



FOUR *Steps*
**TO HELP PREPARE FOR
THAT CALL IN THE NIGHT**

THE CAREGIVER'S MANUAL

KATANA ABBOTT, CFP®, CSA



HAVING BEEN A CAREGIVER

for my mother and stepfather, I have walked in those caregiver shoes. Was I prepared? Thankfully, yes.

How many children are really prepared for that phone call from one of their parents that will turn their lives upside down?

If you are the parent, are you prepared and have you talked with your children about what you want to happen if something should happen to you and you need assistance?

This is why I created the Designated Daughter® Caregiving Program.

Kick this year into high gear by designing a plan of action for yourself or your parent(s) so that, if something should happen, everyone knows and understands what is expected of them.

Learn how to be prepared, how to talk to your loved ones, what you and they should do to ensure your lives continue to run smoothly, and how to avoid costly mistakes. Don't leave this up to someone else. Take charge now.

According to a study by Age Wave and Merrill Lynch, *The Journey of Caregiving*:

- Forty million Americans are caregivers today and 20 million enter this life stage each year.
- Family members provide more than 95% of the non-professional care for older adults who do not live in nursing homes.
- 92% of caregivers are financial caregivers, which may include financially contributing to the costs of care and/or coordinating or managing aspects of the care recipient's finances, such as conducting transactions, managing investments, and more.

There is a cost to UNPAID care giving...it takes a financial, emotional and physical toll on the caregiver.

- Unpaid caregivers providing care to Alzheimer's patients have 40% chance of predeceasing the person they are caring for.
- The average unpaid caregiver is a middle-aged woman who works (or did) full-time but ultimately loses an average of \$324,000 in lost wages and benefits because they either had to quit their job, reduce their work hours, or pass up promotions.

FORTY MILLION
AMERICANS ARE
CAREGIVERS
TODAY.



92% OF CAREGIVERS
ARE ALSO FINANCIAL
CAREGIVERS.

I have created a four-step process, which will enable you to make smart choices now that can benefit everyone involved in the future.

In addition, I was the Designated Daughter for my own parents. Because my parents and I had the "important conversation" and did the proper planning, we were prepared when I received that "call in the night". So remove all the "what if" scenarios that keep you up at night and get prepared.

And don't forget to review your system on a regular basis for changes.

STEP 1 - GET ORGANIZED

Gather the following items: One filing cabinet, complete with hanging file and manila folders; a copy of all important documents; a large three-ring binder with big tab dividers; and a colored marker.



Use the binder to store copies of important documents. Label the document title on the tab divider. This will come in handy should you need to transport documents. Using your marker, write on the back of each document where the original is stored i.e. *Will is stored in safe deposit box at Chase Bank, son John has the key.*

**UNPAID CAREGIVERS LOSE
AN AVERAGE OF \$324,000
IN LOST WAGES AND
BENEFITS.**



Have a section on beneficiaries that lists all documents with appointed beneficiaries. Always keep this section current. Next, organize your file cabinet. If you don't want to store original documents in your file cabinet, note the original's location in the appropriate file.

- Copy of tax returns and winter/summer tax assessments
- Copy of life, health, disability, and long-term care insurance policies
- Copy of Social Security Estimate Statement
- Copy of driver's license and passport

Create the following titles for your hanging files and store items under each category in labeled manila folders:

IMPORTANT INFORMATION

- Location of safe deposit box and key
- Passwords for debit card, online accounts, computer, and voicemail
- Armed forces documents.
- Birth, death, and marriage certificates
- Names and phone numbers of your attorney, CPA, financial planner, broker, and insurance agents

Family members provide more than 95% of the non-professional care for older adults who do not live in nursing homes.

LEGAL PLANNING

- Copy of will and trusts
- Durable Power of Attorney (DPOA) documents
- Prepaid funeral and burial arrangements/plan for pet relocation and expenses

BANKING/INVESTMENTS

- Copy of each credit card with contact phone number
- Divide out by financial institution a copy of bank statements, brokerage accounts, annuities, IRA's, stock/bond certificates, and dividend reinvestment plans (DRIP)
- Copy of retirement plans and investment real estate documents
- Copy of "Survivor's" Pension Benefit (what the surviving spouse receive after the retiree dies)
- Current copies of beneficiary designations for all retirement plans, IRA's, life insurance, and annuities

What would YOU do if you received that call in the night right NOW?

Get organized!



MEDICAL

- Name and phone numbers of physicians, dentist, nurses, etc.
- Name of pharmacy and list of prescriptions
- Copy of medical insurance card and benefits guidebook
- Long-term care and disability insurance policies
- Patient Advocate Designation document – give primary care physician a copy
- Copy of Medicare card, supplemental medical insurance, and account numbers

OUR FASTEST
GROWING
POPULATION IS 85+
AND 50% MAY HAVE
SOME FORM OF
ALZHEIMER'S.

