IS MANAGING
MONEY
REALLY HARDER
THAN MANAGING
CHILDREN?

ANNE-MARIE SLAUGHTER
ON THE VALUE OF CARE
From 2000 to 2050, the number of individuals using paid long-term care services is expected to more than double. 

13% of middle-aged adults are providing financial support to BOTH an aging parent and a child. Women (13%) are more likely than men (7%) to be providing primary care to an aging parent. 

THE SANDWICH GENERATION: WHO ARE THEY? 

THE EMOTIONAL DIMENSION 

of Americans will have eldercare responsibilities by 2020. 

47% of adults in their 40s and 50s have a parent age 65 or older AND are raising a young child or financially supporting a grown child. 

Shifting demographic and economic trends have created particular challenges for what is often called the “sandwich generation”: the increasingly large percentage of adults responsible for caring for both children and aging parents. 

CAREGIVING: THE SANDWICH GENERATION 

THE FUTURE OF CARE 

68% of Americans will be over 65 years of age by 2020. 


Over 40% of adults in the sandwich generation view the opportunity to reciprocate care received during childhood as a benefit. 

38% say both their grown children and their parents rely on them for emotional support. 

68% of adults with a parent 65 or older say their parent(s) frequently or sometimes rely on them for emotional support. 

83% say they are happy with their lives, compared with 79% of adults who are not part of the sandwich generation. 

31% of adults in the sandwich generation always feel rushed.
Welcome to the summer issue of Women & Wealth Magazine. This quarter, we turn our attention to care, an issue that affects all Americans. By 2020, one in three Americans will have elder care responsibilities.1 This demographic shift will have significant economic, social and emotional impact, and it will disproportionately affect women, who provide the bulk of care, both as paid and unpaid caregivers.2

The Brown Brothers Harriman Center for Women & Wealth (CW&W) supports women in the creation and management of wealth through our focus on holistic and integrated wealth planning. We know that a family’s wealth plan must account for the care of all family members. We also know that care often takes a significant toll on a family, and each caregiver must plan for her own emotional and physical health. With this issue of Women & Wealth Magazine, we provide you with insights into equality in caregiving, financial care and self-care. This issue is filled with stories from women who have ignited national discussions on these topics, faced the challenges of widowhood and started businesses dedicated to providing care to women and girls.

Our feature interview with Dr. Anne-Marie Slaughter, President & CEO of New America, explores the importance of providing both men and women with the ability to work as either breadwinners or caregivers. In the article, Dr. Slaughter explains the benefits that come from embracing the flexibility that our digital age affords, teaching boys and young men about their role as caregivers and adopting a more inclusive understanding of feminism.

When planning for retirement, we’re often advised to reduce portfolio risk by shifting exposure from volatile equity investments to more stable bond investments. In “Beyond Bonds: A Case for Equities in Retirement,” Caroline Thomas of BBH’s Investment Research Group questions the validity of this long-standing view given today’s low rate environment and highlights the benefits of equity investing for retirement-age investors.

In this issue’s “By The Numbers” infographic, we explore the challenges facing the sandwich generation – adults who are caring for a parent age 65 or older while also raising a young child or financially supporting a grown child – and examine the future of care.

For families of dementia patients, their loved one’s disease is a marathon, rather than a sprint. BBH Wealth Planner Anne Warren shares her personal story of coping with her mother’s dementia diagnosis and calls attention to the costs of long-term care and the importance of engaging in estate planning early.

While detailing her journey as a widow in “From Grief to Joy: Rebuilding an Abundant Life,” Ella Wall Prichard discusses the struggles she faced while taking control of her husband’s business, the impact of his passing on her family and the wisdom she discovered along the way.

Finally, as part of our “Five Questions with…” series, Dr. Mehri D. Moore, founder of THIRA Health, discusses her work helping women and girls with anxiety and depression. She also explains how she’s been able to successfully balance the demands of caring for her family with caring for her patients.

We hope you enjoy this summertime edition of the magazine. If you would like to be more involved with the CW&W, please to not hesitate to contact us at cw&w@bbh.com.

Kathryn George
Chairwoman

Adrienne M. Penta
Executive Director

IS MANAGING MONEY REALLY HARDER THAN MANAGING CHILDREN?

By Adrienne Penta, CW&W Executive Director and Kathryn George, CW&W Chairwoman
The New York office of New America, a nonpartisan think tank, is bright, white and almost serene. On the day we visited, only a few employees occupied the open space. Many of New America’s young staff work according to their own schedules and in their own spaces, exemplifying the definition of true flexibility at work. The serenity fades and a kinetic energy fills the office when Anne-Marie Slaughter, President & CEO of New America, bursts in with smiles, handshakes and a keen interest in conversation. Instantly, you can see how this former law professor upended the discussion about women and work and having it all.

We had the opportunity to speak with Dr. Slaughter about a variety of topics, including those addressed in her new book, *Unfinished Business: Women Men Work Family*. In it, she writes about the importance of providing both men and women with the freedom to work as either breadwinners or caregivers. She also emphasizes the value of caregiving and the central role it can play in achieving true equality of the sexes. Last, she offers helpful advice about the importance of learning to let go and sharing responsibility at home, which, as she acknowledges, is often easier said than done.

From 1994 to 2002, Dr. Slaughter was a professor of International, Foreign, and Comparative Law at Harvard Law School. She was the Dean of Princeton’s Woodrow Wilson School of Public and International Affairs from 2002 to 2009, and from 2009 to 2011, she was the Director of Policy Planning for the U.S. State Department under Secretary of State Hillary Clinton. She is the author of a number of books, including *Unfinished Business: Women Men Work Family* and a frequent contributor to the *Financial Times* and *Project Syndicate*. Her 2012 *Atlantic* article, “Why Women Still Can’t Have it All,” ignited a national discussion about gender equality.
Adrienne Penta: Talk about the value of caregiving and how we prioritize it. What transition do we need to see in gender roles and how we think about gender in order to prioritize caregiving?

Anne-Marie Slaughter: My central message is that equality can’t just mean equality between men and women in traditional men’s jobs. Equality has to mean equality between men and women in traditional women’s jobs, because the work of earning an income and the work of investing in the next generation and caring for those who care for us are essential to a well-functioning society. They are equally important. It’s not just the right thing to do – it’s the smart and necessary thing to do. We always talk about balancing work and family, but the biggest imbalance is that we prioritize work that brings in income over work that invests in people.

AP: One of my favorite chapters in your book, Unfinished Business: Women Men Work Family, focuses on the “half-truths” that women tell themselves. What’s your favorite half-truth that women tell themselves?

This is going to sound like it puts me in conflict with Sheryl Sandberg, but it doesn’t. I think that the biggest half-truth is thinking, “It’s up to us. If we just want it badly enough, we can do it.” It’s a comforting notion because we love feeling like we have control, but life doesn’t work that way.

