

...talking **about** money®

Taking Care of Your Parents

The majority of care providers to the elderly aren't conventional health care workers. They're family members. In a 1999 study by the Conference Board of Canada, one in four Canadian workers surveyed said that they or other household members cared for an elderly family member or friend.

As the elderly portion of the population swells, the younger segment of the population – the caregivers – is shrinking.

This is significant when you consider statistics that confirm the number of seniors living alone is rising. It's projected that by 2001, one-third of Canadian seniors will live alone.¹ And they may need some assistance. Statistics show that 20 to 22 per cent of seniors aged 75 to 79 need help with meal preparation, grocery shopping, everyday housework, personal care and moving about inside the house. The rate increases to 40 per cent for those 80 years of age and older.²

You as caregiver: Get ready today

Helping or caring for an elderly parent can be challenging – especially if you're juggling work, household responsibilities and obligations to your immediate family. By understanding the importance of planning, preparation, professional advice and sensitivity, you'll be ready with a contingency plan and not have to react in a panic should a crisis suddenly occur: That's the worst time to make decisions.

^{1,2} Health Canada, 1998. *Canada's Seniors...At a Glance*. Prepared by the Canadian Council on Social Development for the Division of Aging and Seniors.

Successful planning in large measure will depend on your family's ability to communicate. Looking out for an elderly parent requires tact, sensitivity, respect and patience. Consider the person's physical comfort, emotional health, financial well-being and legal arrangements.

Physical comfort – Living arrangements

Deciding where to live can be a monumental decision. "Always take direction from your parents on what they want," advises Lorna Hillman, executive director of the Family Caregivers' Network Society, based in Victoria. Hillman adds, "Second-guessing can really wreck families, since older people have needs, wants and desires of their own." The feasibility of the various options should be discussed together.

Three basic options to consider are:

- Independent living, which includes a parent's own home (perhaps the one you grew up in), a condo or an apartment. Variations include accommodations where a parent might live in a seniors' building, a private room with a kitchenette and bath, or a building that offers a meal plan.
- Sharing your home.
- Long-term care facilities for those who need considerable help with medication or basic personal care.



Each option presents its own benefits, considerations and drawbacks:

Option	Considerations
<p>Independent living</p> <p>Choices include the parent's own home, a private room with kitchen and bath, or an apartment in a seniors' building.</p>	<ul style="list-style-type: none"> • Is your parent mobile enough to live on his or her own? • Does he or she have a network of friends living in the area to rely on? • Are the current and future costs affordable? They may range from rent geared to income in non-profit settings to \$2,000 or more per month in an apartment complex. Check the range of services and any costs that may be incurred. • Are there community support services such as Meals on Wheels? Ask your public library for a directory of local social services. • Do family members live close enough to visit regularly? Some communities assign social workers to seniors. In others, private companies offer such help, often hiring retirees in their sixties to call on older seniors.
<p>Sharing your home</p> <p>This may be more economical but can require considerable time and physical and emotional energy.</p>	<ul style="list-style-type: none"> • Beyond basic renovations needed to provide living and sleeping areas, will alterations such as installing wheelchair ramps and widening doors be required? There may be tax credits available – ask your financial advisor. • How much care does your parent need? Are you prepared for the work involved in providing it? Would you be financially able to hire health care assistance? Is there a local respite service or home care for periodic relief? • What seniors' services are available in your neighbourhood? • Can you absorb increased costs such as meals, transportation, and time off work? • Does everyone in the family get along?
<p>Long-term care facilities</p> <p>Consider a nursing home or other extended care facility if your parent needs considerable help with medication and/or basic personal care.</p>	<ul style="list-style-type: none"> • How do public and private facilities compare in service and availability? • What is the cost of basic care? Is it government-regulated? This cost may be set low enough to be covered by your parent's Old Age Security and Guaranteed Income Supplement benefits. • Is upgraded accommodation available? At what cost? • Are your parents or other elderly relatives able to reside together or maintain close contact?

Emotional needs – different and complex

For many, it's important to have intergenerational relationships because it encourages wisdom, exchange and support. As the late Margaret Mead – a prominent scientist, anthropologist and social activist – said, “In all societies, it is important to have someone care where you sleep at night.” There's a vast range of printed material on aging, retirement and seniors. A good first source is the book *What Are We Going to Do Now?: Helping Your Parents in their Senior Years* by Dr. William Molloy, a specialist in geriatric medicine at Hamilton's McMaster University.

