



*Guiding women of all cultures  
toward a strong financial future*

# EMPOWER

**Embracing and Promoting Options for Women to Enhance Retirement**

**Caregiving and Its Effect on You  
August 12, 2015**

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# Caregiving and Its Effect on You

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# You are a Caregiver if You:

- Help a family member or friend with medications
- Go grocery shopping for or with someone
- Take a friend or family member to doctor visits and help interpret MD's instructions
- Check on a friend or family members dietary needs
- Care for someone long distance
- Help with cleaning or laundry
- Provide care for a family member in your home or theirs



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# There are only Four Kinds of People in the World:

- Those who are currently caregivers
- Those who have been caregivers
- Those who will be caregivers
- Those who will need caregivers

~Rosalynn Carter  
Institute for Caregiving



# Portrait of a Family Caregiver

- An estimated 43.5 million adults have provided unpaid care to an adult or a child in the prior 12 months
- 60% of caregivers are female
- 8 in 10 are taking care of one person
- Average age of 49 years old
- 49% care for a parent or in-law while one in 10 provides care for a spouse
- A daughter or daughter-in-law is most likely to be the primary caregiver (if there is no spouse)



# Caregiving in Dollars and Cents

- Informal care provided by women ranges between \$148 billion to \$188 billion annually.
- The negative impact on a caregivers retirement fund is approximately \$40,000 more for women than it is for men.
- In total, the cost impact of caregiving on the individual female caregiver in terms of lost wages and Social Security benefits equals \$324,044.



# Financial Planning for Caregivers



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# 8 Financial Steps for Caregivers

Presented by  
Women's Institute For A Secure  
Retirement (WISER)  
and  
Transamerica Corporation



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# Cost of Caregiving...

- Not a caregiver currently? There is a very good chance you will be at some point in your life.
- Becoming a caregiver can happen at any time, but often comes as you are nearing retirement.
- Even if you feel financially prepared for your own retirement, you may unexpectedly find yourself unprepared to manage the costs of caregiving.
- Make a plan to take steps to avoid compromising your own financial security.



# Cost of Caregiving...

- Caregiving often results in financial consequences for the caregiver:
  - Part-time work
  - Declining promotions
  - Declining travel or training
  - Reduction in savings, investments and retirement funds



# Cost of Caregiving...

One national study on women and caregiving highlighted the conflicting demands of work and eldercare. The study found that:

- 33% of working women decreased work hours
- 29% passed up a job promotion, training or assignment
- 22% took a leave of absence
- 20% switched from full-time to part-time employment
- 16% quit their jobs
- 13% retired early



# Financial Steps for Caregivers

## Caregiving and its Financial Impact

- Step 1: Getting Started
- Step 2: Leaving a Job or Working Part Time
- Step 3: Creating a Household Budget
- Step 4: Saving for Retirement
- Step 5: Financial Help for Older Adults
- Step 6: Legal and Financial Documents
- Step 7: Elder Financial Fraud & Abuse
- Step 8: End-of-Life Planning



# Step 1: Getting Started

- Family Financial Planning
- Talk with siblings and other family members about the various costs involved with providing care:
  - Does your loved one need hired services i.e. transportation, home health aides, or visiting nurses?
  - Do you need home modifications?
  - What are the day-to-day expenses?
- If you will be providing most of the care, speak up about what you need from others.



# Personal Care Agreements

- Can be used for family and non-family caregivers to help manage caregiving responsibilities.
- Formal contract –specifically states what care is to be provided and how much caregiver will be compensated.
- Compensation must be for future services (not those already provided) and must be *reasonable*.
- Can help avoid family conflicts.
- For Medicaid purposes, can show that care payments were legitimate and not an attempt to “hide assets.”
- Additional resources: [Naela.org](http://Naela.org) and Family Caregiver Alliance



# Step 1: Getting Started (Cont.)

- Think about your own future and needs.
- Continue saving for retirement.
- Are there other resources you can access to assist the person you are caring for?
- Who will care for *you* later in life?
- Should you get a long-term care insurance policy?



