

Individuals with mild cognitive impairment or early- to mid-stage dementia are highly susceptible to financial mistakes and scams that can be devastating to a family's budget and create unneeded stress for caregivers. Sadly, we've worked with many families who have struggled after their loved ones gave away almost all of their money, were scammed out of tens of thousands of dollars, spent or lost excessive amounts unbeknownst to their families, or otherwise mismanaged finances. This can lead to the devastating loss of a home, retirement funds or other assets.

STEPS TO HELP PROTECT YOUR LOVED ONE'S FINANCES

Assuming you have durable power of attorney for your loved one with dementia, these steps can help protect their financial resources from abuse, misuse and scams:

- Remove your loved one's name from all financial accounts, deeds and titles, including their personal accounts and any shared accounts they may be listed on. Depending on the specific situation, it may be wise to talk with an elder care attorney about establishing a trust to manage all assets.
- Verify that your loved one's phone number, email address and other contact info are completely removed from every financial and household account.
- Make sure passwords on all accounts are unfamiliar to your loved one and stored where they can't be accessed. Make sure to manage access to any computers or phones with passwords saved or on autocomplete.
- Use the Federal Trade Commission's free, secure resources to monitor your loved one's credit through the three major credit bureaus – Equifax, Experian and TransUnion.
- Run a free credit report on your loved one's Social Security number to help identify all existing financial accounts. Visit AnnualCreditReport.com or call (877) 322-8228.
- Place a credit freeze on your loved one's Social Security account. A credit freeze costs nothing and is very simple to lift/unfreeze as needed. You can find info online at <https://consumer.ftc.gov/articles/what-know-about-credit-freezes-fraud-alerts#freeze> (This safeguard can be beneficial to anyone, not just those with cognitive impairment.)
- Limit your loved one's access to money to an amount you're comfortable "setting on fire" (meaning if they lost or spent this amount, it would not be a big problem).

MAINTAINING A SENSE OF DIGNITY AND INDEPENDENCE

We feel strongly that providing access to some "pocket money" is a sign of respect and important to protecting an adult's dignity and remaining independence. However, restricting the amount of money they can access is in everyone's best interest. Here are some options:

- Set up a new checking account funded with a modest amount that they can spend using a debit card.
- Have them go cash-only.

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- Use prepaid cards or give them a credit card with a low limit – whatever is easiest for them to use and for their caregivers to manage.
- If your loved one is accustomed to having multiple credit cards, including some they never use, consider replacing them with cards from old accounts, empty gift cards or prepaid cards, etc. This can give them a feeling of security that they have access to money without providing an opportunity for abuse or misuse.

EXTRA SAFEGUARDS TO CONSIDER

- If your loved one has a financial advisor, CPA, personal banker, etc., make sure they're aware of the situation and know whom to notify should your loved one contact them.
- To prevent scams, some people find it necessary to forward the mail to a P.O. Box that their loved ones with dementia can't access, screen their email, and forward all incoming calls from their loved ones to their own phones. (These more aggressive changes are never needed for some families, but they're options to keep in mind just in case.)

By designating you as their power of attorney, your loved one has granted you the power to do what's in their best interest in managing their financial affairs. Losing access to money can create feelings of fear and stress, which can lead to anger, paranoia and other challenging behaviors that should be avoided. Most likely, there's no reason to inform your loved one of the safeguards you're implementing because the risk of upsetting them far outweighs any potential benefit to them knowing.

THE LONG-TERM IMPACT OF YOUR ROLE

Lastly, keep in mind the significant responsibility that comes with managing finances for someone you love. Your actions and decisions can have an impact on your loved one's access to future health care benefits, so help keep options open by maintaining careful documentation of account changes and be sure to save receipts for large purchases, medical expenses and other transactions related to your loved one's care.

If you're uncomfortable managing your household finances or the accounts of your loved one with cognitive impairment, you're not alone. Contact the Respite Care Charleston team at (843) 647-7405 or Info@RespiteCareCharleston.org for information on service providers who can help.