



Retirement Planning: How Can Millennials Help Their Parents?

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If you are a millennial in your late 20s to 40s, then chances are, you are busy building your family and carrying a whole new level of financial responsibilities – paying for your child's education, servicing a mortgage loan, obtaining suitable [savings insurance](#) for your future, and the like. As such, it might slip off your mind that while you are growing older, your parents are too; they might also need help in planning for their retirement needs.

Compared to millennials and those in Generation Z, many senior citizens do not have the necessary financial knowledge to know how much they need for their retirement and the steps they should take. While most, if not all, want to do their best to provide for their parents in their golden years, the reality is that the resources available to do this are often limited. If you are like most millennials out there who care about making sure retirement goes well for your parents, then helping your parents plan ahead is the best thing you can do for them.

Read on for a brief guide on how you can carry out effective retirement planning with your parents.

Have conversations about retirement with them

Talking about what you and your parents may have to face in the future might seem like an overwhelming conversation, but they are much needed. Retirement talks are necessary to make sure you understand what your parents want and need, and as much as possible, try to keep the conversation light and open. A great way to start the conversation would be to ask your parents how they envision their retirement.

A few questions you can consider asking your parents would be:

- Would they prefer to continue working so that they can keep themselves active?
- Do they intend to set up a small business?
- Would they want to travel the world using their hard-earned money?

Moreover, it would be best to learn more about their fears, liabilities, and aspirations after retiring so that you can plan the ideal retirement scenario for them.

Understand their current financial position

In most cases, you might find that parents tend not to be upfront about the amount of money they have in their savings account. However, although your parents might be uncomfortable sharing about their savings, it is essential that you get at least an idea of their current financial situation. If you find that your parents are beating around the bush with how much money they have, you can ask them about a few specifics to get a sense of their financial position. This includes their CPF money, outstanding mortgage or personal loans, investments and insurance plans, and monthly expenses. By knowing these valuable pieces of information, you might just have an idea of whether your parents have more assets or liabilities.

Make sure they are sufficiently insured

As your parents grow older, they become more susceptible to ill-health and diseases. For this reason, it is vital to make sure they have adequate insurance protection that can cushion the financial impact in the event of critical illness. Protection plans like China Taiping SG's [i-Protect](#) can give you financial peace of mind that your parents will not be unnecessarily burdened if they get sick or injured.

Aside from protection plans, [retirement insurance](#) is something your parents will ultimately need. A retirement insurance plan provides a regular stream of income to supplement CPF Life, allowing your parents to reap the benefits while enjoying their retirement years. In essence, good retirement insurance plans like China Taiping SG's [i-Cash \(III\)](#) and [Infinite Harvest \(III\)](#) will free your parents from the stress of post-retirement and give them the financial security they need.

Help them right-size their home

Your parents' living accommodation is another crucial aspect you should look into when planning their retirement. If your parents are still paying the mortgage for their house, it is best to ask them if they are able to finance their home before they retire. If their answer is no, right-sizing their home is an excellent option to consider. Downsizing the home is especially recommended for senior citizens who no longer require a bigger space – this can be financially beneficial to your parents, as they can use the net proceeds to supplement their retirement income.

Conclusion

The importance of retirement planning cannot be stressed enough. Having a retirement plan will essentially enable an individual to take care of their post-retirement days properly and help them lead a stress-free life. Aside from your own retirement planning, your parents' retirement needs are the ones you should ideally think about the most. As your parents have done their all to raise you, it is only fitting that you give back by helping them [secure their post-retirement future](#). It is advisable to consult your trusted financial advisor for comprehensive retirement planning.