# Step 2: Leaving a Job or Working Part-time

- Exhaust all other options before leaving a job or reducing hours.
- Talk to family members about getting more help from them or through a paid provider.
- Research and utilize other resources available—Eldercare Locator, Eldercare.gov & Benefitscheckup.org
- Your Retirement benefit – Are you vested? Even staying an extra year can make a big difference. Calculate your WRS retirement benefit.
  - WRS Calculator: <http://etf.wi.gov/publications/et4107.pdf>





# Step 2: Leaving a Job or Working Part-time (Cont.)

- What are your healthcare or insurance options?
  - Are there a minimum number of hours you can work to still be eligible for your employer's insurance?
  - Get estimates on what COBRA or other coverage might be.
  - Know how Medicare and COBRA work.
- Make a plan for managing your money and continuing to save for retirement.
- Saving even a little will help.



# Step 3: Creating a Household Budget

- Caregivers often pay for expenses for their care recipient without thinking of long-term consequences.
- A budget is important! Especially if leaving work or reducing hours.
- Use a budget to decide how you may need to adjust your lifestyle or expenses to account for caregiving costs.
- Budget can also protect you or prevent family conflicts if you are managing your care recipient's money.



# “Managing Someone Else’s Money” Guide Books

- Developed by the Consumer Financial Protection Bureau (CFPB) - helps financial caregivers carry out their duties and responsibilities, and protect care recipients from scams and fraud.
- 4 Guide books: agents under powers of attorney, court-appointed guardians, trustees and government fiduciaries.
- Available online and can order free copies, individually or in bulk
  - [www.consumerfinance.gov/managing-someone-elses-money](http://www.consumerfinance.gov/managing-someone-elses-money).



# Step 4: Saving for Your Own Retirement

- Estimate your monthly retirement income
  - Social Security
  - Wisconsin Retirement System pension or other government pension
  - Wisconsin Deferred Compensation Program or other supplemental savings
- Calculate your net worth
  - Total assets: cash, home equity, property, etc.
- Calculate need in retirement
  - Experts recommend at least 85% of pre-tax income
  - WISER recommends 100% for women – live longer and increased health expenditures



# Step 5: Financial Help for Older Adults

- Healthcare - Major expense for older adults.
- Medicare.gov: Find help with paying for drug coverage, drug costs, and Medicare premiums. Medicare has “Extra Help” program for low-income seniors to help pay for prescription drug costs, premiums, coinsurance, and deductibles.

Medicare Rights Center:  
National telephone helpline  
1-800-333-4114



# Step 5: Financial Help for Older Adults (Cont.)

- Eldercare Locator: UW Eldercare Law Clinic, [Eldercare.gov](http://Eldercare.gov)
- National Council on Aging ([ncoa.org](http://ncoa.org)) and [CFPB.gov](http://CFPB.gov)
- Help paying for food and prescription expenses – [Benefitscheckup.org](http://Benefitscheckup.org)
- Reverse Mortgages
  - Age 62+ homeowners can borrow against the equity in their home
  - Not for everyone—do your homework!
  - If possible, consult a financial advisor before tapping into home equity
  - [homeequityadvisor.org](http://homeequityadvisor.org)
- Immediate Annuities - pay lump sum up front--guarantees a regular monthly payment for life



# Step 6: Important Legal & Financial Documents

- **Health Care Advance Directive** – The generic term for any document that gives instructions about your health care and/or appoints someone to make medical treatment decisions for you if you cannot make them for yourself.
- **Living Will** – A document in which you state your wishes about life-sustaining medical treatment if you are terminally ill, permanently unconscious, or in the end-stage of a terminal illness.
- **Durable Power of Attorney (or Health Care Proxy)** – A document in which you appoint and provide instructions for someone else to make medical treatment decisions for you if you cannot make them for yourself.
- **For more information: ABA Fact Sheet:**  
[http://www.americanbar.org/content/dam/aba/migrated/Commissions/myths\\_fact\\_hc\\_a.d.authcheckdam.pdf](http://www.americanbar.org/content/dam/aba/migrated/Commissions/myths_fact_hc_a.d.authcheckdam.pdf)

# Step 7: Elder Financial Fraud & Abuse

- Older Americans hold largest percentage of wealth:
  - Makes them targets for financial abuse.
  - Caregivers often spot abuse, as they are in closest contact with elders.
- Elder financial fraud victimizes hundreds of thousands elderly persons each year. In 2010 over \$2.9 billion was lost by 65+ adults to financial scams.





