

Case Study:

Can AI Replace a Human Adviser with Aging Parents?

ChatGPT as a Financial Adviser

You said:

Hi ChatGPT! Today you will act as my financial adviser. I'm Marcus (37), an only child working as a senior consultant at a multinational firm, earning a take-home income of \$240,000 a year. I'm unmarried and live with my aging parents in their 70s, in their fully paid HDB flat valued at \$900,000. I also have \$350,000 in cash savings, \$400,000 in diversified investments, and \$150,000 in CPF.

I want to ensure my parents are well cared for as they age while also building my own financial security. I'm thinking about long-term care, potential healthcare costs, and how to manage my personal savings for both my future and my parents' needs. I feel the pressure of being the sole caregiver and decision-maker for my parents. They are generally healthy but have started to experience early signs of chronic conditions.

I want to plan for medical coverage, retirement adequacy for myself, and contingencies if my parents' care needs increase. Emotionally, I feel a mix of responsibility, anxiety, and a desire to balance caring for my parents with my own life and career goals.

My question is: "How can I plan my finances to support my aging parents while ensuring I am building my own security and preparing for major life events?"

ChatGPT said:

Marcus, you're in a relatively strong financial position, but your challenge isn't primarily about accumulating more wealth. It's about **allocating your resources across multiple futures** that could unfold over the next 30–40 years.

As an only child, you effectively have to plan for three retirement journeys simultaneously:

- Your parents' later years.
- Your own retirement.
- Unexpected events that could affect either of those plans.

A good plan should allow you to care for your parents without sacrificing your own financial independence.

Your current financial position

Assets	Amount
Annual take-home income	\$240,000
Cash	\$350,000
Investments	\$400,000
CPF	\$150,000
Parents' fully paid HDB	\$900,000 (their asset)

This gives you approximately **\$900,000 of personal financial assets**, excluding your parents' home.

That provides flexibility, but caregiving can become expensive if it extends over many years.

Step 1: Separate your money into different purposes

One mistake many caregivers make is treating all savings as one large pool.

Instead, divide it mentally into separate "buckets."

Bucket 1 — Your emergency reserve

Maintain around **12 months of personal living expenses**.

This protects you if you need to reduce work temporarily because of caregiving responsibilities.

Given your circumstances, a larger emergency reserve than average is appropriate because you may not have siblings to share responsibilities.

Bucket 2 — Parents' Care Fund

Create a dedicated fund solely for your parents.

This can cover:

- medical expenses not covered by insurance
- home modifications
- mobility equipment
- domestic helper
- respite care
- private nursing if necessary

Instead of wondering whether every expense is "too much," you simply draw from this dedicated pool.

Psychologically, this reduces stress because you've already planned for it.

Bucket 3 — Long-term wealth

Continue investing for yourself.

Your parents' healthcare timeline and your retirement timeline are different.

Avoid liquidating long-term investments for short-term care unless absolutely necessary.

Step 2: Understand the biggest financial risks

Many people assume hospital bills are the largest expense.

Often they are not.

The larger risk is **long-term care**.

Examples include:

- dementia
- Parkinson's disease
- stroke recovery
- frailty
- mobility limitations

These situations can require years of assistance rather than one large medical bill.

A care plan should consider questions such as:

- Would your parents prefer ageing at home?
- Would they accept a live-in caregiver?
- Would assisted living ever be acceptable?
- Who makes medical decisions if they lose capacity?

Planning these conversations early is often more valuable than any investment decision.

Step 3: Review insurance protection

For your parents, review:

- Integrated Shield Plans (if they have them)
- riders (if still suitable)
- long-term care coverage
- critical illness protection (where applicable)

Understand:

- what is covered
- what is not
- what premiums will look like in later years

For yourself, ensure adequate:

- disability income protection
- hospitalisation coverage
- life insurance (only if someone depends on your income)
- long-term care protection

As the only child, your income is one of your family's most valuable assets.

Protecting it is essential.

Step 4: Prepare for caregiving affecting your career

This is one of the most overlooked risks.

Ask yourself:

What if I needed to work 20% less?

What if I turned down promotions requiring travel?

What if I took six months off?

A financial plan should allow for these possibilities without derailing your future.

Your current savings give you a solid buffer, but modelling these scenarios helps determine how much additional flexibility you need.

Step 5: Continue building your retirement

Many caregivers unintentionally under-save because they prioritise everyone else.

Remember:

If you retire with insufficient assets, you may become financially dependent later yourself.

Continue:

- investing consistently
- growing CPF balances
- maintaining diversified investments
- increasing retirement assets as income grows

Supporting your parents and building your retirement are complementary goals, not competing ones.

Step 6: Have the important family conversations now

Financial planning is also about clarity.

