

Money Management Issues for Caregivers

January 2011 brought new issues for many families in our country that they were not prepared to handle. One issue is caregiving for a family member. According to the Administration on Aging, the adult population age 65 or over will increase from 35 million in 2000 to 40 million in 2010, and then to 55 million in 2020. By the year 2030, the older adult population is projected to grow to 71.5 million people, nearly doubling since 2005. A survey released in 2004 by the National Alliance for Caregiving and the American Association of Retired Persons (AARP), found that 1 in 4 American families or 23 million households care for someone age 50 or older. Caregiving is not for everyone, but sometimes a family member has to step up and do what no one else will do, take care of someone they love. When caring for a relative you can rest assured that the Alabama Cooperative Extension System will have publications that are informative for you and your family. Most of our publications are available on our website at www.aces.edu/publications. The information for this article is excerpted from the publication UNP-0042, Updated December 2008, Bernice B. Wilson, Ph.D., *Extension Resource Management Specialist*, Alabama A&M University. Also in this publication are tips from the FDIC (Federal Deposit Insurance Corporation) which offer insightful tips for caregivers and for the public. Those tips are listed here:

1. Know where important papers are located. Important documents include bank and brokerage statements, wills, insurance policies, pension records, and other documentation. Older or sick relatives may be reluctant to share this information, but inform them that you respect their privacy and need access to these documents in the event of an emergency.
2. Make arrangements for automatic bill payment. Water, utility bills, health insurance, and mortgages are just examples of bills that may be paid electronically from a checking account. Such arrangements will make life easier for loved ones and avoid delays in payment of bills.

3. Direct deposit checks into banking accounts. Although consumers distrust electronic banking, it is safe and more convenient than paper checks. Direct deposit eliminates delays in getting funds and the possibility of checks being lost in the mail or forgotten at home. It is also important to be aware that a 1996 law, with certain exceptions, requires that federal wage and retirement payments be sent as an Electronic File Transfer. Some individuals may not have enough or the proper insurance such as life, disability, or long-term insurance to protect them in the event of an emergency. Seniors, on the other hand, may purchase too much insurance or the wrong kind that may be covered under conventional medical insurance policies.
4. Promote saving, investing and sensible spending. Encourage loved ones to establish sound financial goals and/or a relationship with financial professionals they trust, such as a banker, accountant, or financial planner that may be able to assist them in emergencies.
5. Encourage relatives to establish a will or an estate plan. Estate planning distributes a person's assets and can reduce taxes at death. This may entail making and routinely revising a will through an attorney. Also, "trusts" or "gifts" can be arranged for preservation of assets.
6. Establish a durable power of attorney. A durable power of attorney is a legal document that provides one or more individuals with the authority to handle finances, property or other personal matters in the event that a relative is incapacitated.
7. Recommend a "living will" or other medical care instructions. If state laws permit, most individuals should have a living will that outlines specific types of medical care in the event of emergencies. Experts also recommend a "health care power of attorney" or "health care proxy" that designates a family member to decide medical care.
8. Assess your loved one's financial status. This will greatly help caregivers if their relative keeps his or her finances a private matter.

9. Guard against scams. Fraud artists know that ill or elderly people tend to be lonely and are willing to listen to and trust strangers who call on them. These people are ideal candidates for telemarketing fraud, bogus home repairs, and get-rich-quick schemes. Be on the lookout for questionable solicitations or withdrawals.

References for this article and the publication UNP-0042 are listed here and can be a great source to go to for other issues of caregiving; Administration on Aging. (2008). [*A profile of older Americans: 2007.*](#) Crute, S. (November/December 2007). [*Caring for the caregiver.*](#) *AARP The Magazine*. Federal Deposit Insurance Company. (Fall 2003). [*Financial caregiving: A survival guide.*](#) *Consumer News, Special 10th Anniversary Edition*. National Alliance for Caregiving & AARP. (April 2004). [*Caregiving in the United States.*](#) United States Census Bureau. (2000). [*The 65 years and over population: 2000.*](#) U.S. Department of Commerce, Economics and Statistics Administration.

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