



A Caregiver's Manual for Being Prepared for That Call in the Night

By Katana Abbott, CFP® , CSA®

As women, we are often expected to fill multiple roles: that of a loving mother, career woman, supportive wife or partner, volunteer in the community and, at some point for many, a new role—that of caregiver to our parents or loved ones.

For the last 20 years, I have helped clients plan for their “golden years”, including how they will address the issues of aging and remaining independent. And now I am personally experiencing it myself; I am the Designated Daughter with my own parents. Because my parents and I had “the important conversations” and did the proper planning, I was prepared when I received that ‘Call in the Night’. Part of creating the life of your dreams is making sure you address all the “what ifs” in your life. Skipping this step could create unpleasant complications that might be avoided. Our parents and loved ones are living longer and we need to know how this may affect our lives and be prepared with a plan. Take a look at these statistics:

- When Social Security, Medicare & Medicaid were designed, life expectancy was 63.
- Our fastest growing population is age 85 plus and 50% may have some form of Alzheimer's.
- By 2030, 70 million people in the US, or 1-in-5 people, will be age 65.
- Another 1 million people will be 100 years old.
- The need for healthcare and related services is exploding!

Source: Working with Seniors Health, Financial and Social Issues, 2003

According to USA Today:

- 60% of US caregivers are female
- 66% are married or living with a partner
- 45 is the average age of US caregivers
- 77 is the average age of the care recipient
- 41% of caregivers have children under the age of 18 at home
- 52% of caregivers are employed full time

Learn how to be prepared, how to talk to your parents or loved ones, what you and they should do to make sure your lives continue to run smoothly and how to avoid costly mistakes.



Step One ~ Get Organized!

You'll need to gather together the following: One filing cabinet, complete with hanging file and manila folders; a copy of all important documents; a large three-ring binder with big tab dividers; and a colored marker.

Use the binder to store copies of important documents. Label the document title on the tab divider. This will come in handy should you need to transport documents. Using your marker, write on the back of each document where the original is stored (i.e. Will stored in safe deposit box and son John has the key.) Have a section on beneficiaries that lists all documents with appointed beneficiaries. Always keep this section current.

Next, organize your file cabinet. If you don't want to store original documents in your file cabinet, note the original's location in the appropriate file. Create the following titles for your hanging files and store items under each category in labeled manila folders.

Important Information

1. Location of safe deposit box and key
2. Passwords for debit card, online accounts, computer, and voicemail
3. Armed forces documents
4. Birth and marriage certificates
5. Names and phone numbers of your attorney, CPA, financial planner, broker, and insurance agents
6. Copy of tax returns and winter/summer tax assessments
7. Copy of Social Security Estimate Statement

Legal Planning

1. Copy of will and trusts
2. Copy of life and unemployment insurance policies
3. Durable Power of Attorney (DPOA) documents
4. Prepaid funeral and burial arrangements/plan for pet relocation and expenses.

Banking/Investments

1. Copy of each credit card with contact phone number
2. Divide out by financial institution a copy of bank statements, brokerage accounts, annuities, IRA's, stock/bond certificates, and dividend reinvestment plans (DRIP)



3. Copy of retirement plans and investment real estate documents
4. Copy of "Survivor's" Pension Benefit (what will surviving spouse receive after the retiree dies?)

Medical

1. Name and phone numbers of physicians, dentist, and pharmacy (list prescriptions)
2. Copy of medical insurance card and benefits guidebook
3. Long term care and disability insurance policies
4. Patient Advocate Designation document. Give primary care physician a copy
5. Copy of Medicare card and account number

Household

1. Copy of home deed, homeowners insurance (umbrella policies)
2. Copy of mortgage and home equity loan statements
3. Copy of auto title, loan/lease, and insurance documents
4. Copy of statements for gas, electric, water, waste management, telephones, etc.
5. Home maintenance file to include repair receipts, phone number of repairmen, warranties, and appliance insurance.

Step Two ~ Discovery

Your documentation is organized. Breathe a sigh of relief! Next, you'll need to have a series of important conversations with your loved one and other family members including:

- What do they think they want for their long term care?
- What are their needs as they are aging and who can provide it?
- How do they want to handle their money and property as their lifestyle changes?
- What kind of legacy do they want to create for themselves?

All of this may take a number of conversations. Try asking if you can talk about these things in general terms because you are doing your own future planning for college savings or retirement. Ask for their help to assess their situation and welcome their input on solutions. Role play a bit... Try talking about how they would feel if they had to make these decisions for you instead? Ask what their friends are doing about these types of things? Patience is key here! The most important thing is to really take a look



with them at their values, lifestyle and spiritual picture as they ultimately have to "own" the solutions.

Next, you're ready to select the individuals you want on the caregiving team. Include any that apply: family members, doctors, home care specialist, attorney, certified elder law specialists, insurance agents, brokers, CPA, caregivers, certified financial planner, therapist, etc. Many of these professionals are trained to help families deal with health, financial, and social issues in a holistic way.

Step Three ~ Create a Financial Plan

Sit down with a certified financial planner and develop a financial plan that addresses the following:

Financial Position:

- Create a cash flow statement which breaks down income and expenses.
- Determine your net worth by listing assets and liabilities.

Income Taxes:

- Review tax situation for capital gains/losses with real estate or stocks.
- Discuss inherited IRA status vs. pension /profit sharing plans.

Investments:

- Analyze investments for quality, safety, income needs, tax situation, etc.
- Are investments manageable, properly diversified, or all over the place?

Retirement:

- Establish amount of assets necessary to meet your lifetime income needs.
- Project retirement income needs in several situations (i.e. home care/assisted living, utilizing long-term care insurance benefits if applicable).

Estate:

- Review documents and analyze current estate plan.
- Verify beneficiaries on life insurance, annuities, retirement plans, & 401K

DESIGNATED DAUGHTER

- Decide what you need and desire for financial independence. How much will you leave for a family legacy? How will you allocate your social legacy regarding gift and tax?

Protection:

- Assess cash flow projections and alternate scenarios regarding disability, long-term care, and premature death.

Step Four ~ Meet with Your Team and Create a Plan

Now that you've got everything in place, sit down with your caregiving team members and develop a plan of action that satisfies your loved ones' goals, values, and objectives. The final product should enable you all to maintain your dignity, lifestyle, and assets. In addition, the plan should be clear, concise, easy to manage, and tax efficient. It should also acknowledge the needs of whoever becomes the main caregiver.

The benefits of early planning are numerous, including:

- clarifying your loved ones wishes
- identifying the best possible resources
- minimizing confusion and stress during times of crisis
- increasing overall peace of mind

The end result...everyone involved is able to sleep at night knowing all concerns have been addressed and that a team and a plan is in place to accommodate all those "what ifs".



Certified Financial Planner and Vision Coach, Katana Abbott is the Co-founder of Smart Women's Coaching®. She has presented her Designated Daughter® Panel Discussion and Workshop various organizations, including the Federal Reserve's Money Smart Week and the Area Agency on Aging 1B. For more information visit her website at www.katanaabbott.com or email her at katana@katanaabbott.com