

# **Managing Money: A Caregiver's Guide to Finances Activities**

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# Having Conversations About Finances



When starting a conversation about finances, it can be helpful to prepare in advance. This worksheet will help you create a plan for the conversation, including what you hope to accomplish, when and where the conversation should take place and what you will say.

## Plan for the conversation:

What are your goals for the conversation?

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What financial documents will you want to review or discuss?

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What trusted family members or close friends should be a part of the conversation?

*Note: These should be people that the person living with the disease trusts, or who know about the person's medical and financial situation.*

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What is the best time of day for the person to have the conversation?

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Where can you talk that will be quiet enough to minimize stress or anxiety?

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## Conversation starters:

Begin with a positive statement that builds confidence and connection with the person. For example:

- » I have always admired the way you handle your finances, and would like to learn more about what has worked well for you.
- » I want to be respectful of 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?

Write down what you might say to start the conversation.

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## Tips for having positive, productive conversations about finances:

- » **Be patient and understanding.** It can be hard to ask for or accept help managing finances, especially for someone living with dementia.
- » **Don't judge the person and their decisions.** Everyone manages money in their own way. The goal is to come to an agreement on how the person's money will be managed from now on.
- » **Explain that you'd like to get a clear picture of person's assets and expenses,** as well as what's important to them, so that you can honor their wishes for the future.
- » **Focus on the easy "wins" first** and build from successes.
- » **Don't make assumptions about the person's ability to communicate** or participate in financial planning conversations because of an Alzheimer's diagnosis. The disease affects each person differently.
- » **If the person has difficulty communicating,** it may be helpful to use short sentences and simple terms. Pause at times to make sure you are understanding each other correctly.
- » **If the discussion becomes stressful,** take a break and try talking again later. It's OK for this to be a process that happens over time.
- » **Try to end on a positive note.** These conversations can be difficult for everyone involved.
- » **If the individual does not need help now,** it may be helpful to frame the conversation as "What if..." or "If things were to change..."
- » **Plan to discuss finances at least once a year** or when there is a major change in the person's situation or health.

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# Avoiding Financial Abuse and Fraud



As a caregiver, there are simple things you can do to reduce the risk of financial abuse and fraud. You should include the person you're caring for in this process as much as possible so they can help decide which safety measures will be put into place. Check the boxes as you complete each step below.

## Steps to reduce the risk of financial abuse and fraud:

### BANKING AND CREDIT CARDS

- ☐ **Agree to a spending limit** on credit cards.
- ☐ **Create a separate account** where you can keep a small, agreed-upon amount of money that the person can use for recreational activities, meals with friends, etc.
- ☐ **Set up auto-pay for bills** instead of paying them by check.
- ☐ **Use direct deposit** for benefit checks to prevent them from being stolen.
- ☐ **Set up automatic notifications** for withdrawals from bank accounts or large charges to credit cards.
- ☐ **Sign up for a free credit monitoring service** and check it regularly.
- ☐ **Consolidate bank accounts and credit cards** or cancel those that are unnecessary.
- ☐ **Sign up for electronic bank and credit card statements** and watch for unusual purchases or changes in how the person typically spends money.
- ☐ **Ask credit card companies to stop sending balance transfer checks** and opt out of future solicitations.

### ADDITIONAL TIPS

- ☐ **Store financial documents**, including checkbooks or any documents that contain account information, in a locked file cabinet. Shred documents that are more than one year old.
- ☐ **Check to make sure insurance policies are still in place** and that premiums are being paid. Request to receive notices when payments are due.
- ☐ **Sign up for the “Do Not Call” list** ([donotcall.gov](https://www.donotcall.gov)).
- ☐ **Remove the person from mailing lists** of companies that send frequent donation requests. Make other arrangements that allow the person to continue contributing to the charities of their choice.

