

# MANAGING MONEY: A CAREGIVER'S GUIDE TO FINANCES


An education program presented by the Alzheimer's Association®



# Managing Money: A Caregiver's Guide to Finances

## Participant's Guide

### Introduction



**Managing Money**  
A Caregiver's Guide to Finances

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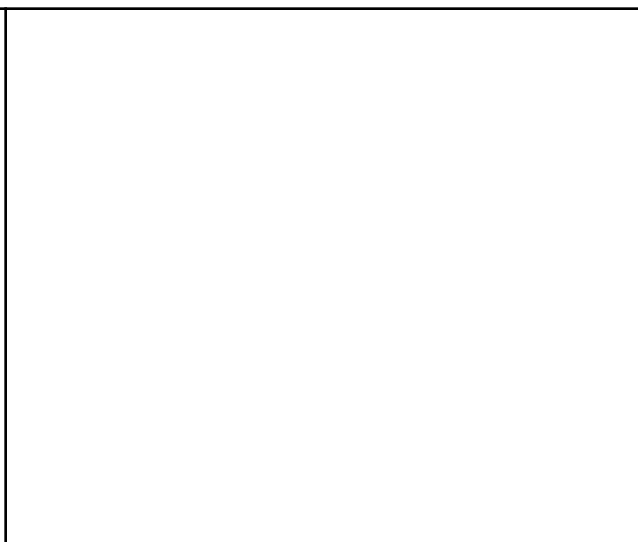
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## Steering committee



- AARP
- Bankers Life (CN Financial Group)
- Edward Jones
- National Hispanic Council on Aging
- Raymond James
- SAGE
- The Balm in Gilead
- TIAA
- Wells Fargo
- Stanford Center for Longevity
- Consumer Financial Protection Bureau
- National Alliance for Caregiving
- Caregiver Action Network
- Mary Margaret Lehman (care partner)
- Jeff Borghoff (person living with the disease)

## Learning Objectives



- Describe how caregiving affects finances.
- List the legal and financial documents caregivers should put in place.
- Prepare for useful discussions about financial decisions and planning.
- Identify steps to lower the chances of financial abuse and fraud.
- Begin to create a backup plan in case you can no longer provide care.

## Key Terms

### Caregiver or Care Partner

- A family member, friend or legal guardian who supports someone with their health needs and well-being
- Someone who manages money or pays for the expenses of another person



### Finances

### Financial Literacy

# Module 1: Costs of Caregiving



Financial literacy is especially important for caregivers because it provides them with the knowledge and skills needed to better support themselves and others.



## Check Your Knowledge

What percentage of caregivers have out-of-pocket costs as a result of caregiving?

47%

67%

78%

95%



## Impact on Employment

- Caregiving may affect employment.
- Many caregivers end up reducing hours, taking time off, retiring early or quitting their jobs.
- This can increase debt, make it hard to save for retirement or mean cutting back on other costs.

Hear From  
a Caregiver



## Impact on Health

Caregiving can have a major impact on the caregiver's own health.



When caregivers don't take care of themselves, it can lead to additional medical expenses.



Caregivers may put off taking care of their own needs.



## Module 2: How Alzheimer's Disease Affects Finances



How Alzheimer's Disease Affects Finances

2



### Check Your Knowledge

Alzheimer's is a normal part of aging.

True

False



### Check Your Knowledge

Alzheimer's only affects a person's memory.

True

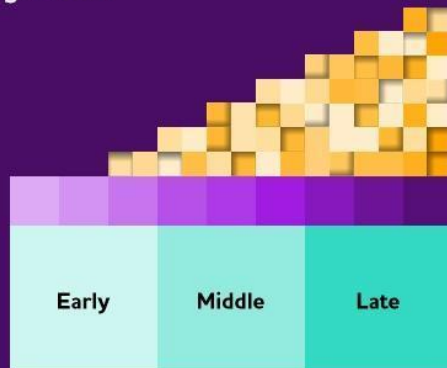
False

## Alzheimer's Disease Progression

Alzheimer's usually progresses slowly in three stages.

An individual with Alzheimer's usually lives four to eight years after diagnosis.

As the person advances through the disease, care needs increase and so does cost of care.



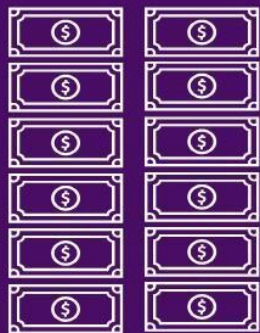
## Impact on Ability to Manage Money

- In the beginning, people may have trouble managing their money or remembering to pay bills.
- As the disease gets worse, they will no longer be able to communicate their wishes or make financial decisions.
- Early planning allows the person to participate in decisions about finances and future care.