Loneliness is an area Molloy discusses at length. It can be a concern for elders and caregivers alike. A caregiver may feel detached from normal everyday routine, with social contact largely confined to the interaction with the person being looked after. For elders, care options may involve a move away from family and friends that can leave them feeling isolated, forgotten and helpless. Signs of loneliness may include over-sleeping, watching television all day long or a tendency to dominate a conversation.

You and your parents as retirees...together

In 1960, only 16 per cent of people over 50 had a surviving parent. By 2010, 60 per cent will still have a parent living. So there's a very good chance that you and at least one parent will be retired at the same time. That means financial planning for a longer retirement is essential to ensure security for all family members.

Conquering loneliness

- Suggest volunteer work with a local charity, hospital or school.
- Look for solutions in life skills. A retired tradesperson might be a valuable addition to a local school's technical programs or as a neighbourhood jack of all trades.
- Few people are too old to start learning about computers. Internet access is a great window on the world and an excellent way of keeping in touch with family and friends.
- Rhonda Katz, a Toronto-based family therapist, says, “Many seniors gain emotional support from their place of worship. As well as helping them renew their faith, it can get them involved in charitable activities that keep them active in the community.”

The Caregiver Network is a national resource centre dedicated to making caregivers' lives easier.

You can contact them at **416.323.1090** or visit www.caregiver.on.ca

Financial well-being: Get ahead of the game

There's no time like the present to sit with your parents to assess their financial situation. Discuss your circumstances as well since you may have to adjust your strategy if you detect a shortfall in your elders' plan. Asking a financial advisor may help maintain a focus to your conversation. Open up a dialogue and discuss any investments that might help to ensure the best possible care. Are there RRSPs, GICs, or

mutual funds that might be useful? Consider, for example, that dental work such as dentures can cost more than \$2,300. Common assistive devices such as hearing aids, canes, walkers and wheelchairs may also be required. Together, you can develop an investment program that combines growth and safety to ensure your parents don't outlive their money. It makes sense to table financial issues before the aging process accelerates.

For today's 65 year old	Average life expectancy	If reach 80, average life expectancy increases to	If reach 85, average life expectancy increases to	Planning horizon
Woman	85	89	92	20 years +
Man	81	87	90	15 years +

³Statistics Canada, 1999 *A Portrait of Seniors in Canada*, third edition.

Anticipate special needs – disabilities on the rise

While medical and technological advancements have raised longevity and life expectancy, the incidence of physical and mental disability in older age is rising, too, so needs have to be factored in.

- In 1997, 82 per cent of seniors living at home reported that they had been diagnosed with at least

one chronic health condition. Arthritis and rheumatism are the most chronic health problems reported by seniors.⁴

- Alzheimers is the fastest-growing disease among seniors. The Alzheimer Society reports that 316,500 people over age 65 in Canada suffer from the disease

or related dementia, multiple strokes, and conditions such as Parkinson's. Experts estimate that as many as half of all patients in long-term care facilities in Canada have Alzheimers, and that by 2031, 750,000 Canadian baby boomers will suffer from the affliction.⁵

⁴Statistical Snapshot # 42, *Seniors With Chronic Health Conditions*, prepared by Statistics Canada for the Division of Aging and Seniors.

⁵Alzheimer Society 1999.

Talking about aging: Breaking the ice

Discussing the issues of aging with your parents and siblings requires tact and sensitivity. It can sometimes be difficult. But the topic of aging is important to address well before the onset of both age-related physical conditions and the emotional stress that can accompany aging. Break the ice by talking about

specifics of your own planning. Talk to your parents about the significant role you'd expect them to play in their grandchildren's life if something were to happen to you or your spouse. Then move the specifics of the conversation over to their affairs. Taking this approach confirms your concern is based on caring, not greed.

Alternative living arrangements and their associated costs

Accommodation	Services	Monthly (low/high)	Annual
Living at home	Mortgage (if any)	\$1,000 – \$3,000	\$12,000 – \$36,000
	Utilities, cable, communication services	\$100 – \$200	\$1,200 – \$2,400
	Shopping, cleaning, maintenance, upkeep services, transportation	\$100 – \$300	\$1,200 – \$3,600
	Potential renovations and special enhancements including MedicAlarm system, railings, elevators	See annual cost	\$1,000 – \$20,000 onetime sum
	Estimated total		\$15,000 – \$70,000
Caregiving	Private caregiving in home or in facility	\$1,500 – \$2,000	\$18,000 – \$24,000
	In-home nursing 5 days/wk	\$2,000 – \$4,000	\$24,000 – \$48,000
	Respite care for family caregivers (weekends)	\$500 – \$700	\$6,000 – \$8,400
	Estimated total		\$6,000 – \$60,000
Alternative living arrangements	Ward room to private room in health care facility	\$1,200 – \$2,000 per month	\$14,400 – \$24,000
	Group residence	\$1,800 + per month	\$21,600 +
	Seniors apartment	\$2,000 – \$4,000 per month	\$24,000 – \$48,000
	Retirement home	\$3,000 – \$6,000 per month	\$36,000 – \$72,000
	Estimated total		\$14,400 – \$72,000 +

