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A PRACTICAL GUIDE

# When Roles Reverse

## A 5-Step Guide to Supporting Aging Parents with Their Finances

A step-by-step guide for Canadian families: how to start the conversation, protect assets, and secure ongoing independence for your aging parents (without taking over).

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## Getting Started is the Hardest Part

It often starts with something small: an unpaid utility bill. A forgotten banking password. An odd conversation about an investment "opportunity." In isolation, these moments may not raise an eyebrow. Taken together, they can prompt an important question: ***"Do my parents need more support when it comes to protecting and managing their finances?"***

For many families, helping aging parents can be a significant challenge—one that is not only financially complex, but emotionally fraught. The same parents who taught you how to manage your allowance, reminded you to spend your birthday money wisely, helped you save for your first bike, your first car, or your first house now need your help.

The goal of this guide is to give your family a practical roadmap for supporting elderly parents, with a well-defined process that makes both the financial issues and the emotional landscape easier to navigate.

We've written this guide to reflect a step-by-step process that makes sense for most families in the order it is written:

**Step 1:** Start the conversation

**Step 2:** Clarify the financial picture

**Step 3:** Work through the first 90 days

**Step 4:** Take steps to protect against fraud

**Step 5:** Review, reconsider, and revise as necessary

Remember, your goal is not to force decisions, commandeer the conversation, or take over your parents' finances. Rather, it's to help put the right plans, safeguards, and support in place so they can maintain their independence, their security, and their dignity as they age. By starting the process early, you can help ensure that the emotional and practical groundwork is already in place should greater support be needed.



### Don't wait for an emergency to start preparing.

Some of the most difficult family decisions are made in moments of stress and uncertainty—an emotional context that can greatly interfere with the ability to make sound, well-reasoned choices about the future.

Planning ahead can ease the burden, reduce conflict, and give everyone more confidence about what comes next.

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## Step 1: Start the Conversation Early

Your initial conversation is an important one, setting the stage for everything that follows. Approach it with a spirit of curiosity rather than as an intervention. You are not there to manage; you are there to understand. Let your parents lead. Ask questions about their vision of retirement: what vision they had for it, how "it feels" today compared to when they first retired, and what concerns they may have for the years to come.

Your choice of words and the tone of your conversation matter here. Depending on how you ask it, the same question can feel like an affront or an act of love. Here are some practical examples of how reframing a question can open the conversation rather than shut it down:

| INSTEAD OF | TRY |
|---|---|
| **"I'm worried you're forgetting things."** | "Are there any money issues that feel more time-consuming or frustrating than they used to?" |
| **"You should simplify all these accounts."** | "Could you walk me through how everything is organized? I'd like to understand how it all works together." |
| **"What happens if something happens to you?"** | "If there were ever an emergency, who would you want to help, and what would you want them to know?" |
| **"You need better protection from scams."** | "Have you noticed an increase in suspicious calls, emails, or texts lately? Has anyone called you and pressured you to do something with your money?" |
| **"You should add me to your accounts."** | "Have you thought about who could help if you were ever temporarily unable to manage things yourself?" |
| **"You need a Power of Attorney."** | "Have you thought about who you would want to make financial decisions if you couldn't? Have you written it down?" |
| **"You don't seem to know where everything is."** | "Would it be helpful to put together a list of accounts, contacts, and important documents so they're easy to find when you need them?" |
| **"I think we need to review your investments."** | "How confident do you feel that your savings and investments are covering the lifestyle you want?" |
| **"I'm worried about your future."** | "Is there anything about the years ahead that you're thinking about more now than you did a few years ago?" |

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## The Emotional Side

Financial matters are rarely just about finances. This is doubly true when offering financial support to aging parents. The reversal in roles may seem like a practical matter from an adult child's perspective. For parents, however, it can stir up a range of powerful emotions that can easily cloud financial decision-making and become the source of ongoing family friction.

It makes sense to be aware of these emotions and fine-tune your communication approach to reflect a sense of empathy and understanding for what your parents may be feeling:

**Mourning their independence.** Having a child manage or supervise something as fundamental as a credit card or a chequing account can feel like a profound loss of independence, of dignity, of quality of life.



