

Insight on the Issues

Family Financial Caregiving: Rewards, Stresses, and Responsibilities

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INTRODUCTION

Support from family and friends is essential for many older individuals, especially those with a chronic, disabling, or serious health condition. About 40 million people served as unpaid family caregivers for adult family members or friends in 2014.¹ Those caregivers perform a variety of tasks including assistance with activities of daily living such as bathing, dressing, and feeding. Caregivers of adults also help with instrumental activities of daily living including transportation, grocery shopping, housework, meal preparation, and managing finances. In addition, family caregivers are increasingly performing complex medical and nursing tasks.² As of 2014, 57 percent of family caregivers assisted with complex medical and nursing tasks.³

Family caregiving has been the focus of much research in recent decades as growth in America's aging population has spurred a national dialogue about how to support family caregivers and how best to deliver services to those in need. Family caregivers—often the unsung heroes of the U.S. health care and long-term services and supports systems—provided an estimated economic value of \$470 billion of unpaid care in 2013.⁴ This report examines an often overlooked, but vital, aspect of family caregiving: performing financial management tasks. As of 2014, approximately

54 percent of family caregivers—18.5 million people—were helping care recipients ages 50 and older manage their finances.⁵ We refer to these people as family financial caregivers.

This study looks at the experiences of a group of unpaid family financial caregivers to examine the challenges they face in assisting with financial management. This initial investigation will provide insight into problem areas and will help inform where future research is needed. Although the results of this study are not necessarily reflective of the prevalence or perceptions of financial caregivers in the overall U.S. population, they provide a deeper understanding of the role of financial caregivers.

The responsibilities of family financial caregivers can vary considerably and often change and grow over time as care recipients age. Sometimes, a caregiver performs tasks such as helping to pay bills, organizing paperwork, taking the care recipient to the bank, or offering advice. In those cases the older relative or friend is still making his or her own decisions. In other circumstances, the caregiver is actually making the financial decisions, perhaps through the use of a legal authorization such as a power of attorney, because the care recipient is not able to make financial decisions alone.

Financial caregivers are well positioned to protect those they care for from fraud and financial



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exploitation. They are often the first line of defense against fraudulent activity. Financial caregivers are often also the first to recognize that the care recipient is having difficulty with finances and paying bills, which may be one of the early signs of cognitive impairment and dementia.⁶ Those conditions can make a person particularly vulnerable to fraud and scams, as well as financial exploitation.

WHO ARE THE FAMILY FINANCIAL CAREGIVERS?

For purposes of this report, “family financial caregivers” refers to relatives, partners, friends, or neighbors who provide unpaid financial management assistance to a person age 50 or older, even if they do not perform other caregiving tasks. Almost half the survey respondents (46 percent) performed only financial caregiving tasks and did not help the care recipient with other caregiving needs.⁷ Less than half (45 percent) of respondents said that they were still performing financial

“It sort of developed. My father was developing Alzheimer’s and he had been handling finances and everything. We saw more confusion on his part, so my mother automatically asked me to take her checking account over, and then gradually we all realized maybe we should do it all.”

–Daughter managing the finances of her 86-year-old mother

caregiving tasks at the time of the survey. The remainder had provided financial caregiving within the past 12 months. Most financial caregivers in the survey provided care for only one person (78 percent), with 19 percent caring for two individuals. Sociodemographic data for the survey respondents can be found in the appendix.

Methodology

This report is based on an online survey of 1,000 financial caregivers over age 18 who provided unpaid financial management assistance to recipients who were 50 years of age or older. The sample was randomly drawn from a nonprobability panel. Members of the online panel were not randomly selected, but rather consist of self-selected participants who chose to be part of the panel. This sampling method is also known as “opt-in.”⁸ Because of the opt-in nature of the panel, this report is not designed to measure the prevalence of financial caregiver practices or financial caregivers’ perceptions in the U.S. population as a whole. Rather, its purpose is to develop a deeper understanding of financial caregivers’ role in caring for older persons, and the challenges and rewards they face providing that help.

Financial caregivers are defined in this report as those who provided unpaid help managing finances for a family member or friend at any point in the past 12 months. The survey’s first screening question asked whether the interviewee provided any kind of unpaid caregiving help to a friend or relative age 50 or older in the past 12 months. Another screening question asked whether the respondent had performed various financial tasks, including paying bills, helping with banking, reviewing bank or investment statements, and giving various types of advice, among other things. Those who performed at least one financial task qualified for the survey.

The data collection was conducted in two phases. The first phase, the online survey, was fielded by Woelfel Research from December 12, 2013, through December 17, 2013. The 30-minute survey was conducted in English and Spanish using a nonprobability opt-in panel from Research Now®.

The second phase of the data collection was a follow-up in-depth interview with 50 randomly selected survey participants. The in-depth interviews were conducted via telephone by Woelfel Research, Inc. in January 2014. The main purpose of the follow-up interviews was to collect additional insights from participants about the financial caregiving concepts explored in the survey.

Time Spent Providing Financial Caregiving

Many family financial caregivers in the survey had provided care over several years. Over a quarter of all respondents (28 percent) had provided assistance for five years or more and another 38 percent had done so for one to four years. About one-third (34 percent) had provided care for less than a year. Among current caregivers, about three-fourths (72 percent) expected to continue to provide help for an additional five or more years.

Most financial caregivers in the survey (82 percent) spent two hours or less a week helping their friend or relative manage financial tasks; 14 percent spent three to five hours and only 4 percent spent more than six hours.

Financial caregivers in this survey spent, on average, less time helping the care recipient with financial management tasks than they spent performing other caregiving duties. Among the 54 percent of respondents who performed financial as well as other caregiving duties, only 24 percent spent three hours or more a week on financial caregiving tasks compared with 54 percent who spent three hours or more a week on other caregiving responsibilities.

Sharing Financial Caregiving Responsibilities

Twenty-eight percent of caregivers shared financial management tasks with someone else. In most of the cases (74 percent), the person who also helped the care recipient lived with, or close to, the person receiving the assistance.

