



Most people prefer not to deal with the emotions stirred by budgeting resources and planning for the future, whether for themselves or for their aging parents. Grappling with the inevitability of physical decline and eventual death—and making the necessary arrangements—requires very difficult conversations. Yet addressing these far-horizon planning issues is essential.

This **Elder Care Checklist** outlines 25 actions that anyone 70 or older should take to identify and address their financial risks. Many of these are obvious but often neglected, including designating a medical power of attorney, establishing wealth transfer plans, reviewing beneficiaries and titles, updating wills, and making thoughtful decisions about when to transition to some form of assisted living.

Especially important for older adults are two critical issues that require special attention: fraud risk and cognitive decline.

## **Elder Abuse and Fraud**

With the elderly population growing and seniors racking up more than \$3 billion in losses annually, elder fraud is a growing problem.<sup>1</sup> Seniors who are educated about scams, fraud and exploitation are less likely to be victimized. Page 3 of this checklist (items 11-20) is a list of preventive measures to help minimize the possibility of financial exploitation.

## **Alzheimer's Disease and Diminished Capacity**

Diminished capacity is a mental condition affecting people's ability to understand their own acts or decisions, and it's a hallmark of dementia. Alzheimer's disease is the most common form of dementia, affecting 1 in 9 Americans over age 65. Page 4 of this checklist (items 21-25) lists ways that a trusted individual can intervene to assist someone who is experiencing a cognitive decline.

## **Comprehensive, Holistic Financial Plan**

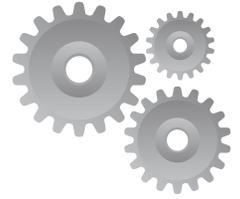
A holistic wealth management and financial plan provides enormous value to multiple generations by suggesting how families should prepare for the needs of older members who face declining health and reduced capacity. Whether you're planning for yourself or your parents, you should have strategies for every item on this checklist, which is organized into three distinct sections:

- Foundational planning (Page 2, items 1- 10)
- Elder abuse and fraud (Page 3, items 11-20)
- Alzheimer's and cognitive decline (Page 4, items 21-25)

This document is designed to be an organizing resource and a companion to our overarching **Financial Uncertainty Preparedness Checklist**.

<sup>1</sup> "Elder Fraud," *Scams and Safety* (FBI, June 15, 2020).

## Foundational Planning



### 1. Financial Planning

- Define all financial goals, including health insurance, long-term care and legacy goals.
- Create a cash management plan to generate the required retirement income stream.

### 2. Guardianship

- Determine and designate medical and financial guardians. While both may be family members, the latter may instead be a trusted adviser or a financial institution.
- Define the triggering events that transfer authority and responsibility to the guardians.

### 3. Communications Protocol

- Create a communications protocol to notify all family members of the designated guardians, their roles and responsibilities, and how often to expect updates.
- Make a list of all professional advisers and establish lines of communication.
- Establish or update authorizations so that the financial guardian has unfettered access to and communication with all professional advisers. The financial guardian should also receive duplicate statements from all financial institutions.

### 4. Health Care

- Review existing health insurance policy and modify as necessary.
- Establish a medical screening and preventive health care plan.
- Create a long-term care plan.

### 5. Legacy and Wealth Transfer Goals

- Define all family and philanthropic gifting goals, including triggers.
- Create a comprehensive wealth transfer plan to protect intergenerational transfers of assets from the impact of taxes, and define triggers.

### 6. Portfolio Review

- Determine how the portfolio should change at different age, wealth and income levels.

### 7. Financial Relationships Review

- Review beneficiaries, including survivorship and wealth transfer strategies, for all bank, brokerage and health savings accounts, pension plans, retirement accounts, ownership/partnership agreements, and children's financial accounts.
- Review all real property titles to see if retitling or a change in survivorship is needed.

### 8. Insurance Review

- Review all beneficiaries for all plans, including defined contribution plans.

### 9. Estate Planning

- Hire an attorney to draft or update your will and other estate planning documents.

### 10. Maintain Files

- Use a digital password aggregator to keep track of log-in information for online accounts, and keep the password with your will.

## Preventive Measures to Minimize Financial Exploitation

Each year, millions of elderly Americans fall victim to financial fraud. Criminals gain their trust and may communicate with them directly (via computer, phone or mail) or indirectly (through TV and radio). Seniors are often targeted because they tend to be trusting and polite. Also, they may be less inclined to report fraud, either because they don't know how or out of shame from having been scammed. They may also worry that their relatives will lose confidence in their abilities to manage their own affairs.



Implement the following preventive measures to help minimize the chance of financial exploitation.

### 11. Financial Information Protection

- Never provide any financial information when someone calls or emails you; instead, only provide information when you initiate the contact. Always speak to a trusted professional adviser if you have questions about the legality of a situation you may have experienced.

### 12. No Wire Transfers

- Never wire money to strangers under any circumstances, regardless of who they claim to be or how urgent the situation seems.

### 13. Account Statements

- Review your financial account statements monthly, and contact your financial institution, credit card issuer, or other provider immediately if you see a discrepancy, unauthorized charges or other issues.

### 14. Credit Report

- Monitor your credit report at least annually.

### 15. Bill Paying

- Consider enlisting a trusted family member or reputable bill-paying service.

### 16. Avoid Joint Accounts

- Avoid setting up joint accounts with anyone outside your immediate family as a method of planning for incapacity or getting help with paying your bills. Both parties are equal owners and have equal access.

### 17. Power of Attorney

- Execute a power of attorney only if you can appoint an agent you trust completely and only after consulting an attorney.

### 18. Real Estate

- Never convey or quitclaim an interest in real estate without consulting an attorney.

### 19. Document Shredder

- Use a document shredder for all discarded paperwork and credit card offers.

### 20. No Lotteries or Contests

- Do not participate in lotteries, sweepstakes or contests of any kind.

## Assistance for Cognitive Decline and Diminished Capacity

There are several ways a trusted individual can intervene to assist someone who is experiencing cognitive decline. Some of the most common interventions are noted here.



### □ 21. Competency Evaluation

- Arrange a functional assessment by a health care professional to pinpoint potential areas of cognitive impairment. If it's determined that impairment exists, obtain additional clinical evaluation and medical attention.

### □ 22. Health Care Proxy

- Create a health care proxy. This is a legal document that appoints an agent to make health care decisions on a person's behalf when that person is incapable of doing so.

### □ 23. Attorney

- Engage an attorney to ensure that the affected individual's advance care directive reflects that person's care choices and preferences, particularly if the individual is no longer able to make decisions due to cognitive decline.

### □ 24. Care Management Team

- Engage a care management team to coordinate all the medical and other care required to maintain the person's day-to-day quality of life. This includes creating a safe environment, promoting social interaction, and enhancing moods and cognitive abilities.

### □ 25. Assisted Living Facility

- Based on the individual's needs and budgetary constraints, determine appropriate assisted living options and implement the selected option.

### Information about Alzheimer's<sup>2</sup>

**5.3 million**

Americans have Alzheimer's

Affects **1 in 9** Americans  
over age 65

Diagnosed among  
**20%** of American adults over age 70  
and **33%** over age 85

**6th** leading cause of death in Americans

Slow, progressive, irreversible course

Symptoms affect learning, behavior and emotions

<sup>2</sup> 2016 Alzheimer's Statistics, [Alzheimers.net](http://Alzheimers.net).