

# Three Phases of Family Caregiving

Financial planners are pivotal in helping family caregivers prepare for, endure, and recover from caregiving obligations

By Danielle Miura, CFP®, EA



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*her caregiving experience, she realized how complex family caregiving can be, from making hard decisions to remembering to care for herself. As a former sandwich generation family caregiver, she is inspired to help financial advisers learn how to better serve their caregiving clients. If you are looking for more resources to help you serve family caregivers, visit Danielle's blog for financial advisers: <https://spark-fin.com/blogs-for-advisers>.*

**WHEN MY HUSBAND** had the opportunity to work remotely, we moved from our place in Los Angeles to be closer to my family. I was hoping that by moving closer to home, I would have free babysitters, a quiet and safe place to raise our daughter, and a place to officially call home. A month after moving into our home, my grandma fell on the tile floor and broke her hip.

That tile floor must not have liked me because that fall became my first official day as a family caregiver. At the time, I was only 25 years old. Since then, I have realized how complex family caregiving can be, from making hard decisions to

remembering to care for myself.

I've heard countless excuses from financial advisers about why they don't help their clients plan for caregiving, like, "My clients are too young to need to prepare for family caregiving," "It's too complex; I don't know where to start," or "I just don't have the time."

## Why Should You Address Family Caregiving?

Addressing family caregiving in your practice is not just about financial stability; it's about the well-being of your clients. Ignoring or avoiding this issue can disrupt their financial plans, leading to unexpected expenses and strain on their finances. By dedicating time to caregiving discussions, you build trust and satisfaction and provide a much-needed support system, fostering long-term relationships.

With the rising aging population, the need for family caregiving is becoming increasingly prevalent and unavoidable. By taking a proactive approach and integrating caregiving planning into your practice, you can mitigate potential future crises. Planning for family caregiving ensures better preparedness and comprehensive financial security for your clients, ultimately benefiting them and your business.

By sharing my story and providing tips, I hope to give you some insight into how to help a client prepare for, endure, and rebuild their life after caregiving.

## Who Is a Family Caregiver?

Before we start with my tips, I think it's essential to break down the term "family caregiver." A family caregiver gives care to family or friends, usually unpaid. Their tasks may include assisting with activities of daily living, transportation, grocery shopping, housework, and preparing meals. According to a study by AARP (2020), family caregivers are estimated to number over 53 million adults in the United States.

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Family caregiving can take many forms, such as caring for a child or an older adult. In this article, the advice is geared toward helping an older adult.

Many caregivers you serve may be going through the motions and are unlikely to mention their caregiving role to those close to them. Even though new caregivers are not obligated to share their caregiving experiences, they need to understand how their emotional, financial, and physical well-being has or will be impacted.

Caregiving can impact your clients in multiple ways. I've seen caregivers have to:

1. Take more work breaks or leave their workday early due to doctor's calls, emergencies, or anxiety.
2. Decide whether to save for their retirement or pay for their loved one's long-term care.
3. Choose between caring for their loved ones or caring for themselves.

It is imperative to help your clients plan accordingly to ensure that they are prepared for the emotional, financial, and physical impact of family caregiving.

## How Do You Know If Your Client Is a Caregiver?

Ask these two simple questions:

1. Do you worry about the health and well-being of an elderly or vulnerable individual?
2. Have you been helping an elderly or vulnerable person with their daily activities (cooking, medication management, driving to doctor's appointments, etc.)?

If your client answers yes to both questions, then they are likely to be a caregiver.

When clients mention responsibilities or concerns related to aging parents, disabled family members, or long-term care needs, it is often a signal that you need to discuss family caregiving. For example, "My parent recently had a hip replacement," "My mom moved in with us temporarily," or "My baby is in the NICU." Indicators can also include discussions about health issues, changes in living situations, employment challenges, or financial strains. By being proactive—noticing signals and incorporating annual discussions about caregiving into your yearly meetings—you help your clients prepare for potential future caregiving responsibilities.