I’ve been divorced; I’ve had people in my family need help unexpectedly. My kids are wonderful, but they hit a bumpy adolescence. Overall, though, I’ve had pretty smooth sailing. But when you think about situations, for example, where a woman has a child with special needs, experiences a death in her family or gets divorced and can’t support herself, the narrative that, “You can do it if you just want it bad enough,” can make her feel like a failure.

Kathryn George: Do you think flexibility in the work environment helps solve the problem?

We say flexibility will solve it, but what most people mean by that is a little freedom around the edges. That doesn’t solve the problem. What solves it is truly deep flexibility – when you can say, “I am in charge of my own schedule. I am going to my kid’s play this morning, and I’ll work later tonight or on the weekend.”

You have to be able to adjust your schedule in a way that most businesses are not close to accommodating. They don’t get it because they basically think in the male paradigm – you come at a certain hour and leave at a certain hour. Sure, you can come a little late one morning or leave a little early, but what happens when your kid gets sick? What happens when the teacher calls and tells you that your child is on a bad path?

KG: It takes confidence to have conversations around flexibility. How do you encourage and help younger women develop and earn that trust with people they work for?

Some of it is what you tell anybody, male or female: go the extra mile; take initiative; demonstrate that you’re somebody who is going to make your boss’s life much easier. Then, frame everything in terms of “I could do a better job for you if …” not as “I need special accommodation.” For example, “I think I could do a better job for you if I could work from home one day a week.”

Everybody wants to be innovative, yet we think of innovation in terms of a new financial product, not a new way of working.”
week.” It should always be in terms of, “I am a professional, and my job as a professional is to get the work done, but I could do it better, quicker, more effectively if... “

Although these conversations can be difficult, the topic is tied to how we think about innovation. Everybody wants to be innovative, yet we think of innovation in terms of a new financial product, not a new way of working. However, a new way of working can have just as big of an impact on productivity, profits, loyalty and retention. We're stuck in an industrial age work model. As we transition to the digital age work model, there are some innovations that can increase good things across the board.

AP: You talk a lot about the lead parent and the need for women to delegate that role. One of the greatest anecdotes in the book is about your favorite taxi driver who says, “Children need their mothers.” How do we debunk the myth that others can't provide the same type of care as mothers?

There are several ways. One of the most effective is to say, “What about same-sex couples? Are you really telling me that two men can't raise a child as well as a woman and a man or two women?” It's amazing how many young women approach me after my talks and say that they were raised by a stay-at-home dad and tell me what a great job their fathers did. So the second thing I say is, “Are you telling me that single fathers can’t do it?” If men can “run a tight ship” at work, why don't we believe they can run a household?

AP: You dedicate a chapter to telling women to let the small stuff go and really let somebody else be the primary caregiver at times. Seriously, how do we do this? You admit that you have struggled with this as I am sure many women do.

I think you begin by handing over discrete things. If you think about travel, with many couples, one person plans the trips. It's very inefficient to divide it 50-50. Consider starting with something that most women plan – birthday parties, for example. Your spouse can certainly plan a birthday party and will probably do something different than you would. What's the worst thing that happens? Your kid has a lousy birthday party, your husband feels terrible, and it never happens again. But chances are, he'll do a good job, and then he'll be in charge of that whole domain.

Andy, my husband, is in charge of all lessons, partly because he cares more about that than I do. I'm not the tiger parent; I'm the “hang out and let that go” parent, and he'll say to me, “It's easy for you to do that; you're just punting. You have this whole philosophy about how it's good for them to hang out because you don't want to organize anything.” I want to raise creative people, though, and I believe that letting them hang out is better for that.

Meanwhile, the college application process was my responsibility. I was focused on their SATs, recommendations and campus visits. When you go about dividing responsibilities, it's important to take account of your personalities, and that process was a better fit for me.

AP: Because we don’t talk to our boys about being a caregiver or dad, you believe that we're limiting their opportunities. How do we change that and create equal opportunities when raising our children?

I didn't realize this until two-thirds of the way through writing the book. I suddenly looked at my kids and thought, “Wait, I'm raising my sons the way my father was raised.”

I think babysitting is a great place to start. Girls babysit and earn a lot of money doing it. My elder son is a pied piper; he has seven cousins, and they follow him around like ducklings. He's brilliant with young kids, yet nobody asks him to babysit. You start thinking, “Hang on, why shouldn't he babysit?” It's a source of his self-esteem – making younger kids happy – and for kids who are finding their way with their own peers, that's very important.

Cooking, cleaning and laundry are other areas where we can get our boys involved. Let's face it – cleaning the kitchen is not something any of us are born to do, but it demonstrates self-sufficiency. You have to frame it in terms of competence, not in domestic terms.
“I always say the most important thing we can do as a society is to invest in the next generation.”
It would never occur to us not to teach our daughters math or not to talk to them about how to earn an income because we want them to be self-reliant. For a man, self-reliance is about being able to prepare a meal and do his own laundry.

**KG: Does taking on the role of caregiver mean working less?**

It depends on how much caregiving a person is doing and what level job she has. Andy and I were able to both work at jobs we loved and be equal parents for a long time. But as my jobs got bigger, I had to recognize that doing them the way they needed to be done involved more and more travel and non-negotiable meetings. At that point, the only way I could continue was to have him take the lead parent role. So although we all know superwomen who seem to do it all, with a great deal of professional help, I think that if a person wants a really big job she or he is going to have to make a trade-off in terms of not being the lead or even the equal parent.

I do think there is a job level where your time is not your own. When the board or big donors come, you have to be there. I see that as a matter of professionalism; you should not take a job like that if you are going to say, “I can’t meet with the donor because I need to be with my child.”

**AP: You talk about how this generation of feminism competes at men’s work. That’s how we think about success. How do we change the culture to think in more equal terms about caregiving and breadwinning?**

The top regret men have when they’re dying is that they wish they had lived the life they wanted to live and not the one society expected, which was as the breadwinner. And the second is that they wish they had spent more time with their families.

Part of what I think we have to communicate is to say, “Look, you want to succeed across the board; you want to achieve your professional goals. But you also want to have a web of relationships, and that can be your biological family, your friends or a constructed family. You’ll live longer and be happier if you do this. It’s part of being a human.”

**AP: You say that there is room for corporations and the government to help support caregiving. What is the most important first step toward change?**

The two most important policy changes we can make are paid family leave – not maternity, paternity or parental, but paid family leave – and subsidized daycare and eldercare. In terms of paid family leave, I think the U.S. is far behind. I always say the most important thing we can do as a society is to invest in the next generation – particularly the first five years, but really all the way through adolescence.

Both paid leave and subsidized daycare and eldercare require a very different political class and political plan. So we have to elect women, and we also have to elect men who are supportive of these policies. There is evidence that if you have

40% women in the room, men will start to be more honest about what they want. They will start saying, “Actually, it would be really important to spend more on social issues.” These are social and economic policies, not women’s policies.

