



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

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Embracing and Promoting Options for Women to Enhance Retirement

**Caregiving and Its Effect on You
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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



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



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.



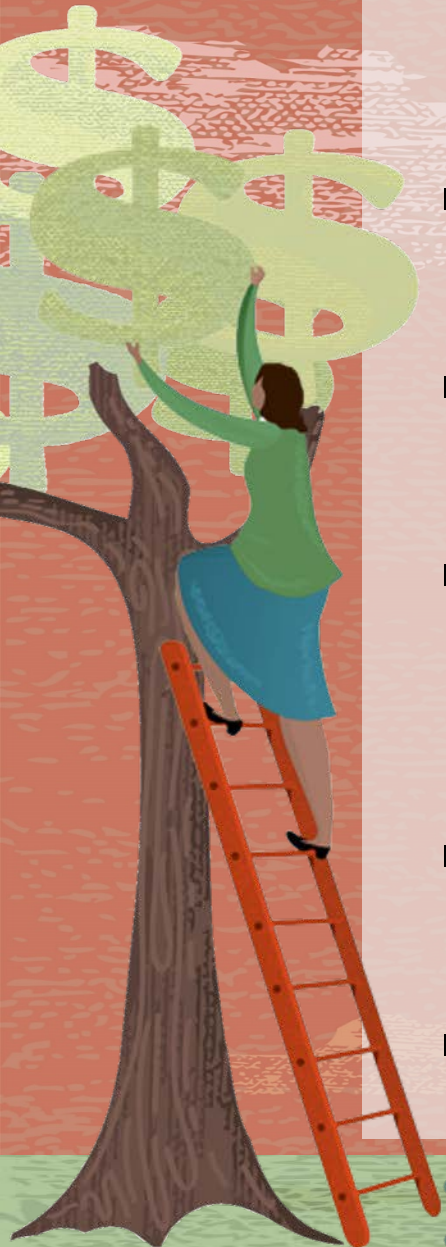
Personal Care Agreements

- 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 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.



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



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

- Eldercare Locator: UW Eldercare Law Clinic, Eldercare.gov
- National Council on Aging (ncoa.org) and CFPB.gov
- Help paying for food and prescription expenses – 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
- 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



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.)

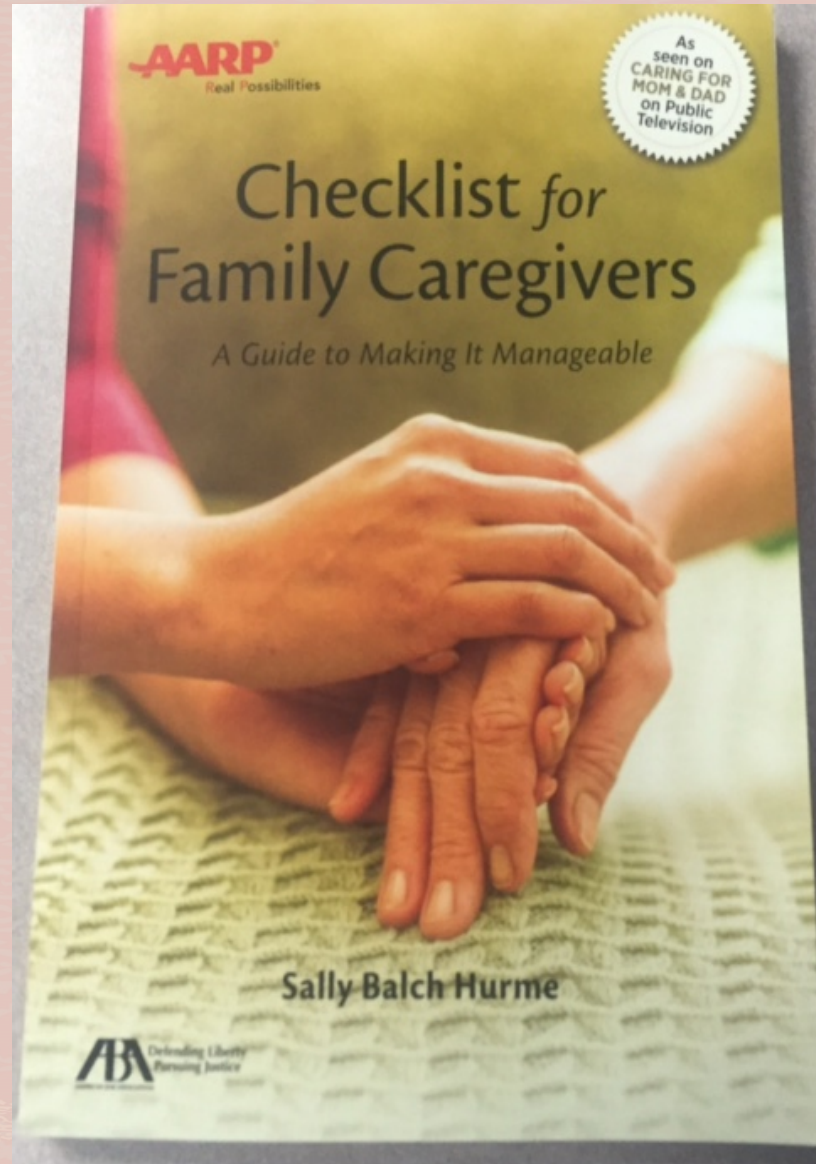
- *Who are the perpetrators?*
 - Strangers: 51%
 - Family/Friends/Neighbors: 34%
 - Business: 12%
 - Medicare/Medicaid Providers: 4%
 - 60% of know perpetrators are men, mostly between the ages of 30 and 59
 - Women perpetrators tend to be younger, mostly between the ages of 30 and 49