## Preparing for Caregiving

My grandfather tucked himself into bed, telling my grandmother his last words, "I had a great night." The following morning, my family unexpectedly said our final goodbyes and made a pact to take care of my grandma.

My mom and I gathered documents, asked about my grandmother's wishes, and delegated who would do which caregiving roles. Unfortunately, five years

after my grandfather's death, my mom and I soon realized that no one could ever be ready for caregiving.

Many caregivers have time to prepare to be caregivers. However, many don't understand how being a caregiver will impact their lives or the necessary steps to prepare.

Your client is more likely to be a caregiver if they are:

- Listed as a power of attorney
- An only child
- Childless or childfree
- A minority
- More emotionally close than other siblings
- A daughter who lives closest in proximity

The easiest way to determine if a client will likely be a caregiver is to ask who is important to them. Then, follow up by asking what the client would do if you found out that person was heading to an emergency. Some examples could be meeting them at the hospital, getting their hospital bag ready, or paying their medical bill.

### *Prepare Their Loved One for Receiving Care*

At a minimum, encourage your clients to help their loved ones complete or renew estate documents, review long-term care options, and set up automatic billing. If you can take it further, offer to meet with your client and their loved one.

Help your clients plant seeds for the hard conversations they may encounter, like long-term care and end-of-life wishes. According to a study by HCG Secure (2022), a long-term care and home health-care product designer, most respondents have not spoken with a family member or loved one about their long-term care wishes.

In these conversations, remember that it's OK not to be the expert in the room. Instead, come with a beginner's mind, actively listen, and explore scenarios that might impact both parties. For example, if

your client's loved one has requested to age in place, ask if they have considered whether they can safely reside in their home if they become a wheelchair user. What changes can they make today to prevent future barriers in providing care?

### *Prepare Your Client for Giving Care*

Financial advisers focus so much on a client's numbers to pay for long-term care that they often fail to consider how someone else's long-term care plan could affect their client. When considering worst-case scenarios in your client's retirement plan, remember that inflation and market performance are not the only significant influences. It's also important to model how their finances could be impacted if they have to take unpaid leave, quit their job for several years, retire early, or pay the balance if their loved ones can only pay for a portion of their care.

Derived from recent research, here are some of the questions I suggest to brainstorm with family caregivers:

#### **What if your client dies before their loved one?**

Does your client have a binder of information to pass to someone else to care for their loved one? Is there a secondary power of attorney listed for their parent? Are your client's end-of-life and estate wishes defined?

**What if your client's health declines?** If they need more doctor visits, will they need higher coverage, or does your client have enough money to cover the out-of-pocket copays? If your client needs respite care, is there someone they can ask for help? When will your clients know they need self-care?

**What if your client has to dip into savings?** Where will they pull money from first? How may tax implications affect where they pull money from? What are their financial and personal boundaries if your client dips into savings to help their loved one with care?

Preparing isn't always financial. Now is also the time for your client to create a healthcare routine, work with a therapist to learn about setting boundaries, work on self-care, and develop a team that will be there when caregiving gets tough. For example, if your client is responsible for caring for a young child but is asked to take a parent to a doctor's appointment, how would they find a balance of care between the two parties?

### **During Caregiving**

My first couple of weeks of caregiving were a blur. I remember only two things: learning transferring techniques with a bed sheet and making many trips to Walgreens to get adult diapers.

After I started caregiving, I wondered why I had never learned how to care for an aging loved one. Taking care of a loved one seemed like an essential thing everyone should know, but I was clueless.

I wish I had known these three things before caregiving:

1. Don't hesitate to rent a hospital bed when your loved one gets out of the hospital. These beds can be beneficial for caregiving and are pretty inexpensive.
2. Create a guide for care workers about where things are located, specific medical needs, and emergency contacts.
3. Accept that finding suitable care workers who will provide consistent help takes time.

For many new caregivers, it is natural to feel like they are a fish out of water. You can help your caregiving clients feel more at ease in many ways.

