

HOW TO PROVIDE IN-HOME CARE DURING A RECESSION

CARING FOR YOUR PARENTS: EDUCATION FOR THE FAMILY CAREGIVER®



 Home
Instead
SENIOR CARE®
To us, it's personal.

Not since the great depression has this country experienced such financial insecurity and uncertainty.

One major consequence of the banking crisis is that many seniors lost much of the value of their retirement savings. For some that meant a return to work. For others, it required a modification in lifestyle and living arrangements.

Many of those who are family caregivers have also been affected by the recession. A loss of a job or needing to work extra hours may have affected the amount of time and money available to provide the level of care once given. In general it has been a very stressful situation for all.

If you are a caregiver who is worried about being able to provide or pay for the level of in-home care your senior needs, this workshop will help. First, we'll discuss less expensive housing options, including living with family, affordable senior housing and public housing. We'll also talk about the benefits and services provided by senior centers and adult day care centers.

Then, we'll talk about financing options for care that go beyond traditional insurance coverage. We'll look at how you and your senior loved one don't have to go this alone, with tips on how to create a team approach both with family and through the extended community.

Finally, we will give you a few options for programs that allow you to get paid for your caregiving services – providing a win-win situation for you and your loved one.

HOUSING OPTIONS: LIVING WITH FAMILY

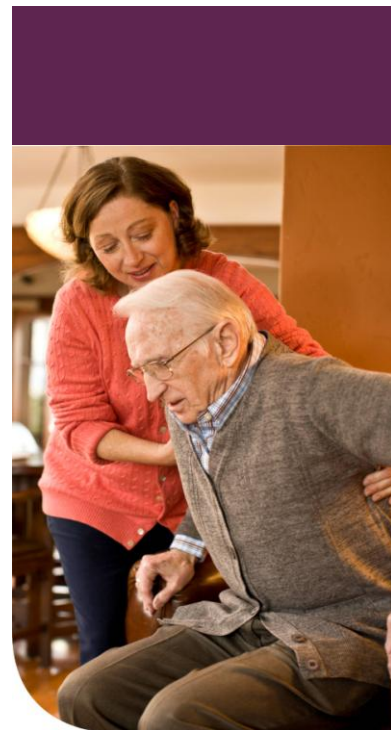
In this “family care” housing option, the family bears the entire responsibility for taking care of the elderly person. Wanting to repay your parents for all the caring they did for you as a child is a normal reaction. Having them in your home can be very rewarding and for most, family caregiving is a labor of love.

However, the responsibility of being a primary caregiver can be overwhelming, especially if there are other responsibilities such as a job or caring for your own children. The time requirements and physical demands of caring for older people are taxing. The emotional ones can be even more so.

Here are some questions you should ask yourself before you decide if being a family caregiver is for you:

1. Are you prepared for the pressure on your spouse and children?
2. Have your spouse and children agreed to take mom or dad into your home?
3. Have you established a working arrangement with siblings or other family members?
4. Have you anticipated the wear and tear on your own health?
5. Are you prepared for the emotional stress of long-term caregiving?
6. Have you evaluated the financial cost of providing family care?
7. Will you be able to continue working and provide family care?

Certainly answering these questions is not always easy and may take some time. You will also need to have a conversation with other siblings, your spouse and employer. So make sure to give yourself enough time to be able to do a full evaluation and have well-thought out and researched answers to these questions.



To help you with some research on the pros and cons of family care, consider this list:

| Advantages | Disadvantages |
|---|---|
| <ul style="list-style-type: none">• Fulfills the promise of home• Provides opportunities to develop a close personal relationship• Relatively low cost of care, primarily out-of-pocket• Sense of personal satisfaction by helping another in their time of need• Intergenerational bonding among your parents, you and your children | <ul style="list-style-type: none">• Risk of high personal and family stress, tension from melding of schedules and activities• Potential for multigenerational conflicts• Possibility of under-serving the needs of your senior• Less time with your own family• Decreased productivity at work |

There are a few more things to keep in mind:

- The best time to choose the family care option is if the senior is functional on all activities of daily living and requires limited assistance.
- The average annual cost to have a parent live with family is estimated to be \$5,000 to \$8,000 annually. This generally covers out-of-pocket expenses to provide care, including transportation, meals, and extra utilities.

If you and your parents decide that living with family is for them, it's also important to discuss that there may be a time when they must move on. Some considerations affecting that decision include when your personal stress reaches a high level, when family relationships become strained, or if the senior needs more and more specialized care.

