

# *Know When to Let Someone Help Steer You in the Right Direction*



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## HELP

Perhaps you remember The Cars classic 1984 song, "Drive". When do you hand over the keys? I'm not talking about the person that had one too many drinks at dinner, although that is always a great idea to make sure you have a safe ride home. Today, I'm referring to when you decide to accept help with your finances, investments, and healthcare.

We work with many amazing and intelligent clients who have done a great job saving for their retirement. The one thing the majority of our clients have is common sense, which has allowed them to better secure their retirement.

Over their lifetime, they have been saving for retirement with great clarity. They had a purpose, and a goal. They listed their goals and have done what is necessary to achieve them. For most it is simply being disciplined and spending less than they earn...what a concept. During the early years of retirement you are young enough to still have fun and travel. But somewhere along the way, and it happens gradually, you start to become a little uncertain. It may be something simple like you forget where you put your pocketbook or the car keys. Or perhaps you don't remember how you got to your hairdresser appointment.

There are times we sit down with clients and notice that they are forgetful. We had a woman show up at our office and had no clue how she got here. Another client saw me at the supermarket and seemed upset. As we spoke he said I can't believe you moved your office and didn't tell me. I assured our client that my office was in the same location it had been for the past 17 years. He was adamant that we moved. When I got back to my office I called him and asked him to stop by so we could talk. He shows up and asked me when I moved back. It was sad since this gentleman truly believed that we had moved the office. With him there, I called his son and asked him to join us the following week to discuss various estate planning documents.

While you are still lucid and have all of your faculties, you want to put documents in place where someone you value and trust may help you when you need it most. The document that I am referring to is a durable power of attorney. This basically enables someone you name (appoint as agent), a trusted relative or friend, to handle specific legal or financial situations on your behalf when necessary.

Many of you are familiar with the power of attorney for health care. This document allows you to designate a person to make health care decisions on your behalf if you no longer can.

Today I'm focusing on the durable power of attorney (POA) for finances. This is where you decide who will help you with certain legal and financial decisions down the road. We want to have this for each of our clients and we want to have a copy of the POA in our office. It generally is invoked only when necessary. When we meet with our clients for semiannual reviews, if we start to notice they are missing the little things we will ask if they want to bring someone with them for our next review. If we have their POA on file, we will suggest that they bring that person with them.

It's always good as one ages to have a second set of ears in the room to make sure they are protected. For some of our older clients they permit us to send copies of their statements and reviews to the person who will eventually become their POA.

A durable power of attorney is not irrevocable meaning you can always change your mind. There are times when one of our client's adult children will call for information about their parent's finances. We will not share anything with anybody, unless we have the proper documentation. If our client's child calls and they are named in the power of attorney, we will check with the client to see if they are aware that their child is calling us. The majority of the time they are. Other times for further clarification we will contact the attorney that's drafted the document. The only purpose is to make sure you are protected.

If you are reading this and feel that you may need help with your finances don't be embarrassed. Chances are you are surrounded by many people who know and love you, and would do anything to help you.

You should prepare legal documents long before you need them. The individual signing the power of attorney must be capable of deciding to seek any assistance. The power of attorney can be written so the transfer of responsibility occurs immediately or can be deferred to take effect only when that person is deemed to be incapacitated.

The durable power of attorney is critical. If that person becomes incompetent without this document, their loved ones or friends may not be able to make important decisions that may benefit them. If this document is not in place then someone would have to go to court and be officially appointed as that person's legal guardian.

One of the things this document can list is someone to pay your normal every day bills or possibly sell certain assets. Eventually this document could extend to all financial decisions including managing your assets, make sure your taxes are paid, or possibly selling your shore home or primary residence.

Remember when you prepare and sign this document you are not losing independence. You're making sure that your wishes are followed. One of the greatest fears is that the person you appoint will go against your wishes.

Choose wisely who you want to handle your finances and of course your healthcare. Sit down with them and discuss the scope of their responsibilities, both now and in the future. You can revise or change this document as long as you are considered competent. The power of attorney will stay in place until the day you die. The document dies with you and then the person who's been named as your administrator or executor of your will takes over.

This is probably one of the hardest things for any individual to think about. We have clients who manage their assets well into their mid-70s and do a fabulous job. Many times they will come to our office not so much for themselves but they look for our help in the event they become incapacitated; or they want us to help their spouse when they die.

If you have a POA in place then you are covered. Grab your chair, book and favorite beverage and head to the beach. Don't forget the sunscreen and have a super summer.

*Fred Dunbar, CLU, ChFC, RFC, AIF, is President of Planning Directions, Inc., a registered investment adviser, and Common Cents Planning, Inc. He is also a registered representative of and offers securities through Commonwealth Financial Network, member FINRA/SIPC. Advisory services offered through Planning Directions, and fixed insurance products and services offered by Common Cents Planning, are separate and unrelated to Commonwealth. Fred may be contacted at 800-647-0762, by e-mail at [fdunbar@commoncentsplanning.com](mailto:fdunbar@commoncentsplanning.com) or by mail at 239 Baltimore Pike, Glen Mills, PA, 19342. He's always happy to meet with you 'down the shore' at 6606 Central Avenue N. Sea Isle City, NJ. 08243.*