

Transcription details:

Host: Bill Coppel, First Clearing Chief Client Growth Officer
Guest: Sherri Snelling, Caregiving Club Founder and CEO

Transcription results:

Intro Welcome to The Next Frontier where we examine what the role of the financial advisor will be in a world that's being disrupted by artificial intelligence and algorithms. Our mission is to spark new conversations that create stronger connections and build greater client confidence. Join us as we look at our industry, and others, through a new lens and explore the opportunities emerging at the intersection of high-tech and high-touch. It's time for a new conversation. Are you ready?

BILL COPPEL Hi. This is Bill Coppel. And welcome to The Next Frontier. Aging in America is having a transformative impact on our society, creating a \$7 trillion longevity economy. In fact, the longevity economy is considered the third largest global economy behind the US and China. Certainly, technological advancements have contributed to this newfound longevity, giving us 30 plus bonus years, in some cases, beyond age 65. It's a very complex and rapidly changing landscape. So why should we care? As we live longer, we are facing challenges that come with longevity like, for example, where are you going to live? How are you going to live? And what kind of help will you need? Yet, with this reality, and the volumes of information we have available, we still seem to be caught by surprise as evidenced by the fact that we aren't preparing early enough and more broadly, meaning beyond the balance sheet. So today, we welcome back Sherri Snelling to help us understand more about the rapidly changing landscape of caregiving, and how we can better prepare ourselves, and our clients, for what's next. For those of you who may not be familiar with Sherri, let me tell you a little bit about her background.

BILL COPPEL Sherri is the founder and CEO of Caregiving Club, a strategic consulting firm focused on the \$20 billion caregiver health and wellness industry and the \$7 trillion longevity economy. She is also the chief strategy and gerontology advisor for the VR immersive training platforms Embodied Labs. She's the author of A Cast of Caregivers: Celebrity Stories to Help You Prepare to Care. As a gerontologist and national caregiving expert, Sherri has been featured on many news networks and is a contributing columnist in a variety of publications. Sherri holds a master's degree in gerontology from the University of Southern California, the number one gerontology school in the nation, and a BA in journalism and political science from USC. Sherri, welcome back.

SHERRI SNELLING Thank you, Bill. It's great to be back.

BILL COPPEL Well, we want to kick this off with sort of an overarching question for you. Give our listeners a snapshot of what caregiving is in America today.

SHERRI SNELLING Sure. Well, it's bigger than I think most of us would consider or think about. First of all, we know that 66 million people are caring for someone in their life as a caregiver, and that crosses three generations. So we've got the typical boomer who's caring for, typically, an older parent. So we have 70-year-olds now who are caring for 90-year-olds. But at the same time, 50% of all these caregivers are really in that middle-age section of being Gen X in your 40s and 50s where you're not only maybe caring for an older loved one but you still got kids that you're caring for. So that's our classic sandwich generation. And then, I think the one that the people don't think about is

that a new study came out just a year or so ago that said, "One in four millennials are now caregivers for either a parent or a grandparent." So when you think about, as an advisor, "Who is your clientele?" it's really crossing across all of these different generations. And it goes back to that great quote that Rosalynn Carter said when she said, "You either have been a caregiver, you are caregiving today, you will be caregiving for someone tomorrow, or someone will be caring for you." So caregiving really almost becomes this role that we know is going to play out in our lives, and then how do we really plan ahead for that? A couple other statistics I just want to throw out to our listeners because I think it's really interesting. There's so many different dialogues now going on in gerontology and in aging services and long-term care services in the whole industry that I work in, and we know that this year, 2020, we're going to have 117 million people over the age of 50 who are going to need some type of care. May not be daily care, but it will be some kind of help in their daily life. And yet we only, right now, have 47 million caregivers for those people over 50. We're caring for friends now. We're caring for siblings.

SHERRI SNELLING

And the other thing I think is important is, we used to think of this is a traditional women's role, right? But we've got half of our workforce now are women. Women aren't at home necessarily to play this role. So what we're seeing is, also, an increase in men becoming primary caregivers. And so I think this is all-- it's changing the landscape, if you will, of what we think about as caregiving. And there was a really great report that came out from AARP a couple of years ago that said, "How do we value caregivers? They're overlooked, they're overwhelmed, they're underpaid, they're untrained to do what they're doing, how do we value that?" And what they came out with is a report that said, of all the unpaid hours, if we were to aggravate that, of these hours that these caregivers are spending, that would be-- the economic value is \$470 billion. And to put into context, if you take the sales revenue of the four largest tech companies in 2013 - which was Apple, HP, IBM, and Microsoft - that \$470 billion number of caregiving is greater than the combined sales of those companies.