About 85 percent of caregivers who shared financial management tasks said they kept the other financial caregiver informed of their actions and the recipient's financial situation. The most frequently cited method for doing so was by phone (59 percent). However, they also communicated in person (41 percent) and by email (23 percent) and text (9 percent). Almost one in four respondents (23 percent) were not sure whether someone else was also providing financial management assistance.

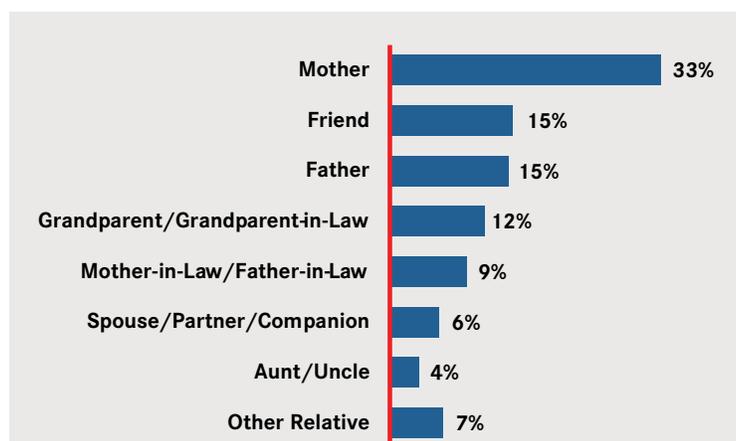
WHO ARE THE CARE RECIPIENTS?

Financial caregivers primarily help their relatives, with 85 percent of the care given to members of their families—most often parents—and 15 percent to friends (figure 1). Only 6 percent of financial caregivers identified their spouse as the care recipient. Many people may not view financial management for their spouse or partner as financial caregiving because their own finances may have long been intertwined.

Twenty-two percent of care recipients were ages 75 to 84 and 21 percent were ages 85 or older. The average age of care recipients was 72.4 years old.⁹

According to the financial caregivers surveyed, most of their older relatives and friends needing financial management assistance lived in their own home (70 percent), while 18 percent lived with the caregiver. Survey respondents reported that 10 percent of people they cared for lived in an assisted living facility, nursing home, or long-term care facility (figure 2). Fifty-seven percent of financial caregivers who did not live in the same home as the care recipient lived only a few minutes

FIGURE 1
Relationship of Individuals for Whom Care Is Provided



Base: All respondents (n = 1,000).

Q3: Thinking about this relative/friend that you [have/had] been helping with financial management for the longest time, please tell us this person's relationship to you. (Select only one.)

Source: AARP Public Policy Institute study of financial caregivers.

away while about a quarter (23 percent) lived one to three hours away. Another 16 percent said they lived more than three hours away, and 2 percent of respondents said the care recipient lived outside the United States.

BECOMING A FINANCIAL CAREGIVER

The process of becoming a financial caregiver can be abrupt (e.g., because of the onset of a major medical condition). Alternatively, the process may occur gradually, with caregivers taking over more financial management tasks over time. Some financial caregivers may feel they have no choice but to assume financial management responsibilities. That was the case for nearly four out of ten (38 percent) survey respondents. Almost half (49 percent) said that the care recipient had asked for their help.

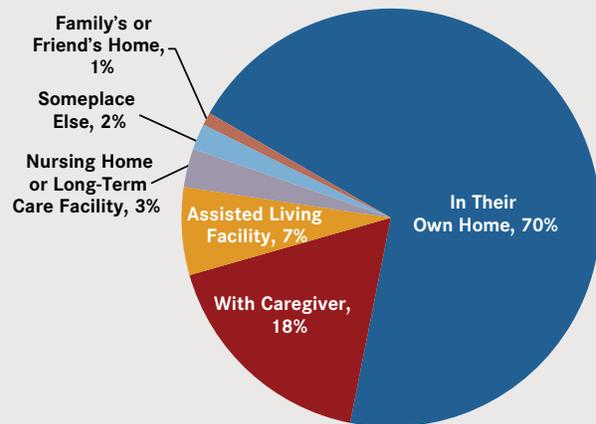
The reasons respondents said the care recipient needed help with financial management varied, but the most common response, by 39 percent of respondents, was that the person did not know enough about the subject. Twenty-one percent said that the care recipient had started having trouble paying bills or handling other financial matters. Others cited health conditions as contributing to the person's need for assistance, including physical limitations (18 percent), cognitive issues (16 percent), frailty (15 percent), major medical conditions (15 percent), recent surgery (13 percent), and mental illness (8 percent). Four percent of respondents said they began helping the care recipient because of fraud, and 2 percent said that they had done so because a bank or financial advisor said that the person appeared to need help.

When asked what the main problem or illness was that caused the care recipient to need help

"[It is] more complicated dealing with her, because...[she] can't really problem solve things as well she did before. She's still got good cognitive skills, [but] she doesn't make good judgments."

—Daughter caring for her 92-year-old mother

FIGURE 2
Where Care Recipient Lives



Base: All respondents (n = 1,000).

Q4: [Does/Did] the relative/friend you help live with you, in their own home, or someplace else? (Select only one: In the same place where you live, In their own home [with Caregiver], In an assisted living facility, In a nursing home or long-term care facility, Someplace else.)

Source: AARP Public Policy Institute study of financial caregivers.

with financial management, respondents cited health-related reasons more often than other causes: 31 percent said health, 8 percent said cognitive issues, and 10 percent said age. Twenty-four percent of the caregivers cited the person's lack of knowledge or confidence regarding the financial matter. Technology issues (5 percent), poor financial planning/loss of income (4 percent), language problems (3 percent), or death or divorce of the spouse who handled finances (3 percent) were also mentioned.

