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THE ESSENTIALS OF CAREGIVING

How to prepare emotionally and financially to provide loving care, and prepare your family for your future care needs.

- Learn the cost of quality care
- Handle the emotional and financial stress
- Gain confidence in your caregiving IQ
- Set yourself up for quality care in the future
Between working, paying the bills and taking care of the kids (human and pet), most of us don’t have time to think about anything else.

But spare a moment for your parents, grandparents, aunts, uncles, and anyone else who helped raise you: As they age, odds are they’re going to need some kind of long-term service and support. And odds are that support is going to come from you or another loved one.

Over 40 million Americans describe themselves as “unpaid family caregivers,” according to a 2018 study from LIMRA, a research firm specializing in retirement, insurance and distribution. The time involved in providing that care equated
to $500 billion worth of economic activity in 2018, reports The Wall Street Journal, which is more than Medicaid spending on home and community-based services.

Caring for an elderly relative puts tremendous pressure on your time, energy and resources—even in the best of circumstances. If you’re caring for someone with Alzheimer’s or other forms of dementia, the burden can be overwhelming.

Some 10,000 Americans turn 65 every day, and since 1960 the average life expectancy at age 65 has grown by about five years. That increase in longevity “has been accompanied by a rise in multiple chronic conditions and functional and cognitive impairment in the later years of life,” according to the Commonwealth Fund, a private foundation focused on health care practices and policy.

The responsibility of providing elder care can be emotionally, physically and financially draining. Long-term care in a nursing home costs nearly $100,000 a year for a private room, while a full-time home-health aide costs $49,000 a year, the Wall Street Journal reports, citing a 2017 Cost of Care survey by Genworth.

Unlike saving for retirement or a child’s college tuition, there are currently no tax-advantaged savings accounts people can use toward the care of an elderly relative. But you can take steps to help meet the challenge, whether you’re already in caregiver mode (or soon may be) or if it’s something far off in the distance.

This guide will help you prepare emotionally and financially to provide loving care, and prepare your family for your future care needs.
If you’re already in caregiving mode—or are likely to be in the near future—Wendy Sabin, founder of Sabin Elder Care Solutions in Montclair, N.J., advises that you lay some groundwork.

“You have to know what resources [are available] before there’s a healthcare crisis,” Sabin says. So the next step is to have “that awkward conversation” with the loved ones in your life—“and be prepared for kickback and a stubborn reply.”

Many seniors live in fear of losing their independence and will often resist discussing issues that will inevitably become critical to their long-term care.
“Older adults and individuals with disabilities want to be independent, have control over their own decisions, and receive assistance to maximize their functioning and independence in their own homes and communities,” according to the AARP’s 2017 Long-Term Services and Support Scorecard.

But that kind of independence isn’t always practical, especially if there are physical limitations. “Despite the relatively high levels of assistive-device use,” reports the Commonwealth Fund, “many Medicare beneficiaries...say they have faced adverse consequences because no one was available to help with an activity or it was too difficult to do on their own.”

These “adverse consequences” include going days or weeks without bathing, having an accident and sitting in wet or soiled clothing, and staying inside for extended periods of time—often without getting dressed or getting out of bed.

And the bottom line, notes Sabin, is that “most people can’t afford to pay for a nursing home or home health aid.”

Whether you’re a caregiver who lives in the same home with your loved one, a few blocks away or on the other side of the country, there are more resources and options than ever before to help manage the caregiving dynamic. By getting the support you and your loved one need, you’ll also be protecting your emotional and financial well-being.

This list of caregiver resources can help you and your family quickly access actionable information and supportive organizations.
Financial Help for Caregivers

Being a caregiver often brings significant financial challenges—whether you’re a full-time caregiver or a remote caregiver who needs to travel to be with your loved one. A variety of programs and resources can help you manage the financial challenges of caregiving, including:

- **BENEFITS CHECKUP**: The National Council on Aging’s free website, BenefitsCheckUp.org, lets you find out which programs are available to your loved one, depending on your location and other factors. These include savings on medications, income assistance, home and community-based programs, and more. This site is a good starting point for finding out how to save money or get financial help from various public benefits programs you or your loved one might already qualify for.

- **MEDICAID**: Some states allow caregivers to get paid by the Medicaid program for caring for their loved ones—qualification rules and limits vary by state. Contact your state Medicaid program for details.

- **LONG-TERM CARE INSURANCE**: If your loved one has long-term care insurance, depending on the specifics of their policy, you might be eligible to receive payment for the work you do as their caregiver. However, some policies do not allow payment for caregivers who are spouses or who live in the home.

