

PLANNING FOR CARE

# The Financial Reality of Caregiving

*Why Planning Early Matters*



# Meet Your Presenters



**Ileana Gonzalez**  
Financial Services Professional  
Heritage Wealth Group



**Amera Bilal**  
VP of Programs & Policy  
Caregiver Action Network

# The Scale of the Crisis

*Caregiving in America — By the Numbers*

**63M**

Americans are  
unpaid caregivers

*AARP/NAC 2025*

**1 in 4**

U.S. adults  
provide care

*AARP/NAC 2025*

**2034**

Adults 65+ will  
outnumber children

*U.S. Census Bureau*

# The Hidden Costs of Caregiving

*What it really takes*

**\$7,242** avg. out-of-pocket per year

AARP, 2021

**\$10,525** avg. for working caregivers with 2+ work disruptions

AARP, 2021

**26%** of caregivers' annual income spent on caregiving

AARP, 2021

## Where the Money Goes

**51%** Housing (rent, mortgage, assisted living, modifications)

**20%** Medical (care, equipment, therapists, in-home aide)

**29%** Transportation, food, other daily needs

Source: AARP Caregiving Out-of-Pocket Costs Study, 2021

# The Women's Caregiving Burden

*A disproportionate toll*

**2/3**

caregivers are women

**\$324K**

lifetime earnings & Social Security loss (avg.)

**5.3 yrs**

women outlive men on average (CDC, 2023)

**41%**

of middle-aged women reduce work hours to provide care

Sources: AARP/NAC 2025; Family Caregiver Alliance 2015; CDC 2023

# The Sandwich Generation Reality

*Caring for parents AND children simultaneously*

Average age:

**41–59**  
years old

*Peak earning &  
retirement savings years*

**AGING PARENTS**

**YOU**  
(The Caregiver)

**CHILDREN / FAMILY**

**29% of caregivers**

**are sandwich  
generation**

*Caring for both children  
and aging adults*

**⚠ The Perfect Financial Storm:**

College tuition + Parent care costs + Mortgage = Retirement savings derailed

# Caregiving Takes a Toll on the Caregiver

**40–70%**

of caregivers show clinically significant depression symptoms

**63%**

higher mortality risk for strained spousal caregivers

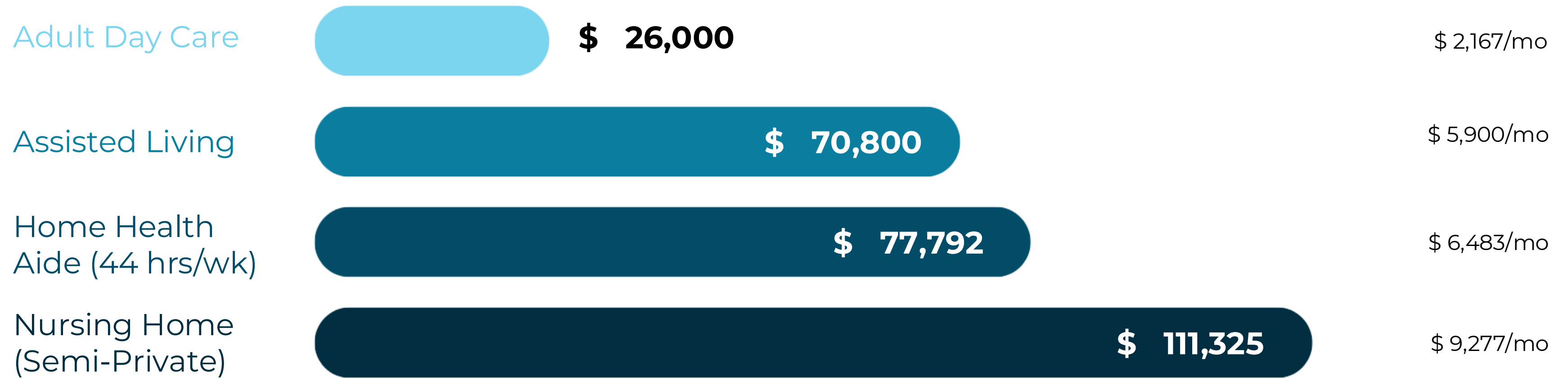
**20%**

of caregivers report fair or poor health due to caregiving

*Self-care is not a luxury — it is risk management. Your health is a financial asset.*

# What Care Actually Costs

2024 national median annual costs — Genworth/CareScout Survey



*A nursing home stay of 3 years at median private room rates = \$383,250 | Does your family have a plan?*

# Area 1: Legal Documents

*The foundation that makes every other plan enforceable.*

## **Durable Financial Power of Attorney**

*Allows a trusted person to manage money, pay bills, manage accounts if you are incapacitated.*

