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November Is National Family Caregivers Month

LeConte Provides Insights on Financial Care for Elder Family Members

Alcoa, Tenn. — It's an overwhelming question many adult children must face at some point: "How can I care for my elderly family members well when I don't feel financially prepared or have the right expertise?"

With November recognized as National Family Caregivers Month, people with aging parents or elder family members should consider the issues their loved ones face and what types of support will be needed, both in the near-term and long-term, according to Alcoa-based LeConte Wealth Management.

"Most families are not financially prepared to take care of their parents," said Andy Oakes, financial adviser for LeConte Wealth Management. "But as parents grow older, it's likely they will need help and assistance making important decisions. That's why it's critical to begin a dialogue and a planning process early on that involves both the elder family members and their care-givers to identify issues and challenges requiring attention."

Recent statistics demonstrate that elder care family needs facing young to mid-life adults are significant and growing:

- According to AgingStats.gov, there were more than 90 million people over 60 years of age living in the United States as of 2004.
- The Administration on Aging estimates that, out of roughly 106 million households in the United States existing in 2003, more than 22 million (or roughly one in five) were providing informal care to one or more elderly persons.
- Statistics also suggest that approximately one in 10 workers were employed in elder care related fields.

"These sobering statistics demonstrate that the need for elder care is universal," Oakes said. "As with any financial reality that you know is coming down the road toward your family and loved ones, it's smart to begin addressing it sooner rather than later."

According to Oakes, procrastination can be a costly enemy – especially for older family members who can participate in conversations about their care and their finances today but may not be able to do so a year from now due to health issues.

“Adult family care-givers must be aware of these timing concerns and initiate conversations about planning, allowing elder loved ones to remain empowered and to exercise control over as many decisions as feasible,” he said.

LeConte Wealth Management offers several tips for families to get started on the most appropriate financial path for providing elder care:

Be proactive in developing a realistic plan.

Determine what financial assets are available for elder care and then ask, “What will these assets cover and for how long will they cover my loved one’s specific needs?”

Be aware of options.

What levels of care are available and appropriate? If transitioning to an assisted living facility, research the types of additional government assistance available (i.e. veterans benefits, Medicaid).

Think ahead.

Though it might be feasible to have an elderly family member move in with one of their children, what will happen if their health deteriorates? What are likely to be the next stages of health concern, and what will these demands require in terms of transitioning to more advanced care?

Tips for someone caring for an elderly family member at home:

- Medicare does not cover long-term care expenses. Medicaid, based upon financial need, may provide support, but the type and manner of covered care is limited.
- Secure powers of attorney.
- Attend medical appointments with the patient. Consider taking notes or even keeping a journal record of doctor visits to help manage complicated medical information.
- Be realistic about what is affordable and for how long.
- Be respectful of the elder family member’s desire to remain in charge of personal affairs, but be aware of diminishing capacity to fulfill them.
- Seek outside help when needed.

What are the financial steps one should take when preparing to care for an elderly family member?

- Assess the financial impact of the loved one’s current and likely future needs.
- Determine what financial resources are available to meet these needs and how they should be accessed (from what accounts, in which order, and how much).
- Secure financial and healthcare powers of attorney (POA). Ensure that financial providers and insurance carriers are aware of POA role.
- Clearly define ongoing financial roles (i.e. who will be paying regular bills, who will review nursing home expenses, what role can the elderly family member continue to play in directing their own affairs?).

What advice do you have for someone caring for an elderly family member by way of their retirement savings?

- Recognize the shift in priorities to generating current income and providing liquidity. Portfolio risk should be minimized.
- Assess the financial impact of their current and likely future needs.
- Determine what financial resources are available to meet these needs.

What is an ideal scenario (in terms of finances) when taking care of an elderly family member?

The key elements should include:

- A realistic plan of care
- Resources sufficient and invested appropriately to provide for that care
- Respect for the family member's participation in making ongoing decisions and desire to remain independent as appropriate
- Division of responsibilities in providing ongoing financial monitoring, medical supervision and emotional support

What is a worst-case scenario (in terms of finances) when taking care of an elderly family member? (Example: elderly family member has no financial funds or huge medical debt.) Any tips for a worst-case scenario?

Some negative scenarios might include the following:

- Emotional barriers can sometimes prevent families from exercising control, resulting in unintended financial negligence by elderly family members, leaving them unable to support themselves financially.
- Existing investments are not structured to take advantage of applicable tax deductions and government aid.
- Available government aid, insurance benefits or other supplemental income are forfeited because no one knows to apply for them.

Across many of these different situations, it's important to try to take out the emotional factors that might lead to bad decision-making. To the extent that a person can remove financial considerations or deal with them separately, emotional stress can be reduced.

For more financial information and access to free financial tools and calculators, go to

www.lecontewealth.com.

ABOUT LECONTE WEALTH MANAGEMENT, LLC:

Established in 2007 and located at 269 Cusick Road, Alcoa, Tenn., 37701, LeConte Wealth Management, LLC (www.lecontewealth.com) helps clients develop a plan to accumulate and preserve their wealth in pursuit of their unique financial goals. With more than 30 years of cumulative experience, the firm's team provides asset management, retirement planning, estate planning, risk management and business planning. Securities and Advisory Services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser.