

Aging, Caregiving & Financial Costs:

Finding Resources & Improving the Pathways Forward

A Virtual Roundtable

April 10, 2024





Playing the long game

Longevity and financial outcomes

PRESENTATION BY

Anne Ollen

TIAA Institute

APRIL 10, 2024

Backdrop



Americans are living longer & face financial insecurity in retirement



One in five adults are caregivers



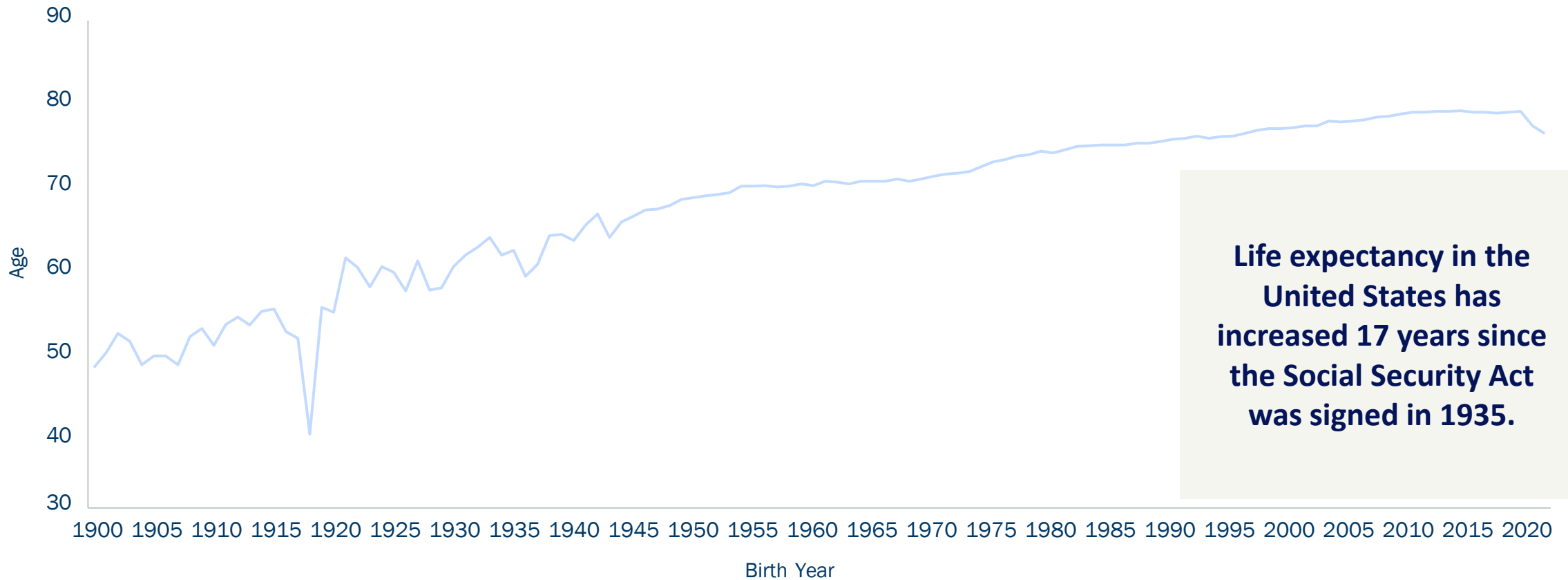
Caregivers face financial consequences



Financial & longevity literacy is key to retirement preparedness

A steady march towards increased longevity

Life expectancy from birth, 1900 to 2021



Source: Center for Disease Control and Prevention and National Vital Statistics System Annual Reports, 2019-2021

Living longer creates significant complications

Financial caregiving and increased longevity increase retirement security risk and the need to plan for related costs across various life stages.

- As younger generations increasingly take on caregiving roles, they face different financial pressures and trade-offs.
- Financial choices made at younger ages have ripples for years to come as families weigh trade-offs between present spending, saving for large expenses and saving for retirement.



Longevity literacy among U.S. adults

Longevity literacy is an understanding of how long people tend to live in retirement.

Test your knowledge:

On average in the U.S., how long will a 65-year-old woman live? *[If female]*

- About 17 more years (age 82)
- About 22 more years (age 87)
- About 27 more years (age 92)
- Don't know

On average in the U.S., how long will a 65-year-old man live? *[If male]*

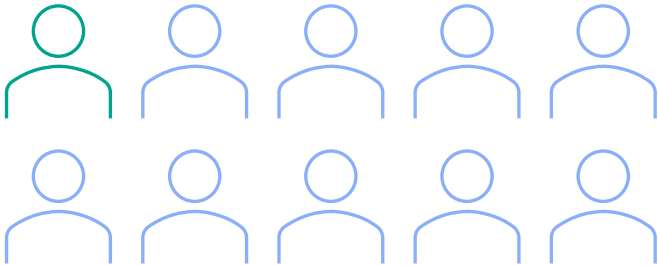
- About 14 more years (age 79)
- About 19 more years (age 84)
- About 24 more years (age 89)
- Don't know

Longevity literacy among U.S. adults is very low

Aggregating across the three questions provides a composite indicator of longevity literacy.

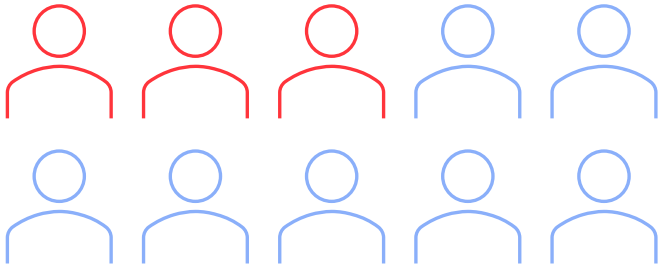
Only 12% have strong longevity literacy

They correctly answered all three questions.



While 31% have weak longevity literacy

They responded either “don’t know” or with an underestimate of life span for each question.

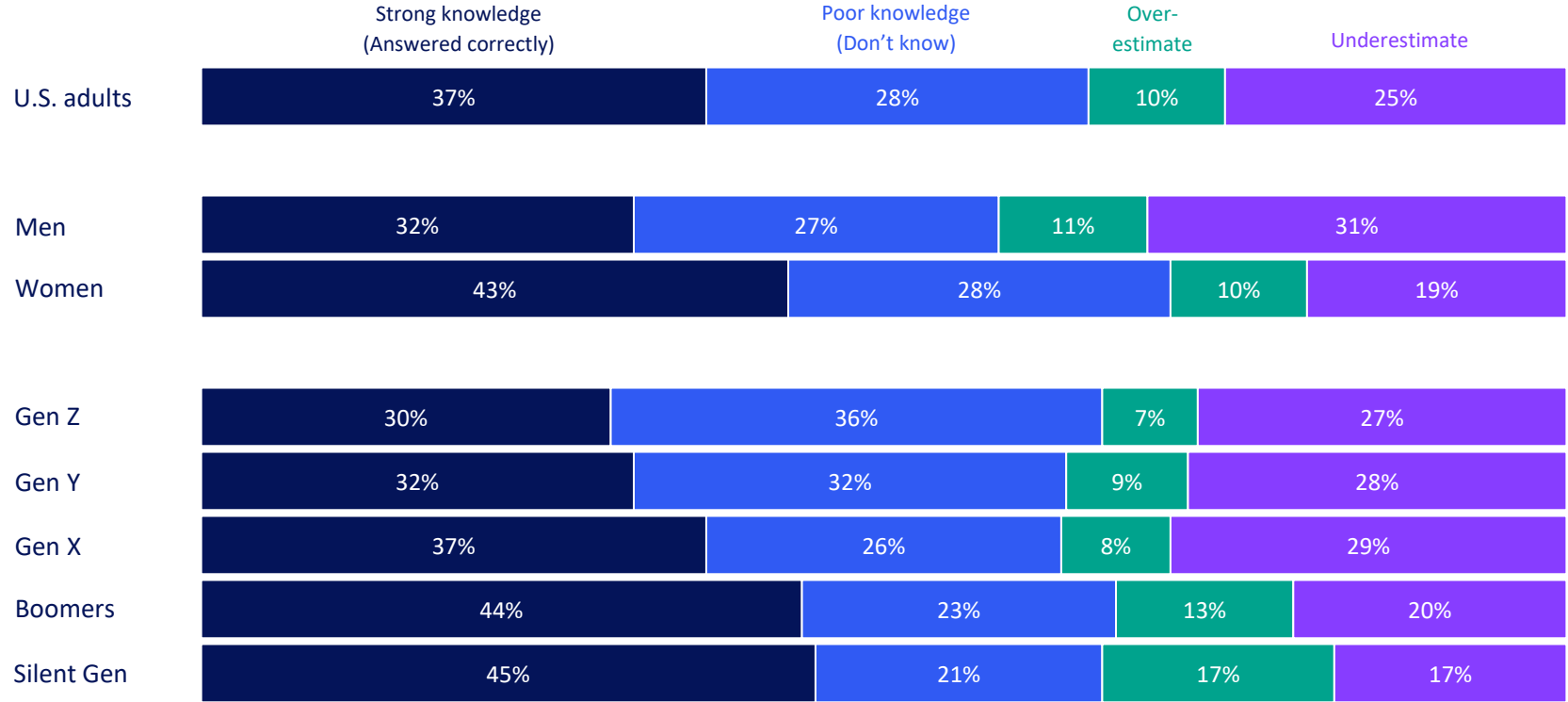


Weak financial literacy is more common among men. It is also more common among Blacks and Hispanics, as well as Gen Z and Gen Y.

Longevity literacy among U.S. adults is very low

Women have greater longevity literacy than men.

Knowledge of life expectancy for 65-year old men/women in the United States



53%
U.S. adults are working with inaccurate information about life expectancy.

Source: Yakoboski, P.J., Lusardi, A., & Hasler, A. (2023). Financial literacy, longevity literacy, and retirement readiness: The 2022 TIAA Institute-GFLEC Personal Finance Index. TIAA Institute; Global Financial Literacy Excellence Center. [tiaa.org/content/dam/tiaa/institute/pdf/insights-report/2023-01/longevity_literacy_financial_literacy_and_retirement_readiness.pdf](https://www.tiaa.org/content/dam/tiaa/institute/pdf/insights-report/2023-01/longevity_literacy_financial_literacy_and_retirement_readiness.pdf)

Longevity literacy among U.S. adults

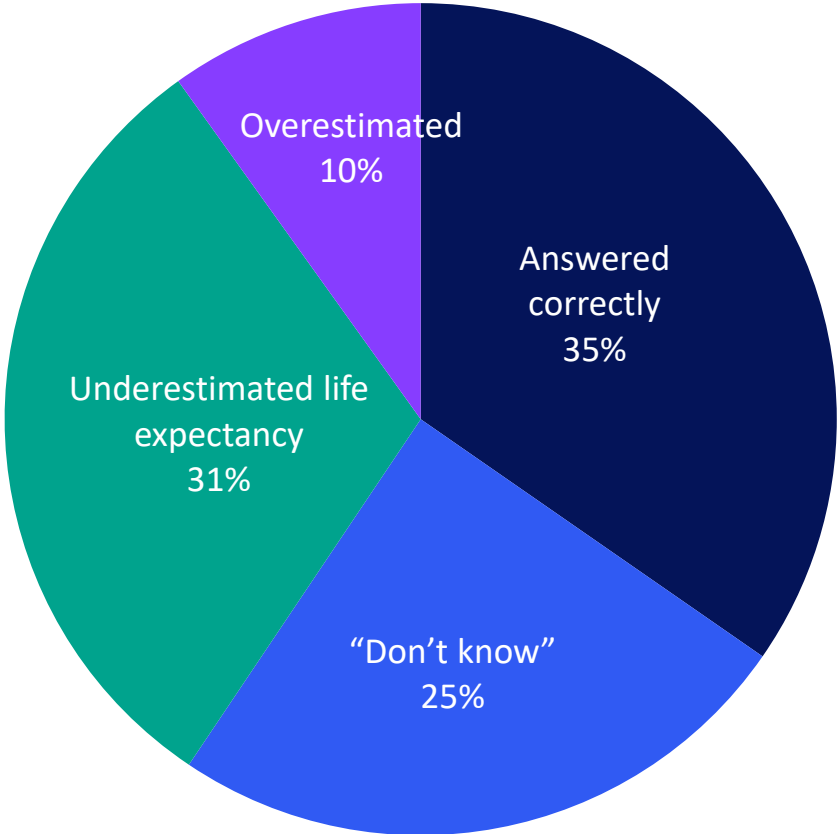
Longevity literacy is an understanding of how long people tend to live in retirement.

