

# Caregiving for Children: A Starter Guide



Becoming a parent or guardian may be one of the greatest acts of selflessness, especially for a primary caregiver. Of course, it does come with challenges. Did you know that more than 3/4s of caregivers report experiencing financial, social, mental or professional setbacks as a result of their caregiving responsibilities<sup>1 2</sup>?

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**To better manage these challenges throughout the adventure of parenthood, Fidelity has put together a checklist to help you and your family better prepare.**

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## Start a family conversation.

- When it comes to deciding how to provide care for children, those with a plan find the experience far less mentally stressful and say they are better prepared for the unexpected.
- For someone taking on primary care responsibilities (including for children with special needs), it's important to meet as a family to divide responsibilities. Know who is owning what and establish back-up plans – from homework help to sports practice to after-school pickup. These needs will change over time, so it can also be helpful to check in every so often, whether it's before the start of a new school year or before a child's birthday.
- **KEEP IN MIND:** Once you've talked things through, it can be helpful to document what needs to be done, and make sure everything is communicated to the important people in your life.
- **Resource:** The 10 skills of dialogue



## If you need to stop working to help with caregiving, be sure to calculate the full cost of stepping away from work.

- Make sure to consider what money you will no longer receive, including:
  - Salary
  - Years of retirement savings (both yours and any employer match)
  - Years of Social Security credits
- Leaving the workforce also brings other "hidden" costs, including the adverse impact it may have on:
  - Potential raises and promotions
  - Additional employer contributions to any retirement and/or health savings accounts (HSAs)
  - Health care coverage

- According to the **American Caregiver study**, just one third (32%) of respondents took the time to calculate at least one of these costs, and very few calculated all. Perhaps as a result, 62% indicate they sometimes felt overwhelmed by the financial stress<sup>1</sup>.
- To help make crunching the numbers easier, use Fidelity's **calculator** designed to gauge the cost of leaving the workforce and the negative impact on one's earning potential



## Before stepping out from the workforce, ask your employer if they can help.

- Ask about greater flexibility, as well as financial and emotional support benefits.
  - 64% of working caregivers said they did not look into asking their employer whether special benefits or flexible options were available<sup>1</sup>.
  - For the roughly one-third that did ask, most discovered their employer was willing to work to accommodate their needs<sup>1</sup>.
- Benefits an employer may offer:
  - Access to expert care coordinators, including locating, interviewing, background checking and securing care.
  - Educational resources, such as caretakers or tutors, as well as childcare cost assistance to help navigate the uncertainty.
  - Caregiving benefits to help employees care for kids with behavioral and developmental disabilities
  - Emotional well-being support with access to health professionals.



## Don't forget about your own health and financial security.

- Selflessness comes with the territory, but neglecting one's own needs can be disastrous, and may result in a sense of helplessness and burnout.
- First and foremost, make sure you schedule some "me time"—and don't be afraid to ask for help when you need it.
- If you decide to stop working to care for a loved one, make sure you have health insurance—either through your spouse or individually.
- If possible, continue saving and investing for your retirement. If you don't have access to an employer-sponsored plan, you may be able to still save for retirement through an IRA.



## Prepare your own plans.

- As a parent or guardian, you want to make sure that your children are well cared for, no matter what the future may bring.
- Keep in mind, if you don't prepare for it and write it down, someone else may end up making these decisions for you.
- That's why it's important to start documenting your own wishes for the future. Consider putting together an estate plan, which includes a will, trust, power of attorney, health care proxy, HIPAA release, organ donation form, living will, letter of intent, and letter of instruction.

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## For More on How to Get on the Same Page with Your Finances

Check out Fidelity's Viewpoints financial matters and essential questions every caregiver should consider, including:

- The Hidden Costs of Caregiving
- How do you care for others in stressful times?

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1 The Fidelity Investments 2021 American Caregivers Study presents findings from a nationwide survey of 1,008 U.S. adults ages 18+ who are current or past (within last five years) caregivers to children or adults. This survey was fielded in April 2021 by Versta Research, an independent research firm not affiliated with Fidelity Investments.

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