

THE SUCCESSFUL INVESTOR

A PUBLICATION OF WAYPOINT WEALTH PARTNERS

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Waypoint Wealth Partners is an independent wealth management firm providing investment management and wealth planning services to individuals and couples. We specialize in working with successful families with school-age children, helping parents plan and navigate the myriad issues and decisions common to this demographic.

We understand that time is your most precious resource as you juggle the demands of career and family. For that reason, we focus on organizing and simplifying all the pieces of your financial life and developing an actionable plan with key success metrics to keep you on track toward achieving what's most important to you.

At Waypoint Wealth Partners, we strive to develop long-term relationships, deliver tangible results and have a meaningful impact on our clients' lives.

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Sandwich generation challenges

Did you know there are more than 10 million Americans trying to raise young children while caring for their aging parents?

We are having more conversations with our clients about the challenges this creates for the sandwich generation — a generation of people, typically in their 40s and 50s, responsible for bringing up their own children and providing care for their aging parents.

If you are seeking advice on how to gracefully manage the inevitable challenges that arise from caring for the young while tending to the old, read Annette's column on page 2.

If you want a first-person account of one family's experience, flip to page 4 and hear the story of the Flegal family — complete with a bit of tension, a little laughter and a classic '57 T-Bird.

Our contributed column from Elizabeth Krivatsy on page 5 includes questions you should be asking now to make sure you have perfect housing for later.

We've also asked some top-notch experts to discuss changes in the long-term care insurance industry and what this means for you — the good and the bad. Visit page 7 for this column and some sound advice on what questions to ask to secure good rates and potential discounts. —



Chuck Bowes, Principal



Annette Brinton, Principal



Ed Runyon, Principal

"Youth is the gift of nature, but age is a work of art."

— Stanislaw Jerzy Lec

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Tips for the Sandwich Generation

Millions of Americans are juggling demands of aging parents and young children. What can you do to be better prepared, prevent family discord and create harmony?



Annette Brinton
Principal

You've just arrived home from a busy day at the office and are helping the kids with their homework when you get a call that your dad has fallen and has broken his hip. You've worried about something like this happening for several years, since he's been having trouble with his balance, and now it's happened. And to make matters worse, he lives 1,500 miles away.

Does this scenario sound familiar? Welcome to the sandwich generation. We're hearing about situations like this more and more from clients and the trend will only continue. There are nearly 10 million baby boomers between the ages of 41 and 60 who find themselves "sandwiched" between dependent parents and children, according to the Pew Research Center.

I heard an interesting statistic from a long-term care specialist: 30 percent of us will live our lives and then die, relatively suddenly; the remaining 70 percent of us will "linger." That means that most of us will live a LONG time as older adults. And statistics support this. The older population — persons 65 years or older — numbered 39.6 million in 2009 (the latest year for which data is available). They represented 12.9 percent of the U.S. population, about one in every eight Americans, according to the U.S. Department of Health and Human Services.

We are used to planning for so many things in our lives — where we go to college, what we study, our careers, having a family, retiring — but so few people plan for the latter stages of life that are inevitable for the vast majority of us.

While nothing can truly prepare you for that call or everything that comes thereafter, being proactive and doing some important planning with your family can help minimize having to make big decisions during a time of crisis.

Here is our recommended "Sandwich Generation To Do List":

1. START THE CONVERSATION

Communicate with your parents while they are able to fully participate in planning for their own long-term care. We recommend talking to them over a period of time rather than bombarding them all at once. Remember to be sensitive to the difficulties associated with facing mortality and losing independence. Some specific areas to address include:

Housing

- How long do they hope or want to continue living in their home?
- How do they feel about living with other family members?
- How do they feel about other housing alternatives, such as assisted living?
- How important is it to maintain close proximity to friends and other relatives?

Health

- How do they characterize their current state of health?
- Did they have any health issues in the past that are important to be aware of?
- What medications are they taking?
- Do you know their doctors and what kind of insurance they have?
- Do you have HIPAA releases so you can talk to their doctors and get information?

Finances

- What is their current financial situation?
- What do they have by the way of investments, property, other assets, debt, income, pensions, Social Security, annuities, life and long-term care insurance?
- Who are their advisors and do you have their contact information?

