

Caring for Aging Parents

Most women of this generation are juggling so many responsibilities, from working, to being busy mothers, daughters, wives, friends, and so much more, and thus they are called the sandwich generation.

Today, we will talk a bit more about the unique challenges of the sandwich generation, particularly as it relates to the responsibilities of caring for aging parents amidst your many other responsibilities.

The sandwich generation refers to middle-aged people, 30-59 years old, who are taking care of both their parents and their children while funding all the related expenses. They are, in effect, caught between childcare and elder care, thus the reference to sandwich.

They are likely stressed about the health of their parents. They may very well be saving for one or more children's futures. Often, their own problems and issues take a back seat due to all these conflicting responsibilities.

Unfortunately, dealing with ill and aging parents is a heartbreaking reality that most of us will have to cope with. Being sandwiched between the two generations adds a lot of additional financial pressure, often resulting in women having to put their own financial goals on hold to provide for both their children and parents.

Elderly parents include both your own parents or your in-laws or even any loved elderly individual in your family. Members of the sandwich generation are under severe financial and emotional stress due to the added pressures of managing their own job and personal lives, all while trying to save for their own future.

In fact, a recent survey found that 89% of India's sandwich generation is suffering from some level of stress. More than half of those surveyed felt that they weren't doing well financially. It's important to remember that the financial toll can be just as significant as the time commitment and emotional toll.

Interestingly, it isn't always about how much you've actually **spent** caring for them but is also about how much you may have also **lost** caring for them. For example, you may have skipped work one day to care for a sick child or struggling parent.

As a result, it may leave a negative impression on your employer, and you may be passed over for a promotion in the future. It's not always easy to see some of these impacts immediately, but these are also the costs of being a part of the sandwich generation.

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This is where planning is crucial: what if the elderly parent you are taking care of now has dementia or has some health issues that need to be managed? Not only can it drain your cash flow, but it can impact any savings you may have, and it can also impact your income as you may have to take unpaid time off work. If your parents are not insured themselves, there are also final expenses at the time of their passing.

Some of the ways you should begin financial planning to support elderly parents include:

1. Having a discussion with your parent(s) and understand their current situation, so you are more aware of how you need to budget and plan
2. Determining the cost of caring for your elderly parents and start saving accordingly
3. Reviewing their plan and determine how to fill in the gaps
4. Updating your tax filing status to include your parent(s) as dependents

As parents age and experience physical and/or cognitive decline, they may require assistance with day-to-day activities like grocery shopping and errands, paying bills and going to medical appointments. When it's no longer safe for aging parents to live on their own, then it may be time to either hire a caregiver, move in with your family or for them to move to assisted living, all of which can be quite expensive.

Furthermore, moving a parent and selling a family home are both big projects and can consume a lot of a caregiver's time. Developing a long-term care plan and ensuring that your parents are appropriately ensured are things that you should be doing at this point.

Elderly family members have a higher likelihood of being victims of financial abuse and fraud, much more so than our own generation. Today, identity and credit card fraud, for example, are so prevalent, and we are trained from an early age to be on the lookout for this. In fact, many of us may have been the victims of credit card fraud already due to both the frequency with which we transact online and the increased technology sophistication of criminals.

To prevent our aging parents from being victims, it's important to constantly review and monitor their finances on a regular basis, looking out for any unusual transactions, like large withdrawals or transfers, monthly subscriptions for services or other unusual charges to credit cards. It's also a good idea to remind them NOT to provide any personal information to anyone on the phone or online, and that there are a lot of scammers out there.

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One of the key challenges that many of us face today is debt. Unfortunately, women in India are more susceptible to debt than men are. It is so easy to get mired in debt, which is readily accessible nowadays, and to have this debt snowball and cause undue stress. This makes understanding and managing debt extremely important, and the earlier you learn and practice good debt habits, the better.

If you're facing soaring debt and the stress of an aging parent and growing children, I advise you to determine the best way to pay down your debts as quickly as possible while ensuring you save for emergencies. The best way to pay down your debt is with a strategy. One common strategy is to determine which loan has the highest interest rate and pay it off first. Another is to pay off your smaller bills first then concentrate on the bigger loans.

As those debts come down and are eliminated, then those payments can be used for other financial goals, like building your emergency fund or putting money away for your children's education.

Ideally, one should aim to be debt-free or carry only a minimal amount of debt, but it IS so easy to allow debt to creep up on you. If you haven't done so already, I advise women to investigate health insurance. Caring for elderly parents or relatives can be very challenging. Planning in advance, assembling a support team, and ensuring a focus on life balance are key to surviving and thriving for the sandwich generation.

Now more than ever, women trapped in this generational sandwich need to have support. It's also important to research the resources available in your community and to start to plan for the care of your aging parents. Considering trained help is an option that is often overlooked, not just because it can be expensive but also because we feel that they may be perceived as shirking our responsibilities.

Remember that if you're not comfortable doing it on your own, consider hiring a specialist to help you design a retirement plan that is tailored to you and your family's specific needs. An advisor can assist you in identifying strategies to save and grow your money and to ensure you meet your goals for the future.

We are so good at looking after others, but often not so great at looking after ourselves. If the recent pandemic taught us anything, it is that life is fragile and uncertain. On a more sensitive topic, talking to your aging parents about getting their will done or planning for their imminent passing are not the types of discussions that are easy to have.

In fact, planning for the protection of your parents' estate and loved ones today is one of the most important things you can help them do if they haven't done so already.

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By creating an estate plan, you can ensure their wishes are carried out in the future rather than leaving decisions up to either loved ones as they grieve or to the courts. With just a little thought and preparation, your parents can save their loved ones a lot of time, stress, and conflict, not to mention potential legal and financial challenges, upon their passing.

By addressing estate planning issues now, they can determine how their assets are distributed, both during their life and upon their death. Estate planning outlines the critical medical, financial, and personal decisions they would like made on their behalf in the event they are incapacitated and upon their death.

It also enables you to minimize estate taxes and other costs and avoid probate, which is the approval and transfer of administration of estate assets upon their death. Indeed, nobody likes to think about their own passing, but it's an inevitability of life. Therefore, it's imperative that you plan, in advance, for being incapacitated and for your passing. What other estate planning steps do you advise aging parents to take in developing a plan to protect their loved one?

- Compile the essential estate planning documents, including a will or trust, beneficiary designations, a power of attorney, a healthcare power of attorney, guardianship designations and a letter of intent, among others
- Take inventory of all their assets and possessions and include a detailed list with their will. Remember to include their investment and retirement accounts, and outline to whom they would like their personal possessions to go
- Plan for taxes, even if they don't have a large sum of money or significant assets to pass down
- Ensure they are adequately insured to care for their loved ones upon their demise
- Store your estate planning documents safely, and ensure you know where all their documents are kept
- As their life changes, so will their estate plan, so ensure that they update it regularly

It seems like such basic information, but I bet that many of us would not have that information readily accessible, would we? As a last thought, I personally encourage everyone to ensure you have a caregiving plan in place for your loved ones and aging parents. After all, we are not necessarily paid professionals and are often unprepared for the burden and stress of caring for a family member.

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As much as we want to do it, the better prepared we are, the better we can manage the process for everyone involved, including ourselves, our family, and our loved ones. Ensure you have thought through and written down important decisions like whether your parents wish to remain at home or hire private care providers, for example, and how the care will be paid for, among others.

The subject of caregiving applies to everyone, no matter what how much money you have, and is more important to quality of life than avoiding estate tax. No matter how difficult broaching the topic may be, it's important to get the conversation started.

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