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The Pearls Are Mine!

By KELLY GREENE

Marky Olson, a 63-year-old Seattle blogger, hit rock bottom the day she sneaked eight photo albums out of her parents' apartment and chucked them in a dumpster.

Already, she had spent two years trying to make a dent in the stuff crammed into her parents' two-car garage at their retirement villa, finding a home for a boat, model trains and other objects large and small.



The Commercial Appeal/Associated Press

An estate sale in Memphis, Tenn.: Liquidators can charge 25% to 35%.

After her parents moved to an assisted-living facility and had to cull again, Ms. Olson reached her breaking point. A nurse tried to stop her, but she jettisoned the photos anyway.

"I just couldn't handle dealing with all the stuff anymore," she says.

As older parents approach death, they often leave lengthy to-do lists for their children. The tasks can be both physical and financial. Some children must deal with a tangle of arrangements—everything from heating-oil contracts to trusts—along with jumbled stock certificates, car titles or life-insurance policies for which there may be no backup copies. Others must sift through boxes or rooms full of belongings. Sometimes siblings get involved, complicating matters further.

When the chores become overwhelming, it can be difficult for family members to recover sentimental treasures or tie up financial loose ends. At the extreme, the sheer volume of stuff can clutter a house and weigh down its value—a problem if the home must be sold quickly.

It used to be much easier to dispose of estates, experts say. But the slow recovery from the recession has softened the market for antiques and collectibles drastically, according to more than a dozen professionals who handle estate sales and elderly moves. People have curtailed recreational shopping and aren't moving into bigger homes, stifling demand for furnishings. At the same time, younger homeowners' decorating tastes have changed in the past decade or so away from the traditional furniture, formal china and silver tea sets found in many older homes.

Julie Hall, an estate liquidator in Charlotte, N.C., says she is seeing people eschew stately grandfather clocks for utilitarian items—even cleaning supplies—they can pick up for cheap.

Here is how to deal with your parents' stuff while preserving family harmony and finances.



F. Martin Ramin for The Wall Street Journal; Styling by Anne Cardenas

Go Slow—but Don't Stall Out

When a loved one dies, it is especially difficult to start sorting through his or her stuff quickly. Many families, hoping to avoid getting bogged down, hire a liquidator to clear out everything fast.

On the other hand, if your financial situation allows it, taking some time can help you deal with your grief. Arleen Stern, a geriatric-care manager in New York, spent four months with her family emptying her mother-in-law's apartment after she died. "She was a Holocaust survivor, and she saved everything," Ms. Stern says. "It let us reminisce about her life, and that's a very important way for people to spend time together after a recent loss."

The trick is to avoid stalling out—or becoming too paralyzed to start. Adult children inheriting a home could wind up on the hook for bills if the estate isn't settled yet.

Jada Krall, a 41-year-old hospice nurse in Tampa, Fla., says that for several months last year she ignored the task of emptying her parents' 3,000-square-foot, four-bedroom home in Charlotte. "I just couldn't wrap my head around it," she says. Meanwhile, she and her brother had to pay the mortgage and other bills themselves.

When Ms. Krall hired an attorney to help her handle the estate, he urged her to hurry up and sell the house to stop the financial bleeding.

A real-estate agent connected her with Ms. Hall, the estate liquidator. In three days, Ms. Hall emptied the house, sending valuable pieces to an auction house. They didn't bring much. Even an antique pump organ that Ms. Krall's mother had painstakingly restored fetched only \$125 at auction, she says: "I was shocked at how little things brought. You think that house is full of so much value, but in this economy it's not."

Many Different Options

Long-distance families, sibling rivalries and time pressure all are reasons to consider bringing in professionals to help sift through family belongings.

The question is which type of professional is best suited for your situation.

Estate liquidators, auction houses and consignors typically charge a percentage of the contents' sale price—often 25% to 35%. Liquidators are the most likely to act as a one-stop shop, and they may bill in different ways for different services. Ms. Hall, for example, charges a percentage of the items that sell, and also an hourly rate starting at \$110 for appraisals, clean-outs, and shipping items to auctioneers or charity. The American Society of Estate Liquidators (ASELonline.com), which she runs, provides local referrals.

If you want to sell select items and handle the disposal yourself, you could hire an auctioneer, preferably one who knows your specific merchandise and works well on the Internet, says Susan Devaney, owner of Moving Mavins in Westfield, N.J.

Consignment shops typically charge up to a 50% commission and put an item on their sales floor for 30 days. Find out upfront what happens if it hasn't sold at that point. You might have 24 hours to a week to come get it—and if you don't, it is theirs, warns John Buckles, president of Caring Transitions, a network of senior movers and estate-sale businesses.

