

How Caregiving Impacts AUM

Presented by

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Speaker background



Annalee Kruger

- **Care Right Inc**
 - **Virtual consultancy helping family caregivers and their aging loved ones develop customized Aging Plans**
 - **Crisis Management Solutions**
 - **92% of clients are in crisis**
 - **85% require my mediation skills**
 - **Range from DIY Aging Guide to white glove approach consulting**
- **Author of The Invisible Patient: the Emotional, Financial, and Physical Toll on Family Caregivers**
- **International speaker on aging, caregiving, dementia progression**
- **Plan4LifeNow**
 - **Created a 10-week on-line certification program for CFP's**
 - **Elder Planning Specialist**
 - **Train advisors how to better understand aging, caregiving and impact on AUM, dementia (diminished capacity), family meetings, using collaborative approach, building elder team of trusted professionals to refer clients to, marketing yourself as an Elder Planning Specialist – Niche advisory skills vs general practitioner**

Why Advisors Should be Concerned with Aging Issues

- **Life expectancy on the rise**
 - Retirement can exceed 25 years
- **Number of Americans age 65+ has nearly tripled in last 50 years**
- **Diminished Capacity**
 - Red flags/concerns
 - Costs of Care
 - Dementia known as the most expensive diagnosis
 - Caregiver Burnout
- **Protecting your practice!**
 - Legal Issues (sued by adult children)





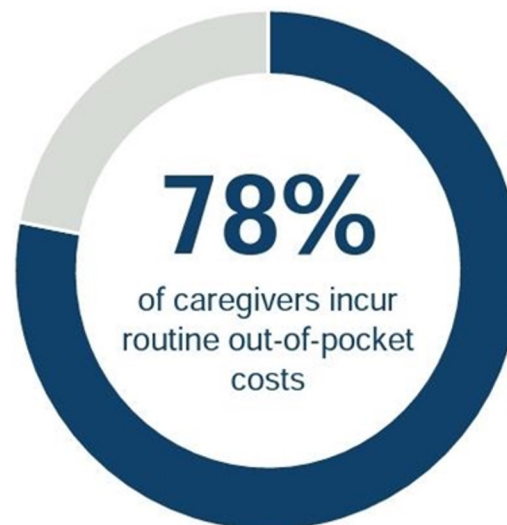
How Caregiving Impacts AUM

- If the caregiver is funding the care recipient, they are not funding their retirement account to its fullest potential
- If the caregiver quits their job to caregive
- If the caregiver doesn't have their health, they don't have their wealth
- If Ethel and Marvin end up moving prematurely into a nursing home because they simply didn't have an Aging Plan/enough supports in place at home, they are paying nursing home care costs
- If elderly spousal caregivers—caregiver burnout/higher mortality rate

Statistics

2021 research from AARP on Financial hardships

- 78% of those caring for an adult family member are facing regular out-of-pocket costs
- Average annual spending totaled \$7,242 or an average of 26% of the caregiver's income
- Housing expenses like rent or mortgage payments, home modifications, and assisted living made up more than half of caregivers' spending, followed by medical expenses at 17%



Caregivers spent, on average,

\$7,242

Of their own money on caregiving expenses.



On average, caregivers spend a quarter of their annual income on caregiving expenses.*



