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## Caring for Aging Parents

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*Financial advisors are frequently asked by their clients for help in dealing with situations that involve caring for aging parents. Unfortunately, the requests for advice often come long after planning should have begun. Clients need to prepare psychologically as well as financially for elder care and retirement. Financial advisors need to proactively encourage their clients to consider possible scenarios for care-giving and to discuss this topic with their parents and families.*

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More and more people these days find themselves becoming the linchpin of their aging parents' support system. Careers, retirement plans and relationships can all be seriously disrupted by the need to care for an elderly parent. The added demands on time and money can be extremely stressful, particularly if no advance preparations have been made. Too many working adults find themselves struggling to make important decisions about care for their elderly parents during a crisis. These crises (e.g. the death of one parent, a stroke, or a broken hip) can develop into long-term commitments of significant amounts of time and money. However, the demands of careers and family leave most adults with little time for care-giving. The added pressures of caring for an elderly parent

lead many adult children to turn down important career moves and promotions, switch jobs, change retirement plans, or relocate to be near parents.

#### Why Now?

These care situations have become increasingly common as demographic trends make themselves felt. It is no longer unusual for people to live into their 80s, 90s and beyond. With parents living that long, your clients may find themselves nearly or already retired when a crisis occurs.

A longer life span usually means greater health care needs. Aging populations and longer life spans are making retirement more expensive and public funding more difficult. Two years of plunging equity markets and high profile bankruptcies have reduced assets and expectations,

and increased worries about the viability of retirement plans. Many investors, previously lulled by the long bull markets of the '80s and '90s, are now realizing they can't count on double-digit returns. Lower rates of return over longer periods of retirement could result in eroding assets.

While health care, insurance and housing prices soar, the breadth and depth of government health coverage is increasingly uncertain. Nursing care voraciously devours retirement assets. In this environment, many members of the Baby Boom Generation are assuming greater responsibility for their parents' financial and health care needs. Preparation is essential.

#### Types of Care

The type of care that parents can need varies tremendously. When both parents are alive and healthy they may need little outside assistance. If one parent becomes ill, the other may choose to handle it with minimal support from children, friends and professionals. However, this situation may not be tenable for long. When one parent dies, your clients may find themselves shouldering an enormous burden.

Caring for aging parents can be a lengthy and complicated process. Your client's involvement might include maintaining daily contact, coordinating other care and service providers, overseeing medical care, providing emotional support, making financial contributions, personally assisting a parent, or physically caring for a parent full-time. The requirements are likely to change over time, particularly if serious illness or financial pressures arise. Anticipating potential obstacles will improve your client's ability to manage them successfully.

#### **Can't Talk Now Ma, I'm Busy**

Unfortunately, few people plan ahead to care for elderly parents. For a variety of reasons many are reluctant to face the issue. For one thing it means acknowledging their parents' (and their own) mortality. Most people are also hindered by feelings of guilt about being unavailable, painful family history, or simply having different priorities for their time and money. The added responsibility of caring for elderly parents often comes at a time when clients' professional responsibilities are increasing. Assuming the role of care-giver while meeting the demands of a career can be particularly stressful; your clients often feel they have to be in two places at once – and make difficult decisions in both.

As concerns about parents' health and finances arise, people often focus on immediate tasks, not long-term decisions. But, it is one thing to start driving Mother to appointments with her doctor, and quite another to decide what to do when she can no longer walk up her stairs. Decisions of this kind require a great deal of thought, consultation and advice. Sadly, most employers don't offer information or referrals for elder care. Since these kinds of decisions can have tremendous financial and psychological consequences, it's important that clients consider the issues involved and plan ahead.

#### **Approaching Retirement: A Gold Watch, Golf ... and Watching Mom?**

It can be very stressful for clients when they have to make important decisions about the needs of elderly parents while dealing with pressure at work and anxiety about their own retirement plans. For most people, recognizing the need to care for an elderly parent changes their expectations about their own retirement. Empty-nester clients, who may otherwise be enjoying greater personal freedom and looking forward to retirement, may feel cheated when facing an added financial and emotional burden. The sense of satisfaction a client may have from assuming a care-giver role can also vary enormously. A sudden, unanticipated need to care for an elderly parent can be a jarring experience, adding financial and emotional stress without any compensatory professional or intellectual satisfaction. However, those with elderly parents should know that they might be liable for their parents' care. Courts have ordered adult children to contribute to their parents' expenses.<sup>1</sup>

You should be careful when asking clients about their priorities regarding elder care. You don't want to seem insensitive and rude and you also don't want to inadvertently increase your client's sense of guilt, which could lead your client to make decisions he or she will later regret. Clients who are prone to making commitments out of guilt need to evaluate their options carefully before assuming care-giving responsibilities. Your clients shouldn't be pushed to do more than they can manage financially or psychologically.

