

# Important money talks to have with your family

Talking to family about money isn't always easy. But open conversations can help keep a family's finances on track. Families that do talk about money often find themselves better set up to meet their basic needs. They're also often more prepared for unexpected life events. Having the right approach helps. Here are great ways to talk with your family about finances.



# How to talk to your partner

- 1. Discuss your values around finances.**  
Talk about how money influenced your childhood. What values did you each grow up with? How do those values shape your thoughts on money now?
- 2. Determine where you each stand financially.**  
Be honest. Talk openly about credit scores, earnings, savings and debts. Ask about expenses. Remember to avoid judgment. Everyone approaches money differently.
- 3. Decide if you will combine finances.**  
Discuss what that would look like. Will you share everything or have separate accounts? How will you split bills? What are the expectations if one of you earns more than the other? How will you budget for things that each of you may want individually? What will you do as partners when your finances don't go according to plan?
- 4. Plan for future goals.**  
Consider upcoming responsibilities and interests. Do you plan to pay for your children's post-secondary education? How do you envision your retirement? What legacy do you want to leave?
- 5. Know where your important documents are.**  
It's important that both of you know where you keep your important documents. That includes wills, powers of attorney, personal directives, bank accounts and contact information for key advisors and professionals (e.g., family doctor, advisor, accountant, lawyer).





# How to talk to your partner

## Conversation starters



What beliefs and attitudes towards money have we grown up with?

How do we make financial decisions together?

What are our financial goals and priorities? This year? 5, 10, 20 years?

What is our biggest financial challenge now and in the future? What keeps us up at night?

What will happen to our finances and loved ones when we're no longer around?

What if one of us is diagnosed with a serious illness?

# How to talk to your children

## 1. Get them interested in money early.

When your children are around three or four, show them how to tell different coins apart. Then give them a piggy bank or wallet so they can hear, feel and see their money accumulating. Once they've started saving, let your children spend money on treats, buying things both when there are just a few coins in the bank and when it is completely filled. Doing this helps them realize that a little bit in the bank buys a small treat yet a full bank can buy something bigger.

## 2. Have the right conversation for their age.

Begin with basic financial concepts appropriate for their level of comprehension.

- Needs vs wants
- Giving back
- The value of a dollar
- Family businesses
- The concepts of borrowing, inflation, debt and taxes
- Inheritance

## 3. Teach them to make saving a habit.

To get children off on the right foot, consider making a house rule that they must save 10% or more of their income, whether that income is from an allowance, a part-time job or the neighborhood lemonade stand. You can also open a savings account for them. This will introduce them to the idea of interest, and how money can make more money on its own.

## 4. Encourage them to have goals.

Have your children write down their wants, along with a timeline for getting each item on their list. For example, your child may want to purchase a skateboard by the end of the summer or go to sports camp next year. Visualizing goals may give kids the



added motivation to learn to save. You also might contribute a matching amount every time they reach a certain dollar amount in savings. This can give them extra motivation. Consider sharing some of your own financial goals with them too. If you're saving for a family vacation, tell them how you plan to do it.

## 5. Help them make a budget.

Encourage your children to write down what they buy during a month and how much each thing costs. Then, write down their weekly incomes. If the two amounts don't match up, they'll have to prioritize their needs and wants.



# How to talk to your children

## Conversation starters



What does money do, and why do we need it?

What can't money buy?

What are some ways you can earn money?

What's the difference between a want and a need?

What's something you can't afford now, but want in the future?

What is a loan? Debt? Taxes? Compound interest? Life Insurance? Investing?

# How to talk to your parents

## 1. **Lead with love and be open about your own plans.**

Let your parents know you want to discuss their financial life because you care. One good way to start the conversation is to mention your own plans. You can say something like, *"I've been thinking a lot about the future, and getting my financial life in order and I want to make sure you're taken care of as well. Can we find a time to discuss what plans you've made and how I might be able to help make sure everything is looked after?"*

## 2. **Understand what's important to them.**

Avoid numbers and keep it general. How do they pay their bills? Do they have debt? Do they work with an advisor? What are their hopes for retirement? Family businesses? Could they need financial help in the future?

## 3. **Talk about those "what if..." scenarios.**

Don't wait until an unexpected event happens to have the conversation. Help your parents now by thinking about what could happen – such as a serious illness or death in the family – and help make a plan to deal with them. Find out where your parents keep their important documents. Start a file called "In case of emergency." With their permission, scan everything and share the file with your siblings or other close family members. These important documents should include your parents' wills, estate plan, powers of attorney\* and executor details, as well as contact information for key professionals.



## 4. **Discuss health-care needs for the future.**

It's never too early to have this conversation. Your parents may need to rethink future plans if they face a physical limitation, psychological impairment, chronic illness or a catastrophic health crisis. Have a family meeting to discuss their wishes and expectations. Would they downsize to cover costs? Do they have a long-term health-care plan? Do they own health or life insurance? Don't forget to share your plans too! Your parents will want to know that you're taking care of yourself as well.

## 5. **Discuss end-of-life wishes**

You might feel uncomfortable bringing up your parents' end-of-life wishes. But sharing plans can help the whole family feel prepared for the future. These plans could include legacy wishes, funeral arrangements or charitable giving.



# How to talk to your parents

## Conversation starters



What are your plans for retirement?

What paperwork have you completed (long-term care insurance, personal directive, powers of attorney\*)?

What are your thoughts on in-home care versus assisted living?

How do you plan to afford your lifestyle over the years?

What would happen if one of you were to get seriously ill or pass away?

What are your end-of-life wishes?

What legacy do you want to leave behind? For example, family businesses or giving to charity?

\*Power of Attorney and Protection Mandate in Quebec.



When possible, include all core family members in your conversations and meetings with your financial advisor. This will help ensure everyone is on the same page.

Families and couples can take an important step for their futures by building a strong relationship with an advisor. Your advisor can explain any confusing concepts, refer you to the right professionals and help make sure your whole family is prepared and protected.

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