

## I Don't Want to Talk About It

### How to Discuss Eldercare With Your Parents



Remember when you were assigned a book report back in school? Did you plan out your progress and diligently make strides toward its completion? Many of us waited until the night before and got it done in a panicked frenzy.

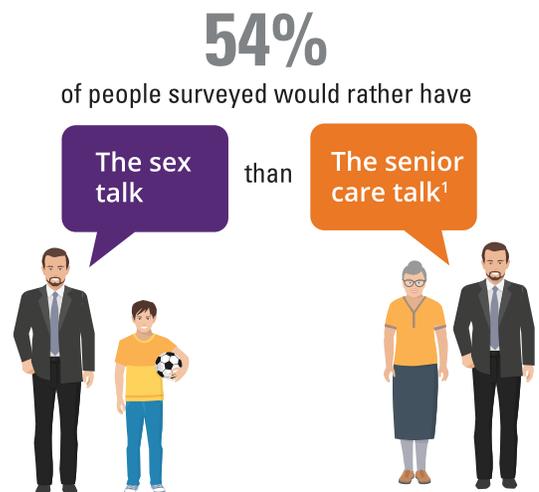
Procrastination also comes into play later in life when it's time for us to discuss eldercare options with our parents. We don't want to discuss it. Neither do our parents. Avoiding these conversations results in us not having a plan for the possibility of a serious illness or incapacity that could trigger the need for assisted living or nursing home care. The emotional and financial results of unexpected housing decisions can be devastating. Get ahead of these challenges by initiating discussions now.

### What's Eldercare?

Eldercare is defined as the care of people who are elderly or infirm, provided by residential institutions, by paid daily help in the home, or by family members. We all want to maintain our independence as we age. We want to make our own decisions about where we live, where we go, and who we spend time with. Research reveals that 42% of people surveyed believe that independence is the most important thing for our aging parents.<sup>1</sup> But aging, and its effect on our bodies, can take away that independence. We never know when that will happen. It could happen quickly as a result

of a fall or illness or it could happen gradually over time. At that point, we'll need help, and the probability of us, and our parents, needing help is high. About 70% of people over the age of 65 are expected to need some long-term care services at some point in their lives, such as help with dressing or bathing, in-home services from an aide or nurse, or care in an assisted-living facility.<sup>2</sup>

### We Really Don't Like Discussing Eldercare with Our Parents



## We Avoid Discussing Eldercare With Our Parents

Fifty-four percent of people surveyed would rather have “the sex talk” with their kids than have “the senior care talk” with aging parents.<sup>1</sup> It’s human nature to not want to discuss things we fear, don’t understand, or anticipate will result in conflict. Eldercare discussions could cover all three. It’s so scary that six in 10 people would rather die than go to a nursing home.<sup>3</sup> No wonder we don’t discuss the topic with our parents.

We may be concerned how an eldercare discussion could affect our relationships with our parents. We want to respect our parents’ privacy. Will our parents think we’re trying to put them away in a nursing home? Fifty-five percent of people in a 2016 survey said they don’t plan on discussing senior care options until there’s a need.<sup>1</sup>

## Aging Parents Want to Keep Their Independence



**42%**

believe that independence is the most important thing for our aging parents<sup>1</sup>

## Many Underestimate the Cost of Senior Housing



**26%** of people surveyed underestimated the cost of nursing home care

Estimated Cost **\$45,000<sup>1</sup>**

Actual Cost **\$85,776 to \$97,452<sup>5</sup>**

## We Don’t Like to Discuss the Cost of Eldercare

Most of us have no idea what eldercare costs. Sixty-seven percent of people surveyed didn’t know the cost of a nursing home, and 57% didn’t know the cost of non-medical home care.<sup>1</sup> Finding costs for senior housing options isn’t easy because most communities don’t publish their prices online. Senior housing executives say the reason they don’t include online pricing is because the needs of each resident are different. It would be inaccurate to post online pricing.<sup>4</sup> As a result, many of us have misperceptions about the costs of eldercare. For example, 26% of people surveyed said they think living in a nursing home will cost \$45,000 or less per year.<sup>1</sup> It really costs \$85,776 to \$97,452.<sup>5</sup>

## Cost of Various Senior Housing Options

Most of the prices below (not independent living or Continuing Care Retirement Communities) are national averages from Genworth's 2017 Annual Cost of Care Survey. You can see pricing by state on their website.