#### **Pride Goeth before a Fall**

Children of the elderly are not the only ones unwilling to face the necessity of making decisions about long-term care. Seniors with mounting health concerns must cope with a growing sense of insecurity and vulnerability. When they have to start relying on others in

unfamiliar ways they often initially feel a loss of status. To avoid embarrassment many seniors will refuse to admit they need help. And, when they can no longer function without help, many refuse to let anyone other than their children help them – much to the distress of the children.

#### **Dad, Go to your Room!**

Whatever the relationship between your clients and their parents, the transition from a child-parent relationship to one of care-giver/care-receiver can be a difficult role reversal. Familiar patterns of parent-child interaction can be slow to change. The adult children lack authority or credibility in the eyes of the parents, while the parents are acutely sensitive to perceived infringements of their own autonomy. Friction arising over issues of control and privacy can lead to frustration and resentment. Under these circumstances important decision making can be a slow and painful process. Your clients and their parents need to determine where to draw new boundaries and learn to respect them.

Caring for aging parents does not mean bullying them into submission. Your client's desire to minimize stress does not override the right of adults to make decisions about how they want to live. Most adults are very protective of their independence. Plans and approaches that allow parents to maintain a degree of personal independence and self-esteem are more likely to be accepted.

You can emphasize care planning as a mutually beneficial, cooperative effort. Your clients should explore their options so they can help their parents make informed decisions. Indeed, the process of planning for, and dealing with a parent's care will increase your clients' awareness of aging issues and will allow them to make their own plans for the future.



### An Ounce of Prevention ...

Everyone knows of someone of very advanced years who suffers from failing health, decreased mobility or dementia, who nevertheless refuses to budge from a long-established home that is no longer practical. Studies have shown that a majority of seniors want to stay in their own homes. This isn't simply a case of fond memories. Leaving one's own home for a "granny suite" or care facility can seem like a final loss of independence. The National Advisory Council on Aging supports the "right of seniors to be autonomous – even if that means 'living at risk'." Indeed, many seniors claim they won't leave their own home until they are "carried out". Unfortunately, that's all too often the case as their children rush around in a panic to find a suitable situation for their parents after a stroke or a broken hip. The best plans are not made under these circumstances.

One of the chief goals of any care-giving plan should be to maintain the independence of elderly parents—this is better both for your clients and for their parents. If change can be anticipated and health and independence maintained, your clients can spend their time planning rather than in crisis management.

There are a number of things that can be done to help achieve this goal. Housekeeping, gardening and snow removal services can eliminate strenuous physical duties and save your clients a great deal of time. Home delivery services from pharmacies, supermarkets, etc. are time saving and useful. Therapists, personal trainers, hairdressers and even financial advisors are some of the service providers who can be found to make home visits. Alternate sources of transportation should be explored. Home renovations can improve safety and accessibility. Tools are available that can make simple tasks easier.

Exercise is extremely important. Strength and flexibility can help prevent injuries,

while aerobic exercise can help maintain hearts, lungs and circulation. Physical activities and exercise programs can be found for any physical ability level. Nutritional counseling and better diets can help maintain health. Many age-related health problems derive from, or are exacerbated by, nutritional deficiencies.

Activities can be found and hobbies pursued through sporting and hobby organizations, senior centers, newspapers or the Internet. Educational opportunities can be pursued. Activities can alleviate isolation and depression, build social contacts, maintain mental agility, and relieve some of the burden on your clients.

Your clients, as well as their parents, need to be informed. Encourage clients not to wait until their parents have a serious illness or accident to find out how the health system works in their location. The availability and cost of home care services can vary greatly. The annual Canada Health Act Report<sup>2</sup> explains which services individual provinces provide. It is important that clients become better health care consumers in order to save themselves a good deal of time and money in the future.

Your clients should also educate themselves about their parents' health problems. If a client's family has a history of a particular illness, learning about it can help the client prepare. Different illnesses can require a widely varying range of care from both professionals and your client. Locating sources of information and investigating wellness programs can keep clients up-to-date on care and treatment. Parents may find some forms of alternative medicine beneficial, as well.

### Home Sweet Homes

Staying in his or her present home may not be the most practical choice a senior can make. It may not even be the best way to maintain his or her independence. If this is the case, it

is desirable that the decision to move be made before there is a crisis.

If the primary obstacle to remaining in a home is cost or maintenance, your client's parents might look into adding or converting a space for an apartment that could generate extra revenue. Home maintenance might be provided in exchange for a reduced rent.