**Resentment about needing help.** Admitting they missed a bill payment, or that they can't quite understand their latest quarterly statement can be a blow to many parents' sense of pride. It's not uncommon for parents to feel secretly resentful or angry about needing assistance.

**Anxiety about the future.** Even when financial stability isn't a concern, some parents worry about becoming a burden on their family or losing a say in how their wealth and legacy are managed. Fears of cognitive decline can heighten that unease.

**Difficulty adjusting to a new identity.** Parents spend their lives caring for and protecting their children. Accepting that the roles are now reversed can feel "wrong," like an abdication of their lifelong parental duty.

## A Few Ground Rules

1. **Let them lead.** The goal is to understand, not to wrest control.
2. **Go slowly.** Increase your involvement gradually, not in a single sitting. Think in months, not days.
3. **Respect the emotions.** The conversation is not just about money. It's also about independence, dignity, self-respect, and legacy.
4. **Align family members.** Disagreement in the room derails everything; clarify goals and expectations among siblings and others before the conversation begins.
5. **Engage a neutral party if needed.** A trusted advisor can translate complexity without the emotional history a family often carries.

## Step 2: Clarify the Financial Picture

Before you can provide meaningful support, you need to understand the financial picture: what exists, where it resides, and how everything fits together.

Families are often surprised by what surfaces during this process: a forgotten investment account, a pension from a job held long ago, an insurance policy no one knew about. There may also be less-than-happy surprises such as unused subscriptions incurring monthly charges or a TFSA sitting entirely in cash. Until the full picture is laid out, it's impossible to know if and where your parents might need help.

Work through the list below and note where each item "lives" (In the filing cabinet? The desk drawer? The safety deposit box? Online?). Note that your goal at this stage is not to make changes—it's simply to get a more complete view of your parents' financial life.



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## A. Organize Important Financial Information

**Knowing where you can find relevant financial documents can be a big help in an emergency. Make a note of the following:**

- ☐ Bank accounts (chequing, savings, and any dormant accounts)
- ☐ Credit cards (balances, payment dates, any "unusual" charges)
- ☐ RRSPs, RRIFs, IPPs, and TFSAs (pay particular attention to RRIF conversion deadlines)
- ☐ Investment accounts (non-registered and managed accounts)
- ☐ Private corporations, such as holding companies, and documents (investment statements, corporate tax returns (T2s), and the shareholder register)
- ☐ Pension details (workplace or defined-benefit plans, including survivor benefits)
- ☐ Canada Pension Plan and Old Age Security benefits (amounts, start dates, and Guaranteed Income Supplement eligibility if applicable)
- ☐ Insurance policies (life, health, long-term care, home, and auto)
- ☐ Outstanding debts (mortgage, line of credit, car payments, and other loans)
- ☐ Tax returns (most recent two years, plus the contact info for the accountant who prepared them)
- ☐ Copies of the Will and Power of Attorney (confirm they're current and legally attested)
- ☐ Real estate and property titles
- ☐ Beneficiary designations on registered accounts and insurance policies
- ☐ Recurring bills and subscriptions (to spot leaks and set up alerts later)
- ☐ Digital access (a secure record of key logins and passwords)

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## B. List of Trusted Professional Contacts

**A short, current contact sheet saves enormous stress in a crisis. Capture the name, firm, phone, and email for each:**

- ☐ Lawyer or notary (for the Will, Power of Attorney, and estate matters)
- ☐ Accountant (for tax filing and planning)
- ☐ Financial advisor (for investments and income planning)
- ☐ Insurance broker
- ☐ Family doctor and any specialists
- ☐ Executor and attorney(s) named in the Will / Power of Attorney

## Step 3: Set up a 90-Day Roadmap

A structured, phased approach helps keep the process manageable, while minimizing disruption and ensuring your parents remain involved throughout the process. Treat each month as a theme or area of focus rather than an urgent to-do list to race through.

MONTH 1

### Understand

**Get the "lay of the land."** Work through Step 2 above and formulate a complete understanding of your parents' financial circumstances.

**Identify key contacts.** Create a list of trusted professionals, including financial advisors, accountants, lawyers, and insurance specialists who can help if needed.