## **Healthcare Power of Attorney / Proxy**

*Designates who makes medical decisions when you cannot. Must be someone you trust completely.*

## **Living Will / Advance Directive**

*Documents your specific wishes: resuscitation, life-sustaining treatment, artificial nutrition.*

## **POLST / MOLST (for aging/ill adults)**

*A physician's order — not just a personal document — that travels with the patient across care settings.*

## **Revocable Living Trust**

*Holds assets during your lifetime and distributes them after death. This is the only document that will allow your family to avoid probate.*

## **Beneficiary Designations**

*They trump everything! Retirement accounts, life insurance, annuities, payable-on-death bank accounts, and transfer-on-death investment accounts usually pass according to the beneficiary form, not your will.*

## **HIPAA Authorization**

*This gives named people permission to access your medical information. Without it, doctors or hospitals may be limited in what they can share, even with family members.*

# Area 2: Financial Coverage & Insurance

*The tools that work — and when you can still access them.*

## Traditional LTC Insurance

Daily/monthly benefit for qualifying care.

## Hybrid Life / LTC Policy

Death benefit + LTC access. If care is needed, draw on it early. If not — death benefit goes to family. No 'use it or lose it.'

## Annuity with Care Rider

Guaranteed lifetime income that multiplies if care is needed. Valuable for those past typical LTC underwriting eligibility.

## Health Savings Account (HSA)

Tax-efficient vehicle for future care costs.

## Know What Parents Have

Many families discover existing LTC, life, or hybrid coverage only in a crisis — too late to plan around it. Ask now.

## Medicare Reality Check

Medicare covers skilled nursing up to 100 days (with conditions). It does NOT cover custodial care — help with daily living.

# The Medicare Misconception

*What most families don't know until it's too late*

## What People Assume

- ✓ Medicare covers long-term nursing home care
- ✓ Medicare pays for in-home custodial assistance
- ✓ I'll be covered if I need help with daily tasks
- ✓ Government programs will handle my care costs

## The Reality

- ✗ Days 1–20: Covered (after qualifying hospital stay)
- ✗ Days 21–100: \$217/day co-pay (2026)
- ✗ Day 101+: You pay everything
- ✗ Custodial care (bathing, dressing): NOT covered

Source: Medicare.gov, 2026 rates

# Life Insurance With Living Benefits

*Accelerated Benefits Riders — protection while you're still living.*

## What Is an Accelerated Benefits Rider?

An optional, no-additional-cost rider added to a life insurance policy that allows you to access all or part of your death benefit while living — if you experience a qualifying event.



### Terminal Illness

*Life expectancy ≤ 24 months*



### Chronic Illness

*2+ ADL limitations, ongoing*



### Critical Illness

*Cancer, heart attack, stroke*



### Alzheimer's / Lewy Body Dementia

*Cognitive impairment  
diagnosis*

## Once You Qualify, Use the Benefit for Any Reason

- Household expenses & regular bills
- Home modifications for accessibility
- Adult day care or home health aide
- Nursing home or memory care costs
- Quality of life — anything your family needs

## One policy. Two protections.

*Death benefit for your family if you pass. Living benefit for you if serious illness strikes first.*

# Areas 3 & 4: Know the Numbers + Family Conversations

*The two areas most families skip — and pay for later.*

## 3 Know the Numbers

### What assets & income do your aging parents have?

*Social Security, pension, savings, investments. You cannot plan without this picture.*

### What does care cost in your area?

*National medians: Home aide \$77,792/yr | Assisted living \$70,800/yr | Nursing home \$111,325/yr*

### How long can existing assets sustain care?

*At \$111K/year, \$300K in savings lasts less than 3 years — before inflation adjustments.*

## Family Conversations

### Where do they want to live if care is needed?

*Home with modifications? With family? Assisted living? Memory care? Their answer shapes every decision.*

### What are their wishes for end-of-life care?

*Do they want aggressive intervention? Comfort care? These must be documented while they can express them.*

### Who serves as primary caregiver?

*Geographic proximity ≠ sole responsibility. Get explicit. Unspoken assumptions become family conflict.*

### Who has legal authority over finances & healthcare?

*POA designees should know their role before they need to act — not learn it in an emergency.*

### Is there a family 'binder' with essential information?

*All account info, insurance, medications, physicians, legal docs, and advisor contacts in one place.*

# Area 5: How to Optimize What You Have

*It's not too late — the right moves now can protect income, preserve assets, and reduce the burden*

## Protect & Optimize Existing Assets

### **Audit ALL existing insurance policies**

*Life insurance with chronic illness riders may already be in force. Many families don't know what they have. A policy review can unlock benefits immediately.*