Statistics

2021 Genworth Study - on family caregivers

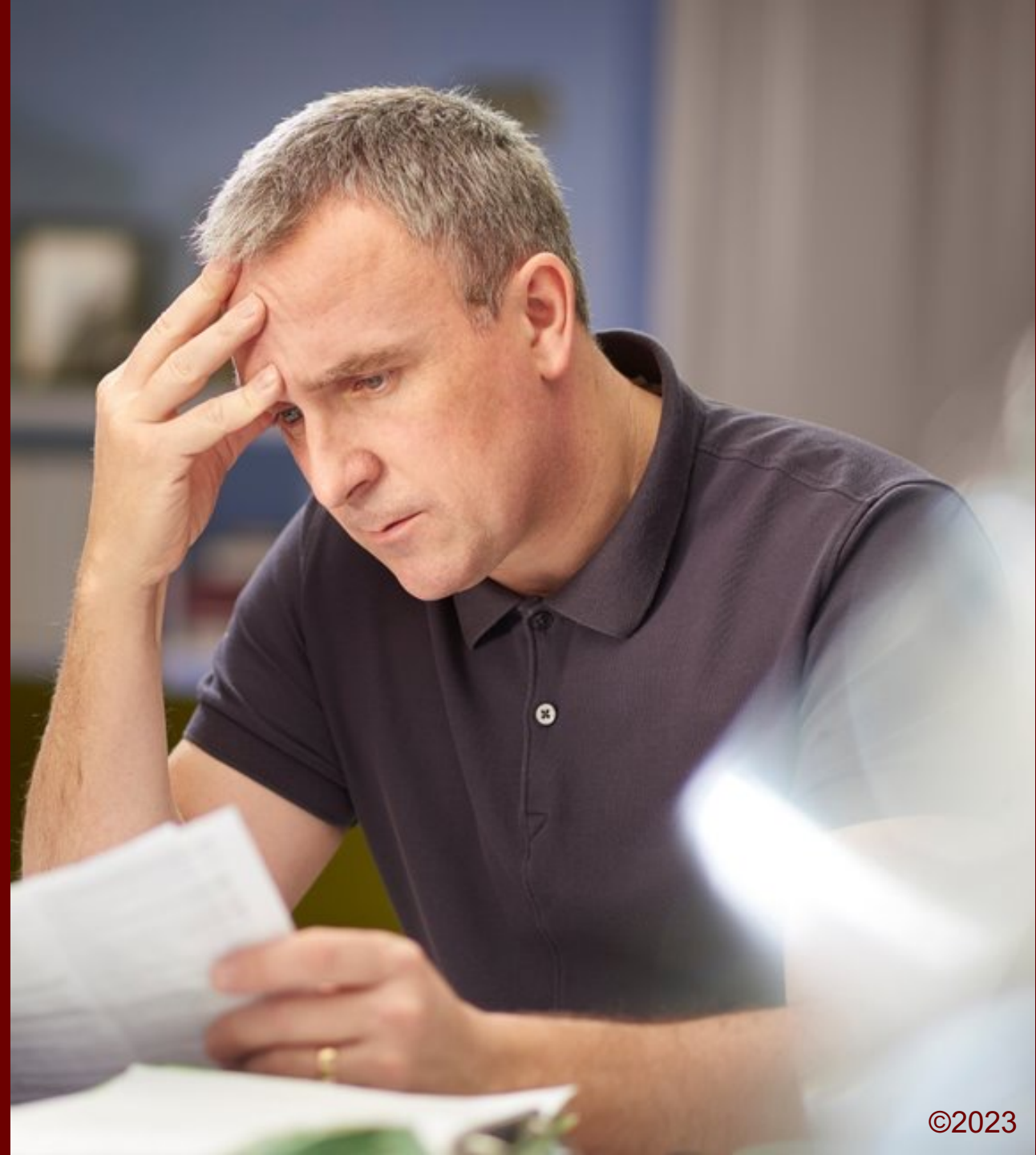
- **Adult kids are having to pay out of pocket and are not able to contribute to their own retirement funds**
 - **55% of caregivers were employed full time when their loved one required care**
 - **51% of these caregivers reported that providing care had “negatively affected” their ability to satisfy the requirements of their employment**
 - **46% had to work fewer hours**
 - **30% missed career opportunities**
 - **63% are helping fund their aging parents' needs**
 - **42% reduce their contributions to their own savings/retirement**

Crisis Scenario for Advisors

You receive a frantic call from your client, John.

- John's mother just had a major stroke and has been hospitalized.
- John's mother is the primary caregiver to her husband who has dementia.
- John lives a flight away from his parents.
- He realizes that he does not have any idea what their financial situation is.
- He is unaware of where any of their documents are located or if his parents have long term care insurance.
- John is overwhelmed and does not know what to do.

How would you handle this scenario as a financial advisor, if you received this crisis call?



Using a Collaborative Approach

- **Holistic planning**
- **Add value to financial services**
- **Develop relationships/partnerships with trusted professionals**
- **Deepens the relationship with client**
- **Shows you care about more than portfolio**
- **Family meetings improve communication**
- **Proper supports are put in place for parents AND for their adult children**
- **Understanding aging, dementia progression, care options, and important documents**

Questions to ask your clients

Adult children clients who are at risk of caregiving

- Are you a family caregiver?
- Is there anything in your personal life impacting your career, finances, health, and relationships?
- What conversations have you had with your family about aging?
- Are you power of attorney for you parents?
- Do you know what your parents have in place?
 - Grab and Go binder
- What are your biggest stressors/what keeps you up at night?





Question to ask your clients

Senior clients

- What conversations have you had with your children about aging and potential care needs?
- What challenges do you have in your day-to-day living?
- Are you a caregiver to an ill spouse?
 - 65% mortality rate
- Encourage to meet their children and have a family meeting
- Adult children tend to move the account and assets when their parents pass IF they don't know about the advisor
 - Grab and Go binder

Grab and Go Binder

- Provides the opportunity to review existing documents and update if needed
- Helps the adult children identify gaps in their long-term planning and become more prepared
- Each tab works as a "family agenda item" for families who may want to try to facilitate their own family meetings
- Documents/paperwork in order
 - Accounts/passwords
 - Estate documents
 - Funeral arrangements
 - VA forms





Aging Strategy/Plan

Caregiving and aging **CAN BE** a positive experience IF families have an Aging Strategy/Plan

- Preferably **PROACTIVE** vs **CRISIS**
- “Red flags” you're seeing now will only increase
- We don't get healthier/stronger as we age
- Families tend to think they always have more “time” to figure things out or takes several (seems to be 7) medical crisis/ER visits/falls for families to realize things aren't going well
- Care Right helps and guides families how to develop customized Aging Plans and Strategies

Elder Planning Specialist Certification

- Partnership with National FPA
- 10-week online program
- Educate advisors about aging, dementia, caregiving, end-of-life, family meetings, how to differentiate from other advisors, and how to grow your business specializing in seniors
- www.Plan4LifeNow.com



Contact Information



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Virtual since 2012

Resources for you, your team, and your clients:

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Plan4LifeNow

**Invisible Patient: the Emotional, Financial, and Physical
Toll on Family Caregivers**

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