

# 11 Financial Tips to Make Caregiving Easier

**Peter D. Murphy, CFP®**

**Wealth Advisor**

**Financial Partners**

50 Oshara Blvd  
Santa Fe, NM 87508

505-216-0838

p.murphy@fprrs.com  
www.fprrs.com



–Debra Taylor, CPA/PFS, JD, CDFA

**Caregivers generally tend to their elderly/disabled family members as a labor of love, but it can also be taxing for them financially and otherwise. These 11 tips can help you manage the financial side of caregiving and keep things under control.**

Becoming a caregiver to a family member or loved one will probably occur at some point in your life, whether it's due to unexpected circumstances or old age. If you already are a caregiver or know someone who is, you may have some stories about how overwhelming it can be – emotionally and otherwise. Caregiving requires love, time, and patience, but the financial aspect of caregiving often doesn't get the proper attention it needs.

Discuss this side of caregiving with your financial advisor, who can offer you various resources and guidance to make things easier. In addition, these 11 tips can help you manage your loved one's finances more effectively.

## **1. Talk about it now before it's too late.**

We must prepare for the unexpected, so have the financial discussion with the person you care for in advance. While talking about money with them can seem difficult, it doesn't have to be. As a current or future caregiver, you need answers to some key questions. Let your loved one know that it's in their best interest to address these things now:

- Has your loved one saved money? If so, how much?
- What's their source of income?
- Do they have investments and/or insurance policies?
- Who is their financial advisor/attorney/CPA?
- Do they want to live in an assisted living home or would they prefer to live at home?
- Have they planned for elder care and/or can they pay for elder care?
- Do they have long-term care insurance?

Discussing these things when the aging parent is healthier and able to make decisions can make it easier for you to take action when the time comes.

## **2. Review estate planning documents.**

Find out if your loved one has prepared estate planning documents, and ensure that their will and power of attorney are up to date.

A living will and health care proxy are some of the more important estate planning documents to take care of right away. They are more about how you should handle medical treatment while your loved one is still living, but can no longer express their health care wishes or make medical decisions on their own. Again, the best time to do this is while all parties are healthy and of sound mind. But if that time passes, it should still be a priority. It's never too late to get these in order.

### **3. Keep financial documents organized and accessible.**

Important documents should not only be reviewed and updated, but also kept in a secure and accessible place. These documents include wills, powers of attorney, investment statements, insurance policies, bank account statements, and so on. They should all be kept together in one place with relevant passwords.

### **4. Know what's important to your loved one.**

Generally, a caregiver's number one priority should be to do what their loved one would want them to do. For that reason, take the time to talk with your loved one about their preferences for receiving care. Is it important to them to not be a burden on their children? Are they okay with living in an assisted-living or nursing home? Would they rather live at home?

Another option is to ask your loved one to write a letter expressing their desires and the reasons for them. While living wills or health care proxies often cover wishes and instructions, they don't cover feelings. A personal letter can remind you of the sentiment behind your loved one's wishes.

While you as a caregiver may not be able to fulfill all their wishes, you can still make the best possible decisions for them. Knowing what your loved one wants also helps you understand and empathize with them.

### **5. Seek professional advice.**

When it comes to planning for your loved one, you should seek two types of professional advice – financial

and legal. Ask your financial advisor to recommend an attorney for legal consultation (and a tax professional for tax advice, if necessary).

### **6. Look into public benefits.**

Public benefits are available to assist with the care of the elderly. Veterans and their spouses may qualify for certain government programs, such as Medicare and Social Security. Some veteran benefits are unknown to the average person altogether.

For instance, a Vietnam veteran was diagnosed with a type of cancer that was linked to a chemical used by the military in Vietnam called "Agent Orange." As a result, this veteran could get pension benefits for becoming a disabled veteran, even though his disability occurred more than 40 years later. As a disabled veteran, he was also eligible for a discount on his property taxes.

Medicaid may also be available for those who are over age 65 or under the federal poverty limit. You can check the eligibility of your loved one at [BenefitsCheckUp.org](https://www.benefitscheckup.org).

### **7. Supervise finances even while the loved one still can.**

Since an elderly parent's ability to manage their own finances may begin to deteriorate at any time (sometimes as early as age 60), begin monitoring their spending and bank accounts the minute there are any signs of confusion or struggle. This is especially important to protect against fraud and late fees resulting from missed bill payments.

### **8. Keep them safe from scams.**

We are seeing the elderly being targeted by online, email, and telephone scams at an increasing rate. Recently, there have been a wave of IRS imposters who have used aggressive measures to attempt (and often succeed) to collect unpaid taxes from the vulnerable and unknowing elderly.

There's a real possibility that your elderly parent might get taken advantage of, so be proactive in preventing such events. One of the best ways to do this is to constantly remind your parent or family member of

potential scams. Give them examples. Tell them to never click on links in unfamiliar emails, avoid social media strangers, never answer personal security questions from an incoming caller, and always use hard-to-guess passwords. If your loved one is unsure of anything, encourage them to call you for advice.

## **9. Consider how your lifestyle and finances will be impacted.**

Caregiving can be taxing, so consider how this role may affect your life personally, professionally, and financially. For instance, you may be required to miss work often for doctor's appointments and other caregiving obligations. Additionally, your personal and family finances may be affected. Maintain active communication with your spouse, siblings and other family on potential costs and plans to avoid conflicts.

## **10. Continue to work and communicate with your colleagues.**

The last thing a caregiver should do is allow their role to become a full-time job. While it may often feel like one, do your best to keep working if you can. Having a job will maintain a source of income that will no doubt ease the strain of financially supporting the loved one, if necessary. More than that, keeping a job will give you an escape needed to maintain a well-balanced life – as much as you can.

Many companies offer benefits to employees who become caregivers. For instance, they may offer paid time off when caregiving responsibilities arise, as well as other flexibility that would allow for arriving late or leaving early. Juggling work with caregiving can become extremely difficult, especially if a person hasn't communicated their situation to their employer. In some cases, employers even offer dependent care

Investment Advice offered through Financial Partners, LLC, a Registered Investment Advisor

---

assistance programs, which allow employees to pay for eligible care expenses on a pretax basis.

Review your Employee Handbook for possible benefits (like flextime benefits), and discuss your caregiving responsibilities with your employer. An open discussion could result in the employer offering options that are not part of the organizations typical procedures.

## **11. Take care and get support!**

Last, but certainly not least, take care of yourself and get support if you feel you need to. Caregiving is a hard job and can easily cause a person to forget about themselves. When someone spends their days worrying about someone else, it's easy for them to forget about their own basic needs. It's common for caregivers to eat less or eat in a less healthy way, lose sleep, and feel too tired to exercise or even get their daily tasks done, like house cleaning.

Take time for yourself and be mindful of your emotional needs. Local support groups exist where you can feel a sense of community and talk about your feelings with people who will understand. Websites like [www.caring.com](http://www.caring.com) can also help create a sense of community.

There's been no sugar-coating here. Caregiving isn't easy, but the proper preparation and planning will make it easier, less stressful and time-consuming. And your financial advisor can help you implement some of the caregiving tips and functions as covered above.

---

*Debra Taylor, CPA/PFS, JD, CDFA, writes on tax and retirement planning for Horseshmouth, an independent organization providing unbiased insight into the critical issues facing financial advisors and their clients.*