Caregivers Often Sacrifice Their Careers

HEALTH
PAULA SPAN

Elder care can take a toll on the family members who provide it.

JOYCE HESSELBERTH

Her supervisors empathized. They knew why Marcy Sherman-Lewis, a customer service agent, was missing work: Both her parents, who lived an hour away, had Alzheimer's disease.

"My mother had doctors' appointments; my father had doctors' appointments," said Ms. Sherman-Lewis, an only child. "I was constantly running up and down the highway."

Once she had used up her vacation, sick days and personal days, though, her bosses balked at giving her additional time off.

She resigned in 2007 so that she and her husband, a retired engineer, could move from Overland Park, Kan., to her parents' city, St. Joseph, Mo. "I was sure I could find work, and I did," she said. "It worked out perfectly, at first."

But Alzheimer's goes only one way. Ms. Sherman-Lewis got calls at the office. Her parents mixed up their medications. Her father was growing incontinent. Her mother, reaching over the stove, set her arm on fire.

She was not badly burned, "but it put the fear of God in me," Ms. Sherman-Lewis said. She left the work force again in 2009, possibly for good. Although her parents have since died, her 77-year-old husband received an Alzheimer's diagnosis a year ago and requires her full-time attention.

Just 60, Ms. Sherman-Lewis doesn't regret her decisions, but she wonders if she'll ever work again. Paid family leave, now mandated in three states and likely to come before several state legislatures this year, might have extended her career.

An estimated 34 million Americans cared for someone over age 50 in the past year, and a majority were employed, according to a study by AARP and the National Alliance for Caregiving.

Elder care takes life-altering turns without warning: the fall, the stroke. An older person's need for assistance generally rises; given increased life spans, some workers will care for their parents longer and more intensively than they did their children.

Moreover, "the emotional toll is different," said Kenneth Matos, senior research director at the Families and Work Institute. "Someone raising a child is headed for happier events" and greater independence. "Someone caring for an elder is headed for sadder experiences."

The federal Family and Medical Leave Act helps some working caregivers — it protects their jobs, for one thing — but the law has significant limitations. It covers only about 60 percent of the working population (exempting employers with fewer than 50 employees) and only those caring for a spouse, a parent or a child — not in-laws or grandparents. And it's unpaid leave.

So a few states that provide temporary disability insurance for workers have begun adding benefits for those who need time off for family caregiving. California went first in 2004, followed by New Jersey in 2009 and Rhode Island in 2014.

The lengths of leave and levels of income replacement vary, but all three states cover caregiving for babies and older family members. The laws in California and Rhode Island — and pending legislation in New York State — define family fairly broadly, including siblings, in-laws and grandparents. New Jersey applies a narrower definition.

In New York, the bill that passed the State Assembly in March calls for up to 12 weeks of paid leave each year for full- or part-time workers to care for a newborn or newly adopted child or a family member with a "serious health condition." While on leave, workers would receive two-thirds of their average weekly wage, up to half the statewide average, which was $1,266. Small paycheck deductions — less than $1 a week — would fund the new benefit.

Because the New York bill requires no budget appropriation, people like Nancy Rankin, the vice president for policy research at the nonprofit Community Service Society, are optimistic. State law mandates disability insurance, so "employers are used to it, and we have the administrative foundation," she said.

Other states are likely to consider similar legislation next year, along with Washington, D.C., Ms. Rankin said.

Among workers providing care for adults over age 50, half reported getting to work late, leaving early or taking time off, AARP and the National Alliance for Caregiving reported.

Fourteen percent took formal leaves of absence; 13 percent reduced their hours or found less demanding jobs. Four percent retired earlier than planned, and 6 percent gave up work entirely.

The financial consequences — the loss of current and future income — can prove especially troubling for women, who earn less on average to begin with and are more likely to become caregivers.

Family members might combine their leaves, suggested Shelley Webb, 60, who left a nursing job in Coeur d'Alene, Idaho, when her father developed dementia. "If you had a few siblings and each of them could take three months, you could care for a person with dementia," she said.

Ms. Sherman-Lewis had no such options when it came to her parents. No leave, no siblings. "It was me or no one," she said.

Penalties Can Offset C.D. Yields

YOUR MONEY
ANN CARRNS

With the Federal Reserve raising interest rates, savers will be on the lookout for certificates of deposit offering better yields.

But first, consumers need to consider what sort of penalty they may pay if they withdraw money from a C.D. early to put it in a new certificate with a marginally higher rate, said Greg McBride, an analyst with Bankrate.com.

Such penalties pack more of a wallop when rates are low because earnings are so paltry in the first place. And banks are imposing stiffer penalties on early withdrawals from some longer-term C.D.s, Bankrate found.

