

Can We Afford to Stay Here?

At first it was hardly noticeable ...fewer hairdos, no more daytrips, bridge games or lunches out, some 'for sale' flyers in the laundry room. After placing this couple in the retirement home, you get a call - "our investments aren't doing so well - we don't think we can afford to stay here".

As a consultant, I had to learn more without prying in order to assist without violating their confidence, and prevent further harm without exposing their fears to their adult children.

Where to begin?

Consider the Source

The North American diet of constant CNN is enough to panic anyone; overhearing the steady drone of depressing news can permeate the most seasoned investor, not to mention an anxious person. The fact that many news items are rumours or US-based phenomena is not realized. Many investment clients are afraid to open their statement or call their advisors, although they have no specific reason to fear for their finances, the general atmosphere of uncertainty is contagious.

Gently Probe

My first task was to review the history of my client. Is there a history of dementia? Is there anxiety? Most of today's seniors will have experienced the Great Depression of the 1930's. In many folks, its enduring legacy is hair-trigger money anxiety. Any financial challenge is a disaster and invokes starvation mode. I needed to help them to get a perspective on the world situation, as well as their own, using gentle, open-ended questions and non-threatening language - 'there's so much talk today about the economy; what kinds of things would you like to know about?' Their worry could be about pension or investment income, taxes, property values, the value of their estate. They are probably also worried about their adult children's jobs and wellbeing; mention the kids in passing to gauge if they are aware of, or even part of, the concern.

Even if the person has dementia or an anxiety condition, is in denial, or has nothing at all to worry about, the fact that it's causing distress means you must treat it seriously. I was reluctant to involve the adult children or power of attorney; the client was bewildered and ashamed to share negative information with their spouse or adult kids. My role was to reassure that there is no shame in seeking help and information, and to create a safe and supportive atmosphere for that to occur.

Commission the Facts

I suggested that we work together to create an action plan to tackle his worries. We set a date to meet and asked him to gather and open all financial statements he's been receiving -they had remained unopened for fear of their dire contents. I asked him to invite his chosen advisors to the meeting and to bring all statements and bankbooks.

Check it Out

I used the monthly rental statement from his retirement home as the starting point to discover his monthly cash flow, independent of what he may have 'lost on paper'. Comparing this cash flow to the monthly outlay on his monthly rental statement gives him the snapshot he needs to know his relative

wealth. If his income is comfortably able to cover the monthly bill, reassure him that he can indeed remain in his current retirement home.

Facing a Shortfall

My client' situation was fine, but if there's a shortfall between the monthly residence bill and the cash flow, it's time to get creative. Walk them through their daily and monthly charges. Is everything familiar to them? Are there services or charges they aren't really aware of?

Without being judgmental, try to help them determine what services they need versus what they think is needed; help them understand what they can and can't afford, and identify what is needed to close the gap. Your knowledge of your resident's history, personality and preferences will help you tactfully assist them to rethink their standard of living versus a new reality.

Talk to the retirement home's management. Ask them to sharpen their pencil on prices and amenities; institute shared costs for commonly-used services such as care; subsidize care costs with community services, veterans or friendly visiting. Options include quietly downsizing to a smaller suite, have another look at the meal plan or revise the payment schedule.

These practical tips can help other seniors choose and retain realistic, affordable lifestyle choices.

Pat M. Irwin, BA, AICB, CPCA, is founder and president of ElderCareCanada
www.eldercarecanada.ca