

New boomer career: assisting loved ones

Care-giving can drain savings accounts and result in lost time at work, but families can make preparations, RISHA GOTLIEB writes

When it comes to financial planning, baby boomers are considered a savvy generation but relatively few are prepared for the cost of caring for ailing elders.

The numbers may shock. A full time "career" of care-giving costs a worker an average of \$730,000 (CND) in lost income, according to a 2001 study conducted by the Metlife Mature Market Institute in Westport, Conn.

About 1.4 million Canadians older than 45 combine full time employment with care-giving, Statistics Canada reports. In fact, today's adults in their 40s and 50s represent the first generation that will likely spend more years helping their parents than taking care of their children, according to a U.S. study by AXA Financial Inc.

Furthermore, a subset of baby boomers, sometimes referred to as the "sandwich generation", is simultaneously caring for children and elders.

Canadians who find themselves conscripted into the role of caregiver say it can turn their lives upside down as they grapple with the complexities of illnesses and medical treatments. Some turn to professional services for help.

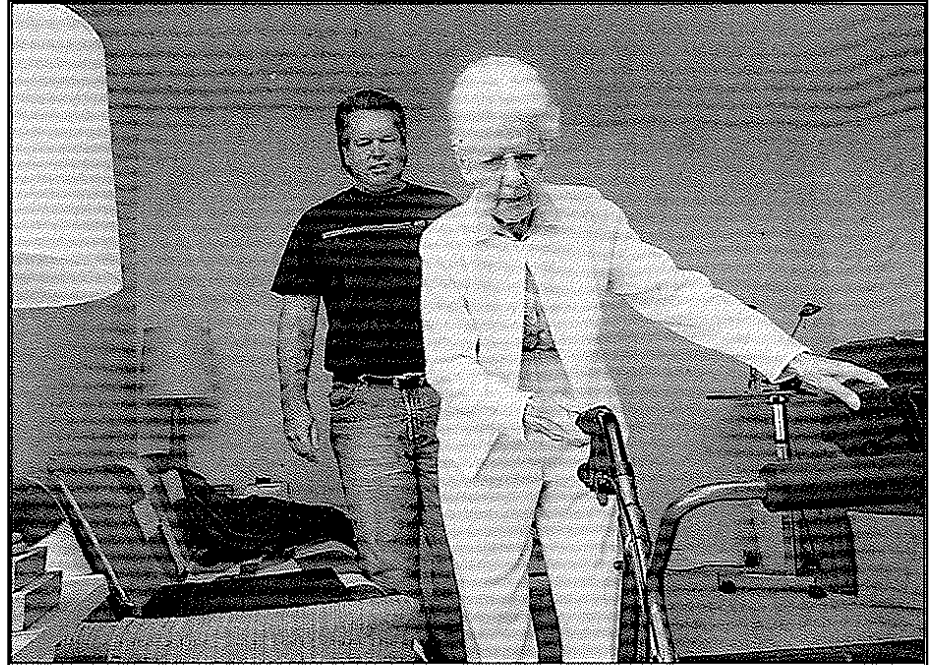
Gordon Carncross, vice president of sales and marketing with a hotel chain, hired Qualicare Inc. when his 85-year-old aunt, Margery Mc Kiel, of Port Credit, Ont., asked him for help with household chores. "I knew right away that my busy travel-filled schedule wouldn't allow me to devote the time my aunt needed for things like grocery shopping and taking her to doctor's appointments," says Mr. Carncross, 53.

He hired Qualicare, a Toronto based business run by Wayne and Andrea Nathanson. She's a registered nurse, he has two decades in sales and business development plus the anguish of caring for his father, who developed Lou Gehrig's disease in 1998.

Mr. Carncross says Qualicare helped him navigate the health care maze, eventually helping his aunt find a two bedroom condo and hiring a live-in caregiver. The monthly cost of care-which includes the apartment, the care-giver and the services of Qualicare - is still less than what it would cost to institutionalize his aunt, he says.

Putting aside the emotional and physical stresses, the financial burden of caring for aging elders can be significant. In fact many care-givers find it necessary to reduce their hours of employment and turn down promotions. Some give up work altogether.

Mr. Nathanson of Qualicare advises people to plan ahead. While he acknowledges it can be awkward talking to parents about aging and



Gordon Carncross is looking after his 84-year-old aunt, Margery McKell, of Port Credit, Ont.

finances, he says it's important to have these discussions before they become ill and incapacitated.

"Talk to them about their financial situation, their living arrangement and their health care needs," he says. "Get copies of all relevant documents such as birth certificates, social insurance numbers, bank account numbers and life insurance policies. Will they want to use the value of their home to pay for professional care-giving services in the form of a reverse mortgage, or do they have a life insurance policy that can be leveraged?"

Critical illness insurance and long term care insurance can help mitigate care-giving costs. They are offered through such companies as Royal Bank of Canada, AXA, Sun life and Desjardins, says Karen Henderson, founder of Long-Term Care News and Views.

Private care services are largely unregulated and may be beyond the means of the average Canadian family, especially if they need to purchase "substantial services," says Norah Keating, professor and co-director of research on aging, policies and practice at the University of Alberta. "Private services and their costs can vary considerably and can be very useful for people who have the economic resources to purchase them," she says.

The costs of farming out care-giving duties can vary widely, from basic housekeeping services at, say, \$25 an hour, to institutionalizing a loved one, at \$2,000 to \$5,000 a month depending on the province, the jurisdiction and

the type of facility, from long term care to retirement homes.

Nursing services such as those provided by the Victorian Order of Nurses are covered by provincial health plans in many cases when referred by a physician; otherwise, a half hour visit by a registered nurse will cost about \$65.

Mr. Nathanson says the rates Qualicare charges depend on the level of service and whether it's purchased on an as-needed basis or a package. Packages range from \$129 a month for those who are still fairly independent to \$749 a month for more complex care requiring ongoing, intensive medical supervision.

While aging and mortality are inevitable, the financial drain on informal caregivers doesn't have to be, say advocates of care-givers and seniors. The Canadian Caregiver Coalition hopes to persuade provincial and federal governments to develop national strategies or significant support for care-givers, pointing out that 65 per cent of households with care-givers report income lower than \$45,000, according to a 2002 Health Canada survey.

While some tax relief exists for individuals providing in-home care - along with compassionate care benefits that offer employed care-givers a degree of short-term job and income protection - these support system need to be broadened in scope and definition, says Bonnie Schroeder, manager of national programs for the Victorian Order of Nurses, based in Ottawa.