

How to bring up estate planning with family this holiday season

BRENDA BOUW

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Regardless of how deep the estate planning discussion goes, advisors say it's best to tackle it at least a day after the main holiday event.

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This holiday season is the first time in years that many Canadian families will gather in person and, for some, it could be a perfect opportunity to discuss important topics like estate planning.

Talking about wills, long-term care needs and who gets mom and dad's valuables when they pass away may not sound like great holiday conversation. Still, advisors say there are ways to make memories and discuss estate and end-of-life planning with family during the holidays.

"Especially following two years of disruptions to traditional family gatherings due to the pandemic, this year, families have much to discuss including changes in health and personal finances," says Maili Wong, senior wealth advisor and senior portfolio manager with the Wong Group at Wellington-Altus Private Wealth Inc. in Vancouver.

Estate planning is an increasingly essential family topic considering the unprecedented wealth transfer underway between baby boomers and their heirs. A [2020 Angus Reid Forum survey](#) commissioned by online estate-planning platform Willful showed that almost three in five Canadians (57 per cent) don't know the end-of-life wishes for any of their loved ones. The survey also found that 42 per cent of families had disagreements after the passing of a loved one and only 5 per cent of adult children know their family's end-of-life wishes.

The busy season may not be the best time for in-depth discussions about wills, health and representation agreements, power of attorney or trust agreements, but parents could begin by providing adult kids with some basic information, says Cathy Fletcher, certified financial planner at Caring for Clients in Toronto.

She says it could be as simple as parents telling children which legal and financial professionals to contact if they get sick or pass away, where the estate documents are kept and how to find the key.

"It's the simplest and least contentious way to start the conversation," Ms. Fletcher says.

Parents could also use the family time to get input on what belongings – such as furniture, jewellery, art and family heirlooms – the kids might want to keep.

"It's a good time to find out what different things have meaning for them," she says. "Get them to express their wishes."

Ms. Fletcher says parents may want to avoid potentially contentious topics at this time of year, such as what happens to the family cottage.

“Even if you don’t think it’s going to be touchy, just be aware that there are certain topics that can lead to family breakdowns or where there can be irreparable fractures,” she says.

“Recognize that these are stressful conversations. One of the things we hear back from clients is, ‘I had no idea that these guys were so at odds over this issue.’”

Regardless of how deep the estate planning discussion goes, Ms. Fletcher advises leaving it until at least a day after the main holiday event.

“Do it when it’s a little bit lower key,” she says.

She also says parents should give their kids a heads-up that they plan to discuss family matters after the official celebrations.

Start with one-on-one conversations first

Jennifer Tozser, senior wealth advisor and portfolio manager with Tozser Wealth Management at National Bank Financial Wealth Management in Calgary, says the discussion should not become “a watershed event” that could overshadow holiday celebrations.

She also advises doing it a day or two after the official family gathering and treating it like a preventative conversation.

“I often say, ‘We’re dealing with it because we don’t need to. If you’re prepared, then you won’t have a problem when you eventually need to,’” she says.

Ms. Tozser believes the will is the easiest topic for parents to talk to their heirs about because it’s less emotional than discussions about how to distribute personal belongings or what actions to take if they become sick and need long-term care.

“People don’t tend to get as emotional about stocks as they do about sentimental things,” she says.

When discussing personal belongings, Ms. Tozser points to having one-on-one conversations with kids first, then as a group.

“Give them an opportunity to say what they want in a moment of privacy. You might be surprised by what they say,” she says. “Then, make sure it’s consistent in the will.”

Discussions can be ‘emotionally charged’

The toughest conversation is often about how to care for parents if they become seriously ill, including end-of-life care.

“I suggest doing that one last, depending on how much success you’ve had with the other [issues],” Ms. Tozser says.

The end-of-life care discussion should include who will make the long-term care decisions and how much the parents want to spend.

“Some parents would be happier in a government facility, keeping their estate intact, while others may want to spend every dime on getting health care services in their home,” Ms. Tozser says.

Advisors can help clients communicate with their kids by hosting a family meeting and facilitating the discussions, Ms. Wong says.

“I’ve seen the most successful transfers of wealth take place when there is a well-documented legacy or financial plan, and it’s well-communicated to the family in advance, so there are fewer surprises later,” she says, adding that discussions about health and wealth can be emotionally charged, especially during the holidays.

“It’s important to respect personal boundaries and balance difficult conversations about financial or estate planning with the simple joys of re-kindling family relationships,” Ms. Wong says.

“The holidays are often one of the few times a year when families come together, so it’s crucial to make time to maintain these lasting multi-generational relationships.”

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