PROVIDING HELP WITH FINANCIAL MANAGEMENT

Financial caregivers assisted with a variety of tasks, some routine, like helping with banking and paying bills, and others that are more complicated and episodic. Table 1 shows the percentage of respondents doing "everyday tasks," while table 2 shows the percentage performing "major" financial management tasks.

The most common "everyday tasks" performed by financial caregivers include banking-related

TABLE 1
Everyday Financial Tasks

Everyday Financial Tasks		Percent Performing the Task
Banking/ Paying Bills	Getting or managing cash for the person	59
	General banking in person	57
	Depositing checks	57
	General banking primarily through the ATM or online	52
	Paying bills using online bill paying	49
	Writing checks to pay bills	54
	Setting up online bill paying and/or automatic deposits	47
	Paying bills in person	43
Reviewing Statements	Reviewing bank and investment statements	63
	Reviewing credit card or other financial statements	58
	Monitoring and checking up on credit card/bank card purchase	52
Other	Completing insurance (life, health, car, homeowners, etc.) forms	47
	Giving gifts or charitable donations on behalf of care recipient	32
	Sending remittances or dealing with foreign exchange transactions	16

Base: All respondents (n = 1,000).

Q11: Please consider your experiences helping with day-to-day kinds of financial management tasks for your friend/relative. How easy or difficult [has it been/was it] to provide the following kinds of help for your relative/friend? (If you [have not/did not] [provide/provided] this type of assistance, select "Have not done.")

Source: AARP Public Policy Institute study of financial caregivers.

tasks and paying bills (84 percent of respondents performed at least one of the task shown in the top panel of table 1). This was followed by reviewing bank, credit card, and other financial statements (72 percent of respondents performed at least one of the tasks shown in the second panel of table 1).

Among "major tasks," 64 percent of respondents kept track of financial and legal documents (at least one of the tasks shown in the second panel of table 2) and 56 percent reviewed, explained, gave advice, or made decisions on health insurance coverage. About one-third or more of caregivers gave advice and made decisions about investing and saving (40 percent), non-health-related insurance (38 percent), and retirement accounts (32 percent), and filed or prepared taxes (39 percent).

WAS FINANCIAL CAREGIVING EASY OR DIFFICULT?

Virtually all financial caregivers surveyed (97 percent) said they were either very confident (66 percent) or somewhat confident (31 percent) in their ability to provide financial management assistance. Almost nine out of ten respondents also said that that financial caregiving *overall* was either very easy (42 percent) or somewhat easy (45 percent) (figure 3).

The most commonly cited reasons respondents characterized financial caregiving as easy were that the financial tasks they performed were easy (39 percent) or they had performed these tasks for themselves (18 percent). A small percentage said it was easy because the recipient trusted them/ was open to help (6 percent) or everything was in order (5 percent).

TABLE 2
Major Financial Tasks

Major Financial Tasks		Percent Performing the Task
Insurance	Reviewing and explaining health insurance coverage including Medicare/Medicaid	51
	Giving advice or making decisions about health insurance coverage including Medicare/Medicaid	48
	Giving advice or making decisions about other insurance such as homeowners and life insurance	38
Document Management	Keeping track of all his/her financial documents	58
	Keeping track of all of his/her legal documents	52
Saving, Investing, Retirement Advice	Giving advice or making decisions about saving or investing, such as selling or purchasing investments	39
	Giving advice or making decisions about retirement accounts (such as a 401k or IRA), including when to withdraw money, roll over the account, types of investment choices	32
Other	Setting up financial accounts like a checking or savings account	39
	Filing taxes or having taxes prepared	39
	Conducting major financial transactions like buying/selling a car or home	24
	Meeting with his/her financial planner or other financial professional	23
	Helping with problems related to foreclosure or threatened foreclosure of their home	12

Base: All respondents (n = 1,000).

Q11a: Now let's focus on your experiences helping with major financial decision making. How easy or difficult [has it been/ was it] to provide the following types of help for your relative/friend? (If you [have not/did not] [provide/provided] this type of assistance, select "Have not done.")

Source: AARP Public Policy Institute study of financial caregivers.

Approximately 13 percent of respondents characterized financial caregiving overall as difficult or very difficult. Slightly over one-third of those caregivers reported having difficulties with the care recipient. These included finding the person hard to deal with or not wanting help (18 percent) or having difficulty communicating or getting them to understand (17 percent) (figure 4). One in five respondents said the problems were complex or they did not have enough information.

Some Tasks Were Difficult, Particularly Those Involving Health Insurance and Foreclosures

Survey respondents were asked to characterize each task they performed as easy or difficult.

Figure 5 shows the percentage of respondents who said that the task was difficult or very difficult among those who performed it. The task that had the highest percentage of respondents saying it

"As he re-acquires more abilities, he thinks that he can do everything so it becomes difficult... he thinks he can handle more than he actually can."

—Man describing the situation as his father recovered from a stroke

was difficult was helping with problems related to foreclosure (35 percent).

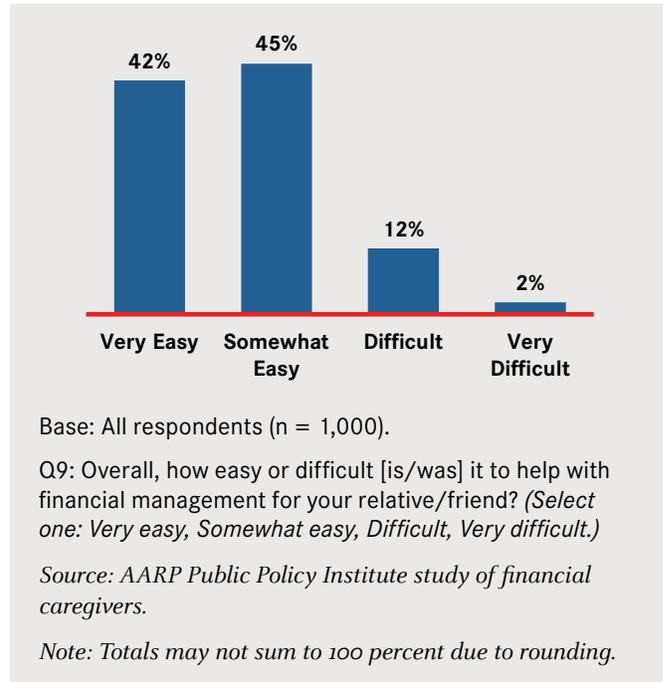
The most difficult tasks affecting the highest number of respondents involved dealing with health insurance, including Medicare and Medicaid. Roughly half of respondents performed those tasks. Among those doing so, 32 percent said reviewing or explaining health insurance was difficult or very difficult, as did 28 percent of those giving advice or making decisions about the insurance.