**Review legal documents.** Confirm that a valid Will and Power of Attorney are in place and that they reflect both your parents' current financial situation and wishes.

MONTH 2

### Organize

**Consolidate financial information.** Bring account details, statements, passwords and key contacts into one secure, easily accessible location.

**Create a document inventory.** Develop a master list of important documents and where the originals are stored.

**Establish an emergency procedure.** Agree on who can access financial information, along with what actions they can take if your parents are temporarily unable to act on their own behalf.

MONTH 3

### Support

**Set up financial safeguards.** Enable transaction and balance alerts with bank and investment accounts. Set up two-factor authentication if possible. Consider call-screening or fraud-protection tools to help reduce the risks of scams.

**Review spending and cash flow.** Identify unnecessary expenses, such as unused subscriptions. Confirm that monthly income continues to cover monthly expenditures.

**Establish regular check-ins.** Schedule a recurring review together. It need not be formal; sometimes a quarterly chat over a cup of coffee is all that's needed to stay informed and connected.

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## Step 4: Protect Against Financial Fraud

Financial fraud is an increasingly important concern for older Canadians. In fact, research from the Canadian Anti-Fraud Centre (CAFC) suggests that Canadians aged 60 and over account for 28% of all fraud losses annually—over $179 million in 2024 alone. Keep in mind these numbers almost certainly belie the real scope of the problem: the CAFC estimates only 5% to 10% of all frauds are reported to authorities.

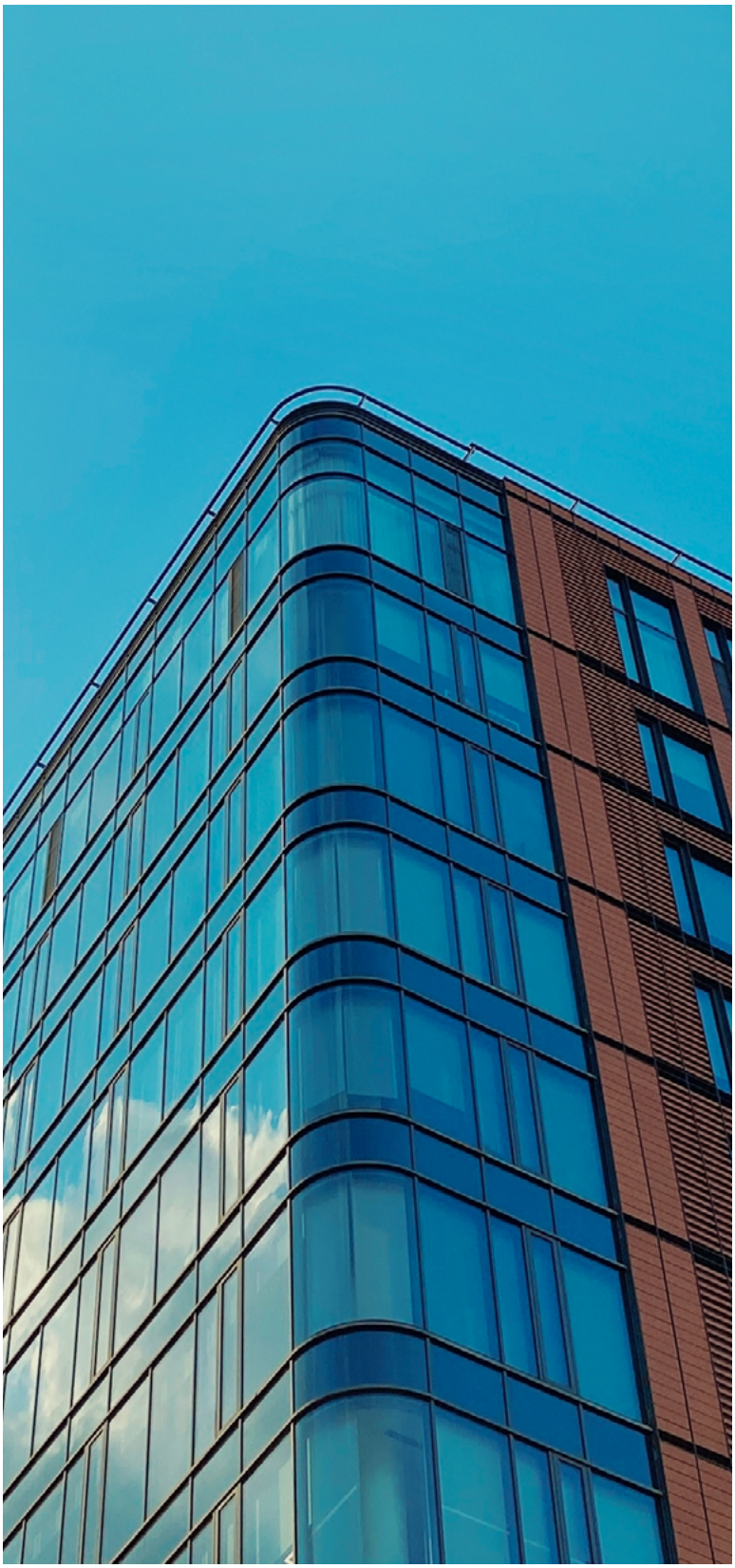
Several factors make elderly parents particularly vulnerable to financial fraud:

