

The emotional and financial complexities of caregiving

**Key Private Bank**





Taking on the role of a caregiver for a family member can happen without warning – declining health and disabling accidents are just a couple examples of unexpected events that could trigger the need. While these events can be unpredictable, family members can plan for them by understanding the complex life and wealth changes that come along with being a caregiver and how to navigate them, whether caring for parents, spouses or children.



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## What is the role of a caregiver?

The role of a caregiver differs from family to family and person to person. This could range from full-time help to part-time assistance, from household tasks to medical support, from self-care for the person in need to financial and legal decision-making.

Often, family members providing these services – for example, purchasing groceries for an elder parent – do not think of themselves as caregivers, but in fact, they are.

According to “Families Caring for an Aging America” by National Academies of Sciences, Engineering, and Medicine, there are four different stages of caregiving for a family member.

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|  <b>Awareness</b>                | This stage involves recognition of changes and sporadic assistance, such as accompanying the family member to a doctor's appointment.     |
|  <b>Unfolding Responsibility</b> | This stage involves an increased understanding and recognition of caregiving needs, such as household chores.                             |
|  <b>Personal Care</b>            | This stage involves a heavier reliance on the caregiver for basic, day-to-day needs, such as monitoring behavior and providing self-care. |
|  <b>End-of life Care</b>         | This stage involves intensive care and planning to ensure both financial and emotional support.   |



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# Understanding and talking about the challenges of caregiving

Nearly 15 million older adults get help with everyday activities from spouses, family members or other caregivers, according to a study by the University of Michigan.



Typically, caregivers can spend **13 days per month** on tasks such as **housekeeping** and an additional **6 days per month** on tasks such as **feeding and grooming**, notes Gallup-Healthways Well-Being Index.

For family caregivers, who are typically unpaid, this can present challenges to their wealth, health and mental well-being.

To avoid surprises and moments of high stress, families should take the time now to discuss together these care complexities and begin planning for the long-term.

For a guide on how to approach this conversation, read the **Key Private Bank Conversation Starters on Long-term Care and Diminished Capacity**.





## The emotional complexities of caregiving

More than one-third (38%) of caregivers say they feel high emotional stress from the demands of caregiving, according to the Caregiving in the U.S. report by AARP and the National Alliance for Caregiving.

The same report notes that nearly half (47%) of caregivers say they don't have any additional unpaid or family help with caregiving duties, placing heavy responsibility and time on their shoulders, in addition to their own day-to-day tasks and concerns. Half (49%) also noted that they had no choice in taking on the caregiver role.

Emotional stressors can have lasting impacts on caregivers' physical health. Extreme levels of stress resulting from caregiving can take as much as 10 years off a caregiver's life, according to the National Academy of Sciences.

Family heads and potential caregivers can preempt these emotional stressors by working with their families and other close relatives to delineate caregiver roles and responsibilities.

Consider a meeting with a third party, such as your advisor, who can help guide the conversation, determine capabilities and hold family members accountable for providing support to both the caregiver and the family member in need.





## The financial complexities of caregiving

One in every five (18%) caregivers experiences financial strain due to caregiving, notes the Caregiving in the U.S. report, and almost half (42%) of caregivers spend \$5,000 or more per year on caregiving duties and tasks, according to Caring.com's Family Caregiver Journey Survey.

Caregivers also see impacts to their jobs that could negatively impact their overall family finances. Almost all (92%) caregivers have had changes to their work situation due to caregiving, and two-thirds (66%) report caregiving-related distractions while at work, such as phone calls, emails and emotional disruptions, notes the Caring.com survey.

While it is certainly critical to provide loved ones with the care they need, it is also important to think about preserving wealth for the long-term – both for the loved one in need and for future generations.

Consider a family wealth discussion with an advisor to plan for the possibility of caregiving. By working with an advisor to define family roles, caregivers share not only the emotional stress of caring for a loved one, but the financial strain, as well.

Additionally, give thought to who will make financial decisions for the loved one, in the event that they are unable to. Decide who will have power of attorney and can act in a way that further protects family wealth for the future.

For details on how to plan now to preserve and protect family wealth and assets for the long-term, read the **Key Private Bank Legacy and Estate Planning Checklist**.



Even if you don't believe you will have to take on the caregiver role, it could become a reality for you and your family. It's critical to already have a plan in place for family responsibilities and long-term financial security. Talk with your advisor about how they can help your family set up a caregiving contingency plan.

For more information, please visit [key.com/kpb](https://key.com/kpb).

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