

Commonwealth Sense

Volume 2, Issue 8

Caring for Your Aging Parents

By

Brad Peterson, Wealth Market Leader, Vice President

It's your money. It's your life. It's your time.

As baby boomers age, they are also becoming known by some other nicknames: some are part of the 'Sandwich Generation' (those sandwiched between helping their aging parents while still helping their own children AND preparing for their own retirement!) while other boomers can rightfully be called 'seniors' with elder care decisions of their own. No matter what the family dynamic, Elder Care is a topic that many of us will face in our lives. According to marriage experts Bob and Sheri Stritof, approximately 22% of the American population can be classified as the Sandwich Generation, and nearly two-thirds of the Boomer generation will be taking care of an elderly parent in the next 10 years. And according to Newsweek®, the average woman spends 17 years raising children and 18 years helping aging parents.

Any discussion of Elder Care could include a wide array of important topics, but – as you can see from these statistics – the subject that is most compelling is the expected need to care for our parents. Caring for your aging parents is something you hope you can handle when the time comes, but it's the last thing you want to think about. Whether the time is now or somewhere down the road, there are steps that you can take to make your life (and theirs) a little easier. Some people live their entire lives with little or no assistance from family and friends, but today Americans are living longer than ever before and the odds are just not in our favor.

Approximately 40% of people will

need long-term care at some point during their lifetimes after reaching age 65*, and approximately 14% of people age 71** and older have Alzheimer's disease, a disorder that often leads to the need for nursing home care. Considering the average annual cost of a 1-year nursing home stay is at \$72,270*, it's always better to be prepared.

STEP 1: The first step you need to take is *talking to your parents*. Find out what their needs and wishes are. In some cases, however, they may be unwilling or unable to talk about their future. This can happen for a number of reasons, including:

- Incapacity
- Fear of becoming dependent
- Resentment toward you for interfering
- Reluctance to burden you with their problems

If such is the case with your parents, you may need to do as much planning as you can without them. If their safety or health is in danger, however, you may need to step in as caregiver. The bottom line is that you need to have a plan. If you're nervous about talking to your parents, make a list of topics that you need to discuss. That way, you'll be less likely to forget anything. Here are some things that you may need to talk about:

- Long-term care insurance: Do they have it? If not, should they buy it?
- Living arrangements: Can they still live alone, or is it time to explore other options?
- Medical care decisions: What are their wishes, and who will carry them out?

- Financial planning: How can you protect their assets?
- Estate planning: Do they have all of the necessary documents?
- Expectations: What do you expect from your parents, and what do they expect from you?

STEP 2: Once you've opened the lines of communication, your next step is to *prepare a personal data record*. This document lists information that you might need in case your parents become incapacitated or die. Here's some information that should be included:

- Financial information: Bank accounts, investment accounts, real estate holdings
- Legal information: Wills, durable power of attorneys, health-care directives
- Funeral and burial plans: Prepayment information, final wishes
- Medical information: Healthcare providers, medication, medical history
- Insurance information: Policy numbers, company names
- Advisor information: Names and phone numbers of any professional service providers
- Location of other important records: Keys to safe-deposit boxes, real estate deeds, etc.



* National Clearinghouse for Long-Term Care Information, U.S. Department of Health and Human Services, 2009

** Alzheimer's Association, 2010

Be sure to write down the location of documents and any relevant account numbers. It's a good idea to make copies of all of the documents you've gathered and keep them in a safe place. This is especially important if you live far away, because you'll want the information readily available in the event of an emergency.

STEP 3: If your parents are like many older folks, *where they live* will depend upon how healthy they are. As your parents grow older, their health may deteriorate so much that they can no longer live on their own. At this point, you may need to find them in-home health care or health care within a retirement community or nursing home. Or, you may insist that they come to live with you. If money is an issue, moving in with you may be the best (or only) option, but you'll want to give this decision serious thought. This decision will impact your entire family, so talk about it as a family first. A lot of help is out there, including friends and extended family. Don't be afraid to ask.

STEP 4: Evaluate your parent's abilities. If you're concerned about your parents' mental or physical capabilities, ask their doctor(s) to recommend a facility for a geriatric assessment. These assessments can be done at hospitals or clinics. The evaluation determines your parents' capabilities for day-to-day activities (e.g., cooking, housework, personal hygiene, taking medications, and making phone calls). The facility can then refer you and your parents to organizations that provide support.

If you can't be there to care for your parents, or if you just need some guidance to oversee your parents' care, a geriatric care manager (GCM) can also help. Typically, GCMs are nurses or social workers with experience in geriatric care. They



can assess your parents' ability to live on their own, coordinate round-the-clock care if necessary, or recommend home health care and other agencies that can help your parents remain independent.

STEP 5: Don't try to care for your parents alone, *get support and advice*. Many local and national caregiver support groups and community services are available to help you cope with caring for your aging parents. If you don't know where to find help, contact your state's Department of Eldercare Services. Or, call (800) 677-1116 to reach the Eldercare Locator, an information and referral service sponsored by the federal government that can direct you to resources available nationally or in your area. Some of the services available in your community may include:

- Caregiver support groups and training
- Adult day care
- Respite care
- Guidelines on how to choose a nursing home
- Free or low-cost legal advice

Once you've gathered all of the

necessary information, you may find some gaps. Perhaps your mother doesn't have a health-care directive, or her will is outdated. First Commonwealth's Wealth Market Team of professionals can help to direct your efforts to an appropriate attorney, accountant or other financial professional whose advice both you and your parents can trust.

Whether planning for the care of your parents is on the distant horizon or just right around the corner, you should seek the assistance from an experienced investment professional. If you are ready to learn more about what First Commonwealth Advisors can do for you, please contact one of our Financial Advisors to get the conversation started. You can reach them toll-free at 1-855-ASK-4-FCA or visit us on the web at ask4fca.com.



With Wealth Teams in PITTSBURGH • DUBOIS • GREENSBURG • INDIANA • WEXFORD

First Commonwealth Advisors is a registered trademark of First Commonwealth Bank for investment management, trust and fiduciary services and for investment advisory services provided by First Commonwealth Financial Advisors, a registered investment advisory affiliate. Securities, insurance products and certain other advisory services are offered through Essex National Securities, Inc., member FINRA/SIPC and an SEC registered investment advisor, which is not affiliated with this financial institution. Certain insurance products are offered through First Commonwealth Insurance Agency, a licensed insurance affiliate.

NOT Guaranteed by the Bank

NOT FDIC Insured

NOT a Deposit

NOT Insured by any Federal Government Agency

May Lose Value including Loss of Principal

1-855-ASK-4-FCA
www.ask4fca.com