



Scales Elder Law Newsletter

"Caring for a loved one shouldn't cost a lifetime of savings."



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The Grasshopper and the Ant: A Fable Turned on Its Head

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Those of us in or approaching our retirement years may remember one of Aesop's fables called "The Grasshopper and the Ant." For those who do not, it goes like this:

A frivolous grasshopper spent the warm summer months lazing around, without a care in the world, giving no thought for the morrow. But his neighbor the ant was quite a different sort, not prodigal but prudent, and spent his days working hard to store up food for the winter.

The grasshopper would call out to him, "You work too much. Come over here and let us sing and dance. Gather ye rosebuds while ye may, and all that sort of thing." But the ant would only reply, "Winter is coming, and I need to store up food for the time when the sun will not be shining. You should be doing the same." The grasshopper only scoffed, saying, "I can't be bothered with all that. And, anyway, winter is a long way off and there's plenty of food." So the grasshopper continued to dance and sing, while the ant continued to work.

Well, the winter did arrive, and the tender grass shoots were replaced by snow and ice, and the grasshopper found himself without food and very hungry. And he remembered his neighbor the ant, and he thought to himself, "I will go to my good friend, the ant. He has plenty of food and he will be delighted with my company and witty conversation." But the ant only rebuked the grasshopper for his idleness, saying "I

warned you about this last summer, but you only wanted to dance. Well, you can keep on dancing!" and slammed the door, sending the grasshopper away (presumably to starve).

The moral: Hard work and saving are important virtues, while improvidence leads to disaster.

In this country, with our history of industrious, hard-working pioneer families carving out a living for themselves on the frontier, this moral has become part of our culture. But times have changed since those days of rugged individualism, and today, as is often noted, we have not a Main Street but a Wall Street economy, built not on the bedrock of families, farms and factories, but on the shifting sands of financial speculation.

And we also have the most expensive health-care system in the world. In my line of work, focusing on the needs of seniors who face declining health and the prospect of long-term nursing care, it seems to me this fable has been turned on its head. Updated, it would go something like this:

Mr. Grasshopper spent the warm summer years of his life enjoying himself – he had a nice house (complete with a nice mortgage), traded in his car each year on a new model (and new financing), went out often to parties with friends and on vacations around the world, and in general gave neither any contribution to a retirement plan nor any thought for the time when he would no longer be young.

But his neighbor, Mrs. Ant, was different. She had grown up during the Depression, so she knew the importance of setting aside money for her later years and as a legacy to pass along to her children. So she spent the summer years of her life working hard, keeping a watchful eye on her expenses (a modest house, well-used car, and vacations restricted to Presque Isle), but also kept a watchful eye on her growing 401k plan.

Well, the winter of life did arrive for them both, and with it declining health. They both developed chronic illnesses, and so one day it came to pass that they both entered a nursing home. Improvident Mr. Grasshopper had set aside nothing for a rainy day and as a result was immediately eligible for Medicaid to pay for his nursing-home care.

But frugal Mrs. Ant had accumulated though a lifetime of hard work \$400,000 of retirement savings. Before she could get Medicaid like Mr. Grasshopper, she would need to spend down her life savings on her nursing-home care until it had been reduced to \$2,400. At the rate of \$100,000* a year, it would take Mrs. Ant about four years to do so.

So what is the moral of this fable for our times? That hard work and saving are for suckers? Is that a lesson we want to teach our children? It's hardly a comforting one for Mrs. Ant to contemplate as she sits in her wheelchair at the nursing home; perhaps her dementia is a blessing.

But in fact this is exactly the message we're sending to families who have a loved one needing long-term nursing care. And it will continue to be the message until we adopt a rational and equitable healthcare policy in this country, one that spreads the cost of such care among the population as a whole rather than letting it fall catastrophically on those who worked hard and saved all their lives but then had the misfortune of getting a chronic illness.

In the meantime, working with the inequitable system that we have, seniors and their families need to understand that despite the new restrictions in the Medicaid law, there remain opportunities for seniors to protect a significant portion of their life savings when facing an immediate crisis, with no advance planning. But with the new restrictions in the Deficit Reduction Act, it is more true than ever that "time works against you," so it is important for such

families to contact a knowledgeable and experienced elder law attorney for advice as soon as possible.

* In 2010 the average cost of a nursing home in Pennsylvania is over \$94,000, and each year this average increases.

Kemp Scales, CELA,* is an Elder Law Attorney who serves clients throughout western Pennsylvania from his offices in Erie and Titusville. If you would be interested in having attorney Scales speak to your group, please contact us at toll free at (888) 827-2788 or by e-mail at Info@ScalesLawOffices.com.

*Certified as an Elder Law Attorney by the National Elder Law Foundation as authorized by the Pennsylvania Supreme Court.

The Colonel's Corner



Items submitted by Attorney Scales' 93-year-old father, Col. J. Shelton Scales, USMCR-Retired, who lives in a senior retirement community in southern Virginia.

Billy Bob and Luther were talking one afternoon when Billy Bob tells Luther, "Ya know, I reckon I'm 'bout ready for a vacation. Only this year I'm gonna do it a little different. The last few years I took your advice about where to go."

"Well, what are you going to do then?" Luther asks.

"Three years ago you said to go to Hawaii. I went to Hawaii and Earlene got pregnant."

"Yeah," Luther agrees.

"Then two years ago you told me to go to the Bahamas and Earlene got pregnant again."

"I remember" Luther says.

"Last year you suggested Tahiti and darned if Earlene didn't get pregnant again."

"Yep" Luther says. "So, what are you gonna do this year that's different?"

Billy Bob says, "This year I'm taking Earlene with me."