

Can You Afford to Live with a Pet? Plan Before You Purchase or Adopt

The animal shelters of this country are full of abandoned pets that weren't fully considered before they were brought home. Pet ownership is truly a labor of love, but just like having kids, there's a money aspect to every area of that commitment.

Here are some important money issues to consider before you bring home a pet:

Are you allergic? Wait – what does sneezing have to do with affording Fido? Plenty. According to the American Academy of Allergy, Asthma & Immunology, there are almost 10 million pet owners who have some sort of allergy to their pets. Check to see if you or your kids might be allergic to your chosen animal before you bring him home – or at least check your healthcare policy for coverage for allergy shots or other medications that can help you co-exist.

Make sure your home/rental policy allows pets: There are some insurers who'll reject you if you have a large-breed dog. Check your coverage before you get the pet. You might also get stuck with a large pet deposit if you're a renter, usually half of which is nonrefundable. Keep in mind you're responsible for repairing damages to the rental caused by your pet.

Watch that grocery bill: Depending on the pet and your desire to give them only the best, an annual pet food bill can cost between \$150 - \$400. This isn't an argument for buying generic, but when it comes to pet food, always clip the coupons and check around to various pet stores for case discounts on your pet's gourmet chow. And confirm with your vet whether you're giving your pet the right amount of food and at the right time. Your vet may also recommend some lower-priced, healthy alternatives.

Your pet's stuff: What stuff does a pet need? Well, lots more than most of us expect. According to the American Society for the Prevention of Cruelty to Animals (www.aspca.org) the average annual bill for toys and treats for a medium-size dog is around \$75. For a cat, it's around \$50. This, of course, does not count multiple pet beds, crates, carriers, litter boxes (and litter) or the occasional piece of couture.

Doctor, doctor: Vet bills can be the scariest financial aspect of pet ownership, and dealing with them spurs the most debate. In major metro areas, annual vet bills can average \$100 - \$250 just for the basics, which include an annual vaccination and checkup – no medication. For more serious matters – cancers, joint and bone problems – bills easily run into the thousands. There are pet insurance companies, but financial experts argue whether premiums justify the benefits. According to the Humane Society of the United States (www.hsus.org), there are other affordability options:

- Ask the vet to let you negotiate a payment plan;
- Contact your local shelter to see if there are subsidized veterinary clinics in your community;
- If you have a specific breed, contact the national club for that breed and see if they might have a veterinary assistance fund;
- Ask your vet to submit an assistance request to American Animal Hospital Association Helping Pets Fund (www.aahanet.org).

When looks are everything: There are some people who may wait weeks for a haircut but their dog always looks fabulous. Vanity is one thing, but grooming is an important function for all pets, principally so their claws are maintained and that overgrown or matted hair doesn't get the chance to cause skin or infestation problems. Talk with your vet first about what he or she believes is a proper grooming regimen for your pet, and shop for a groomer based on experience and familiarity with your pet's breed. Grooming rates vary by community and size of the pet, with per-visit rates range from \$20 - \$100.

Daycare, pet-sitting and lodging: Very few people can take time out of their workday to go home and walk and play with their pets. Likewise, many people fear taking pets on cross-country trips in cars and planes. That's why daycare and lodging services are so popular – and not exactly cheap. Depending on the community, daily dog-walking services can cost \$20 and up, overnight kennel fees may go well over \$30, and pet-sitting services can cost \$50 a day or more. It's always best to get references from local services, veterinary clinics and most important, fellow pet owners. Also, check www.petsitters.org, the Web site for the National Association of Professional Pet Sitters.

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Is a Geriatric Care Manager Right for You or a Loved One?

For anyone who has ever lost sleep worrying how their parents are doing half a country away, hiring a geriatric care manager (GCM) might be a worthwhile consideration. Baby Boomers should be thinking about them as part of their own long-term care strategy.

Who are geriatric care managers? They come from diverse backgrounds in nursing, social work, psychology and finance, and they provide service in all levels of the geriatric care process:

- They are the eyes and ears of children and friends who can't be on the ground to support an older relative. For example, if a senior suffers a sudden, debilitating stroke, they are the go-to people to find that community's best rehabilitation and long-term care options.
- If a child simply wants to make sure their parents are checked on a couple of days a week to make sure that the house is clean and they're eating properly, geriatric care managers can coordinate that too.
- They also serve a watchdog function over billing and whether a senior is getting proper health care services in a hospital, nursing home, assisted living facility or at home.
- Sometimes their most valuable service is providing mediation between siblings and other relatives who can't agree on how to care for their loved ones.

Searching for a geriatric care manager is best done when there's not an emergency, because GCMs are not currently regulated by states and it's definitely worth taking the time to find a good one. Their services range from \$80-\$200 an hour based on their assigned tasks, and typically, those are mainly out-of-pocket expenses since some long-term care insurance policies only pay a portion of the cost.

