



Raising kids, helping parents: Financial planning that avoids burnout

Four tips to help you develop a robust financial caregiving plan



It's a common scenario that feels like a juggling act: raising kids while helping your aging parents. You're not alone in this type of caregiving.

According to CIBC research, 7 in 10 Canadian women make significant financial sacrifices including putting their careers on hold to care for loved ones¹. In fact, almost 1 in 3 women say they've reduced or stopped saving as a direct consequence of childcare or eldercare responsibilities¹.

It's a tiring – and often expensive – balancing act, which can be linked to caregiver burnout, affecting women more than men. Whether it's elderly parents with health concerns, less established siblings, or your own adult children, the caregiving responsibilities can feel endless, and is often accompanied by a unique set of financial challenges.

The responsibility of caring two ways is a common scenario that Lana Lee Robinson, Executive Director of CIBC Wealth Strategies Group hears about from many of her female clients.

Consider this typical example:

"Caring two ways is stress on steroids – I have two young kids, a widowed father battling cancer and a husband that travels regularly for work. To make matters worse, my father lives two hours away. I feel guilty because I know my time with him is limited. As an entrepreneur I love what I do and

I'm fortunate to have a flexible schedule. But I'm also solely responsible for my business. My sister lives in Europe, and though she wants to help, her options are limited. No one should have to choose between helping parents and running a business. I try to find balance but it's emotionally, physically and financially overwhelming."

"Caregiving can be a time-consuming job," says Amy Coupal, CEO of the Ontario Caregiver Organization, which aims at supporting the province's caregivers. In a 2019 Ontario caregiving survey² "one-third of caregivers spend 10 or more hours a week providing care, with most travelling 30 to 60 minutes to reach their care recipient."

In the same survey, it was reported that 31% of caregivers are not coping well emotionally, reporting high levels of stress and negative emotions.

"We know caregivers are experiencing increased stress and deterioration of their own health and are at a higher risk for depression," says Coupal.

"On the financial side, we know that half of caregivers are stressed around their financial responsibilities, and 42% of that sandwich generation say they've experienced financial hardships as a result of their caregiving responsibilities in the past 12 months," notes Coupal.

Planning for these financial realities and talking about their impact on your life can help you manage the added stress. Here are some tips to get you started.

1 Plan early and comprehensively

“Planning is critical. Supporting others should not mean sacrificing your own financial well-being,” says Lana Robinson, Executive Director of CIBC Wealth Strategies Group. “Plan for these situations early on.”

Robinson has seen many caregivers face financial and emotional challenges, particularly when it comes to understanding their parents’ plans.

“What have they set aside financially?” she asks. “What are their wishes with respect to their old age care? Do they want to stay in their home and receive care or move to a long-term care facility? How much will this cost?”

That’s the key word: cost.

“Of those planning for their retirement, very few are actually budgeting for long-term care,” Robinson says.

In fact, a 2016 survey conducted by Leger Marketing on behalf of the Canadian Life and Health Insurance Association, reports that 74% of Canadians admit they have no financial plan to pay for long-term care if they needed it³.

“A thoughtfully constructed financial plan can account for different circumstances of life such as long-term care and financial support for aging parents,” Robinson says.

An adviser can help you build that plan in a way that will allow you to balance your caregiving priorities with your own goals for retirement.

2 Split the financial and care responsibilities

“Women are relationship-oriented and tend to focus on others. But recruiting a spouse or other family members to help can be one critical step,” Robinson says.

“Sharing the caregiving responsibilities with other family members can be critical for your own self-care,” she explains, adding that many women often view caregiving as their obligation.

There are other places to look for help, like community caregiver programs. Sometimes they have reduced rates for services and support groups for family members where they can talk about their experiences. In Ontario, for example, the Ontario Caregiver Organization has a 24/7 Ontario Caregiver Helpline, peer support groups and online support.

“These can be a great source of help but also for information about resources that are available,” Robinson says. “Explore these options fully to help you cope with the many demands on your time.”

3 Have those tough talks with family members early

It can feel like the elephant in the room, but having open communication with parents and siblings is a key step in planning from a financial and care standpoint.

“Foster open communication with parents and siblings early,” says Robinson, “Ideally, you should have a family meeting with your parents, spouse and siblings to develop a plan for care and end-of-life.” She notes that these are very difficult conversations to have, often fraught with emotion.

In order to make these conversations less daunting and uncomfortable, Robinson suggests letting these discussions come up organically.

Talk about the situation impacting a friend, colleague or relative and then eventually turn the conversation back to your family. Ask your parents about their own situation: What did they experience with their parents? What worked? What do they wish they could have done differently? This can open the door to a broader conversation.

“It’s best to start small and work your way up to the potentially thornier subjects,” says Robinson. “It’s a lot to address all at once, so it’s more likely to be successful as a series of conversations.”

4 Look for caregiver tax-relief options and government benefits

A number of tax relief and government benefits are available to caregivers, from the Canada Caregiver Credit (CCC), to the disability tax credit, to a host of tax credits for expenses, such as medical and home renovations. It’s important to find out about them and work through the details.

“An adviser or your tax professional will know about these credits and can steer you in the right direction,” Robinson says.

This type of planning can potentially save you money in the long run when you need it most.

Doing your own financial planning can be difficult. Financial planning for three generations is even harder. So, it's worthwhile to start early, think ahead, and utilize the expertise of professionals to put a holistic plan together.

Better caregiving planning leads to happier - and financially healthier - caregivers, benefiting the entire family and avoiding that caregiver burnout.



Knowledge is power. Find additional resources on [cibc.com/herworth](https://www.cibc.com/herworth)

An earlier version of this article appeared in the Globe and Mail in March 2020.

¹[CIBC Poll, 2019](#)

²[2019 Spotlight on Ontario's Caregivers report](#)

³[Leger Marketing survey, 2016](#)

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