When asked what would make the difficult task of dealing with health insurance (like Medicare and Medicaid) easier, some financial caregivers mentioned more information, better understanding, and simpler and easier to understand language. They also said they would appreciate the ability to obtain advice from or consult with someone.

Over 20 percent of respondents had difficulty keeping track of financial or legal documents and had difficulty filing taxes. Roughly one in four also found giving advice and making decisions about retirement accounts (24 percent) and providing advice and making decisions on saving and investing (22 percent) difficult.

About one-third of all respondents agreed that financial caregiving would be easier with reliable advice on how to manage the care recipient's

FIGURE 3
Overall Ease of Financial Caregiving



money (35 percent) or someone to help them manage the care recipient's money (31 percent).

Problems Faced by Family Financial Caregivers

A little more than half of respondents (53 percent) identified at least one problem they had

FIGURE 4
Reasons Caregiving Was Difficult

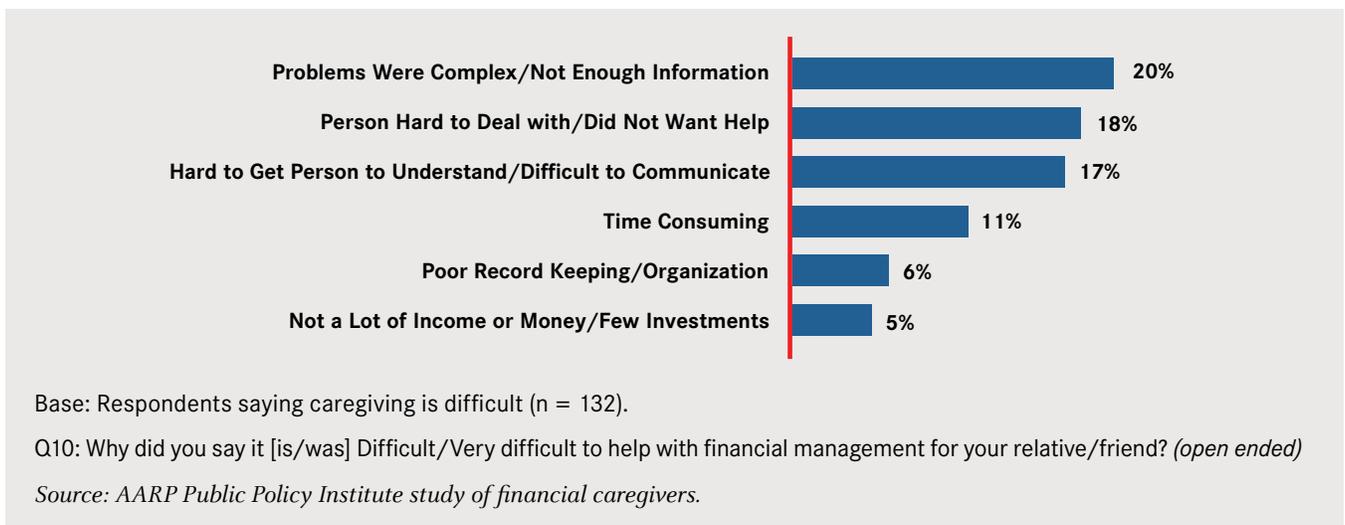
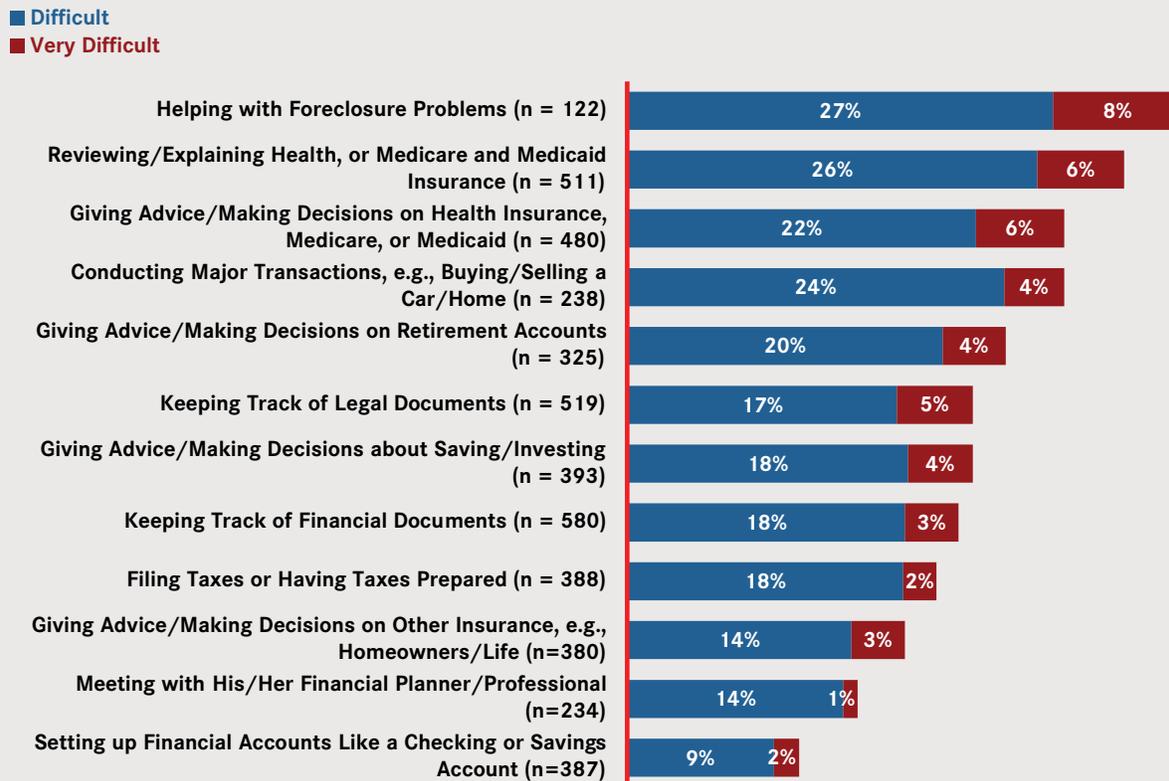


