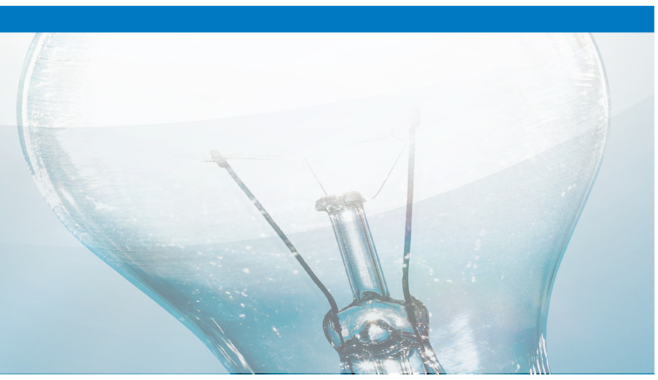

Financial Insights

from Quinn+Cardy Wealth Management
of BMO Nesbitt Burns

HNW Investors: Be Aware of the Realities of Elder Abuse

An article published in the *Wall Street Journal* last year profiled 27-year-old Jeopardy! contestant Brendan Liaw, who proudly called himself "*The Stay-at-Home Son*"—a term aptly added to the Urban Dictionary in 2007. The article was meant to be lighthearted, fittingly titled "*If You're a Stay-at-Home-Son, You Must Be Living the Dream.*"[1] However, it was a sign of the times: Increasingly, many high-net-worth (HNW) families are supporting adult children for longer. While often rooted in love, these arrangements can have unintended consequences. This raises a critical question: ***Do our children truly understand where the lines are drawn?***

There's a fine line between providing support and unintentionally fostering dependency. When able-bodied adult children receive prolonged financial help, roles can blur and boundaries fade. In some cases, well-intentioned support may create conditions that increase the risk of elder financial abuse down the road.

What Is Elder Abuse? Elder financial abuse includes the unauthorized or unlawful use of an older person's financial assets. It can also involve undue influence: persuading or coercing someone into financial-related decisions they otherwise wouldn't make. Common examples include borrowing or taking funds informally with no intent to repay, misusing Power of Attorney (POA) to withdraw or transfer assets, manipulating or guilt-tripping someone into providing money or support and changing documentation (like a Will or POA).

In most cases, the abuser isn't a stranger—it's family. A 2015 study found that 74 percent of financial abuse cases involved family members.[2] These situations are frequently underreported, often excused when masked by love, stress or a feeling of obligation. A more recent survey suggests the issue is growing, with 29 percent of respondents reporting they know someone who has experienced elder financial abuse.[3]

Why Is Elder Financial Abuse Rising? Several factors may be contributing to the growing risk:

- **Aging population.** Seniors control more wealth, and may face declining physical or mental capacity. One in five Canadians perceives seniors as a "societal burden," a mindset that can fuel mistreatment.[4]
- **Economic pressures.** High living costs, housing affordability issues and job insecurity leave many adult children financially dependent.

- **Entitlement.** Some heirs feel justified in accessing inheritance early, or believe it's already theirs.
- **Power imbalances.** Living with or relying financially on parents can create unhealthy dynamics.
- **Isolation or decline.** Seniors experiencing cognitive impairment or isolation are more vulnerable.

What Can You Do to Prevent It? Practical steps can help reduce the risk, and here are a handful of ideas:

- **Legal & Financial Structures** — Appoint joint or professional attorneys under a POA; avoid joint accounts unless oversight exists; consider a trust, managed by a professional, to address family complexity.
- **Professional Oversight** — Involve lawyers or financial advisors (like us) early, and not just during a crisis; add a Trusted Contact Person (TCP) to financial accounts for added visibility.
- **Transparency** — Hold open family discussions about financial roles, responsibilities and expectations; establish clear boundaries: Who is the caregiver? Who holds financial decision-making authority?

Do Kids Understand Where the Lines Are Drawn? Often, the answer is no, and not out of malice. Blurred lines, sibling tension or financial stress can complicate matters. As more HNW families help adult kids, the distinction between "help" and "entitlement" may become unclear. Many simply avoid financial conversations until it's too late. Yet early, candid dialogue—along with clear legal and financial structures—can help prevent future conflict and protect relationships and legacy. If you need support, let's start the conversation.

1. Wall Street Journal, June 2, 2025, p. A11; 2. https://cnpea.ca/images/canada-report-june-7-2016-pre-study-lynnmcdonald.pdf; 3. https://www.securities-administrators.ca/news/securities-regulators-study-reveals-many-canadians-unaware-of-the-signs-of-financial-elder-abuse/; 4. https://cnpea.ca/en/about-cnpea/blog/1271-incidents-of-elder-abuse-skyrocket-as-census-shows-canadians-now-older-than-ever

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