

# WOMEN & WEALTH

## Caring for Aging Parents

*As the extraordinary volume of Boomers age, more Americans will require elder care. Of the approximate 43.5 million caregivers in the U.S., over 75% are female, with an average age of 49 and work responsibilities outside the home.<sup>1</sup>*

Women are generally tasked with the more time-consuming responsibilities of personal care, while men are likely to manage parents' finances and arrangement of care, according to the Family Caregiving Alliance.

Because providing care for an aging family member could have significant financial consequences—especially for working women—it's essential to be proactive about long-term planning to help avoid unexpected financial challenges for both generations.

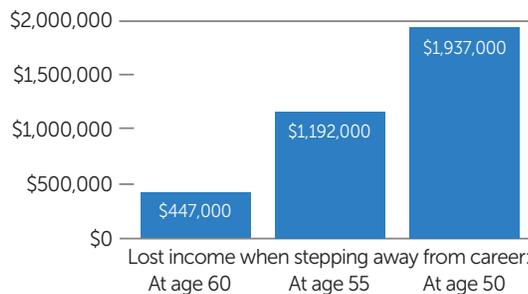
### The financial impact on women caregivers

Not only are women more likely to provide care, they are also susceptible to greater financial loss. The average female caregiver provides nearly 22 hours of assistance per week.<sup>2</sup> Due to the significant time commitment and responsibilities, many working women choose early retirement. Loss of wages, social security benefits, healthcare, and retirement savings, however, can make that choice financially unmanageable. Women are estimated to miss out on \$142,000 in wages and spend nearly \$7,000 in out-of-pocket expenses per year, according to a recent AARP blog post.<sup>3</sup> Women who postpone their retirement and take on additional caregiving duties may still be subject to income loss by turning down promotions, decreasing hours or finding lower paying jobs that better fit their caregiving schedule.

### How to frame the conversation

You may want to orchestrate a conversation on what responsibilities you'll be taking over with your parents before you (or they) think it's necessary. "It can be a

### Financial Losses When Stepping Away from Career to Become a Caregiver Add Up Quickly



Source: AARP Women Caregivers In a League of Their Own (Blog post 10/15/18). Assumptions: Retirement of age 63; Annual Salary of \$142K and Annual Out of Pocket Expenses of \$7K.

long-term process to obtain the information needed to provide proper care and assistance," says Karen Purze, author of the *Life In Motion*, a comprehensive guided workbook to organize and record your important estate planning information.

Don't let fear of discomfort keep you from bringing up important topics before the need arises. If circumstances force the conversation, you may have fewer or different options available than if you had planned ahead. Purze advises thinking about your goals in advance. "Do a bit of preparation; think ahead about your goals for the conversation. Is there a specific issue the family's facing that needs to be addressed? Are you noticing that your parents are getting frail? Finding it hard to remember things?"

Purze suggests approaching the conversation the

way you might with a friend, which can help avoid the defensiveness that can accompany a parent-child relationship. Or, lead by example. "I just bought long-term care insurance. Do you have it?" can serve as an opener and avoid any accusatory or uncomfortable beginnings.

### Address both financial and health care topics

You may want to ensure that your parents have a holistic plan for their future, including financial and health considerations.

With rising costs of health care and longer lifespans, some run the risk of [outliving their assets](#). If that's a possibility for your loved ones, it's imperative that the family is aware and equipped with a plan to cover costs.

With modern medical innovations, illness tends to be more chronic and less fatal, and that means considerations expand to include the possibilities of assisted living facilities, long-term care, surgeries and medication costs. It's worth establishing your parents' preferences; where do they want to live if they can no longer take care of themselves? What are their final wishes, and are they recorded in a will or trust?

### Legal matters

Ensure that your parents' wishes are properly outlined in the correct legal format and that they're easily accessible should you need to administer them. Pooling estate plan information in a thorough file can ease this process during emergencies or transition periods. For example, Purze's [Life In Motion](#) serves as a one-stop-shop for all the important estate planning information one might need.

In instances when you need to act as a fiduciary or trusted contact, this depository of documented information means less chance that your parents' desires will be misconstrued or incorrectly implemented. For more clarification on the different legal roles you might find yourself in as a caregiver, see the sidebar, [Legal Matters](#).

### Next steps

> Plan well in advance. Anticipate that one or both parents could require your assistance sooner than you think. For some, the foray into caregiving comes slowly, starting with short-term needs such as care following a surgery, and then stretching on for years. "Take a long-term view, even

### Legal Matters

**POA:** A Power of Attorney has authority to represent or act on another's behalf in legal or financial matters.

**Fiduciary:** Someone who manages financial assets on behalf of another person. A fiduciary is required to act in the best interest of the beneficiary.