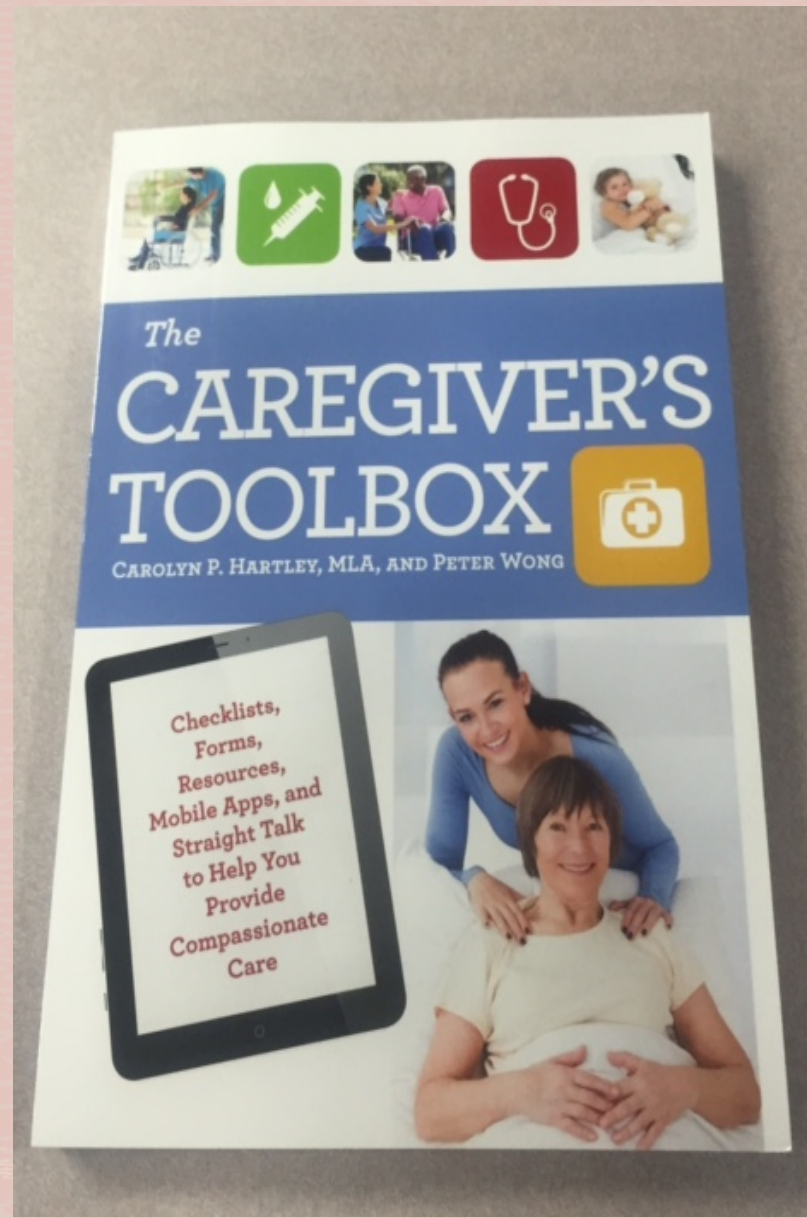
Step 8: End-of-Life Planning

- 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
 - National Hospice and Palliative Care Organization, nhpco.org
 - The Conversation Project, theconversationproject.org
 - Five Wishes, agingwithdignity.org/five-wishes.php