**Significant savings.** As individuals perceived to have a lifetime of savings, seniors present an attractive target to fraudsters.

**Social isolation.** The isolation many seniors experience works to the fraudster's advantage: friendly, conversational tactics can draw parents to engage with a scammer, while the lack of a supportive social network can eliminate a critical review of suspicious pitches or offers.

**Respect for authority.** Older generations were brought up in a time when respect (or even deference) toward senior business leaders, government officials, and state authorities was a social norm. Fraudsters are aware of this and exploit it to their advantage.

**Age-related vulnerability.** As we age, our ability to process, assess, and evaluate complex information changes. This can reduce elderly parents' ability to detect a scam or realize something that doesn't seem "quite right."



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## The Red Flags: Common Characteristics of Financial Fraud

When they think of fraud, many people imagine large international criminal networks and sophisticated cyberattacks. The reality is often much more mundane: a convincing phone call, a text message from a purported family member, or an email disguised as a communication from the victim's existing bank.

While the exact form of financial fraud is ever-changing, all frauds share several common characteristics. Educating your parents to be on the lookout for the following red flags is the first step in protecting them:

**High-pressure tactics.** Fraudsters often use threats of direct action from bank officials, CRA, immigration authorities, or even the police to intimidate their victims into sending money.

**Manufactured urgency.** Fraudsters work hard to create a false sense of urgency—the feeling that we'll miss out if we don't act *right now*. Such messages are intended to short-circuit our critical thinking abilities and overwhelm our rational decision-making process with emotion.

**Exclusivity.** The sense that this offer is special, select, or "invitation-only" is a common sign of fraud. It's a psychological tactic that's intended to flatter our ego, create a false sense of value, and isolate the victim from seeking independent advice.

**Unrealistic returns.** In the financial world, if the returns seem too good to be true—either too high, too consistent, or too quick to come by—they almost undoubtedly are.

**"Zero" risk.** The same can be said for "no risk," "100% guaranteed," or "can't lose" investments. Remember: even the best-run, well-managed investments can (and sometimes do) lose money. Anyone who tells you differently is likely trying to defraud you.

**Unusual payment methods.** Gift cards, wire transfers, prepaid credit/debit cards, cryptocurrency: these are the methods that illegitimate businesses use to make payments and transfers untraceable. Be wary of anyone asking to be paid in an out-of-the-ordinary way.



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## Practical Safeguards: Protecting your Parents from Financial Fraud

Protecting your parents from financial fraud isn't overly complicated. A few practical steps can greatly reduce their vulnerability, giving both you and your parents greater peace of mind.

**Enable transaction and balance alerts on key accounts.** Most banks and financial firms allow you to set up an instant alert (via text or email) when a large transaction appears—a withdrawal, a purchase, a transfer, or any unusual activity. Consider it your parents' first line of defence.

**Use call-screening technology to help reduce fraudulent calls.** A simple, yet often-overlooked defence against many common financial scams and cons. By filtering out automated pitches, spoofed numbers, and clearly suspicious impersonators, you can prevent fraud from ever reaching your parents.

