



Five Questions to Ask Your Mother or Grandmother

WOMEN'S INSTITUTE FOR A SECURE RETIREMENT



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Too often, older women live out their retirement years in precarious financial straits, trying to stretch modest incomes to meet the increasing costs of health care, housing, and day-to-day expenses. On average, women live longer than men, have significantly lower retirement income, and are more likely to outlive their savings. Even with a sound financial plan, many older women will struggle at some point with dwindling savings, health or mobility problems and other challenges.

Whether your care recipient is approaching retirement or is already retired, give her a valuable gift. Use these “conversation starters” to talk with her about her financial needs; then, take advantage of some of the suggestions. Together you may find some solutions that will make both your lives better.

1. Have you received sales calls or pressure for loans, home improvement services, or other purchases or been asked for personal financial or insurance information or for money?

Older Americans hold the largest percentage of this nation’s wealth, making them prime targets for abuse by unethical financial professionals, scammers, caregivers and even family members. Many seniors fall prey to financial fraud and scams, depriving them of hard-earned dollars, particularly women who are more likely to live alone. Financial scams are a multi-billion dollar “industry.” Studies estimate the annual financial loss to be anywhere from \$2.9 billion on the low end to \$36.5 billion on the high end. Women are anywhere from twice to two-thirds as likely as men to be victimized.

The scams are numerous: identity theft, bogus home improvement services, predatory loans, phishing and stealing personal financial information, grandparent or sweetheart scams and foreclosure or debt relief services. Elder financial abuse can also happen when a person responsible for an elder’s financial matters misuses funds or neglects their duties. It is important to understand that financial abuse can happen to *anyone*, and you can help prevent it by educating yourself and the older person in your life.

Be aware! Warning signs that an older person may have been a victim of a financial crime include large sums of money missing from bank accounts, unusual wire transfers, unpaid bills, and the inability to buy essentials like food and medicine, missing property or isolation from family and friends.

Next, discuss and educate your family members! Ask your care recipient to check with you and get a second opinion before making large purchases or sending cash to anyone. Suggest that they let you place a “No Soliciting” sign at their front door and leave a note by the phone reminding them to say



“no” to phone sales. Also, discuss these **common fraud schemes and tips from the Postal Service** on how to avoid being a target of fraud and how to report mail fraud.

Take Action! Fraud and theft should be reported to the state’s Attorney General. Visit the **National Association of Attorneys General** to find the office in your care recipient’s state. Be sure to inform the operator that you are reporting elder fraud. It should also be reported to the **Federal Trade Commission** by calling 1-877-382-4357. For theft of property or cash, report it to the local police department.

Do you have legal authority to manage someone else’s finances? The “Managing Someone Else’s Money” guides can help you understand your role as a financial caregiver, also called a fiduciary. Each guide explains your responsibilities as a fiduciary, how to spot financial exploitation, and avoid scams. Each guide also includes a “Where to Go for Help” section with a list of relevant resources. These guides are published and made available through the Consumer Financial Protection Bureau (CFPB), a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly. WISER is pleased to join with the CFPB to share these **important resources**.

2. Are you making ends meet and able to pay your bills on time and are you worried about running out of savings?

As savings dwindle and financial insecurity increases, many seniors struggle in silence—too proud to say anything, or not wanting to be a burden on others. Alternatively, your family member may have financial resources but is struggling with managing paperwork and paying bills on time.

Taking time to understand where the money goes can make a big difference in a person’s financial situation, whether it is the older adult or the caregiver. This **monthly budget worksheet** can help you get on top of finances. If you are a caregiver, it also includes a special section for a caregiver’s budget.

A first step is to sit down with your care recipient and carefully list all of their expenses, looking for savings where possible. For example, check with cable, internet and cellular companies for savings. Expensive prescriptions? Ask the doctor if there is a less expensive alternative. Get quotes for new insurance policies. Scrutinize all monthly bills to see where savings are possible.

The next step is to examine income. If your care recipient is spending down savings, but worried about running out of money, make sure that the savings withdrawals are paced appropriately. A general rule is that a person @ age 65 can withdraw 3% to 4% each year from total savings like 401(k) and other accounts. If accounts are invested appropriately the money will last for 20-30 years, depending on the individual circumstances. A financial advisor or counselor can help with specialized tools to examine the spending and the amount that can be drawn down after a close evaluation of all the assets.

WISER’s **Your Future Paycheck Calculator**[®] is an easy to use tool that shows how to translate savings into a monthly amount if you wanted to buy a guaranteed income product.



There are many federal and state assistance programs that can help older people with essentials like **Benefits CheckUp**, the National Council on Aging's easy-to-use online tool that allows you to securely enter income and assets for the senior and it points you to any state and federal benefit programs they may be eligible for. Many seniors find sources of income by using this important tool.

