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News Release

Financial Tips for Senior Caregivers

It's the kind of scenario that nobody wants to think about—the failing health of a family member. And when the issue does arise, everyday financial matters are the last thing on families' minds.

According to the 2004 Census data, the older population—persons age 65 years and older—numbered 36.3 million, an increase of 3.1 million or 9.3% increase since 1994. Since 1900, the percentage of Americans 65+ has tripled (from 4.1% in 1900 to 12.4% in 2004), and the number increased almost twelve times (from 3.1 million to 36.3 million). An aging population means the need for more caregivers who will be faced with many challenges.

Caregivers are among America's unsung heroes. They are the millions of people helping an ill or elderly spouse, parent, child or other loved one with everything from medications and bathing to money management and banking, while juggling their own responsibilities. How many people are caregivers? Probably more than you think.

A survey released in June 1997 by the National Alliance for Caregiving and the AARP, found that 1 in 4 American families—about 22 million households—care for someone age 50 or older.

When it comes to finances, the typical caregiver helps with or arranges bill payments, deposits, insurance and benefits claims, savings and investment decisions, housing and adult daycare, tax preparation, and countless other financial duties.

In its summer 1997 newsletter *Consumer News*, the Federal Deposit Insurance Corporation offered the following helpful tips for those caregivers dealing with loved ones in poor health:

- Make sure the family knows where to find important documents.
- Make arrangements for automatic bill payment.
- Direct deposit checks into banking accounts.
- Make sure your relatives have adequate insurance coverage.
- Promote saving, investing, and sensible spending.
- Encourage relatives to establish a will or estate planning.
- Establish a “durable power of attorney.”

- Recommend a “living will” or other medical care instructions.
- Assess your loved one’s financial status.

After an emergency, a caregiver should seek solid financial and legal advice from professionals they trust when faced with a crisis regarding the care of a loved one. Such professionals include accountants, bankers, financial planners, lawyers, or insurance agents they may have used in the past.

In addition, a caregiver should:

- Carefully examine insurance coverage and benefits for your loved one.
- Respect your relative’s judgment and independence.
- Distribute financial decisions and share responsibilities among family members.
- Watch for out-of-pocket expenses.
- Benefit from available housing options.
- Visit your relative and the workers caring for them frequently.
- Borrow money wisely.

Routine care can be overwhelming to the caregiver, and the stress may force a caregiver to neglect his or her own health and responsibilities. Burnout can also occur, which is not good for anyone. Resources are available for the caregiver—they do not have to be alone when determining whether to receive help or guidance from family, friends, or professional advisors. By all means, take advantage of local and government agencies and religious and private organizations that provide services to caregivers, the sick, and the elderly.

For more information on this topic, please call the St. Clair County Extension Office and request publication UNP-42 Senior Money Management Problems: Implications for Caregivers or for further information contact Lee Ann Clark, County Extension Coordinator, at (205) 338-9416 or email clarkla@auburn.edu.

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