Typical penalties are three months of interest for three- and six-month C.D.s, and six months' interest for one- and two-year C.D.s. A penalty of one year's interest is more prevalent for five-year C.D.s. If a C.D. has not earned enough in interest to cover the penalty, most banks will take the penalty out of the principal. That is a big drawback, since putting principal at risk "is what C.D. investors were trying to avoid in the first place," Mr. McBride said.

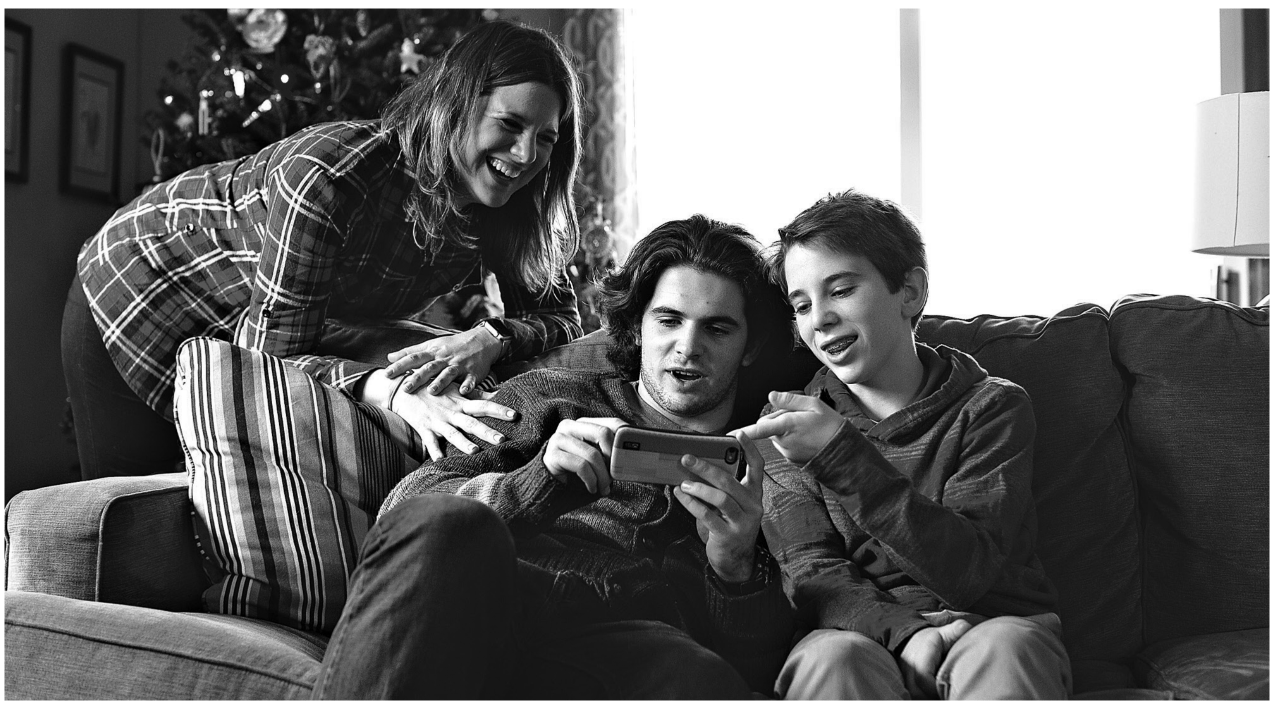
Some banks even charge a penalty based on a flat percentage of the principal withdrawn, which can lead to penalties that dwarf potential earnings. So unless consumers are in dire straits, "they need to wait" until a C.D. matures before withdrawing the cash, Mr. McBride said.

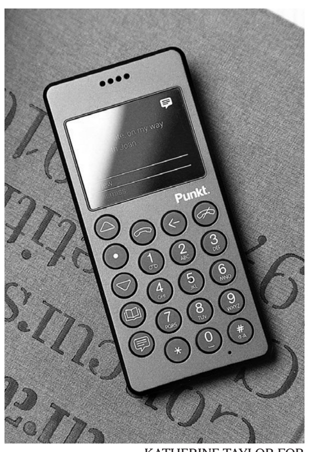
The Fed has kept its benchmark rate near zero for years and is expected to raise it incrementally. That means the impact on rates that banks pay on deposits will probably be modest and gradual.

Q & A

¶ What banks are likely to raise deposit rates first?
Online banks are likely to begin among the earliest to begin offering higher rates, said Ken Tumin of Deposit Accounts.com. Such banks, which tend to have lower overhead costs, already offer more competitive rates.

¶ What if savings rates keep rising after I buy a C.D.?
It may not be wise to tie up your cash in longer-term C.D.s as soon as rates start ticking up, said Ted Beck of the National Endowment for Financial Education. "If you lock into a five-year C.D.," he said, "you might be leaving money on the table."





