

# 10 FINANCIAL TIPS TO MAKE CAREGIVING EASIER

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Caregivers generally tend to their elderly or disabled family members as a labor of love, but it can also be taxing for them financially. These 10 tips can help you manage the financial side of caregiving, so everyone feels more comfortable.

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At some point in life, just about everyone takes on a caregiver role to a family member or loved one. Whether it's due to unexpected circumstances or old age, it's important for you to be prepared in the event you have to take on this responsibility.

If you are a caregiver or know someone who is, you probably have some stories about how overwhelming it can be — emotionally and otherwise. Being a caregiver requires love, time, and patience. It also requires some financial oversight — an aspect of caregiving that often doesn't get the proper attention it deserves.

Now is the best time to discuss the steps for effectively administering your loved one's finances. Here are 10 financial tips to consider — before you're put in this situation.

## 1. TALK ABOUT CAREGIVING NOW, BEFORE IT'S TOO LATE

Discuss and build a caregiving plan in advance so everyone involved can be prepared for the unexpected. While discussing money with your loved one may seem difficult, it doesn't have to be. The fact is, current and future caregivers need to know the answers to some key questions and it's in your loved one's best interest to address these issues now:

- Has your loved one saved money? If so, how much?
- What's their source(s) of income?
- Do they have investments and/or insurance policies?
- Who is their financial advisor, attorney, and CPA?
- Do they want to live in an assisted living facility, or would they prefer to live at home?
- Have they planned for elder care and/or can they pay for elder care?
- Do they have long-term care insurance?

Discussing these things when your loved one is healthier – mentally and physically – and able to make decisions can make it easier for you to make the necessary decisions when the time comes.

## 2. REVIEW ESTATE PLANNING DOCUMENTS

As a caregiver, you should know if your loved one has prepared estate planning documents, and you should make sure that their will and power of attorney are up to date.

A living will and health care proxy are some of the most important estate planning documents to take care of right away. These are more about how the caregiver would handle medical treatment while their loved one is still living but can no longer express their health care wishes or make medical decisions on their own. Again, the best time to do this is while all parties are healthy and of sound mind. But, if that ideal time has passed, it should still be a top priority. It's never too late to get these things in order.

## 3. KEEP FINANCIAL DOCUMENTS ORGANIZED AND ACCESSIBLE

Important documents should not only be reviewed and updated, but also kept in a secure and accessible place. These documents include wills, powers of attorney, investment statements, insurance policies, bank account statements, and so on. They should all be kept together in one place with relevant passwords.

**HFS Five Star Tip:** We provide our clients with access to eMoney, a financial planning software program. Along with building personalized financial plans and scenarios for our clients, eMoney offers a secure place – the Client Site Vault -- where important documents can be securely stored online.

In eMoney, files can be saved in two folder locations: My Documents and Shared Documents. The My Documents folder stores private files and the Shared Documents folder stores files that can be securely shared with our financial advisors.

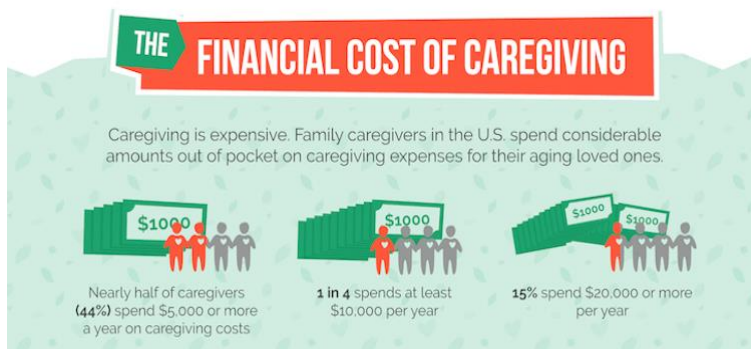
#### 4. KNOW WHAT'S IMPORTANT TO YOUR LOVED ONE

Generally, a caregiver's number-one priority is to do what their loved one would want them to do. For that reason, it's important that you take the time to talk with your loved one about their preferences for receiving care:

- Is it important to them not to “be a burden” on their children?
- Are they OK with living in an assisted-living or nursing home?
- Would they rather live at home?

While you may not be able to fulfill every wish, you will be able to make the best decisions possible if you know what your loved one prefers.