**Designate a Trusted Contact Person (TCP) on investment accounts.** A TCP does not have access to or decision-making authority over the account. Rather, they provide your bank or service provider with someone to contact if financial exploitation, fraud, or declining decision-making capacity is suspected.

**Review account activity on a regular basis.** A regular review can ensure you're informed and up to date on the regular inflow and outflow from your parents' accounts. It will also allow you to detect any sudden changes or unusual activity early—something that can greatly limit the financial damage if your parents do fall victim to fraud.



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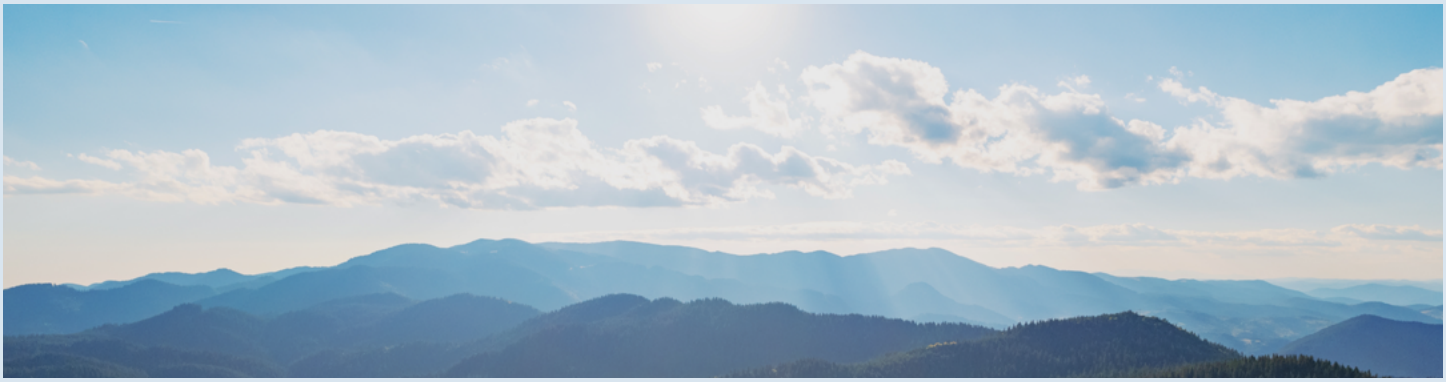
## Step 5: Review, Reconfirm (and maybe Revise): An Annual Checklist

Helping aging parents is rarely a "set it and forget it" exercise. As life changes, so too will your parents' financial situation. The best way to account for such changes is to schedule a regular review with them, to reconfirm their assets and accounts remain in order, and make any necessary revisions.