**Trusted Contact:** A trusted resource for financial services firm to contact in the event they suspect a client may be mentally incapacitated (unable to make rational decisions) or transacting under the influence of financial exploitation. The contact has no authority to transact or act on behalf of an individual.

**Trustee:** A person or corporate agent that is accountable to the beneficiaries of a trust for ongoing management and distribution of assets.

if it seems like a short-term situation," Purze suggests. "This gives you a great opportunity to plan for the inevitable future, which may be much closer than you think."

- > Meet with a financial advisor to review and ensure that everything is in order with finances, including titling and ownership of assets. If you can't convince your parents to accompany you to the meeting, a financial advisor or estate planning professional can map out potential scenarios to help form a comprehensive plan for yourself.
- > Dive into the libraries of relevant resources online, such as [this one from the Consumer Finance Protection Bureau](#).
- > Remember to consider the effect of caregiving on your own finances and emotional well-being. While planning ahead can alleviate the toll that caregiving takes, it's essential to ensure that your own financial health remains in good shape.

<sup>1</sup> Family Caregiver Alliance, National Center on Caregiving: Caregiving Statistics, 2016

<sup>2</sup> National Alliance for Caregiving and AARP (2009) Caregiving in the U.S.

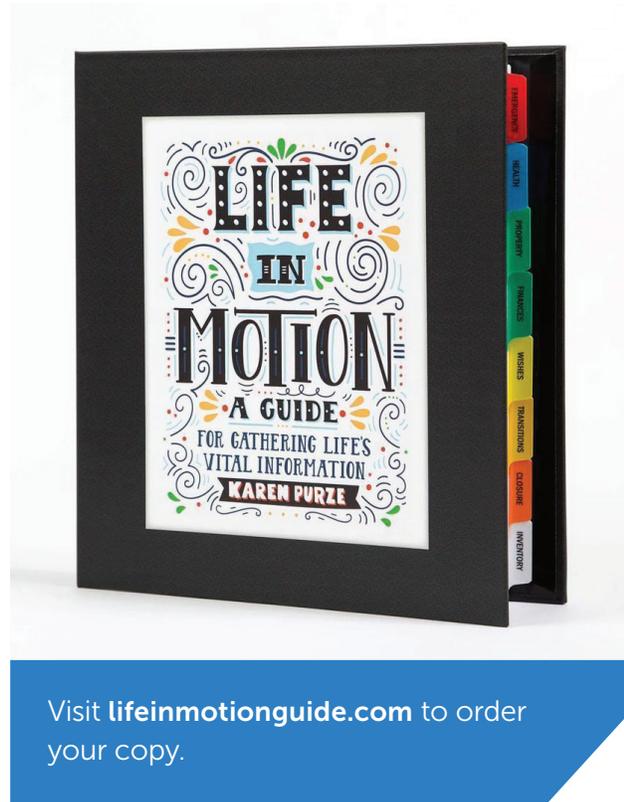
<sup>3</sup> AARP.org, "Women Caregivers: In a League of Their Own," October 15, 2018

## Leave a Roadmap for Your Loved Ones

Create a complete picture of your health, household, finances, and final wishes so you and your trusted advisors have ready access in times of transition, emergency, or death. *Life in Motion* is a guided workbook to help you get your personal information organized.

The hardcover binder has over 40 forms, checklists and inventory sheets in eight tab-separated sections:

- > **Emergency Plans:** document a plan in case of medical or other emergency
- > **Personal Health Record:** record important medical and insurance information
- > **Property Information:** store key info on property, vehicles, and non-financial assets
- > **Financial:** document what you have and what you owe
- > **Final Wishes:** express preferences for how you'd like to be remembered
- > **Transitions:** explore end-of-life topics
- > **Closure:** understand the estate settlement process
- > **Document Inventory:** log where important files and documents are stored



---

*Calamos Wealth Management's "Women & Wealth" initiative was founded by our women advisors to educate and empower women through financial independence. Our women (and men) wealth consultants offer a holistic approach to wealth management, assessing a client's unique challenges and retirement goals with consideration of their personal values and investment principles. Calamos Wealth Management distinguishes itself from other firms by its entrepreneurial-minded culture, which it has established and cultivated since its inauguration.*

---

Calamos Wealth Management and its representatives do not provide accounting, tax or legal advice. Each individual's tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation. For more information about federal and state taxes, please consult the Internal Revenue Service and the appropriate state-level departments of revenue, respectively. This information is provided for informational purposes only and should not be considered tax or legal advice.

You should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized advice from Calamos Wealth Management LLC. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. Calamos Wealth Management LLC is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. If you are a Calamos Wealth Management LLC client, please remember to contact Calamos Wealth Management LLC, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. A copy of the Calamos Wealth Management LLC's current written disclosure statement discussing our advisory services and fees is available upon request.

CALAMOS<sup>®</sup>  
WEALTH  
MANAGEMENT