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Triple Play: How to discuss wealth with your children

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Triple Play is a weekly NJBIZ feature that asks top executives in New Jersey to talk about three things related to their industry.



Lori R. Sackle

Lori R. Sackler is a senior vice president, senior investment management consultant, financial advisor with Morgan Stanley Wealth Management in Paramus and the author of “The M Word: The Money Talk Every Family Needs to Have.”

We asked Lori for the top three money issues you should discuss with your children.

1

Prepare heirs. A huge wealth transfer will take place over the next 40 years. Having money talks early with heirs is critical to the successful transfer of family wealth. Adult children need to understand their roles and responsibilities, not learn about them for the first time reading the will after you're dead. Have the money talk before the will is signed.

2

Plan for long-term care. As baby boomers age, more and more will need long-term care—projected to be 15 million by 2020. The financial, physical and emotional costs are

staggering. Planning in advance, having the right conversations with children, will help make sure there is a sound plan in place to address all the challenges.

3

Transfer values, too. Family values are often overlooked. Most kids pick up these values by watching parents and grandparents. While every family has its unique money culture, it is never too early to begin instilling values. When the kids are young, setting up an allowance, a savings plan and regular philanthropy can have an enormous impact on later success.