



HELPING ELDERLY PARENTS

Health and financial matters can be stressful for adult children.

If you are like most parents, as you reach middle age or approach retirement, you are at or near the end of your primary parenting years. Your children may be out of college or nearing graduation and you anticipate fewer financial obligations such as tuition. You have more time for each other as the need to provide care and oversight lessens.

However, an increasing number of families are finding that just as their children begin the transition to adulthood and independence, their elderly parents need their help. Sometimes, a lot of help. In many families, parents are simultaneously helping their children as well as their own parents. The impact on adult children and their siblings can take a toll on finances, emotions and careers.

A [Pew Research Center Study](#) found that 60 percent of adults in the U.S who have at least one parent age 65 or older had provided help with errands, housework, home repairs, or personal care within the past 12 months. Nearly 30 percent had provided financial help within that time period. Another key finding: although 88 percent of those who were helping their parents found it rewarding, a third also said it was stressful. And 76 percent viewed providing financial assistance to their aging parents in need as their responsibility.

[Northwestern Mutual's 2018 C.A.R.E. Study](#) found that 47% of caregivers did not discuss caregiving for a family member or friend--it was completely unexpected. Another 53% discussed the idea of caregiving and planned for it.

We've identified some needs and circumstances that could arise for aging parents and how adult children can help manage them.

HELPING PARENTS IN THEIR OWN HOME

For many adult children, the help they expect to provide can be different from what their parents actually need. Helping elderly parents with practical help such as managing medical appointments and organizing finances can benefit the entire family. Although some parents initially might bristle, thinking their children believe they are incapable, a thoughtful family conversation can make it clear that accepting help means they can remain in their own home for a longer period of time. Providing help – by doing it themselves or hiring others – so their parents can stay comfortably in their home can be rewarding for adult children as well.

WHEN A PARENT NEEDS ADDITIONAL HELP

If parents are not able to live safely and comfortably in their home, even with help from family members, families must consider next steps, such as providing in-home care, or having the parent move to assisted living or a nursing home. These are among the most difficult decisions and it's critical that everyone -- including elderly parents -- is part of the conversation. You might think it's obvious that you want only what's best for your elderly parents, but that doesn't necessarily mean you know what that is or are aware of what they want. And getting input from health care professionals can also shed light on what is best. Most importantly, elderly

parents, if they are able, should be equals in the discussion and planning process.

Once a decision is made, families must determine what they can afford and how to assess the quality of care available. The [2018 Genworth Financial Cost of Care Survey](#) found that the median annual cost per person for in-home care in 2018 was about \$48,000 for daytime only care. The median annual cost for a one-bedroom unit in assisted living was \$48,000. Nursing home care was \$89,292 for a semi-private room and \$100,380 for a private room, according to the Genworth survey. It's advisable to check with state or federal agencies such as Veterans Affairs to see whether a parent qualifies for financial assistance, in addition to private funds or long-term care insurance that might be available.

Evaluating assisted living or nursing homes is best done on site. There are numerous public and private resources with advice on what to look for. In general, things to consider include checking for licensing, overall cleanliness, staffing levels, food, safety and activities. Caregiver web sites and organizations have similar standards for how best to evaluate an individual or agency that will provide in-home care. Ultimately, it's subjective – the parents and adult children will need to choose care that feels the most comfortable at the level they need and can afford.

CAREGIVING: A FAMILY DISCUSSION

Whether aging parents need practical help or financial help, it's critical for adult children and siblings to work together on a plan. Whenever possible, family members should discuss caregiving options for their parents well in advance and try to arrive at consensus. It's best if the children work together and assess their parents' financial situation as early as possible and determine whether any or all of them can help and in what way. If an adult child gives up a job to care for elderly parents, either by choice or because their parents can't afford professional care, it's important for the family to recognize the magnitude of that decision. Determining compensation, if any, for the caregiver can be sensitive and must be handled equitably and with transparency to help prevent sibling rivalry or resentment. It can be especially challenging to split responsibilities when one lives near and other siblings live elsewhere. But even if decisions must be

made quickly due to sudden illness or other unexpected conditions, the adult children should work to reach agreement on a plan of action.

YOU DON'T NEED TO DO THIS ALONE: OUTSIDE ADVISORS CAN PLAY AN IMPORTANT ROLE

Ideally, adult children can discuss the situation with an elderly parent and offer help, either from family members or outside professionals well before they actually need it. If a parent is unwilling or reluctant, a financial planner or elder law attorney might be able to start the discussion. Depending on the circumstances, parents can give children or others power of attorney for financial and legal decisions, and power of attorney for health care, to be activated immediately or when needed. If a parent no longer is competent, an adult child can be named a guardian and then would have complete responsibility for a parent's care, finances and overall wellbeing.

The family might also choose to meet with a financial advisor to discuss a financial plan for costs related to elderly parents' care or other expenses. Some families draw up a formal caregiving contract and pay the adult child or children for the care they provide. If there is a family trust, another option is to include a provision to allow direct and indirect expenses to be paid to a child who provides care. An attorney or financial advisor can help a family plan for and implement these arrangements. Yet another option is for the adult children to agree to cover expenses up front and be reimbursed later after the parents' home is sold. Children who help support their parents or cover medical or other expenses should be aware of tax implications, depending on the level of support.

WHEN PARENTS NEED FINANCIAL & OTHER HELP

Approaching your parents when you think they need financial help or when you believe they no longer can handle their affairs is among the most difficult of conversations. Even the most astute individuals can be challenged when handling finances. Recognizing a decline in yourself or others can be complicated, a scenario that's becoming more common as lifespans increase and individuals need to make financial, medical and legal decisions into their 80s and beyond.



Banking. Wealth. Insurance. Family.

If adult children can focus on strong communication and view their elderly parents' care and wellbeing as a shared responsibility, they can work together to keep their parents comfortable and safe as they age. And do not hesitate to bring in your outside advisors, whether an attorney, or financial advisor, or both. They can be instrumental in assisting the facilitation of this very difficult, yet important discussion.

We offer our clients the financial organizing tools discussed here and work with them ahead of time to complete them. We also help work through the details after a loss.

You need to ensure that the life you plan together stays together for your family.



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We have provided a list of resources for caregiving and on Advance Directives below.

FOR CAREGIVING INFORMATION:

- [AARP - In-Home Care](#)
- [Local Community Help](#)
- [Finding a Caregiver](#)
- [Helpguide.org](#)
- [AARP](#)
- [Caregivers](#)
- [Compare Nursing Homes](#)
- [AgingCare.com](#)
- [Help Guide](#)

FOR INFORMATION ON ADVANCED DIRECTIVES:

- [Power of Attorney & Guardianship](#)
- [AARP Guide](#)
- [Legal Documents for those with Alzheimers](#)
- [Alzheimer's Association](#)
- [Care.com](#)
- [LeadingAge](#)