America's Older Population

The 2000 Census data revealed that between 1900 and 1999, the percentage of Americans 65 years and over has more than tripled from 4.1 percent to 12.7 percent. Data further reveals that even the older population is getting older. Since 1900, the number of individuals between 65 and 74 years of age (18.4 million) grew eight times larger, and individuals between 75-84 (12.4 million) and 85 and over (4.2 million), grew 16 and 34 times larger respectively. As our population gets older, caregivers are faced with many challenges.

The Role of Caregivers

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 may think.

A survey released in June 1997 by the National Alliance for Caregiving and the American Association of Retired Persons (AARP), found that 1 in 4 American families—about 22 million households—care for someone age 50 or older. That does not include the millions of other families caring for younger adults that are incapacitated due to illness or injury. The numbers are growing each year due in part to medical advancements that enable people to live longer than in the past.

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

Precautionary Measures

In its summer 1997 newsletter Consumer News, the Federal Deposit Insurance Corporation offers these helpful tips for caregivers when dealing with loved ones who are in poor health:

- Make sure the family knows where to find important documents. 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.

- Make arrangements for automatic bill payment. Water, electric and other 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 will avoid a delay in payment of bills.

- 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 electronically (Electronic File Transfer).

- Make sure your relatives have adequate insurance coverage. Some individuals may not have enough or the proper insurance (life, disability, long-term) 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.

- Promote saving, investing and sensible spending. Encourage your 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.

- Encourage relatives to establish a will or estate planning. 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.

- 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.

- 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.

- Assess your loved one's financial status. This will greatly help a caregiver if their relative keeps his/her finances a private matter.

### 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. Share your problems and concerns with them and ask for suggestions about how to proceed in handling such matters.

Professionals, such as lawyers and financial advisors who specialize in helping the ill or elderly, should be given first consideration. For instance, a professional such as an Elder Law attorney will have considerable experience in handling estate planning, Medicare and Medicaid issues, insurance disputes, fraud cases, and other legal affairs affecting the elderly. Some lawyers may provide free consultation on the first visit. Professionals such as money managers are experienced in paying bills, balancing checkbooks, monitoring insurance claims, and handling other daily financial responsibilities for other people. Also, nurses or social workers are trained to help with certain tasks such as money management and/or evaluating housing options. Be mindful and take advantage of such services since many are free or offered to caregivers at reduced rates.

In Alabama, you might seek the help and services of private organizations and government agencies. For example, take advantage of financial counseling that is
available through employers for employees and their families. Social service agencies that are government sponsored, private organizations, including religious groups, or health-related organizations with local or national offices (American Cancer Society or the Alzheimer's Association), also provide financial counseling. The Eldercare Locator, a service of the United States Administration on Aging, is an excellent way to track down these programs. In addition, a caregiver should:

- **Carefully examine insurance coverage and benefits for your loved one.** Read insurance policies carefully for other possible benefits. Disability insurance may also cover physical therapy or other services other than wages. Likewise, a life insurance policy might have a cash value, or in extreme situations, an option to receive an advance payment of some of the policy's death benefits.

You will also need to become knowledgeable about your relative's rights and death benefits under Social Security, Medicare, Medicaid, private insurance policies, and employee benefits. For example, a former caregiver received financial assistance from a bookkeeper at a physician's office because they were able to identify the mistakes the family was making in getting financial assistance from insurance companies.

- **Respect your relative's judgment and independence.** "Caregivers want to help but often out of their own anxiety and guilt, become overly protective and begin making decisions that the relative is fully capable of," says Gail Hunt, executive director of the National Alliance for Caregiving, a Washington-based organization for families caring for older Americans. "The care recipients, even if physically frail, should always be making his/her own financial decisions. The caregiver may have to step in if confusion, dementia, or mental illness becomes an issue," Hunt says, adding that important decisions should be in consultation with other family members, if appropriate.

- **Distribute financial decisions and share responsibilities among family members.** North Carolina State University published a guide in 1995 that discussed the importance of examining all "pending" concerns with family members as openly as possible. The caregiver should allow their sick relative the opportunity to make as many decisions as possible. Meetings should also be held for family members to voice their concerns and to keep everyone up-to-date on actions that have been taken. Also, make sure that good notes are being taken of all activities to avoid future conflicts.

Although a family may have developed or have specific skills needed in handling the concerns of an ill or incapacitated relative, it is wise to share responsibilities among other family members or friends. If help is provided regularly, it helps to take the stress off of the caregiver. Furthermore, caregivers should be aware of any liabilities when providing care for a loved one. Chicago attorney James N. Mulvaney recommended that before a caregiver signs a document (such as a power of attorney) that is "prepared by or for someone else, it's good to get a second opinion from a lawyer who is loyal only to you, the caregiver."

- **Watch for out-of-pocket expenses.** Caregivers are not compensated for their efforts and should be aware of extra expenses they may incur such as long-distance phone calls, travel, groceries, medications, and personal care items.
 Benefit from available housing options. While many relatives may desire to stay home, be aware of other housing options that are available throughout the community such as in-home nursing care, housekeeping services, adult day-care centers, or retirement communities.

 Visit your relative and the workers caring for them frequently. If your relative is in alternative housing, make sure you know the people who care for them to make sure they are receiving proper care both physically and financially. Plan unexpected visits during the day or night. Caregivers should also be aware of any financial scams that are directed at the sick or the elderly.

 Borrow money wisely. There may come a time when your relative needs extra money to pay for medical or other expenses. A credit card or a bank loan may suffice. Elder homeowners may be able to borrow against the equity in their home through a second mortgage, home equity loan or reverse mortgage. Also, some financial institutions have loan programs just for the disabled, such as loans to buy specially equipped vans or funds to make homes accessible to the disabled.

 Move cautiously when seeking financial help, and make sure the debt is manageable. Be sure to thoroughly research and discuss the pros and cons of the pending financial transaction.

 Also, remember that under the Equal Credit Opportunity Act, a creditor cannot deny or cancel a loan because of someone's age or disability.

 Routine care can be overwhelming to the caregiver, and the stress may force a caregiver to neglect his or her own health and responsibilities. Also, burnout could occur, which is not good for anyone. Nevertheless, more resources are available to caregivers today—caregivers 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.

References


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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.