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06.17.2024

Navigating the New Longevity

The average life expectancy in the United States has increased in recent years, and older individuals in retirement are facing new personal and financial challenges that were less prominent several decades ago. With this shifting trend also comes an increased need for investors to consider specialized financial planning tactics to ensure preparedness and financial prosperity for future generations.

As our loved ones begin to age, we must take into account their mental and physical fragility and introduce new planning considerations to protect them from making questionable investment decisions, falling victim to scammers, or otherwise hurting their financial assets. Fortunately, there are actions that aging individuals and their loved ones can take in preparation to help protect valuable assets before incapacity sets in.

Establish a Comprehensive Estate Plan

When an individual reaches retirement, their wealth goals often shift to preserving their assets and passing them along to loved ones. For this reason, adequate estate planning is essential to help minimize tax liabilities, avoid family disputes, and preserve wealth for generations to come. The process of establishing an estate plan also allows time for an individual to reflect on their charitable giving and philanthropic goals, or adapt to personal circumstances, such as shifting health needs.

It is important to revisit essential components of your loved one's estate plans – including their will, power of attorney, and healthcare directives – to ensure all standard documents are up to date. Taking the steps to ensure these pieces are in order can help provide continued asset protection, control, and flexibility of an aging individual's wealth for generations to come.

Furthermore, if your loved one has significant portions of wealth invested in business ventures, real estate, or other personal properties, it can be beneficial to plan ahead for potential expenses related to selling these assets. Properly structuring life insurance (such as through an Irrevocable Life Insurance Trust), can help offer the necessary liquidity without increasing estate taxes.

Proper estate planning is also essential to minimize family conflict related to the transfer of

wealth and assets. Communicating with family members early and working with trusted advisors can help create clear expectations and prevent conflict.

Protect Against Scams

In today's world, technology has penetrated every aspect of human lives. For this reason, older individuals often find themselves vulnerable to financial exploitation and online scams due to their lack of technological knowledge. The trend of scammers preying on older generations has accelerated in recent years, making it even more important to take the necessary steps toward digital safety in order to properly protect their hard-earned assets. These steps include educating them on the dangers of sharing personal information online, ensuring the use of complex passwords and two-factor authentication for all online accounts, and encouraging them not to click on unknown links, ads, or pop-ups. The threat of a cyber-attack can significantly decrease with proper preparations and educational steps in place to ensure all personal information remains secure.

For more tips about how to keep your digital assets secure, read Gresham's insight, Fortify Your Financial Fortress: Cybersecurity Essentials to Keep You Safe.

Maintain a High Quality of Life

As people age, certain life experiences can impact their mental health. Events such as coping with a serious illness or losing a loved one can lead to feelings of grief, social isolation, or loneliness, which often makes daily activities more challenging.

Taking the steps to ensure that our loved ones continue to maintain their quality of life is essential throughout the aging process to combat these feelings and improve their overall well-being. Encouraging physical and mental activities – such as walking, physical therapy, and daily "brain games" – can help keep their minds engaged and sharp while encouraging heart health and relieving depression. Additionally, social interaction is essential to addressing their mental and emotional needs, and attending community events or spending time with loved ones can significantly improve their well-being.

Moving Forward with Confidence

As our loved ones grow older, it becomes essential to consider their financial, physical, and emotional well-being and take the necessary steps early to protect them and their assets from potential scams or risky investments. When considering financial planning strategies for older individuals, it's important to remember that everyone has unique circumstances, goals, and family dynamics that must be carefully considered. While the future may seem daunting, it's never too early to take the necessary steps to provide continued asset

protection and control while helping to ensure financial prosperity for generations to come.

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Gresham Partners LLC
June 17, 2024

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