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Navigating the System of Family Caregiver Support

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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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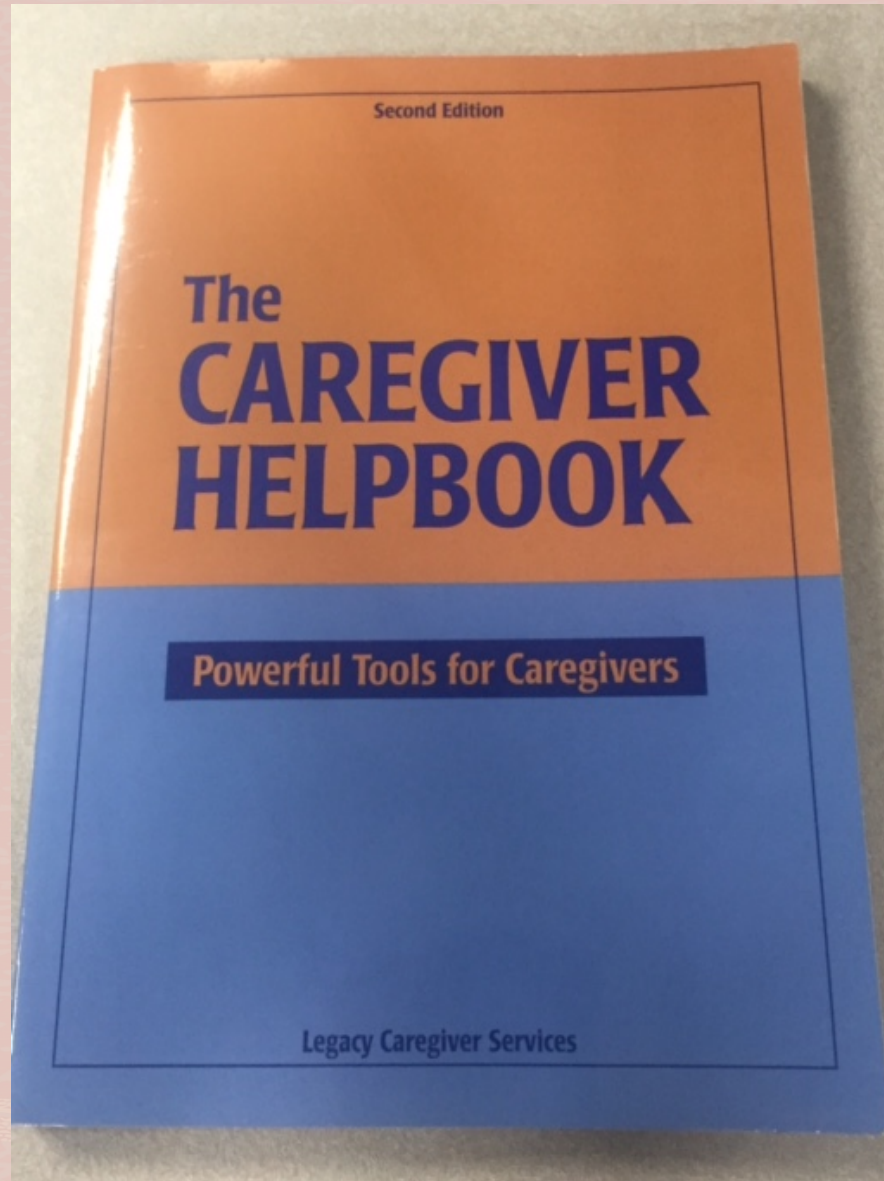
Taking Care of YOU – Powerful Tools for Caregiving

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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ETF EMPOWER website: etf.wi.gov/empower

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