Housing option	2017 costs	Other Information
Aging in place	<ul style="list-style-type: none"> <li>Normal costs of living at home, e.g. insurance, taxes, maintenance, etc.</li> <li>Homemaker services *\$3,994/month<sup>5</sup></li> <li>Home health aide**\$4,099/month<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>Caregivers need to be carefully vetted for trustworthiness and capability.<sup>6</sup></li> <li>The home may also need to be renovated to meet a resident's changing needs for a more accessible bathroom, bedroom, etc.<sup>6</sup></li> </ul>
Living with family	Depends on arrangement with family members	<ul style="list-style-type: none"> <li>Don't assume that family members will be willing to provide housing and care</li> <li>There are fewer family caregivers because of smaller families and demographic trends<sup>7</sup></li> </ul>
Independent living	\$1,500 - \$6,000/month <sup>8</sup>	<ul style="list-style-type: none"> <li>Residents include seniors who do not require assistance with daily activities or 24/7 skilled nursing, but may benefit from convenient services, senior-friendly surroundings, and increased social opportunities</li> <li>Hospitality and care services available for an additional monthly fee<sup>8</sup></li> </ul>
Assisted living	Assisted living \$3,750 <sup>5</sup>	<ul style="list-style-type: none"> <li>Long-term facilities that provide partial care options such as meals, transportation, and assistance with bathing and dressing.<sup>6</sup></li> </ul>
Nursing home care	Semi-private room \$7,148 <sup>5</sup> Private room \$8,121 <sup>5</sup>	<ul style="list-style-type: none"> <li>For people who may need a higher level of supervision and care than in an assisted living facility. They offer personal care, room and board, supervision, medication, therapies, rehabilitation, and skilled nursing 24/7</li> </ul>
Continuing Care Retirement Community	\$3,000 to \$5,000 or more <sup>6</sup>	<ul style="list-style-type: none"> <li>Single properties that offer several types of living arrangements, from independent living to assisted living to skilled nursing home care</li> <li>Residents can stay in the same community even if their health declines and they need a higher level of care</li> <li>Entry fees start under \$100,000 and can range to the hundreds of thousands of dollars<sup>6</sup></li> </ul>

\* Helps complete household tasks that residents can't complete on their own, including cleaning house, cooking meal, or running errands

\*\* Help those who live in their home instead of residential care facilities. Offer more extensive personal care than family or friends are able to or have the time or resources to provide

## Resources That Provide Senior Living Community Pricing Options:

- **LivingPath** ([livingpath.com](http://livingpath.com))- Provides pricing for these states: Illinois, Indiana, Michigan, Minnesota, and Missouri. They may expand nationally in a year or two)
- **MyLifeSite** ([mylifesite.net](http://mylifesite.net)) Provides pricing for CCRCs in 10 states: California, Connecticut, Florida, Illinois, Indiana, Maryland, New Jersey, North Carolina, Texas, and Virginia
- **Consumer Reports October 2017 Elder Care and Assisted Living: Who Will Care for You?** (<https://www.consumerreports.org/elder-care/elder-care-and-assisted-living-who-will-care-for-you/>)
- **Genworth's 2017 Annual Cost of Care Survey** (<https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>)
- **A Place for Mom's Senior Living Cost Planner** (<http://www.aplaceformom.com/senior-living-cost-planner>)

## We Don't Want to Discuss the Possibility of Us Providing Care to Aging Parents

For some families, providing care themselves can reduce the cost of eldercare. Dr. Joe Coughlin, director of the MIT AgeLab says that caregiving for aging parents tends to fall on the oldest daughter.<sup>9</sup> However, women are now the primary breadwinners in 40% of households.<sup>10</sup> They may not be able to stop working to care for aging parents because it could put their families' financial stability at risk. Additionally, there are fewer family caregivers because of smaller families and demographic trends.<sup>7</sup>

## Long-Term Care Insurance Can Help With the Cost of Eldercare, But Few of Us Buy It



**ONLY  
8%**  
of Americans  
have purchased  
long-term care  
insurance<sup>8</sup>

## We Don't Want to Discuss How Parents Will Pay for Eldercare

You may be wondering if your parents are prepared to pay for their eldercare. This is a tough topic to discuss because you'll be inquiring about how effectively parents have saved, budgeted, invested, and planned. If you sense that they haven't prepared, you may wonder if the government can help them. You, and other family members, may feel a responsibility to help pay for parents' eldercare, but you're concerned about putting your own retirement at risk. If your parents saved for eldercare, there's still a risk that the high costs could wipe out their lifetime savings.