- **VETERANS’ PROGRAMS**: If your loved one is a veteran, you might qualify for financial assistance from the Veterans Administration. Contact the VA’s Caregiver Support Line for help in finding out what types of assistance you might be eligible for, and how to get connected with the right benefits.

- **FINANCIAL EDUCATION**: Prudential’s Caregiving site provides information and solutions to guide you in planning for the financial impact of giving or needing care.

Websites

These websites from government agencies and associations provide big-picture information on caregiving.

- Caregiver Action Network (CAN)
- CDC: Disability and Health Information for Family Caregivers
- AARP: Family Caregiving

Agencies

Check out these agencies and associations for state and local-level support, depending on where you and your loved one reside.

- National Association of Area Agencies on Aging (AAAs)
- Visiting Nurse Association of America (VNAA)
- National Association for Home Care & Hospice (NAHC)
- National Alliance for Caregiving
- Family Caregiver Alliance
- Meals on Wheels

Blogs and Podcasts

The Caregiver Space: A one-stop resource for caregivers, including supportive stories and community space for caregivers


Nurturing Net: Reviews of new technology products and services for caregivers

Aging in Place Technology Watch: News, trends and ideas for new tech options to help with caregiving and aging

Caring.com – “Best Podcasts for Family Caregivers”: List of informative and entertaining podcasts on a variety of topics related to caregiving

Everyday Bravery: Journalist Laura Ling’s story on being her father’s caregiver

Communities for Caregivers

Many caregiving organizations and associations listed earlier also have dedicated community pages or forums where caregivers can talk and learn from each other, also many are active on Facebook.

Get involved in the conversation, get inspiration and encouragement, and meet other caregivers!

- The Caregiver Space
- Caregiver Action Network
- Caregiver Stress Relief
- Caregiving Support
Caring for an aging family member can be a rewarding experience, but it can also be physically, emotionally and financially draining. By thoughtfully evaluating your loved one’s needs, you will not only be able to provide useful support and anticipate trouble spots but also ensure that your long-term financial wellness won’t be impacted negatively.

FINANCIAL SELF-CARE:

Prudential’s Financial Wellness 2018 Census reports that at least half of caregivers also work full-time for an employer; indeed, most caregivers are working in some capacity, whether part-time, as a small business owner or as a gig worker.

Unfortunately, it’s easy for caregivers to get caught up in the moment of a crisis—cutting their work hours, dipping into savings for medical expenses, and sacrificing their own retirement savings to help finance a loved one’s care. It’s important to take care of yourself during this stressful time, and part of that means ensuring you don’t compromise your long-term financial well-being as you provide care and assistance. Here are some ways to do that:

• Evaluate your financial situation and budget for what you’re able to spend toward your loved one’s care. It’s okay to ask other elders in your life about their financial situation to help you make informed financial decisions about what’s possible.

• Create and maintain an emergency savings account. “Normal” challenges like your car breaking down or your water heater bursting can and do occur in times of family crisis. Having an emergency fund—ideally at least three to six months of your living expenses—can help prevent a crisis from becoming a full-blown catastrophe. If you’re subsidizing your

“You can Access your BenefitAccess Rider, an optional benefit available on permanent Prudential policies, to pay a loved one to help take care of you.”

TIFFANY ALLEN
MBA, Financial Professional
loved one’s finances, include those expenses in your emergency fund requirements.

- **Understand the consequences of switching to part-time work.** Beyond a cut in pay, you might be giving up health insurance benefits, retirement packages or paid time off. The Family and Medical Leave Act (FMLA) gives employees the right to take up to 12 weeks a year of unpaid leave to care for family members, while maintaining benefits, and several states have enacted laws that further expand the federal law. Talk to your HR department about FMLA and other benefits your employer may offer. You may already know that your employer offers health insurance and life insurance, but don’t overlook some important ones that may be part of your benefits package, like disability, critical illness, hospital indemnity and accident insurance.

- **Continue to invest for your retirement**, even if it’s at a reduced amount, and do your best not to take loans from your accounts. Beyond short-changing your own future, you’ll probably incur financial penalties for withdrawing funds early.

- **Use this caregiving moment to consider how your senior years could play out.** Research long-term care insurance, put together a will, living will (advance care directive) and medical power of attorney. Your future self (and future caregivers) will appreciate your forethought.

- **Consider getting life insurance** (or revisiting an existing policy) to ensure that your caregiving responsibilities would be accounted for financially if something were to happen to you unexpectedly.

