

A Pyramid of Schemes
Millie investigates a controversial
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Fund Your Business
5 steps for asking your friends
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Don't let finances wreck
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How to work with your siblings
to help aging parents. **PG.30**

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Your Money,
Your Life



THE "WE NEED TO TALK" ISSUE

The Language of Money

Entrepreneur Katie Sturino and several
other inspiring women on the
importance of talking about taboo topics
like money (and more).

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WINTER 2022

the cost



In this caregiving series, documentary photographer Annabel Clark captures various women with their mothers.

Time. Money. An emotional toll.
The costs attached to caring for an aging parent can be downright shocking. Here's how to talk to your adult siblings about dealing with a parent-in-need.

by Julie Russell
Photographs by Annabel Clark



of caregiving

for Eric Z.,

it was the non-stop texts at a work conference in the United Kingdom. His mother had been diagnosed with dementia, and for years Eric, one of three brothers, had taken the lead in coordinating her care. But while Eric was trying to connect with colleagues at the conference, his brother and sister-in-law were sending message after message: Eric's mom was acting

aggressively, a symptom seen in people with Alzheimer's. "I had to set boundaries," says Eric, a 36-year-old resident of Roxbury, New York. "That was a hard lesson for me, but keeping that line of communication *too* open was very stressful."

This is the toll of caregiving for a parent. It can range from seemingly minor—a distraction at work or less time to do things that bring you joy—to the extremes of crumbling marriages and ravaged finances. And there's the real possibility that it can impact the very team you need to help care for an aging parent in the first place: you and your adult siblings.

That was the case for Eric, who found himself doing the bulk of the caregiving: taking his mother to doctor's appointments, getting her into social programs like adult daycare, and ultimately researching and choosing long-term care. "I felt like my brothers couldn't handle it or weren't going to—and if I didn't do something, nothing would happen," he says. "That created resentment and moments of being emotionally overwhelmed. I couldn't focus on work, my home or my relationship. It was taking over my life."

And then there's the money: "I wake up in the middle of the night thinking about the numbers in my dad's bank account," says Eric, whose mother has been in private memory care for 18 months. "As the person working on the back end of the financial stuff, I'm really worried. We're running out of money."

If you're reading this and nodding along, you may well be one of the 48 million Americans who are unpaid caregivers for adults over 50, according to 2021 data from the AARP. Here's how you and your siblings can both anticipate and accommodate the costs of what aging parents will need to spend on care.

Avoid sticker shock. What does elder care cost? Whether you're looking at in-home care, a nursing home or thinking of becoming the caregiver, "the bottom line is that care costs are so much more expensive than people realize," says Pamela D. Wilson, a caregiving expert. The rate for in-home caregivers ranges from \$12 to \$40 an hour, she says. The monthly bills will vary enormously depending on if your parents need 24-hour skilled nursing care or an aide at a lower cost who can do tasks like bringing groceries, light housekeeping and meal preparation.

Adult day care can be a more affordable option. It typically offers social activities, medication management and meals, with full-day programs costing around \$80 a day, although you must drop off and pick up your parent, just like you would with your kids.

Assisted living communities (where residents live in a private space, share common areas and receive some level of help with daily activities) can cost anywhere from \$3,000 to \$10,000 a month, says Wilson—and there's a caveat. If your parent needs additional assistance—such as an escort to the dining hall for meals—takes a significant number of medications or needs hands-on care for bathing or dressing, rates can increase by

Talking to Your Siblings About Care for Mom and Dad

Emotional and financial stressors make caregiving conflicts likely between siblings. For Eric Z., working with a therapist helped him realize how to tell his brothers that he needed their support. Eric's flexible job allows him to take their mother to doctor's appointments, his older brother can drive their father to visit their mother in memory care, and his twin brother can take Dad out to decompress with conversation and a glass of wine after a stressful appointment.

RESOURCES If your parents don't have the means to pay for their own care, some siblings may be in a position to help. But some may not. "Siblings can pool funds to hire an in-home care agency or a care manager to take the burden off one sibling who may be the primary caregiver. That's a best-case scenario," says caregiving expert Pamela D. Wilson. Or if one sibling takes a parent in to live with them, another may offer to pay for the groceries, supplement care with an in-home caregiver or pay for other expenses. "Don't go above what you really feel comfortable with," says social worker and author Jennifer FitzPatrick. "Especially because it could be a long-term thing. If you can only afford \$20 a month, you can only afford \$20 a month."

TIME AND EFFORT The same admonition to be honest about your finances applies to your time. FitzPatrick, for example, worked with a family of four adult kids in which one sibling wanted to keep their mother home by doing the caregiving themselves, thinking it would be equally divided. The other siblings did not agree. "They said 'We're not giving up all our nights and weekends; we don't think this is good for our families, spouses and kids,'" says FitzPatrick. "It's not that the other three kids didn't love their parents, but they had different boundaries and ideas about what was appropriate."

BURDEN OF CARE Even if you're not doing the physical caregiving yourself, the time and emotional energy to simply find and manage in-home caregivers, for example, is a significant burden. Caregiving responsibilities take away from time with family, friends and other aspects of life that bring caregivers joy. So try to divvy up the work in ways that make sense, with each sibling taking tasks that align with their strengths. "There are bill-paying responsibilities, taking Mom or Dad to the doctor, managing the home repairs or managing a care agency," says Wilson. "Set it up as a team, with weekly family calls and check-ins to make it work." Most importantly, keep in mind that the distribution of caregiving is almost never equal between grown-up kids, says FitzPatrick—and that's OK. "There's no one way to be a good caregiver."

