

Planning for the future

My father died almost 7 years ago in his early 70's. I was blessed that we were able to have a very long conversation when he first became ill in which he told me exactly who and what was important to him and why. I was the "go to kid." I had to make some difficult decisions during the years he was ill but I had that conversation to refer back to in my mind. I wish it had been a plan on paper. I would have referenced it hundreds of times during his sickness...not because it had all of the answers but because it would have given me guidance and confidence that whatever decision I made, my father supported me and he loved me.

Because of this personal experience, I realize we have become a country of planners...financial, retirement, education, and estate, just to name a few. However, we have not yet become extended care planners, and ironically 70% of people turning 65 today can expect to need some form of long term care.¹ This care could be daily assistance needed due to physical limitations or to a cognitive impairment such as dementia or Alzheimer's. Without a long term care plan, we leave all of our other planning at risk.

If you are the "Go to Kid", who is providing assistance to a parent, grandparent, or other family member, you may have found yourself unable to attend your children's soccer games, go to company conferences, workout, get to work on time, concentrate or get a good night's sleep. This may be because you are figuring things out as you go. There was no plan. Yes, you knew your parents were getting older, but how do you plan for that? In my practice, I help individuals and couples plan for and navigate the widespread implications of extended care.

First, we discuss the family relationships. There is always one person, usually an adult child, who shoulders most of the responsibility. That alone can cause family strife. It also affects the relationship the caregiver has with his or her spouse and children. Family caregivers spend an average of 24.4 hours per week providing care and nearly 1 in 4 caregivers spend 41 hours or more per week providing care.² If family members cannot provide the care, it causes financial strains when \$3,500-\$11,000+ may be needed per month to pay for care at home, in assisted living or in a skilled nursing home.

Asking the tough questions is essential...Where does that money come from? How long will the expenses continue? Will the healthy spouse be financially secure in retirement after paying for care? Will

the spouse be able to live the lifestyle for which they had planned? Will assets that were supposed to stay in the family like beach homes, farms, and businesses need to be sold to pay for the care and will the real estate market be strong when that time comes? What are the tax implications? What about inheritance, college funding for grandchildren and family legacy?

I have learned that everyone benefits from having a plan. If your parents are still living, you need to know their plan. Yes, this could be an uncomfortable conversation to begin. You should spend some time developing your own plan. There is power and credibility that comes from doing something for yourself before you ask others to do it. This approach will impact your family for generations to come.

If you are an employer, it also is important that you give your employees an opportunity to develop their plans and give them the resources and time to do it at work. An unplanned need for care for their spouses, parents, or in-laws is going to have a direct impact on their productivity and their well-being. Extended Care Planning workshops are low cost employee benefits with far-reaching impact.

The long term care plans I help my clients create are a love letter to their family. To provide your family with this gift you need to answer several questions. First, why is this planning important to you? If you have had a family experience such as a grandparent who needed care for an extended period of time, we tell that story. Explaining your motivations and concerns brings your plan to life and gives your family the direction they will need to honor your wishes.

Next, we describe where you would ideally like to live when you need care. What town do you want to live in and why? Do you want to stay in your current home and possibly make modifications to



support changes in health, or do you want to downsize or perhaps move into a retirement community? Are you willing to be separated from your spouse if his/her care needs are different? We spell out as much as we can.

How will you pay for this care? Throughout North Carolina, the cost of home care averages \$20/hour. If you need care for 10 hours per day, that would be \$200/day or \$6000 per month.³

What assets and income streams should be used to pay for your care? Are there any assets that should not be sold...if so why? Are there any discretionary expenses that could be dropped? Do you have alternative methods of funding?

Finally, the plan should say thank you. Whether they are the caregivers or are managing the caregiving, it is hard work. Let your family know that best laid plans change. Tell them you know that you may be argumentative and difficult when the time comes that you need to receive care. Above all, let them know that you trust them to do the right thing and that you love them.

Give your family the gift of an extended care plan. Work with your trusted advisor and create a narrative that will allow your family

to handle a long term care need with dignity, compassion, and the ability to weather the financial storms that so often accompany the onset of long term care.

¹ U.S. Department of Health and Human Services. LongTermCare.gov. "The Basics: Who Needs Care?" <https://longtermcare.acl.gov/the-basics/who-needs-care.html> (November 2017).

² National Alliance for Caregiving and AARP (2015). Caregiving in the U.S.

³ Genworth Life and Annuity Insurance Company (2017). Compare Long Term Care Costs Across the United States. <https://www.genworth.com/>

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