Discuss topics such as:

- their retirement income
- monthly spending needs
- medical preferences
- end-of-life wishes
- powers of attorney
- wills
- CPF nominations
- whether they would ever consider monetising the HDB through downsizing or other schemes if needed

These discussions can prevent uncertainty and conflict during stressful periods.

Step 7: Plan for your own major life events

Although you're unmarried today, your future may include:

- marriage
- children
- buying a home
- career changes
- entrepreneurship
- early retirement

Your financial strategy should remain flexible enough to accommodate these possibilities without compromising support for your parents.

Avoid committing such a large portion of your assets to caregiving that future choices become constrained.

A possible allocation framework

Without knowing your exact expenses or risk tolerance, an illustrative approach could look like:

Purpose	Approximate Allocation
Emergency reserve	10–15%
Parents' care fund	15–20%
Long-term investment portfolio	55–65%
Near-term opportunities and flexibility	10–20%

The exact proportions should reflect your parents' health, expected care needs, and your own goals.

What success looks like

A successful plan is not one where you spend the least on your parents or save the most for yourself. It is one where:

- your parents can receive appropriate care with dignity;
- unexpected healthcare costs do not force major financial decisions under pressure;
- your own retirement remains on track;
- you retain flexibility for future life choices; and
- financial decisions support, rather than add to, the emotional demands of caregiving.

Your greatest asset is not simply your \$900,000 portfolio—it is your high earning capacity combined with the foresight to plan before a crisis occurs. By creating clear boundaries between funds for caregiving, your own retirement, and unforeseen events, you can meet your responsibilities to your parents while preserving your long-term financial security.

You said:

In step 6, you mentioned to have the important family conversation with my family. How do I start the conversation with them?

ChatGPT said:

This is often the hardest part of financial planning—not because it's technically difficult, but because it involves emotions, family dynamics, and topics many people naturally avoid.

The goal isn't to have one "big conversation" that covers everything. Instead, think of it as **a series of smaller conversations over time.**

Many parents worry that discussing ageing or end-of-life matters will burden their children, while adult children worry about appearing insensitive or greedy. A good way to approach it is to make it clear that your motivation is to honour their wishes, not to take control.

You could start with something like:

"Mum, Dad, I've been thinking about the future. You're both still doing well, and I'm grateful for that. But because I'm your only child, I want to make sure that if anything unexpected happens, I'll know what you want. I'd rather have these conversations now while we can talk about them calmly, instead of having to guess during an emergency."

This reassures them that you're planning **because they're well**, not because you expect something bad to happen soon.

Start with values before finances

Avoid opening with questions like, "How much money do you have?" or "Have you written your will?"

Instead, begin with what matters most to them.

You could ask:

- "As you get older, what does a good quality of life look like to you?"
- "If your health changed one day, what would be most important to you?"

- "Would you prefer to stay at home as long as possible, or would you be open to other care arrangements if needed?"

These questions help you understand their preferences before discussing the practicalities.

Then move into practical matters

Once they're comfortable, you can gently ask about the information you'll need if an emergency arises.

For example:

"If one of you had to go into hospital unexpectedly, would I know where all the important documents are?"

This can naturally lead to conversations about:

- their insurance policies
- CPF nominations
- wills
- bank accounts
- medical records
- key contacts
- where important documents are kept

Frame it as wanting to be prepared, not wanting to manage their affairs prematurely.

Discuss healthcare wishes

One of the greatest gifts parents can give their children is clarity about medical decisions.

You might say:

"If there ever comes a time when you're unable to tell the doctors what you want, have you thought about the kind of care you'd want to receive?"

This opens the door to discussing:

- life-sustaining treatment
- quality of life
- who should make decisions on their behalf
- whether they've considered making a Lasting Power of Attorney (LPA) or an Advance Medical Directive (AMD), if appropriate

These conversations can spare families from making difficult decisions without knowing their loved one's wishes.

Talk about finances as a team

Rather than positioning yourself as someone taking charge, invite collaboration.

For example:

"I'd like us to make a plan together. That way, if any health issues come up in the future, we'll already know how we'd like to handle them."

You can then ask questions such as:

- "Do you feel your retirement income is enough for your daily needs?"
- "Are there any expenses you're worried about?"
- "If one of you needed long-term care, how would you like us to approach it?"

Be prepared for resistance

It's common to hear responses like:

"Don't worry about us."

or

"We'll deal with it when the time comes."

Rather than pushing, you could respond:

"I hope we won't need these plans for many years. But making them now means we'll have one less thing to worry about later."

This keeps the conversation supportive instead of confrontational.

End with reassurance

Parents often worry that they'll become a burden.

It's helpful to end on a reassuring note:

"I'm not asking because I think you're becoming dependent. I'm asking because I love you, and I want to make sure I can respect your wishes if I'm ever called upon to make decisions."

