

Tables turned when parents live a long life

Retired airline pilot flies to mother's rescue; chips in \$2,000 a month for her home health care

By Darla Mercado

Investment News, September 19, 2010

Sam Bulger planned well for his retirement and is now reaping the rewards. A former airline pilot who retired 11 years ago, the 71-year-old has \$1.2 million in assets and a pension. He is even able to salt away some money for his five grandchildren's college education. However, there is one thing that Mr. Bulger didn't plan on: his mother living well into her 90s and needing his help to continue living independently.

"[Mr. Bulger] is very comfortable with the retirement forecast we've provided him," said Peter Tedstrom, his adviser and a founding partner at Brown & Tedstrom. "The only part that makes him uneasy is that he's funding some monthly amount to his mom. The uncertainty of how much and how long gives him some anxiety," Mr. Tedstrom said. "The golden years can end up lasting many years," Mr. Bulger said. "My mother retired at 65, so she's been retired for as long as or longer than she had ever worked."

Roberta Story, Mr. Bulger's 96-year-old mother, values her independence, but a series of ailments have made it more challenging to remain in her home by herself. For one thing, he lives in Denver, but she lives almost 2,000 miles away in Maine in the house where he spent a good portion of his childhood. Caring for his mother from such a long distance can be trying. Like her son, Ms. Story is a good planner and had the foresight several years ago to purchase a long-term-care policy. However, the policy had a cap of \$73,000, which she exhausted over a two-year period.

Ms. Story also had a bout with pneumonia that resulted in a hospital stay over several weeks. She then spent time in a rehabilitation facility. Hospital staff members had suggested that Ms. Story enter an assisted-living facility or nursing home. Preferring her independence, she refused. These days, Mrs. Story receives home health care for six or seven hours a day, her single biggest expense.

'Picking up the slack'

"Her retirement money by itself is fine if all she had to do was pay her bills," Mr. Bulger said. "It's the care assistance that's really eating into the money, so I'm picking up the slack." Through the state, Ms. Story receives about \$1,100 a month for her home care, with Mr. Bulger picking up the balance — another \$2,000 a month. So far, he has managed to meet his mother's expenses without having to dip into his savings — an emergency fund that he maintains for himself and his wife. "I didn't anticipate this thing with my mother; fortunately, there was enough of a financial cushion that it hasn't been a major problem," Mr. Bulger said.

Even though helping his mother hasn't affected his own financial situation, Mr. Tedstrom still brings it up at their meetings. "My greater concern for him is to know that he can be comfortable and that this shouldn't add stress or anxiety to his life," the adviser said. His mother's longevity has also brought home to Mr. Bulger the fact that he might live another 20 years. He has already taken out a LTC policy, which he says is more comprehensive than the one his mother had.

"The biggest thing I learned is that you just can't plan enough, and you can't project ahead in today's dollars. What's the cost of living going to be like in 20 more years?" Mr. Bulger asked. "I don't want to leave my children to [have to] take care of me," he said. "I want to be in a position where I can take care of everything myself or at least have the resources there."