

Elder Care

By Dr. Jim McCabe

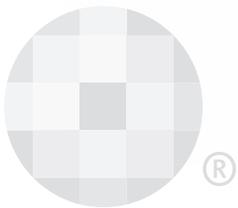
Possessions and Planning

My client, I will call him “Don,” called me recently to inform me that he was not going to put any more effort into getting his home ready for sale. His pronouncement was disconcerting for a couple of reasons. First of all, the house needs a lot of work. Secondly, I had been working with Don and his family for quite a while to think about a not-too-distant future when his current home would no longer be appropriate to meet his needs because of his increasing health problems related to mobility challenges and decreasing ability to care for himself. Don’s change of heart, he informed me, was a result of a decision to leave his house and possessions to his niece and nephew. He was very proud of the fact that he could “bestow” this legacy to them and no amount of discussion has deterred Don from his mission.

Unfortunately, because I have worked with the family for some time, I am aware that the niece and nephew have no intention of ever living in the part of the country where the property is located, and after a recent visit to see their uncle, there were appalled at the condition of the home that has been very poorly maintained by Don, a life-long bachelor who has virtually no housekeeping skills and a very high tolerance for disorder.

The Extended Self

Don’s sudden sense of altruism toward his relatives is not uncommon behavior in the elderly. Russell Belk has done a lot of research on the topic of people and their possessions. In an article that he wrote almost 20 years ago,¹ he made several interesting points that help us as planners to gain insight into how people view using their possessions to create what he calls “the extended self.” This discussion is useful in gaining insight into a variety of human and consumer behaviors.



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Belk presents several interesting points in his discussion. First, possessions can be instrumental to the maintenance of self-concept. People often define themselves through pictures, works of art, a life-long residence and other personal objects. Passing on these possessions to succeeding generations can be a way of preserving one's identity.

Secondly, possessions help us to remain valuable. When a person has something of value to offer others, he feels that his worth, in the eyes of people he loves, remains constant. For many elderly, much of how they define themselves has been lost. A career, a hobby, a standout athlete is no longer a method by which they are able to fashion their identity and worth. Personal possessions take on an added value in the later stages of life.

The third point in Belk's discussion is that giving possessions to others is a means of extending oneself, a special form of control. As estate planners, we see this approach to planning regularly. A person's underlying goal in the planning process, under the guise of generosity, is to manage how heirs behave. This is frequently referred to as "control from the grave."

Reorienting from the Past to the Future

For Don, the decision is less about the value of the house to his relatives and more about how this gesture impacts his sense of worth and self-esteem. In this case, I found that I needed to strike a delicate balance between allowing Don to achieve his goal and, at the same time, get him to manage the home in a way that preserves the equity so that it is available to fund his long-term care needs. My success in this effort hinged on having my client focus more on what he wanted the future to look like and less on outdated perceptions from the past.

My first step was to convince Don that in order to maximize the value of his legacy, he would need to invest in upgrading and repairing the current property. My second goal was to enlist the help of Don's sister to involve the niece and nephew in reframing for him a more appropriate way to use his possessions to foster his legacy and identity. And finally, I had numerous discussions with Don about his long-term needs and how he plans to fund those.

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The first step was accomplished much more smoothly than I had anticipated. I expected significant resistance from Don about spending the money it would take to make some much-needed repairs to the home. I was pleasantly surprised that he not only agreed to the repairs, but that he took the initiative for meeting with company representatives and scheduled work to be done. The extent of the progress includes a new roof, awnings and a garage door that immediately improved the curb appeal of the residence and contributes to the overall value of the property. While these were significant expenses to his way of thinking, he is focused on the added value to his legacy as a result of his efforts.

Working with Don's sister and her children (the niece and nephew) has been very gratifying. They were able to appreciate the motivation behind

Don's effort to create a legacy on their behalf and help me in my efforts to have him also consider his long-term needs in the equation. A family meeting was scheduled and Don's family was able to convince him that a different approach to creating a legacy was possible. The discussion focused on several points:

- The most important thing to them was Don's health and well-being.
- While Don's home had good memories for all of them, the likelihood of them ever living in that area was very small.
- The thing that they most cherished about their uncle was spending time with him and material possessions were less important to them.
- They would like him to continue to explore the option of selling the house and consider relocating nearer to family.

The Value of Self

The family meeting exceeded my expectations! Don agreed to go back to the plan to prepare his home for sale. In addition, he has agreed to meet with a financial planner to look at the most effective way to preserve his assets to meet his long-term needs and, at the same time, foster the legacy for his relatives that is so important to him. Don now has a new appreciation for his family relationships and how he is valued and recognized for his place in the family. This newfound family connection has caused Don to seriously consider relocating to the area of the country where

the bulk of his family resides so he can take a more active role in family activities. Don's experience is not unique. So many of the elderly that I work with make planning decisions based on outdated views of family dynamics and needs. They have a need to remain vital and valuable to family members.

The challenge for many planners and the families we work with is that families rarely talk about legacy planning, and our elderly clients often make decisions on outdated or selfish notions that create more work for their heirs, resulting in anger and resent-

ment. Surprisingly, many older clients will tell you that they cannot get their families to sit down and talk about the future. Engaging our clients' relatives in the estate planning process can be a delicate balancing act. In Don's case, he was fortunate because his family truly wants what is best for him and is willing to be involved in the process of making that happen.

ENDNOTE

- ¹ Russell W. Belk, *Possessions and the Extended Self*, J. CONSUMER BEHAVIOR, Sept. 1988.

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