

Pet Projects

Americans spent more than \$43 billion on their pets last year. And if you ask most pet owners, they're worth every penny.



After 20 years in the enterprise software industry, Tami Zamrazil decided she wanted to have a family. Now retired, she spends her days taking care of her husband, her house and her two babies, 2-year-old Shiva and 15-month-old Stuart Little.

"I'm a mom," Zamrazil says. "I no longer work. I just take care of my little girl and my little boy."

But Zamrazil's kids aren't children. They're dogs. Shiva is a 3.5-pound diva with a big personality and a shy demeanor. Stuart Little, meanwhile, is a half-pound larger and more outgoing. Both Maltese, they enjoy plenty of attention from their adoptive parents, who regularly shop for them in search of the best grooming brushes, shampoos and the most stylish pet carriers. Zamrazil even prepares all their meals with organic groceries using recipes from Dr. W. Jean Dodds, their high-profile doggy nutritionist.

"My dogs are very well taken care of," Zamrazil says. "I've taken responsibility for these little lives, so I want them to be cared for, healthy, happy and comfortable."

The Prospering Pet Economy

Zamrazil isn't alone. In fact, 63% of U.S. households include a pet, according to the Greenwich, Conn.-based American Pet Products Manufacturers Association (APPMA). That includes 74.8 million dogs and 88.3 million cats, not to mention millions of birds, fish, horses, rodents, reptiles and rabbits.

Like Zamrazil, many pet owners consider themselves "pet parents," according to APPMA President Bob Vetere. Among them are Baby Boomers with empty nests, as well as young professionals who are waiting to have children, but want companionship nonetheless.

"More and more, pets are becoming family members," Vetere says. "Once they take on



human qualities, it's no longer satisfying to reward them in pet terms.”

And there's no shortage of rewards. Americans will spend an estimated \$43.4 billion on their pets this year, according to APPMA data. That's nearly double the \$23 billion they spent 10 years ago.

You need only visit the APPMA's annual Global Pet Expo to see why. This year's show in San Diego featured about 800 exhibitors selling 15 football fields' worth of merchandise, everything from fashion and furniture to toys and treats. It even included a special “boutique” area featuring high-end products like custom pet jewelry, couture clothing and spa products.

“Gucci has goat-hair stuffed beds for your dog and Cartier has \$50,000 dog collars,” Vetere points out. “Anything they make for humans they probably make for pets, too.”

Even hotels are welcoming pets with open arms. Raffles L'Ermitage in Beverly Hills, for instance, welcomes pets in guests' rooms and provides daily pet walking services, pet beds, blankets, toys and food bowls and a special pet-friendly room service menu.

Still, the majority of spending is on basics like grooming, food and health care, which “children” of every species need in order to live happy, healthy lives.

Fit and Furry

Meal choices for pets are increasingly diverse, including more organic and gourmet ingredients. Natural Balance Eatables for Dogs, for instance, is a brand created by actor Dick Van Patten, who claims that the food — which is made in a USDA plant and sold in flavors like Irish Stew and Hobo Chili — tastes just like home-cooked meals. There are even pet bakeries across the United States, such as Kansas City-based Three Dog Bakery, for pet owners who want to give their loved ones a special snack.

Pet care isn't just about food, though. It's about fitness, health and overall wellness, too, according to Drs. Jessica Waldman and Amy Kramer, co-founders of Los Angeles-based California Animal Rehabilitation, which provides rehabilitation and exercise training for injured and out-of-shape animals. For between \$1,500 and \$5,000, they enroll pets in an eight-week program that includes popular services like pet Pilates, hydrotherapy and acupuncture, all designed to improve pets' physical health.

“The owners are people who get acupuncture or massages or have personal trainers that take care of them,” Kramer says, “and they want the same for their pets.”

Getting Vetted

Even with an emphasis on quality food, exercise and care, pet owners’ top expenditure is a veterinarian. They’ll spend an estimated \$10.9 billion this year on vet care alone, plus an additional \$10.3 billion on over-the-counter drugs and other medical supplies.

According to Dennis Drent, president and CEO of Brea, Calif.-based Veterinary Pet Insurance, it’s not unusual to receive a veterinary claim of between \$3,000 and \$10,000.

Underscoring the importance of pet health, companies like Drent’s offer pet insurance policies that cover everything from a dog’s broken leg to a hamster’s stomach cancer to a cat’s renal failure medication, even a pet’s dental care.

“Pets have gone from the backyard to the bedroom to the bed,” Drent says. “People want to make sure their pets are around for a long time.”

And Zamrazil could not agree more. For pet parents like her, every penny spent on their loved ones — from grooming to veterinary care — is an investment in their family’s health, harmony and overall happiness. “The dogs are my surrogate children,” she says. “So I want them to live a very happy, very comfortable life.” ■

Trust-Worthy Pets

Because many pets are cherished family members, more pet owners are wondering how to plan for their care in the event of their death, according to Michael Markarian, executive vice president of the Humane Society of the United States. The answer, he suggests, is the creation of a pet trust.

Currently, 39 states and the District of Columbia have passed laws that specifically recognize pet trusts. Residents everywhere, however, can still leave money and instructions for their pet’s care in a traditional trust.

Either way, Markarian insists, it’s important to have some kind of plan in place. “If you don’t prepare in advance, you are leaving your pet’s life to chance,” he says. “He or she may be abandoned without care, sent to an animal shelter or euthanized.”

In order to create a pet trust, answer the following questions with your estate planner:

1. Who will care for my pet? Ask a trusted friend or relative to care for your pet. Choose someone who knows your pet — including its dietary needs, medical history, behavioral problems and playtime preferences — and has an existing bond with it. “It’s a good idea to have a back-up person, as well, in case the first caretaker’s circumstances change,” Markarian says.

2. How much money should I leave? Estimate your current annual expenditures on food, veterinary visits, pet toys and other care, then set aside at least that amount for every year that you

expect your pet to outlive you. Consider the animal’s age and life expectancy, keeping in mind that dogs can live for more than 10 years and cats for more than 20. “It’s always a good idea to set aside more than expected in case your pet lives longer, or in case your pet develops medical problems later in life that require more expensive veterinary treatment,” he says.

3. How will my pet be cared for? You can leave behind more than money in your pet trust. You can leave instructions for care, too, including requirements for the pet’s exercise and diet. To make sure that your wishes are carried out, you might want to designate a trustee to manage the trust, separate from the pet’s caretaker.

4. What if my pet dies? If your pet passes away, you often can designate a charity, such as a local animal shelter, to receive the remainder of your trust if there are unused funds available.

5. Whom should I consult? Involve your attorney, accountant, tax advisor and financial planner in the pet trust process, as all trusts have legal and tax implications that pet owners should consider. Involve family members, too, and be sensitive to their questions and concerns.

For more information on including pets in your estate plan, contact your relationship manager or visit humanesociety.org/petsinwills.