# Step 7: Elder Financial Fraud & Abuse (Cont.)

- *Who are the victims?*
  - Most are between the ages of 80 and 89
  - Women are twice as likely as men to be victimized
  - Most live alone
  - Most require some level of help with either health care or home maintenance



# Step 7: Elder Financial Fraud & Abuse (Cont.)

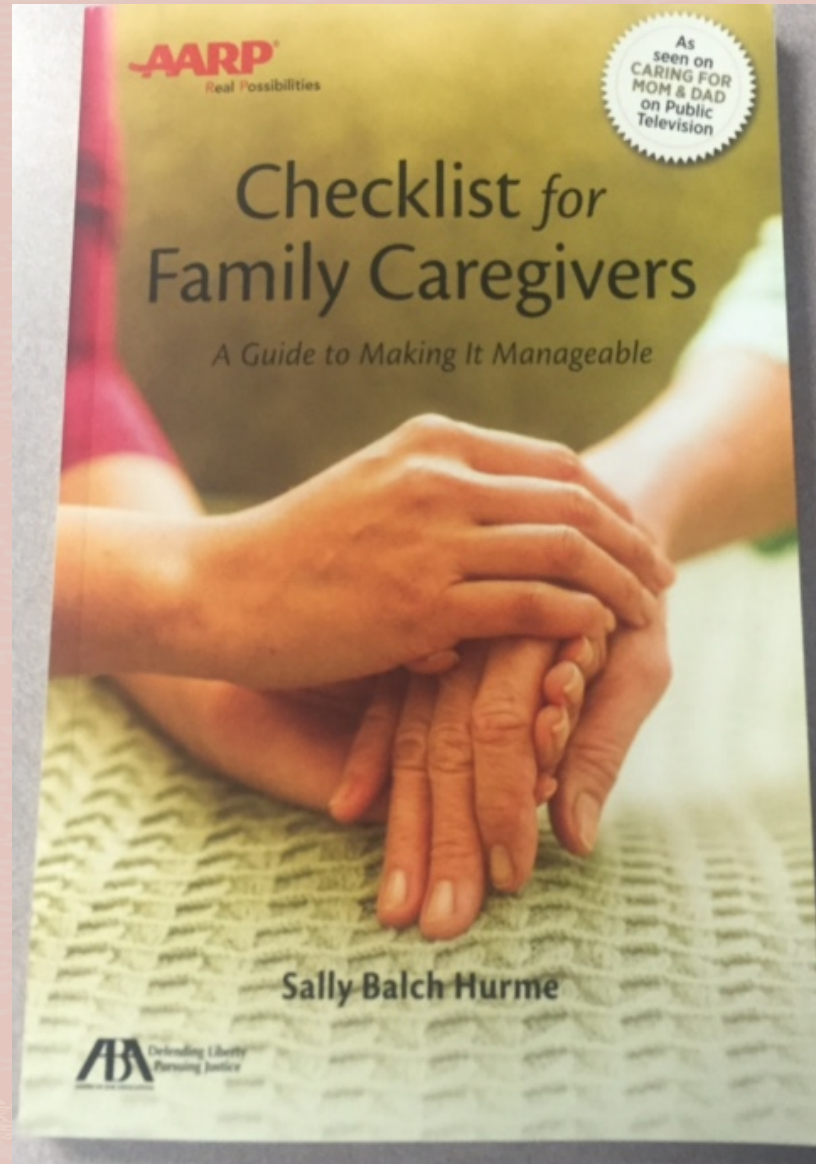
- *Who are the perpetrators?*
  - Strangers: 51%
  - Family/Friends/Neighbors: 34%
  - Business: 12%
  - Medicare/Medicaid Providers: 4%
  - 60% of known perpetrators are men, mostly between the ages of 30 and 59
  - Women perpetrators tend to be younger, mostly between the ages of 30 and 49



