



# *Reinventing* Retirement®

## Eldercare Planning

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Welcome to our Fifteen Minute Finance presentation on Eldercare Planning. Bette Davis once said something that has a touch of humor but is grounded in reality: “Old age is no place for sissies.”

As we and our loved ones reach a certain age, life can take on greater challenges. Sometimes those challenges require extra care or resources. The all-purpose word to describe that is “eldercare.” Eldercare can meet a wide range of needs and take many forms, from home-based care to varying degrees of independent or assisted living. And it involves planning and good communication.

Here to take us through what that means for the children of aging parents, as well as planning for our own aging, are John and Sue, a fictitious couple that we use to give life to the strategies and situations that we discuss in these presentations.

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### Today's Dilemma: Caring for Our Parents

#### Assess the situation and act:

- What needs must be addressed?
- What are your options?

*Don't wait too long!*



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Sue: John, I'm worried about my mom. Her memory is beginning to fail her and ever since my dad passed away, I don't feel comfortable with the thought of her being all alone. I don't think she's eating well, and I'm worried about her safety. She might leave the stove on all day or lose her direction somewhere.

John: I know, Sue. I think she's entered that point where she could really benefit from living in a facility that has a support staff and a stimulating social environment. My mom loves the assisted living facility she's in. I'm so glad we encouraged her and got her in there before it was too difficult. I see her thriving and she's in good hands in case anything happens. So, what can we do about your mom?

Sue: I need to talk to my siblings and I think we need to act quickly. We have to make this a priority. If she doesn't eat well, she could become more and more vulnerable and frail.

John: What are the options?

Sue: Well, we could look into a home health aide, which could work for now, but because of her dementia, which will only get worse with time, it probably makes sense to get her on a waiting list for a good assisted living facility.

John: I hesitate to raise the issue, but what about the cost?

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Sue: I wish we'd really thought this through or actually, I wish my parents had thought this through years ago and planned ahead and saved for this purpose. But

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### Planning Ahead for Our Own Eldercare

#### Why Plan?

Review all of your options

Best chance to arrive at the most suitable solution

Opportunity to protect your financial security

Avoid putting a financial and emotional strain on family members

=  
Peace  
of Mind

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Sue: I just think about everything we had to go through with my mom, and how overwhelmed we felt, I really want to make sure we start thinking about ourselves John, so our kids won't have to go through any of that.

The benefits of planning for our own eldercare seems so obvious when you sit down and think about it. But unfortunately, human nature and the constant need to focus first on life's more pressing issues lead us to ignore the need to plan for something that's several decades away.

John: Yeah, planning simply makes you review all your options. You keep control and can make the best choices.

Sue: Right. Instead of being boxed into a corner – not literally, necessarily – planning well allows you to explore all possibilities and arrive at what you hope is the best or most suitable choice. And if we plan financially by saving specifically for long-term care, for example, then that will protect our financial security. There'll be less chance of running out of money because of really high nursing home costs, for example.

John: And just think of how nice it will be to free our children from having to make difficult decisions about our wellbeing like we've had to deal with for our parents.

Sue. Yes. In the end, it's all about peace of mind.

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### What Needs to be Addressed?

#### Typical Eldercare Issues:



**Help with chores –**  
shopping, house  
cleaning, yard work



**Social Interaction**



**Transportation**



**Personal physical care –**  
help getting dressed,  
preparing meals,  
personal hygiene...

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John: When we begin addressing some vague needs that we might have a few decades from now, it's hard to know what's suitable without knowing our specifics at any point in the future. We might require basic help with chores, or if we're no longer able to drive, we'd need transportation. If I die first and leave you on your own, you'll need social interaction. And then, if one of us is no longer able to be fully independent, we might need help with personal care – getting dressed, bathing, and preparing meals... Where do we start, Sue?

Sue: Wow, John, you've covered a lot of territory. I guess we can't really have a firm idea of what we're planning for, so it's helpful to know the range of options. Let's explore them one by one.

## Explore Options: In-Home Care



Sue: I think that the first thing we might consider is a very limited and specific type of care while still living at home. This could involve hiring an aide to help with anything from preparing meals to shopping, and doing miscellaneous chores.

John: You could also hire different people for a variety of needs, if you were so inclined. For example, someone to drive you to appointments or order grocery delivery. And there's Meals on Wheels. Someone else to do yard chores. And a housekeeper or handyman part-time. There are a lot of possibilities.

Sue: True. And if you or I had a medical need, we could use the services of a nurse part-time. Plus there are numerous community resources available. Adult day care would be good for social and mental stimulation and possibly physical activity as well. Senior centers offer a variety of recreational activities and shared meals.

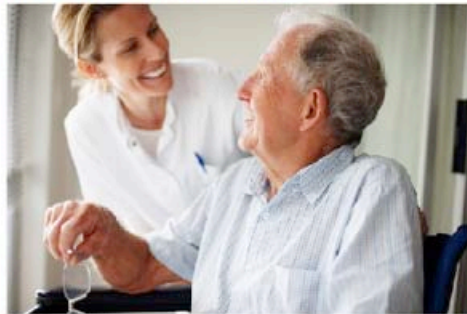
John: And if you or I were still in this house with such a big yard, we could hire a handyman to shovel snow, mow the lawn and walk the dogs. We can hire out carpentry skills to improve the safety of the home, making it more accessible and user friendly, such as handrails in the shower and walkways.,

Sue: Well, there is a lot that you or I could do with the in-home scenario, and maintain a level of independent living and still live a fulfilling and enjoyable life, even with limitations.