**HFS Five Star Tip:** Ask your loved one to write a letter expressing their desires and the reasons for their wishes. While documents such as living wills or health care proxies often cover wishes and instructions, they don't cover feelings. A personal letter can serve as a reminder of the sentiment behind a loved one's wishes.



#### 5. SEEK PROFESSIONAL ADVICE

Caregivers should seek two types of professional advice — financial and legal — when it comes to planning for their loved ones. You'll want to work with someone who is familiar with elder-care planning and if necessary, you may want to consider using a tax professional for tax advice.

#### 6. LOOK INTO PUBLIC BENEFITS

Many times, public benefits are available to assist with the care of the elderly. Veterans and their spouses may qualify for certain government programs (such as Medicare and Social Security). However, many veteran benefits are unknown to the average person altogether. A little digging may reveal some helpful financial benefits.

Medicaid may also be available for those who are over age 65 or under the federal poverty limit. You can check your loved one's eligibility at [BenefitsCheckUp.org](http://BenefitsCheckUp.org).

## **7. SUPERVISE FINANCES EVEN WHILE THE LOVED ONE STILL CAN**

Since elderly parents' ability to manage their own finances may begin to deteriorate at any time (sometimes as early as age 60), you should begin monitoring your loved one's spending and bank accounts the minute there are any signs of confusion or struggle. This is especially important to protect against fraud and late fees resulting from missed bill payments.

## **8. KEEP THEM SAFE FROM SCAMS AND ONLINE HACKERS**

More and more we have seen the elderly being targeted by email and telephone scams, as well as online hackers and scam artists. Recently, there has been a wave of IRS imposters who have used aggressive measures to collect supposed "unpaid taxes" from the vulnerable and unknowing elderly. Another recent elderly scam are phone calls from scam artists claiming to be someone's grandchild who desperately needs a large sum of money but needs it kept secret from mom and dad.

Caregivers should be aware of the real possibility that their elderly parents might get taken advantage of; being proactive is crucial in preventing such events. Continuously remind your parent or family member of potential scams. Give examples. Tell them to never click on links in unfamiliar emails, avoid social media strangers, never answer personal security questions from an incoming caller, and always use hard-to-guess passwords. If your loved one is unsure of anything, you should encourage them to call you immediately for advice.

## **9. CONSIDER HOW YOUR LIFESTYLE AND FINANCES WILL BE IMPACTED**

The last thing you should do is allow your caregiving role to become a full-time job. While it may often feel like one, you should try to keep working if you can. Having a job will help you maintain a source of income that can ease the strain of financially supporting your loved one, if that becomes necessary. More than that, keeping a job helps you maintain a well-balanced life — as much as you are able to.

Many companies offer benefits to employees who become caregivers. For instance, they may offer paid time off when caregiving responsibilities arise, as well as offer some flexibility for arriving late or leaving early. Juggling work with caregiving can become extremely difficult, especially if you haven't communicated your situation to your employer. In some cases, employers may even offer dependent-care assistance programs which allow employees to pay for eligible care expenses on a pretax basis. It's worth discussing.

***HFS Five Star Tip:*** Review your employee handbook for possible benefits (like flextime or care-expense programs) and discuss your caregiving responsibilities with your employer so they are aware of your situation. An open discussion also could result in your employer offering options that are not part of the organization's typical procedures.

## **10. TAKE CARE AND GET SUPPORT!**

Caregiving can be taxing, and often impacts your life personally, professionally, and financially. For instance, you may frequently miss work for doctor's appointments and other caregiving obligations. It's also common for caregivers to eat less or eat in a less healthy way, lose sleep, and feel too tired to exercise or even get their daily tasks done. Additionally, your personal and family finances may be affected.

Be sure to take time for yourself and be mindful of your emotional needs. Local support groups exist where caregivers can feel a sense of community and talk about their feelings with people who will understand. Websites like [www.caregiving.com](http://www.caregiving.com) can also help create a

sense of community. Also, try to maintain active communication with your spouse, siblings, and other family and lean on them to help alleviate some of your caregiving responsibilities.

There's been no sugar-coating here. Caregiving isn't easy, but the proper preparation and planning will make it easier, and less stressful and time consuming. As financial advisors, we want ensure you are as prepared as much as possible for the possibility of caregiving in the future.

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