care insurance. Understanding the coverage they have can help you plan for any potential healthcare needs in the future.



3. Debt and Expenses

Ask about any outstanding debts and monthly expenses so you can have a clear picture of their current financial situation.

4. Access to Important Documents

Confirm that you or a trusted party knows where any important documents are kept, such as bank account information, deeds, and insurance papers. Having access to these documents could be essential in case of an emergency. It can also be helpful to know where account login information is stored and how it can be accessed, otherwise, it can be difficult to access key information on a timely basis to support your parents in an emergency.

5. Power of Attorney and Healthcare Proxy

Encourage them to appoint a power of attorney and [healthcare proxy](#) if they haven't already. These legal tools enable someone to make decisions on their behalf should they become unable to do so.

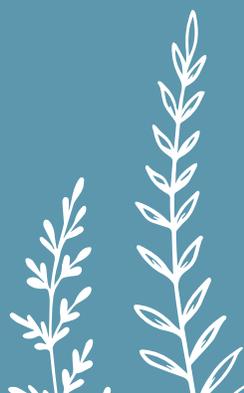
Be Patient and Ready for Multiple Conversations

Money talks with aging parents often require more than one conversation. Because these discussions can bring up many emotions, don't expect everything to be disclosed or resolved immediately. It's important to give both of you time to process and revisit the discussion as needed. By taking it slow, you'll be able to avoid overwhelming them while also giving everyone a chance to fully understand the financial landscape.

Remember, the purpose of these discussions is not to take control of your parents' finances but to collaborate in a way that aligns with their goals and preferences.

Building Financial Clarity Together: Tips for Navigating Family Finances

Having financial conversations with aging parents can feel challenging, but with patience, empathy, and a thoughtful approach, they can lead to greater



understanding for all involved. Clarifying their financial situation and future plans can help reduce uncertainty and help everyone feel more prepared.

Taking that first step may be difficult but remember: these conversations are acts of care. Discussing financial matters today can provide clearer guidance for the family down the road. If you're unsure about how to start financial conversations with your aging parents, Flourish Wealth Management can provide guidance. Our team is here to help you navigate these discussions and create a plan that fits your family's unique needs. Contact us today to learn more about how we can assist with your financial planning.

MARKET COMMENTARY

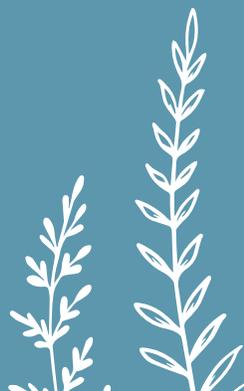
Third Quarter 2024



By: Jay E. Pluimer, AIF®, CIMA®
Director of Investments

After a sluggish start to the year, the US economy accelerated during the quarter, growing at a 3% annualized pace. There was a brief market dip in late August and early September when rosy economic data created concerns that the Federal Reserve might not follow through on their commitment to cut interest rates during the quarter, but the Fed provided a positive surprise for both the Stock and the Bond markets with a 50 basis point rate cut in mid-September. In addition, the Fed provided guidance for 2 additional rate cuts before the end of 2024 with an aggressive approach to reducing rates over the next two years. US and international stocks gained over 6% and 8% during the quarter, respectively, with value-oriented investments favoring companies with increasing revenues and profitability outperforming technology- and communications-focused growth stocks. Bonds were up over 5% during the quarter with prospects for additional gains during a period of sustained rate reductions.

Additional clarity from the Federal Reserve about interest rate policy over the next few months and years will hopefully offset some of the traditional



Flourish Wealth Management

3rd Quarter | 2024

short-term market volatility associated with Presidential Elections. Stock market valuations favor additional gains during the Fourth Quarter, but election-related sentiment can temporarily overwhelm market fundamentals. We expect to see slower growth in unemployment numbers as the Fed rate cuts are designed to moderate inflation around 2% while supporting an environment with full employment, which has historically been around 4.5%. Overall, while certainly softer than it was relative to the past two years, the labor market still looks healthy, and resilient economic growth in the coming quarters should facilitate plenty of hiring. Based on uncertainties around the ability of the Federal Reserve to accomplish a soft landing with low inflation and full employment, along with potential election-related market volatility, we are proactively rebalancing client portfolios to their Target Allocations.

For more information on investments and the markets, you can reference our [Quarterly Market Report](#).

Conclusion

We trust that you've found this quarter's insights helpful and that they serve as a practical guide in your financial journey. At Flourish Wealth Management, we're always here to support you and your family in achieving your financial goals.



Sincerely,

Kathy Longo, CFP[®], CAP[®], CDFA[®]
and the Flourish Team