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### Explore Options: Residential Care

- Assisted living – Nursing homes, boarding homes/adult family homes
- Independent living facilities/planned retirement communities



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John: If it was time to relocate to some type of residential care, there are also a number of viable options, including assisted living and a more independent type of facility without going all the way to a nursing home.

Sue: It might be nice to be in a retirement community, where we would be surrounded by people in our age group, but with a level of health care or nursing available as needed. We'd still be independent but be able to easily access a variety of services, possibly increasing over time.

John: That sounds like it could be very pleasant and an easy transition to a more dependent assisted-living type of situation should that be needed later on.

Sue: A full-fledged nursing home is another option that we should research. We could target one with a certain level of services or reputation, and find a way to save or buy long-term care insurance. So, that could be an option if it's ever needed. I've read that there can be a major difference in quality from one nursing home to another, and some only accept patients who have long-term care insurance.

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### Explore Options: Family Members

#### Family caregiving:

- A last resort?
- Or planned, as part of a broad mix?
- **Beware of burnout**



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John: We should also evaluate relying on family members for care. I think that might be a last resort, other than for very minor brief care. On the plus side, we could save money, and it might present an opportunity to bond, at least for a short while, but I think the risk of burnout and frustration over personal sacrifice could be too great.

Sue: I agree. I think I told you about my friend, Jill, who sacrificed her own health while taking care of her aging and invalid parents. At the time, she was holding down a full-time job and taking care of her own family. She was so overwhelmed that she forgot about her own health and well being, before taking a step back and realizing she would be of no help to anyone pretty soon if she kept going down that path. I think that relying on family to be primary caregivers is just too much to ask for in most situations. Ultimately, it's not healthy or a desired choice.

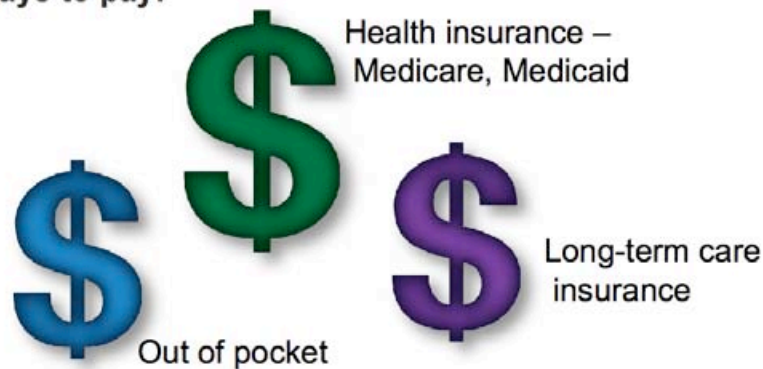
But on the other hand, if you have a family member involved as part of a mix of care providers in an in-home care situation, it could work well. It would present a way to remain plugged in and to offer special insight. The thing to watch out for is complete reliance on family members, especially in a case where you didn't plan properly, and are now stuck with no other choice — that's where some problems may surface.



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### Paying for Eldercare

#### Ways to pay:



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John: So, how will we pay for whatever care we may need, Sue?

Sue: My best guess is that it will likely be a mix of some out-of-pocket costs plus Medicare, and if we ran out of money, Medicaid would come into play. But I don't want to go down that path, and I don't think we have to. By planning well in advance, and saving not just for our retirement, but also specifically for our future care, we can keep all our options open, including eligibility to use the best services and facilities.

John: What about long-term care insurance?

Sue: You beat me to it, John. I want to research that. It could make a lot of sense. I read that three out of four people age 65 and older will need long-term care at some point, and that the average length of stay in a facility is three years.

John: Why risk going broke from paying for care when we can insure against that, beginning now?

Sue: Exactly what I was thinking. The premiums will be lower if we buy the insurance now, rather than wait a decade or longer, when we'll be a higher risk.



The logo for "Reinventing Retirement" features the words "Reinventing" and "Retirement" in a serif font, with "Retirement" being larger and bolder. The text is set against a yellow background that tapers to a black line on the right side.

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### Advance Directives

**STEP 1:** Know what you want

**STEP 2:** Make it clear to your loved ones

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Sue: Another key part of eldercare planning is communicating our desires. And that includes what we want in terms of care initially as well as what's known as "advance directives." That means spelling out our wishes ahead of time about issues that may arise should we become incapacitated. One piece of that is a document called a "living will." It lets you spell out ahead of time what you do and don't want to receive in terms of medical care if you become too ill to be able to communicate that later on.

John: Plus powers of attorney, right, Sue?

Sue: Yes. We should each have one for health care and one for financial matters. In either case, you could designate someone to make those decisions on your behalf.

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### ELDERCARE RESOURCES

For more information:

[www.eldercare.gov](http://www.eldercare.gov)

[www.eldercarelink.com](http://www.eldercarelink.com)

[www.medicare.gov/NHCompare](http://www.medicare.gov/NHCompare)

[www.aoa.gov/AoARoot/Elders Families/](http://www.aoa.gov/AoARoot/EldersFamilies/)

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John: Sue, we covered a lot of ground in a short time, and clearly we have our work cut out for us to continue researching and thinking about this and formulating a good eldercare plan for ourselves. But I think we're on the right track.

Sue: We can learn more by spending some time online at a few good websites, including [www.eldercare.gov](http://www.eldercare.gov), [www.eldercarelink.com](http://www.eldercarelink.com), [www.medicare.gov](http://www.medicare.gov) and [www.aoa.gov](http://www.aoa.gov). And there are some good, comprehensive books that can help as well.

John: O.K. Let's learn and read more and keep talking about this so we can plan effectively for our future.

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Thank you

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