That shifts the conversation from fear to care.

A conversation roadmap

Instead of trying to cover everything in one sitting, spread it over several discussions:

1. **Values and wishes** – What matters most to them as they age?
2. **Healthcare preferences** – What kind of care would they want if they became seriously ill?
3. **Financial readiness** – Do they have enough income and savings, and where are the important documents?
4. **Legal arrangements** – Wills, CPF nominations, LPA, and any other estate planning documents.
5. **Caregiving expectations** – If their care needs increase, what support would they be comfortable receiving, and how can you plan for it together?

By approaching these as ongoing conversations rather than a single difficult discussion, you're more likely to create openness and trust. In many families, the greatest benefit isn't just having a financial plan—it's the peace of mind that comes from everyone knowing each other's wishes before they're needed.

You said:

There are a lot of things I need to take care of. In theory I can understand. However, to execute them right, it's very overwhelming for me as an individual to handle. Especially when my situation might change in the future

ChatGPT said:

Marcus, what you're feeling is one of the biggest challenges faced by only children who are caring for ageing parents. It's not that you don't know *what* to do—it's that you're looking at **years of responsibilities all at once**.

When you think about insurance, investments, healthcare, legal documents, your own retirement, potential marriage, career, and your parents' care simultaneously, your brain naturally treats it as one enormous problem. Anyone would find that overwhelming.

The good news is that you don't have to solve your next 30 years today. You only need to make the **next good decision**.

Think of this as a living plan, not a perfect plan

Many people believe financial planning is about creating a detailed blueprint that never changes.

In reality, the best financial plans are regularly updated.

Today, you're 37 and single.

Five years from now, you might be:

- married,
- caring for one parent instead of two,
- earning more,
- taking a career break,
- or even living somewhere else.

Your plan should be able to adapt as your life changes. The objective isn't to predict every scenario—it's to build enough flexibility to respond well when circumstances change.

Focus on what is within your control today

Instead of asking:

"How do I prepare for every possibility?"

Ask:

"What are the two or three things I can do in the next six months that would make future decisions easier?"

For example:

- Have your first conversation with your parents about their wishes.
- Review everyone's insurance coverage.
- Set aside a dedicated parents' care fund.
- Make sure your own emergency reserve is adequate.

You don't need to complete everything before moving on with your life.

Planning reduces uncertainty—it doesn't eliminate it

Suppose one of your parents develops dementia in ten years.

No financial plan can stop that from happening.

What a good plan *can* do is reduce the number of difficult decisions you'll have to make under pressure. Instead of wondering:

- "Can we afford a caregiver?"
- "Where will the money come from?"
- "What would Mum have wanted?"

you've already thought through many of those questions. The crisis may still be emotionally difficult, but it becomes less financially chaotic.

Don't shoulder every responsibility alone

One thing I'd encourage you to challenge is the idea that, because you're an only child, **you have to personally manage every aspect of your parents' ageing.**

There are professionals who can help with different parts of the journey:

- A financial adviser can help you review your long-term financial strategy as your circumstances evolve.
- A lawyer can assist with wills and Lasting Powers of Attorney.
- Healthcare professionals can guide you through care options when needs arise.
- Care coordinators, social workers, and community organisations can help you navigate available support services.

You remain the decision-maker, but you don't have to become an expert in every area.

Give yourself permission not to have all the answers

One of the biggest sources of anxiety is the belief that every decision has to be perfect.

In practice, very few financial decisions are irreversible.

You can review your investment strategy.

You can increase your care fund over time.

You can update your insurance.

You can revise your retirement plan.

You can adjust as your parents' health changes.

The aim isn't perfection. It's making decisions that are sensible with the information you have today, and revisiting them as life unfolds.

A mindset that may help

Instead of seeing yourself as carrying your parents' future on your shoulders, think of yourself as building a series of guardrails.

Each step—setting aside savings, reviewing insurance, having conversations, preparing legal documents—doesn't solve every future problem. It simply makes the road ahead a little safer and a little easier to navigate.

Over time, those guardrails add up.

One final thought

There's something you said that stood out:

"My situation might change in the future."

That's exactly why financial planning exists. If the future were certain, you wouldn't need a plan—you'd just need a spreadsheet.

A good financial plan isn't a prediction of what will happen. It's a framework that helps you make good decisions as life changes.

In fact, one of the greatest values of working with a trusted financial adviser isn't that they can predict the future. It's that they can walk alongside you through life's transitions—reviewing your plan when your parents' health changes, when your career evolves, when you marry, or when new responsibilities arise. Rather than expecting you to have all the answers today, the planning process becomes an ongoing partnership that evolves with your life, giving you confidence that you don't have to navigate every change on your own.