Continued on page 3

Legal

- Do they have an estate plan and was it executed or updated in the last 10 years?
- Who are designated as health care agents, financial agents and successor trustees?
- Are their assets titled properly and beneficiary designations appropriate?

If you're having trouble figuring out how to have some of these conversations, a useful book to check out is "How to Say it to Seniors" by David Solie.

2. GET ALL GENERATIONS INVOLVED

As you navigate through these challenging times, you are modeling for your children what it means to be part of a family. It's important to talk with your children about what's happening with their grandparents, how this might impact your family life and what they can do to help. Share your family values and use this as an opportunity to teach your kids about empathy, sacrifice and pulling together as a family.

While it's important to keep your children in the loop, it's also key to remember that they are growing up and grappling with issues and challenges of their own. Remember to continue to nurture your relationship with your children.

3. CALL A FAMILY MEETING

Have a family meeting to discuss how to divide responsibilities. Think about practicalities, like proximity to your parents, time availability and skill sets. For example, financial responsibilities like bill paying and coordination with an insurance company can be done remotely while going to doctors appointments and providing care requires being closer.

4. DEVELOP KEY RELATIONSHIPS

Meet with your parent's professional team: wealth manager or investment advisor, CPA, and estate planning or family attorney. It's also good to know doctors or other caregivers. If your parents live independently, it would be great to make connections with neighbors. This will provide peace of mind for you but also for neighbors who may want to help your parents.

5. GET ORGANIZED SOONER RATHER THAN LATER

Gather resources so you have them when you need them. Things like how to find a good care manager and home care providers, adult day care services, transportation services and community activities.

One-stop Resources Visit www.aoa.gov, the Administration on Aging Web site, which has loads of information and resources to help you think through next steps.

Another comprehensive site that's worth visiting is www.caring.com. It is well organized by subject area and has various communities so people can share information and provide support. The site also has directories for care providers and a "Yelp-like" function under development, which will enable people to rate providers.

Find Local Programs Check www.eldercare.gov to find state and local agencies on aging and community-based organizations that serve older adults and their caregivers.

Check for Benefits Go to www.benefitscheckup.org to find benefits programs that help seniors pay for prescription drugs, health care, rent, utilities and other needs.

Learn about Medicare You can visit www.medicare.gov to get more information about what's covered and what's not. It's important to understand that Medicare generally does not cover long-term care (nursing home or extended home care), so you must plan accordingly. The No. 1 financial hurdle for the elderly is the cost of long-term care. Bills for a nursing-home stay, an assisted-living facility or extended home care can easily reach \$50,000 to \$100,000 or more a year, according to CNN Money.

6. THINK STRATEGICALLY, PLAN ACCORDINGLY

Since many baby boomers work, it's important to think strategically regarding your career. Learn about your company's benefits, stock up extra vacation and clearly communicate with your team about any situations that arise.

At the appropriate time, advise your workplace that you may need some flexibility or a reduction in hours or workload. And get familiar with the Family Medical Leave Act, www.dol.gov/whd/fmla. This federal program entitles eligible employees up to 12 weeks of unpaid leave in a 12-month period to care for an elderly parent.

7. LAST BUT NOT LEAST: VOW TO TAKE CARE OF YOURSELF

Maintaining your own health and sanity is vitally important and is so often sacrificed. Try to plan for some downtime in your day and arrange for care to give you periods of extended time off.

Unfortunately, there's no cookie-cutter solution or simple answer for the sandwich generation. But there are things you can do to prepare to make the journey a better one — for you, your parents and your children. —

Start the conversation: It might be easier than you think

It was a late afternoon that we sat around the table with Grams, mom, our sister, uncle Stu and aunt Linda while Pop pulled out a battered cardboard box labeled "Flegal Docs." My grandparents were in their mid-80s but still very vital and energetic — and, as always, thrilled to have the family gathered together. Usually when the Flegal clan was around a table, it was to share a meal or play a lively game of cards, but on this occasion we were gathered for a different reason.



everyone participated in. Grams just wanted to make sure she got one more run up the I-5 with the top off and her grey hair tucked in a scarf.