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**SAFETY FIRST:**

If you’re a caregiver—or are likely to be in the near future—here are some questions to ask your aging relative:

- **Has the house had a home safety inspection?**
- **Are there ample fire alarms and carbon monoxide detectors?**
- **Do you need an auto-alert device?**
- **Is it time to consider giving up your driver’s license?**
- **Do you have access to reliable alternative transportation?**
Elder-care specialist Sabin says these kinds of discussions are often very difficult for adult caregivers and their aging parents. If you face resistance, ask for help from your parents’ doctor, who may be able to provide additional information and support.

**HEALTH MATTERS:**

- **Do you have a do-not-resuscitate (DNR) order?**
- **Should you get a medical alert bracelet or ID?**
- **Can you afford to pay for your daily medications?**
- **Do your caregivers know the names of your doctors and all prescription medicines?**

The patient and all caregivers should have a copy of this information with them at all times. Sabin recommends printing the details and keeping them in your wallet or purse.

**LEGAL ISSUES:**

- **Do you have a will? Is it current?**
- **Do your caregivers have a copy?**
- **Is there a living will (advance care directive)?**
- **Is there a health care proxy?**
- **Who has power of attorney?**

“It’s critical at the beginning to speak with an elder law attorney,” Sabin says, stressing that’s true whether the person in question has significant resources or not.

Indeed, adds Dr. Robert Pokorski, Vice President and Medical Director at Prudential Financial, “caregivers need to safeguard the financial assets of the care receiver, so the older person isn’t defrauded.”
HEALTH INSURANCE:

- Do you have long-term care insurance or other kinds of supplemental insurance?
- Is the paperwork in order?
- Is your Medicare up to date?
- Do you have any concerns about paying for medical care or tests?

“You want to know before there’s a crisis,” Sabin says.

Medicare, the federal health insurance program for Americans over 65, historically has not paid for so-called custodial care, such as help with daily activities.

Starting in 2019, however, the Centers for Medicare and Medicaid Services (CMS) issued guidance expanding what it would consider an allowable supplemental benefit.

Medicare Advantage plans—private health insurance offered by companies with contracts with Medicare—“may offer new types of supplemental benefits to enrollees, including home-based palliative care, non-skilled in-home support and services, and non-opioid pain management,” according to the Better Medicare Alliance. “CMS also expanded certain types of benefits that were previously allowed, including temporary home modifications, such as stair rails and treads, in addition to bathroom safety devices that were previously allowed, such as grab bars in the shower.”

A FRIEND IN NEED:

- What are the state, county and community resources that can be tapped?
- Who in the neighborhood can be trusted to help out when needed?

“When there’s a crisis, there’s usually nowhere to turn if you don’t have money,” Sabin says. However, you might have access to more resources than you realize. Get to know your parent’s neighbors and friends, and keep their contact information updated.
When it come to the realities of caring for an aging relative, talking to a financial professional who is knowledgeable about elder-care dynamics is key.

A financial professional can walk you through your available options for financing the care of your loved one, further removing (or at least limiting) the additional burden that money matters can have on your situation.

The emotional toll of caring for someone—particularly an aging parent—can be heavy. Removing (or at least limiting) the additional stress of financial concerns will put you in a better place to be able to handle it.
Elder care “gets very emotional and draining,” says Sabin, who is caring for four elderly family members, in addition to her professional work. “I’m very aware of the self-care I need to do.”

Along with the bare necessities—good diet, regular exercise and plenty of sleep—Sabin tries to keep her weekends free to help avoid burnout “which is a real thing.”

Sabin also recommends that caregivers talk to a therapist or find a local support group, particularly if you’re caring for someone with Alzheimer’s, Parkinson’s or a similar debilitating disease. “I get very sad when visiting clients with dementia,” she says. “I can get very emotional.”

Advances in medical technology are helping people live longer. However, living longer means more of us will need care as we age, which puts pressure on government services, charities and, increasingly, family members.

You don’t have to solve the grand, societal implications of these trends but being proactive can go a long way in helping you deal with the financial and emotional realities of caring for an aging relative.
It may seem counterintuitive to think about your own health and mortality when you’re caring for an elderly relative or planning to. But you have to be prepared for the possibility that you will need care yourself.

How can you help your family members help you when that time comes? Here are a few options to consider.

LIFE INSURANCE

Jennie L Phipps, a writer and editor in Punta Gorda, FL, “never thought much about life insurance until the check arrived” after her husband died.
“It was enough money for me to keep paying the bills, pay for the funeral and burial arrangements, fly our children and grandchildren to the funeral, and pay an attorney to handle the probate of the will,” Phipps says. “All of this added up to multiple thousands of dollars and having cash in the bank to pay those bills was a real blessing.”

Although her children are now grown and she has no other dependents, Phipps keeps a life insurance policy for herself “because I don’t want my sons to be burdened by the inevitable costs they’ll face when I die.”

