

The Independent Investor

By Bill Schmick

Passing the torch—have you had “the talk” yet?

Whether you are a Baby Boomer or the child of one, it is about time you faced the music. We all know that life ends, no matter how hard we try to ignore it. Having a family meeting before it is too late may save needless heartache and financial turmoil.

Today, we are in the midst of an enormous transfer of wealth within America. Trillions of dollars of assets are passing from one generation to another and will continue to do so over the next couple of years. And whenever large amounts of money are involved, there is a need for knowledge, advice and estate planning. You can't do that if you or your family are in the dark when it comes to family finances.

Most experts will tell you that a family meeting is the best way to address this elephant in the room. It is a meeting where all the players come together—outside professionals (financial advisor, lawyer or accountant), parents and children. It should not be a spur-of-the-moment event, nor scheduled around a traditional family get-together like Thanksgiving. The last thing you want is the grandkids or extended relatives or friends interrupting the meeting, nor do you want your parents or siblings to be surprised by an impromptu talk after Sunday dinner.

Subjects such as long-term care, investments, tax-deferred savings accounts, income needs of ailing parents or children, federal and state taxes (both now and when settling the estate), the fate of any real estate property, including the parents' home (and possibly a second home) are just some of the issues involved. As you can imagine, it is an important event where quite a bit of data may need to be located, gathered, presented and discussed. Take it seriously because, done right, a huge burden will be lifted from everyone's shoulders.

My own parents were products of the Great Depression. They were taught to waste nothing, save everything and, above all, never, ever, confide financial information to anyone—least of all the kids. As a Baby Boomer, you may have inherited those same traits, and your parents may still be alive. If so, you may need to confront those ideas and put them to bed. In fact, you may have to have two family meetings, one with your parents and a second with your adult children.

Clearly, whatever generation you represent, broaching the topic of your family's personal finances can be daunting at best, but someone needs to get the ball rolling, and it might as well be you. A few years back, Allianz Life Insurance conducted a study called The American Legacies Study, which revealed that within every family existed an alpha child. That's the person who communicates the most between family members, who plans, schedules and makes sure you all attend those traditional get-togethers. It is the person the family comes to for advice. That is the person who should organize and co-facilitate the meeting.

If you are that alpha child, then this responsibility is on your shoulders but, if not, swallow your pride and ask a sibling who qualifies to accomplish this. Once that is settled, the next person you need to get on board is your parents' most trusted adviser, or if you are talking to your kids, invite your own professional. In your case, that might be a money manager, like me, or a financial planner, but your parents may have relied on their accountant, a family lawyer or even someone they know at their local bank. In any case, ask your parents and make sure that person is not only invited to attend but will help you prepare for the meeting.

In my next column, I will explore in more depth what should actually occur during the family meeting and what items are absolutely essential to be discussed and planned for.

In the meantime, I suggest you pick up a copy of an excellent book on the topic: *Can We Talk? A Financial Guide for Baby Boomers Assisting Their Elderly Parents* by Bob Mauterstock. The author is an expert on the subject. His book is a comprehensive and practical guide in helping elderly parents get their financial lives in order.

Bill Schmick is registered as an investment advisor representative and portfolio manager with Berkshire Money Management (BMM), managing over \$200 million for investors in the Berkshires. Bill's forecasts and opinions are purely his own and do not necessarily represent the views of BMM, and none of his commentary is or should be considered investment advice. Direct your inquiries to Bill at 1-888-232-6072 or Bill@afewdollarsmore.com. Visit www.afewdollarsmore.com for more of Bill's insights.

FROM THE DESK OF THE EDITOR

Have You Heard . . . ?

Senior Tar Heel Legislature makes transition. In early April, a brief ceremony was held in New Bern marking a change in the STHL representation of Carteret County. Victor Heinrich accepted the position of STHL Legislative Delegate for the county, which was held by John Thompson for the past 10 years. Mr. Thompson will continue to serve the county as a long-standing member of the Regional Aging Advisory Council and in support of Mr. Heinrich.

Mr. Heinrich, a Carteret County resident since 2010, has served with the STHL for the last year and welcomes the opportunity and challenge of stepping up to represent the county on aging issues. He also serves as an AARP advocacy volunteer, board member of the League of Women Voters of Carteret County and supporter of the Military Affairs Committee of the Carteret County Chamber of Commerce. If you have questions about the work of STHL, please contact Mr. Heinrich at 571-4735 or veheinrich1@gmail.com.

Created over 22 years ago by legislation co-sponsored by then-senator Beverly Perdue, the NCSTHL has a representative in all 100 counties in North Carolina who are tasked with the responsibility for advocating for the elderly and informing and educating the public on issues before the NC General Assembly.

Local library system receives federal grant. The State Library of North Carolina has announced the 2016-2017 Library Services and Technology Act grant awards to 48 local library branches across the state, including the Craven-Pamlico-Carteret Regional Library (CPCRL). These federal funds will be used to meet the needs of citizens through projects that advance literacy and lifelong learning, expand access to library resources and expertise, promote partnerships and collaboration, and digitize materials important to the cultural heritage of North Carolina. The \$100,000 grant to the CPC Regional Library is in the Project Access & Digitization category.

According to CPCRL Regional Director Susan Simpson, the grant will be used to replace the library's Integrated Library System (ILS), which provides online access to collections and patron accounts, tracks transactions and inventory, and integrates electronic resources. The goal is to improve the library's operations by enhancing and broadening the proficiency of persons of all ages to explore, utilize and enjoy the print, non-print and electronic resources available in the CPCRL collections now and in years to come.

The Craven-Pamlico-Carteret Regional Library is one of 12 regional library systems across the state. The CPC system includes Bogue Banks Public Library, Carteret County Public Library, Cove City Public Library, Down East Public Library, Havelock Public Library, New Bern Public Library, Newport Public Library, Pamlico County Public Library, Vanceboro Public Library and Western Carteret Public Library.

These grant awards are made possible by funding from the federal Institute of Museum and Library Services under the provisions of the Library Services and Technology Act as administered by the State Library of North Carolina, a division of the NC Department of Natural and Cultural Resources.

Bogatá Revisited

(Continued from page 27)

Venturing off Septima onto a side road you are immediately climbing or descending, depending on the direction. Using a cell phone application, you can summon an Uber driver from almost anywhere and be on your way in a matter of minutes. As it is here in the United States, paying is all prearranged so no money exchange happens in the cab. We were pleased on each of our cab rides, as the vehicles were clean and quick to show up.

Just a few days into our visit, I lost a filling and required the services of a dentist, which was to be my first personal encounter with medicine in another country. My son-in-law contacted his dentist, who agreed to see me that afternoon. I knew I needed to take antibiotics prior to any dental procedure as I have had a partial knee replacement. My son-in-law assisted when my Spanish failed me, and Dr. Vivas sent me off to get amoxicillin prior to my procedure. I returned the following afternoon and all was done in about half an hour. With no idea how much the charge would be, I knew at home it would have been close to \$300, but with medicine ex-USA, prices are quite different. He charged me about 150,000 pesos, which may sound like a lot, but with the conversion rate favoring the dollar greatly, it was only \$50. We had a good laugh about the price difference, and I have had no issues with pain of the tooth. Thank you, Dr. Vivas.

The building where my daughter lived has a great many features for the tenants, including an indoor swimming pool that adjoins a large outdoor play area for the kids. This floor also has an outdoor kitchen and seating area. My son-in-law went to reserve the cooking area for us on Thanksgiving so we could cook the turkey on the grill, but another

(Continued on page 29)