**KG: How confident are you that these changes can happen?**

I think that we are going to get paid family leave in the next five years. You’re seeing it city by city and state by state. New York has just passed paid family leave. New Jersey, California and Rhode Island were first and offer six weeks paid family leave, but you need more than that. All states need fully paid leave because the families making minimum wage can’t afford to take the leave. Six weeks isn’t enough either, but it would be enough if it were family leave – your spouse takes six, you take six, and then at three months, you and your child are in a different place.

**AP: There has been a lot of criticism around women in privileged positions having this conversation. How do these women use their experiences and voices to help women who don’t have choices?**

When we focus on care and the problem that we’re not valuing and supporting care, then we are actually looking at all women. I’m all for eliminating the confidence gap, having a seat at the table and “leaning in,” but that’s not going to help women earning minimum wage. What will really help is finding a way so that a woman doesn’t lose her job if her child gets sick. That’s my answer politically and morally; we need to be focusing on care.
Beyond Bonds: A Case for Equities in Retirement

By Caroline Thomas, BBH Investment Research Group

When financially planning for retirement, you’ve likely been encouraged to espouse conservatism and risk aversion. Common beliefs related to portfolio management suggest that as individuals get older and their investment horizons shorten, they should reduce the risk embedded in their portfolio. The stock market can exhibit erratic price fluctuations that may or may not be related to business fundamentals or the broader macroeconomic environment, so many financial advisors, fearful of impacting clients’ capital at the time in their lives when they most need those resources, recommend clients shift their exposure from more volatile equity allocations toward more stable and supposedly reliable bond investments. There is a trade-off – individuals can reduce their portfolio risk for greater stability, but typically that means rotating portfolio assets from equity investments into bonds with lower expected return.

Despite conventional wisdom, the BBH investment team believes that it’s unnecessary to make such a tradeoff. Retirement planning can – and should – embrace equity investing.
Lessons from the 1929 Stock Market Crash

The widely held belief in low-risk portfolios near and during retirement has roots in the stock market crash of 1929, which ushered in the Great Depression. During the roaring 1920s, the U.S. stock market underwent a spectacular expansion, more than quadrupling in value. Investors bought stocks with borrowed money, and the rapid expansion only lent itself to further speculation. More money blindly flowed into the market, which further propped up equity prices and resulted in a massive bubble in the equity markets. On October 29, 1929, also known as “Black Tuesday,” the bubble burst, and stock prices came tumbling down. Prices spiraled toward rock bottom until June 1932, when they hit a low of $84, down 80% from a high of $432 in July 1929. It was not until 1959 – almost 30 years later – that stock prices reached previous peaks.

People who had piled their retirement and savings accounts into the equity market were left with very little to show for it. Many investors developed a sense of great skepticism toward the financial markets, and specifically toward equities.

At the same time, 10-year Treasury bonds maintained their value as the underlying borrower – the U.S. government – remained solvent and capable of paying its outstanding debt and interest payments. Investors in government debt who were not swept up in the speculation and enthusiasm surrounding the equity markets did not experience any capital impairment. Whether they were savvy enough to forecast a growing bubble in equity prices or were simply drawn to the attractive credit quality and security offered by U.S. government debt investments, these investors avoided the big losses many equity investors experienced while also earning interest income from their debt investments.

Challenging Conventional Wisdom

As noted, the convention of reducing equity market exposure in favor of stable bond investments when nearing retirement is widely maintained across the industry. Traditionally, fixed income has played three roles in a portfolio: (1) a source of liquidity, (2) a store of value and (3) a provider of income. In a normal interest rate environment, an investor can obtain all three of these benefits, but today only liquidity can be ensured.

We recommend a different approach given our clients’ long-term investment horizons, the current interest rate environment and our conservative approach to equity investing. We recommend that our clients remain exposed, to a greater degree, to equities that fit our strict investment criteria. We only invest client capital in quality businesses when they are “on sale” – meaning the market provides an acceptable discount to BBHs (or our qualified third-party managers’) intrinsic value estimate. By following this discipline, we believe that our clients’ capital will be protected in down markets and compounded at a higher rate of return than the broader market over the long term.

Below are the factors that support our recommendation of maintaining exposure to equity markets for all clients, no matter how close they are to retirement.

1. **Long-term, multigenerational investment horizons allow you to invest through volatility.**

Many of our clients are able and willing to gift assets to charitable endeavors or rising generations. As such, we believe that our clients should view a portion of their assets as multigenerational with investment horizons that extend beyond their lifetimes. Having a long-term perspective allows equity investors to capitalize on attractive valuations when stock prices are weak and markets inefficient.

While investors with shorter investment horizons often prefer to reduce the perceived risk in their portfolio by paring back equity exposure and thus reducing their expected return, the opposite is true for clients with multidecade or multigenerational time horizons. These long-term investors have the luxury of investing through volatility, which allows them to take on more risk and target a greater expected return.
Low interest rate environments can make fixed income investing less attractive. Since the early 1980s, 10-year Treasury bond rates have been on a steady march down from a high of nearly 14% in 1981 to below 2% in 2016.

Retirees and upcoming retirees considering transitioning most of their portfolio into bonds should keep in mind the impact low rates can have on portfolios with fixed income exposure, including:

- Reducing the absolute yield of a portfolio
- Producing negative real rates of return (after inflation)
- Introducing the risk of capital impairment

Reduction of Absolute Yield

Let’s begin with the reduction of yield in a client’s portfolio. Consider two investors – one investing in 1981 and the other investing today; both portfolios have $10 million and are completely invested in 10-year Treasury bonds. Due to the respective rates during each time period, the 1981 investor’s annual interest income is seven times greater than today’s theoretical investor.

In this context, it becomes clear why past retirees made this seemingly reasonable tradeoff, capping their portfolio upside for attractive interest income and more stability and security. However, the story is different today, as current interest rates do not offer attractive interest income relative to potential returns in equity markets.

Negative Real Rates

With interest rates below 2%, investors must be concerned with their “real return,” or their return after inflation. The Federal Reserve states that its long-term inflation target is 2%. By investing in a 10-year Treasury bond today with an interest rate of 1.78%, clients will experience real (after-inflation) losses assuming the Fed’s long-term inflation target is achieved.1

![Nominal Interest Rate vs. Inflation Rate]

1Illustrative example not meant to convey return expectations.

Said another way, at realization, the purchasing power of these investors’ invested capital will shrink because expected inflation will outstrip the expected bond return. If our clients were to invest capital in a 10-year Treasury bond today, they would receive less in the future on an inflation-adjusted basis.

Risk of Capital Impairment

Today’s interest rates are at historical lows, and as such, are expected to increase. As bond prices have an inverse relationship with interest rates, they will decrease alongside rising rates. This is a positive for investors with limited exposure to bonds who would like to increase their exposure and capture higher interest rates. However, for investors with exposure to bonds today, a rate increase will likely result in the price reduction of their current holdings and impair their real capital.