If your parents' income is low enough, Medicaid might pick up the cost of eldercare. Or, if they're wealthy or have a substantial pension, they may be able to pay for eldercare themselves. Everyone between these two extremes may try combinations of self-insurance, long-term care insurance, financial help from families, Medicare, and VA Benefits. It's important to understand the rules, regulations, and fine print for each of these options. For example, Medicare doesn't cover home care, and it only pays for 100 days of nursing home care under certain conditions.

Long-term care insurance can also help cover the cost of eldercare, but only 8% of Americans have purchased it. It's expensive, and the number of providers keeps dropping, and premiums have been spiking recently.<sup>8</sup>

To find resources that could help your parents pay for eldercare, check out [benefitscheckup.org/resources](http://benefitscheckup.org/resources), by the National Council on Aging. It provides resources and assistance programs organized by state.

## How to Start the Eldercare Discussion With Parents

One method is to use your own situation as a conversation starter. Let your parents know that you're starting to plan for your own eldercare, and you're wondering if they've done any planning yet. You want to find out if they have long-term care insurance and how they plan to pay for home care or assisted living if they ever need it.

Don't rush the conversations. Don't feel like it's only one conversation. It's better to have several conversations over time. Adult children who rush the conversation tend to push too hard for getting care or moving to an assisted living community prematurely, rather than finding solutions that could help parents stay independent as long as possible.<sup>1</sup> For ideas on how technology help people remain independent as they age, check out this article at [hartfordfunds.com/home](http://hartfordfunds.com/home).

Do research on the cost and options available for eldercare in your area. Any conversations about costs of these options should focus first on what your parents want. Set expectations with them about what you'll be able to contribute without harming your own retirement.

Be careful about asking your parents to tour a facility after you've already made an appointment. They may perceive this approach as if you're trying to "put them away." If you're concerned about your parent's health risk, like falling, consider enlisting the help of people your parents' trust, like their doctor, to help them understand the need to get additional care.<sup>11</sup>

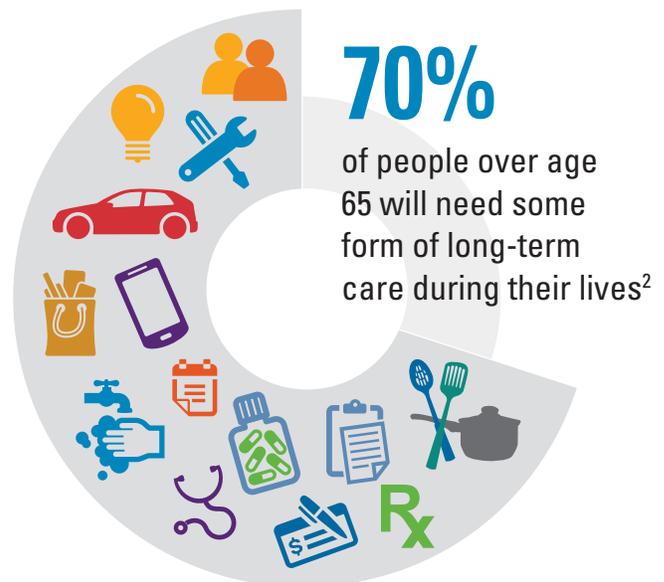
Be ready for resistance. Your parents value their independence and may strongly resist the idea of moving out of their home or getting help in their home. Let them know that your concerns come from love. Inform them of what care options are available in your area. They may have a horrible perception of institutional senior care. Tell them that assisted living facilities have changed. Many facilities provide a higher quality of life by thinking outside the box and offering technology that keeps residents connected to their families and caregivers. Check out these 15 architectural and tech solutions for aging communities <https://weburbanist.com/2017/12/27/modern-elder-care-15-architectural-tech-solutions-for-aging-communities/>.

