

# Cherry Tree Wealth Management

*(Formerly Adam Smith Advisors)*

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## **CHERRY TREE WEALTH INSIGHTS:**

*Published by Keith Tuft, President of Cherry Tree Wealth Management, LLC,  
with insights on investing and wealth management.*

### INVESTING QUOTE OF THE MONTH:

*“The best classroom in the world is at the feet of an elderly person.” –Andy Rooney*



## **CARING FOR AGING PARENTS**

The number of people caring for an aging parent has soared over the past 15 years. Caring for your aging parents is the nice thing to do, and many consider it their duty. It can also rob you of your time, financial resources, and your own experiences. The caregiver role can quickly take over your whole life. These personal sacrifices can lead to bitterness and family relationship problems, causing ill-will towards the people you love and have promised to help. The following is advice on caring for elderly parents from experts and people we know who have lived through it.



Understand exactly how much care is really needed, and what type. What can they still do for themselves, and what might they need help with? Visit them often to detect any changes in the level of care that is needed, including the caregiver stress of one parent caring for the other. Come up with a “caregiver plan” about who will be doing what care, and when, to be sure they are well taken care of. There are a number of resources to help including online resources, churches, the medical community, the county government office, and the MN Senior Linkage Line (800-333-2433). Consider not just their physical and medical needs, but also their emotional and social needs as well. Some examples of types of help they may need include grocery shopping, transportation, housework, meal preparation, finances, doctor visits, lawn/snow service, dressing, eating, taking medications, bathing, and yardwork.

Think very carefully before quitting your job to care for your parents. Quitting early will affect your current income, your retirement savings, reduce your Social Security income, add to the number of years you need to live off your portfolio, and could cost you some valuable benefits such as health/life/disability insurance. Be realistic about the amount and kind of care you can provide without harming your own health (mental, financial and physical).

Learn about Medicare, Medicaid, and health insurance. Medicare does not cover long-term care costs (except in limited circumstances and for very limited time). Medicaid does cover nursing home costs, but it is a difficult and lengthy application process, many of the better facilities are not covered, and assets must be spent down to only \$3,000 to qualify. Keep organized and detailed records of all doctor visits, calls, bills, payments, etc.

Many elderly people want to stay in their own home as long as possible. Make their home as safe and accident proof as possible. An elderly friendly home has night lights, railings, grab bars and non-slip pads in the bathroom, is wheelchair accessible, and doesn't have unnecessary furniture or wires/cables/rugs to trip on. Help them get rid of non-essential things and de-clutter. There are many home-based elderly and medical care service providers that can help take care of mom and dad. Be sure to check out home caregivers carefully with background checks and referrals, and then check up on them periodically yourself.

If your parent needs or wants to move into an elder care facility, it is nice to find one that provides for many different levels of care (independent living, assisted living, skilled nursing care, and memory care) so they can stay in place while moving to more extensive care as they need it. This is especially important if both of your parents need different levels of care, so they can still be in the same facility and see each other. Check on the quality, cost, and availability of each level of care in the facility, as they may not be the same.

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Many of the best facilities can have waiting lists of 1-2 years or longer, so get on the list early. Nursing homes can cost as much as \$100,000 per year, which can quickly drain the finances of many elderly people. People with Alzheimer's/dementia may require significant long-term care for 10 years or more. Have a plan for the next "phase" of care, as it may arrive suddenly. Many people find a facility for their parents located very near them, so they can more easily and frequently check on them.

Have the "conversation" with your parents about getting a "durable" power of attorney and a healthcare proxy so you can make decisions for them if/when it is needed.

Have the "conversation" with your parents about getting a "durable" power of attorney and a healthcare proxy so you can make decisions for them if/when it is needed. This needs to be set up before they are impaired or really need it. Check to be sure they have a will, and that their beneficiaries are up to date. Help them get organized and share with you their financial account documents, estate planning documents, online access passwords, safe deposit boxes, etc. If they are still driving, they should have an umbrella liability insurance policy. Be on guard for financial scams that often target elderly people.

Set boundaries with your aging parents (and your own spouse) on what you will and will not do, and how you will be treated. You will still need to have balance in your life, or you will become burned out quickly in your caregiver role.

A big part of eldercare is having a careful plan for drugs/prescriptions. Not taking or incorrectly taking medications is a common and serious problem. Another touchy issue is driving and transportation. Uber is a nice and affordable option now for some elderly people, and could be a substitute for a car (or a second car). Try to keep your parents involved in social activities and health/wellness/exercise activities as long as possible. Having social interactions and a healthy lifestyle are critical to staying healthy and happy in the older years.

Get help from other family members, and from professionals. You cannot do it all yourself. Discuss the care you plan to give your parents with your spouse/kids to be sure they understand and are on board, as it will affect them too (especially if they are living with you). Talk with other caregivers through support groups online ([www.agingcare.com](http://www.agingcare.com)) or in person. Take turns with your siblings, and have someone give you a break or assist with certain chores/tasks. Consider adult day-care which provides care and socialization for them, and much-needed rest for you. Automate as many errands as possible (automatic bill paying, etc.). Take breaks and enjoy life yourself on a regular basis.

Be positive. Encourage them. Enjoy their company. Be discreet and sensitive about their problems and shortcomings. Getting old and losing skills and independence is more frustrating for them than it is for you. Love your elders. They have loved and cared for you for all these years, and now it is your turn. You will be very happy you did.

*Cherry Tree Wealth Management, LLC (CTW) provides unique wealth management services for a select group of client families to help give them peace of mind. Author Keith Tufte, (President of CTW) has over 25 years of successful investment management experience as a Wall Street Analyst, Mutual Fund Portfolio Manager, Director of Equity Research for a major mutual fund firm, Hedge Fund Portfolio Manager, and Wealth Management Advisor. Please FORWARD this e-mail to friends/relatives/business associates that you think may have an interest. Please see our website at <http://www.cherrytree.com>.*

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