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- About 14 more years (age 79)
- **About 19 more years (age 84)**
- About 24 more years (age 89)
- Don't know



Source: TIAA Institute-GFLEC Personal Finance Index (2023).

Longevity literacy: strongly linked to retirement planning and preparedness

Understanding the concept of longevity provides a more complete picture of factors involved in financial well-being.



Attention to financial caregiving



Financial and longevity literacy



Optimized retirement readiness

Longevity literacy and retirement readiness

Workers with strong longevity literacy tend to be better prepared for retirement.



50%

Strong longevity literacy

32%

Weak longevity literacy

DETERMINED HOW MUCH THEY NEED TO
SAVE FOR RETIREMENT



72%

Strong longevity literacy

58%

Weak longevity literacy

SAVING FOR RETIREMENT
ON A REGULAR BASIS



69%

Strong longevity literacy

53%

Weak longevity literacy

CONFIDENT THEY WILL HAVE ENOUGH
MONEY TO LIVE COMFORTABLY
THROUGHOUT RETIREMENT

Longevity literacy and retirement readiness

Retirees with strong longevity literacy tend to experience better retirement outcomes.



69%

Strong longevity literacy

57%

Weak longevity literacy

SAVED FOR RETIREMENT
ON A REGULAR BASIS



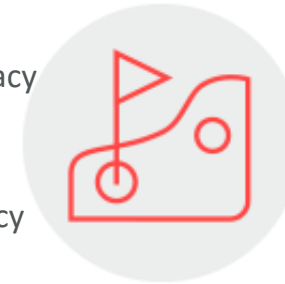
77%

Strong longevity literacy

62%

Weak longevity literacy

LIFESTYLE MEETS OR EXCEEDS
PRE-RETIREMENT EXPECTATIONS



82%

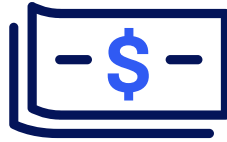
Strong longevity literacy

69%

Weak longevity literacy

CONFIDENT THEY WILL HAVE ENOUGH MONEY TO
LIVE COMFORTABLY THROUGHOUT RETIREMENT

Key takeaways



Longevity gains challenge individuals and society to rethink twentieth century approaches to work, family and retirement preparedness.



Individuals and families cannot and should not face these challenges alone.

Raise awareness of the link between longevity and caregiving

Plan for longevity in the early stages of adult life

Financial advisors, employers and policymakers all have a role to play

Together, we can work toward a financial future in which we not only live longer, but better.

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Financial Literacy Needs of Older Women

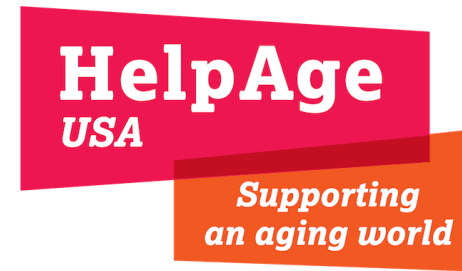
Research from HelpAge USA

Presented by:

Amy Hinojosa

MANA, A National Latina Organization

April 10, 2024



Older women as a group face significant issues, but within-group differences also exist

Confidence About Money Management

While just over 60% of women aged 40–65 feel confident about money management, **significant minority (1 in 5) do not**

- African Americans (45%), Native Americans (42%), and individuals living below poverty line (55%) least likely
- Hispanics (80%) and Asian Americans most likely to be confident (70%)

Feelings About Money Management

About 1 in 5 reported negative feelings about money management or that **talking about money made them feel ashamed**

- African Americans (30%), Native Americans (26%), and individuals living below the poverty line (28%) most likely to feel shame

Views on Their Financial Futures

Less than 30% feel relaxed about their financial futures

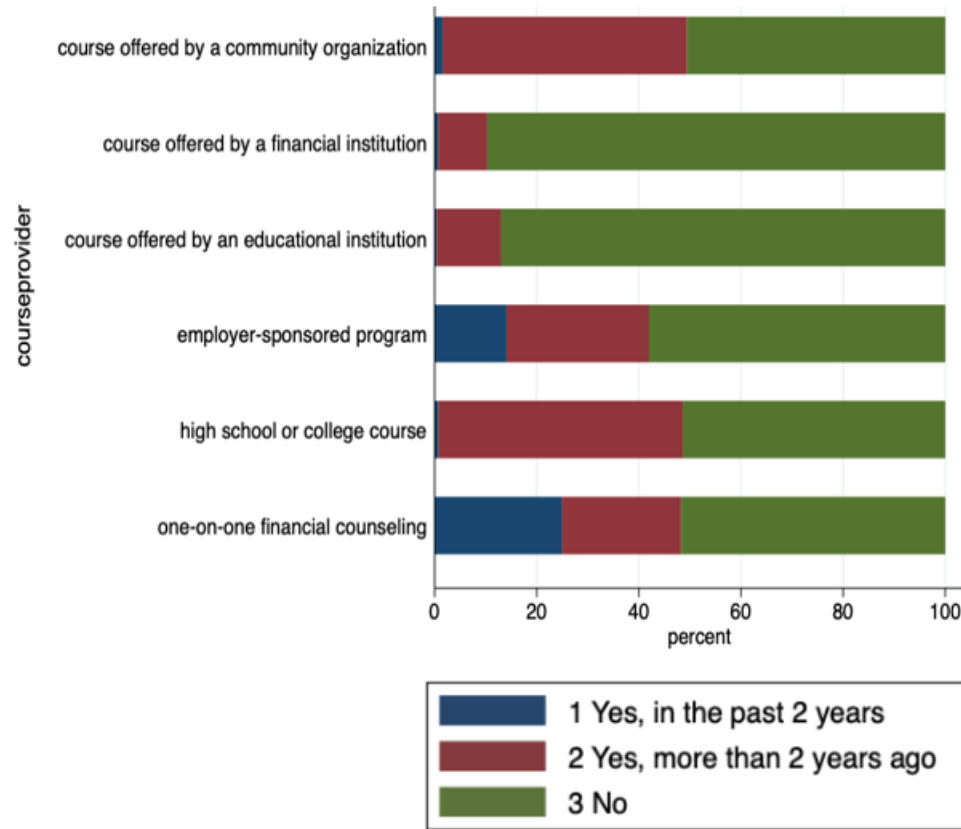
- African Americans were least likely (19%)
- Asian Americans most likely (60%) to be relaxed



Slide courtesy of Cindy Cox-Roman, HelpAge USA



Only 16% of women report ever having received financial education



College-educated women (22%) more likely to have received financial education

Likelihood of having previously attended a financial education class highest for White (20%) and Hispanic (23%) women

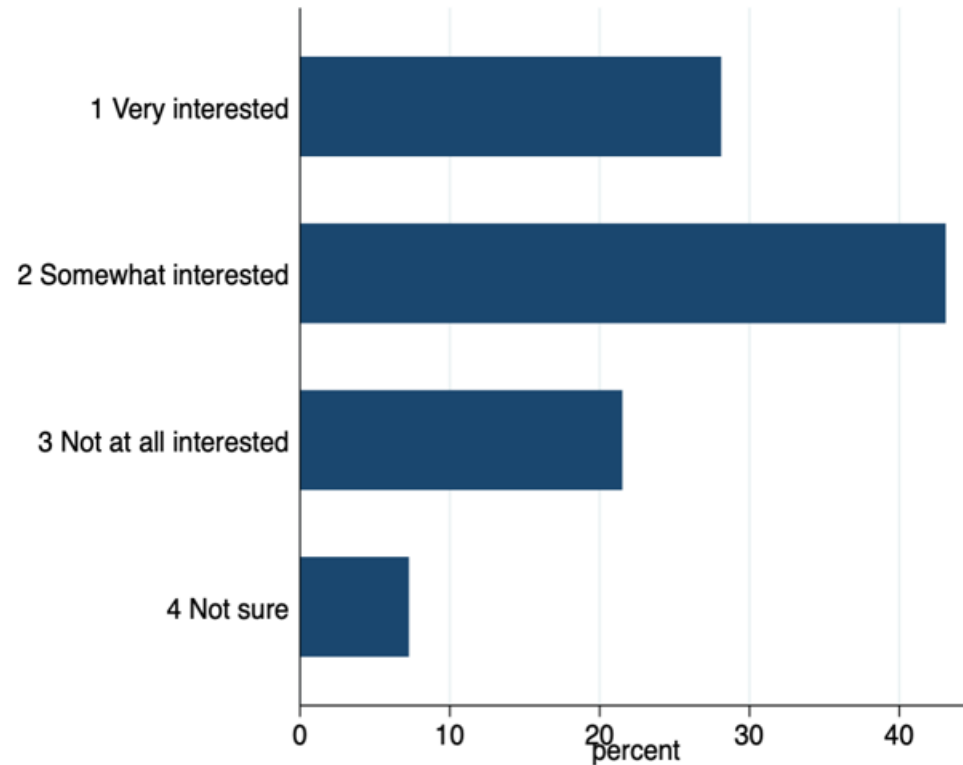
African Americans, Native Americans, and Asian Americans less likely to have received (8-10%)



Slide courtesy of Cindy Cox-Roman, HelpAge USA



More than 70% expressed interest in receiving financial education, especially the previously underserved



African American (85%), Asian American (80%), and Hispanic/Latina women (93%) most likely to express interest

Individuals from low-income households less likely to express interest although these levels remain objectively high (60%)

Among those who said “very” or “somewhat” interested, over 60% wanted it now as opposed to in the next 1–5 years or longer



Slide courtesy of Cindy Cox-Roman, HelpAge USA



Takeaways for Older Women in the U.S.

The Situation

Gaps in financial literacy linked to long-term well-being—but few women in the U.S. have ever had financial education

Inadequate supply of free, trusted programming, especially for older women

Nonprofits like WISER and AARP have strong programming but need support for scale-up

Belief it is too late to educate older women hinders investment in programming

The Demand

Significant demand among women 40+ years

African American, Asian American, and Hispanic women most likely to express interest

Interest goes beyond money management to long-term planning

Women value flexibility, shorter sessions, online access, designed for life-stage

The Opportunity

International experience shows financial education for older women can impact long-term financial well-being but must be done well

Imperative to change harmful narrative and fund appropriate programs

Trusted community partners are key

Interactive components and tangible, actionable deliverables (e.g., financial plan) are effective pedagogical methods



Slide courtesy of Cindy Cox-Roman, HelpAge USA



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Challenges & Perspectives of Specialist Caregivers

Presented by:

Anna M. Rappaport, FSA, MAAA

Society of Actuaries

April 10, 2024



Caregiving for older or disabled individuals

- Caregiving changes the life of the caregiver, who often already has a busy life
- Demands on caregiver may suddenly or gradually increase with each emergency
- May require knowledge of medical history/help as a health advocate
- Caregiving often negatively impacts the current income and retirement income security of the caregiver
- May need a financial helper for managing finances of care recipient

- Continuing question: how much should one outsource managing the finances for the care recipient or providing the direct care?

