

## People need to proactively plan for financial impact of Alzheimer's

Alzheimer's Association Michigan Chapter offer tips to help families navigate the financial challenges



It's important for caregivers to have financial conversations with their loved ones living with Alzheimer's disease or dementia. Photo courtesy of Alzheimer's Association Michigan Chapter

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PUBLISHED: February 3, 2023 at 6:03 a.m. | UPDATED: February 3, 2023 at 9:44 a.m.

Rebecca Sorensen had no idea her father would be scammed.

But she's a financial planner and after he was diagnosed with Alzheimer's she knew it was



Otherwise the deceitful couple who earned her father's trust and fed him a story about having a sick child who needed help would have conned him out of his life savings rather than the few hundred dollars kept in his account.

"It was really important to us to make sure that my father had dignity," said Sorensen, senior vice president-wealth management for [UBS](#) in Birmingham, referring to the financial plan that was put into place. "He didn't see his disease. We wanted him to live as normally as possible and we did things to ensure he could do that as the disease progressed. He really didn't know that we had put limitations on him."

Those limitations included capping his credit cards and ensuring only \$200 could be drawn from his checking account. This gave him money to spend on his own but also protected him from scammers like the two he encountered.

Her father was very mad when he learned what happened, but very relieved the plan was in place.

"In my profession I see things happen and I know it's very hard to pick up the pieces when you're dealing with the grief of losing someone or health issues like Alzheimer's," said Sorensen, caregiver for her father, who died from Alzheimer's shortly after he was diagnosed.

Her advice for those looking to create their own plan is to ask about everything – every account, every insurance policy, every investment – and make sure someone in the family has access to it. Alzheimer's or not, Soresnen said every individual should have what she calls, "a love letter." This is a letter to loved ones that spells out last wishes, resources, account numbers, insurance information or directions following a death or unforeseen illness.

One in nine Americans age 65 and older are living with Alzheimer's disease," according to the [Alzheimer's Association Michigan Chapter](#), which is encouraging people to proactively plan for the financial fallout of Alzheimer's. "In Michigan, more than 190,000 people are living with Alzheimer's and dementia, and 466,000 are those charged with managing the finances of those afflicted by the disease."

"I think one of the biggest gifts we can give our family is having those conversations in advance," Sorensen said. "Those conversations should include the ability to make (difficult) decisions for somebody."

One of the early signs of a cognitive impairment is an individual's inability to handle their financial affairs. [Peter Lichtenberg, director of the Institute of Gerontology at Wayne State University](#), whose research focuses on the fact that those with Alzheimer's and dementia are likely to experience wealth loss, found one-quarter of participants discovered their parent's cognitive impairment by their finances.

"It's a big red flag and it can be the first way people realize that this isn't normal aging, this is



Though scams and fraud are certainly an issue, the larger impact on finances comes from excessive spending, credit card use without paying bills and not adjusting finances to factors like a spouse's death. Financial experts advise families and caregivers to go over accounts, logging all passwords that might be needed including those dealing with online accounts or subscriptions and memberships, anything that might be related to personal income and expenses. However, while safeguards are important, so are the personal needs of the individual.

"We wanted him to live as normally as possible as his disease progressed," Sorensen said.

So, while he was able to withdraw cash from an account for expenses and other needs there was only so much he could spend.

"What happened to him was unimaginable," she said.

This couple scouted him out and befriended him and eventually won him over.

"Thank goodness I had the financial safeguards in place," Sorenson said.

January is National Financial Wellness Month and in light of that the Alzheimer's Association Michigan Chapter has compiled a list of tips to help individuals and their caregivers navigate the financial challenges they might face.

### **Tips for financial planning include:**

- Plan early — don't wait to have a conversation about how to handle finances in the future. This will benefit both the person with the disease and their caregiver.
- Be positive — start the conversation on a positive note by asking the person with the disease what they might wish to do in the future. Maybe even visit the facility where they might be placed or let them meet a potential caregiver.
- Avoid financial abuse and fraud — by knowing that individuals with dementia and Alzheimer's are at risk of becoming victims and may struggle with making good decisions. Discuss a plan like writing down questions or decisions they might be facing.
- Organize your finances – conduct an inventory of the individuals financial resources including savings, insurance, retirement benefits, government assistance, Veteran benefits, stocks, bonds,. A financial planner or elder care attorney can also assist with steps in the planning process.
- Create a backup plan – designate a trusted agent or individual to serve as the person's power of attorney and consider designating responsibilities to more than one person.

*To help families further the Alzheimer's Association Michigan Chapter has also launched a free*



For more information visit [alz.org/gmc](http://alz.org/gmc).



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