BILL COPPEL

That's an enormous business, apparently.

SHERRI SNELLING

Yes. And it's a societal value that I don't know that we really grasp because, really, caregivers are the backbone of our healthcare system. They're all volunteers. And, literally, if all of these volunteers decided that they couldn't do it anymore, the healthcare system would collapse because all of our long-term care, for the most part, is being provided by a family member.

BILL COPPEL

So you say that. And so my question is, so where does Medicare come into play? Obviously, a big portion of the people that need caregiving - well, it starts, let's say at 50 - will hopefully reach 65 when this all kicks in. Isn't that going to solve the problem?

SHERRI SNELLING

Well, I think one of the big fallacies is that we all know that Medicare happens when you turn 65, you become eligible for Medicare. But what Medicare really takes care of is more of your acute care needs. So if you have an experience where you need to go to the hospital for whatever reason, it will cover the cost of that for the most part. It will cover the cost of just your general physician visit and seeing your doctor, once a year, or whatever, for wellness and other issues that you may be having. What it doesn't cover is home care. So if you have to have someone come into your home to help you on a daily basis, it doesn't cover senior living like nursing home care or assisted living. I mean, nursing home care, it will cover it for a very limited amount of time - it's 100 days - and that's only after you've been in the hospital for about three days, and then it will cover it. But other than that, it doesn't cover those costs. And those costs are huge. I think that's the thing that's really impacting families, it's just

not having the knowledge of what long-term care costs and then understanding that maybe we haven't saved enough in order to cover these extra 20 and 30 bonus years that we're getting. Because the reality is, we are living longer, which is the good news. And I've interviewed tons of people in their 90s and even centenarians, who are in their 100s, who are spry and lively and still cutting the rose bushes and doing all these things on a daily basis. But then, for the majority of people, really what's happening is we're spending now those extra 20 years definitely managing chronic illness and definitely having more disability and more disease. So we're living longer, but we're not living as healthy longer.

BILL COPPEL

So let's come back to that in a minute and expand a little bit more about that scope of caregiving. But I want to go back to something you just said around this notion of living longer, this projection of longevity, and I want to ask this question around Alzheimer's in America. Is this going to be an issue? Is this a growing health issue that, given the aging of the population that we're going to have to confront and face, and what do we do about it?

SHERRI SNELLING

Sure. I think one of the biggest discussions is happening now in Washington DC, on Main Street, on Wall Street, across companies. Is this kind of Alzheimer's-- they call it a crisis, but what we know is that there's a couple of things that are happening, and it makes Alzheimer's a very different picture from something like heart disease or diabetes or other things that we know we can prevent or we can manage or that we might have cures for. That's the problem with Alzheimer's. Right now, we've got some ideas around how to prevent it. Certainly, it goes back to having a good nutritional Mediterranean-style diet, getting enough exercise, staying socially active, but we don't necessarily have, "Here, take this pill, and you won't get Alzheimer's." The other thing is, with this disease, there is no cure yet. There's a lot of research going on, but we still don't have the answer in terms of how we might either slow down this disease or prevent it. And yet, people who are diagnosed now will live with the disease potentially 20 or more years. And so what's happening is, we're living longer, and that gives you more of this potential to develop Alzheimer's disease because we do see most of the diagnoses happening after the age of 75 and 80. So those longevity early years mean that we have more diagnosis. We know about the disease more, so more and more people are being diagnosed. And yet, because we have no cure, and because of the nature of the disease where you really can't live independently. Once you're going through the progression of that disease and you're in the middle late-stage, you really do need constant 24/7 care.

SHERRI SNELLING

So Alzheimer's is really becoming now the number one topic. I can tell you that the National Institute on Aging and other government agencies are really starting to say, "What are we going to do to support the family members who have someone with Alzheimer's? And then people who may not have a family member caring for them, how we are going to take care of people with dementia?"

