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Protecting Liquidity When Care Needs Arrive Suddenly

Care rarely arrives on a schedule, and when something happens to a loved one the emotional weight is often immediate. On the heels of that comes the realization of having to figure out a web of logistics, like cash flow and access, while under pressure.

For many women, especially those who become the primary caregiver or financial decision-maker quickly, the first few days can feel overwhelming. Medical questions, family conversations, work responsibilities, household bills, and financial unknowns all seem like they are arriving at once. And for women without a strong support network, or for those managing more complex wealth, the pressure can be even greater.

That is why liquidity matters. Accessible resources can create breathing room, allowing you to make thoughtful decisions instead of rushed ones. At its simplest, liquidity means money or assets that can be accessed relatively quickly without creating unnecessary disruption. Think cash in a checking account, savings that can be transferred easily, or other resources that are available without having to sell long-term investments at an unfortunate time.

Just as important, liquidity also means knowing where money is, who can access it, and which accounts should not be touched first. For example, a household may appear financially secure on paper, but if most assets are tied up in retirement accounts, real estate, trusts, private investments, or accounts one spouse has never accessed, the family may still face a short-term liquidity problem. More assets do not always mean faster access.

THE FIRST 72 HOURS

When a caregiving need arrives suddenly, it is easy to feel as though every decision must be made at once. But in the first few days, the goal is to keep the system stable via making sure essential bills can still be paid, care-related expenses can be covered in the near term, and key information is accessible.

For example, is there enough cash available for immediate needs such as transportation, temporary care, prescriptions, home safety modifications, or family travel? Are regular household bills still being paid? Does someone have access to the accounts needed to manage day-to-day expenses? Are key documents available, such as powers of attorney, healthcare proxies, insurance information, and contact details for doctors, attorneys, accountants, and financial advisors?

This is also the time to identify who can help. Who will be able to coordinate medical appointments? And who might be able to communicate with family members? Are these the same person, or different point people? A professional advisor may be able to help review financial resources, account access, and planning trade-offs. Even when you feel responsible, you do not have to carry every role alone.

WHAT TO KEEP LIQUID, AND WHAT TO LEAVE ALONE (FOR NOW)

The practical question revolves around which money should be used first, and which money should be preserved if possible. In many cases, the most useful liquidity is a reserve of cash or savings that can cover near-term care expenses without forcing bigger financial decisions too quickly. At the same time, it can be helpful to pause before using long-term assets to solve short-term needs.

Selling investments quickly during a stressful moment can create tax consequences, disrupt an investment plan, or lock in losses during an unfavorable market period. Drawing from retirement accounts may also have consequences that deserve careful review. Those resources may need to be used at some point, but they should be considered thoughtfully, with a clear understanding of the trade-offs.

Before drawing from portfolio assets, review other possible sources of support. Are there insurance benefits available? Does a long-term care policy exist? Are there employer benefits, leave options, disability benefits, or care coordination resources? Are there healthcare reimbursement accounts or other benefits that may help? Is another family member willing and able to share certain expenses?

For higher-net-worth families, liquidity planning can be surprisingly important. Wealth may be spread across investment accounts, real estate, business interests, trusts, or estate planning structures. That complexity may support long-term goals, but it can also slow down access when decisions need to be made quickly.

Liquidity can give you time to understand the care need, talk with family, review insurance, consult trusted professionals, and make decisions from a steadier place. It can help prevent a short-term crisis from forcing long-term financial choices before you have the full picture. It is making sure you have room to think and giving you a starting point. And in a caregiving season, a clear starting point can be a powerful form of confidence.