

Stepping In When a Parent Can No Longer Cope

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As my grandfather's mind slipped away, first slowly, then quickly, as Alzheimer's disease moved in, he tried to be reassuring. "I remember the important things," he would tell us.

And he did. He may not have remembered that [Barack Obama](#) was president or that he just had a bowl of ice cream (my kindergartner nephew took full advantage), but he always remembered his family.

Money management was another matter. Early on in the disease, small red flags began to appear — failure to pay the association fees on the condominium in Florida, overpaid bills or repetitive trips to the A.T.M. Over time, he had to hand off most financial responsibilities to my mother and grandmother.

My grandfather was lucky enough to have relatives nearby who were able to gently intervene before the small mistakes escalated into something more serious, which is [all too common](#).

But family members need to carefully consider how they approach their new role as financial caretaker. For adult children, this is the beginning of the role reversal. You may be stepping up to handle mundane tasks like paying the bills, but it's also the time when you begin to think about your parent's mortality, and perhaps your own.

For the person with encroaching dementia, the loss of autonomy can be devastating. "What often occurs is that the elder loses additional self-esteem, becomes more depressed and in

turn becomes less active,” said [Daniel C. Marson](#), a neuropsychologist at the University of Alabama at Birmingham.

And that’s why these matters must be handled delicately — and before a more serious financial unraveling occurs — whether the individual simply needs you to check in once a month, or you need to become the chief financial officer. Below are some strategies.

THE TALK Discussing money matters with someone who is already dealing with diminished mental capacity can be challenging, though the conversation can unfold in many ways. It all depends on the family dynamics and the elder person’s level of impairment, personality and comfort level with financial issues, said Dr. Marson, who is also director of the university’s [Alzheimer’s Disease Center](#).

In certain situations, the best place to start a dialogue may be in the doctor’s office. “Go to a health care professional who can be supportive and understand some of the dynamics going on, so that the conversation is structured around identifying something that is a need and that we don’t want to get any worse,” said Becky Bigio, director of the [Senior Source](#) program at Selfhelp Community Services in New York.

The needs of the person with dementia will change over time, which means the financial caretaker’s role will also need to evolve. It may help to follow a slow but natural progression. “Involvement may go from, ‘Do you have enough money to pay the bills?’ to ‘It’s O.K. to pay that bill,’ to ‘I’ll just pay the bills now,’” said [Tom Davison](#), a [financial planner](#) in Columbus, Ohio, who has worked with several elderly people in his family and practice. “The changes may be fast or slow, but move at their pace.”

SAFETY MECHANISMS There are also several ways to keep a watchful yet unobtrusive eye on a parent’s financial affairs, even if you don’t live nearby. Setting up automatic bill payments may be the most obvious way. For parents who want to continue paying the bills, allow them to write checks for services that won’t cause harm if the payment is late, and that you can easily remedy later.

Some major [banks](#) said they allowed customers to authorize a third party to receive statements —for [mortgages](#), [loans](#) or credit cards — which makes it easy to spot a missed payment or unusual activity. (In some cases, the bank may require a power of attorney or notarized consent.) **Long-term care insurers, like John Hancock and Genworth, also permit policyholders to have another person receive a notice if a bill is past due or if there is a lapse in coverage.**

Other companies should follow that lead and make it easy to set up an automatic e-mail notification of a late notice.

LEGAL DOCUMENTS Proper legal documents should also be in place. A durable power of attorney enables a person to step in and handle a parent's financial affairs. Most banks are understandably wary of powers of attorney, given the room for fraud and abuse. So check with your institution about its requirements.

Opening a bank account in the name of a trust also gives one or more trustees decision-making and check-writing privileges. The same goes for anything else in a revocable living trust, where accounts and assets are titled to the trust. "Trusts like these can have two or more trustees at the same time and can be set up to operate individually or must act together — there's all kinds of flexibility and can be written to respond to the particular circumstances of an individual," Mr. Davison said. "Do they want checks and balances between an attorney and a kid? Want two kids to have to agree and both sign stuff?" Assets in the living trust have the added benefit of bypassing probate after the person dies.

It may be easier to simply add an adult child's name to the account, but consult with an adviser to make sure it won't interfere with the person's estate plans.

SIMPLIFY AND SET ROUTINES It's less confusing for the financial caretaker and the elderly person to keep track of just a few accounts. So try to consolidate. Experts also recommend setting up routines and identifying the triggers that make the elderly person uneasy. For Mr. Davison's elderly aunt, who had short-term memory loss, the trigger was the mail. As a former business manager who balanced her books to the penny, she was often overwhelmed when the mail arrived.

So Mr. Davison told her to open the mail every day and put it in a folder. Each weekend, he and his wife would visit and review the mail with his aunt, a routine that put her at ease. "See what the trigger points are, and try some ways to soften them," he said. "You often can't solve them, but you can soften them. And whatever was helpful three months ago may not be helpful now. It's a progression."

HIRING HELP You obviously need to investigate any provider when dealing with the vulnerable and easily swindled, but there are several places to begin your search. [AARP](#) offers a [money management program](#) for lower-income people in some parts of the country, or, you can hire an accountant or another party to handle the finances. The [American](#)

[Association of Daily Money Managers](#) is another option, and you can call to request someone who has experience with helping people with dementia.

There are also companies that cater to elderly people's special needs. [Wells Fargo](#) Private Bank, which requires more than \$1 million in investable assets, offers an [Elder Services](#) program. It will coordinate a variety of services, from dealing with medical claims, taking the cat to the veterinarian and paying the bills, while keeping a close eye on the accounts for fraudulent activities. The service is included in the bank's [investment](#) management fees, which range from 0.80 to 2 percent of assets. Let's hope we see more such services — and not just for the wealthy.

PLAN NOW Ideally, all families should prepare for potential issues while everyone is still healthy. There are generally three questions families should answer, according to Ken Dychtwald, a gerontologist, psychologist and [consultant](#). Who will handle the finances? What are the individual's preferences on long-term care? And how will we pay for it?

“The biggest worry that people have about growing old is being a burden on their family,” Mr. Dychtwald said. “Ironically, if you don't think about a game plan before it's needed, then not only does it become a burden, but there is often damage that comes with it,” both financial and emotional.

My mother now says she believes the conversation about money matters should be a rite of passage of sorts, for everyone who reaches [retirement](#). But it's never too soon to have the talk.