



Financial Harvest Wealth Advisors helps clients and their loved ones take the necessary steps to protect their assets. We help our clients be prepared for the unexpected by having important conversations and sharing valuable information with the people they trust. Additionally with our professional networks we assist in creating and reviewing essential legal documents. If you or a loved one would like to ensure that you are taking the right steps now to protect your wealth and family in the future, please give us a call.

SMART MONEY MOVES TO MAKE NOW: COGNITIVE DECLINE AND FINANCES

Strategies for dealing with cognitive decline and finances, whether you are preparing for your future or assisting a parent or loved one.

Many factors can contribute to a decline in a person's cognitive abilities. For some people, "losing your mental edge" happens as part of aging. For others, it can be brought on by stress, illness, or injury. And if it occurs, it may be temporary or permanent.

If cognitive decline were to creep up on you personally or to happen in the blink of an eye, do you have plans in place to help protect your financial well-being?

Mental health issues or cognitive decline can impact lives in significant ways, whether it is your own challenge or a situation involving a spouse, child, or parent.

The [team at Financial Harvest](#) is pleased to share with you these suggestions from VFO Inner Circle.

STRATEGIES FOR DEALING WITH COGNITIVE DECLINE AND FINANCES

The positive way to approach these challenges: There are numerous steps to consider that can potentially help safeguard your assets or your parent's assets from mental mistakes one of you may one day make.

1. Start early. The ideal time to think about how to protect assets from the impact of cognitive decline is well in advance of when the need arises. You can't make a legally binding will or set up other legal documents (such as a Power of Attorney or Trusts) unless you are considered to be "of sound mind"—which essentially means you understand the consequences of your decisions and you act of your own free will. We strongly advise having these types of documents prepared early and modifying them later as needed.

2. Simplify your financial life. Consider consolidating disparate accounts under one roof. For example, you or your parent might place most or all of your investments with one trusted financial advisor, or merge multiple bank accounts into one. Such "clutter reduction" may also help if another person—such as a family member or advisor—needs to step in to assist you, or your mom or dad, down the road.

ADDITIONAL STRATEGIES TO HELP YOU PLAN: COGNITIVE DECLINE AND FINANCES

3. Have clarifying conversations with family and advisors. Sit down with the people you would want to help you, or your parents, navigate through life if mental capacities were to become diminished. Identify who will help make sensible financial, health care, and other decisions if there's a serious mental or physical health issue. Discuss your, or your parents, wants, needs, and values with those people. If future caregivers and decision-makers know today about these goals as well as how you want to be helped in the future, they can prepare themselves to honor your wishes.

4. Set up—or review—important legal documents. Some of the key documents you should consider having in place if you experience serious physical or cognitive decline are obvious—such as a Will. But others are too often overlooked or never updated, including:

- Durable Power of Attorney for Finances. This allows you to appoint one or more people to manage your financial assets if necessary.
- Healthcare Directives. These documents spell out clear directions to family members and physicians about preferred health decisions and related matters—effectively relieving family of having to make life-and-death choices without any guidance.
- Living Trusts. A revocable living trust can allow you to name a successor trustee who can take control of the assets in the trust if you become mentally or physically incapacitated.



ADDITIONAL STRATEGIES TO HELP YOU PLAN: COGNITIVE DECLINE AND FINANCES (CONT.)

5. Compile key documents and other important financial information. If you eventually need help in making financial decisions, it's best to make it easy for a loved one to step into that role. To that end, start compiling a comprehensive inventory of your key financial information. You can create a digital file or folder or keep hard copies in a specific spot like a desk drawer. Whichever route you choose, make sure to tell someone you trust the location of the paperwork and other details. This person is ideally on board with helping you if needed, be it a family member, friend, or attorney.

The specific information you compile will depend on the details of your financial situation, but should likely include:

- Assets (details for checking accounts, investment accounts, annuities, business interests, real estate)
- Liabilities (mortgages, credit cards, recurring expenses)
- Beneficiary designations on qualified plans and individual retirement accounts IRAs
- Insurance (life, long-term care, disability, etc.)
- Contact information for key people/advisors (accountant, wealth manager, lawyer, physician)
- Digital information (IDs, passwords, personal identification numbers PINs)
- Location of your most up-to-date will with an original signature, durable power of attorney, deed for house, car title, and any safe deposit boxes/keys
- Location of birth certificate and certificates of marriage, divorce, etc.
- Copies of any business succession plans and the location of ownership-related documentation (for entrepreneurs)

TAKEAWAY STRATEGIES

Thinking about and preparing for possible cognitive decline is not something anyone looks forward to. However, it is important to be practical and realistic. There are action steps you can take now aimed at minimizing the potential for making wealth-erasing mental mistakes. By working in partnership with family and trusted advisors, you can seek to protect the assets you and your loved ones have worked hard to build and grow.

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