



# Financial Talks to Have With Loved Ones Facing Alzheimer's

by Casey Dowd      Published May 21, 2015

More than 15 million Americans are caring for a loved one with Alzheimer's, according to the Alzheimer's Association. Of the 5.3 million Americans who are suffering from the brain disease, an estimated 5.1 million are age 65 and older.

Given these statistics, many of America's baby boomers will spend their retirement years either suffering from Alzheimer's or caring for someone who has it. Declining financial skills may be among the first symptoms to appear in the early stages of the disease. As a result, caregivers are more likely to manage the finances of family members living with dementia.

"Most of us haven't considered that one of our parents—or even a spouse—may need help with financial planning while experiencing cognitive decline," said Dave Paulsen, president of Transamerica Distributors. Transamerica recently released [The Caregiver's Guide to Financial Planning in the Shadow of Dementia](#), in partnership with the Massachusetts Institute of Technology ([MIT](#)) AgeLab. "This guide explains financial concepts that caregivers should understand, and it helps prepare them for the critical conversations they must have with their loved one's financial advisor."

Paulsen offered the following advice to help caregivers navigate financial decisions on behalf of family members living with Alzheimer's disease or other types of dementia.

**Boomer:** What are the three basic stages of decline caregivers should look for in a loved one who has been diagnosed with Alzheimer's disease, the most common type of dementia?

**Paulsen:** Mild, moderate and severe. Research shows declining financial skills are among the first symptoms to appear in the mild stage. People with dementia

typically have problems managing their bank statements and making bill payments. They may also have trouble remembering names or words and may often misplace things. Wandering off and getting lost is also possible.

Financial skills deteriorate further during moderate decline. People with dementia may get easily frustrated and be more socially withdrawn. Wandering can also occur, and a caregiver may be needed to shop, cook and help choose proper clothing for the day.

Memory worsens during severe decline, and people with dementia will have a hard time remembering recent events, including conversations and decisions. Significant mood swings and personality changes might be prevalent. The person with dementia might be bed-bound and unable to sit without support and might need help with eating and using the toilet. It may also appear as though the individual cannot understand words or speech.

If you suspect a loved one has dementia, and the individual has not seen a doctor, you should encourage that person to do so immediately.

**Boomer:** During these three stages of decline, what should caregivers do to best protect their loved ones' financial interest?

**Paulsen:** People with Alzheimer's have a limited window in which they will be able to articulate their wishes for future care, living arrangements, finances and legal matters, so planning must begin early in the mild stages of decline. It's prudent to work with a financial advisor, and caregivers should ask their loved ones to take them to appointments. Caregivers must ensure they have the legal authority through a properly executed power of attorney to act on their loved ones' behalf. Without legal authority, the caregiver is simply a "helper" and cannot act or give instruction on the client's behalf.

**Boomer:** In discussing financial planning for someone living with Alzheimer's, where do you even begin?

**Paulsen:** At Transamerica, we understand the magnitude of the Alzheimer's epidemic and the need to help the caregiving community, which is growing as our population ages. We empathize with caregivers and understand they are overwhelmed with responsibility and can be left wondering where to start, especially with respect to finances. That's why we collaborated with researchers at the

Massachusetts Institute of Technology ([MIT](#)) AgeLab to develop five specific financial topics that must be discussed when creating a financial plan for someone living with Alzheimer's disease and other forms of dementia. These include:

1. Assets
2. Income and insurance – these first two categories represent the individual's revenue sources
3. Intentions – helping people with dementia articulate their plans and wishes
4. Banking administration
5. Care management – these last two categories represent how the money will be handled and spent in terms of planning for day-to-day expenditures and expenses for care

**Boomer:** What should caregivers look out for to ensure they remain in good health while caring for a loved one?

**Paulsen:** As caregiving demands grow, the Alzheimer's Association says caregivers often report feelings of sadness, stress, guilt, anger, isolation and depression. Caregivers should also be alert to anxiety, sleeplessness and irritability. The Alzheimer's Association has prepared a list outlining the 10 symptoms of caregiver stress. Please see your doctor if you experience any of these symptoms regularly. A weary, overwhelmed caregiver is unlikely to provide quality care to a friend or loved one with dementia.

**Boomer:** Which professionals should be included in a caregiver's circle of resources?

**Paulsen:** An ideal support network will include friends and family; physicians (for the care recipient and caregiver); the Alzheimer's Association; a financial advisor; geriatric care manager; daily money manager; insurance agent; and elder care attorney. Resources for each of the professionals can be found online.

<http://www.foxbusiness.com/personal-finance/2015/05/20/financial-talks-to-have-with-love-ones-facing-alzheimers/>

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