Imagine you purchased a widget factory for $10,000, and it produces 1,000 widgets a month. Someone then builds the same factory at the same cost but produces 1,200 widgets monthly. Nothing has changed at your factory, but its resale value has decreased relative to the second widget factory. The same is true for a bond. If an investor can invest in a high-yielding bond with the same credit profile as a lower-yielding bond, then the relative value of the lower-yielding bond has decreased.

Investors must be cognizant of not just after-tax and after-fee returns, but also after-inflation returns. Low rates offer low returns and possibly negative real returns, while rising rates introduce the risk of capital impairment. As a result, we believe that the current interest rate environment introduces material risks to bondholders and would not recommend investors overweight long-duration bonds in their portfolios.

We realize that successfully investing through retirement can be challenging and understand an individual’s natural risk aversion given the equity market’s volatility and history of speculative investing. However, BBH strongly believes that a prudent asset allocation process must take into consideration the likely investment timeframe, the opportunity cost to investing in high-quality credit, the tax implications and a portfolio’s expected total return. As such, we believe a disciplined approach to equity investing will benefit our clients throughout their investment horizon.

1.78% - 2% = -0.22%
A Total Return Approach to Investing in Retirement

Retirees are often advised to live off interest income and dividends and avoid redeeming principal. It is a belief that dates back to the 1929 stock market crash when corporate bonds, which have greater credit risk than government bonds, were caught up in the negative sentiment of capital markets and experienced price declines. Investors who did not sell their corporate bonds were generally paid out in full with the accompanying interest payments. Those who sold out of fear or necessity locked in substantial losses for their portfolio. Thus an orientation toward generating sufficient income in retirement from interest became the new convention.

Our philosophy shies away from solely focusing on income in favor of a total return approach. We believe that capital gains in equity-oriented portfolios fund spending just as well as interest income. Therefore, we attempt to maximize our clients’ potential returns and not worry about whether capital gain, interest or both will provide the necessary income to fund their lifestyles.

To illustrate this point, let’s compare a theoretical $1 million portfolio of 10-year Treasury bonds to a $1 million balanced portfolio with ample equity exposure. In this example, we assume a 2% rate of return for the portfolio of 10-year Treasury bonds and a 5% rate of return for the balanced portfolio.

After 10 years with both investors spending $40,000 a year, the bond portfolio is worth $781,006, while the balanced portfolio is worth $1,125,780 – a 44% greater value than the bond portfolio. It should be noted that this is an illustrative example. An equity-biased portfolio will not produce consistent 5% returns.

Why is there such a meaningful divergence in portfolio values? The bond portfolio’s expected return is not sufficient to meet the client’s spending requirements and, as a consequence, requires the redemption of principal. Each year, the principal value of the portfolio declines, which decreases the annual income, requiring more principal to be redeemed and resulting in lower annual income for the following year. This cycle continues each year, diluting the portfolio’s value.

The opposite is true for the balanced portfolio. The expected return is in excess of the spending requirement, so the marginal gain is reinvested in the portfolio and allowed to compound for the remainder of the investment horizon, resulting in meaningful capital appreciation compared with the bond portfolio’s capital depreciation.

This example illustrates the outperformance of a total return approach while understating the after-tax benefits as this example represents pre-tax return. Long-term capital gains have a preferential tax treatment compared with ordinary income and short-term gains. While a client’s tax rate will be specific to his or her circumstances, long-term gains at the federal level are generally taxed at 23.8%, and ordinary income and short-term gains are taxed 43.4%. As long-term investors, the overwhelming majority of realized gains in our clients’ portfolios are long-term capital gains. An almost 20% lower tax rate for long-term capital gains provides great benefits to clients’ after-tax and after-fee returns.

An investor should consider his or her current and anticipated investment horizon and income tax bracket when making an investment decision, as the illustration may not reflect these factors.

This hypothetical illustration does not predict or project the performance of an investment or investment strategy. The return and principal value of an investment in stocks fluctuates with changes in market conditions. Government bonds are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value.
From 2000 to 2050, the number of individuals using paid long-term care services is expected to more than double.

The Sandwich Generation: Who Are They?

- 47% of adults in their 40s and 50s have a parent age 65 or older and are raising a young child or financially supporting a grown child.
- 15% of middle-aged adults are providing financial support to both an aging parent and a child.
- Women (13%) are more likely than men (7%) to be providing primary care to an aging parent.

The Emotional Dimension

- 38% say both their grown children and their parents rely on them for emotional support.
- 68% of adults with a parent 65 or older say their parent(s) frequently or sometimes rely on them for emotional support.
- 31% of adults in the sandwich generation always feel rushed.

From 2000 to 2050, the number of individuals using paid long-term care services is expected to more than double.

68% believe it is likely they will have to care for an elderly family member in the future.

1/6 of Americans will be over 65 years of age by 2020.

1/3 of Americans will have eldercare responsibilities by 2020.

From 2000 to 2050, the number of individuals using paid long-term care services is expected to more than double.

Sons of working mothers spend on average an additional 50 minutes per week caring for family members.

Over 40% of adults in the sandwich generation view the opportunity to reciprocate care received during childhood as a benefit.

83% say they are happy with their lives, compared with 79% of adults who are not part of the sandwich generation.
When my mother was diagnosed with a rare form of early-onset dementia at 61 years old, my first instinct was relief. It wasn’t brain cancer. It wasn’t a tumor. It wasn’t Alzheimer’s. I knew nothing about non-Alzheimer’s dementias, and I assumed it was something we could treat, slow down or even reverse now that we had a diagnosis. How naive I was.

Any terminal illness is devastating to patients and their loved ones, but dementia presents uniquely painful challenges. In addition to the emotional toll of watching someone they love fade away until little is left but a physical shell, families of dementia sufferers are faced with complex legal, ethical and financial obstacles as well.

**Difficulty of Diagnosis and Lack of Treatment**

An estimated 14% of people age 71 and older in the United States suffer from some form of dementia.\(^1\) Alzheimer’s is the sixth-leading cause of death in the United States and the fifth-leading cause of death for individuals age 65 and older.\(^2\)

One of the hallmarks of dementia, particularly early-onset dementia, is that it can be very difficult to diagnose in the initial stages of the disease. Early signs of Alzheimer’s such as forgetfulness, confusion and difficulty finding the right words are often dismissed as natural signs of aging. Non-Alzheimer’s dementias often present themselves with signs that resemble depression like apathy, lack of personal hygiene and personality changes.

Many families suffer in silence for years before a doctor arrives at a diagnosis of dementia. During this time,
individuals with early-stage dementia may lose their jobs due to inappropriate behavior or loss of skills, spend money irresponsibly and alienate family and friends through rude or insensitive actions. Once a diagnosis is made, family members may feel a sense of relief because they finally have an explanation for the changes witnessed in their loved one. Unfortunately, that relief is fleeting; rather than offering treatment choices and hope, doctors delivering a dementia diagnosis must tell patients and their families that the only course of action is to make the most of the time they have left. Their loved one will only get worse, and no one survives dementia.