## Financial Impact on Caregivers

Income



Expenses



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## Unique Challenges for Dementia Caregivers



Dementia caregivers have twice the average out-of-pocket caregiving costs.



30-40% of dementia caregivers experience depression.



44% of caregivers have anxiety.



Women are more likely to experience the stress of caregiving.



## Check Your Knowledge

People younger than 65 can develop Alzheimer's.

True

False



## Additional Financial Challenges

Younger-Onset

- People living with younger-onset Alzheimer's face additional financial challenges.

LGBTQ

- Many report losing or quitting one or more jobs because cognitive changes affected their work.

Low Income

- As a result, some are not able to maximize benefits such as disability insurance, FMLA protections or COBRA.

- People living with younger-onset Alzheimer's and their care partners have less time to plan for the future, including saving for retirement.

[Younger-Onset \(cont.\) >](#)



## Additional Financial Challenges

Younger-Onset

- More likely to be single
- Often live alone and are less likely to have children

LGBTQ

- A person living with Alzheimer's will eventually need someone else to take over paying bills and making other financial decisions.

Low Income

- Financial plans help make sure non-related caregivers can access the person's money when the person needs help managing it.



## Additional Financial Challenges

Younger-Onset

LGBTQ

Low Income

- Less likely to be financially prepared for the costs of caregiving
  - May have fewer opportunities to save for the future
  - May struggle to pay bills, cover medical expenses and care costs
  - May have increased debt
- Added caregiver stress, but less ability to pay for resources that can provide relief
- May qualify for services that are offered at little to no cost or at a reduced rate

## Module 3: Benefits of Early Planning



**Check Your Knowledge**

**Who can benefit from putting financial plans in place for the future?**

People with a lot of money	People retiring soon	Caregivers	Low-income households	Everyone
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### Benefits of Early Planning

#### For the caregiver:

- Knowing the person's wishes
- Feeling more confident making important decisions
- Knowing how to handle financial issues and pay for care
- Less chance of making costly or unwise decisions

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Hear From a Caregiver

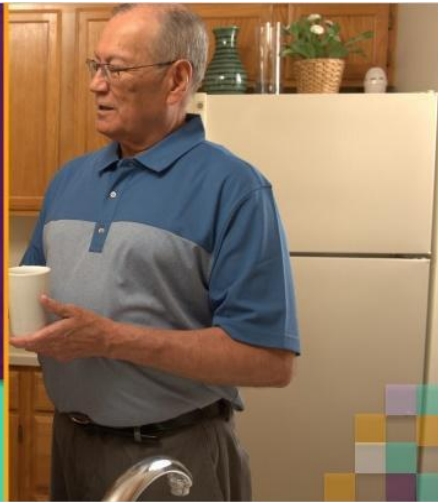


### Benefits of Early Planning

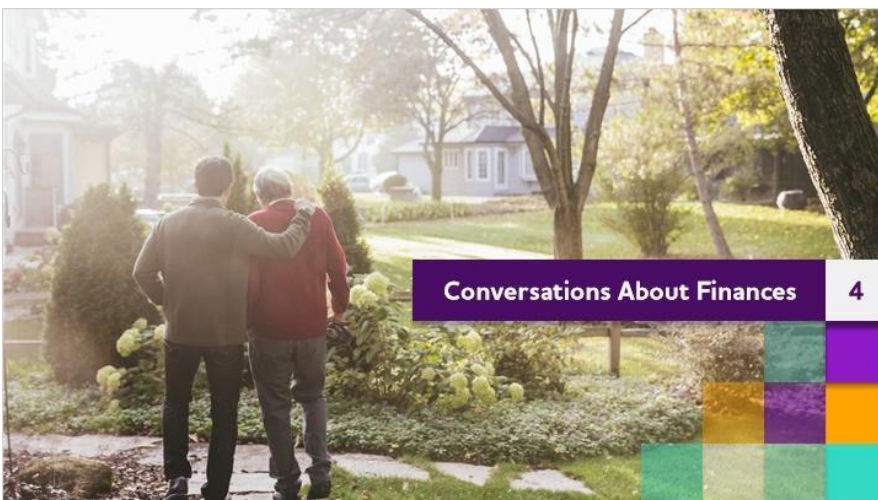
#### For the individual:

- Ability to share exactly what they want and help make decisions
- Reassurance that others know their wishes and will follow them
- Relief from having legal and financial plans in place

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## Module 4: Conversations about Finances



Conversations About Finances

4

## Financial Discussions

Talking about money can make people feel anxious or uncomfortable, making it hard to know how to start the conversation.