### **Review the IRA / 401(k) distribution strategy**

*Accelerated withdrawals during caregiving can trigger unnecessary taxes. A coordinated drawdown strategy can meaningfully extend how long assets last.*

### **Establish a Family Caregiver Agreement**

*A legally documented contract compensating a family member for care. Protects income, validates the work, and has critical Medicaid planning implications.*

# Your Next Steps

*Don't wait for a crisis to make a plan*

- 1. AUDIT** — Review your current coverage, legal documents, and family care conversations today.
- 2. IDENTIFY GAPS** — Where are you vulnerable? Which conversations have you been avoiding?
- 3. CONSULT** — Schedule your complimentary Caregiving Financial Review with Heritage Wealth Group.
- 4. BUILD YOUR PLAN** — Create a caregiving financial strategy as part of your overall retirement roadmap.

[Download the Caregiving Readiness Checklist | Schedule Your Consultation Today](#)



# Question & Answer

*Drop your questions in the chat*



# Caregiver Resources

# Caregiver Action Network Family Caregiver Toolbox

CaregiverAction.org/toolbox

The screenshot shows the Caregiver Action Network website's Family Caregiver Toolbox. At the top, there is a navigation bar with links for COMMUNITY, DONATE, and CAREGIVER HELP DESK, along with social media icons for Facebook, LinkedIn, Instagram, YouTube, and Twitter. The main header features the Caregiver Action Network logo and navigation links for CARING BY CONDITION, CAREGIVER RESOURCES, ABOUT CAN, and STAY CONNECTED. The title "The Family Caregiver Toolbox" is prominently displayed in the center. Below the title, a search instruction reads: "Use ONE OR ALL dropdowns to find the resources that best fit your needs. View the results below." The search interface includes three dropdown menus labeled "I AM A(N)", "CONDITION", and "TOPIC", followed by a "SEARCH" button with a magnifying glass icon. Below the search bar, there are two call-to-action buttons: "Call Help Desk. (855) 227-3640" and "More About Caregiver Advocates". The main content area features three featured resource cards. The first card is a webinar replay titled "Planning for Care: Understanding Long-Term Care Insurance and How to Use It". The second card is a video titled "Caregivers in Context: 'Come See Me in the Good Light' Explores Wonder, Levity, and Love in the Face of Terminal Cancer". The third card is a video titled "Caregiving for a Child with a Rare Disease: A Conversation with Leslie on Turner Syndrome". At the bottom left, there is a language selector showing "EN" with a dropdown arrow. At the bottom right, there is a chat icon.



*Caregiving doesn't come with a manual.  
But it does come with help.*

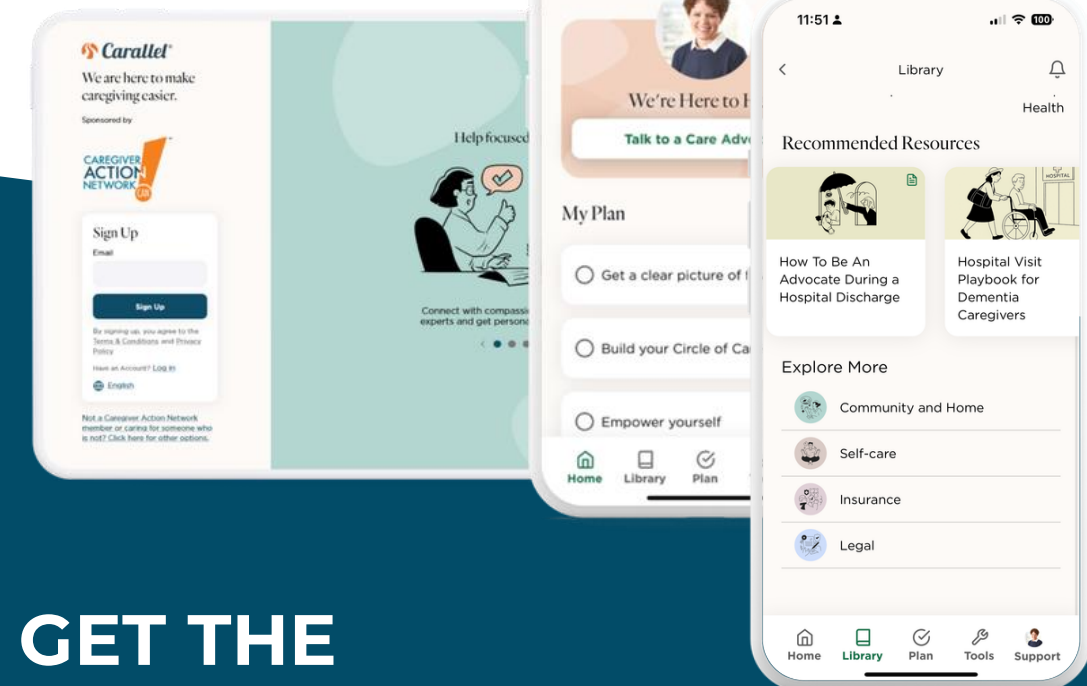
# The National Caregiver Help Desk

Get advice from a caregiving expert, easy access to hundreds of resources, and a caregiving community...for free today!

