

Alabama A&M and Auburn Universities

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## Daily Money Management Guide for Caregivers

If your parent or relative is having problems managing money, he/she is not alone. It is estimated that more than 500,000 older people in the United States need help with financial affairs. As a result, daily money management services are evolving on a feefor-service basis. As these services evolve they make take on a different identity. Nevertheless, as a caregiver, the type of services rendered should indicate whether further research is needed about the business and services offered.

Daily money managers offer a variety of services such as:

- Organizing and keeping track of financial, tax, medical, and other records
- Helping caregivers establish a budget
- Preparing and delivery bank deposits
- Paying bills
- 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 \$35 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, since 2007, there is only one 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 Association of Regional Councils (Alabama Area Agencies on Aging) also offer reduced-fee or free services for low-income clients. A listing of their locations is provided in this publication. The American Association of Retired Persons (AARP) also offers a free money management program to seniors on a limited income. Check with your local AARP affiliate or the Alabama Association of Regional Councils for more information. As a caregiver, and with your parent's or relative's help or permission, consider reviewing his of her checkbook, bank statements, and canceled checks looking 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.

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- Lost checkbooks or bank statements.
- Transfers from savings to checking accounts.
- Consistent or unusual payments to a person unknown to you; a possible sign that your parent or relative is being exploited financially.

EmblemHealth and the National Alliance of Caregiving offer these financial tips for caregivers:

- Review bank and financial arrangements. You will need to review issues and perhaps change financial arrangements between yourself as a caregiver and the care recipient.
- Inquire about the care recipient's medical coverage. Chances are your care recipient has some type of medical insurance coverage that includes private insurance or veterans' benefits or coverage through Medicare and/ or Medicaid. However, home health care and other long-term care coverage varies from one plan to another. In fact, you may be surprised to discover that some home health care services and durable medical equipment such as wheelchairs or walking aids are not reimbursed. Find out what services and equipment is covered and plan for what is not covered in the insurance plan.

- Look into Social Security and pension
   benefits. You may need
   to determine and make
   arrangements regarding
   Social Security and pension payments for the
   care recipient.
- Manage family financial planning. If you have not done so already, meet with an advisor for planning your family's finances. Seek help to determine the best way to pay for the care for your loved one, now and in the future. You should also consider making arrangements for your own care. For example, you may think about purchasing longterm care insurance for vourself.
- Plan for care options now, and in the future. There are many care options and services available. These options include adult day services, supplemental home-based care, occupational and physical therapy, respite care, assisted living, and long-term care. All of these care options require financial planning and arrangements.

In the publication Care for the Family Caregiver: A Place to Start, Attorney Robert M. Freedman (2010) offers these legal tips:

- Find an attorney.
- Ask family, friends and others in similar situations for referrals or recommendations. Many caregiving organizations maintain legal referral lists. Look for an attorney who specializes in elder law.
- Obtain legal documents regarding the health of the care recipient.
- There are a number of legal instruments designed to establish the wishes of the care recipient. A health care proxy or medical power of attorney appoints an agent to make medical decisions for someone who can no longer make decisions himself. A living will states a person's wishes regarding his or her health care, particularly those regarding end-of-life decisions. A HIPAA release authorizes an agent to have access to a person's private medical information.
- Consider a power of attorney and other related legal documents.
- It's best to prepare a power of attorney and/ or a living trust as early as possible, as the care recipient must have the mental capacity to understand the document.
- Look into estate planning.
- Estate planning allows the care recipient to determine how assets and property should be distributed upon the event of the recipient's death.

It is important to help older family members to organize their important financial documents. Having these documents in one place will provide a certain level of comfort and help protect them from scams. 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. Ginzler, E. (2009, March) suggested that the following actions are taken to avoid scams:

- Reverse mortgages, where those whose financial situation doesn't call for such a borrowing tool, are convinced to commit to one on with unfavorable terms.
- Tax refund-anticipation loans, where scammers charge high fees and then don't deliver the tax refund in a timely manner.
- Grandparent scams, in which the "grandchild" calls asking for money because of an "emergency."
- Customer survey scams, in which a person claiming to represent a reputable. company says the firm will pay you for participating in the

- survey, and then asks you for your credit card and pin number so that the company can "credit your account"
- Pet scams, where swindlers target would-be pet owners out of money targeted for adoption of animals from foreign countries.
- Rent-to-own contracts, stating that one missed payment requires your loved ones to forfeit all their previous payments and to surrender all the rented goods.
- "Free lunch" scams, which offer people free lunches to listen to bogus investment pitches dished out by a highpressure salesperson.
- Additionlly the unsavory litany of familiar scams, such as predatory lending, phishing, "credit repair" services, numerous fundraising letters from Africa, and home-repair fraud. (Ginzler, E. 2009, March).

Caregivers need to keep abreast of the latest scams so they will be better able to protect the older adults.

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  Care for the family caregiver:
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  Washington, DC: EmblemHealth, National Alliance for
  Caregiving.

## **Alabama Area Agencies**

The Area Agency on Aging of Alabama Tombigbee Regional Commission

107 Broad Street, Camden, AL 36726 (334) 682-4234

The Area Agency on Aging of West Alabama Regional Commission

4200 Highway 69 North, Suite 1, Northport, AL 35476 (205) 333-2990

**Office of Senior Citizens Services** 

2601 Highland Avenue, Birmingham, AL 35205 (205) 325-1416

The Area Agency on Aging of East Alabama Regional Planning & Development Commission

P.O. Box 2186, 1130 Quintard Avenue, Suite 300, Anniston, AL 36202 (256) 237-6741

**Southern Alabama Regional Council on Aging** 

1075 South Brannon Stand Road, Dothan, AL 36305 (334) 793-6843

The Area Agency on Aging of South Alabama Regional Planning Commission

P.O. Box 1665, Mobile, AL 36602 (251) 433-6541

The Area Agency on Aging of South Central Alabama Development Commission

5900 Carmichael Place, Montgomery, AL 36117 (334) 244-6903

**Central Alabama Aging Consortium** 

818 South Perry Street, Suite 1, Montgomery, AL 36104 (334) 240-4666

The Area Agency on Aging of Lee-Russell Council of Governments

2207 Gateway Drive, Opelika, AL 36801 (334) 749-5264

The Area Agency on Aging of North Central Alabama Regional Council of Governments

P.O. Box C, Decatur, AL 35601 (256) 355-4515

The Area Agency on Aging of Top of Alabama Regional Council of Governments

5075 Research Drive, NW, Huntsville, AL 35805-5912 (256) 830-0818

The Area on Aging of Northwest Alabama Council of Local Governments

P O. Box 2603, 103 Student Drive

Muscle Shoals, AL 35662 (256) 389-0500

Middle Alabama Area Agency on Aging

Highway 25 (Calera)/P.O. Drawer 90, Columbiana, AL 35051 (205) 670-5770



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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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