## Starting a Discussion About Finances

- Write down your goals and what documents you will review or discuss.
- Include trusted family members or close friends.
- Choose a calm time of day and a quiet place.
- Encourage honesty.
- Don't rush. Take your time.



## Additional Tips

- Know that it can be hard to ask for help managing finances, especially for someone living with dementia.
- Ask about the person's wishes.
- Don't judge the person and their decisions.
- If the person has difficulty communicating, speak in short sentences and pause to make sure they understand what is being said.
- If the conversation becomes stressful, stop and try again later.
- Try to end on a positive note.
- Check in regularly.

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### Start With a Positive Statement

I have always admired the way you handle your finances. I want to learn more about what works well for you.

I respect your privacy, but it would give me peace of mind to know if you have financial plans in place so I can follow your wishes.

I've noticed you seem worried about finances these days. What worries you the most? What can I do to help?

### Starting a Conversation About Your Own Financial Wishes

I want to talk with you about my finances so you can access them in case of an emergency.

I really want you to understand my wishes for the future. Let's talk about how I want my finances managed.

Activity



## Module 5: Avoiding Financial Abuse and Fraud





### Check Your Knowledge

On average, how much money do Americans age 80 and older lose each year as a result of financial abuse, fraud and scams?

\$5,200

\$10,500

\$15,700

\$39,200



### Financial Abuse and Dementia

- Financial abuse can occur in any setting.
- Individuals living with dementia have a greater risk of becoming victims.
- They may not remember or report the abuse.
- They may struggle to make good financial decisions.

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### Signs a Person May be Having Problems With Money



Unopened bills



Electricity or gas gets shut off



Unusual or large purchases



Multiple of the same item or things they don't need



Repeat donations to telemarketers



Missing money or unexplained bank withdrawals

### Lower Risk of Abuse and Fraud

- ✓ Agree to a spending limit on credit cards.
- ✓ Create a “slush fund” account.
- ✓ Set up auto-pay for bills.
- ✓ Set up automatic notifications for withdrawals or large charges.
- ✓ Request electronic bank and credit card statements.
- ✓ Sign up for the “Do Not Call” list.
- ✓ Ask credit card companies to stop sending balance transfer checks.

Activity



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## Module 6: Identifying Financial and Legal Needs



### Organizing Finances

Look at income and spending.

Take inventory of assets and debts.

Identify the costs of care.

Make arrangements for ongoing financial responsibilities.

- Stress and lack of time often prevent people from making financial or legal plans.
- You can make the process easier by breaking things into simple steps. Do one task at a time.
- You can take many of these action steps without a financial advisor or attorney.

## Organizing Finances

Look at income and spending.

Take inventory of assets and debts.

Identify the costs of care.

Make arrangements for ongoing financial responsibilities.

### Look at income and spending.

- Write down cash in and cash out.
- See if there are places to cut back on spending.
- Build up savings for unexpected care costs.

Activity



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## Organizing Finances

Look at income and spending.

Take inventory of assets and debts.

Identify the costs of care.

Make arrangements for ongoing financial responsibilities.

### Take inventory of assets and debts.

- **Assets:** Anything owned that has value, like a house, car, bank account or stock.
- **Debt:** Money that is borrowed and paid back over time, like credit cards and loans.

## Organizing Finances

Look at income and spending.

Take inventory of assets and debts.

Identify the costs of care.

Make arrangements for ongoing financial responsibilities.

### Identify the costs of care.

- Ongoing medical treatment
- Prescription drugs
- Personal care supplies
- Adult day services
- In-home care services
- Full-time residential care services

## Organizing Finances

Look at income and spending.

Take inventory of assets and debts.

Identify the costs of care.

Make arrangements for ongoing financial responsibilities.

### Make arrangements for ongoing financial responsibilities.

- Paying bills
- Arranging for benefit claims
- Making investment decisions
- Preparing tax returns

## Look Into Common Funding Sources

A number of financial resources may be available to help cover the costs of care.