Notes:

HOUSING OPTIONS: AFFORDABLE HOUSING

Most seniors prefer staying in their own homes. Doing so provides them with a sense of independence and stability. However, there are some instances where remaining in the family home is no longer feasible and in some cases that might be due to financial constraints.

Did you know...?

There are approximately 1.2 million households living in public housing units, managed by some 3,300 housing agencies.

If affordable housing is required by your senior loved one there are two main options:

1. Public housing and voucher programs offered through the local public housing agency, and
2. Affordable senior housing through the U.S. Department of Housing

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high rise apartments for elderly families.

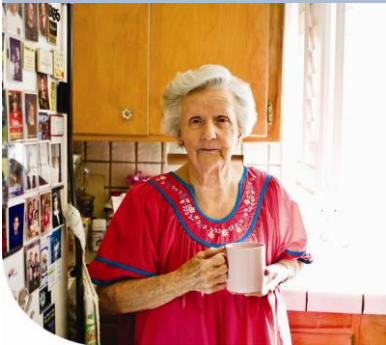
A housing agency determines eligibility based on:

- annual gross income,
- whether the individual qualifies as elderly, and
- U.S. citizenship or eligible immigration status.

Housing agencies use income limits developed by HUD, and income limits vary from area to area. The housing agency serving your senior's community can provide you with the details or you can find them on the Internet.

Did you know...?

According to HUD, the average Section 202 resident is a woman in her 70s with an annual income of less than \$10,000.



If you think your senior might qualify and you are interested in applying for public housing, contact your senior's local housing agency. If units are unavailable, the housing agency may recommend housing choice vouchers (also known as Section 8) which allow very low-income families and individuals to choose and lease or purchase safe, decent, and affordable privately-owned rental housing.

Affordable senior housing under HUD's 202 Program offers subsidized housing and rental assistance for individuals over 62 who have incomes under 50% of the area median income.

Section 202 residences are built and run by private, non-profit groups who have received loan incentives from HUD. However, HUD is not involved in day to day operations. Rents are calculated according to income and rental assistance funds pay whatever balance remains.

These communities help residents access a variety of health care, transportation and other services such as meal delivery programs and social activities. Often, these communities have accessible apartments available for seniors with mobility or other problems. Many also offer supportive service coordination that helps individuals receive the services they may need to age in place.

There is often limited availability in affordable senior housing communities. If units aren't available immediately, ask if they have a waiting list and how long a person can expect to be on it before there is an apartment available. Other important questions to consider include:

- What are the income limits for the property?
- Is there a service coordinator available to assist residents that may need services?
- And, if yes, what services can a coordinator help a resident access in the community?

Internet Resources

To find an affordable senior housing community visit **HUD's apartment search website** at www.hud.gov (under "Resources") or the **American Association of Homes and Services for the Aging "Homes and Services Directory"** at www.AAHSA.org.

Notes:

SENIOR CENTERS AND ADULT DAY CARE CENTERS

Now we'll look at the differences between senior centers and adult care centers.

In general, **senior centers:**

- Are for those in good mental and physical health and who may be as young as 55 years old.
- Provide social and recreational outlets.
- Are great repositories of information on aging and provide support for the family caregiver.
- Are funded in part by local and state governments and nonprofit organizations such as the YMCA, United Way and religious groups.
- Usually charge modest fees for lunches and some activities.

Because seniors who attend these centers are of sound physical and mental health it is generally the senior himself or herself who takes the initiative in joining for convenient meals, or the opportunity to socialize or participate in activities.

Close to 10 million older Americans now use a senior center from time to time, and there are some 15,000 senior centers across the country. At their best, senior centers are great resources especially for people whose social circles have shrunk with the loss of a spouse or friends.

On the other hand, **adult day care centers:**

- Are for those seniors who have age-associated disabilities, such as physical frailty and early-stage dementia.
- Are a resource for seniors who may be getting professional care at home, but go to the adult care center to socialize with other seniors.
- Provide a source of respite for the family caregiver and a protected comforting place for the senior.
- Generally open five days a week during normal business hours, but many have weekend and extended hours.

Did you know...?

Some experts believe the mental, physical and social stimulation found at senior centers may help delay the onset and progress of Alzheimer's disease.