FIGURE 5
Difficulty of Performing Tasks



Base: Varies. Respondents performing the task.

Q11a: Now let's focus on your experiences with major financial decision making. How easy or difficult [has it been/was it] to provide the following types of help for your relative/friend? (Select one: Very easy, Somewhat easy, Difficult, Very difficult, Have not done. If you [have not/did not] [provide/provided] this type of assistance, select "Have not done.")

Source: AARP Public Policy Institute study of financial caregivers.

encountered while providing financial caregiving. The most frequently cited problems were fear of making mistakes with the person's money (22 percent), inability to find financial documents (18 percent), and not having enough time (16 percent) (figure 6).

Respondents also mentioned problems involving the care recipient, including resistance to their help, failure to obtain the necessary information from the person, the person's inability to communicate how he or she wants the caregiver to handle their finances, or their inability to give the required authorization to handle finances because of

cognitive decline. Some caregivers also stated that the financial caregiving process caused conflicts with other family members or friends.

Family Financial Caregivers Seeking Help

About three out of four respondents (76 percent) had sought help or information on financial caregiving at some point. When financial caregivers looked for help or information, half of them turned to family and friends and 39 percent used the Internet (figure 7). About 22 percent had consulted a bank or credit union, either the financial caregiver's own bank or credit union or where the care

FIGURE 6
Problems Associated with Financial Caregiving



Base: All respondents (n = 1,000).

Q22: What problems have you encountered in managing the person's financial tasks? (Select one: Yes/No/Have not tried.)

Source: AARP Public Policy Institute study of financial caregivers.

recipient had an account. Twenty-four percent had not reached out for any help or information.

All respondents were also asked how often, in the past year, they reached out to an individual or organization to find information to help them manage the care recipient's finances. Forty-two percent of all respondents had not reached out and 34 percent had done so only rarely. Meanwhile, about one in four had reached out often (4 percent) or sometimes (19 percent) in the past year.

The need for help and the amount of help needed differs based on the difficulty of the financial caregiving provided: 40 percent of respondents who said that financial caregiving overall was difficult had reached out for information often (8 percent) or sometimes (32 percent) in the past year; nearly double the percentage who had said financial caregiving overall was easy.

Financial Caregiving Can Be Rewarding and Stressful

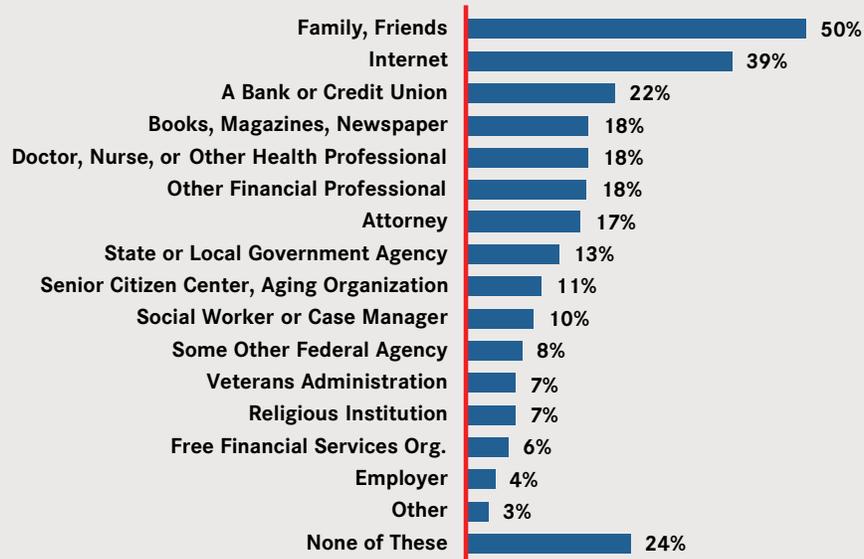
As shown in figure 8, many caregivers in the survey said that financial caregiving was rewarding.

Eighty-four percent agreed with the statement that they felt they were making an important contribution that improved the quality of life for their relative or friend. Sixty-nine percent said that the financial caregiving enabled them to worry less about the person's financial well-being. Interestingly, almost three-quarters of them agreed that the experience had made them aware of things they need to do to get their own finances in order.

Many respondents also identified secondary benefits to financial caregiving: two-thirds agreed that the financial caregiving process had opened up lines of communication and made them feel closer to the person for whom they were caring. While respondents felt positive about many aspects of financial caregiving, they were evenly divided (50 percent) over whether it had positively affected their overall quality of life (7 percent strongly agreed and 11 percent strongly disagreed that it had positively affected their quality of life).

In general, a higher percentage of respondents identified rewards to financial caregiving than stresses. Nonetheless, 36 percent of all respondents

FIGURE 7
Financial Information Sources Consulted



Base: All respondents (n = 1,000).

Q15: Did you look to any of the following for help or information about some aspect of helping take care of your relative's/ friend's finances? (Check all that apply.)

Source: AARP Public Policy Institute study of financial caregivers.

