

Expectations of a Financial Caregiver



Nearly 44 million Americans act as a caregiver to a loved one or friend each year.

It is important that financial caregivers understand the expectations, duties, and demands of the position, so that they can provide the best care for their loved ones.

What is a financial caregiver?

Financial caregivers are people who assist elderly or incapacitated people who need help managing their finances.

The extent of care varies and is based on level of need. Support can range from simple assistance, such as writing checks, all the way to a custodial role of managing all financial accounts.



Caregivers may be institutional or professional; however, most caregivers are relatives.



Caregivers often live with, or close to, the recipient of care.



Many work full-time jobs.



Most spend about 25 hours a week providing care.



Caregivers provide care for about 4 years on average.



80% provide care for more than one person.

What traits are important in a caregiver?

Not everyone is suited to be a caregiver. Caregiving, financial and otherwise, is an important responsibility requiring certain skills and character traits.

Emotional strength

- Patience
- Empathy
- Responsibility
- Dedication
- Trustworthiness

Mental strength

- Attentiveness
- Observance
- Money Management
- Clear communication
- Organization

Physical strength

- Good health
- Mobility
- Dexterity

What are the different caregiving arrangements?

Caregiving arrangements can be broken down into three different categories- **filial** responsibilities, **contractual** arrangements, and **fiduciary** arrangements.

Charles ~

- Charles lives in a retirement community across town from his children. Recently, his children have noticed that Charles needs a little more assistance with managing his finances, especially when it comes to filing and following through with insurance claims. They also realize they may need to discuss assisted living arrangements with their father in the not-too-distant future.

This situation demonstrates a **filial responsibility** for care. Charles's children do not have a contractual or fiduciary obligation to care for their father, but, as his children, they do have a duty to make sure his needs are met. In some states, filial duty is a legal obligation.

Shirley ~

- Shirley suffered a severe injury on the job. They are able to manage their long-term finances but need some assistance with day-to-day money management like bill paying and ATM withdrawals. Shirley has hired a caregiver from a home care agency to assist with this and some other activities for the daily living (ADLs), while they recuperate.

Individuals and institutions can provide limited financial caregiving services through a **contractual arrangement** with the recipient. The extent of support offered is determined by the terms of the contract.

Edith ~

- After experiencing frequent bouts of memory loss, Edith was diagnosed with early-stage Alzheimer's. She knows that she will eventually need assistance managing her finances, with more care being required as the disease progresses. She wants to give her son legal access to her accounts through a durable power of attorney arrangement.

Through power of attorney, Edith's son will become a **fiduciary**. A fiduciary is a legally binding financial caregiver arrangement in which an individual is appointed to act on behalf of someone else in their financial matters. Other fiduciary arrangements include trustees and court-appointed guardianship.

What are the responsibilities of a financial caregiver?

What a financial caregiver does depends on their arrangement with the person being cared for (or whoever is legally responsible for that person's care). Money management responsibilities can be daily or long term.

● Daily support

- ◇ Bill paying and check writing
- ◇ Making deposits and withdrawals
- ◇ Paying recurring bills
- ◇ Balancing checkbooks

● Mid-term support

- ◇ Monitoring accounts for fraud
- ◇ Filing insurance benefit claims
- ◇ Managing sources of income
- ◇ Preparing tax returns

● Long-term support

- ◇ Savings and investment decisions
- ◇ Budgeting for long-term care
- ◇ Managing legal matters related to will and trusts

How can a financial caregiver help prevent elder financial abuse?

An important responsibility of financial caregivers who are assisting the elderly is watching out for and preventing (to the best of their ability) the attempts of others to manipulate an elderly person for financial gain.

These simple steps can help:

1 Monitor Accounts.

~ Monitor funds for unusual activity and changes in savings or spending habits

2 Take note.

~ Note missing assets or excessive gift giving, especially to new "friends".

3 Ask questions.

~ Inquire about new investments, home repairs, or other purchases.

4 Observe behavior.

~ Recognize suspicious behavior, behaviors that indicate isolation, depression or shame, or changes in the hygiene or appearance of the senior.

What are some best practices for a caregiver?

To protect themselves and the person they are caring for, a financial caregiver should follow financial caregiving best practices. These can be remembered using the acronym C-A-R-E.

Good caregivers practice CARE.

C A R E

C

Communication

- Involve their charge and family members in decision making
- Seek professional financial and legal advice when needed
- Ask for help and build a support network

A

Advocacy

- Encourage saving and investing
- Promote good spending habits
- Review insurance contracts
- Report suspicion of fraud

R

Responsibility

- Pay bills and file taxes on time
- Protect the security of legal documents
- Keep records and documentation of all financial activity

E

Ethics

- Avoid conflicts of interest that benefit them
- Sign checks and documents as a representative , using their own name and signature
- Do not use their charge's funds for their own needs

Financial caregivers may have a lot of responsibility. Remember, mediating family issues is not the responsibility of the financial caregiver.

The importance of self-care

Being a caregiver in any capacity can be extraordinarily rewarding. But sometimes, when our focus is on caring for others, we forget to care about ourselves. It's essential that caregivers remember their own needs, so that they are able to continue to perform their duties.

Employment self-care

- Some caregivers report that caregiving can get in the way of their jobs. Communicate with human resources and consult your own insurance contacts to make sure the time you take for caregiving doesn't affect your employment.
- Make sure you understand entitlements, tax write-offs and assistance programs, such as the Family and Medical Leave Act (FMLA), that you as a caregiver are entitled to.

Financial self-care

- Over half of caregivers use their own savings and retirement to pay for care. To protect yourself and your charge, be sure to keep finances separate.
- Make sure you understand any risks and duties associated with a fiduciary arrangement.

Emotional self-care

- See if your community offers support for caregivers.
- Don't be afraid to ask for help and seek professional support when needed.
- Build a network of friends, family, or community members who are there to support you.

Legal self-care

- Have all documents that lay out your responsibilities and obligations checked out by a lawyer.
- Maintain records and documentation of the activities you perform for your role as caregiver.

Key points

Financial caregiving is a serious responsibility and it's important to understand what to expect. Here are a few key points to keep in mind.



Not everyone is suited for financial caregiving

Financial caregiving requires specific physical, mental, and emotional traits and skills.



Caregiving responsibilities can be daily and long term

The responsibility of financial caregivers can extend from basic bill paying to filing insurance claims and making investments.



There are three types of caregiving arrangements

Some financial caregiving arrangements are filial, others are contractual, and some may be legally binding.



Caregivers need to care for themselves

It's important that financial caregivers take care of their own emotional, legal, and financial needs while taking care of their charge.

Next steps



Make a plan

Discuss the expectations for care with your charge and their family. Document this information and create a strategy to keep yourself organized.



Seek advice

Meet with your own financial and legal representative and those of your charge to get professional advice.



Get support

Find a network to support you in your caregiving role. Find resources and support groups through the [Eldercare Locator](https://eldercare.acl.gov/Public/Index.aspx) and [Family Caregiver](https://www.caregiver.org/) websites.