- Often offer flexible services such as pick-up and drop off either every day, several days or just when needed.
- Charge from \$25 to \$100 per day depending on the level of care needed by the senior

Nationwide there are about 3,400 adult care centers serving approximately 150,000 seniors. More than three quarters of adult care centers are run by nonprofits, but some are associated with larger organizations such as skilled nursing facilities or medical centers.

Most adult day care centers accept seniors who are physically or cognitively impaired, but who are not so limited or impaired that they require constant supervision, such as someone with advanced Alzheimer's. The seniors who attend these centers must be physically mobile at least with the assistance of a cane, walker or wheelchair. Also, most centers require the senior be continent.

There are generally three types of adult day care centers offering varying levels of service.

They are:

- social day care,
- health day care, and
- dementia day care.

When making a choice for your senior, visit the centers, review brochures, ask for references and consult your senior's medical providers to make sure you're signing up for the right level of care.

Once you've decided on a center, spend some time there in short visits with your senior. When they first start going, they may be a bit hesitant, frightened or worried about being abandoned, but you can assure them that is not the case.

Notes:

FINANCING OPTIONS FOR CARE BEYOND INSURANCE

A relatively new source of income that a senior over the age of 62 can take advantage of is a **reverse mortgage**. Here's how it works.

- **Let's assume your parents have paid off the mortgage on their home and it has a market value of \$500,000.** They might enter into an agreement by which the bank would in effect pay them an income-tax-free mortgage of \$2,000 per month. Typically your parents would be allowed to remain in the home as long as they lived or chose to stay. They would have to continue to pay real estate taxes and upkeep, including major repairs.

- **If one of your parents dies, the survivor would be able to continue living in the house until he or she dies or moves in with family or long-term care.** At that point, the estate would generally be required to sell the house and pay the bank the cash the owners have received, plus interest and fees.
- **Reverse mortgages are complex and have considerable consequences for the estate.** Your parents should seek the advice of their attorney and financial planner before entering into such agreements.

Another recent senior care funding innovation is the “**life settlement**” in which the senior’s life insurance is treated as an asset in much the same way as a house or mutual fund.

- **With a life settlement, the senior’s life insurance policy is sold to an investor** while the policy holder is still alive for considerably more than the cash surrender value of the policy, but far less than its face value.
- **At the time of the sale, your parent will receive a lump-sum payment,** mostly likely less than half the face value of the policy depending on age, health and other factors. The investor will continue to make premium payments and will collect its full face value when your parent passes on.
- **This financing option may provide quick access to much needed monetary resources for your senior, but in the end, it’s the investor who profits.** Like reverse mortgages, the life settlement financing option has many complexities. It is best to get the advice of a financial advisor before proceeding with any agreement.

Many families ask what they can pay toward their senior loved one’s care. One place where you might be able to contribute is for in-home care that is not covered by medical insurance.

Let’s consider the costs of professional in-home care.

- **As long as your senior loved one remains relatively self-sufficient and there are family caregivers nearby to help,** the cost of professional caregivers to supplement that care is probably manageable for most middle-class families on their usual incomes.
- **Eight hours of care a week, which is what the average client purchases,** is likely an amount many families can afford if they cut some expendable purchases elsewhere.
- **But when the number of weekly hours of care climbs substantially, ordinary family budgets can be overwhelmed.** For example, ten hours a day, seven days a week of home care, which someone with late stage Alzheimer’s or other advanced dementia might require, would be about the same cost as a nursing home, which is approximately \$70,000 a year.

Every family faces a different set of financial circumstances. Should you, the family caregiver, and your siblings be responsible not only for the hands-on care for your parents but pay for their professional care as well?

Before trying to take on these costs determine how great your resources or the combined family resources are, and then think about what other responsibilities and obligations each of you might have such as your children’s education or your own future care.

Regardless of your resources, families working together to help their senior loved ones is a great idea, especially during a recession or other financially difficult time.

Notes:

CREATING A TEAM APPROACH

If you are the primary family caregiver, and being stretched yourself, the first thing to do is ask for help.

To avoid stress and burnout, you need to enlist the help of other family members, friends, or consider hiring a professional caregiving service for assistance – without feeling bad or guilty for reaching out.

Asking for help is sometimes difficult. But there are four sure-fire ways to enlist support.

