BY TRISH LAUB

The growing storm of caregiving—and how advisors can help

> There are only four kinds of people in the world – those who *have been* caregivers, those who *are currently* caregivers, those who *will be* caregivers and those who *will need* caregivers.
>
> *Former First Lady Rosalyn Carter, founder of the Rosalyn Carter Institute for Caregiving*

All of your clients will fit into one of these caregiver categories identified by Rosalyn Carter, if they have not already. Few people want to think about it, but caregiving will financially affect everyone. Some anticipate the journey and have time to plan for it, while others are thrown into a "five-alarm fire," as I was.

Caregiving requires money that individuals and families were counting on for living their lives into retirement. Providing care can be crushing—physically, mentally, emotionally, and financially.

Millions are swept up in the caregiving storm

The storm of caregiving is here, and is gathering strength at an alarming rate.

There are more than 53 million family caregivers in the U.S., 60% of whom are working.[1] Caregiving ranges from initially running errands, preparing meals, doing laundry, helping with finances or providing transportation (instrumental activities of daily living or IADLs) to the more challenging and time-consuming management of medical care and assistance with physical tasks, referred to as activities of daily living (ADLs).

One study found half of those currently providing care expect to be caring for someone in the next 5 years.[1] Another study found one out of six non-caregivers expect to become caregivers within two years.[2] By 2030, a third study projected that 60% of employees will have family caregiving responsibilities that extend beyond children, up from a mere 16% as of 2020.[3]

Storm affects generations differently

The average employee caregiver works full-time, devotes the equivalent of a part-time job to caregiving, and incurs significant expenses in the hundreds to thousands of dollars annually, for nearly five years.[1]

Employees who are family caregivers may find that raises and bonuses are reduced due to absenteeism or decreased productivity, and others may lose income due to working fewer hours. Almost two-thirds (60%) of those providing care are doing so for someone with dementia, which increases their risk of stress-related illness and higher healthcare costs.[3]

Part of your job as an advisor is understanding the potential effect of caregiving on your working clients and helping them anticipate how they will handle the added responsibilities. This should include assisting clients in planning for increased expenses and potential income loss due to unanticipated caregiving.

To begin, learn about generational differences in the effect of caregiving on employment and income. Given their different priorities, you can provide different types of advice and support.

Baby boomers (born 1946 to 1964, now ages 57 to 75) are who many think of when they think of caregiving. This group may still be providing care or may need it themselves. They have often done some legal and financial planning as they anticipated retirement. Some have long-term care insurance. Many are retired, while others are still working but are beyond their career-building days.

What you can do: Fine-tune their financial plan. If they have financial plans in place, they are less likely to be negatively financially affected than other generations.

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Xennials (Gen X, born 1965 to 1976 and now ages 45 to 56) are mostly employed. They may have begun to think about retirement and their own potential long-term care needs. They are expecting to provide care at some point, if they have not already. Half (50%) of employed caregivers are under age 50,[4] and may lose income due to unexpected absenteeism and scheduled time off, or even have to quit working to provide care. Many Xennials are married or living with a partner, and are sandwiched between children and aging parents.[1]

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What you can do: Xennials struggle with coordinating care between healthcare providers. You can help them identify resources for at least one area of caregiving as well as any financial support that might be available from the government, their employer, or other sources.[1]

Millennials (Gen Y, born 1977 to 1995 and now ages 26 to 44) account for nearly 25% of employee caregivers.[1] They may have student debt and are at risk of disrupting or damaging their career path due to caregiving. This generation faces loss of income, but—unlike the shorter-term losses of Gen X—the effects of not being able to reduce their debt or advance their career at a critical time may significantly reduce their lifetime earning potential. This group is more often single and spends an average of $6,800 out of pocket annually while providing care.[6] They report high levels of financial strain, including more debt and leaving bills unpaid or paid late.[1]

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What you can do: Millennials are more interested than older generations in assistance with managing their own finances and with finding affordable caregiving services in their recipient's community.[1]

Develop a strategy

Advisors need to go beyond general financial, estate, and long-term care planning. Overall, 80% of people in the U.S. want to live out their lives at home, but only 20% succeed. There are two reasons why most people can't achieve that goal. First, that person may unexpectedly need significant assistance or extensive care that can't be delivered at home. The second reason is a lack of planning.

Creating a plan for your client's retirement and preparing them for their own future care needs is the foundation for allowing them to live the way they desire in their later years. Encourage your clients to talk with the people whom they may potentially care for and understand their plans for their future care. A family caregiver must know their loved one's philosophy and goals for their later years. With this information, you can help your client develop a strategy, along with their loved one, to meet everyone's goals.