## If you suspect financial abuse or fraud:

- » Call the bank and/or credit card company.
- » Cancel any debit or credit cards linked to the compromised account.
- » Reset personal identification numbers and online account passwords.
- » Request a free security freeze, which restricts access to a credit file, making it harder for identity thieves to open accounts in the person's name. You will have to contact each of the three credit reporting companies (Equifax, Experian and Transunion) to place a freeze. A security freeze will not be lifted unless you request it.
- » If you suspect someone is being financially abused by a person they know, contact Adult Protective Services (APS), which is confidential and available in every state. To find your local APS, visit [eldercare.acl.gov](https://eldercare.acl.gov) or call 800.677.1116.

For more information about Elder Fraud, visit

[www.fbi.gov/scams-and-safety/common-scams-and-crimes/elder-fraud](https://www.fbi.gov/scams-and-safety/common-scams-and-crimes/elder-fraud)

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# Covering Care Costs



## Creating a monthly budget

The first step in covering care costs is to get an overall picture of income and expenses. Use this worksheet to create a monthly budget. The next page lists additional items to consider when adding up expenses in each category. Plan to revisit this budget every few months and make updates if necessary.

MONTH OF \_\_\_\_\_

- 1** List income in the gold column below.
- 2** List expenses in the teal column on the right.
- 3** In the purple box at the bottom of the page, subtract total expenses from total income to build a budget.

TYPE OF INCOME	AMOUNT IN
Job	
Social Security	
Disability benefits	
Long-term care insurance	
Other income	
<b>Total income this month</b>	

TYPE OF EXPENSE	AMOUNT OUT
Housing (rent, mortgage, residential care)	
In-home care and adult day services	
Utilities (gas, water, electricity, sewage)	
Groceries and dining out	
Medical expenses	
Transportation	
Education and childcare	
Prescription drugs	
Internet, cable and cell phone	
Service animals and pets	
Debt payments	
Personal care	
Insurance	
Entertainment	
Other expenses	
<b>Total expenses this month</b>	

## BUILD A MONTHLY BUDGET

**Total income this month**

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**Total expenses this month**

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If the total income is more than the total expenses, there is money left to save or spend.

If the total expenses are more than the total income, look for possible ways to reduce expenses. See page # for a list of suggestions.

## Expenses to consider when creating a monthly budget:



### Housing

- » Rent
- » Mortgage
- » Residential care services such as a nursing home or assisted living



### Utilities

- » Electricity
- » Gas
- » Water/sewer
- » Home security
- » Garbage removal
- » Maintenance or repairs



### Medical expenses

- » Grab bars
- » Medicine dispensers
- » Incontinence products
- » Prescription drugs
- » Medical bills or other payments to care providers



### Entertainment

- » Movies
- » Concerts
- » Sporting events
- » Live theater



### Transportation

- » Car payment(s)
- » Bus/taxi fare
- » Licensing
- » Fuel
- » Other



### Debt payments

- » Personal
- » Student
- » Credit cards



### Personal Care

- » Hair/nails
- » Clothing
- » Dry cleaning
- » Gym/health club membership



### Insurance

- » Home
- » Health
- » Life
- » Auto
- » Other

## Reducing monthly expenses:

The following tips may be helpful in reducing monthly expenses and saving for care costs now and in the future. Check the box for each tip that seems doable for you or the person for whom you provide care. Know that it can take time to change spending habits, and you don't need to do all of these things at once — even small amounts will start to add up.

### SHOPPING

- ☐ Shop discount or warehouse stores, or buy gently used items instead of new.
- ☐ Take advantage of coupons and rebates.
- ☐ Watch prices before buying — most things go on sale eventually.
- ☐ Compare prices before making a purchase or consider generic brands.
- ☐ Plan meals to limit trips to the grocery store. Make a list and stick to it.

### ENTERTAINMENT

- ☐ Borrow books and movies from the library.
- ☐ Wait until movies are available to watch at home, or go to a matinee.
- ☐ Bring your own drinks and snacks when out for entertainment.
- ☐ Discontinue, downgrade, or negotiate lower rates for cable, internet and cellphone service.
- ☐ Downsize vacations or travel during the off-season.

### TRANSPORTATION

- ☐ Carpool or use public transportation.
- ☐ Join rewards programs that offer discounts on gasoline, or check online to find the cheapest gas.
- ☐ Raise auto insurance deductible or reduce coverage on older cars.
- ☐ Buy used vehicles instead of new.
- ☐ Sell vehicles that are no longer needed.