Senior-move managers and professional organizers charge an hourly rate but typically offer more customized help. They can tap movers, reputable resellers, and auctioneers and charities willing to take books, clothing and home furnishings.

Their rates range from \$40 to upward of \$125 an hour, depending on where you live and the complexity of the job. Movers and organizers who have joined trade groups that provide training can be found at nasmm.org, napo.net and MoveSeniors.com.

Charles Naftalin, a partner at law firm Holland & Knight in Washington, hired Transitional Assistance & Design, a senior-move management company in Gaithersburg, Md., after his father died, and it quickly emptied his parents' century-old Victorian house—including 20,000 books.

"We had a deadline," he says. "We put the house up for sale, and my mom was moving to a one-bedroom apartment." Mr. Naftalin says he was amazed at how much they accomplished so quickly. He hired the same mover when his mother moved from the apartment to an assisted-living facility.

Take Care of Financial Matters Quickly

In addition to dealing with the furniture and dishes, don't forget to track down bills for monthly utilities, cancel credit cards, figure out if anything was on auto-pay from bank accounts that may be closed and tie up other bill-paying loose ends. Otherwise, the estate could end up paying late fees or bills for services no one is using—and if the estate hasn't been settled yet, you could wind up on the hook for some of the charges ranging from utility bills and lawn service to homeowners' association fees.

The same applies when your parents move to a long-term-care facility. When Jean Dorrell, a Summerfield, Fla., estate planner, traveled to Texas to clean out her father's home after he moved to an assisted-living facility, she found stacks of mail and soon figured out that he was having \$460 a month deducted from his bank account for magazine subscriptions and other purchases—a third of his monthly income.

Financial records can be particularly daunting. Caroline Yates, a homemaker in Rochester, N.Y., served as power-of-attorney for her octogenarian great uncle. She had to make room in his Westfield, N.J., home for health-care aides before a rehab center would release him, following an illness in 2010.

But she had to be careful not to throw out any uncashed checks or stock-sale records, since he had run a small financial business from his home with no computer records. After his death last year, she went through 16 filing cabinets searching for a set of stock certificates—before finding them in a bank safe-deposit box. She wound up hiring Ms. Devaney's firm to help her clean out the house and sift through the important records.

Dole Out the Heirlooms Diplomatically

Some of the biggest family feuds erupt over the division of day-to-day objects. Those fights can become financial headaches if they hold up the settlement of the estate or, worse yet, drag the family into court.

The most foolproof strategy also is the most awkward: Parents and children discussing what the children will get while the parents are still alive and well, says Marlene Stum, a professor at the University of Minnesota who heads its "Who Gets Grandma's Yellow Pie Plate?" project.

Aging parents and adult children often don't realize which objects really matter to one another. Children might not know how the parents wound up with various heirlooms, and the stories might justify keeping what might otherwise seem like junk.

For their part, parents often are surprised to learn their children are more interested in everyday objects used while they were growing up—a pie plate or serving platter—than a coin collection with some monetary value, says Prof. Stum.

But what if a parent dies without talking with the children? First, the siblings need to agree on who is in charge, be it a family member or a professional, and give that person final say, advises Robert Spielman, an estate-planning lawyer and certified public accountant with Marcum LLP in Melville, N.Y. Next, they should determine who was promised something and who wants something that was important to him or her.

After that, they should consider giving everyone color-coded stickers to put on things they want, along with a number ranking it, and list it on a spreadsheet.

"By indicating how important a particular thing is to you in a way that everybody else can see, you're much more likely to compromise," says Francine Russo, author of "They're Your Parents, Too!"

Document Deductions

Next comes the liquidation part. One option that can ease the emotional sting: making donations to charity. Doing so when your parents downsize "can make mom and dad feel good about who will get their stuff," Mr. Buckles says.

After the second parent's death, family members should choose the possessions they want, Mr. Spielman says. Next, the estate's executor sells, or hires someone to sell, everything possible. (If the estate is taxable, estate tax is owed on those assets, whether or not they are sold.)

The children, as the heirs, typically get what is left after any tax is paid. They also get to claim a tax deduction for the fair-market value of any stuff donated to charity on the date of the donation, according to Mr. Spielman.

For donations, the Internal Revenue Service requires the item to be in good condition, and that you get a receipt.

"If the people at the Salvation Army think it's worth \$8,000, get a receipt for \$8,000," Ms. Dorrell says. "Your [accountant] can bring that number down if he needs to, but he can't bring it higher."

The IRS, Salvation Army and Goodwill Industries all post lists of suggested values on their websites. But if you have a higher-value item, such as designer clothing, take a digital photo to document it, Ms. Devaney advises.

Donations worth more than the IRS limit may require a formal appraisal, Mr. Spielman says.

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