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By Mindy Fetterman

Prepare yourself now to help care for parents later

Maybe you're not caring for elderly parents now. But you might be soon.

Forty-one percent of baby boomers who have a living parent are helping take care of them, with personal help, financial assistance or both, according to a USA TODAY/ABC News/Gallup Poll.

Of those boomers who aren't providing care for parents now, 37% think they will someday. And about half of them say they're concerned about their ability to do so.

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VIDEO: [Women of the 'sandwich' generation](#)

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Think you might be one of them? You might consider some specific actions now to prepare yourself — financially, at least — according to financial planners and experts in elder care.

This might sound callous, but people need to ask themselves this question and answer honestly: How much of a commitment am I willing — and able — to make to help my parents?

"We're still living in the fantasy that there are people at home who can take care of the elderly without giving up too much," says John Rother, director of policy and strategy for AARP. "We haven't caught up to the fact that most women are in the workforce."

The National Alliance for Caregiving and AARP have estimated that 61% of people who voluntarily care for the elderly — in most cases, their own relatives — are women. And for a typical unpaid caregiver who has a regular job, the care required of an elderly relative forces her to cut the hours she works at the regular job by about 41%, thereby shrinking her pay and benefits, AARP has found.

At the same time, unpaid caregivers who contribute their own money spend an average of \$2,400 a year on care, according to AARP.

Adult children are paying out of their pocket "to make up for the mistakes their parents made 20 years ago," by not saving or investing aggressively enough, says Kenneth Kamen, president of Mercadien Asset Management, a financial planning firm.

"You have to decide: How much of my lifestyle do I potentially give up so my dad can lead the kind of life I think he should lead?"

Kamen doesn't mean to sound harsh. In fact, he and his wife are working with her siblings to help her mother craft a strategy for her future living arrangements.

"At some point, the baby boomers are going to have to lay down the guilt," he says. They need to worry about paying for college for their kids and saving for their own old age — which most haven't done, he says.

"Boomers are going to need way more money than they think they'll need," Kamen says.

OK, so you won't spend all your money on your parents. (OK, maybe you will ...) But here are some costs and issues to consider:

- **Have "the talk."** This one is almost as hard as the "birds and bees" talk you may or may not have had with your children. But you need to talk frankly with your parents about what kind of care they expect to have. It can be difficult, especially for some members of the World War II generation who have tended to keep financial issues private. "It's amazing how little the baby boomers know about the financial situation of their parents," Kamen says.

To make it easier, try to back into the conversation: "Say, Dad. We were doing our will the other day and wondered if you have all that taken care of?" Or: "We're starting to plan our retirement. What did you and Mom decide?"

Try a "family conference" with all the siblings, if there are others. It's vital to get everyone on board, Kamen says, before a crisis arises.

But don't categorically promise your parents you won't put them in a nursing home, says Gail Hunt of the National Alliance for Caregiving. "Sometimes, it's the only option. They might need more care than you can offer." She suggests explaining that you'll seek out the best possible care you can.

- **Consider remodeling a home.** Whether your parents move into your house or stay in their own, you might need to adapt the living space. You could add everything from handrails in bathrooms and a ramp instead of stairs at the front door, to a bathroom and bedroom on the first floor.

"Most of the housing we live in today is 'Peter Pan' housing: It's designed for people who are never going to grow up and never grow old," says Jon Pynoos of the University of Southern California's Andrus Gerontology Center.

"We have narrow hallways, slippery bathrooms and houses that are crammed full of stuff," he says, making it harder for an elderly person to maneuver.

If you think your mother or father may move in with you, start planning, and saving, for remodeling you'll need to do. The National Association of Home Builders and AARP have teamed to create the [Certified Aging-in-Place Specialist program](#), which trains specialists in home design and remodeling for the elderly. Check out [nahb.org](#).

"The small things can be very helpful," Pynoos says. "And they help the caregiver, too, who can fall and injure their back when they help an elderly person."

- **Consider long-term care insurance.** Some people want to pay or help pay for long-term care insurance for their parents. But "don't buy it for them unless you really can afford it and it offers them peace of mind," says Bill Driscoll, a financial planner in Plymouth, Mass. (He and his siblings are chipping in for their mother's policy.) Others note that "it's more likely you'll need (long-term care insurance) for yourself," Kamen says. "You're going to live way longer than your parents."

LONG-TERM CARE INSURANCE: [Pros and cons](#)

A long-term policy promises to pay for in-home, assisted-living or nursing home care. But there are lots of "ifs":

- Your health when you buy the insurance. If you have a disease already, you might not qualify at all.
- Your ability to pay premiums. You might not have the money once you retire and begin relying on a fixed income.
- The health of the insurer. Will it be around 25 years from now when the benefits are needed?
- **Set up an emergency fund.** Despite the best advice, most people wait to make decisions about an elderly parent's care until an emergency arrives and they're forced to.

To make everything easier, it's wise to have an emergency fund for yourself, to pay for a last-minute flight, hotel and rental car when you race home to an ill parent.

"You need the resources if you have to set up something quickly," Driscoll says.

- **Do the paperwork.** Make sure your parents have given someone the authority to make financial and medical decisions on their behalf if they become incapacitated. Your parents should have two documents that you can find in an emergency: a durable power of attorney for finances and a power of attorney for health care.

LEGAL DOCUMENTS YOU NEED: [Creating effective powers of attorney](#)

Without them, you could be forced to go to court to have a parent declared incompetent — an expensive, invasive and painful process. Many couples grant power of attorney to each other. But your parents should also name a backup agent in case the other spouse dies or becomes incapacitated.