

A PUBLICATION OF:

Comfort  
life

THE TRUSTED SOURCE.

# Should I Help My Parents Cover the Costs of Retirement Living?



# Comfort life

THE TRUSTED SOURCE.

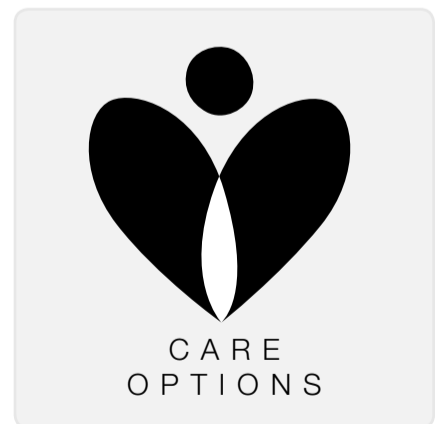
Thank you for downloading the latest ebook from Comfort Life— The Trusted Source for Retirement Living and Care.

Comfort Life brings you sound planning strategies and advice to ensure you make the right retirement decisions—whether your retirement is imminent or years away.

"Comfort Life helped me understand my retirement living options and offers a step-by-step approach to find the best one for my needs."

We hope you enjoy this eBook.

The Comfort Life Team



When we are young, our parents take care of us. They provide us with food and clothing and make decisions on our behalf. When something costs money, they pay for it—or help us save for it ourselves. Typically, we grow up and do the same for our own children.

Where this process becomes complicated is when our parents begin to age and the roles are reversed. This is what Dr. Michael Gordon calls “parenting your parents.” As the director of medical ethics and medical program director of palliative care with Baycrest Health Sciences, Dr. Gordon is an expert in the field of geriatrics and eldercare.

## Not all adult children have the finances to help with their parents care

He is also the co-author of the book *Parenting Your Parents: Straight Talk About the Aging Family*, and has spent much time delving into this shifting dynamic. “For most of the people I work with,” he says, “the notion of helping provide support to aging parents is a given.” But the type of support, and how much, remains quite personal.

Be it legal, ethical or cultural, there are many reasons why adult children take on the responsibility of caring for aging parents. And, while some seniors have pensions, investments and/or insurance to cover the costs of aging, others must rely on the support of family.





Dr. Gordon explains that his own aging father was fortunate to have a pension and investments, which were used to cover the cost of his retirement care. But Dr. Gordon and his sister have calculated that if their father were to live another three years, the financial responsibility would become theirs.

As adults continue to live longer, this phenomenon is becoming more common. “Ten to 20 years ago, I’d meet with clients as an investment advisor and discuss the possible inheritance they might expect,” says Bev Evans, director, wealth management with Richardson GMP Limited. “Today, adult clients are thinking more about the possible expenses they might incur caring for aging parents.”

According to Evans, not all adult children have the finances that allow them to help with their parents’ care. The adults in this ‘sandwich generation’ are often also saving for their children’s education. “As to whether or not they should or should not be expected to support their parents as well,” she says, “each family’s circumstances are unique—there really is no magic answer.”

Evans, who is one of the authors of the book *What Next: Navigating Later Life Transitions*, believes that, at a minimum, adult children should invest the time to become informed and get involved in their parents' care needs. In learning more about the system, you can discover the services available in your community. Even if you are unable to offer financial support, you can still be morally and emotionally supportive, which can be helpful for seniors embarking on this journey.

## Consider meeting with a financial advisor who can act as a buffer in terms of starting these important conversations

For Lori Greenspoon, keeping her mother's values and wishes in mind was of utmost importance as she and her siblings supported her through the transition to a retirement residence. "Remember that just because someone is a senior doesn't mean they're not capable of guiding their own care," says the Toronto-based social worker. "The options you explore and choices you make must be a reflection of their values, even if they're no longer able to make final decisions on their own."

But, she continues, financial considerations should also come into play. Once you have an understanding of your parents' values, needs and interests, you need to determine what you, or they, can afford.



“Families need to be open and honest about what’s feasible,” she says. “Sure, it would be great to live somewhere with a spa and swimming pool, but can you afford it? Who is going to fund that pool? And to what extent will that have an impact on quality of life for both the person providing the funding and the senior, if they’re not one and the same?”

These questions should all be addressed during open and candid conversations with the parents and all adult children in attendance. To make the communications more effective, many believe the presence of a neutral third-party expert can help.

“Consider meeting with a financial advisor who can act as a buffer in terms of starting these important conversations and neutralizing some of the tension that comes up around money and family issues,” says Evans. A financial advisor can also help you determine what you can actually afford and ensure that you are optimizing your assets, income sources and tax rate and deductions. Other experts who could be called to the table include legal counsel, accountants, real estate agents and someone who can help with logistics, including moving and downsizing. The senior’s doctor should also be consulted to help determine what care is required.

“Finally, keep in mind that things will change over time,” advises Greenspoon. “The cost of retirement living may increase as the condition of your aging parent changes, as could the financial situation of those providing support. Constant, open communication with the understanding that you may need to re-evaluate the situation over time is the best way to prepare for and anticipate these changes.”