BILL COPPEL

That seems to be another side component to this story that I'm not sure anyone really embraces and understands at this stage of the game because that's going to, in my opinion, compound this problem even further. But what I want to go back to is reflecting for a moment. We've got 66 million people in the population today that are serving as caregivers, this has got to be having a major impact on workforce, work, your jobs, and how your careers are going, not to mention the impact on families. Can you talk to our listeners about what you're seeing out there, relative to the notion of how caregiving is impacting the workplace and how caregiving is impacting family and family dynamics?

SHERRI SNELLING

Sure. Again, this whole experience of caregiving is something that we know is impacting-- as you said, it's impacting our lives and our work life and everything, all aspects of life. When it comes to the workforce, what's really interesting is there is more attention paid now, I think, to the fact that what we know is that one in six employees are actually in the caregiving situation today. And so a lot of employers have really taken a look at, "Okay, what do we need to have in place to support our workforce? We want to keep those valuable workers on the job. We want to help keep them productive. And we know that some of them are going to have to take extra time to take a loved one to a doctor's appointment, or they get an urgent call, and they might have to leave work to go take care of that. So what we going to do with this?" And it's really started to have a shift from, "We've got a lot of really great childcare programs and benefits in place, but now we need to start thinking about elder care." And so what we're seeing is, there are some best practices out there. It was really encouraging to see some companies, and there's great companies who have been doing this, Wells Fargo, by the way, is one of the practices out there among employers. Starbucks recently put into place and acknowledged the fact that people in the workforce have both children they're caring for and older parents. And so they put in a program that supports their employees with both and have a variety of different benefits now for that. So for the first time in US history, in about over the next 10 years, we are actually going to hit this milestone, which is we're going to have more people over the age of 65 than we will have children under the age of 18. So again, this is kind of a societal shift for all of us to start thinking more about, "We are going to have to take care of our parents and our grandparents. We are going to have this older generation that is going to need the same kind of care and attention and planning that we put into our children."

SHERRI SNELLING

And when it comes to an advisor's role, whatever kind of time you spend talking to your clients about college funds and other things with your kids, you should be spending an equal amount of time talking to them about, "Do you have older parents you think you'll be caring for or other older loved ones in your life, and what are the plans around that?"

BILL COPPEL

So let me stop here for a minute and recap. So we've got 66 million people currently engaged in caregiving. It's what I would consider to be a growth industry, if you will. And we're living longer, and we're facing the impact that Alzheimer's is having on a huge portion of this aging population. It's affecting the workplace. It's affecting the family. It's as though it's a surprise. I mean, we knew this was coming, so why is it that we're not planning more for caregiving, especially for our older parents and in-laws? I mean, in our everyday life, we're all faced with this. It seems that we're all approaching this as though it's a surprise, and we didn't see it coming.

SHERRI SNELLING

It's funny that you say that because I do a lot of speaking engagements and go out and talk to a lot of different organizations across the country, and this is kind of part of my spiel. And I say, "When you think about your life, you have these different milestones or different things that you're going to plan for that you want to have happen in your life. And one might be, okay, you're looking potentially at getting married, you've got a number of weeks or months to plan for that wedding, you've got nine months to plan to be a parent have your child, and yet most people take about nine minutes, is all you're going to have, to become a caregiver because none of us think about it, and none of us plan for it." And yet, it's almost the only role that we know probably will happen. Not everybody's going to be married, not everybody's going to have kids, but just about every one of us will be in some kind of a caregiving situation at some point in our lives. So I call it the nine months versus nine minutes dilemma that we're in. And I think part of the reason is, one, we haven't paid enough

attention to the demographics, to the statistics that, yes, we are living longer. Audiences that I talk to are always amazed when I say 50% of the 10-year-old children in the country today will live to the age of 104, just to put it in a little bit of perspective. And we know that at the beginning of the 1900s, the average lifespan was about 47 years old. So you look at where we're at in terms of this longevity economy, this longevity bonus, and we have to really start reshaping and reframing these conversations around, not just financial planning, but family planning and workplace planning. And all of these things are going to impact our lives because this is happening, and we have to figure out a way to make it so that it isn't a crisis.

SHERRI SNELLING

I think Americans are really great at responding to crisis events. We get in there, we get the job done, but then we get back to normal life. Well, the reality is that this isn't going to be a five-minute, five-week, five-month situation. Caregiving is a marathon and not a sprint. So we really have to be planning for that, that longer frame of being in a caregiving role and what that means, or how that is going to impact our lives.