There is currently no cure for Alzheimer’s or other dementias. They are terminal, progressive neurodegenerative diseases that can tear a path of emotional and financial destruction through the lives of patients and their families. Symptoms can sometimes be managed with medication, but in the end stages most dementia patients become completely dependent on family or professional caregivers for their daily needs. Most patients ultimately lose the ability to speak, walk and eat on their own. Due to the inevitable immobility of most late-stage dementia patients, pneumonia, infection and blood clots are common causes of death.

My Mother’s Story

My father and I had been noticing changes in my mother for a couple of years. We initially thought it was depression. Characteristically gregarious, warm and full of life, she had become withdrawn and uninterested in the family and friends who had always been the center of her world. At the same time, she could be inappropriate and rude. The social graces, emotional intelligence and empathy that once defined her and made her a beloved wife, mother, friend and confidante were stripped away. Her impeccable manners and social awareness were slowly deteriorating. She initially had no problems with memory, but she was turning into a different person – cold, detached and completely oblivious to the changes that were becoming obvious to those who knew her well.

We finally insisted that she seek professional help, and not long thereafter, a PET scan revealed significant atrophy in the frontal lobe of her brain. While dementia can only be definitively diagnosed through an autopsy, my mother’s doctors were confident that she was suffering from frontotemporal dementia, a rare dementia that typically strikes patients in their 50s and 60s and typically results in death within eight to ten years after the onset of symptoms.

Over the years following her diagnosis, my mother has adopted various vitamin regimens and taken numerous medications to help reduce her confusion and anxiety. While these have provided short-term relief, nothing has halted or slowed the steady march of the disease. Though her decline has been relatively gradual for someone with frontotemporal dementia, it has still felt far too fast for someone so young.

Six years after her diagnosis, my 67-year-old mother is nearly mute and incapable of standing, walking, bathing, eating or performing any other activity of daily living without total assistance. We think she still recognizes her family and closest friends, but it’s hard to know for sure. She still lives at home with my father but has round-the-clock nursing care, including hospice nurses who visit weekly. She requires nearly the same level of daily care that my sons required as infants. I use the word “infant” because, by 2 years old, my sons were far more self-sufficient than their grandmother. Watching them acquire skills and language at precisely the same rate and time that my mother lost those very abilities has been particularly poignant and heartbreaking.

As a trusts and estates attorney, I have long known the importance of planning early and naming fiduciaries in case of incapacity. Thankfully, my parents had put in place proper estate plans years ago, but I had never sat down with them and had a serious discussion about end-of-life planning and what their wishes would mean in reality. I thought those were conversations for the future. After all, my parents were still relatively young. Despite my professional background, I did not anticipate many of the day-to-day questions and struggles that dementia would force us to grapple with.

As my father and I approach the end of my mother’s journey with dementia and strive to provide her with comfort and dignity until the end, I have spent a great deal of time reflecting on those things I am grateful I already knew – and those I wish I had known – before she was diagnosed.

While no amount of advance legal, financial or logistical planning can mitigate the emotional pain of the “long goodbye” that is dementia, putting proper plans and safeguards in place can help smooth a difficult road.

Plan Early

A basic estate plan – which typically comprises a will, revocable trust, health care proxy, durable power of attorney and living will – names fiduciaries to act for you in the event of incapacity and determines how your assets will be held and administered for your family and loved ones after your death. It is important to ensure that your estate plan is up to date and accomplishes your wishes with respect to your family. While I sometimes tell clients that they should plan early but that it is never too late, I must offer the caveat that it actually can become too late in the case of dementia.
Whether end-of-life care will be provided at home or in a memory care or assisted living facility is another important discussion point.”

In order to execute valid estate planning documents, an individual must have the mental capacity to understand the purpose and effect of those documents. Different legal documents require different levels of competence, and diminished capacity does not necessarily mean that a person can no longer execute an estate plan. A valid will, for example, can be signed in a moment of lucidity by someone who may not be lucid later that same day. However, the more a dementia patient declines, the less likely or predictable his or her mental competency becomes. This can lead to family strife and even legal contests in the case of documents signed by an individual after a dementia diagnosis. Engaging in estate planning early, and updating those plans in a timely manner as wishes change, helps protect individuals and families who are later faced with a dementia diagnosis.

The health care proxy, durable power of attorney and living will are particularly relevant and important in the event of incapacity. A durable power of attorney names someone to make financial decisions for you, including paying bills, if you are unable to make them yourself. A health care proxy names someone to make medical decisions, including the ultimate decision to withdraw life-sustaining treatment, if you are incapacitated. A living will, while not legally binding, provides guidance to your health care agent and loved ones regarding your choices with respect to end-of-life care and treatment.

While a will and revocable trust determine what will happen to your assets after you die, your durable power of attorney and health care proxy dictate who will be responsible for day-to-day decisions while you are alive but incapacitated. In the case of dementia, these fiduciary roles may continue for years, so you should give careful thought to who you name.

Discuss Wishes for End-of-Life Care and Treatment

It is not easy to face your own mortality or that of your parents, spouse or loved ones, but open discussions about preferences for end-of-life care provide valuable information, comfort and reassurance to family members who may have to make difficult decisions in the future.

It is important to name a health care agent who will respect and honor your wishes regarding medical treatment, or lack thereof. If you do not want life-sustaining measures like tube feeding and IV hydration in the event that you can no longer eat and swallow on your own and have no hope of recovery, you should discuss these wishes with your health care agent and be sure that he or she is comfortable following through with them. Some individuals may have ethical or religious objections to withdrawing life-sustaining care and should not be placed in the position of making a decision that conflicts with their beliefs. The more guidance you impart to your family and named agents while you are mentally competent, the fewer ethical questions and struggles they will face if they must step in as your health care agent.

Whether end-of-life care will be provided at home or in a memory care or assisted living facility is another important discussion point. The ultimate decision is often dictated as much by financial and practical considerations as by personal and emotional preferences, but it is helpful to discuss the possibilities with family members early. I caution against putting family members in the position of promising to keep someone at home. Providing in-home care can become impossible for family members for numerous reasons – safety, cost, physical ability to provide hands-on care and so forth – and they should not be saddled with additional guilt in the event they choose to place a loved one in a memory care or assisted living facility.

Ask for Help

For families of dementia patients, their loved one’s disease is a marathon rather than a sprint. While some patients decline quite quickly, others decline slowly over years or even decades. Many spouses and adult children must take a step back from their professional careers, or leave the workforce altogether, in order to care for a family member with dementia. Research by the Alzheimer’s Association found that 17% of dementia caregivers had to give up their jobs to assume caregiving responsibilities.3 Two-thirds of family caregivers are women, and 34% are age 65 or older.4

Once a loved one receives a dementia diagnosis, it is important to begin identifying local support services and care agencies that may be resources in the future. A patient’s primary care doctor or neurologist can be a valuable source of local information. In addition, the Alzheimer’s Association maintains a database of local chapters, support groups and care agencies.5

It is critical that family caregivers take care of themselves in addition to caring for their loved ones. Many family caregivers experience feelings of stress, depression, anger and isolation, which can
lead to physical health problems. While asking for help is never easy, it is inevitable that family caregivers will need assistance and support over time. Unfortunately, extended family and friends sometimes withdraw in the face of a dementia diagnosis because they don’t know how to help and may be increasingly uncomfortable around the patient as he or her declines. Reaching out and asking for help early can prevent that withdrawal.