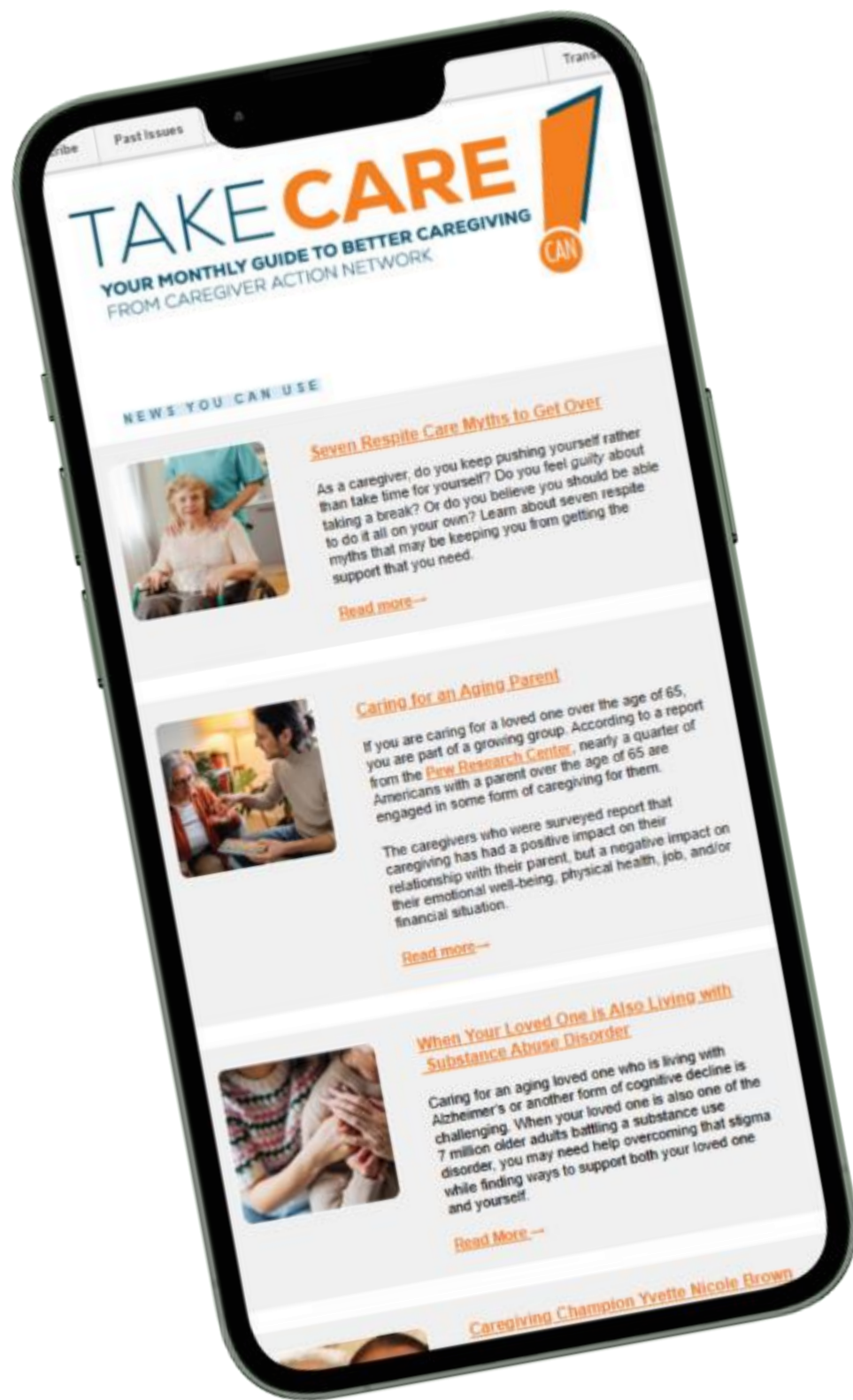


**CAREGIVER  
HELP DESK**  
855.227.3640

CaregiverAction.org



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FREE APP!**



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