

Memory Moment

Protecting your loved one's financial safety

By: Amy Sobrino, MSW, LCSW

Safety is an ever-present concern for clinicians and caregivers supporting someone living with dementia. We often caution families to monitor areas of high risk, such as driving safety or medication management. We monitor safety within the home, such as using appliances correctly or wandering risk of leaving the home undetected. These tangible safety concerns may seem more obvious to families; however, there is another area of concern that is often overlooked – financial safety. Due to impaired reasoning and judgment skills, people living with dementia are extremely vulnerable in the financial realm. I often find clients are especially susceptible to financial scams and exploitation as well as mismanagement of their funds resulting in unpaid bills and squandering of assets. Financial crises can result in inability to pay for current care needs, and future care whether in home or long-term care community. I've had many clients who unfortunately had to alter their long-term plan due to financial exploitation or mismanagement. Although these crises can be challenging to prevent, there are tips as a family to put in place now to help prevent these unfortunate events.

Designate a financial Power of Attorney.

Finances can be a touchy subject to discuss even with the closest of family or friends. However, to help prevent a financial crisis, it's important for everyone to have a financial Power of Attorney form completed, especially people recently diagnosed with Alzheimer's disease or related dementia or are starting to experience cognitive changes. This form designates an 'agent', or fiduciary, to act in your best interest if you were unable to make decisions yourself. As a disease like Alzheimer's disease is progressive, a person may not be considered legally competent to complete a financial Power of Attorney form later in the disease. Not sure where to start? Many of my clients will meet with an attorney who specializes in elder law to complete Power of Attorney forms for finances and healthcare, as well as discuss trust and long-term care planning. The State of Illinois website also has a simple form to complete available at

https://www2.illinois.gov/sites/gac/Forms/Documents/POA_Property_July2011.pdf.

Once completed, be sure to give a copy of the financial Power of Attorney to any involved financial institution so they understand who is helping support their client.

If you are named on a loved one's financial Power of Attorney, do your homework.

The Consumer Financial Protection Bureau (CFPB) has a great handbook called "Managing Other People's Money". It helps give guidance on basic responsibilities as a financial Power of Attorney agent or fiduciary, and how to prevent scams and exploitation. This handbook highlights the four basic duties of a fiduciary which include 1) Act only in the person's best

interest, 2) Manage money and property carefully, 3) Keep money and property separate, and 4) Keep good records. CFPB even has an Illinois specific guide that outlines local and state resources to help support you in this role. For more information, check out their website at www.consumerfinance.gov.

Having oversight can help prevent a costly mistake.

Regularly monitoring accounts and bills can help prevent mistakes or be able to resolve potential exploitation timely. Consider setting up online accounts to discreetly monitor bank and credit card accounts without infringing on your loved one's abilities. If you aren't comfortable with online accounts, consider setting up a regular monthly time to meet with your loved one to discuss their finances. Being able to make financial decisions is closely tied with independence and self-worth. This activity helps emphasize that independence while also allowing you to have a good handle on their financial situation to help prevent any crises.

Effingham Area Alzheimer's Awareness (EAAA) is a volunteer-run, not-for-profit organization founded to provide education and support to all families, caregivers, and people with Alzheimer's disease and related dementia in Effingham County and the surrounding area. For more information about Effingham Area Alzheimer's Awareness, check out their website at www.effinghamalz.org. If you are a caregiver & have specific questions or situations you would like information on, please feel free to call Shannon Nosbisch at 217-663-0010 or Amy Sobrino at 618-363-8372.