\$300 to \$1,200 per month. And nursing homes (which provide 24-hour care and skilled nursing care) and memory-care communities (which provide care for people with dementia) can range from \$4,000 to \$12,000 dollars a month or more.

Set a realistic budget. Once you know what caregiving costs, you need to know what you can afford. "You have to know what the budget is," says Jennifer FitzPatrick, author of *Cruising Through Caregiving*. "My analogy is that if you're shopping for a wedding dress, you don't go out and try on \$10,000 gowns by Vera Wang—and then find out your budget is \$500." Similarly, you can spend a lot of time looking at appealing assisted living facilities, only to find out your parent would only be able to afford living there for about six months.

To create a budget, you will need a clear financial picture of their assets. And if you've never talked with your parents about their money situation, it's time to be proactive. "Start the conversations early," says FitzPatrick. If your parents aren't comfortable sharing financial details with you, maybe they'll give



you and your siblings ballpark figures or let you meet with their financial advisor. Or maybe there's one sibling with whom your parent is more likely to have a frank conversation with and you can take advantage of that rapport. "Ultimately, if you're going to be involved in their care in any way, you're not going to be able to help unless you know what kind of budget you're dealing with," says FitzPatrick.

Understand Medicare ... While Medicare is byzantine, the most important thing to understand is quite simple: "Most people assume that Medicare pays for whatever their loved one needs," says FitzPatrick. "They have absolutely no idea

that there's still a lot of out-of-pocket money involved." The costs for medication, equipment or care staff can quickly add up. And not only that, but Medicare does *not* pay for long-term care, such as nursing homes, assisted living or non-medical in-home care.

Accordingly, examine your parent's health insurance so you know what is covered and what is not. They may have opted for supplemental plans that offer more coverage, such as for prescriptions. Or they may have purchased long-term care insurance that could cover some of the expenses of a nursing home. "Long-term care insurance can give you more choices for how and where you can receive care when you're older," says Wilson. "Some states have partnership provisions that work with long-term care insurance and Medicaid programs to allow individuals to retain some financial assets to supplement care costs." (Hint: You can get your own policy today—the younger and healthier you are, the more affordable it will be, though you'll have to pay for it for longer.)

... and Medicaid. Unlike Medicare, Medicaid will pay for long-term care. Depending on your parent's financial situation, your family might be able to plan to "spend down" their assets—also known as Medicaid planning—so that a parent who needs to be in a nursing home, for example, can qualify for coverage under the program.

Such planning can help protect a surviving or healthy spouse's assets as well, which is the situation for Eric's father. After a year and a half of paying out-of-pocket for memory care, "we're finding that the finances are dwindling very quickly because of this cost," Eric says. To protect his father's home and assets for his own future, Eric is helping his dad with Medicaid planning that will allow them to move Eric's mom into a skilled nursing facility, paid for by Medicaid.

Staff up. To help solve the problem of financing his mother's long-term care, Eric hired an elder law attorney and a Medicaid specialist. Elder law attorneys help families figure out long-term care plans, as well as thornier issues that might arise, such as seeking guardianship of a vulnerable adult. Medicaid specialists focus solely on Medicaid applications, helping families figure out all the financial information to provide—from monthly expenses and bank statements to insurance cards, birth certificates and divorce documentation. These professionals should work together and can also help you avoid making errors with Medicaid, for example, which could delay your application by months. An elder law attorney, in particular, will know how to handle a Medicaid spend down, says FitzPatrick, whereas some financial advisors she has known advise against it. "Medicaid planning is about spending assets in a way that's legal, so that ultimately you won't be penalized," she adds.

Other professionals to speak with about elder care include estate planning attorneys, geriatric care managers (who can coordinate in-home caregiving or help make a transition to



a nursing home) and financial advisors. If your parent is a veteran, you may also want to speak with a veterans benefits advisor.

Of course, all these professionals come with their own price tags, and if your budget doesn't allow for them, a good starting point is the Area Agency on Aging for your city or county. These organizations can point you to free or low-cost legal, financial and social services.

Consider full-time caregiving carefully. If you or one of your siblings—or a grandchild, for example—decides to take on a part- or full-time caregiving role and wants to be paid from a parent's funds, consult an elder law attorney, FitzPatrick recommends. "You should pay them a reasonable fee determined by the marketplace," she says. "An elder law attorney can help you decide the rate, set up the terms and navigate any legal requirements or benefits in your state."

But before you decide to take on caregiving for Mom or Dad yourself—or to let a sibling do it—remember that dropping out of the workforce disrupts more than just your income. There's also the lost retirement contributions and Social Security credits, missed promotions and opportunities for growth in your career, and the simple fact that you don't know how long the caregiving could go on for. Maybe six months of lost wages won't affect your bottom line too badly. But what about two or three years? Or more?

More than 60% of caregivers are women, and the financial toll is real. "I am adamant about women not giving up their jobs to care for aging parents," says Wilson. "It's a cultural belief that women must be the caregiver, and they're financially penalized for it."

And remember: If caregiving starts to feel like it's all-consuming or is taking down your finances or your relationships, that cost is too high. "Caregiving should never be your whole life—it should be one part of your life," says FitzPatrick. "You deserve to have a life, too." **M**

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