1. **Give each person a responsibility, even if it is small.** Even if your sibling lives 1,000 miles away, make it his or her responsibility to call your elderly parent once a week to check in or to visit for a week each year to allow you to take your own family vacation.
2. **Divide up the tasks.** Have a specific family member who handles the medical aspects of your relative's care such as talking with doctors and medication information, while another may be responsible for groceries and meals, and another handles paying the bills. By dividing up these tasks, each person becomes more involved with the details of these tasks and can keep each other abreast of changes, issues, and problems.
3. **Make sure to converse with other family members about your elderly relative.** If you don't express your concerns such as their debilitating health or amount of time you are spending caring for them, you can't expect other family members to know what you are thinking and feeling.
4. **Don't be a control freak.** If you want to control every aspect of the care, other family members may be less apt to step in, thinking you have it all under control.



Did you know...?

According to a national survey conducted by the Home Instead Senior Care® network, 72% of adults who are currently providing care for an aging loved one, do it without any outside help.

Another way to create a team approach and save money is through the greater community via **bartering or trading of services**. According to Caring.com, these services are often an extension of the kindnesses families, neighbors, and friends have traditionally done for each other without thinking about it. However, in today's busy world, formalizing such arrangements seems to serve everyone well.

- **There's a host of new web services springing up**, such as [Barterquest](#), which allows you to trade services and goods of all kinds, clothing trade site [SwapStyle](#), and [Freecycle](#), a free-for-all for stuff of all kinds.
- **Closer to the family model, there's the trendy new concept of timebanking.** Using a website like [Timebanks.org](#), groups of people in a particular town or neighborhood can set up a timebank. Every time one member does a task for another, he earns timebank dollars; these can then be used to "pay" other members of the bank to provide services.
- **Some ideas for time-trades that could save your senior money** include shopping or doing their errands in return for occasional kid-watching, cooking, mending, pet sitting, or gardening care.
- **If you are a long-distance caregiver, do you have a comfortable house or apartment?** If so, house trading is one of the fastest-growing trends, with numerous websites devoted to connecting those who want to swap living arrangements. This might work for you when you want to visit your senior loved one and avoid the expense of hotel costs.

Bringing others onto your caregiving team – even if it's from outside your normal circle of family and friends, can be very helpful during difficult financial times.

Notes:

GETTING PAID FOR YOUR CAREGIVING SERVICES

If the person you are caring for is eligible for Medicaid, its **Cash and Counseling program**, which is available in some states, can provide direct payments for care that could go to you. (A few other states have similar programs for low-income seniors, even if the person receiving care doesn't quite qualify for Medicaid.)

Here's how the Cash and Counseling program works:

- **The program pays seniors directly to cover their in-home care.** The amount the senior receives depends on a Medicaid assessment of need and the prevailing pay rate for in-home care aides in that state. Seniors can then use the money to pay anyone of their choosing – including you or other family members – to provide care. They can also use some of the money to buy things to improve home safety or they can use some of the money to pay for services such as cleaning, meal delivery, or transportation.
- **The first thing to do to help your senior is to determine if they are eligible for the service.** If your senior loved one doesn't already have Medicaid coverage, you can help them apply for it or another cash assistance program. If the senior is found to be financially eligible, the program will come to their residence to assess their in-home care needs. They'll also speak with you and other caregivers about the care currently provided, and they may also speak to your loved one's doctor.

- **Based on the needs assessment, the Cash and Counseling or other program determines how many monthly hours of in-home care assistance it would approve if the care were coming from an in-home care agency.** Using the rate that in-home care workers are paid in the state, it then figures out how much in total it will directly pay each month to the senior to help with in-home care.
- **The senior then decides who he or she wants to provide the care and how much they'll pay.** They can also decide how else they might want to spend some of the money. The program helps seniors work out this plan, including paperwork and taxes.

Tip

To find out whether your state has a Cash and Counseling or similar program, contact your local Medicaid, human services, or social services office.

If the senior you're caring for has **long-term care insurance** and it covers in-home care, there may be a way for you to be paid out of its benefits.

Tip

If the senior you're caring for is going to pay you, it's a good idea to draw up a simple contract that sets out the terms of the care and payment. This can help avoid uncertainty and disagreement between you, them and other family members about who's supposed to be providing care and where the money is going.

Taking Action

Despite difficult financial times, including a recession, there are many ways to provide the care that your senior loved one needs. More importantly, you can make sure they have a great quality of life, without breaking the bank.

Think about your next steps, and how you can create your own action plan:

1. The first thing I will do to reduce my stress about the financial impact of caregiving is:
2. Resources I need to search, talk to, or meet with to learn more about less expensive housing and day care options are:
3. One strategy I can try now to create a team approach is:
4. The things I need to do to find out if I can get paid for my caregiving services are:

