

Confronting the Challenges of Alzheimer's

By Jeff Maurer

Not many people want to even think about Alzheimer's, let alone prepare for its impact. Indeed, of the diagnoses Baby Boomers can hear from our doctors – and there's no shortage as we age – Alzheimer's has to be the worst.

So it's understandable that many of us engage in at least some degree of magical thinking about our own fates, willing to undergo screenings for just about every other disease but this one. Still, it's our job, as trusted advisors and as the custodians of our clients' wealth, to help families defend their futures.

The statistics are pretty damning. More than five million Americans are already living with Alzheimer's, and by 2050 the number could more than triple. Deaths from Alzheimer's have risen since 2000 by an astonishing 89%, making it the sixth leading cause of death in the country. It's the only one of the top 10 killers that, to date, cannot be prevented or cured. One in three senior Americans can expect to die from Alzheimer's or another form of age-related dementia.

Still reading? Good for you, because there are constructive measures we can take to protect ourselves and our families from

some of the consequences. We tackled many of these at a recent event at Evercore's New York headquarters, the latest gathering in our ongoing *Longevity Challenge* series in confronting the opportunities and challenges of the 100-year life. (See page 18 or visit evercorewealthmanagement.com for some of the evening's highlights.)

More than five million Americans are already living with Alzheimer's

First, define your own wishes. Pick your team to help you and your family, and make sure that the right people have the right authorities. Someone, for example, should have a durable power of attorney with all powers, including the ability to carry on your gifting program. You'll also need to establish a healthcare proxy and make your medical

wishes known to your delegates. And get organized, updating documents and records, and making sure someone will have access to all your digital passwords (for everything from your banks accounts to your Facebook page) long before it's too late.

Next, create a revocable trust and direct your assets to the trust. As the grantor, you are the initial trustee of the trust and can change its terms as you see fit. You should name a successor trustee to carry out your wishes in the event that you become incapacitated. This is a more effective approach than relying solely on a durable power of attorney, which may not be fully recognized by banks and brokerages, and may also be limited in its gifting powers. A revocable trust can serve as the main estate-planning vehicle, preventing delays of the probate process and allowing the terms of the trust to remain confidential.

It should not be regarded as a substitute for a will, however. A will is still necessary to manage outlying assets and to exercise certain powers. Also, make sure that your beneficiary designations are up-to-date, especially for retirement plans, pensions, and insurance policies.

It's important to consider all the people involved. A diagnosis of Alzheimer's is



devastating for the whole family. Two-thirds of caregivers are women, the dark side of relatively longer life expectancies, as well as the typical two- or three-year age gap between spouses. Of the 15.9 million people providing care at last count to those with Alzheimer's and other dementias, about a fifth are adult children also caring for the next generation. It's not surprising that caregivers of those with dementia indicate substantial emotional, financial, and physical difficulties at twice the rate of those caring for people with other illnesses.

That brings us to the costs, for care and to ease the burden of our family caregivers. Long-term care associated with Alzheimer's and other forms of dementia is not covered by medical insurance or Medicare; long-term care insurance is expensive and may be difficult to obtain. There are techniques – all complicated and some controversial – to qualify even affluent people for Medicaid while retaining their assets to provide for other qualified services. Your wealth advisor can direct you to an eldercare attorney

\$5-10^{MILLION}

The cost of top-notch care

if that's of interest. However, it would be a mistake to bank on the government picking up the tab.

Remaining at home with full-time care – the first choice by far for most of us – currently runs about \$30 an hour, or \$265,000 a year in major metropolitan areas. Professional geriatric care managers, trained to assess, coordinate, and provide services for the elderly and their families, can do much to ease the burden, but will add to the expense. A skilled nursing facility charges about \$300,000 a year, with another \$200,000 to \$300,000 a year for really personal care.

Moving to one of the new residential communities designed for the affluent can be an attractive alternative to remaining at home. They can provide a

wonderful environment in which to age in place, with assisted living and nursing care when required, while allowing healthy spouses to retain independent lives. This option is expensive too, but it can make the final chapter less of a burden on family caregivers.

All told, the cost of top-notch care could run to between \$5 million and \$10 million for those who live for eight to ten years, the average life expectancy after diagnosis.

Just about every one of us knows someone affected by this disease. While we wait – and, perhaps, through philanthropy and volunteering help scientists work – for a cure, we have to plan for our families and ourselves. Don't hesitate to consult your advisors if you have any questions or concerns.

Jeff Maurer is the CEO of Evercore Wealth Management and the Chairman of Evercore Trust Company, N.A. He can be contacted at maurer@evercore.com.

Confronting the Risks & Costs of Alzheimer's: Planning Highlights

Editor's note: The statistics are pretty damning. More than five million Americans are already living with Alzheimer's, and by 2050 that number could triple – the darkest and most complicated consequence of longer life spans. Here are some constructive measures discussed at a recent Evercore Wealth Management event featuring CEO Jeff Maurer and George Vrandenberg, President of USAgainstAlzheimer's and a leading authority on combating and managing the disease.

- **Control stress and hypertension** through meditation and other mechanisms. Stress evokes an inflammatory reaction in the brain.
- **Keep learning.** Continued learning makes your brain stronger. Video games don't help – they just make you better at video games. But learning a second language in our older years is not a fantasy.
- **Sign up for clinical trials.** We should all participate in the research to combat this disease.
- **Consider the potential impact on family and friends.** Alzheimer's is an enormous challenge for spouses and other caregivers. Plan together and make sure there is plenty of back-up support.
- **Crunch the numbers – and invest accordingly.** In New York City, individuals can expect to pay \$250,000 a year or more for full-time care at home and \$300,000 at a facility; double that for really personal care. Keep in mind that Medicare, like most forms of insurance, doesn't cover the long-term care costs of Alzheimer's and other dementias.

HEALTH & WELLNESS

- **Exercise often.** Regular aerobic exercise helps the heart and the brain.
- **Sleep well,** for at least a good seven-and-a-half or eight hours a night. That's the time when toxic proteins are cleared out of the brain.
- **Eat a Mediterranean-oriented diet.** It doesn't have to be extreme, but it should be healthy. On a related note, keep your weight down, avoiding diabetes and obesity.

WEALTH PLANNING

- **Seek help in defining goals** in managing the disease – and establish the financial and other structures to achieve them, such as a durable power of attorney with all authorities, including full gifting, a revocable trust, and a healthcare proxy.
- **Get organized.** Keep financial records and digital records up-to-date and provide the right members of the team with access.
- **Name the team.** A support network should include caregivers, doctors, a lawyer, accountant and a wealth advisor. Geriatric care managers can be a terrific support, and eldercare lawyers can help navigate Medicaid strategies, if applicable. Ensure that your team works together, with established clear lines of communication.
- **Take advantage of technology.** There are some wonderful resources now for patients and families, from automatic medicine dispensers to medical and motion sensors.