### HOUSING

- ☐ Stay on top of home maintenance to avoid costly repairs in the future.
- ☐ Challenge property tax assessments.
- ☐ Look into property tax breaks for seniors or homeowner exemptions.
- ☐ Refinance mortgage to a lower interest rate.
- ☐ Consider downsizing your home or moving to a less expensive area.



## FINANCIAL

- ☐ Keep only one credit card and pay it off every month.
- ☐ Shop for lower auto and homeowners insurance rates or ask about a bundling discount.
- ☐ Sell things that aren't needed or donate them for a tax write-off
- ☐ Compare banks and credit unions to find accounts with incentives or lower fees.
- ☐ Set up a budget and stick to it.

## GENERAL

- ☐ Switch to energy efficient bulbs or appliances.
- ☐ Make your own coffee or meals at home instead of going to coffee shops or getting fast food.
- ☐ Review medical and dental insurance policies for opportunities to reduce premiums.
- ☐ Treat dining out as a luxury, not a habit.
- ☐ Only charge what you can repay, in full, each month.

## MEDICAL

- ☐ Choose in-network medical and dental care providers.
- ☐ Call the phone number on medical billing statements to negotiate a lower balance.
- ☐ Save on prescriptions by considering mail-order or a 90-day supply. Ask your doctor about generic medications.
- ☐ Find a Pharmaceutical Assistance Program that may help pay for medications.
- ☐ Take advantage of health care savings and flexible spending accounts available through some employers.

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# Organizing Legal Plans



Organizing legal plans doesn't need to be stressful or difficult, and can ensure that everyone is well-prepared for the future. Below are some basic documents that everyone should put in place. In most cases, these documents can be completed without the help of an attorney and are available for free through:

- » Your state's health department
- » The American Bar Association website ([americanbar.org](http://americanbar.org))
- » Office supply stores
- » Your local library

On the next page, you'll find a grid to help you keep track of which documents need to be obtained and which ones need to be updated.

## Durable power of attorney for finances/property:

A durable power of attorney for finances/property allows someone to designate another person to make decisions about their finances, such as income, assets and investments, when they can no longer do so.

## Durable power of attorney for health care:

A durable power of attorney for health care allows a person to name a health care agent — someone who can make health care decisions on their behalf when they are no longer able to do so. This includes types of treatments, care settings, health care providers and end-of-life decisions, such as the use of feeding tubes and do not resuscitate (DNR) orders. It is important for the person and their health care agent to discuss wishes regarding care early and often to make sure that the agent understands the person's wishes and is willing and able to act on their behalf when the time comes.

## Living will:

A living will expresses a person's wishes for what medical treatment they do or do not want near the end of their life, such as life-prolonging treatments. This document is primarily between a person and his or her doctor, and it advises them how to approach treatment. Depending on the state in which the person lives, a specific form for a living will may be required, or it may be drafted by an attorney.

## Living trust:

A living trust provides direction about a person's property and assets. It allows an individual to pool financial resources in one place (a trust) and provide instructions to another person (a trustee) about how to handle these resources when they are no longer able. The individual should also name a successor trustee who will take over if the initial trustee is unable to fulfill their responsibilities. All assets should be transferred to the trust, including property titles and bank accounts. Depending on state law and the individual's circumstances, a living trust may allow an estate to avoid probate, which is the process used by the court to distribute property after a person's death.

## Standard will:

A standard will provides information about how a person's estate, or the things they own that have value, will be distributed upon their death. In the will, an individual may name an executor and beneficiaries. An executor is the person who will manage the individual's estate; however, the executor has no legal authority during the person's lifetime. A beneficiary is anyone who will receive assets in the estate.

## Review and update documents:

DOCUMENT	NEED	HAVE IN PLACE	DATE LAST UPDATED	NEEDS UPDATING
Durable Power of Attorney for Finances/Property				
Durable Power of Attorney for Health Care				
Living Will				
Living Trust				
Standard Will				

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