FIGURE 8
Rewards of Being a Financial Caregiver



Base: All respondents (n = 1,000).

Q25: How much do you agree or disagree with the following statements? (Select one: Strongly agree, Agree, Disagree, Strongly disagree?) Helping my relative/friend with his/her finances...

Source: AARP Public Policy Institute study of financial caregivers.

said that helping with their relative’s or friend’s finances was emotionally stressful and 33 percent found it more difficult than they thought it would be (figure 9). Not surprisingly, respondents who said that financial caregiving overall was difficult were much more likely to agree or strongly agree that it has been emotionally stressful (67 percent) and more difficult than they thought it would be (76 percent). Nonetheless, even among respondents who said that financial caregiving overall was easy or somewhat easy, 27 percent agreed that it was emotionally stressful.

Some financial caregivers experienced strains in their relationships. This occurred not only with the care recipient, but also with relatives and friends, and even with their own partner and children. One in ten also said the financial caregiving had caused personal financial hardship.

FRAUD AND FINANCIAL EXPLOITATION

One in ten survey respondents said their care recipient had been a victim of fraud at some point, while 18 percent of respondents said they did not know or were not sure if the care recipient had ever been defrauded. The most frequently cited reason for losing the money was that the care

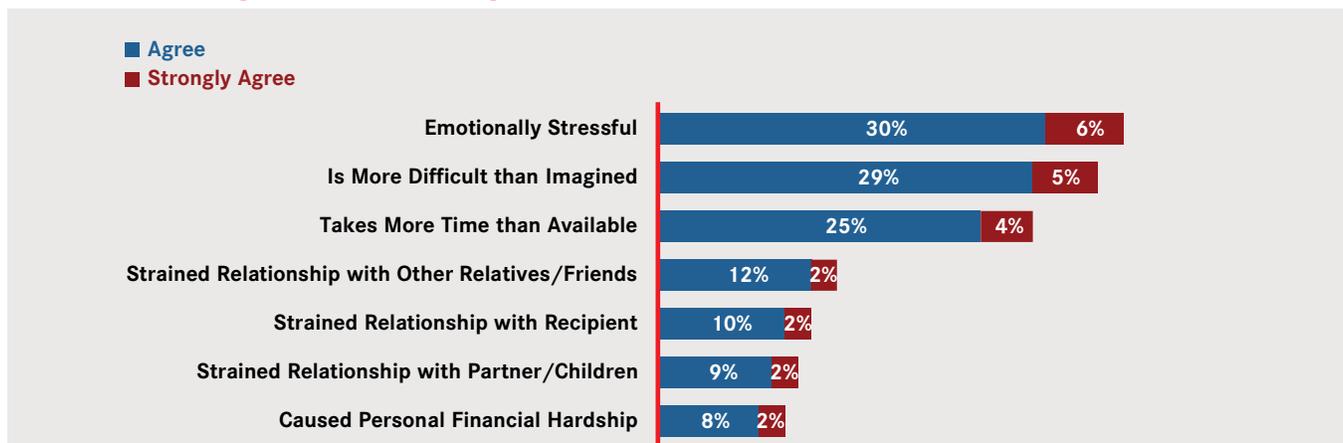
recipient had been misled, defrauded, or financially exploited (62 percent) (figure 10).

The most often cited reasons the financial caregivers gave for the loss were that someone had borrowed money that was never returned (39 percent) or the person was persuaded to buy something he or she could not afford (36 percent). In 59 percent of the known cases, the loss was under \$5,000, although about 7 percent of the victims were reported to have lost over \$100,000.

When asked who misled, defrauded, or financially exploited the friend or relative, more than half of financial caregivers identified the perpetrator as a stranger who approached the care recipient by phone, mail, or Internet (41 percent) or in person (15 percent). Twelve percent of respondents said the perpetrator was a repair person or home improvement worker. Twenty-two percent cited a family member. The caregivers also cited other individuals trusted by the care recipient such as friends and neighbors (15 percent) or financial professionals (13 percent). About 22 percent of respondents selected more than one category.

When the financial caregivers found out about the fraud, the most common actions they took were to

FIGURE 9
Stresses of Being a Financial Caregiver

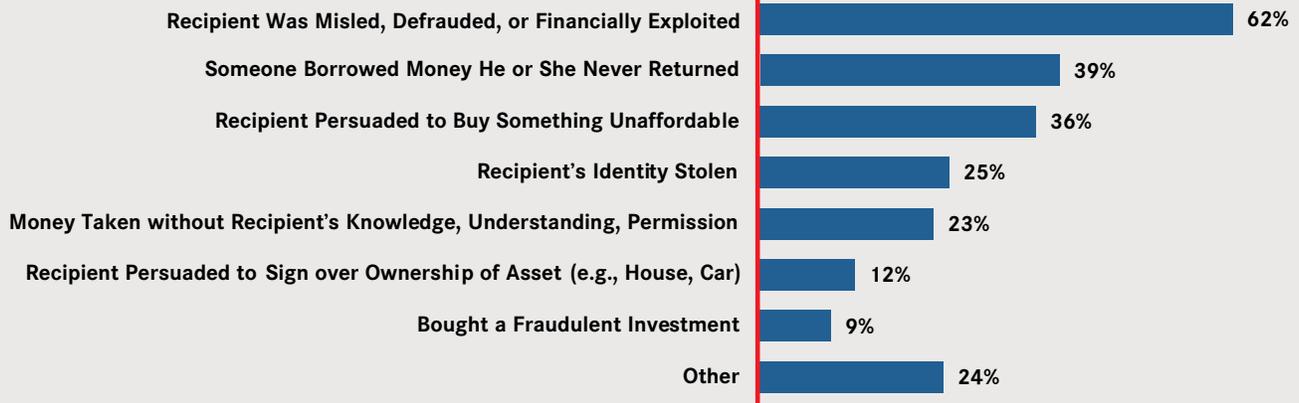


Base: All respondents (n = 1,000).