The spouse/partner as caregiver

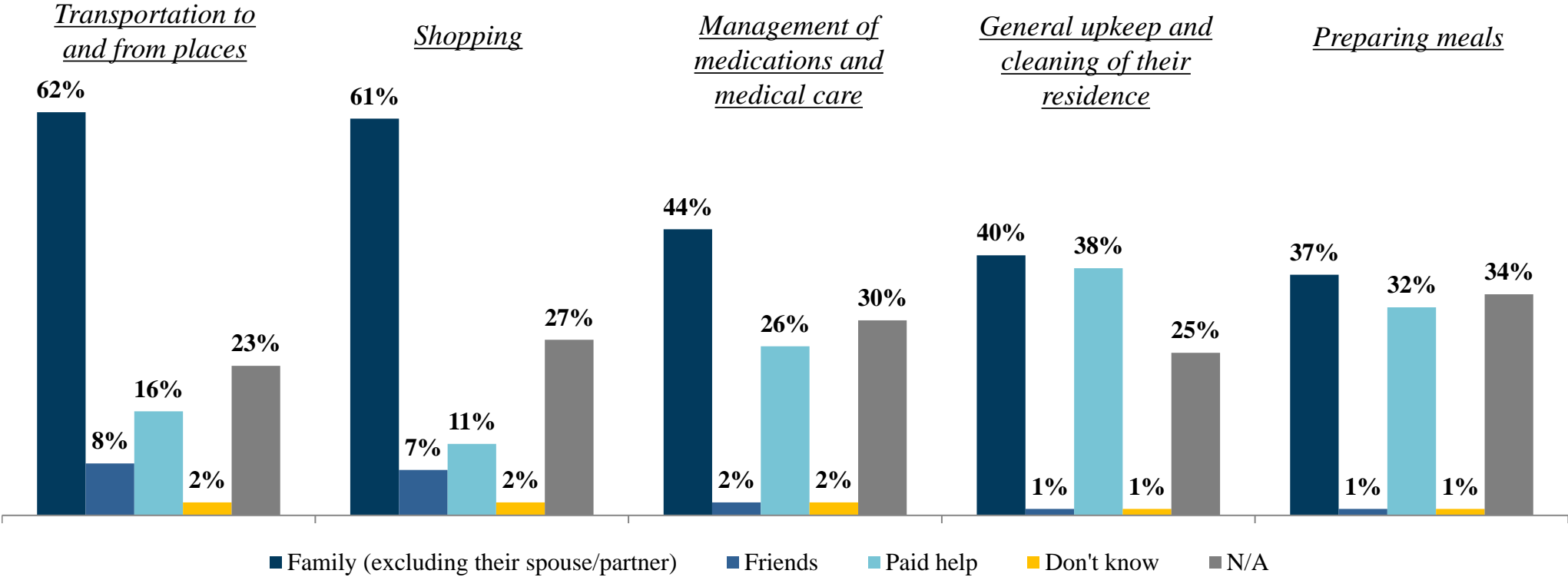
- Shift away from partnership to having a dependent reliant on your help
- Dependent demands increase and the partner may be disabled
- Trade-offs between maintaining one's own life and helping those in need
- And losing income and benefits such as Health Care
- After death – caregiving job is gone, and the caregivers need to restore their own life
- My personal story – first my mother – then my spouse.

The adult child as caregiver

- Parent and child may be in different locations
- Often there is little or no planning for this role
- Adult Child may have own children, a responsible job, both
- Major problem may be sudden, creating an emergency with no resources
- Caregivers often must leave job, or reduce schedule
- Caregiving can be costly, impact caregiver health and create stress
- Long term cost can be significant

Over three in five adult children say they help their elderly parents with transportation and shopping.

Adult Children of Elderly Parents: Care Providers by Daily Activity
Total (n=202)



Does your [PARENT] receive help from any combination of family, friends or paid help to do each of the following:

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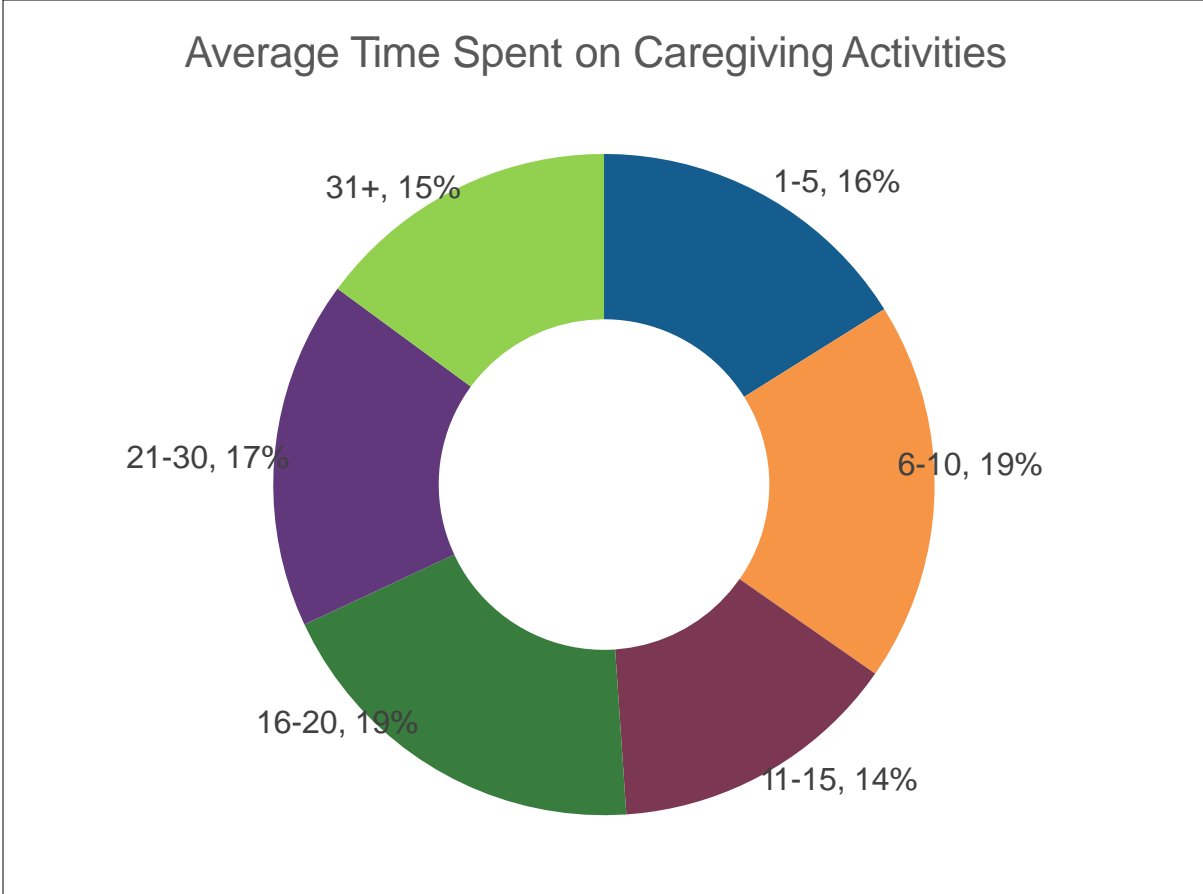
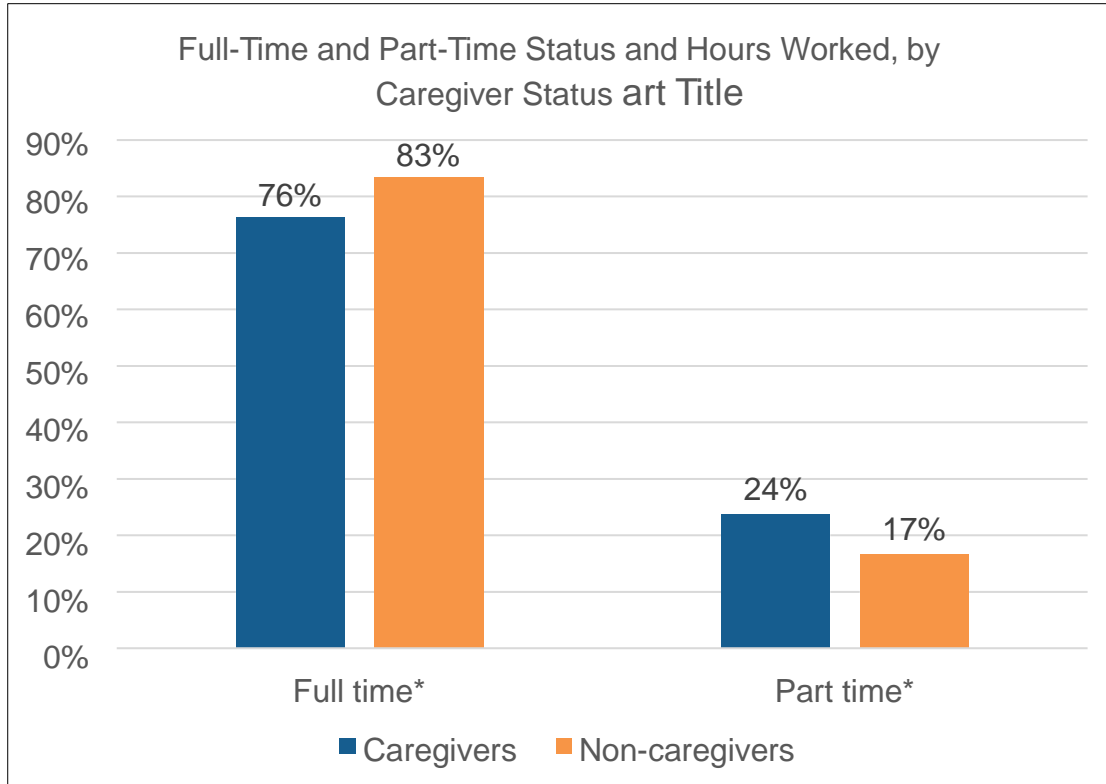
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Shining a Spotlight on Caregivers in the Workplace

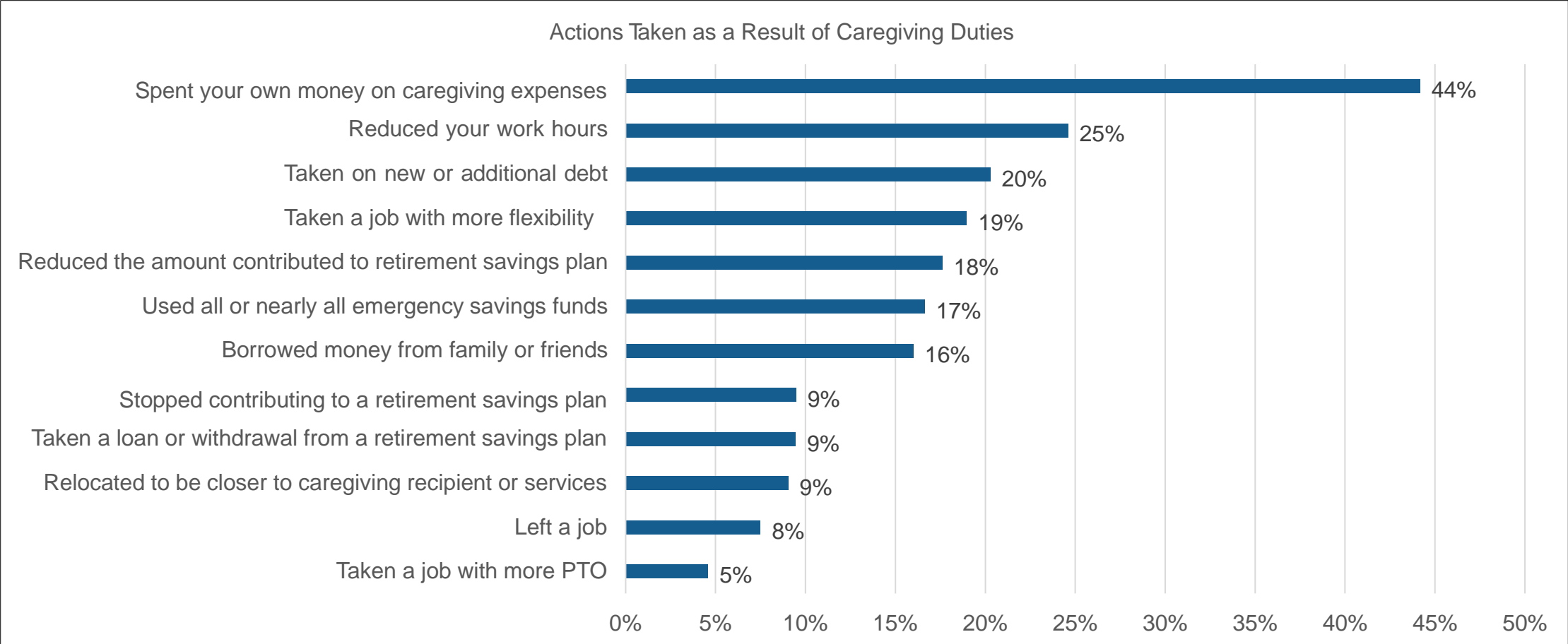


1 in 4 workers currently have unpaid caregiving responsibilities. Unpaid caregivers are less likely to be full-time and more likely to be part-time