You can also become a resource for your clients by connecting them with elder care specialists who can help them navigate the care terrain.

- Members of the Life Care Planning Law Firms Association provide elder law services and employ or contract with case managers to help their clients navigate caregiving.
- The ADVOConnection Directory lists patient advocates who can assist your client with navigating the medical system and communicating with healthcare providers so they get the information they need to make decisions about care.
- For clients caring for someone 65 or older, a referral to a specialist in geriatric medicine can be found on HealthInAging.org.
- When a housing change becomes necessary, the National Placement & Referral Alliance can help in finding a senior placement consultant to assist in comparing residential communities and determining which might be most appropriate.
- As the inability to pay for long-term care increases, clients may find support from consultants who specialize in long-term care or from benefits offered through the Department of Veterans Affairs or Medicaid. A Certified Medicaid Planner, found in the directory of the CMP Board website, can assist in navigating the complexities of the application process.
- Finally, referring your client to a caregiving consultant who can provide everything from easily accessible and actionable on-demand resources to client-specific guidance can be the difference between your client surviving and thriving throughout their journey.

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investment consultant with the United States Agency for International Development—as a full-time employee. "We had a great experience with that internship," says Green, "and we're hoping to be able to keep participating in it as long as it is offered."

Green sees initiatives like BLatinX playing a growing role in helping fee-only financial planning firms find new talent—something that Wescott has struggled with during the current skilled labor shortage. Even pre-pandemic, she says, the company was exploring different ways to help cultivate the next generation of planners by aligning with colleges and talking to students about the various financial planning career paths. As an English major who earned a law degree and then moved into financial planning, Green serves as a good example of how a diverse educational background can turn into a successful career.

Maintaining a strong culture

With the labor shortage expected to continue, Green says the company will continue to be innovative in recruiting talent. "Our firm is pretty much always in growth mode and always looking for individuals who will be a good fit," she says. "We want to make sure we're getting people who will excel and who will complement the firm's culture."

That culture is an important part of Wescott's future growth plan. As it continues to expand, Green says the firm enlists the expertise of an on-staff organizational psychologist to help it achieve that goal, whether it happens through organic or inorganic growth. "We want to grow strategically while maintaining our core culture in the process," says Green.

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As I said in my book, *A Most Meaningful Life, my dad and Alzheimer's*:

> Often caregiving is a marathon vs. a sprint. My daughter who runs marathons says that how you recover is based on how you prepared. If you did your training according to the time-tested schedule for runs, you will recover from the full event more quickly. If not, you will suffer. Similarly, how you plan for caregiving will determine whether you survive or thrive during the experience.

Understanding the caregiving storm and its impact on your clients will allow you to assist them in weathering the storm and reaching their financial and retirement goals.

Trish Laub is the author of the award-winning Comfort in their Journey® *book series, which provides practical guidance for dignified care through end of life. She hosts a live online radio show and offers presentations, consulting and more. Visit TrishLaub.com.*

1. National Alliance for Caregiving and AARP, *Caregiving in the U.S. 2020 Research Report* (May 2020)
2. U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, *2018 Behavioral Risk Factor Surveillance System Data from adults in 44 State, Puerto Rico and the District of Columbia* (August 19, 2020)
3. Wisconsin Department of Health Services, "Tools for a Dementia-Friendly Workplace" (April 21, 2020)
4. Jo Ann Jenkins, "Companies Need to Care for Caregivers," *AARP Bulletin* (October 23, 2017)
5. Nancy Kerr, "Caregiving Demands Are Affecting Employee Productivity and Company Profitability," AARP (January 16, 2019)
6. Jo Ann Jenkins, "Millennials and Caregiving? Yes, It's a Thing," AARP (May 29, 2018)

FINDING HELP FOR …

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accounts for less than the amount owed because they may otherwise receive nothing.

The debt settlement company takes a fee based either on the amount of debt that was settled or that it attempted to settle. But there are numerous risks and costs with this strategy. Some lenders will not deal with debt settlement companies. The late fees, added interest, and other fees can outweigh any reduction that is negotiated. Until a settlement is reached, each debt is reported further and further past due and may go to collections, further damaging the client's credit history.

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1. https://www.moneymanagement.org/debt-management/faq/will-a-debt-management-plan-hurt-my-credit
2. https://www.consumerfinance.gov/ask-cfpb/what-is-credit-counseling-en-1451/
3. https://www.consumer.ftc.gov/articles/0153-choosing-credit-counselor