We had all remembered Grams saying they would hire someone to come into the house and help them, but as we all sat around the table and chatted, she realized that was not practical and came to the conclusion that assisted living would be a better option. Ah, now we all heard the same, updated message and could proceed accordingly.

"OK, here's everything you need to know," laughed Frank Flegal, our grandfather who was affectionately known as Pop. He proceeded to take us through all the documents he and my grandmother had gathered regarding their important financial, legal and health care affairs. No muss, no fuss. In fact, there was a sense of relief and pride in their voices.

This all sounds so easy and ideal, but it wasn't without effort, energy and emotion. My mom, who was their "go to" for most everything, realized that the family all needed to connect and talk about Grams and Pop and their future.

There were official documents, including their will and trust, a health care directive and the deed for their cute little yellow house in San Clemente. There were also copies of their bank statements, mutual fund accounts and a list of their advisors, plus a tattered yellow legal paper with a list of what was included in the box.

When she mentioned the idea of getting the family together, Pop wondered what they would talk about. Mom explained that everyone should know about the "cardboard box" and their wishes for the future.

"Now babe, can you show them the files of what we want for our funeral?" said Helen, our Grams with her wonderfully warm, bright smile. Out came a manila file folder with a few random notes scattered about Bible verses and special songs plus a form from the Neptune Society.

"Oh, that makes sense," said Pop in his logical way.

As we sorted through the paperwork, various topics came up — from their desire to be cremated and what type of funeral they wanted to what would happen to the home they bought in the 1970s and where Grams' white '57 T-Bird would end up.

The family meeting was simple yet so important. It let everyone know Grams and Pop's wishes and allowed us to all pitch in and support my mom as she juggled work, life and their increasing care. My uncle committed to coming down to visit more, both sisters promised to help clear out the house when the time came and Chuck took over managing their finances.

At first the conversation seemed a bit strained and uncomfortable, but it was not long before we were laughing about old family stories, including when they purchased the '57 T-Bird that my grandmother proudly drove ever since. Logically, this led to a conversation about what we were going to do with the classic hot rod now that my grandparents were not driving much. Since the atmosphere was casual and there were no crises at hand, it was an easy conversation that

As the hard decisions came about putting the house on the market, selling the T-Bird and finding the right assisted living facility, the family was united and able to work together to honor my grandparents' wishes (including a pedal to the metal run in the ole T-Bird with Grams grinning ear to ear).

It was still an emotional and difficult time when my grandparents transitioned to assisted living and then ultimately passed away, but it was made a little easier thanks to an honest family chat and an old cardboard box. 🍷

This was written by Chuck Bowes (WWP partner and grandson) and his sister Vikki Bowes-Mok (WWP editor and granddaughter).

Planning is key to aging in place

Most of us say that we want to live out our lives in our own homes, but few of us have really thought about what that means — and even fewer have a plan. Here are three essential issues we must consider when thinking about how and where we will live in the future.

If it takes a village, what's yours look like?

First, we must consider our relationships. Surprisingly, the biggest barrier to healthy aging isn't poor health; it's isolation and loneliness. Are you connected with family and friends? Are they living nearby? Do you see them often? Are you actively participating in the lives of your family and friends now?

Even if you're a bit of loner, you need at least one close relationship in your life. And, as we age, we need more than one, because our spouses and partners, our siblings and our friends are aging, too. We've all seen how devastating it can be to lose a lifelong spouse or friend, and it's so much worse when the survivor has no one else in his or her life.

What about your siblings or your kids? Are they living nearby or across the country? Are they raising kids of their own? Are they saving for college and retirement all at once? Is it realistic or desirable to think they can drop everything to take care of you?

What about your relationship to your community? Do you know and like your neighbors? Do you participate in community activities? Does this community feel like home to you?

Strong relationships with your family, friends and community make up the basic emotional and social infrastructure that will support you as you grow older. And it takes time to develop those relationships.

Health and wealth, how will this factor in?

