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My Mother's Illness Changed the Way I Think About Financial Planning

As a personal finance expert, I give advice on how to maximize wealth. At the end of my mother's life, I realized there's a more important question: What is our money for?

BY BETH PINSKER

I grew up in a world where the cheaper option was always the better option. I have spent much of my career as a personal finance expert preaching how to save more, spend less and minimize taxes.

Then in November 2022 my mom got sick. She was 76 and had complications following back surgery, so I had to step in and manage her affairs. The various infections, electrolyte imbalances and medication intolerances weakened her to the point of collapse. It made me realize that I had book knowledge in a situation that demanded street smarts. I had to make endless decisions, with only bad, expensive options to choose from.

Would we spend \$20,000 on a medical flight to move my mom from Florida to New York, so I could better keep an eye on her? No—she didn't want to move, and her wishes mattered above anyone else's. Would we give a burned-out caregiver a week's paid vacation? Yes—because we wanted to keep her. We paid her salary for the week as well as her re-placement's, plus we offered her a raise to make sure she came back.

Could we afford to pay \$12,000 a month to keep my mom in a rehab center after Medicare stopped paying? It depended on how long she would need to stay, and that was difficult to know in advance. At the start of my mom's illness, we had no idea she had only eight months left. She was suffering from complications from surgery, not from cancer or renal failure; she could have lived another 10 years, for all we knew.

What I could do with my financial knowledge was plug her savings balance into a simple spend-down calculator, to see how long her money would last at her current burn rate. The principal was earning a reasonable rate of growth at the same time. When she ran out completely, there would be Medicaid.

We did our best to stretch out her Medicare coverage at the rehab center. There's a 100-day maximum for that level of care, but you rarely get that long in practice because you need doctor approval. We filed and won two appeals to extend her time, then we prevailed on the CEO of the center to stop the discharge orders until her days ran out.

I calculated that we could have afforded to keep her there and pay out of pocket for at least a year before having to think about selling my mom's apartment. But she was still calling the shots at that point, and she decided she wanted to go home on hospice care, whose cost was covered by Medicare.

Even the smaller decisions were hard. When my mom came home from the hospital, I was at her apartment to receive the equipment she needed. I was faced with a choice: Take the Medicare-covered standard mattress, or pay \$700 extra for a deluxe model that would better prevent bedsores. Years of frugality tugged at my brain, but I plunked down her credit card for the better mattress.

Note
When it comes to the endgame, time horizons shrink. You can be a lot freer with the financial reins when you're thinking in terms of months versus decades. As the one holding my mother's power of attorney, I had pledged to be a careful steward. Once her situation started to look dire, I made peace with spending her money, whether that meant managing caregivers or splurging on hot fudge sundaes from Dairy Queen for dinner. Not much discussion of financial planning is geared toward how to take care of other people and how to make it possible for them to care for you. The people who reach out to me for advice want to talk about optimizing rates of return and navigating market risks, about Roth conversions and when to claim Social Security.

I had always been right there for these discussions, but now this sort of strictly financial maneuvering seems to miss the most important question: What's it all for?

The first thing I do now when faced with a financial decision is ask about the purpose of the money. So many people like my mom save just to save, because that's what we're told to do. They collect piles of money in various accounts out of some generalized fear that they will run out before they die, and then they gnash their teeth about how to make it grow faster and pay less tax on it.

My parents were teachers, and they were often steered into conservative financial products in their retirement plans, even if more diversity would have been better. My mom was so afraid of losing any money in the stock market that she put her whole life savings into guaranteed annuity contracts. She got a lower return than she might have otherwise, but she could sleep at night.

This worked fine until she got sick and we ran out of rainy days to save for. When I needed to pay for her care, her money was locked up, so I couldn't just withdraw it. The bulk of her savings was my father's death benefit, and since it had been just under five years since he died, there would be surrender fees and other losses if we broke into it early. The only other option was for me to advance the money, which would have meant digging into my own retirement funds.

The experience has changed the way I handle my own finances, as well as the advice I give other people. My main goal now is to prevent my kids from being left with only bad, expensive choices when it comes to caring for me. So I put my money where my mouth is and live more in the present, even as I plan for the future. I have long-term-care insurance; I've made plans so I can age at home in a place with no stairs; and when I die, I've arranged to be cremated and have my ashes turned into a planter in a biodegradable urn.

Most of all, I'm keeping my financial accounts as simple as possible and leaving behind detailed instructions for my children. Right now, they are barely adults; they still call me to ask for their Social Security numbers every time they have to fill out a form. Asking them to do for me what I just did for my mom would be almost cruel. Hopefully I'll live a long time, and by the time they have to think about managing my affairs, they'll know a lot more about adulting. But even if they end up as financial professionals, they're still going to need some help—just like I did. *Beth Pinsker is a columnist at MarketWatch and the author of "My Mother's Money: A Guide to Financial Caregiving," which will be published Nov. 4 by Crown Currency.*

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