

THE BROXTERMAN BULLETIN

YOUR QUARTERLY FINANCIAL PLANNING NEWSLETTER

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We also want to thank our existing clients for their continued loyalty to us.



CAUGHT IN THE SANDWICH GENERATION?

How to mitigate the squeeze

by RBC Wealth Management

If you're challenged with raising children and caring for aging parents, you're part of the growing population segment known as the "Sandwich Generation," potentially leaving you feeling squeezed between the day-to-day demands of two generations.

Longer life expectancies and the transition of Baby Boomers into their senior years have meant more Canadians may require assistance and care related to aging, now and into the future. With the first of the Baby Boomer generation turning age 65 in 2011, seniors will account for an increasingly larger proportion of the Canadian population, about 25% by 2036, according to a study by the Canadian Institute for Health Information.

CAREGIVING CAN TAKE AN EMOTIONAL TOLL

As more of Canada's population grays, studies show there can be negative consequences for caregivers, impacting their physical and mental health, work life and personal finances. Canadians providing help to their elders lose \$337 million in employment-related disruptions each year as they work fewer hours, or take stress leave as a result of caregiving responsibilities, researchers at the University of Alberta found.

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CAUGHT IN THE SANDWICH GENERATION?

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For Tony Maiorino, the vice-president and head of Wealth Management Services for RBC in Toronto, this scenario isn't new. The youngest of five children in an Italian immigrant family, Maiorino grew up in a culture of caring which passed from one generation to the next. After losing his father when he was a teenager, he and his siblings knew eventually it would be their turn to take care of their mother.

"You're looking after your children, you're cooking for them and going to work, you've got your mom at home and coming home to check on her. It's an incredible drain and the demands are huge," Maiorino, the father of three, says as he describes the typical burden a sandwiched person feels.

As the Sandwich Generation becomes a reality for more and more Canadian families, many are looking for ways to make this additional responsibility a little easier to manage. Here are some strategies to ease the financial and emotional challenges.

KNOW THE WISHES OF YOUR PARENTS

Gathering the right information about your parents' needs and wishes, their retirement plans and what financial resources they have at their disposal is a top priority when you're "sandwiched."

"You can keep some things to the side, but the more [the children] know about where your finances are, how much there is, who are the main people that you need to be speaking to should something happen, the faster things are going to move in your favor," Maiorino says, who shares the responsibility of caring for his 88-year-old mother with his siblings.

Carol Abaya, a U.S.-based syndicated journalist and lecturer on eldercare issues, says understanding the feelings of aging parents and dealing with them

in a way that their dignity is preserved is a delicate balance to maintain for a caregiver family.

"You can prepare yourself for the legal and financial issues, but it's tough to prepare for the emotional issues when you're dealing with people from another generation," Abaya says. "The values of the oldest generation and Baby Boomers are very different. But you need to talk to them about the pressures and how you want to protect them both financially and emotionally. That's a dicey kind of thing."

GATHER THE APPROPRIATE DOCUMENTS

A durable Power of Attorney, a living Will for medical issues—such as directives on emergency medical treatment—and a traditional Will designating where assets will go are some common documents caregivers will need to access.

"Talk about the Power of Attorney because that really is the bridge into that world," Maiorino says. "To say, 'Hey Mom, everything is great, but do you have a Power of Attorney and who are they?' This in itself can be a difficult conversation."

It's important to note there are provincial variances when it comes to certain estate planning documents. For example, if you live in Manitoba, Ontario, Quebec or Nova Scotia, you can create a living Will. Depending on where you live in Canada, a living Will may also be referred to as a Power of Attorney for personal care, a mandate, an advance health care directive or proxy.

Talking about estate plans can be a sensitive topic for many people, but once you've sorted out the Power of Attorney with your parents, it becomes much easier to discuss finances and retirement assets, Maiorino says.

"For my generation, a lot of times, we don't have a clear grasp of what Mom and Dad have," he adds. "Does Mom have enough capital to live the lifestyle that she wants? Is Dad going to be able to be in his own home for much longer and can he afford the retirement home that he wants?"

As a caregiver, it's helpful to express that the more you're aware of, the more you're able to help the aging generation maintain the lifestyle they want for the years to come. "We don't need to know everything, but maybe a line of sight into what plans have you got in place," Maiorino says. "It's still an incredibly difficult discussion if they're not willing to bring it up."

If a Power of Attorney has not been established, you can work with your aging relative to determine who will be the best fit. Someone who lives in close proximity, is trustworthy and who can minimize potential family conflicts are important characteristics to consider. If no suitable friends or family members can act on your relative's behalf, he or she may want to consider appointing a third-party professional to act as an attorney should they become incapacitated.

MAINTAIN AN EMERGENCY FUND AND SEEK OUT RESOURCES

Although you may feel squeezed, maintaining a suitable emergency fund will allow you to fund a number of priorities.

"That emergency funding might be what allows you to take a month of unpaid leave; that may allow you to take a reduced work schedule at your job for three months while you help your parents through this situation. You need to have those types of things in place," Maiorino suggests.

He also advises taking advantage of a range of services and assistance that are available from federal and provincial governments, which provide support for seniors and their families. Federally, some families may be eligible to claim the family caregiving amount come tax time. Some provinces also offer tax assistance, such as the Manitoba Primary Care Giver Tax credit.

ARRANGE LONG-TERM CARE INSURANCE

Abaya, who took care of her aging mother, also stresses the need for arranging long-

term care insurance to help maintain a parents' lifestyle and assist in protecting their financial security if medical problems prevent them from performing certain activities of daily living.

Long-term care insurance can help provide your elders with resources to remain independent should they require the services of a long-term care facility or professional services at home.

Abaya, through her own experience, discovered her parents had no long-term care insurance and she had no clue about their financial resources. "As you get to

the point where you can't take care of yourself then this insurance kicks in. This is really one thing I advise to think about," she says.

In the end, open communication, a solid support system and a detailed plan will go a long way to ensure the financial and emotional resources of all generations aren't feeling the squeeze.

PERSONAL TOUCH



Tony and Shirley welcomed their first grandchild.



Chase can't get enough ice time.



Liz, Carolyn and Mike volunteering at the annual Turkey Drive.

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