

Helping older relatives with money management

Angela's in-laws are living with her, and claim they don't have enough money to pay their fair share of household expenses—yet they refuse to ask any other relatives for help. How can she find out what's really going on?



by Janet Gray Sep 5, 2019

Q. My in-laws are currently living with my husband and me. They've retired with little financial planning and find themselves needing our assistance with paying for their groceries. They say they have other bills to pay (including a new dental bill for dentures, etc.). My mother-in-law simply tells us we will have to help them instead of asking for our help and letting us decide what the contribution would be. She also refuses to ask her father for financial assistance (he's in his 80s) and suggest my husband's siblings have their own issues. (My husband comes from a blended family of five siblings.)

I am at my wit's end and am looking for assistance to steer them in the right direction. They say their annual income is only about \$35,000, but they pay minimal household expenses so I don't know why their budget is so tight. Is there a way to find out without seeming nosy? Do they qualify for any type of social assistance for meds and dental? I'm desperate for direction as the burden of dealing with this seems to be resting on me, the daughter-in-law.

—*Angela*

A. This situation is more common than people realize—and while it's not easy to be in, it can be improved with clear communication and boundaries.

Angela, it's obvious your in-laws have a trusting relationship with you and your husband, or they wouldn't be living with you in the first place. I suggest that you have a “family discussion” where you can reach an understanding of what will work to the satisfaction of everyone. Here's how to do that successfully.

Remember, most elderly parents have likely never had an important money talk with their children. It can be an extremely emotional topic at the best of times so make sure you have a plan. Before the discussion, both you and your husband should take a close look at your own cash flow to determine what amount of help is affordable to you. Then, with your in-laws' help, determine if there is a shortfall between their income and your assistance.

Start the discussion by asking your in-laws for more transparency on their situation and needs so you can understand the impact that will have on *your* cash flow and future plans as well. Assure them you aren't being nosy—but without any guidelines on either side, the situation could create hardships for all of you.

When it comes to paying the parents' bills, start slow. Once you've examined your budget numbers, you may be able to talk through with them how much money the two of you can give monthly to help them with their expenses. It could be as simple as coming up with a dollar amount—say \$200 a month—and letting them know that's all you can afford, but they will get it on the first of every month from you. This way, there's absolute clarity.

Another issue may be simply helping them manage their cash flow. This is where you may want to point out to them the value of having their bank set up automatic payments for their key bills every month. This way, their most important expenses are paid (including monthly debt payments, if they have outstanding debt), and what's left is their spending money. If they're amenable to this, you or your husband could set up an appointment with the bank to ensure this is done thoroughly.

Of course, they may need to speak to a credit counsellor, if they need to consider bankruptcy or consumer proposal (which is the case if their bankruptcy is due to their debt), or with a community resource centre worker to see if they qualify for more government assistance, subsidies or tax breaks.