Most people buy life insurance for the death benefit, which will provide money to their loved ones when they die. However, that’s not the only reason to have life insurance. Many permanent life insurance policies offer the ability to build

DO YOU HAVE LIFE INSURANCE?

As a caregiver, life insurance can help ensure your loved ones continue to receive a better quality of care even after you’re gone. However, the data reveals that caregivers are 16% below the national average when it comes to owning life insurance.

cash value that you can access and use any way you wish. Some policies may also offer an optional benefit, called an accelerated death benefit rider, that can enable you to collect a portion of the death benefit before you die if you have a chronic or terminal illness.

Other riders that might be available to you include a guaranteed insurability rider, which lets you purchase more life insurance at a later date without having to undergo a medical exam; or a disability income rider, which provides regular income in case you become disabled.

Phipps is fortunate to have children who may be able to provide care for her later in life if called upon. But more and more Americans are so-called “elder orphans”—seniors who have either no partner, no children, or no children in close proximity able to help them, according to Prudential’s Pokorski.

“The combination of increased longevity, the decline in marriage, the rise in divorce, increased childlessness and family mobility, notes Pokorski, “has upended the traditional care-giving support system.”

LIFETIME INCOME

When it became clear that Jennie Phipps’ husband wasn’t going to recover from cancer, the couple sold their house in Michigan and bought a condo in Florida for her to live in. They also purchased an annuity that gives Phipps additional monthly income for the rest of her life, helping to replace what she ultimately lost in Social Security payments after her husband died.

Annuities are long-term investments designed specifically for retirement. They provide retirement income for life—and can protect you against both market turmoil and the risk that you will outlive your money.

The annuity Phipps has, for example, provides $1100 a month for life.
“The advantage of dependable income is clear to me,” Phipps says, “as I watch my peers dealing with the challenges—mental and physical—of aging.”

Besides regular income, today’s annuities can provide a variety of benefits, including:

- **Guaranteed minimum death benefits** to ensure your beneficiaries get either the full account value of the annuity or the total purchase payments adjusted for withdrawals, whichever is larger.

- **Spousal benefits** so the surviving spouse can continue receiving lifetime income.

- **Tax-deferred growth** where taxes on interest, dividends and capital gains are not paid until withdrawals are taken.

There are many different kinds of annuities—immediate and deferred, fixed, indexed and variable. Talking to an advisor about your goals and risk tolerance can help you make a strategic decision about which type might be right for you and your family.

**RETIREMENT SAVINGS**

According to the [National Bureau of Economic Research](https://www.nber.org/), most Americans will spend an average of $122,000 on health care starting at age 70, and a handful will face costs of $300,000 or more.

So, while it may not be as attractive as earmarking money for, say, world travel or spoiling the grandkids, your retirement savings should factor in your potential health care costs, including the possible need for long-term care (whether in a skilled nursing facility, assisted living or aging in place).

Take full advantage of a 401(k) or other retirement account at work. The amount you choose to contribute could be deducted from your paycheck automatically, either before taxes with
a traditional account (you'll owe income tax on withdrawals, presumably at a lower rate later on) or an after-tax Roth account if your employer offers one (withdrawals are federal tax free if you hold the account at least five years and meet other criteria).

Don't have access to a workplace plan, or want to supplement your savings? Consider setting up regular transfers from your bank account to a tax-favored Individual Retirement Account (IRA) or a taxable brokerage account.

**Important:** As your nest egg grows, it might be tempting to consider how the money could improve your life today. But remember, retirement is the one major expense you can’t borrow to cover, so your savings should remain just that—money to fund your life after you retire. Don’t give in to short-term gratification in exchange for significant long-term consequences.
If you’re currently employed, check out your workplace benefits. You may already know that your employer offers health insurance and life insurance, but you may be overlooking some important perks. Disability, critical illness, hospital indemnity and accident insurance may be part of your benefits package, and all are worth looking into.

Understand your financial situation, and have a frank discussion with older relatives who may need your help—whether they need it today or in the not-too-distant future. Because everyone’s circumstances are different, talk to your advisor about ways to maximize your resources.

Given advances in medical technology, we’re all likely to be living longer than our parents. Planning now for that inevitability can go a long way toward ensuring quality of life for you and your loved ones, present and future.
START YOUR PLAN TODAY

Our financial experts can help you prepare for the challenges ahead.

Speak with one of our licensed financial professionals.

Looking to meet one-on-one?
There’s someone nearby to help.

CALL 844-838-1334
FIND A LOCAL PRO

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Written by Aaron Task, former Editor-in-Chief of Yahoo Finance and Digital Editor of Fortune.

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