KATHERINE TAYLOR FOR THE NEW YORK TIMES, LEFT; PUNKT

SMART OPTIONS Janell Burley Hofmann wrote the book ''iRules,'' about technology for children. It included a contract she had her son sign when he got his first phone. Above, the text- and voice-only MP01 phone by Punkt.

Choosing a First Phone for Children

TECHNOLOGY
RON LIEBER

Some devices allow talking and texting, but not Internet access.

When children ask for a smartphone, remind them they don't need any such thing. Talking and texting may be necessary, but roving Internet access is not. So a dumbphone it is, with voice service and unlimited texting. Throw in a nice Qwerty keyboard, but no, repeat, no data plan at all.

If only it were that easy.

Whether parents like it or not, most new phones come with the ability to access the Internet. Whatever the reason, parents picking out a child's first phone will need to plan carefully if they want it to be both modest and teach a few money lessons.

First, those of you seeking that holy grail of voice plus texting and a full Qwerty keyboard (but no option for Internet service) will find few readily available choices for sale. T-Mobile doesn't sell dumbphones at all, in fact.

One option is the Alcatel Onetouch flip phone. Sprint offers that one (as do prepaid wireless services like Boost Mobile and Virgin Mobile). The phone can text, but it lacks a keyboard beyond the numbers. Sprint and Virgin call this device the Retro. Boost refers to its Onetouch as the Fling.

The text- and voice-only Punkt phone is cool enough to have become an object of lust on design blogs. The voice-only Light Phone should offer an even more stripped-down experience. You can often use the carriers' parental controls to render a smartphone permanently dumb (by blocking all Internet access via a data plan, say), or at least temporarily so.

So perhaps you start by agreeing to buy the cheapest smartphone or handing down your old one. Then, you can restrict usage, though the carriers will often charge you a monthly fee for the privilege of reining in your children. Smart Limits from AT&T, Mobile Controls from Sprint (Android only), FamilyWhere and Family Allowances from T-Mobile, and FamilyBase from Verizon (not available with Android Marshmallow) are the services.

The offerings may include the ability to turn text and Internet data service off during certain hours of the day, monthly limits on usage of various sorts and approved contacts.

If you're convinced a child's first phone ought to be a financial exercise, too, check out a service called Ting. What sets Ting apart is its unique gridlike rate sheet. For every set of minutes, messages and megabytes you use, you pay accordingly at the end of the month.

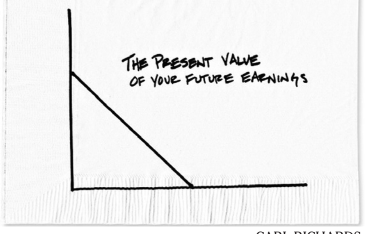
You're the one who sets the etiquette and safety rules. I like the contract that Janell Burley Hofmann, the author of the book "iRules," wrote when she and her husband declared their 13-year-old son phone-ready.

First, it was clear that a phone was a privilege and not a right, and it came with certain levels of required behavior. Then, they allowed ever more use of the phone. They are not against smartphones.

"Just because it can fully access the Internet doesn't mean we have to use it that way," she said. "There are controls. There are settings. And it can be as smart or dumb as we want it to be."

You Are Your Most Valuable Asset

SKETCH GUY
CARL RICHARDS



CARL RICHARDS

Years ago, my colleagues and I interviewed a bunch of high-income professionals. This group included doctors, dentists and lawyers, and they earned money only when they were working. In essence, they traded their time for dollars.

Our finding was this: Homes and retirements accounts aside, the most valuable asset they owned was the person staring back at them in the mirror. Chances are, the most valuable investment you own is the investment called you.

A more technical way to think about it is that the most valuable asset you own is the present value of your future earnings. But here's the problem: Every year that goes by means you have one fewer year to earn money.

I want to focus on three ways you can think about this.

The Beginning: Make your starting salary as high as possible. By investing in education and training, you increase your initial value. Don't let short-term rewards get in the way of increasing your long-term value.

The Middle: Make more money each year. Look for ways to increase your value where you work. Pick up new skills. Take extra classes and projects that no one wants. Don't settle for doing just enough. To borrow a phrase from the author Cal Newport, make yourself so valuable they can't ignore you. Outside of your 9-to-5 job, find a side gig if you can make time.

The End: Make your working window longer. Most people don't simply work their guts out until 60, then pull that plug and put on the golf shoes. People are living longer, and you might be facing 20 or 25 years without work.

Instead, most people find they still want to be doing something. Contributing value to the world. Working. So plan on it (and invest in your health too, so you'll still be physically capable of working).

Think of your side hustle as an opportunity to do something you love to do. Maybe your value at your job is so great that your employer might consider working with you as a consultant for a few more years. Adding a little time at the end will give your line another upward bump.

Just don't ever forget that more we invest in ourselves today, the more valuable we become over time and the less we need to worry about that line on the chart.