### *Know the Warning Signs of Caregiver Burnout*

Anyone providing care for another person, whether through occasional, long-distance, or hands-on care, can experience caregiver burnout. It occurs when the caregiving experience is overwhelming and the

caregiver lacks the support (mentally, physically, emotionally, and financially) to successfully care for both themselves and someone else.

Caregivers often become accustomed to the stress, worry, and discomfort of caring for a loved one. As a result, they may not know the warning signs of caregiver fatigue until it starts affecting their health and ability to provide care.

Signs of caregiver burnout can include having a short fuse, sleep problems, significant weight change, physical ailments, and social isolation. If your clients experience these symptoms regularly, they may need extra support or time for themselves.

**“When developing a family caregiver’s role on the team, consider the dichotomy between being a caregiver and a family member. How do they make space or create division between these two roles?”**

### *Create a Money System*

When caregiving gets tough, money tends to fly out the window. Helping family caregivers develop a budgeting system that is well suited for them can help relieve the fear of running out of money or feeling less control over their finances. If they are a POA, they may be in charge of tracking someone else's bills, receipts, and cash flow system. When a caregiver is overwhelmed, it's easy for paperwork to get lost. Setting up a “Get Organized” meeting with your client and their loved one to organize documents and create a filing system might be helpful.

## Caregiving Resources

**I was lucky to have great resources** during my caregiving journey. Here is an essential resource list you can have in your pocket, ready to help caregiving clients:

- Learn about their loved one's health condition (e.g., the Alzheimer's Association or American Cancer Society)
- Learn how to provide proper care (e.g., Adaptive Equipment & Caregiving Corner or hands-on instruction from a local care worker or medical professional)
- Locate a caregiving support group (e.g., The Caregiver Space, Facebook groups like The Healthy Caregiver, or [www.agingcare.com](http://www.agingcare.com))
- Gain community resources they can rely on (e.g., Meals on Wheels, senior centers, and Area Agency on Aging)
- Access to therapy directories like Psychology Today or the Financial Therapy Association
- Find a directory for geriatric care managers, professionals who work with older adults and their families to identify needs, make a care plan, and find services in the community (e.g., Aging Life Care or National Care Planning Council)

### *Develop a Solutions Fund*

A solutions fund is a separate bank account for boredom, breaks, and backup plans. Family caregivers can more easily hire services like adult day care, cleaning services, pampering services, educational classes, or a counselor if they have set up a monthly, automatic contribution to the fund. Advise them to ask family members to contribute—in appreciation of the caregiver's services—to the solutions fund.

### *Understanding Their Role in the Care Team*

A person might have one distinct role in the care

team or handle all caregiving tasks. Either way, it's essential to understand their specific duties and how their finances play a part in carrying out each role. For example, suppose they are in charge of taking their loved one to all their doctor's appointments. In that case, they will have to be in charge of collecting medical documents, advocating for their loved one when making medical decisions, and potentially taking time off of work to attend appointments. If they are a POA, encourage them to schedule an appointment with an elder care attorney to ensure they properly manage their loved one's finances.

Even though it's common to have one person carry the majority of the roles in the team, it's essential to build a team that includes a geriatric care manager, tax professional, money manager, and estate attorney (in addition to you, their financial planner) so caregivers don't feel alone in navigating caregiving. Once the team is developed, it's vital that your client coordinates with their loved one's team to decide what tasks are needed, how they will be distributed, and what the procedure should be in the event of an emergency. It might be helpful to assist your client in writing a list of essential people in their loved one's life, like their children, neighbors, or friends. Then, when help is needed, they can go through the list.

When developing a family caregiver's role on the team, consider the dichotomy between being a caregiver and a family member. How do they make space or create division between these two roles? In addition to my caregiving duties, I stopped by my grandma's house randomly, bringing my daughter over with no expectations or agenda to spend quality time with her.

