

CAREGIVER HEADLINES

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WHAT CAREGIVERS NEED TO KNOW ABOUT MONEY & RETIREMENT

This article helps you identify financial decisions you may face as a caregiver. These decisions can affect both your short and long-term financial security, including your own retirement.

One study found that, on average, caregivers lose \$659,130 over a lifetime in reduced salary and retirement benefits.

Step 1: Budgeting Basics

If you are a caregiver to a child, spouse or a disabled adult, having a household budget is a must. A budget will enable you to live in a way that protects you from financial crisis.

The first step toward creating your household budget is to keep track of spending.

- * Buy a notebook and take it with you everywhere that you go for a couple of months. Write down everything that you spend money on.
- * After a few weeks, start putting your expenses into categories, like food, transportation, and clothing. Make a list of bills you have to pay on a regular basis, like car insurance and mortgage payments.
- * Add up your total income—all of the money you receive in salary, other payments and benefits and any earnings on investments each year. Divide your annual income by 12 to calculate your monthly income.

- * Subtract all of your regular monthly bills and the other monthly expenses that you found by keeping track of your spending in your notebook. This will tell you what money you have left over for emergencies, like car repairs.
- * Finally, if you are the caregiver, look for ways to start saving some money for retirement. Make a plan to start investing so that your money can start to grow.

Step 2: Leaving a job or working part-time

If you are thinking about leaving your job or reducing your hours to part-time, you should check into what will happen to your benefits as a result.

Decisions you make **now** can have a tremendous impact on your financial future. Be sure to exhaust your other options before leaving a job or reducing your hours.

If you decide to quit or reduce your hours, consider the effect on your retirement benefits:

- * If you are in a traditional pension plan, you usually become vested in five years. Generally, the longer you stay the more valuable the benefit will be.
- * In a defined contribution pension plan, there is a similar requirement—you must stay a certain number of years, often between three and six years.

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Special points of interest:

- July is Elder Abuse Awareness Month
- Spa for the Caregiver's Spirit –September 13
- Budget Worksheet
- National Definitions of Services that Can Assist Family Caregivers

FINANCIAL STEPS FOR CAREGIVERS CONTINUED

- * If an employer provides retiree health insurance, it will usually be only for retirees who worked for the employer for their full career and receive a monthly defined benefit pension over the remainder of their lives.

If you are going to another job without health insurance coverage, you can elect to continue coverage under your previous employer's group policy, but you will have to pay all of the premiums. You have 60 days to decide if you want to elect this coverage under a federal law referred to as COBRA.

Things to Consider

- * If you are thinking about leaving a job with a traditional pension plan, your employer can tell you what you will receive as a monthly pension benefit when you reach retirement age.
- * If possible, wait until you are vested in the defined benefit pension or in your employer's contributions to your 401 (k) or other defined contribution plan before you leave.
- * If you are switching from full time to part time, be sure to work enough hours to maintain your benefits. The longer you work at a job, the more you may have to lose in the way of retirement, seniority, and other benefits.

In a defined contribution plan, such as a 401k plan, when you change jobs, you will have some choices. You may be able to leave your retirement savings in the same account or roll it over into an Individual Retirement Account (IRA). You should resist the urge to take the money out and spend it. Invest it so that it continues to grow until you retire. Also you'll avoid the IRS penalty for taking it out early.

Sit down with your spouse and budget your expenses. **See budget worksheet insert.** Include a contribution to an IRA for yourself as one of the expenses. If possible, pay off credit card and loan debts before you quit.

Step 3: Talk to your family about the financial impact of being a caregiver.

Family Financial Planning

- * Talk to your siblings and other family members about the various costs involved in your providing care to a family member.
- * Consider setting up an IRA to replace retirement savings lost from your employer.

- * Consider the possibility of purchasing long-term care insurance for yourself, which can give you more choices when you face health-care decisions in your own retirement.

Step 4: Are you saving enough for a secure retirement?

Like many Americans, you may be wondering how much money you will need when you are ready to retire and if you are saving enough to meet your goals.

First, you need to know how much you can expect from Social Security, pensions, annuities or other retirement vehicles. Make a list of all your sources of retirement income, and estimate what the monthly benefit will be.

The second step is to calculate your net worth. Estimate the total value of your assets, including cash, home equity, automobiles, other personal property, the value of insurance policies and so on. Then, subtract the total of your liabilities such as mortgages and credit card balances from your total assets. The result is your net worth.

Calculate how much income you will need in retirement. Many experts recommend planning for at least 85% of your current pre-tax income in order to maintain your current living standard.

Next, calculate the gap between income from Social Security, retirement plans and assets and your retirement income goal. The gap represents the amount you will need to save between now and retirement in order to meet your overall goals. How much you need to save each year to fill the gap is a complicated calculation. Women's Institute for a Secure Retirement (WISER) website www.wiserwomen.org has an online calculator that can be used to calculate how much you will need to save each year in order to build the nest egg you need.

If you are working, be sure to participate fully in your workplace retirement plans. If your employer will match your contributions to your 401 (k)- - that free money. Don't pass it up.

Finally, learn to live beneath your means. That is how people build wealth!

Source: Women's Institute for a Secure Retirement (WISER) booklet

CAREGIVER RESOURCE/SUPPORT MEETINGS

Fayette County & Surrounding Area

July 3
 August 7
 Sept. 4
 3:00-4:00 p.m.