Consider Professional Caregivers and Long-Term Care Insurance

As dementia progresses, the occasional respite and help from friends and family may not be enough. Despite leaving jobs and committing to caring for loved ones themselves, many families ultimately decide that professional help is needed. In the later stages of the disease, dementia patients require round-the-clock care. Deciding what type of care is best, and how to pay for that care, is yet another daunting task for families.

Families often initially hire home health aides or nurses who visit during the day and provide companionship and assistance with activities of daily living. Eventually, patients may need full-time care at home or to move to a memory care facility. While many will require some form of long-term care even if they never experience diminished mental capacity, nearly every individual suffering from dementia eventually requires 24-hour care and assistance from family or professional caregivers, or a combination thereof.

Most long-term care services are not covered by Medicare or traditional health insurance plans because, while critical to daily living, they are not medical in nature. Long-term care insurance can help fill the gap in covering the costs of care that are not otherwise covered by traditional insurance. The following chart provides a breakdown of the average annual costs of the various types of professional care:

<table>
<thead>
<tr>
<th>Professional Care: Average Annual Costs</th>
<th>National Average</th>
<th>New York</th>
<th>Massachusetts</th>
<th>North Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Health Aide*</td>
<td>$174,720</td>
<td>$200,928</td>
<td>$218,400</td>
<td>$157,248</td>
</tr>
<tr>
<td>Adult Day Care</td>
<td>$17,940</td>
<td>$22,100</td>
<td>$16,900</td>
<td>$13,260</td>
</tr>
<tr>
<td>Assisted Living Facility</td>
<td>$43,200</td>
<td>$49,200</td>
<td>$63,600</td>
<td>$36,000</td>
</tr>
<tr>
<td>Nursing Home</td>
<td>$91,250</td>
<td>$136,510</td>
<td>$139,048</td>
<td>$82,125</td>
</tr>
</tbody>
</table>

*Based on care twenty-four hours a day, seven days a week.

Families without some form of long-term care insurance must pay out of pocket for professional help, significantly depleting financial resources and potentially leaving surviving spouses financially vulnerable. While long-term care insurance may not fully cover the annual cost of long-term care, it can significantly mitigate the annual financial cost to families of dementia patients.

Once a dementia diagnosis is received, it is generally too late to obtain long-term care insurance. Like an estate plan, it is best to plan early by purchasing a policy well before care is needed. These policies can be complicated, and your attorney or wealth planner can help you understand the various options.

*Source: Genworth, “Cost of Care Survey 2015.”
As my husband’s health began to fail, I knew that his early death was likely – congestive heart failure is a terminal disease. I began to pay more attention to business and financial issues and, out of necessity, I took on some of the chores that had always been on Lev’s “honey-do” list.

But nothing prepared me for widowhood. I felt completely unequipped for all that had to be done in the aftermath of his death. Bank accounts, his office and business, the new car he bought just four days before his death, filing for probate and taxes, a nuisance lawsuit in which he was the defendant – the list of responsibilities, which one day were his and the next day mine, was never-ending.

A friend warned me, “They will not give you time to grieve.” But I welcomed the busyness, for I did not want time to think: not about the pain of the recent past brought on by Lev’s declining health and final illness, not of the business that needed to be taken care of immediately, nor of the possibility of living decades as a widow. Mustering the courage and will to plow ahead consumed my energy. Trying to grasp my legal and financial situation overloaded my brain. I discovered that if I worked at my desk until I was too tired to hold up my head, I could fall asleep without being flooded with too many bad memories from the past or fears about the future.

No Respite

One week after Lev died, I received an unexpected call from his financial advisors – three people sitting around a speaker phone in Chicago – without forewarning or an opportunity to have my attorney on the line. The advisors’ team leader informed me that the bank – one of the too-big-to-fail banks, reacting to the financial catastrophe that was in high gear – would no longer manage my investments as it had for generations of Lev’s family. I was given 30 days to decide whether to give the bank total discretion to handle all investments, including asset allocation, or manage them myself.

Through the years, Lev repeatedly told me that I did not need to know the details of his business because “they will be here for you.” They were not. He said, “Everything you need is in the four-drawer locked file cabinet.” It was not. We quickly realized that all of our estate planning had focused on taxes. I could not remember a conversation in 46 years of marriage where professional advisors discussed with us the difficulty of administration or stresses on the family.

In estate planning meetings, our attorney had assured me, “Nothing will change when Lev dies.” Everything changed. How could it not? This was April 7, 2009, one month after the stock market bottomed. I was a week away from tax day but knew nothing about income tax preparation. Assets were pouring out the door, and there was nothing I could do to stop the bleeding. That first month, I was completely overwhelmed by grief, fear and anxiety.

Going to Work

I summoned the strength to tackle Lev’s downtown office, where he was managing partner of a small independent oil and gas company. Each day I made the same trip that he enjoyed so much: to pick up mail at the downtown post office, a haven for the homeless, and then to the parking garage, service stairs, crosswalk to his building, elevator to the sixth floor and down a long hall to Suite 600. I felt like an intruder searching through his space. I dared not throw away a scrap of paper without examining it first.
There, in the right-hand desk drawer were the papers he had gathered for our tax returns. On the surface, everything was normal. The file room, however, told the story of his deteriorating health, and I could date his decline by the state of his files. Three four-drawer file cabinets overflowed. Shelves built to hold office supplies were piled with monthly reports dating back several years.

I moved The Wall Street Journal to home delivery, and it became my financial textbook. I labored over the Journal every day, with Barron’s Finance & Investment Handbook—all 1,220 pages—at my side so that I could look up every unfamiliar word, acronym and phrase. Within the month, the family met with Lev’s longtime attorney and accountant to begin the lengthy process of filing for probate and settling the estate. They reviewed the terms of Lev’s will and trusts, explained how the terms would affect us and outlined my responsibilities as executor and trustee. Our advisors took the lead in planning and organizing the search for a new bank and trust officer. Three weeks later, all seven of us – my children and their spouses, along with our attorney and accountant – attended the first of 13 bank interviews. The process would take us to four cities and three states until we chose BBH.

A Strain on Family Relationships

I discovered that trusts change everything – most importantly, family relationships. A widowed mother and her children become primary and remainder beneficiaries, with built-in conflicts of interest. Even if they are not trustees, heirs have the legal right to be informed about the trusts’ status. Achieving unity – having a shared vision of how funds are to be managed and distributed – is challenging and requires great intentionality, especially in the midst of grief. Family members have different personalities and needs. They respond differently to stress. They grieve differently.