Whenever a decision to move is finally made, the focus should be on preserving the independence of your clients' parents. This makes the move more acceptable to the parents and reduces the pressure on your clients. Encourage your clients to investigate housing options with their parents. Options might include condominiums, cooperatives, mobile homes, bungalow developments, seniors-only apartments, townhouses, semi-detached houses or managed care facilities.

When searching for housing options your clients need to be clear about what is required. They need to establish their parents' priorities, and determine what features are necessary to meet those priorities. Location preferences and budgets have to be decided. Facilities that offer services or care should be evaluated on the basis of several criteria. They should be geared towards enhancing the independence of their residents. Programs and activities that provide mental stimulation and social contact are extremely important for maintaining a parent's mental health. Managerial style is also important. Ideally, services should be provided at the convenience of the residents, not the staff.

### Long Distance care

Long distance care giving has also become common. Some simple advice may ease the worries of clients who want to begin monitoring and aiding parents from a distance. Advise your clients and their parents to have access to the Internet: it can ease communication, provide an additional tool to help the parents maintain their independence, and



allow your client to research care-givers and service providers from a distance. Encourage your clients and their parents to develop a local support network of seniors groups, neighbours, professionals and relevant agencies, and suggest that your clients keep abreast of local issues and services pertaining to the care of their parents.

### **Clashing Values**

Even when all can agree on a plan in principle, tensions arising from conflicting values or lifestyles can make decisions about care-giving unworkable. Adult children and parents who feel the other is frivolously extravagant may feel resentment or envy. This is equally true if one party feels the other is being unnecessarily stingy at his or her expense. Parents who continue to drink and smoke in their granny suites after a heart attack can upset their tee-totaling children. Clients who like to travel frequently must decide whether it's appropriate to go, or to invite a parent to accompany them. Promiscuous children can upset disapproving parents. Widowed parents who want a new spouse can upset scandalized children. The list is endless. The sheer number of issues to be considered and problems anticipated is further proof of the necessity of advance planning and open consultation if workable solutions to be found.

### **She's Your Mother!**

Most of your clients won't be in a position to make major offers of time, money or housing on their own. Spouses need to be consulted. Differences of opinion about the measures to be taken for a parent's care can arouse a great deal of bitterness from spouses and parents. This is a particular worry if your client's spouse and parent(s) are not especially fond of each other. Advance consideration and open consultation is the only way for your clients to avoid painful rifts.

This issue is greatly compounded when there are elderly parents on both sides. If your clients are already pressed for time and money, decisions about which parents should receive help, and to what extent, are fraught with peril. What happens when one spouse's parents have greater financial resources than the other's parents? In these cases there may be less concern about financial and emotional support, and more concern about an expected inheritance. What if the two sets of parents' resources are similar, but one set is more needy? What if one parent is simply more pleasant and agreeable than the other, but less needy? Does it matter if one spouse has more supportive siblings? Concerns about fairness need to be addressed.

### **Kane and Abel or Can and Able**

Siblings, of course, can be a great help or a great hindrance when caring for parents. Don't let your clients assume the whole burden of caring for a parent when siblings can contribute.

Long-standing sibling rivalries can cloud important decision-making. Old jealousies about who was the favorite, the most successful, the most giving, or the most needy can make dividing responsibilities for parents difficult. A sibling who contributes more time or money may feel put-upon or unappreciated, while those who contribute less may feel guilty, or estranged, or both.

Articles published in *The Economist* have noted that trillions of dollars in assets will pass to members of the Baby Boom Generation in North America in the coming years. Suspicions that one sibling may receive more from an inheritance can poison a relationship that should be an important source of mutual support. Your clients and their siblings need to work together to protect those assets, not fight over them.

Concerns about fairness will inevitably arise, so decisions about burden-sharing must

be made before conflicts arise. Your clients should arrange meetings with siblings before their parents require assistance. They need to openly discuss their concerns for their parents, ways to maintain their parents' independence and the possible contributions each can make. It is much better for them to do this while their parents can still participate in the decision making.

### **Needy Parents + Needy children + Needy Grandchildren = Need an Aspirin**

Your client's own children can complicate eldercare plans. Many young adults return to their parents' home for financial or emotional support. The percentage of young people going to university and pursuing graduate and professional degrees is at an all-time high and increasing. Continuing donations of time, space and money to children, as well as for child-care or educational expenses for grandchildren, can leave a client with fewer resources for needy parents. Such conflicting demands can lead to serious family rifts if not discussed and planned for in advance.