First United Methodist Church
 127 North Fourth Street
 Vandalia
 Meets in the library

Jefferson County & Surrounding Area

July 10
 August 14
 Sept. 11
 3:00-4:00 p.m.

Addus Adult Day Center
 108 North Third Street
 Mt. Vernon
 Meets in the North Room

Effingham County & Surrounding Area

July 16
 August 20
 Sept. 17
 3:30-4:30 p.m.

Heartland Human Services
 1200 North Fourth Street
 Effingham
 Meets in Room 119

Marion County & Surrounding Area

July 17
 August 21
 Sept. 18
 4:00-5:00 p.m.

St. Thomas Episcopal Church
 512 West Main Street
 Salem
 Meets in Church Basement

BOOK REVIEW OF THE MONTH

Understanding Alzheimer's Disease is a free publication from the National Institute on Aging.

This FREE booklet tells you about:

- * Alzheimer's disease
- * The signs of Alzheimer's disease
- * Why it is so important to see your doctor early
- * Treatment for the disease
- * How to get help if you are caring for someone with Alzheimer's disease

For copies of Understanding Alzheimer's Disease you can contact the Alzheimer's Disease Education and

Referral (ADEAR) Center at 1.800.438.4380 or visit their website at www.alzheimers.nia.nih.gov.

You can also receive a copy of the publication from Heartland Human Services by calling 217.347.7179 ext. 1046.



Visit www.alzheimers.nia.nih.gov for several caregiving free publications.

BEST WISHES TO DEPARTING CAREGIVER ADVISOR

Libby Collins, Caregiver Advisor with Heartland Human Services for the last four years, has accepted a position closer to her home and that requires less travel for her in many ways. Libby's last day at Heartland Human Services was June 20. Many of you know that Libby has worked hard in developing the Caregiver Program and has been instrumental in getting respite hours to you—our caregivers. We wish Libby, Levi, and Amelia the best....



In the interim contact Linda Warner for your caregiving needs.

JULY: ELDER ABUSE AWARENESS MONTH

At one time abuse was associated only with the very young, but in Illinois it is estimated that an elderly person is abused, neglected or exploited every 7 minutes and the problem is growing. Because of this fact, for the second year in a row the Governor has proclaimed that *July be Elder Abuse Awareness Month*. After last years proclamation Elder Abuse intakes increased over 20% in the five counties covered by Midland Area Agency on Aging.

Some signs of abuse include: welts in the shape of objects, burn marks, malnutrition or dehydration, weight loss, poor skin condition, unexplained fractures, bruises in the shape of fingers, different explanation of the injury by the victim and abuser.

Some signs of exploitation include: victims bills not being paid despite adequate income, inadequate food or medicine for the victim, abuser has access to

victims money and appears to be using the money on themselves rather than the victim.

General signs of the victim include: depression, fear, and withdrawal, refusal to answer questions without abusers permission, anger or agitation at being asked questions.

General signs of the abuser include: abuser will not allow victim to answer own questions, abuser blames victim for everything, anger and aggressive behavior towards the victim and others.

If you are concerned about a senior who is 60 or over please contact Midland Area Agency on Aging at 618-532-1853 or Senior Protective Services at 1-800-283-4070. Your report is confidential and anonymous reports are accepted.

LIBRARY RESOURCE HOURS

Fayette County: First Tuesday of each month

10:00 a.m. to 1:00 p.m.

Evans Public Library

215 Fifth Street

Vandalia

Next Visit: July 3**Marion County: Third Tuesday of each month**

1:00 p.m. to 3:30 p.m.

Bryan-Bennett Library

217 West Main Street

Salem

Next Visit: July 17**Effingham County: First Thursday of each month**

10:00 a.m. to 1:00 p.m.

Helen Matthes Library

100 Market Avenue

Effingham

Next Visit: July 5**Clay County: Fourth Tuesday of each month**

1:30 p.m. to 3:00 p.m.

Flora Public Library

216 North Main

Flora

Next Visit: July 24**Jefferson County: Second Tuesday of each month**

10:00 a.m. to 1:00 p.m.

CE Brehm Memorial Library

100 South Seventh

Mt. Vernon

Next Visit: July 10

September 13, 2007...5th Annual Spa for the Caregiver's Spirit

Plans are underway for our Spa for the Caregiver's Spirit. This year's event will run from 3:00 p.m.—8:00 p.m. and will be held at **Pleasant Hill Baptist Church** located north of Mt. Vernon on IL Hwy 37 (note change in location from previous years).

The evening will consist of two general sessions; small group discussions on things such as personal care, socialization for seniors, lifts & transfers, advance directives, food/meal planning, common caregiver concerns; informational exhibits; chair massages; facials; and a free meal.

Respite care will be available for care receivers.

More detailed information will be in the August edition of *Caregiver Headlines*.

Mark your calendars now for September 13, 2007 from 3-8 p.m.

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ANNOUNCEMENTS

September 13, 2007 5th Annual Spa for the Caregiver's Spirit *(see page 5 for details)*

September 26, 2007 Symposium for Seniors in Salem *(see August edition for details)*

July Edition of Caregiver Headlines Insert
(Budget Worksheet goes with Article on pages 1-2)
(National Definitions of Aging Services)

Heartland Human Services is closed July 4th.



Happy 4th of July!!