In the first quarter 2016 Women & Wealth Magazine article, “Crossed Wires: Why Most Generational Wealth Transfers Fail,” BBH Chief Investment Strategist Scott Clemons cited a 25-year study of wealth transfers, which found that 70% of transfers failed, with just a tiny percentage due to poor professional advice. A staggering 97% of failures were due to the breakdown of family communication and trust. Our advisors warned us of the high risk of family fights and lawsuits, a situation we were determined to avoid. Ultimately, despite tensions and misunderstandings that developed that first year, we all accepted the full authority of what Lev had put in writing. We resigned ourselves to the fact that we had to live and work and relate to one another within the parameters of the legal documents.

From Smiling Spouse to Client

My responsibilities terrified me. I had no practical how-to books to guide me and few friends who had been down this road. My advisors did not furnish me with a written checklist for settling the estate. Instead, they gave verbal instructions, one step at a time. I leapt ahead of them and made mistakes, especially in disposing of Lev’s personal effects.

I had never had the need to be so strong, so tough. Lev had always been the “bad cop” in our marriage. I did not know how to move from smiling spouse and gracious hostess to client with longtime advisors whom Lev had considered friends. Instead of addressing issues promptly, I let them slide until my anger boiled over; then I overreacted. Eventually, I learned to ask questions and express disagreement and disapproval more calmly, rationally and quickly.

Gradually, I built my own team with the family’s active involvement: first, a new financial advisor and trust officer; then, a new attorney; and finally, after our accountant’s retirement, a relationship with a younger partner in his firm. Having to trust them, giving up control and allowing them to know all my business were hardest of all. My new advisors related to me very differently than those who originally knew me as Lev’s wife. As my trust and confidence in them grew, so did my willingness to let go of trying to manage everything. I dissolved Lev’s longtime oil and gas partnership, auctioned operating interests, and turned over management of mineral rights to professionals.

Rediscovering Abundance and Joy

During the years of Lev’s declining health, I simply could not deal with my own health. We had more doctor appointments on the calendar than I wanted to think about, but it was more than a lack of time. I was worried about my husband. I coped by simply denying that I needed to take care of myself.
After his death, swamped with work, I did not have time to worry about myself. I saw my doctor about my anxiety – tight throat, tight chest, insomnia – but walked out of the cardiologist’s office when I was sent there for an echocardiogram and stress test. I had flashbacks of all the times I had been there with Lev. For more than 10 years, I watched the pounds pile on and did nothing, until finally the combination of vanity and bad knees forced me to consult a nutritionist about my diet.

According to Dr. Helen Harris, grief expert and assistant professor at the Diana R. Garland School of Social Work at Baylor University, grief has many dimensions: physical, psychological, social and spiritual. She always advises those she counsels to get a complete physical because grief compromises the immune system. If hormones are too low or too high, clinical depression can set in. For weeks or even months, we have cognitive issues. We simply don’t remember things.

I would add financial to the list of dimensions of grief, for I had no clear picture of our finances or our expenditures when Lev died. Afterward, my income did not stretch as far as it had, and it took me two years to stop the red ink. For the longest time, I wore a mask of strength and stoic acceptance, not admitting my pain and loneliness to anyone. In finally allowing myself to admit and process my grief, I sorted out what I could change and what I could not. I moved from anger, fear and anxiety to acceptance and serenity.

If I have learned anything, it is that abundant living does not come from an abundance of things but from an abundance of good friends, meaningful relationships and a purposeful life. Giving to and doing for others is far more satisfying than spending on myself. At the same time, I cannot ignore my own physical, spiritual, emotional, social and financial needs if I want to remain independent and self-sufficient.

By trial and error, I seem to have acquired greater wisdom and better judgment. The rate of change has slowed. I take longer to reflect before I act. I weigh my decisions more carefully. The work – bills, cars and household maintenance, as well as legal, accounting and financial issues – has become mostly routine and predictable.

I am taking care of myself again. I have rebuilt my life. I have reclaimed joy. &

Achieving unity – having a shared vision of how funds are to be managed and distributed – is challenging and requires great intentionality, especially in the midst of grief.”
FOLLOWING A LONG CAREER CARING FOR WOMEN WITH EATING DISORDERS, YOU DECIDED TO START THIRA HEALTH AND SHIFT YOUR FOCUS TO HELPING WOMEN AND ADOLESCENT GIRLS WITH ANXIETY AND DEPRESSION. WHAT MOTIVATED YOU TO START A NEW BUSINESS?

I have worked with women who struggled with eating disorders for the majority of my career. Depression and anxiety are common co-occurring conditions among these women. Not long after I retired from working with eating disorder patients, I realized that I missed the interaction with patients and the adventure of building an organization, addressing challenges and watching it grow.

In my work treating patients with eating disorders – of whom around 98% were women – I came to realize that the majority had depression and anxiety that were clinically significant parts of their overall mental health. Research tells us that one in eight women will experience life-impacting depression sometime during her life, and anxiety disorders are even more common. As I was thinking about retiring from treating eating disorders, I realized that many of the programs, methods and practices that we developed at the Moore Center for Eating Disorders could be just as effective in helping women deal with anxiety and depression. I could see a significant clinical need for the programs that we know how to provide, and that we know are effective, in the population of depressed and anxious women who do not suffer from eating disorders.

As we had discovered in treating eating disorders, there is a dearth of programs that provide levels of care, structure and support that are more intensive than individual outpatient treatment but less overwhelming – and substantially less expensive – than inpatient hospitalization. Our goal is to be a resource for individual physicians, psychotherapists and their patients, who need a higher level of care than they are able to receive on their own, as well as to serve as a step-down program for patients making the transition from inpatient hospitalization back to their regular lives. As both a clinical and business proposition, this approach makes great sense to me.

HOW HAVE YOU BALANCED THE DEMANDS OF CARING FOR YOUR FAMILY WITH THE DEMANDS OF CARING FOR YOUR PATIENTS? DO YOU HAVE ANY ADVICE FOR CAREGIVERS JUGGLING MULTIPLE RESPONSIBILITIES?

Over the years, I have struggled to balance care for my family with my responsibilities caring for patients and running a business. My husband and I have two adult children. Our daughter began her career working for me in the business office at the Moore Center. She then received a master’s degree in healthcare administration and is 10 years into a wonderful career in the Seattle Children’s Hospital’s strategic planning department. Our son has developmental disabilities but is an emotionally healthy, happy person who enjoys life and has many people who love and care for him. I was born and raised in Iran and emigrated to the United States with very little in my pocket. My husband, who was an architect, and I were both self-employed, and neither of us started adult life with anything beyond the money that we earned.