HOUSEHOLD

- Copy of home deed, homeowner's insurance (include umbrella policies)
- Copy of mortgage and home equity loan statements
- Copy of auto title, loan/lease, and insurance documents
- Copy of statements for gas, electric, water, waste management, telephones, etc.
- Home maintenance file to include repair receipts, phone number of repairmen, warranties, and appliance insurance



STEP 2 - DISCOVERY

Your documentation is organized. Breathe a sigh of relief! Next, you need to have a series of important conversations with your parents or loved ones and other family members. These discussions should include:

- What are their wishes for long term care?
- What are their needs as they are aging and who can provide these?
- How do they want to handle their money and property as their lifestyle changes?
- What kind of legacy do they want to create for themselves?

It may take while to cover all of these topics. Don't rush and feel as if you have to discuss everything at one time.

You can initiate the conversation by discussing these subjects in general terms because you are doing your own future planning for retirement. Ask for their help to assess their situation and welcome their input on solutions.

Role play a bit. Try talking about how they would feel if they had to make these decisions for you instead. Ask what their friends are doing about these types of issues. Patience is key here! Most importantly, encourage them to really take a look at their values, lifestyle, and spiritual picture as they ultimately have to own the solutions.

Next, you're ready to select the individuals you want on the caregiving team. Include



any that apply: family members, doctors, home care specialist, attorney, certified elder law specialists, insurance agents, brokers, CPA, caregivers, certified financial planner, therapist, etc. Many of these professionals are trained to help families deal with health, financial, and social issues in a holistic way.

UNPAID CAREGIVERS
PROVIDING CARE TO
ALZHEIMER'S PATIENTS
HAVE 40% CHANCE OF
PREDECEASING THE
PERSON THEY ARE CARING
FOR.



STEP 3 - CREATE A FINANCIAL PLAN

Sit down with your financial advisor and develop a financial plan that addresses the following:

FINANCIAL POSITION

- Create a cash flow statement which breaks down income and expenses
- Determine net worth by listing assets and liabilities

INCOME TAXES

- Review tax situation for capital gains/losses with real estate or stocks
- Discuss IRA planning, and pension /retirement distribution strategies

INVESTMENTS

- Analyze investments for quality, safety, income needs, tax situation, etc.
- Ensure investments are manageable, properly diversified, are not all over the place

RETIREMENT

- Establish the assets necessary to meet your parents' or loved ones' lifetime income needs
- Project retirement income needs in several situations (i.e. home care/assisted living, and utilizing long-term care insurance benefits, if applicable)

According to the CDC, in 2017, nearly 25 out of 100 people in the United States lived to celebrate their 90th birthday.

ESTATE

- Review documents and analyze current estate plan with an Elder Law Attorney
- Verify beneficiaries on life insurance, annuities, retirement plans, and 401K
- Identify amount needed for financial independence, amount to leave for a family legacy, and how to allocate social legacy regarding gift and tax

PROTECTION

- Assess cash flow projections and alternate scenarios regarding disability, long-term care, and premature death

STEP FOUR - MEET YOUR TEAM AND CREATE A PLAN

Now that you have everything in place, sit down with your caregiving team members and develop a plan

of action that satisfies your parents' or loved ones' goals, values, and objectives. The final product should enable them to maintain their dignity, lifestyle, and assets. In addition, the plan should be clear, concise, easy to manage, and tax-efficient. It should also acknowledge the needs of whoever becomes the main caregiver.

The benefits of early planning are numerous, including: clarifying your parents' or loved ones' wishes identifying the best possible resources minimizing confusion and stress during times of crisis increasing overall peace of mind

The end result ... everyone involved is able to sleep at night knowing all concerns have been addressed and that a team and a plan is in place to help you manage the process.





Katana Abbott

Katana Abbott, CFP®, is a Retirement Reinvention Coach, founder of the Smart Women Companies, and the Designated Daughter® Caregiving Program. She is the host of Smart Women Talk Radio with over a million subscribers.

For over 30 years, Katana has shown women how to take charge of their life and finances and believes it's never too early to plan for expected and unexpected events like retirement, encore careers or starting a business, and preparing for long-term care.

Katana has been honored by NAWBO as one of Detroit's Top 10 Business Women, receiving the Breakthrough Award. She has written several books, created a financial literacy course, launched the nonprofit Smart Women's Empowerment, and is a popular speaker.

To talk with Katana and pick up her free guide, *Three Smart Strategies to Maximize Your Income*, visit [KatanaAbbott.com](https://www.katanaabbott.com)



CONNECT
WITH ME