## Get Help From a Financial Advisor

If you're thinking about helping pay for your parents' eldercare, a financial advisor may be able to help you:

- Understand the costs of eldercare
- Maximize public resources to preserve family assets
- Understand how the impact that helping parents financially could affect your retirement

## There's a Good Chance Our Parents Will Need Eldercare—and We Will Too



## When to Start the Eldercare Discussion With Parents

While 75% of adult children want to have eldercare discussions with parents, 65% can't agree on when. Adult children usually want to discuss it sooner, before a health emergency. Parents want to discuss it later.<sup>11</sup> A general principle of when to have the discussion is the 40-70 Rule. If you're 40 and your parents are 70, it's time to start talking about eldercare.<sup>2</sup>



If you're **40** and your parents are **70**, it's time to talk about eldercare<sup>2</sup>

Watch for other clues that may indicate the need to have a conversation. Pay attention to your parents' home. Is it neat and tidy or a mess? Are they hoarding? Do you notice any memory challenges, confusion, or physical unsteadiness?

## Are You Wondering if You Can Just Deal With Your Parents' Eldercare When You Have To?

As noted earlier, more than half of us plan on dealing with parents' eldercare when there's a need. But if there's a health crisis, like a fall, family stress can go through the roof. Relationships can be get damaged. Family members can each have their own ideas about how, when, and where care should be provided. Long-term care insurance options can also be limited or not available, especially if mental or physical health has declined. Experiencing the initial discomfort of having eldercare discussions with parents is worth it if you can develop a solid plan for the future.

### Let's Summarize What We've Covered:

1. What is eldercare?
2. Why we avoid discussing eldercare with our parents
3. Costs of various senior housing options and how our parents will pay for them
4. How to start the eldercare discussion with parents

### Procrastinating Senior Housing Discussions Is Natural

Just like putting off getting started on that book report in school, we've likely avoided discussing senior housing options with our parents. People avoid discussing things they don't like to think about. However, when asked whether avoidance strategies work, the same people say that they don't. Step up. Initiate these elder discussions with your parents.

## Next Steps

1. Begin the eldercare conversation with your parents. Realize that it will be a series of discussions. Use a natural approach, something like, "We're starting to plan for our future housing options for the future, and we wondered if you've done any planning."
2. Meet with a financial advisor. An advisor can help you understand the costs of eldercare. If you're thinking helping your parents pay for eldercare, a professional can let you know that could affect your financial stability.
3. Do research on the cost and options available for eldercare in your area. We've provided some general costs and links above, but finding accurate online pricing can be challenging. Make some in-person visits to local senior communities.



Sources:

- <sup>1</sup> How Senior Care Impacts Families Financially, Emotionally and in the Workplace, Care.com, 2016. Most recent data available used.
- <sup>2</sup> 'The Talk' With Mom and Dad, The Wall Street Journal, 2/23/11. Most recent data available used.
- <sup>3</sup> Home for the holidays? Talk to your family about assisted living, CNBC, 12/14/17
- <sup>4</sup> Why Senior Housing Prices Are Impossible to Find, Forbes, 9/19/17
- <sup>5</sup> Compare Long Term Care Costs Across the United States, Genworth, 2017
- <sup>6</sup> Understand senior housing options, Journal of Accountancy, 8/1/16. Most recent data available used.
- <sup>7</sup> Long-Term-Care Insurance: Is it worth it? The Wall Street Journal, 5/1/15. Most recent data available used.
- <sup>8</sup> What does it cost? Whereyoulivematters.org, 1/17/16. Most recent data available used.
- <sup>9</sup> The Longevity Economy, Dr. Joseph F. Coughlin, (PublicAffairs, 11/17)
- <sup>10</sup> Dignity, Death and America's Crisis in Elder Care, Time, 11/16/17
- <sup>11</sup> 5 Eldercare Questions Everyone Should Ask Their Parents, LearnVest, 7/23/15. Most recent data available used.

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