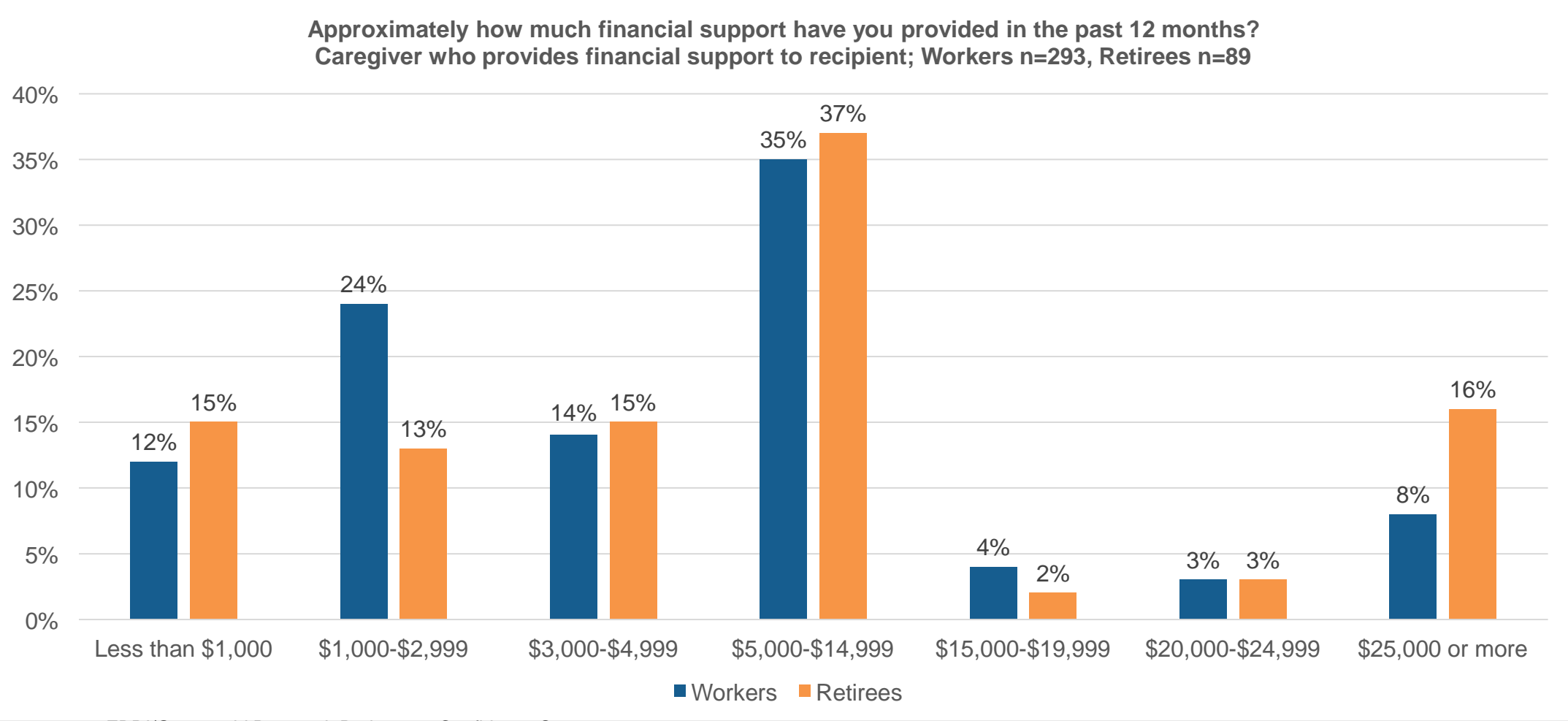
Source: 2023 EBRI/Greenwald Research Workplace Wellbeing Survey

44 percent spent their own money on caregiving and 25 percent reduced working hours



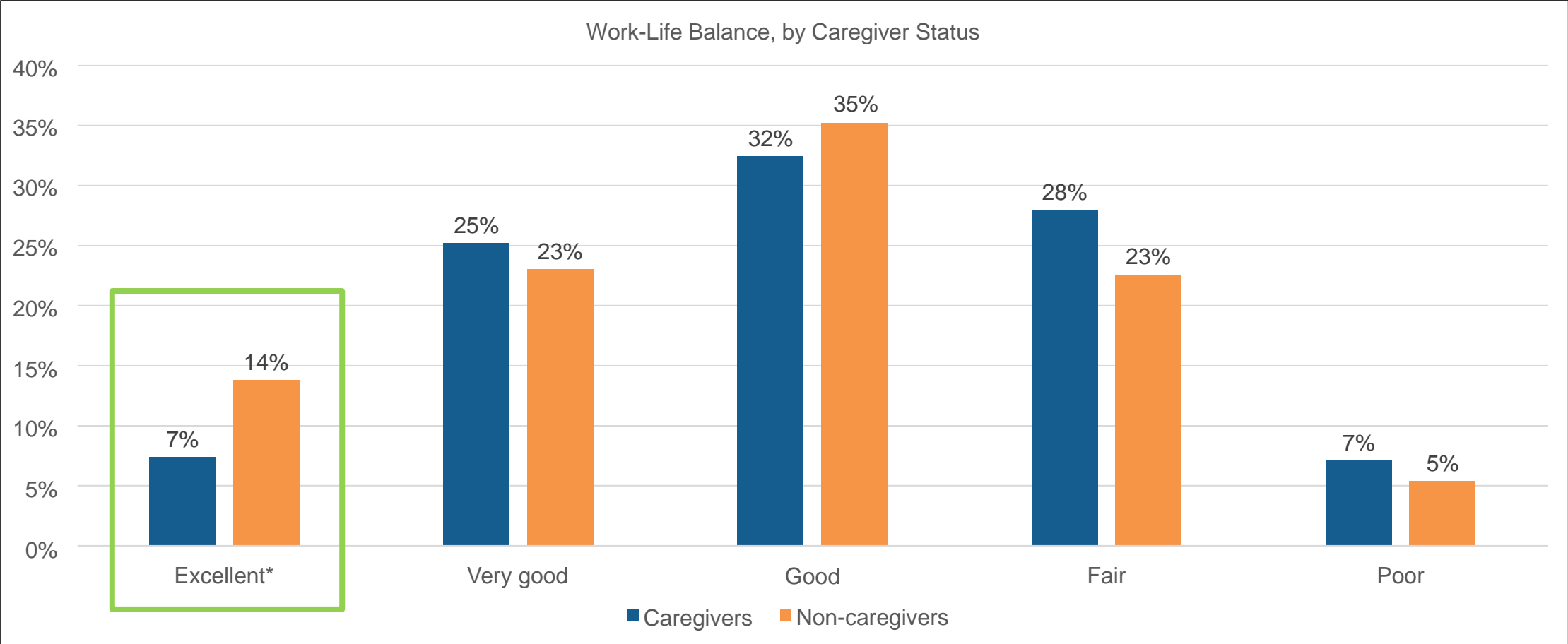
Source: 2023 EBRI/Greenwald Research Workplace Wellbeing Survey

50% of working caregivers and 58% of retiree caregivers provide financial support over \$5,000



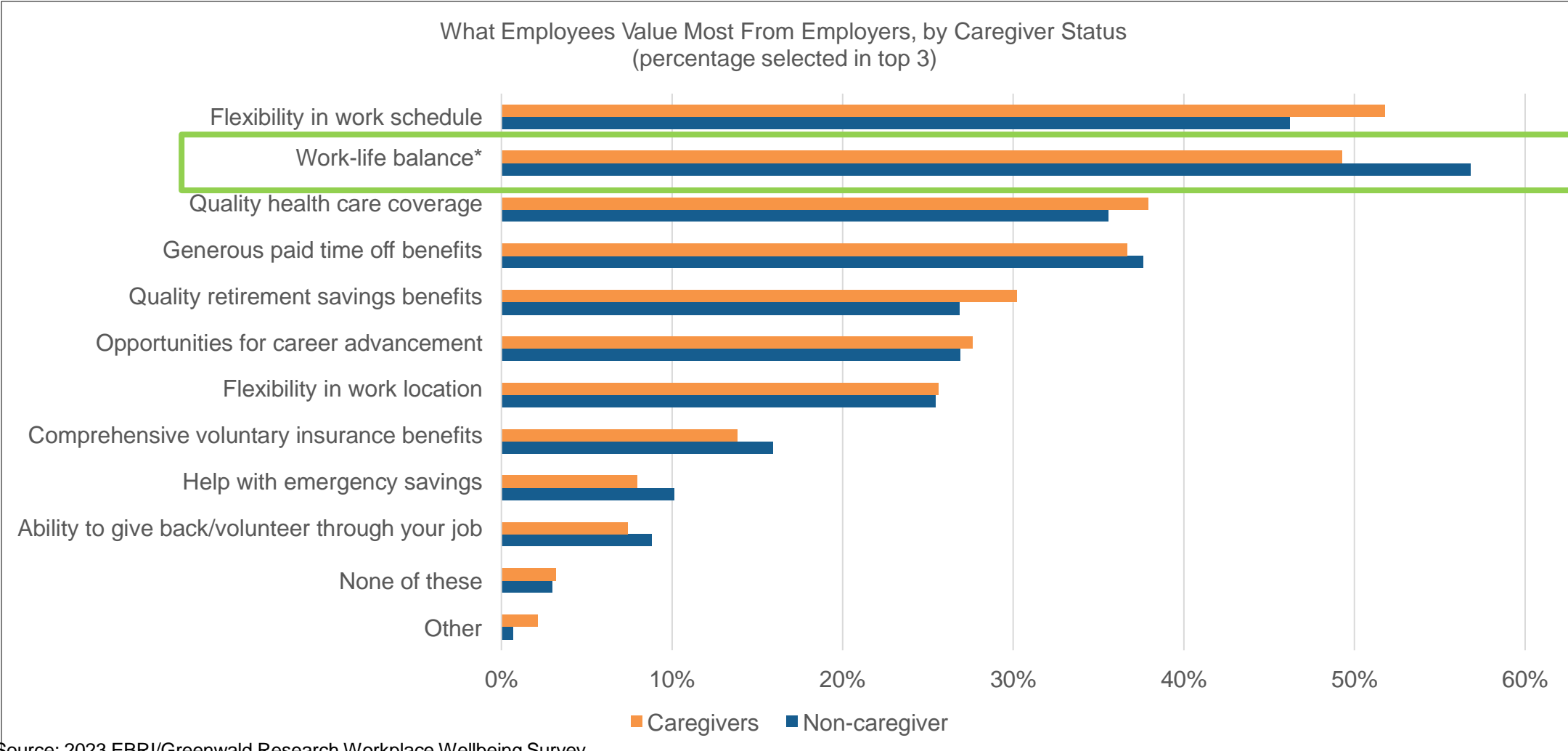
Source: 2023 EBRI/Greenwald Research Retirement Confidence Survey