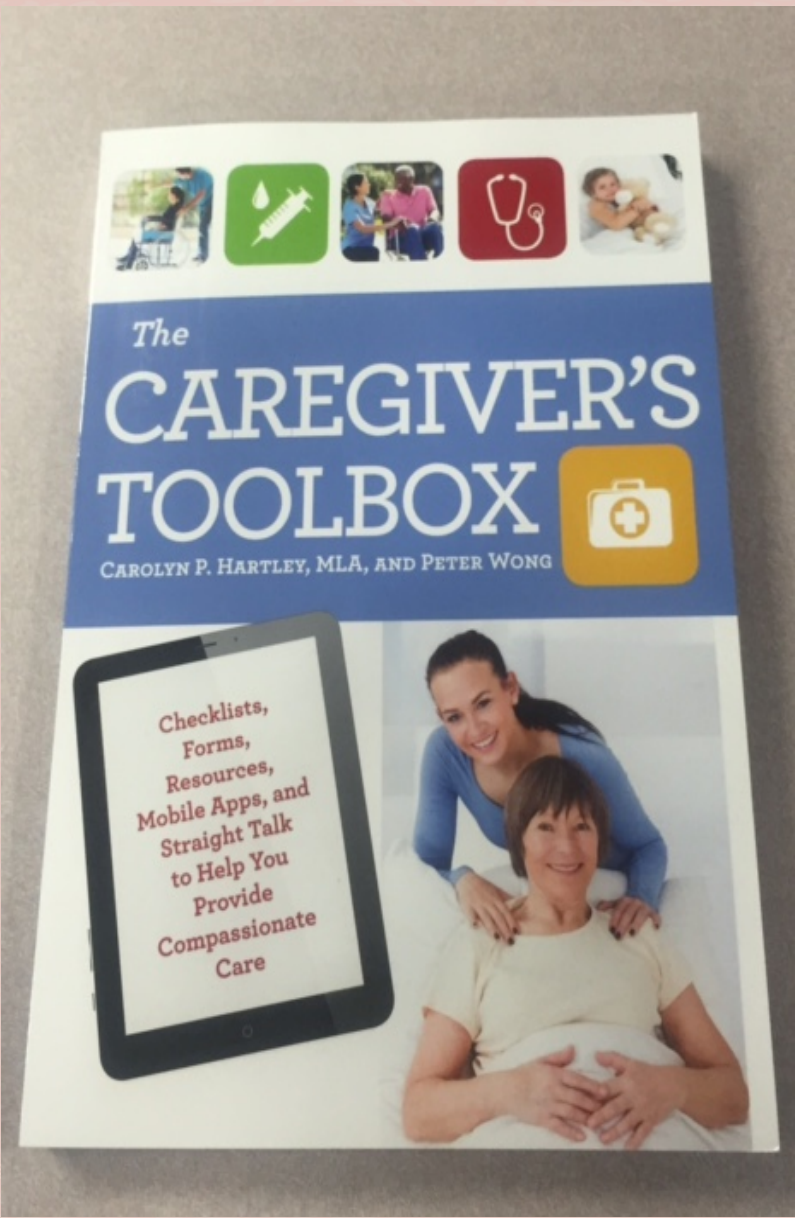
# Step 8: End-of-Life Planning

- Planning in advance helps everyone have peace of mind:
  - Where do I want to die?
  - How do I want to die?
  - What kind of medical treatments do I want?
  - Who do I want to care for me?
  - What kind of funeral service do I want? Do I want to be buried and where?
- Resources:
  - Compassion & Choices, [compassionandchoices.org](http://compassionandchoices.org)
  - National Hospice and Palliative Care Organization, [nhpco.org](http://nhpco.org)
  - The Conversation Project, [theconversationproject.org](http://theconversationproject.org)
  - Five Wishes, [agingwithdignity.org/five-wishes.php](http://agingwithdignity.org/five-wishes.php)





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# Navigating the System of Family Caregiver Support

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Caregiver Program Coordinator

Dane County Area Agency on Aging



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# National Family Caregiver Support Program

- Amendment to Older Americans Act of 1965
- Allocated funding for Adult family members or other informal caregivers providing care to
  - Individuals 60 years of age and older;
  - Individuals of any age with Alzheimer's disease and related disorders;
  - Grandparents and other relatives 55+ years of age providing care to children under the age of 18; and
  - Grandparents and other relatives 55+ years of age providing care to adults age 18-59 with disabilities



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# Five Basic Services

In conjunction with other State and Community-Based Services, NFCSP provides a coordinated set of supports to assist caregivers to care for their loved ones at home for as long as possible.

