

# Daily Money Management Guide for Caregivers

If your parent is having problems managing money, he/she is not alone. It is estimated that approximately 500,000 older people in the United States need help with financial affairs. As a result, a new field is evolving to provide daily money management services on a fee-for-service basis. As this new service evolves it may take on a different identity. Nevertheless, as a caregiver, the type of service rendered should be a cue whether further research is needed about the business and products offered.

Daily money managers can offer a variety of services such as:

- Organizing and keeping track of financial and medical insurance records.
- Helping caregivers establish a budget.
- Negotiating with creditors.

Additionally, they can help to write checks, balance checkbooks, and serve as a representative payee or fiduciary with authority to administer the benefits of people who cannot manage their own financial affairs. A fiduciary is a person

who represents the best interests of another. In other words, they establish a "good faith" relationship.

Some money managers also make medical appointments for older clients and help to arrange for other assistance such as finding necessary in-home care. Money managers do not provide financial planning or investment counseling services.

Daily money managers charge fees that typically range from \$25 to \$100 an hour, depending on the client's locale and the difficulty of their financial affairs. They may also charge a flat monthly fee. Moreover, to date there is no known registered daily money manager in Alabama. Generalizing the total cost of such services is difficult since many clients require only a few hours of services each month to keep on top of their finances.

Some local governments and community organizations, i.e., Alabama Area Agencies on Aging also offer reduced-fee or free services for low-income clients. There are 13 locations through the state (see listing at the end of brochure). The

American Association of Retired Persons (AARP) also offers a free money management program to seniors on limited income. Check with your local AARP affiliate or Alabama Area Agencies on Aging for more information. As a caregiver, and with your parent's help or permission, consider reviewing his or her checkbook, bank statements and canceled check and look for:

- Inappropriate payments such as medical bills that have already been paid.
- Numerous payments to credit card companies, home shopping networks, sweepstakes or other contests.
- Especially large donations to charitable or fraternal organizations.
- Check to see if the checkbooks or bank statements are lost.
- Focus attention on whether there have been many transfers from savings to checking accounts.
- Check to see if there are consistent or unusual payments to a person unknown

to you; a possible sign that your parent is being exploited financially.

Consumers lose more than \$40 billion a year to telemarketing fraud. People over 50 years of age are especially vulnerable and account for about 56% of all victims according to a recent study by the AARP. Scam artists often target older people knowing they tend to be trusting and polite toward strangers, are likely to be home, and have time to talk with callers.

## References

Aging Parents and Adult Children Together (APACT). *Daily money management programs*. Retrieved November 5, 2002, from <http://www.ftc.gov/bcp/conline/pubs/services/apact/apact02.htm>.

American Association of Daily Money Managers. *DMMs and you*. Retrieved November 5, 2002, from <http://www.aadmm.com/dmm-and-you.htm>.

American Association of Retired Persons. (1996) *Legal check-up seminar participant's workbook Alabama*. Washington, DC: LCE, Inc.

## Alabama Area Agencies on Aging

**Alabama Tombigbee Regional Commission**  
107 Broad St.  
Camden, AL  
(334) 682-4234 or 1(888) 617-0500

**Central Alabama Aging Consortium**  
818 South Perry Street, Suite 1  
Montgomery, AL 36104  
(334) 240-4666 or 1(800) 264-4680

**East Alabama Regional Planning & Development Commission**  
1130 Quintard Avenue, Suite 300  
P.O. Box 2186  
Anniston, AL 36202  
(205) 237-6741 or 1(800) 239-6741

**Lee-Russell Council of Governments**  
2207 Gateway Dr.  
Opelika, AL 36801-6834  
(334) 749-5264 or 1 (800) 239-4444

**Middle Alabama Area Agency on Aging**  
307 7th St. North  
Clanton, AL 35045  
(205) 280-4175

**North Central Alabama Regional Councils of Governments**  
216 Jackson Street, P.O. Box C  
Decatur, AL 35602  
(205) 355-4515

**Northwest Council of Local Governments**  
103 Student Drive, P.O. Box 2603  
Muscle Shoals, AL 35662  
(205) 389-0500

**Office of Senior Citizens Services**  
2601 Highland Avenue  
Birmingham, AL 35205  
(205) 325-1416

**South Alabama Regional Planning Commission**  
651 Church Street, P.O. Box 1665  
Mobile, AL 36633  
(334) 433-6541

**South Central Alabama Development Commission**  
5900 Carmichael Place  
Montgomery, AL 36117  
(334) 244-6903

**Southern Alabama Regional Council on Aging**  
North Oates St., P.O. Drawer 1886  
Dothan, AL 36302  
(334) 793-6843

**Top of Alabama Regional Council of Governments**  
115A Washington Street SE  
Huntsville, AL 35801  
(205) 533-3330

**West Alabama Planning & Development Council**  
4200 Highway 69 North, Suite 1  
Northport, AL 35476  
(205) 333-2990



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For more information, call your county Extension office. Look in your telephone directory under your county's name to find the number.

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