Second, we must consider our resources — our health and our money. Good health is your most valuable resource, of course. What is your current state of health? Are you doing everything you can to remain healthy? Do you have a chronic health condition that

might affect how and where you live in the future? What happens if your health changes suddenly? What if your spouse or partner's health changes? How will you cope?


Do you know how much money you'll need? Will you have enough to maintain your home? How will you pay for modifications such as ramps or wheelchair-accessible bathrooms if that's needed? Do you have the financial resources — or long-term care insurance — to pay for housekeeping services, assisted living or in-home medical care? How does the cost of aging in place compare with the cost of moving to a retirement community?

Taking stock, what do your environs look like?

Third, we must consider our homes, our neighborhoods, and our communities. Are there stairs? Will this home be too big for you when you're older? What about the garden? Is there accessible parking? What changes might you begin making now? There are specially trained architects and contractors who can help you evaluate your home.

What is your neighborhood like? Are there steps from the street to your house? Could you cross at the stoplight safely and without undue hurry if you were using a cane or a walker? Is there a bus stop nearby? A grocery store and pharmacy? Where are your doctors located? Is your neighborhood safe?

Is your community prepared for an aging population? It's expected that the number of Californians age 65 and over will increase by more than 70 percent by 2020. Clearly that's going to have an enormous impact on our communities.

If you want to age in place, planning is key. If you want to have the broadest range of options for independent living, you must begin planning now. It all begins with the question, "Where and how shall we live?" — 



Elizabeth Krivatsy

Attorney Elizabeth Krivatsy is passionate about helping people plan for their best future — whether that's aging in place or choosing a retirement community. Elizabeth lives in Sausalito with her husband of 31 years and a big yellow Lab who sheds 12 months a year. You can reach her at Elizabeth@KrivatsyLaw.com.

From Croatia to Mexico, fun vacations for WWP team



Waypoint Wealth Partners was recently highlighted in the July 2011 "Financial Advisor" for its ranking as one of the largest Registered Investment Advisory (RIA) firms based on total assets under management.

Annette was recently asked to join the Women's Leadership Circle of the United Way Bay Area and to sit on the group's Steering Committee. The group has set an ambitious goal of cutting poverty in the Bay Area in half by 2020 and has some very innovative ideas that empower low income communities to drive change from within. "This is a high powered, motivated group of women who have decided that failure to reach this goal is not an option; it's just too important. I'm thrilled and honored to be a part of it!"

Chuck and Annette attended FPA NorCal conference June 1-2 in San Francisco where they heard Michael Lewis (author of "Liar's Poker," "Moneyball" and "The Big Short"). It was interesting to hear his view about how the State of California will solve its fiscal crisis, in part, by squeezing municipalities.

Chuck and his family gathered in beautiful Lake George, New York for a family reunion. Thanks to Aunt Linda and three cabins, all 16 family members had places to sleep. The week was filled with swimming, water skiing and playing in the lake, delicious home-cooked meals made by Auntie Boo Boo and rousing games of poker led by cousin Sam.



On a recent family vacation to Baja California, Ed and his son Blake (11) went fishing in the Sea of Cortez. Fishing from small "panga" they hit an epic run of Yellowtail and Dorado landing 11 fish in two hours for a total of about 400 pounds! The catch was shared and enjoyed with the locals, friends and family.

Chuck started another remodel on their Oakland Hills home. A not-to-code driveway prompted the latest update and will include a key addition to the house and a safe spot to park the cars.

Ed was invited to join a quarterly study group of respected financial professionals who meet regularly to share ideas on topics such as client service, technology, industry trends and financial products.

Annette and her husband, Adrian, had a wonderful European vacation this spring. First stop was London and the English countryside for a family wedding. Then they headed off to amazing Croatia to join three other friends for a few days in Dubrovnik and a week sailing along the Dalmatian Coast.



Farm Bowes is buzzing this year complete with healthy and happy bees, lots of leafy greens and juicy tomatoes. 🍷

Fascinating Facts: The Sandwich Generation

10 million

Number of baby boomers between the ages of 41 and 60 who find themselves "sandwiched" between financially dependent parents and children.

\$77,000

The annual median cost of a private nursing home room in 2011.