### **After Caregiving**

Caregiving was a big part of my life. When my grandmother passed away, I felt like some of the

meaning of life was taken away from me. Many of us wonder where the care goes when the caregiving ends. It took me six months of soul-searching, therapy, and self-care to feel normal again.

**“Addressing family caregiving with clients may be challenging, but it is crucial for strengthening client relationships and fulfilling our fiduciary responsibilities.”**

*Providing Emotional Support*

Loss after caregiving can be tremendously challenging. Most financial professionals aren't trained in providing therapy. We can, however, offer a safe space to share stories. Use open-ended questions that invite your client's story and follow their lead, allowing clients to open or close the door as they please. If your client decides to close the door, at least you have differentiated yourself by raising a topic most people would ignore.

Invite your client to address their fears. For example, ask, “What keeps you up at night?” or “What worries you about the estate process?” Naming and writing down the fear can help clients feel less threatened and think more clearly. Then, brainstorm ideas to create a safety plan. Developing a safe space where clients can share stories and address fears will build a trusting relationship where clients feel safe to come to you when their executor journey creates roadblocks.

*Revisiting Goals*

As your client focuses on their new life after

caregiving, give them time to reacquaint with their renewed self. Using these prompts, you can help your clients allocate their time and money to interests that will make their lives more fulfilled:

- I'm happiest when \_\_\_\_\_.
- I've forever aspired to \_\_\_\_\_.
- Without financial concerns, I would \_\_\_\_\_.
- My ideal retirement would involve \_\_\_\_\_.
- The most significant people in my life are \_\_\_\_\_.

Evaluating your client's answers to these statements can help you discover patterns. For example, if their answer to more than one question is traveling or spending time with their family, ensure those things are considered part of their plan.

*Assisting with Estate Administration*

After loved ones have passed away, the family caregiver is often called into the executor role. I call this stage the seventh stage of caregiving. Many family caregivers feel like they can catch a breath from caregiving, but they are often burdened again when they realize how complex closing an estate can be.

The first step in any estate process is to take inventory of all the assets. Some assets, like a personal residence, might be easy to realize, while hidden accounts, safe deposit boxes, jewelry, and credit card bills can be harder to find. Before your client runs around trying to marshal all the assets, help them brainstorm what assets their loved one had. Create a spreadsheet with the assets, title on the property, the date of death value, the value of the deceased person's share, and whether the item is liquid or illiquid.

After the estate is sorted, you can help your client:

- Determine the liquid cash available to hire professionals and pay expenses
- Consolidate accounts as needed

- Evaluate which assets need to be appraised
- Pay potential estate or inheritance tax
- File final and trust tax returns
- Review the deceased's insurance policies

Sorting through the estate can be complicated, and significant errors can be made without proper due diligence. Ensuring that assets are consolidated and distributed correctly can help.

### *Finding Peace Amid Pain*

The death of a loved one is not like ripping off a Band-Aid and immediately returning to a peaceful life. Patching old wounds from not taking care of themselves during caregiving is painful. Depending on their health condition, your client may live with the consequences for the rest of their lives.

I, too, went through caregiver burnout. Caregiving caused me to develop diagnosed medical issues that prevented me from continuing to care at the level I wanted. I have been working toward patching these wounds, but these medical issues continue today. My medical issues are a reminder to myself of the hard times, my strength, and always to make myself a priority. I have found peace amid my pain, but many are still working toward finding peace.

### **Bottom Line**

Financial planners are pivotal in helping family caregivers prepare for, endure, and rebuild their lives after caregiving. Addressing family caregiving with clients may be challenging, but it is crucial for strengthening client relationships and fulfilling our fiduciary responsibilities. By proactively planning for caregiving, we not only protect clients' financial stability but also demonstrate empathy and a deep understanding of their real-life challenges. Furthermore, helping clients build

a supportive caregiving network and providing tailored solutions for potential financial strains enhances their well-being and peace of mind, solidifying our role as comprehensive and compassionate financial advisers. ■

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