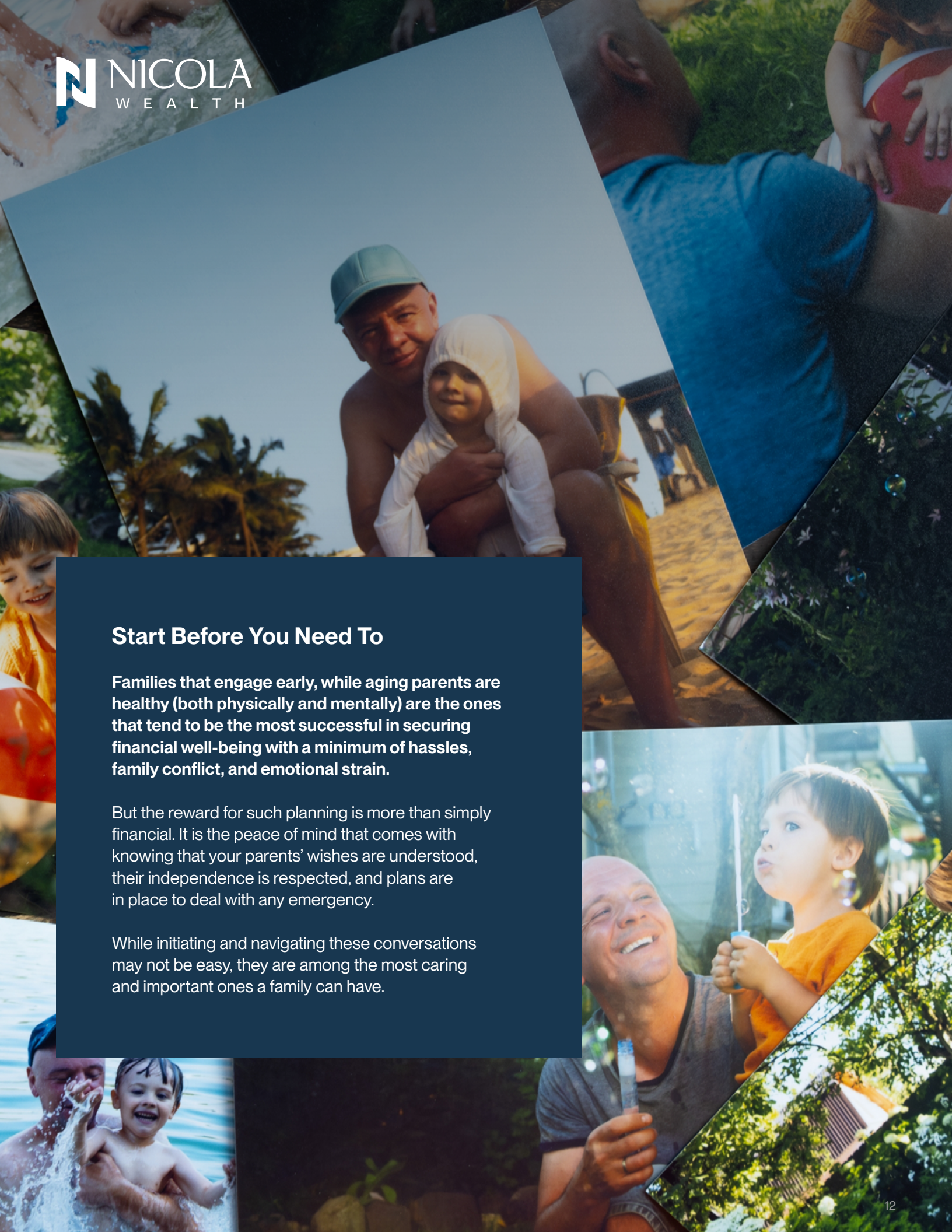
The following checklist can help. Revisiting these items each year can help ensure important details are up to date and reduce the likelihood of unwelcome surprises.

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- ☐ Do your parents have a properly signed, witnessed, up-to-date Will? Does it reflect their current wishes, and their current assets?
- ☐ Is the Power of Attorney and/or a Representation Agreement document in place and up to date?
- ☐ What about a Personal Directive that governs health decisions? Do your parents want one? Is it properly drafted and up to date?
- ☐ Have all financial accounts and assets been documented?
- ☐ Do you have a list of trusted contacts? Is the list current?
- ☐ Have you reviewed beneficiary designations for registered accounts, pensions, and the overall estate?
- ☐ Have all government benefits (CPP, OAS, medical credits, etc.) been understood and optimized where appropriate?
- ☐ Have you taken tangible, practical steps to protect your parents from financial fraud?
- ☐ Do other family members understand roles and responsibilities in an emergency?
- ☐ Have you reviewed (and updated) their financial plan?
- ☐ Have you scheduled a regular family or financial check-in?



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## Start Before You Need To

**Families that engage early, while aging parents are healthy (both physically and mentally) are the ones that tend to be the most successful in securing financial well-being with a minimum of hassles, family conflict, and emotional strain.**

But the reward for such planning is more than simply financial. It is the peace of mind that comes with knowing that your parents' wishes are understood, their independence is respected, and plans are in place to deal with any emergency.

While initiating and navigating these conversations may not be easy, they are among the most caring and important ones a family can have.

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**At Nicola Wealth, we work closely with high-net-worth families to transform complex financial situations into coordinated plans that help protect and preserve wealth across multiple generations.**

If you're looking for guidance and advice on how to navigate a financial conversation with your aging parents, or if you'd like an independent review of the challenges and opportunities currently facing your family, please contact your Nicola Wealth Advisor.

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