We were a cross-cultural family with two businesses and two children, one for whom we need to provide for the rest of his life. There were not a lot of roadmaps to guide us in how to make this complicated family situation work. I am the daughter of an entrepreneur with the drive to succeed in business. I felt that the most important contribution I could make to my family was to

Mehri D. Moore, M.D.
Founder
THIRA Health
provide financial security so that our son could have the care he would need for his entire life. It took some time, but we ultimately figured out that my husband had more flexibility than I did around family responsibilities, so he took on a lot of the day-to-day responsibilities with the kids and the household. He reduced his workload to a part-time practice and became our son’s after-school parent for many years. The fact that both of our kids are kind, humorous and largely happy people is the best indicator to us that, whatever our struggles, we did at least a few things right.

The best advice I can give to caregivers juggling multiple responsibilities is to reach out to the people in your life when you need help. Not everyone has the benefit of a partner in life who has the complementary capabilities that my husband and I have, but most people have a range of family and friends who can help them fill in the missing pieces. No family situation is perfect, and ours was no exception. But love and perseverance are the two things no family can succeed without.

Your innovative approach to treatment is described as short-term and intensive and focused on changing behavior through repetition. How is this approach different from others? How are you measuring success?

During my time at the Moore Center for Eating Disorders, I became aware that to make a meaningful and significant change in maladaptive behaviors – that is, doing things that are bad for you – we needed to provide a blueprint or structure for the process of making the changes necessary to turn the corner from illness to recovery. There are multiple schools of thought and a variety of therapy models that are designed to promote these changes. I have found that the most efficient, effective and sustainable model for creating change is to educate and train the patients through repetition and demonstration of the skills required to make structural changes to their thinking and actions in daily life.

In the curriculum we have structured, we limit our time with the patients to 12 weeks, during which we teach three days each week. Our model is based on dialectical behavior therapy, which was created by Dr. Marsha Linehan at the University of Washington. This model has been shown to be very effective in dealing with some otherwise intractable behaviors over a wide range of diagnoses, and we think it works very well with our population.

Tell us about the consequences of caregiving for someone with mental health issues. What impact does it have on the caregiver?

I have seen parents devoting their lives to care for their mentally ill children, spouses and other family members. It takes a big toll on the caregivers – they can become depressed and anxious and end up needing care themselves. We recommend that caregivers really monitor how they are doing, communicate with their friends and family about what is going on and seek out individual therapy, support groups or other available self-care resources. Maintaining a support network is crucial to helping caregivers maintain equilibrium while caring for someone with a mental illness.

What advice would you give your younger self?

I would advise myself to:

• Begin my family at a much younger age – I was 36 when my older child was born.
• Build a bigger social network.
• Develop hobbies and outside interests that sustain me.
• Start a business in my mid-40s.
• Not be afraid to take risks!

Mehri D. Moore, M.D.
In today’s rapidly changing global marketplace, diversity and inclusion can affect a company’s future success on many different levels and should be viewed as critical components of every business strategy.

In December 2015, Chris Michel was appointed Head of Diversity & Inclusion at BBH. Chris is a senior human resources executive with significant experience leading talent management programs in multinational organizations. He has a proven track record of success in broad-based talent initiatives, including employee resource group management, recruitment, training, community engagement, program development and senior management advisement.

At BBH, Chris is responsible for building programs that advance our inclusive culture, attracting and retaining top talent across the full spectrum of diversity and growing our external brand as a leader in diversity and inclusion efforts. He also focuses on supporting and enhancing the BBH Affinity Network Communities, a group of nine employee-run networks that provide opportunities for individuals to participate in networking, mentoring, professional development and global collaboration to foster our inclusive environment.

Here are a few of his insights into issues related to diversity and inclusion.

How does a business benefit from a commitment to diversity and inclusion?

Diversity and inclusion are the hallmarks of a successful organization in today’s global marketplace. The days of diversity programs being “the right thing to do” are long gone. Smart leaders and businesses are building and managing diverse teams in order to produce greater innovation, broader thinking and enhanced outputs that result in stronger organizations.

Successful businesses plan for success not only today, but in the weeks, months and years ahead. Rapidly changing global demographics dictate that companies that want to succeed in the long term manage diversity and inclusion not as an altruistic undertaking, but as a strategic priority. The consequences of not leveraging diversity and inclusion are simple: As potential clients become more diverse, they will look to engage with organizations in which they see themselves represented. Prospective employees will do the same. It behooves businesses to get ahead of this curve and embrace these critical initiatives today to maintain a competitive advantage in the marketplace.

What is the difference between sponsorship and mentorship?

Far too many people conflate the two. A mentor is more of an advisor. This could be a peer or superior at your current workplace or a trusted individual from another organization who you go to regularly for career advice and guidance. Your mentors are honest with you about your strengths and weaknesses and point them out to you so that you can either leverage or improve those areas.

Sponsors are different. While they may spend time advising you on how to navigate your career, they go a step further than mentors – they are advocates. Sponsors have taken note of your potential based on exposure to you and your work. They are in the room when decisions are made about who gets plum assignments and promotions and are willing to risk their reputations to recommend you over others. A sponsor has the influence among other senior leaders in an organization to get you to the next step in your career, whereas a mentor might not.

According to research from the Center for Talent Innovation, people with sponsors are 23% more likely to move up in their career than those without sponsors. Does this surprise you?

Not at all. The saying “It’s not what you know; it’s who you know” is more relevant and true the higher up the career ladder you climb. At the top of that ladder, the air is very thin; there are far fewer open roles and many people vying to fill them. If you don’t have someone who is in the room advocating on your behalf when those rare positions open up, chances are you’re not going to get the job. Most everyone who is considered for top-level jobs is smart and highly rated – the difference maker is a person of influence who can tilt the scale in your favor.

What impact does this have on a woman’s chance for advancement if most of senior management is male?

This could have a significant impact on women’s chances for advancement, especially since cross-gender professional relationships can be tricky to build and manage. I just read a book about something called the “sex partition.” The author’s premise is that women miss out on opportunities for sponsorship by more senior male colleagues because in many cases both men and women are concerned that work relationships across gender lines could be misconstrued as unprofessional. I’ve had plenty of women tell me that they fear developing and leveraging cross-gender professional relationships because of the negative perceptions that they might face for doing so. There’s no magic bullet, of course, but both groups have to understand that if the desire is for women to break through the proverbial glass ceiling, then those fears need to be set aside or at least managed, so that women can build the kind of professional relationships with senior male executives that younger male employees have been taking advantage of since the beginning of corporate time.
CW&W New York Launch Event

On May 12, 2016, the CW&W was pleased to have Anne-Marie Slaughter speak about women, men, work and family at the Tribeca Rooftop for our New York launch event.

Closing the funding gap for minority- and women-owned businesses is a hot topic these days. While there is no single path to running a successful business, some companies have found that Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) certifications provide helpful advantages. In the most recent issue of Owner to Owner, we examine the process for acquiring official certification and break down the benefits for minority- and women-owned business.

Visit bbh.com for the latest edition of Owner to Owner.