

Avoid Becoming 'Burden' On Grown Children

Here's an interesting statistic: Some 72% of retirees say one of their biggest fears is becoming a burden on their families, according to a 2021 survey by Age Wave and Edward Jones. Both before and during retirement, what steps can you take to avoid burdening your loved ones in the future?

Here are a few suggestions:

- *Build your retirement savings.* The greater your financial resources, the less likely it becomes that you'd ever have to count on your grown children for financial support. You may have access to a 401(k) or similar retirement plan at work, so take advantage of it. Even with an employer-sponsored plan, you also may be eligible to contribute to an IRA. In addition to offering a variety of investment options, a 401(k) and IRA provide potential tax advantages. And once you do retire, be careful about how much you withdraw each year from your retirement plans and other investments.

- *Plan for health care costs.* Once you are retired, health care costs will be a significant expense. You may have Medicare, but you'll also want to consider your need for supplemental health insurance to cover traditional medical costs. And you'll want to consider another potential health-related expense: long-term care. You may never need the services of a home health aide or a stay in a nursing home, but no one can predict the future.

Medicare does not cover most costs for long-term care, which can be quite high. In 2021, the annual national median cost for a private room in a nursing home was over \$108,000, while the median cost for a full-time home health aide was nearly \$62,000, according to a survey by Genworth, an insurance company.

You may want to consult with a financial professional on strategies for protecting yourself from these costs.

- *Create necessary legal documents.* If something were to happen to you, and you didn't have the appropriate legal documents in place, your loved ones could be placed in a bind, both financially and emotionally. That's why it's a good idea to create documents such as a durable financial power of attorney, which lets you name someone to manage your finances if you became incapacitated, and a durable power of attorney for health care, which allows someone to make medical decisions on your behalf if you can't make them yourself. You'll want to work with a legal professional to develop the documents appropriate for your needs.

- *Evaluate your housing needs.* As you enter retirement, you may want to evaluate your living situation. Could you downsize to a smaller home, or perhaps a condominium or apartment? Not only might you save money with such a move, but you could also end up relieving your grown children of the responsibilities and hassles involved in clearing out and selling your home should you become unable to do so yourself during the later years of your retirement.

By taking these measures, along with others, you can go a long way toward maintaining your independence and putting yourself in a place where you won't burden your grown children. And that's a good place to be.

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