- Information about available services,
- Assistance in gaining access to the services,
- Individual counseling, organization of support groups, and caregiver training,
- Respite care, and
- Supplemental services





# Commonly Requested Services

- Adult Day Center
- In-home respite
- Home chore
- Meal prep and delivery
- Transportation
- Medication administration or delivery
- Minor safety renovations
- Disposable incontinence supplies
- Personal emergency response system



# How to Access Services?

- Local senior center
- Aging and Disability Resource Center (ADRC)



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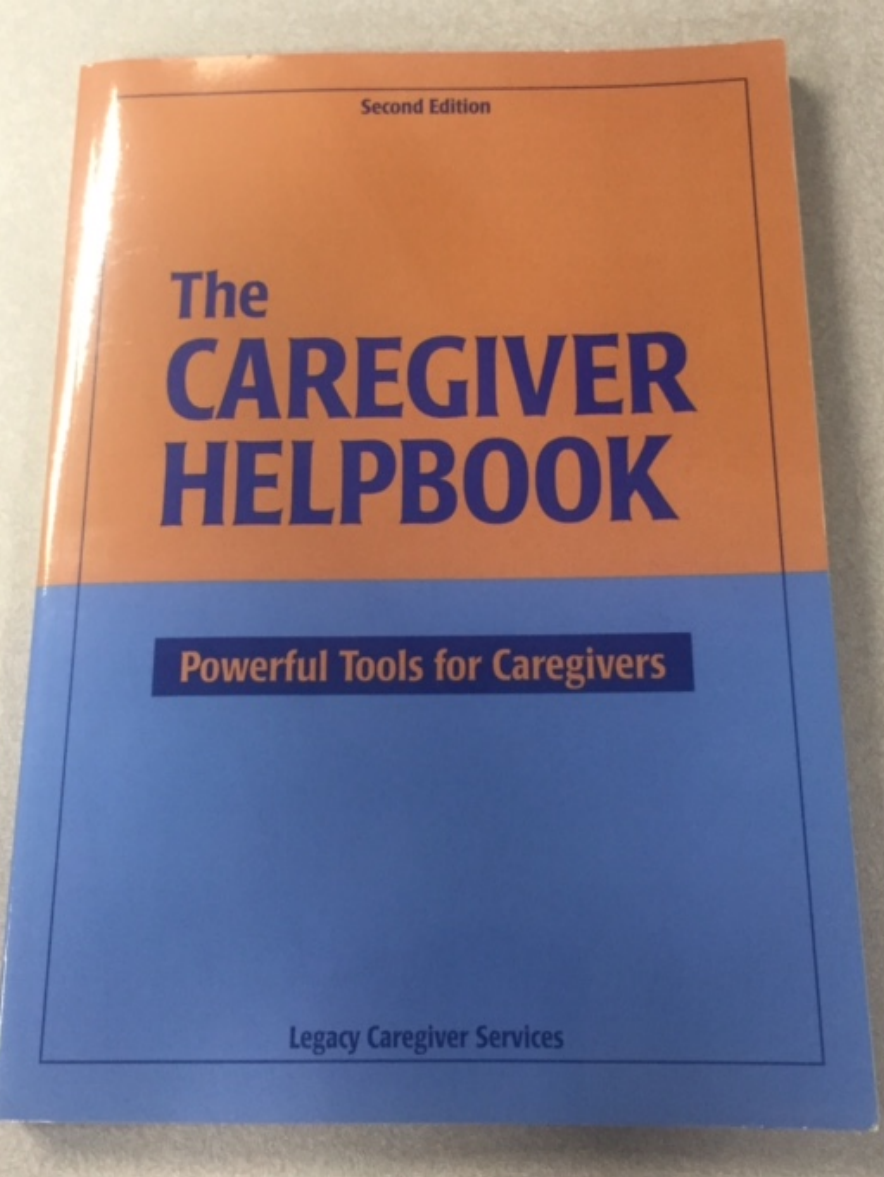
# Taking Care of YOU – Powerful Tools for Caregiving

The class offers tools to:

- Reduce stress
- Take care of YOU, the caregiver
- Reduce guilt, anger and depression
- Help you relax
- Make tough decisions
- Set goals and problem solve
- Communicate effectively with other family members, doctors, and paid helpers



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Questions?  
**Thank You!**

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