Q25: How much do you agree or disagree with the following statements? (Select one: Strongly agree, Agree, Disagree, Strongly disagree.) Helping my relative/friend with his/her finances...

Source: AARP Public Policy Institute study of financial caregivers.

FIGURE 10
Reasons for Loss



Base: Respondents reporting fraud (n = 97).

Q20a: Which of the following describes the reason(s) for his/her loss? (Check all that apply.)

Source: AARP Public Policy Institute study of financial caregivers.

educate the person to avoid fraud (48 percent) and to report the fraud to the authorities (44 percent). Twenty-three percent of survey respondents said that they had worked with a bank to set up a system to monitor accounts after the care recipient became a victim of fraud. Ten percent of the caregivers did not know what to do. Only 3 percent said they established a guardianship or conservatorship for the person. Twenty percent of financial caregivers took other actions.

BILL PAYING, LEGAL AUTHORITY, AND BANKING

Paying Care Recipient's Bills

Most financial caregivers in the survey (71 percent) helped the care recipient pay bills either online, in person, or by writing checks. This task is critical to the care recipient's well-being: it keeps the electricity on, keeps rent or mortgage payments current, and helps care recipients stay connected to phone, cable, or Internet services.

In some cases, the financial caregiver might only be assisting the care recipient with the task of paying bills. In other cases, the caregiver might be doing this task without the care recipient's direction, perhaps because the care recipient is not able to

provide any direction. When this is the case, the caregiver should have legal authorization.

Almost half of all financial caregivers surveyed (49 percent) had no legal authorization to allow them to handle transactions in the care recipient's bank account or discuss finances with the bank (figure 11). Others had authorization that would allow them to make decisions about all the care recipient's finances including the bank account, such as a general power of attorney (24 percent), a revocable living trust (13 percent), or a guardianship (5 percent). Others had authorization specifically limited to that bank or bank account such as a bank power of attorney (16 percent), consent to discuss the account with the bank (37 percent), or a joint bank account (26 percent).

Some financial caregivers surveyed may not have had the proper legal authority to perform bill-paying tasks. Twenty-seven percent of respondents wrote and signed checks themselves or paid bills online without the care recipient's direction. We do not know with certainty whether all those respondents needed legal authority to pay bills in

that way. Nonetheless, 27 percent of those respondents did not identify any legal authority to allow them to do so (such as a joint bank account, power of attorney, living trust, or guardianship).

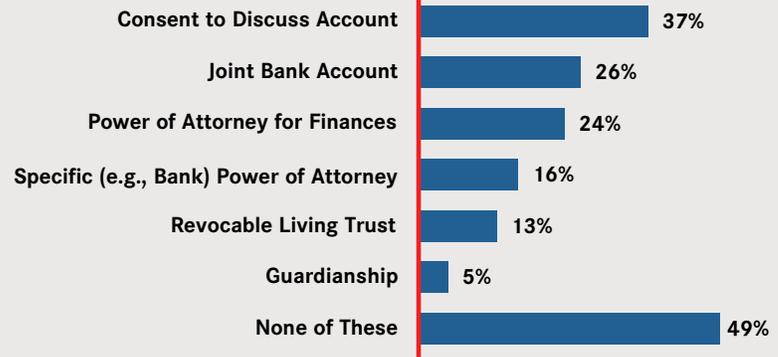
Joint Bank Accounts

Among respondents who had set up a joint bank account, nearly three out of four (72 percent) said they did so to make it easy to carry out the person’s banking tasks, while 45 percent said they did so to make it easier to transfer money and pay bills if the person died. A joint bank account may make some tasks easier to perform, but it could also create unintended liabilities for both account holders, each of whom has full rights to the money regardless of the actual owner. Other reasons cited by respondents for setting up a joint account are shown in figure 12.

Some Care Recipients Need to Execute Important Legal Documents

When financial caregivers were asked whether the person had executed important financial or health planning documents or written a will, about one-quarter of the respondents were not sure whether

FIGURE 11
Legal Authorizations



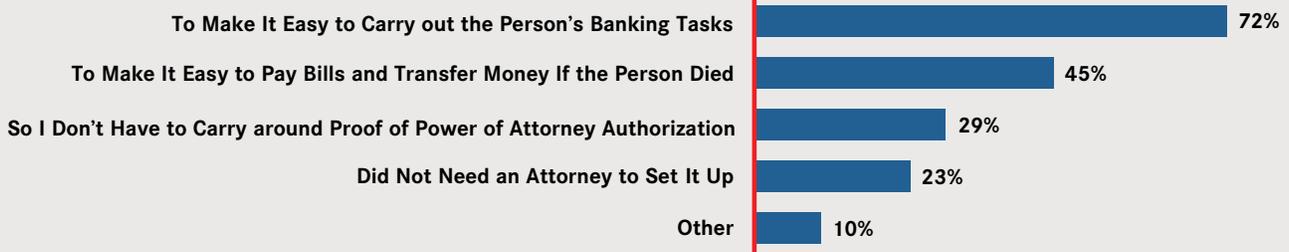
Base: All respondents (n = 1,000).

Q18: [Do you/Did you] have any of the following with or for the relative/ friend you [help/helped] with financial management? (Select all that apply.)

Source: AARP Public Policy Institute study of financial caregivers.

the care recipient had executed these documents. Respondents said 45 percent of the individuals they cared for had written a formal will, and 38 percent had executed a health care power of attorney or written a living will. About a third had executed a power of attorney for finances, 22 percent had conducted estate planning or met with a financial planner, and 17 percent set up a living trust.

FIGURE 12
Reasons for Choosing a Joint Account



Base: Respondents with a joint account (n = 264).

Q18A: Why [do/did] you have a joint account? (Select all that apply.)

Source: AARP Public Policy Institute study of financial caregivers.

According to the financial caregivers surveyed, 36 percent of care recipients had not made any arrangements for someone to make financial decisions for them if they could not communicate or make decisions for themselves (either through a power of attorney or a living trust). Another 27 percent of financial caregivers were not sure if their care recipient had made such arrangements.