Working caregivers less likely to say they have excellent work-life balance



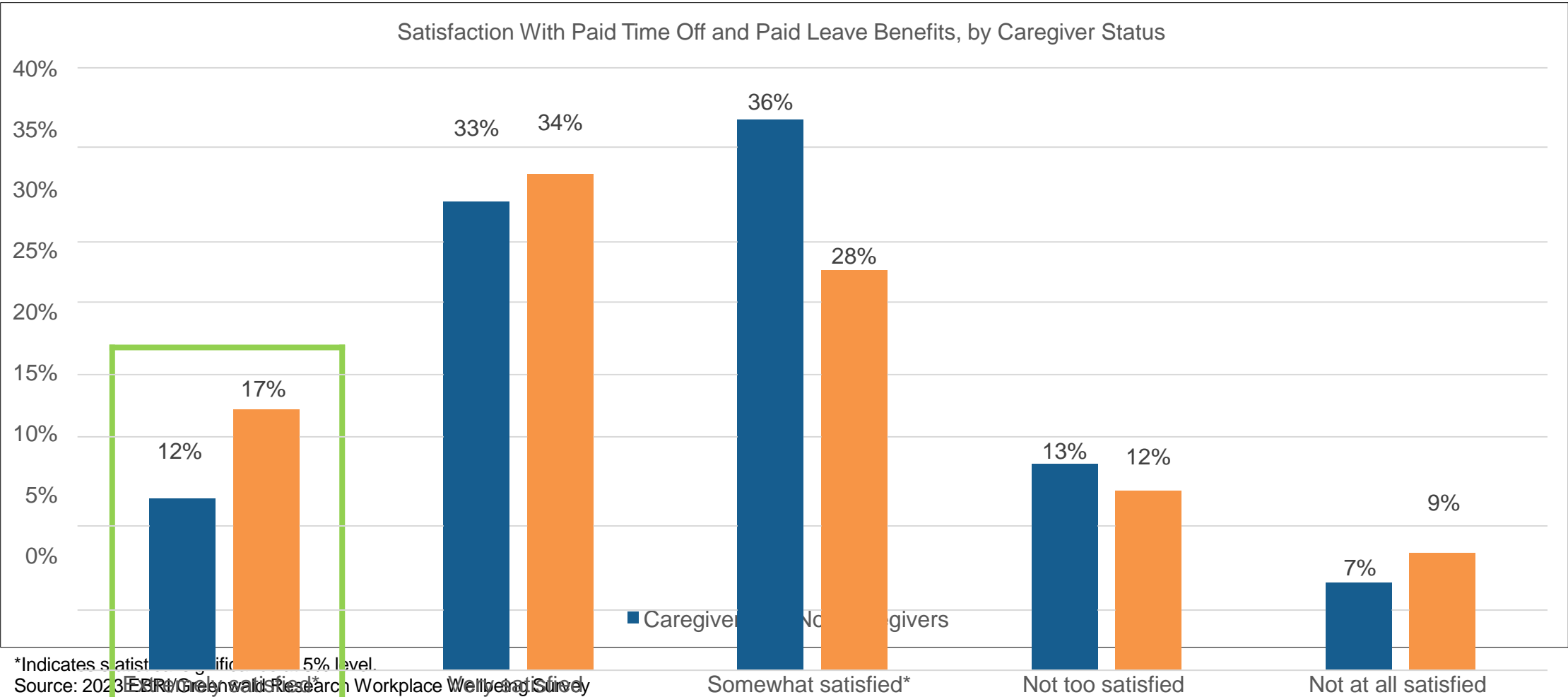
*Indicates statistical significance at 5% level.
Source: 2023 EBRI/Greenwald Research Workplace Wellbeing Survey

Caregivers and non-caregivers report valuing similar things from their employer

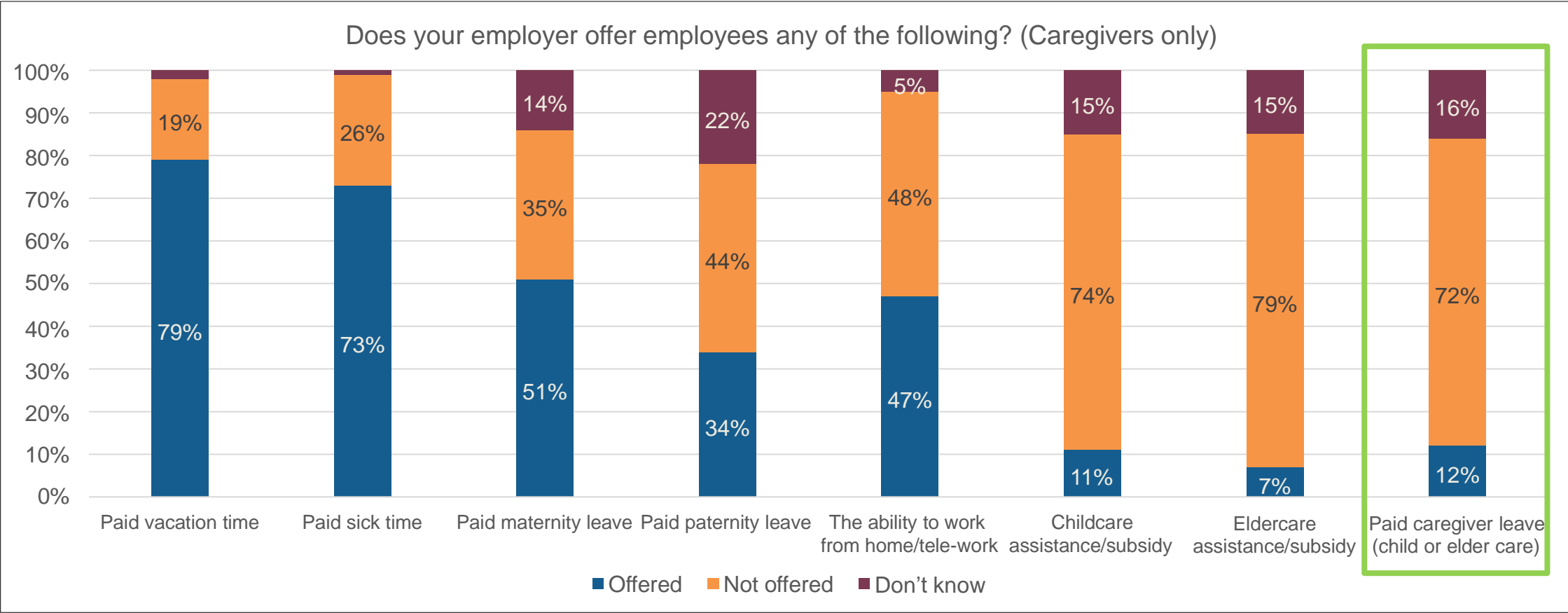


Source: 2023 EBRI/Greenwald Research Workplace Wellbeing Survey

At the same time, working caregivers less likely to say they are extremely satisfied with their PTO and paid leave benefits



Only 12 percent of caregivers say they have access to a paid caregiver leave program



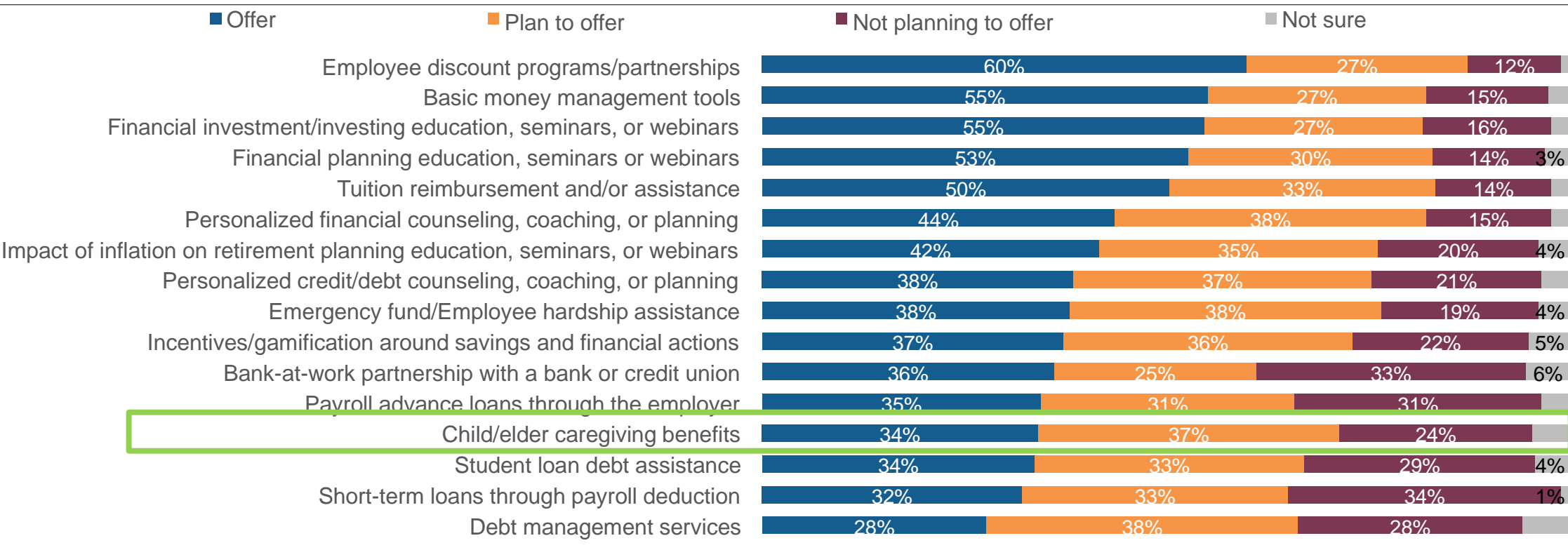
Separately, 12% of caregivers are aware of access to “Caregiving support and services.” Among those, 45% have used the benefit with a 100% saying it was helpful

Source: 2023 EBRI/Greenwald Research Workplace Wellbeing Survey

HOW ARE EMPLOYERS RESPONDING?