### **Who's on First: the Importance of Effective Communication**

Many seniors are reluctant to admit they need help. Offers of care are not always well received. Many seniors are loath to discuss assigning power of attorney to children. No matter how close your client's relationship may be with his or her parents, care planning is still a sensitive issue. Your clients may need advice on how to approach their parents. They could ask their parents for advice on their own problems, opening up a new channel for dialogue. Offers to help with specific tasks might be well received and lead to a more general discussion. Sharing information on active aging gleaned from books, articles or the Internet can lead to more serious conversations. Your clients could join an activity or class with their parents as a way of



becoming more involved with their lives.

Open communication with the entire family is essential. Emphasize the importance of family consultation and consensus in defusing potential conflicts. Watch your clients' expectations and assumptions: make sure they are stated and checked-out, rather than merely assumed. Openly discuss issues with your clients and make sure your clients discuss them with parents, spouses, siblings and children.

### **A Penny for your Thoughts?**

As a financial advisor, you are already familiar with your clients' financial situations. When caring for a parent becomes an issue, you need to have an understanding of the parents' finances as well. Unfortunately, it's often difficult for children to talk to their parents about money. Parents may be embarrassed to admit their tightened circumstances. They may not want to add to their children's worries. They may view their children as financially incompetent. They may be worried that their children are simply trying to get control of them and their money. They may even be oblivious to their own potential needs. In these circumstances it may be useful for your clients to arrange for you to discuss finances with their parents. If your client's parent has a specific illness, or a particular disease runs in the family, disease-specific advocacy groups and insurance brokers may be able to provide useful cost estimates.

When a plan finally is agreed on, make sure that everything is clear to everyone concerned. Ensure that financial agreements among clients, their parents, and siblings are in writing and acceptable to everyone. A sibling who later reneges on a commitment by claiming it wasn't clear could leave your client with a sizable extra burden.

### **Check the Weather Forecast before Heading Out**

With so many things to consider, so many people affected, and so much at stake it's imperative that your clients plan ahead. Financial advisors need to be proactive and openly discuss these issues with their clients. They may feel overwhelmed, but they must move beyond fear and paralysis. They need to anticipate issues and obstacles. They need to be clear about what they want and what possibilities are acceptable. Your clients must try to balance their own needs against those of their parents and other family in order to avoid feeling trapped in an undesirable situation in the future. This will require them to redefine goals and objectives and prioritize. Those who plan ahead, acknowledge possible difficulties and problem solve in advance will meet challenges more effectively.

### **Accentuate the Positive**

Your clients need to focus on the positive: choices can be tiring, overwhelming and disappointing, but not having choices is worse. Advisors can help by emphasizing potential changes as a planned transition rather than a looming crisis.

Find out what advice and resources are available. Employers increasingly offer referrals to senior-care consultants and professionals. Community service organizations, health care and home care professionals, contractors and mediators can all provide helpful advice.

Stress the need for flexibility and adaptability. Be creative when looking for solutions. Your clients could pay for a parent's critical illness or long-term care insurance in order to protect assets. Consider the transfer of assets. Explore different living arrangements: parent stays at home with help; client or parent moves nearer the other; parent down-sizes to a flat, bungalow, granny suite, or a graduated care facility. Your clients and their parents could jointly purchase a house or build an

addition: the parent lives rent-free and the child inherits.

Point out new opportunities for mutually beneficial family interaction. Your client's needy children could move in with your client's needy parents to everyone's benefit. Caring for a parent can fill the void of an empty nest or add structure, routine and purpose to an approaching retirement.

Remember that each situation is different, requiring planners to tailor their advice. With enough forethought and consultation your clients should be able to devise a contingency plan that's both financially and psychologically viable.

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Jason Roth is the owner of a highly regarded firm in Halifax, Jason Roth and Associates. Since 1979, he has established a stellar reputation in both counselling and personal and professional coaching. Jason is known in Canada and Asia for his seminars and workshops on stress management, preparing for retirement, and personal motivation. He has an impressive list of corporate clients. Jason has worked with financial planners and their high net worth clients, and is a popular motivational speaker at Client Appreciation nights. He was a presenter at CAFP's 2002 convention, and will present at the Advocis conference in 2003. A multi-dimensional individual, Jason is also a frequent guest on radio and television. This is his second article for The Journal.

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### **Endnotes:**

- 1 From an article by P.J. Wade for Coles Publishing (2001). See The Catalyst [on line] [www.thecatalyst.com](http://www.thecatalyst.com).
- 2 Health Canada publishes a Canada Health Act Annual Report (intended as an annual review of provincial medicare program eligibility for federal funding) that summarizes the various health care programs and the services provided in each province. [on line] [www.hc-sc.gc.ca/medicare/AnnualReports.htm](http://www.hc-sc.gc.ca/medicare/AnnualReports.htm).