1,350 hours

Amount of time, on average, the sandwich generation will spend helping care for their parents and children in a year.

1 in every 8 Americans

The number of persons 65 years of older, which equals 39.6 million in 2009 or 12.9 percent of the U.S. population.

\$43,472

Median annual cost for a full-time home health aide in the United States.

1/3

Amount of caretakers who support their parents from a distance.

Sources: Pew Research Center, U.S. Dept. of Health and Human Services, Genworth 2011 Cost of Care Survey, U.S. Bureau of Labor Statistics

Long-term care insurance: The good and bad and the wise

By Sally Calef and Bonnie Drury

The last two years have seen significant movement in the long-term care insurance industry. While some long-term care insurance carriers have raised rates, re-tooled their products and come into and out of the market, consumers have been left to decide not only what coverage is right for them, but on which carrier they can rely.

Early long-term care insurance products were developed in the early 1970s (making it a very young product compared to the hundreds of years that life insurance has been around). The last 40 years have been a constant cycle of evaluation, learning and refinement. As such, long-term care insurance carriers have evolved the benefits that they offer, as well as the risk management tools and methodology used to monitor and manage their products.

The bad news is that in some cases, this process of learning and refining has led carriers to revisit — and raise — rates. To help existing policyholders address a potentially higher premium payment, carriers are generally providing several options to help policyholders retain coverage. Options may include simply accepting the premium increase or choosing to keep their premium at or about the same amount by electing changes to the benefit amount, the policy duration, inflation protection or elimination periods.

Although actions such as raising rates on existing policyholders poses a tough new economic reality, these targeted moves by long-term insurance carriers help to ensure that they will be there at the point that matters most — when it is time to pay a claim.

The good news about this ongoing industry evolution is that increased visibility into risk factors allows insurance carriers to be smarter about the products they have sold and the new ones they are creating. There are interesting new features and benefits being introduced regularly to fit varying consumer needs and budgets.

In 2011 the median cost for a full-time home health aide in the United States is \$43,472 per year and the median cost of a private nursing home room today exceeds \$77,000 per year, according to Genworth 2011 Cost of Care Survey, conducted by CareScout.

Long-term care insurance allows consumers to plan for the high costs of long-term care, should the need arise. With limited government options to pay for this care and self-funding out of

reach for most Americans, the need for long-term care insurance has never been greater. 🏠

Sally Calef and Bonnie Drury are agents representing many long-term care companies in California, including Partnership plans and AARP-endorsed programs. Sally can be reached at (415) 203-6019 and skcalef@yahoo.com and Bonnie can be reached at (949) 497-7993 and bonniedrury@cox.net.

Wise consumers know what to ask

While nursing homes generally do not discount their rates, because they are strongly influenced by Medicare/Medicaid, assisted-living facilities and home-care providers are more apt to do so. Here are a few tips:

- **Know Local Costs:** Genworth's Cost of Care Map (www.genworth.com) provides the median cost of long-term care across the United States to help consumers plan.
- **Fee Waivers:** Assisted-living facilities often charge a one-time fee when a client moves in. If the facility is in a competitive market, or has a surplus of vacant units, they may discount or waive this fee.
- **Special Rates:** Facilities will sometimes have a special rate if residents move in at the first of the month or during a time that is known to have higher vacancy rates.
- **Vacancy Rates:** Facilities may allow a resident to choose a more expensive room, at a lower price, if vacancies are high.
- **Lower Hourly Rates:** Home-care agencies may lower their hourly rate if the services needed are easy to staff and long term, such as a weekday schedule that is predicted to last several months.
- **Shop Around:** If a home-care agency's fees are at the high end of the local range, they may lower rates if they know the client is interviewing several agencies. Let providers know if a lower rate has been quoted elsewhere for the same services.
- **Premium Waivers:** Agencies usually charge a premium for weekend services. For a client who also engages services for a significant amount of weekday hours, the agency may waive this premium.

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*Millions of Americans are living in the **sandwich generation**.*

*Start the **conversation** — It might be easier than you think.*

***Home sweet home:** Planning is essential if you want to stay put.*

*How to think about **long-term care insurance**.*

Find out more inside...