Roughly 2 in 3 employers say they currently offer or are going to offer caregiving benefits

Financial Wellbeing Benefits Offered

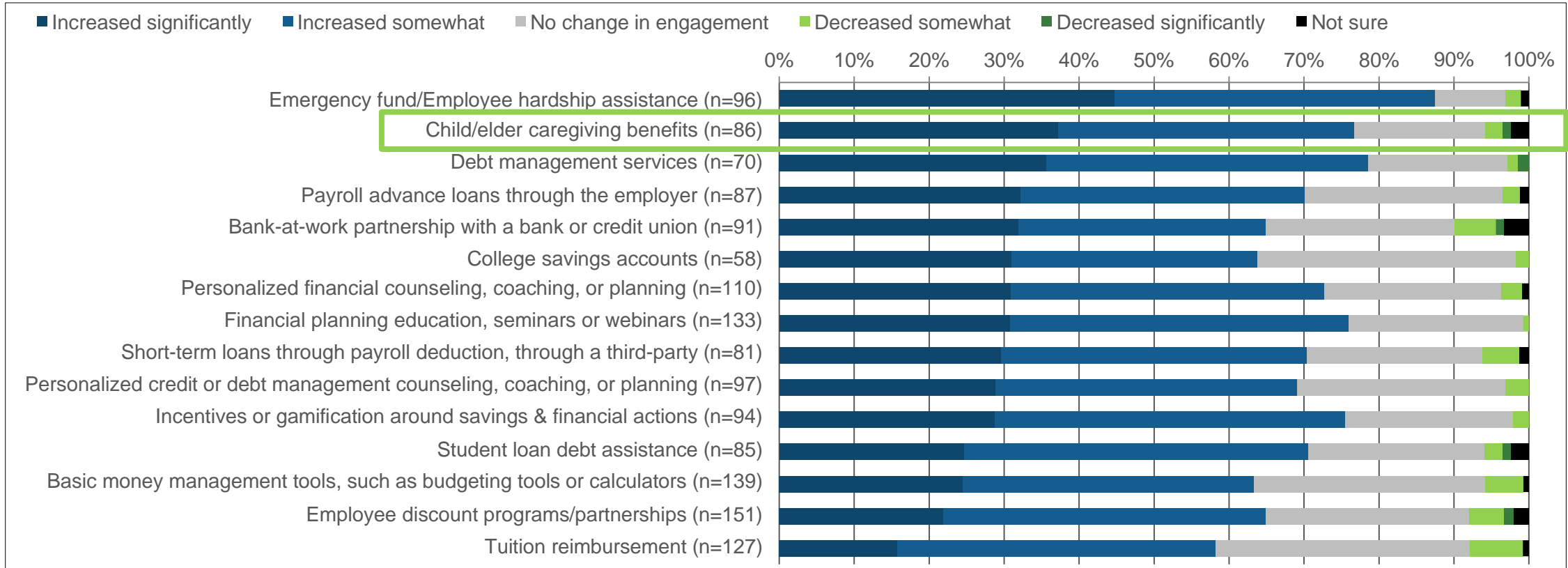


Q15. Does your company offer or plan to offer any of the following financial wellbeing or debt assistance benefits to employees? (n=252)

Source: 2023 Financial Wellbeing Employer Survey

When offered, caregiving benefits saw most engagement over last several years

Employee Engagement with Benefits Since COVID-19 Among those offering each benefit

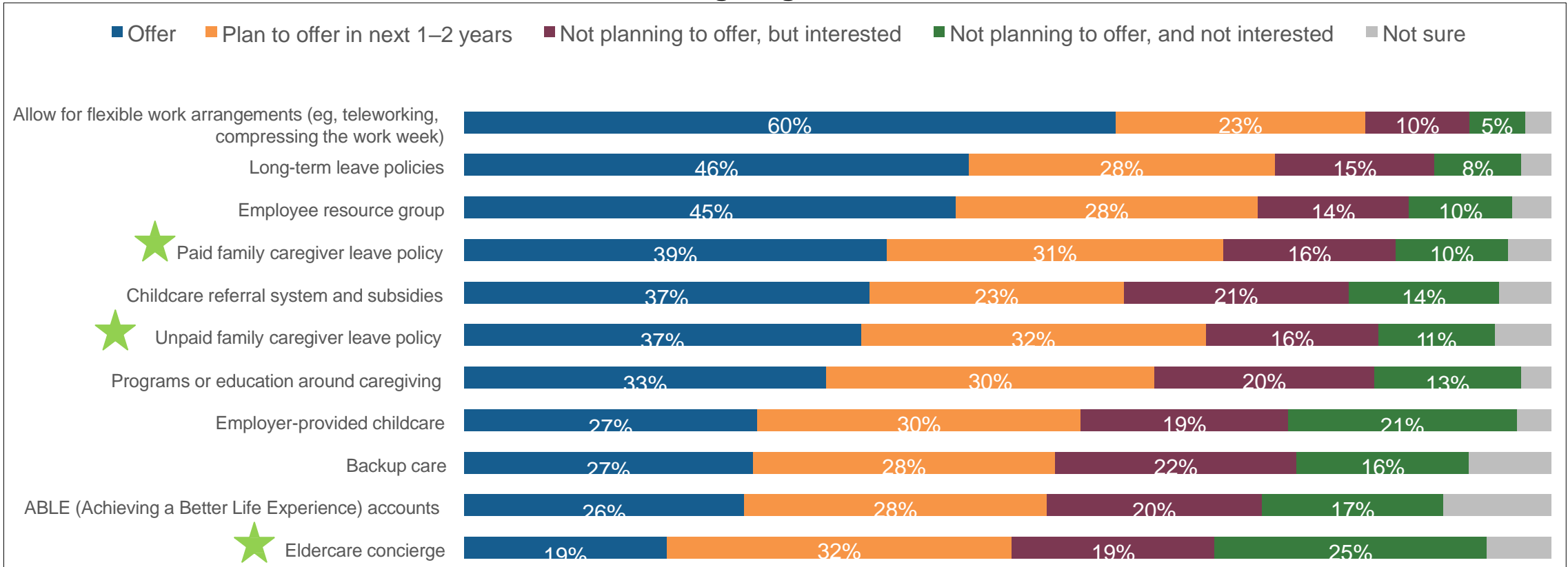


Q42. How has employee engagement with the following benefits changed since the COVID-19 crisis began? (n=252)

Source: 2023 Financial Wellbeing Employer Survey

The most common areas for expanding in next 1-2 years are caregiver leave policies, and eldercare concierge

Caregiving Benefits

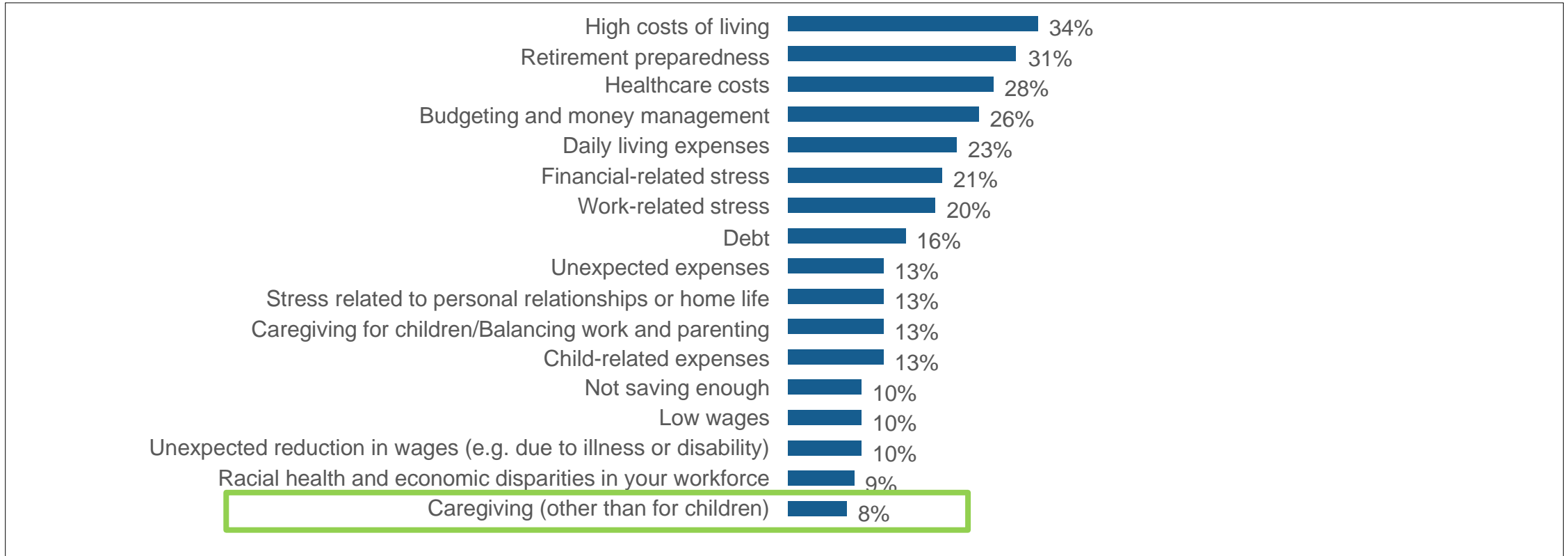


Q88: Does your company offer or plan to offer any of the following benefits focused on family caregiving (to care for an adult family member or child, outside of parental leave)? (n=252)

Source: 2023 Financial Wellbeing Employer Survey

Yet, caregiving ranks the lowest of issues to address with financial wellness initiatives

Top Issues to Address with Financial Wellness Initiatives



Q126. What are the top three issues faced by your employees that your financial wellness initiatives are designed to address? Please select your top three reasons. (n=252)

Source: 2023 Financial Wellbeing Employer Survey

Methodology Notes

2023 EBRI/Greenwald Research Workplace Wellness Survey

The 2023 edition of the Workplace Wellness Survey (WWS) interviewed a total of 1,505 full- and part-time American workers aged 21–64, including a nationally representative sample of 1,002 workers and an oversample of 503 caregivers.

The Workplace Wellness Survey (WWS) was conducted for its fourth year in 2023 to examine attitudes toward benefits in the workplace. It examines a broad spectrum of financial wellbeing, employment-based health insurance, and retirement benefit issues.

2023 EBRI/Greenwald Research 33rd Retirement Confidence Survey

The 2023 survey was conducted online from January 5 through February 2, 2023. The RCS measures attitudes toward, preparations for, and understanding of the various issues surrounding retirement by American workers and retirees.

The survey included 1,320 workers and 1,217 retirees, including an oversample of 944 caregivers (598 workers and 346 retirees).

2023 Financial Wellbeing Employer Survey

The survey data was collected among 252 full-time benefits decision-makers during July and August 2023.

All respondents worked full-time at companies with at least 500 employees who were at least interested in offering financial wellness programs.

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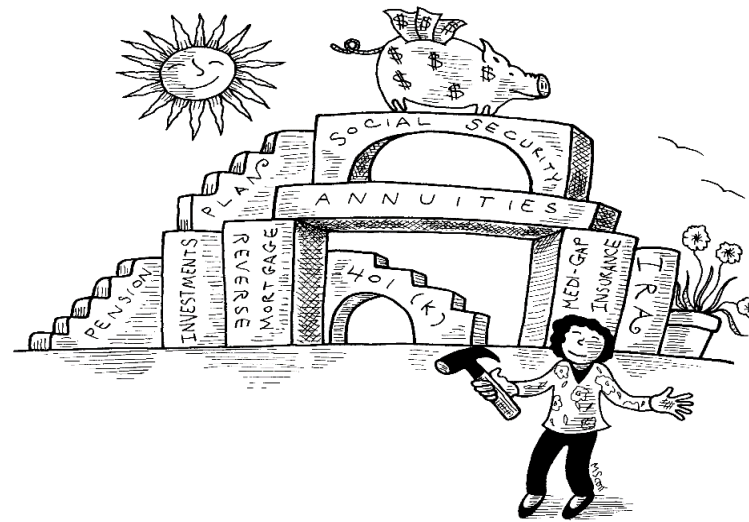
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The Cost of Caregiving What You Can Do



Presented by:

