

3 Financial Planning Questions People
with Disabilities Need to Ask

As you get older, your disability may make it harder to care for yourself and your family. Before that happens, however, it’s important to have plans in place for how you’ll handle the financial challenges of aging with disability. From how to plan for your own care to how to protect your family, these are the financial planning questions you need to ask as you look toward the future.

## What will happen to my family when I’m gone?

For people with disabilities affecting longevity, this question is one of the hardest to face. But your family’s future doesn’t need to be filled with uncertainty; there’s a lot that can be done today to protect your family after you’re gone.

Writing a will is the first step in estate planning. A will dictates how your assets are to be distributed, allowing your loved ones to avoid a lengthy [probate process](https://www.legalzoom.com/articles/do-all-wills-need-to-go-through-probate). It also names guardians for minor children if you’ll leave dependents but no spouse behind.

People with disabilities should also ensure their loved ones know how to file for Social Security [survivor benefits](https://blog.ssa.gov/understanding-social-security-survivors-benefits/). These payments are a valuable source of financial stability for the families of Social Security and SSDI recipients.

Finally, consider a life insurance policy. Life insurance is a must if you’ll leave behind minor children or a dependent spouse, but it can be a good idea even if your children are grown and your spouse has income of their own. Life insurance can pay off unpaid debts, a particularly important benefit in [community property](https://www.nolo.com/legal-encyclopedia/do-i-pay-late-spouses-debts-i-live-community-property-state.html) states, as well as replace lost income. While it can be harder for some people with disabilities to get approved for life insurance, guaranteed issue policies make it possible for more people to get insured. These and other policies are simple to buy online; you can even [get an estimate](https://www.bankrate.com/calculators/insurance/life-insurance-calculator.aspx) by providing some basic information.

## Can I afford a funeral?

Planning your own funeral may seem morbid, but it’s among the kindest things people can do for their families. Planning and paying for a funeral is a major burden for grieving families, and many people overspend because they don’t understand their options and aren’t in a state to ask. Rather than leaving it up to your loved ones, talk about the kind of final arrangements you want and research what they’ll cost. Once you have a figure, look into burial insurance, which usually provides coverage between $5,000 and $20,000. Burial insurance offers a way to pay for a funeral in installments rather than a one-time payment, making it a great option for people working on a tight budget.

## How will I pay for long-term care?

The average person requires long-term care services for [1.5 to 2.5 years](https://www.morningstar.com/articles/879494/75-must-know-statistics-about-long-term-care-2018-edition). However, many people with disabilities require care for longer. Not only does a disability pose challenges for daily living, but disability can also make it harder to manage other chronic conditions that come with age. That’s why it’s important that people with disabilities have a plan for long-term care. At costs that range from $52,624 for full-time [in-home care](https://www.forbes.com/sites/howardgleckman/2019/10/18/a-shortage-of-paid-caregivers-is-raising-the-cost-of-homecare/#689da458548b) to around $100,000 for a nursing home, paying long-term care expenses out of pocket can quickly drain a family’s finances.

For most people, there are two ways to pay for long-term care: long-term care insurance or Medicaid. For those who can get approved for a policy and afford the premiums, a long-term care policy can be a great choice. Just make sure to read the [fine print](https://www.fool.com/investing/2019/11/11/4-questions-to-ask-when-shopping-for-long-term-car.aspx), as some policies impose benefit caps or limit care settings.

Unfortunately, people with disabilities may be declined for long-term care coverage. For those who can’t afford to pay out-of-pocket, the next best option is Medicaid. However, Medicaid has strict income and asset limits. Talk to an estate planning lawyer or financial planner to discuss [spending down](https://www.medicareinteractive.org/get-answers/cost-saving-programs-for-people-with-medicare/medicare-and-medicaid/spend-down-program-for-beneficiaries-with-incomes-over-the-medicaid-limit) for Medicaid. As a person with disabilities, you may be able to save money in an ABLE account or Special Needs Trust without affecting Medicaid eligibility. If you’re a homeowner, the sale of your home could also help pay for long-term care, so it’s a good idea to [estimate its value](https://www.redfin.com/what-is-my-home-worth) to plan for the future.

Financial planning isn’t easy for anyone, but it’s especially challenging for people with disabilities who may need extended long-term care or still have dependents at home when they pass away. As you think about your family’s financial future, make sure you’re asking these tough questions as part of your overall financial plan.

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