### Personal Resources

- Income
- 401(k) or other retirement accounts
- Savings
- Stocks and bonds
- Personal property

### Federally Funded Resources

- Medicare Parts A, B and D
- Veterans benefits
- Social Security Disability Insurance
- Compassionate Allowance Initiative

### State-Funded Resources

- Medicaid
- Medigap
- Additional resources at [benefitscheckup.org](http://benefitscheckup.org)

## Organizing Legal Plans

Tips for Legal Planning

Review and Update Documents

### Tips for Legal Planning

- Legal planning makes sure a person can designate a trusted family member or friend to make decisions for them.
- Make legal plans as early as you can so that everyone is well prepared.
- Getting advice from an attorney can be helpful, but you can complete many legal documents on your own.

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### Organizing Legal Plans

- Tips for Legal Planning
- Review and Update Documents

### Review and Update Documents

- Take inventory of and review legal documents that are already in place and make updates if necessary.
- At the very least, make sure you have these documents in place and that they are up to date:
  - Durable power of attorney for both finances and healthcare
  - Living will



### To find professionals near you, visit these resources:

#### Legal

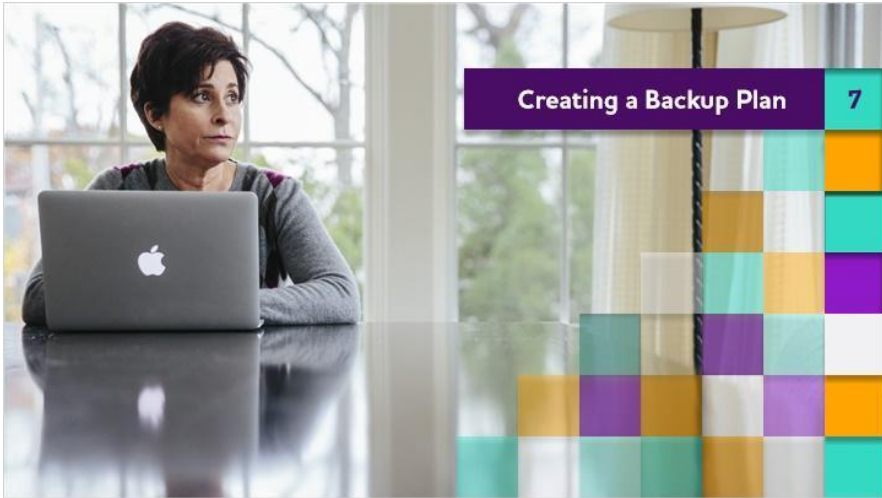
- Alzheimer's Association and AARP Community Resource Finder: [alz.org/CRF](http://alz.org/CRF)
- Eldercare Locator: [eldercare.acl.gov](http://eldercare.acl.gov) or 800-677-1116
- National Elder Law Foundation: [nelf.org/search](http://nelf.org/search)
- Legal Services Corporation: [lsc.gov](http://lsc.gov)
- American Association of Elder Law Attorneys: [aateela.org](http://aateela.org)

#### Financial

- Association of Financial Professionals: [afponline.org](http://afponline.org)
- Association of International Certified Professional Accountants (AICPA): [future.aicpa.org](http://future.aicpa.org)
- Consumer Credit Counseling Service (CCCS): [credit.org/cccs](http://credit.org/cccs)
- U.S. bankruptcy court trustee's office: [justice.gov/ust](http://justice.gov/ust)



## Module 7: Creating a Backup Plan



Creating a Backup Plan 7

## Create a Backup Plan

- ✓ Talk with friends and family about who could take over different caregiving responsibilities.
- ✓ Consider assigning responsibilities to more than one person.
- ✓ Designate a trusted backup agent for the person's power of attorney.
- ✓ Keep an up-to-date list of medical information for the person:
  - Medications
  - Contact information for doctors and anyone else involved in the person's care



## Take Care of Your Health

As a caregiver, the best thing you can do for the person you are caring for is stay physically and emotionally strong.

- Visit the doctor regularly.
- Eat well and stay physically active.
- Look into respite care or other support services.
- Ask for and accept help from others.
- Build a care team to assist with caregiving responsibilities.

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The Alzheimer's Association® is available wherever and whenever you need reliable information and support.

- On the phone – Free 24/7 Helpline (800.272.3900)
- Online - [alz.org](http://alz.org)®
- In communities nationwide - [alz.org/CRF](http://alz.org/CRF)

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### Next Steps

Write down one or two action steps you plan to take after today's program.



Example:  
*"I will complete the worksheets from today's presentation."*



## Questions

Questions?

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