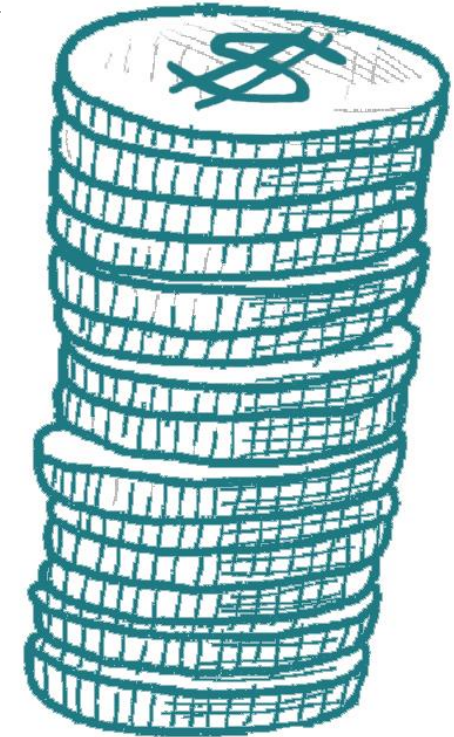
Laurel Beedon, PhD

WISER Senior Fellow



The Cost of Care

- **Adult Day Care** \$95 daily (national median-up to 8 hours)
- **Assisted Living Facility** \$64,000 annual (national median 2023)
- **Skilled Nursing Facility**
 - Semi-Private \$104,000 annual (national median 2023)
 - Private \$116,000 annual (national median 2023)
- **At Home Care (median)**
 - Homemaker Services in: **DC \$25 per hour; Chicago \$30; LA \$35**
 - Home Health Aide in: **DC \$27 per hour; Chicago \$35; LA \$35**



Sources: Genworth Cost of Care Survey <https://investor.genworth.com/news-events/press-releases/detail/972/genworth-releases-cost-of-care-survey-results-for-2023>

The Financial Impact of Being a Caregiver

- **61%** of caregivers report making adjustments to their work (cut hours, take leave, receive warnings at work).
- Caregivers pay an estimate of **\$7,400** annually in out-of-pocket costs for caregiving.
- Caregivers lose about **\$324,044** in wages, Social Security benefits, and private pensions over their lifetime

Source: AARP, Family Caregiver “Out of Pocket Costs”, 2019



Financial Steps to Ensure Caregivers' Wellbeing

Caregivers:

- **Think carefully** about potential consequences of leaving a full-time job or working part time: **reduced income, loss of health insurance, and future benefits.**
- **Make a plan** for managing money and saving for retirement.
- **Access other resources.** Don't be solely responsible for providing care.
- **Ask for help** –
 - **WISER Caregiver Hub at WISERWOMEN.org**
 - **Family caregiving agreements.**



Legal Documents

Make sure your legal documents are complete and up-to-date:

Care Agreement for Family and Caregiver(s)

Durable Power of Attorney

- Appoint someone to act on your behalf and make financial decisions

Healthcare Power of Attorney and Healthcare Proxy

- Appoint someone to make health decisions for you

Living Trust

- Transfer ownership or title of your assets to a trust
- You keep control during your lifetime, but given to trustee when you die

Last Will and Testament

- Directions to where and to whom your assets should go after you die

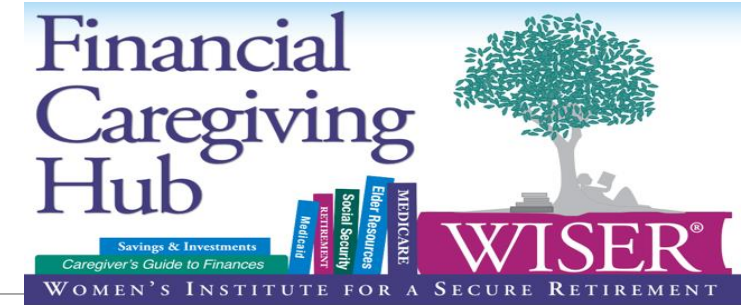
Living Will

- Declaration of your healthcare wishes

- **Beneficiary designations** for insurance and retirement plans/IRAs
- **Know where important documents are located**
- **Have pin numbers and security codes**



WISER Financial Caregiving Hub



Caregiver Hub is a one-stop, online shop that provides financial information and resources to caregivers through the caregiving cycle

- Go to: WISER's website wiserwomen.org and click on **Financial Caregiving Hub**
- Support from the RRF Foundation on Aging


Two Goals:

1. Help prepare family caregivers for the impact of caregiving on their future financial security
2. Provide resources and tools to help caregivers oversee the financial caregiving tasks of the care recipient



Caregiver Resources from WISER

Financial Steps for Caregivers:
What You Need to Know About
Protecting Your Money and Retirement



WISER
WOMEN'S INSTITUTE FOR A SECURE RETIREMENT
wiserwomen.org

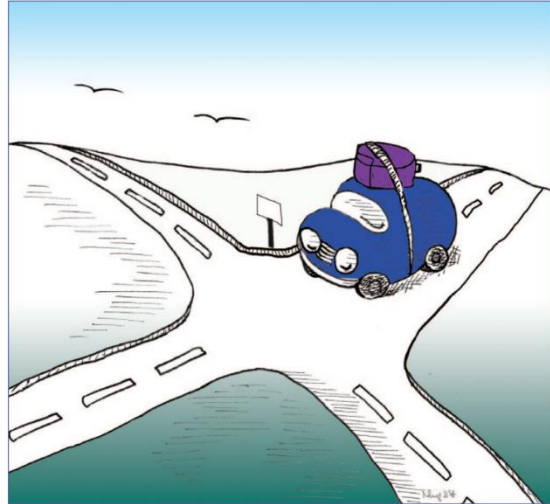
*This booklet was prepared by
the National Resource Center on Women and Retirement Planning*



**Five Questions
to Ask Your Mother
or Grandmother**

WOMEN'S INSTITUTE FOR A SECURE RETIREMENT

Going It Alone –
A Guide for Widows:
5 Steps for Navigating the Financial Challenges



WISER® • Women's Institute for a Secure Retirement



Other Resources for Caregivers & Older Adults

Eldercare Locator: [Eldercare.acl.gov](https://eldercare.acl.gov)

- Nationwide service that connects older adults and their caregivers with local, trusted services, 1-800-677-1116

Benefits Checkup: [Benefitscheckup.org](https://benefitscheckup.org)

- Quickly find benefit programs that could help pay for medications, health care, food, utilities and more.

FINRA Securities Helpline for Seniors: [1-844-57-HELPS \(1-844-574-3577\)](https://www.finra.org/consumers/helpline)



Thank you!

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Debt and Scams

**Genevieve Waterman, DSW
National Council On Aging**

April 10, 2024



Elder Economic Security

Popular Myth: Older adults are wealthy in retirement

Facts: While some may be financially secure in later life, many older adults are struggling to make ends meet. According to the Elder Index, nearly half of single older adults and 1 out of 5 older couples can barely afford basic necessities.

This leaves many to make tradeoffs:

- Food
- Medicine
- Housing
- Utility Bills
- Accruing consumer debt (credit cards)

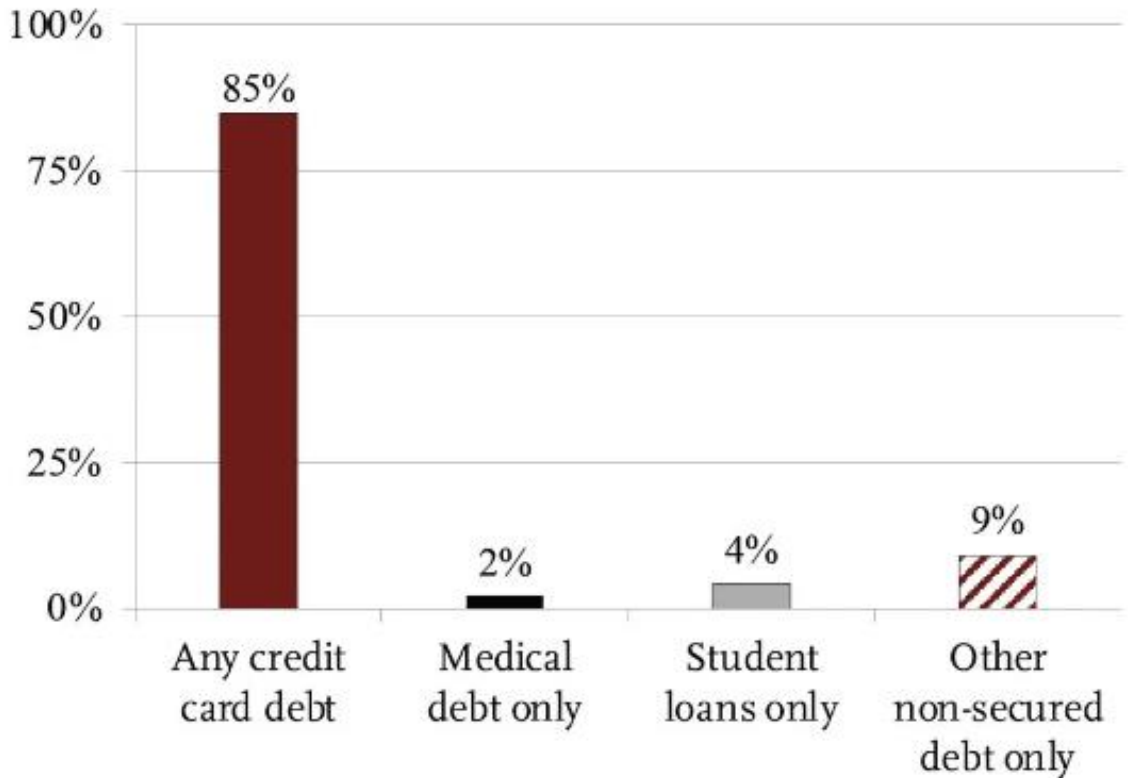
Debt

Since the 1990s, debt among older adult households (65+) has been increasing.

- Types of Debt:
- Credit cards
 - Medical
 - Student loans
 - Mortgage

More financial literacy is needed to help older adults navigate living on a fixed income.

FIGURE 3. PERCENTAGE OF HOUSEHOLDS AGES 65+ WITH NON-SECURED DEBT BY TYPE, 2019



Note: About 1 percent of households have multiple types of non-credit-card, non-secured debt.

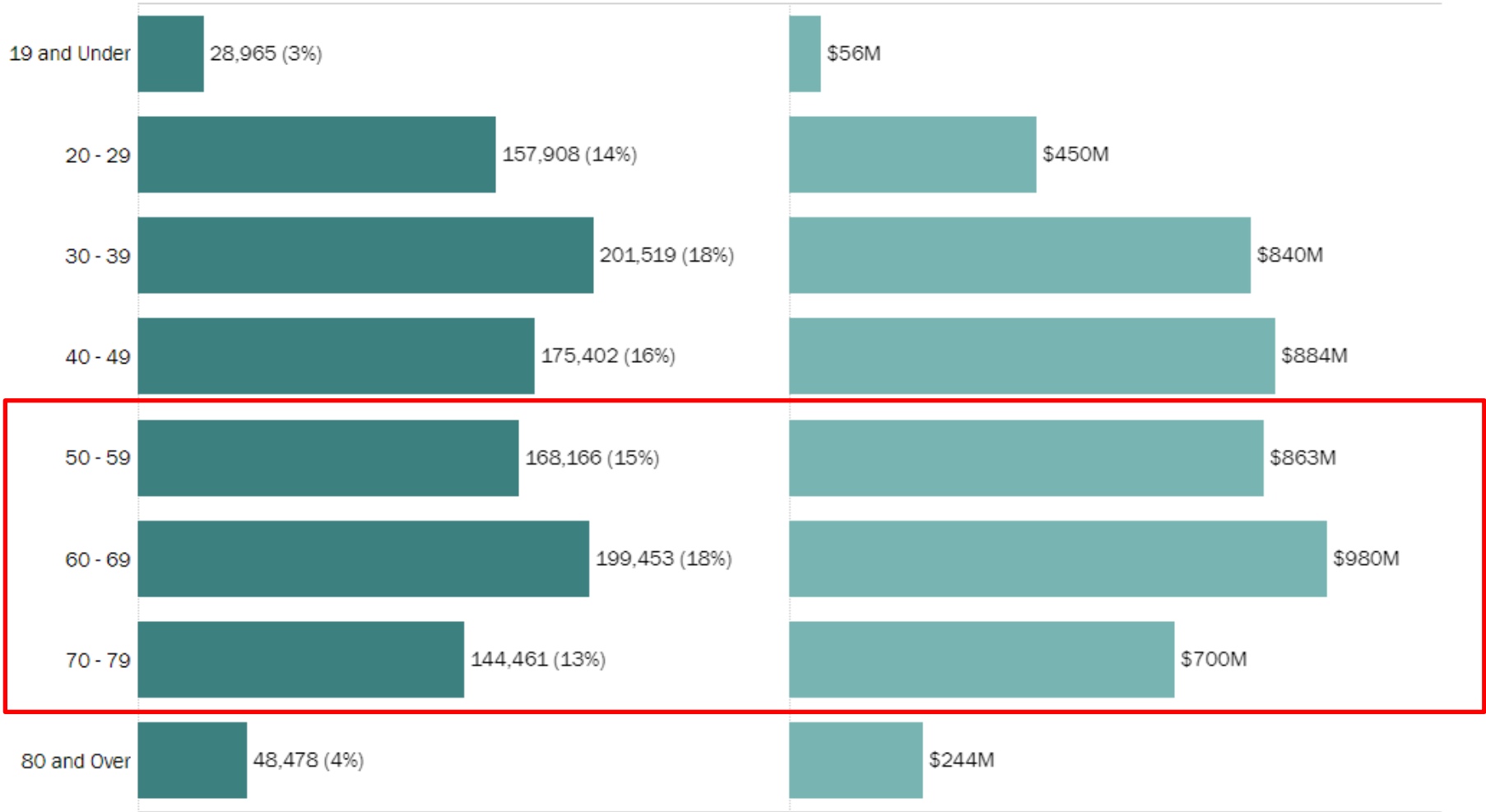
Source: Authors' calculations from the SCF (1989-2019).