The National Association of Professional Geriatric Care Managers (www.findacaremanager.org), the field's trade association, is a good starting point to find GCMs in a particular geographic area. Many GCMs have earned certifications that train and certify them to do various tasks. The NAPGCM recognizes the following: Care Manager Certified (CMC), Certified Case Manager (CCM), Certified Social Work Case Manager (C-SWCM) and Certified Advanced Social Work Case Manager (C-ASWCM).

An experienced geriatric care manager will readily tell you their specialty and where they find it necessary to bring in help. For instance, a GCM who senses a family doesn't have a plan to pay for care or access the senior's assets will generally suggest the family bring in its own tax or legal help or suggest help on the ground in the community.

Bringing in help. Optimally, the first step in hiring a GCM or any other assistance for a senior relative is to talk to the senior first, and preferably while everyone is healthy and willing to talk. Here's what should be discussed between the senior and their chosen decision-maker:

- What is your preferred choice for long-term care (where do you want to live)?
- How do you want your assets used to pay for your care?
- Is your healthcare power of attorney up to date?
- Do you have any particular choices of professionals or facilities in mind?

If that discussion settles on the need for a geriatric care manager to enter the process, then here are the questions that need to be asked:

- What is your professional background and what are your various certifications?
- My relative has the following health conditions and wishes for dealing with them. What is your experience in this area, and how would you deal with such a client?
- Are you available for emergencies? What constitutes an emergency?
- Does your company provide home care services? Are they licensed?
- How do you communicate with family members?
- What are your fees, and how do you prefer payment?
- If my relative was in a hospital/nursing home/rehab facility/their own home, what would your visitation schedule be, and what would you do while visiting?
- Are you qualified to interpret billing statements, and how do you handle payments for expenses that my relative needs?
- What is your liability coverage? Have you ever been sued?
- Can you provide references?

As Rates Rise, Tapping Home Equity Gets Riskier – How to Recover

During that floating cocktail party that was the 1990s, people weren't all that worried about tapping their home equity to pay off bills or perform home improvements. Inflation was in check, investments and wages were still on the rise and recession hadn't yet dampened the job picture.

The new century has brought new realities, and for many, a new view of the reality of borrowing against their homes. As the prime rate has risen to 7.5 percent – it was down around 4 percent only three years ago – the choice to borrow on home equity has sliced the cash flow of many households.

There are two primary kinds of home equity debt.

A *home equity loan* is a one-time, lump sum that is paid off over a particular amount of time with a fixed rate and number of payments. A *home equity line of credit* (also known as a HELOC), works more like a credit card because it has a revolving balance – interest is due on the outstanding balance and that rate may vary over time.

The bad news with the reliance on HELOC debt is that many more homeowners who have used the lines to make major purchases and pay off debt have not been able to wean themselves from continued use of credit cards and other spending while doing so. Add that combination to rising rates, and you see an increasingly large group of homeowners facing the risk of foreclosure, being forced to sell or downsize, or at best, staying in debt well into their senior years.

In the past three years, homeowners who have relied heavily on HELOCs have discovered that they don't have a useful spending tool, but rather another big loan balance in the tens of thousands. Minus the plastic, rising interest rates have made HELOC debt feel like just another credit card eating through borrowers' wallets.

So here are some ways to cope with the threat of rising debt:

Refinance into a fixed-rate first loan: If you have a good credit rating, are planning to stay in your home for awhile and otherwise have low debt, make every attempt to combine your first and second mortgage into a fixed-rate first mortgage and attempt to pay a little more than the minimum balance each month.

Cut up all but one emergency credit card: The term "emergency" now means what your parents meant – such as a car-breakdown emergency, not an emergency vacation. Fixing long-term debt problems means redefining one's entire relationship with spending and credit.

Start tracking spending: If you've never bought a personal accounting program for your computer, now might be the time. Even if you total up your expenses the old-fashioned way (with boxes of receipts and sheets of paper), computerized tracking allows you to categorize your spending in ways where you can immediately see changes in spending patterns that you can correct. It makes it easier for yearend tax preparation too.

Make shopping lists for everything: Impulse buying is fine on birthdays, but not the rest of the year. Start creating lists not only for the grocery, but for necessary trips to the mall, drug store and discount store. Forcing yourself to list what you'll be buying gets you thinking about what you really need – soon, you'll be scratching things off.

Add to minimum payments: Get in the habit of paying amounts above the stated payment on mortgages, car loans or any remaining credit card balances. You'll eliminate debt faster with minimal pain.

Set a budget: It may be the \$4 trip for your mid-morning coffee or those extra cable channels, but once you make a decision to cut debt, it is also necessary to cut spending. Take a cold, hard look at everything non-essential in your daily spending, write down what you plan to live without, and stick to it.

Re-evaluate energy use: Cut back on the car trips, turn off the lights when you leave the room and get used to wearing a sweater around the house. The current energy crisis should build lifelong conservation habits that will save you money.

Cut back on unnecessary insurance: Cut out unnecessary coverages and raise deductibles on home and auto. What's unnecessary coverage? Generally anything you can easily pay out of pocket in an emergency.