BILL COPPEL

And today, Sherri, we're so accustomed to having an app for that and getting things quickly and easily. This really kind of sets us back because there isn't an app for that, necessarily, the way there is for so many other things that we traditionally took time to complete or took time to figure out how to get it done. And so what I want to do is kind of go back again to this notion of cost and sort of this definition of caregiving today because a lot of us think of caregiving oftentimes as an ill and elderly individual. And what you said today is that, well, that could be part of it, but it also begins to expand beyond that in terms of where people want to live, how people want to live, how they want to move around, how they want to interact, communicate, etc. So what I would like to do is kind of shift back to this cost issue and kind of bucket it in kind of two ways. One is, yes, there's cost for medical care, and then there's all the other things that go into living a longer life, even when you're healthy, that may, in fact, require planning today to minimize the scope of the caregiving you may need down the road, is that a fair question to ask?

SHERRI SNELLING

Absolutely. And I think I can give kind of a little bit of a picture of what's happening. So one of the things that we know, Stanford did a really great study a couple of years ago around the boomer generation and retirement. And what they found is that one third of all boomer generation people have not saved any money for retirement, which I'm sure, when your listeners hear that, will be frightening commentary. The median that has been saved by most boomers, or those who are saving, is about \$200,000. However, if you're looking at a potentially 30-year retirement, okay? Then you're going to need-- on a minimum, you're going to need about 1.2 million dollars, probably more than that. And I know that you have all kinds of things that run these numbers, but I think what's a concern is that we just really haven't planned enough for all of these bonus years. The other thing is that-- you touched on it earlier, and that is, from a medical care need, yes, at the age of 65, you will be eligible for Medicare. And as I said, that's going to cover your doctor appointments and physician visits, it's going to cover any hospitalization that you need, but it won't cover assisted living, and it won't cover transportation if you can no longer drive, and yet we want to keep you active and engaged in the things that you love to do. So a host of other issues around aging are not going to be covered by those things like Medicare.

SHERRI SNELLING

And we also know that only 11% of people over the age of 65 have actually embraced having a long-term care insurance plan. So when you look at, "Okay, so what are we tapping into from a financial perspective in order to not just live longer but also know that we're going to have a need for more care, whether that's coming from family or whether that's coming from a professional or you have to move into a senior living community, how do we do that?" And right now, it's being based on just social

security, personal savings, and certainly anything we may have gotten from a pension or a 401k. And yet, that may not cover it. So we really have to start having these conversations. Advisors need to start really, I think, promoting the conversation, and here's why, most caregivers don't necessarily self-identify, they still think of themselves-- if you're caring for a spouse, you're still the wife or you're still the husband. But all of a sudden, that role has shifted a bit, and you have this additional responsibility and this additional cost. Well, you're still the adult son or daughter or sibling or whomever, and yet again, you're taking on added responsibility. And yet, most of us don't go around talking about our caregiving roles and our caregiving stories. So it really becomes an obligation, almost, of the financial advisor to understand that this is something that will be happening and to start to kind of ask the right questions to frame that picture and guide these clients on, "Okay. Well, let's just take a look at these costs." I mean, "Do you understand that it will cost you upwards of \$70-\$80,000 dollars a year potentially in an assisted living facility for your mom, and yet she doesn't have a savings for that? So how are we going to manage that?"

SHERRI SNELLING

So I think just having that knowledge, that basic knowledge of what's happening, and then how to help guide clients into this effective forecasting that we've been talking about, which is not only effective forecasting for our own happiness and our own kind of wellness as we age but it will be impacted severely if we haven't thought through the impact of having an older parent or an older loved one that all of a sudden might be draining our financial reserves in order to take care of them today. And one of the things that I thought was really interesting is AARP did a study, and they showed that because so many people have walked into a caregiving role and have an older parent they're caring for, they're actually saving on average \$270,000 less for their own retirement. So this is a huge impact that I think we have to all be aware of, and we have to be able to plan effectively around that.

BILL COPPEL

I hope you'll join us for part two of today's episode as we continue our conversation. For listeners who are interested in learning more about Sherri, you can find her information as well as links to her previous episodes and her latest paper - Meet Gen C: Generation Caregiver - in this episode's show description. We hope you enjoyed our conversation today. Please take a moment to subscribe to our podcast. And if you like what you heard, please tell others about it. It helps people find us and ensures you never miss an episode. It's also a way to challenge you to think differently about your business and the role you play, and together, we can change the conversation. Thanks for listening. And until next time, be well.

Outro

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