Source: EnviroNics

Financial essentials

Make sure you check:

- **Government pensions and assistance.** Does your community have a one-stop seniors' information centre? If not, consult the local Income Security Programs office of Human Resources Development Canada 1.800.277.9914 for information on the spousal allowance and other programs. The Canada Mortgage and Housing Corporation 1.800.668.2642 as well as your provincial ministry of health and ministry of social services could be helpful resources.
- **Your tax situation.** You may be entitled to receive caregiver and medical expense tax credits. Your financial advisor and/or accountant can discuss federal and provincial tax credits that are applicable to your situation.
- **Insurance.** Your financial advisor or one of his or her colleagues may offer plans covering home care and support as well as personal care not funded by public programs. Alternatively, you might self-insure by earmarking investment money in advance.

Cover the legal issues

Urge your parents to formally record or update their wishes concerning care should they become mentally or physically incapacitated. And determine how they want to distribute their property upon death, otherwise, the estate would be subject to the dictates of provincial law. They'll need three key documents:

- **Continuing (or durable/enduring) Power of Attorney for Property.** This allows the parent to authorize a trusted person to make financial decisions. For example, you could cash pension cheques and pay bills for your mother if she became ill. Without a Power of Attorney, you must apply to the courts for guardianship. This can be a lengthy and expensive process to simply give

you the legal right to look after a loved one.

- **Power of Attorney for Personal Care.** This is similar to the Power of Attorney for Property, but it also authorizes someone to make decisions about health care, nutrition, hygiene, shelter, clothing and other concerns.
- In British Columbia, the *Representation Agreement Act* became effective February 28, 2000. This act enables adults to arrange in advance how and by whom decisions will be made relating to health, personal care and financial affairs. This agreement replaces the Powers of Attorney in this province.

- **Will.** A legal will is the best way to ensure that property is distributed as intended after death. Otherwise, the provincial courts determine the distribution of assets – and dear friends and favourite charities could be left out entirely.

It's generally best to have a lawyer draft the will. Your financial advisor can recommend one and may have suggestions for saving tax and probate fees. Lawyers usually charge fees for wills and typically include Powers of Attorney as part of their services. By taking the time and spending the money necessary to properly organize your parents' affairs you can avoid unforeseen expenses and stress later on.

Finally... show your concern

We all want to give loved ones the best possible quality of life in their later years. Whether you choose to provide the care yourself or through others, stay thoroughly informed and actively involved. Take the initiative now to determine your parents' wishes and then make plans to maximize their health and financial well-being. Your concern is one of the greatest gifts you'll ever give them. Starting early with your financial

preparations will ease the burden considerably when the time comes that caring for an older person requires additional expenditures. And due to the power of compounding returns over time, starting early means you can provide the same level of care down the road, but with a smaller investment and fewer sacrifices along the way.

A life checklist for you and your parents

Compose a list including the following information about you and your parents. Tell a family member or trusted friend where it is kept; it could be valuable in the case of a medical emergency.

- Social Insurance Number
- Health card
- Driver's licence
- Bank account/location
- Investment info – such as stock certificates, mutual fund statements
- Income sources such as pensions, annuities
- Household expenses – mortgage, utilities
- Tax info – federal, municipal (returns and receipts)
- Insurance policies
- Extended health policies
- Prepaid funeral plans
- Passport, citizenship, marriage, divorce papers
- Deeds
- Powers of attorney
- Will
- Doctor(s) (there is currently no guarantee that files are shared among Canadian doctors)
- Lawyer
- Accountant
- Financial advisor
- Names and phone numbers of neighbours or friends who live close by
- Place of worship

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About AIM

There are all kinds of emotional issues that hamper the candid discussion of financial matters. AIM offers booklets that can help, including guides on retirement, frauds and scams and estate planning. Our *You and Your Family... Talking About Money*® booklet explores the roots of 'money issues' and offers clues for resolving them. For free copies, contact your financial advisor, call **1.800.874.6275**, or visit www.aimfunds.ca

Experts Consulted

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AIM publishes a number of different materials to help families talk about money. For more information, please call **1.800.874.6275** or visit www.aimfunds.ca

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