Source: Chen, Anqi, Siyan Liu, and Alicia H. Munnell. 2023. "What Are the Implications of Rising Debt for Older Americans?" Issue in Brief 23-20. Chestnut Hill, MA: Center for Retirement Research at Boston College.

Scams in 2023

Reported Frauds and Losses by Age
Year: 2023

Year: 2023
Quarter: (All)



Source: <https://public.tableau.com/app/profile/federal.trade.commission/viz/FraudReports/AgeFraud>

Savvy Saving Seniors[®]

Steps to Avoid Scams

This toolkit provides an overview of popular scams targeting seniors, tips for avoiding them, and next steps for victims of financial fraud.

Use the handbooks and accompanying presentation to hold a scams financial education workshop with seniors in your community.

To access the materials, go to [NCOA's website](#).



Resources

Education is the Key to Empowering All

Scams

To learn more about NCOA's newest materials on scams, visit ncoa.org/scams.

Budgeting and Debt

To learn more about NCOA's newest materials on debt and budgeting, visit ncoa.org/older-adults/money.

Contact Us

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April 10, 2024





Aging, Caregiving, & Financial Costs Finding Resources & Improving the Pathways Forward

April 10, 2024 | Mike Wittke, Vice President, Policy & Advocacy

Caregiver Policy & Legislation

- **About 1 in 5 caregivers report experiencing high financial strain as a result of providing care.**
- **1 out of 3 caregivers ages 50 to 64 who are approaching their retirement years are dipping into savings at a period when they should be saving for retirement, which could jeopardize their long-term financial security.**
- Out of pocket expenses – Average of \$7,200 per year
- Employment impacts – 61%
- Stopped Saving – 28%
- Took on Debt – 23%
- Spending savings – 22%
- Late or unpaid bills – 19%

Caregiver Policy & Legislation

National Strategy to Support Family Caregivers

Goal 4: Ensure financial and workplace security for family caregivers

- Outcome 4.1: Family caregivers can provide care without negative impacts to their near- and long-term financial health.
- Outcome 4.2: Family caregivers have access to employee-centered flexible workplace policies
- Outcome 4.3: Family caregivers have access to and use of financial education and advance planning tools.
- Outcome 4.4: Long-term services and supports are more affordable, allowing family caregivers to reduce their out-of-pocket costs.

Caregiver Policy & Legislation

- Consumer Financial Protection Bureau (CFPB) will integrate the Managing Someone Else's Money financial caregiving resource into the Money Smart for Older Adults program with FDIC, thereby increasing outreach on caregiving issues to financial institutions in FY23.
- CFPB will continue to promote its financial caregiving resources in FY23. These include: Managing Someone Else's Money, Considering a Financial Caregiver? Planning for Peace of Mind, and Planning for Diminished Capacity.
- CFPB will pursue policy initiatives in FY23 to increase access to quality banking services for older adults and financial caregivers from historically underserved groups.
- CFPB released a new consumer guide and accompanying bifold in FY22 on preventing elder financial exploitation in nursing homes and assisted living, thereby increasing caregivers' ability to recognize and report financial abuse
- CFPB will study the financial impacts of caregiving, with a long-term goal of releasing information that highlights the trends and potential solutions.

Caregiver Policy & Legislation

- The Department of Labor's (DOL) Women's Bureau (WB) will fund educational opportunities for low-paid and otherwise marginalized women workers, including employed family caregivers.
- DOL's Women's Bureau will highlight the diverse needs of employed family caregivers through the release of newsletters, blog posts, tweets, op-eds, press interviews, and public facing media activities
- DOL's Women's Bureau will administer \$2 million (FY22)/\$3.5 million (FY23 proposed) in grants awarded to state and territory agencies through the Fostering Access, Rights, and Education (FARE) grant program to provide education to lowpaid and otherwise marginalized women workers – including employed family caregivers
- DOL's Office of Federal Contract Compliance Programs (OFCCP) will explore methods for identifying and addressing in compliance evaluations employer policies and practices that create risk factors for caregiver discrimination.

Caregiver Policy & Legislation

- Paid Family and Medical Leave
- Caregiver Tax Credits
- Caregiver Social Security Credits
- Workplace Discrimination Protections
- Self/Consumer Direction
- Financial and Advance Planning Resources
- Protections from Debt Collection
- Estate Protections
- Spousal Impoverishment Protections
- Long-Term Care Financing

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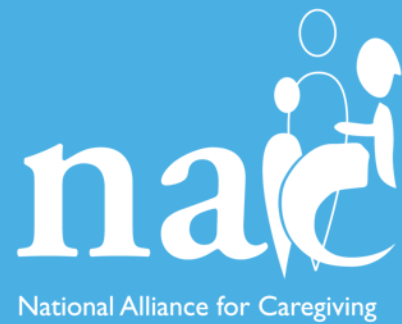
Campaign Partners

- ✓ Information sharing
- ✓ Communications content
- ✓ Turnkey advocacy opportunities, e.g., sign on letters, petitions, etc.
- ✓ A louder voice on implementation

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THANK YOU



Aging, Caregiving & Financial Costs:

Finding Resources & Improving the Pathways Forward

A Virtual Roundtable

April 10, 2024



CFPB resources for financial caregivers

WISER webinar – May 2024





“There are four kinds of people:
those who will become caregivers,
those who are caregivers,
those who were caregivers,
and those who will need caregiving themselves.”

- Former First Lady Rosalynn Carter

Considering a financial caregiver

MANAGING SOMEONE ELSE'S MONEY

Considering a financial caregiver? Know your options


Is a loved one having trouble managing their money because of health problems or memory issues? Or are you planning ahead in case you need help in the future?

Knowing your options will help you choose what works best for your situation. An informal caregiver helps on an as-needed basis. If you need more than occasional help, it might be time to name a formal caregiver.

TYPES OF INFORMAL FINANCIAL CAREGIVERS

Consider a....	What is this?	How does this work?
Conversation partner	This allows you to give a trusted relative, friend, or professional an overview of your finances (even if you don't want to share all the details).	Ask your broker or banker to send a copy of your statements to your daughter or accountant. Ask a trusted friend or relative to join when you visit your banker or financial adviser.
Trusted contact person	You can add a "trusted contact person" to your brokerage accounts. Some banks may offer this too. It allows your financial institution to contact the trusted person in certain circumstances, like if they believe you're getting scammed.	Trusted contacts don't have access to your money—they get notified if the financial institution sees signs of financial exploitation.
Convenience account	A "convenience account" or "agency account" lets you name someone to help you deposit or withdraw money and write checks. A convenience account is not the same as a joint account, where money is jointly owned and the joint account holder automatically gets the money when you die.	A convenience account does not change the ownership of the money in the account or give your helper the right to keep the money when you die. The money belongs only to you.

Next step: Speak to your broker or banker to see what informal caregiving options are available. Take this document with you.

 Consumer Financial Protection Bureau [Learn more at consumerfinance.gov](https://www.consumerfinance.gov)

- Informal caregivers
- Formal caregivers
- Choosing a caregiver

Managing Someone Else's Money guides

MANAGING SOMEONE ELSE'S MONEY

Help for court-appointed guardians of property and conservators

MANAGING SOMEONE ELSE'S MONEY

Help for representative payees and VA fiduciaries

MANAGING SOMEONE ELSE'S MONEY

Help for trustees under a revocable living trust

MANAGING SOMEONE ELSE'S MONEY

Help for agents under a power of attorney

- Help for financial caregivers handling the finances for a family member or another who is unable to do so
- Guides for four common types of financial caregivers:
 - Agents under a Power of Attorney
 - Guardians and conservators
 - Trustees
 - Social Security and Department of Veterans Affairs (VA) representatives

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Planning for diminished capacity and illness

- CFPB and SEC consumer advisory
- Planning ahead may help you stay in control of your finances
- Powers of attorney and trusts are options that can help you plan for the future

CONSUMER ADVISORY AND INVESTOR BULLETIN | JUNE 2015

Planning for diminished capacity and illness

“Diminished financial capacity” is a term used to describe a decline in a person’s ability to manage money and financial assets to serve his or her best interests, including the inability to understand the consequences of investment decisions.

While the inability to manage one’s money is clearly a problem in itself, when people of any age lose the capability to manage their finances, they may also become more vulnerable to investment fraud and other forms of financial abuse.

Preparing for your own financial future: Hope for the best, but plan for the worst

Losing the ability to manage your finances may be something you’d rather not think about. We often think about our financial capabilities, like our ability to drive, as an important measure of our independence. But planning ahead may help you

stay in control of your finances, even if diminished financial capacity becomes a serious problem. Taking the steps listed below now may help avoid or minimize problems for you and your family.

Organize your important documents

Organize and store important documents in a safe, easily accessible location. That way, they are readily available in an emergency. Give copies to trusted loved ones or let them know where to find the documents. Typically, the following documents will be most relevant to your finances:

- **Bank and brokerage statements and account information.** Make a list of your accounts with account numbers. Keep a separate list of online bank and brokerage passwords and PINs and keep the lists in a safe place. In addition, make a list of the locations of your safe-deposit boxes, including where the keys to the safe-deposit boxes are located. Also, keep your recent bank and brokerage statements available, as well as information about how to get those statements online if you access them electronically.
- **Mortgage and credit information.** Make a list of your debts and regular payments, with account numbers and names of the financial institutions that issued the loans or credit cards.

The SEC’s Office of Investor Education and Advocacy and the CFPB’s Office for Older Americans are issuing this bulletin to help investors and consumers understand the potential impact of diminished capacity on their ability to make financial decisions and to encourage investors and consumers to plan for possible diminished financial capacity well before it happens.



Contact us

CFPB – Office for Older Americans

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Consumer Financial
Protection Bureau

Thank you!

Thank you for joining us today.

Materials from today's webinar
will be available at
wiserwomen.org.

Learn more at:

wiserwomen.org

consumerfinance.gov

WISER acknowledges the U.S. Administration on Aging for its support of the National Resource Center on Women & Retirement.