Is your family member “cash poor” but “house rich”? Consider a reverse mortgage or a line of credit to access home equity. A reverse mortgage may be beneficial under the right circumstances, but they are not the right choice for everyone. The **reverse mortgage discussion guide from Consumer Financial Protection Bureau** can get you started. This article by **AARP outlines the seven essential questions a homeowner should ask** before choosing a reverse mortgage.


For some older women, buying an annuity can make sense. There are different types but generally an annuity is an insurance product that you purchase with a lump sum of money and in return receive a monthly income for life, much like getting pension payments. This is another complicated area. WISER's **Making Your Money Last for a Lifetime** can help educate you and your care recipient on annuities but again, seeing an independent financial advisor before acting is critical. There are different products and different price points and choosing the right one is very important.

A woman is three times more likely to be widowed than a man and faces important legal and financial decisions at a particularly difficult time. WISER's guide: ***Going it Alone—A Guide for Widows*** provides step-by-step help in navigating these decisions.

3. Are you getting all the healthcare you need?

For those with multiple medical needs, making appointments, managing prescriptions and private insurance can be daunting. Aging related memory loss can complicate these issues. Skipped appointments, lack of preventive care and non-compliance with medication instructions all undermine a person's health care status. Seniors experiencing memory problems may need extra help with appointments and medication. Co-pays, cost of uncovered services or cost of transportation can keep some seniors from getting the care they need.

State Health Insurance Counseling Programs (SHIPS) offers no-cost, unbiased health benefit counseling, education and advocacy services to help empower people to make informed benefit decisions. To find a SHIP that serves your area, use the **SHIP Locator tool at www.shiphelp.org**. There may be options under Medicare, such as Medicare Advantage plans, Part D prescription coverage and private medigap insurance or state Medicaid. There are programs administered by Medicaid that cover Medicare premiums and co-pays for seniors with limited incomes and a local SHIP counselor can outline options tailored to your needs. Your local Area Agency on Aging can point you to other types of assistance including assisted living resources or other local programs that can help. Use the **federal Eldercare Locator** and enter your care recipient's zip code at the top of the page to find your local Area



Agency on Aging and state and local aging and disability resources in the area. Still need more help? **Contact the Eldercare Locator** hotline directly at 1-800-667-1116 and talk to a counselor. You can also ask for materials in Spanish if needed. Help in one area, like utility payments or discounted transportation, for example, can free up dollars for health expenses.

4. Are you having trouble with mobility, driving, balance, sight, or hearing?

As people age, difficulties with these issues may be keeping an older person from social and other daily activities and may be at risk of injury. Often, seniors can become isolated and depressed if they are physically unable to get out and see people and participate in activities they enjoy. Injuries can lead to nursing home admissions or other costly care expenses. Often, a family caregiver will move back home, quit a job or reduce hours to take over care for a frail relative. This can have a major impact on the caregiver's finances and retirement savings. Check for local services and supports before making this move. Investigate services and sources of aid that can help get your loved one back on track. Contact your Area Agency on Aging and make an appointment to discuss local services like discounted transportation, senior centers, senior day care, and social activities. Ask a doctor about possible medication or health conditions that could be contributing to problems and ask about walking aids. Review the home set-up and identify hazards that might contribute to falling. See **AARP's guide to helping an older person with mobility problems**.

Medicare doesn't cover eye exams or glasses except in limited circumstances such as after cataract surgery. **Medicare's guide to eye care** can help. If your family member has limited resources and needs coverage, check out **AARP's guide to getting the best deal**. The **federal Eldercare Locator** can help you find services and also point you to your local Area Agency on Aging. If you decide to leave a job or reduce hours to be a family caregiver, see WISER's guide "*Financial Steps for Caregivers: What You Need to Know About Protecting Your Money and Retirement*" for advice. It is essential that caregivers have a financial plan for themselves and think carefully through decisions that impact future retirement security.

5. Do you have adequate financial and tax advice?

A financial advisor can help with critical decisions about savings and investment and mapping out a sound plan for the retirement years—for both you and your family member. Before you choose an advisor, do your homework. The key to choosing a planner is knowing what services they provide and what services you need. You should know exactly what services you are getting, how much they will cost, and how your planner gets paid. Ask lots of questions and do your homework. No investment is too complicated to be explained to you, and you deserve clear answers. If this seems like a sound choice for your family member, ask for recommendations from people you trust—at the bank for example. And have your family member interview several before choosing. Check out **WISER's guide to financial advisors and resource list**.

Caregivers — For more information on financial caregiving
AND taking care of your own financial future, be sure to stop by
regularly at WISER's new web based "Caregiver Hub"
where we will post new and updated tips and resources:
www.wiserwomen.org/caregiver-home



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