

News Highlight

Caring for elderly parents can put a dent in your budget

By Sarah O'Brien – personal finance reporter

If you think you might end up caring for Mom or Dad in their twilight years, be aware of an issue that catches many caregivers off-guard: The big hit to your own pocketbook.

More than two-thirds of caregivers (68 percent) report providing financial support related to their role, according to Northwestern Mutual's 2018 C.A.R.E. Study. A third spend at least 20 percent of their own monthly budget on caregiving-related expenses.

Of the respondents who already have stepped into that position, nearly half (47 percent) say their new role was unexpected.

"If caregivers haven't planned ahead of time, they end up making some rash decisions about how to absorb their caregiving costs ... like withdrawing from savings or working more," said Kamilah Williams-Kemp, vice president of long-term care at Northwestern Mutual.



The element of surprise involved shows the importance of families taking time to discuss how an aging parent envisions fulfilling their future care needs, Williams-Kemp said.

For instance, many people want to age in place, yet they have not had a conversation with family about how to make that work.

"So often, individuals make assumptions about their [future care], but they aren't necessarily sharing that with their children," Williams-Kemp said. "Before you're in the situation of needing care, talk with your family members about it."

For adult children — many of who might already be caring for their own children — it's worth the conversation, too. While it can be a tricky conversation to have if your parents aren't the ones to start it, the more information you're armed with, the better prepared you can be.

While Medicare is typically available to everyone once they reach age 65, it generally does not pay for long-term care. That is, if someone needs help with daily living activities such as bathing or getting dressed, those costs are not covered.

Long-term care insurance can be an option. As with many types of insurance, the younger you are, the less expensive the policy typically is.

You also run the risk of not qualifying once you're older because you've developed health problems. About 23 percent of long-term care insurance applicants in their 60s are rejected coverage due to health issues.

Another type of insurance that's growing in popularity is a hybrid insurance policy that combines a traditional death benefit with a long-term care feature. In simple terms, you can use the money from the policy to pay for long-term care.

Waiting until you have an immediate need also is unwise. "Once you're in the caregiving situation, your options will be more limited," Williams-Kemp said.

If money is tight and paying for insurance premiums is unrealistic, it's still worth sitting down with your parents and having a gentle conversation about how they are planning for their future needs. The idea is that the better prepared you are for the cost of caregiving and are aware of all available resources and options, the less disruptive the care will be to your financial situation.

It also can go a long way toward mentally girding yourself for the emotional upheaval that some caregivers experience when they find themselves in the parent-child role reversal. "You have to be able to divvy up caring for yourself and caring for the person in a way that gives you the best balance," Williams-Kemp said.

Source: <https://www.cnbc.com/2018/04/04/caring-for-elderly-parents-can-put-a-dent-in-your-budget.html>

Daily Reminder...



Caregiving Article

Fall Proofing Your Home

Six out of every 10 falls happen at home, where we spend much of our time and tend to move around without thinking about our safety. Many of these falls could be prevented by making simple changes. The following tips to help you reduce your risk of falling:

- Remove anything that could cause you to trip or slip while walking. Clutter, small furniture, pet bowls, electrical or phone cords, and throw rugs can cause falls.
- Arrange furniture so you have plenty of room to walk freely. Also, remove items from stairs and hallways.
- Secure carpets to the floor and stairs. Use non-slip rugs, or attach rugs to the floor with doubled-sided tape.
- Avoid wet floors, and clean up spills right away. Use only non-skid wax on your waxed floors.
- Use non-slip items in the bathroom. Put non-slip strips or a rubber mat on the floor of your bathtub or shower.
- Make sure you have enough lighting in each room, on stairs, at entrances, and on outdoor walkways. Use light bulbs that have the highest wattage recommended for the fixture.
- Use the handrails on your stairs. When you carry something up or down the stairs, hold the item in one hand and use the handrail with the other.
- Place a lamp next to your bed along with night lights in the bathroom, hallways, and kitchen. Keep a flashlight by your bed in case the power goes out and you need to get up at night.
- Stay physically active. Lower-body strength and balance exercises can help prevent falls.



Source: www.nia.nih.gov/Go4Life