Bank Services Can Help Family Financial Caregivers

When respondents were asked about bank products and services that might be helpful to financial caregivers, more than 50 percent of respondents identified three that they thought would be helpful to them (figure 13).

Some of these services are designed to give financial caregivers a mechanism to oversee expenditures while preserving the care recipients’ autonomy and control over their money or to otherwise limit possible losses from fraud and financial exploitation. Sixty-four percent of financial caregivers surveyed thought that banks encouraging their clients to

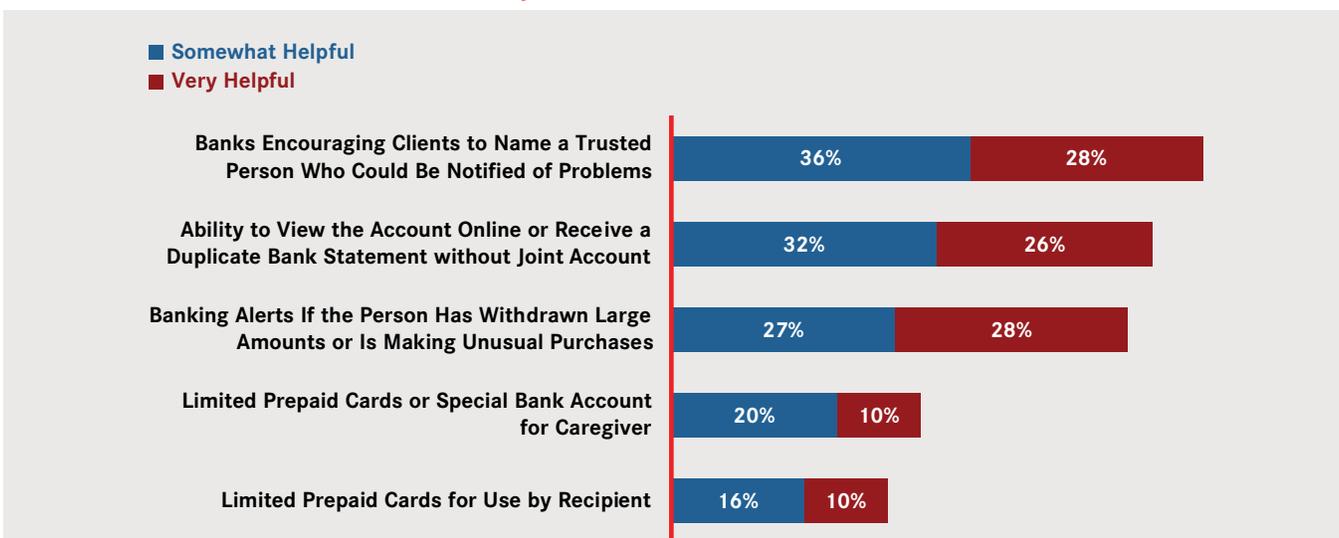
name a trusted person who could be notified if there were problems would be a helpful service. Fifty-eight percent of respondents thought that the ability to view an account online or receive a statement without having a joint account would be helpful. In fact, 14 percent of the survey respondents said they had already set up such a monitoring service. Over half (55 percent) thought it would be helpful to receive alerts if the person they were caring for was withdrawing large amounts of money or making unusual purchases. Twelve percent of survey respondents had already made use of such an electronic alert system to detect possible fraudulent activity.

A little more than one-quarter of respondents said that prepaid cards for use by either the financial caregiver (30 percent) or by the care recipient (26 percent) would be helpful.

CONCLUSION

Family financial caregivers play an important role in supporting financial security for an aging population. The results of this survey indicate that

FIGURE 13
Bank Services or Products Rated Helpful



Base: All respondents (n = 1,000).

Q29: How helpful would the following services, assistance, or products be to you as you try to provide financial management assistance to your relative/friend? (Select one: Very helpful, Somewhat helpful, Not too helpful, Not at all helpful.)

Source: AARP Public Policy Institute study of financial caregivers.

some caregivers had difficulty completing certain tasks and could benefit from further access to education, tools, and other materials to help them manage the finances of their family member or friend.

Financial caregivers may not be aware of when they may need legal authorization to act on behalf of the care recipient. Educational materials targeting caregivers should include information about types of legal authorizations, when they are needed, and the responsibilities of financial caregivers who have these authorizations.

Another important aspect of financial caregiving includes awareness of fraud, scams, and financial exploitation. Financial caregivers are uniquely positioned to observe the financial activities of the care recipient. Knowledge about fraud and financial exploitation can help prevent losses and ensure that the financial resources of the care recipient are protected.

Navigating the health insurance system was found to be a challenge for many family financial caregivers surveyed. Although there are many resources available on Medicare and Medicaid, information about navigating private health insurance is more difficult to obtain. Caregivers would benefit from better procedures specifically designed to assist them when handling insurance paperwork on behalf of someone else.

Further research is needed to understand more about the financial caregiving burden and how it changes over time. Future research should look at how the responsibilities of financial caregivers change as the care recipient ages or their health deteriorates. Better tools should be developed to assist financial caregivers with adapting to their role as it evolves with the passage of time.

APPENDIX

TABLE A
Characteristics of Survey Respondents

Characteristics		All Respondents N = 1,000 (Percent)
Gender	Male	35
	Female	65
Age	18 to 34	26
	35 to 49	30
	50 to 64	29
	65+	14
	Mean Age	47
	Median Age	46
Race	Caucasian	84
	Hispanic	3
	Black	4
	Asian	8
Marital Status	Single	25
	Married/living with partner	61
	Separated, divorced, or widowed	14
Education	0-12th grade, but with no diploma	1
	High school graduate or equivalent	9
	Post-high school education—two-year college degree	30
	Four-year college degree—postgrad work	36
	Graduate or professional degree	24
Work Status	Self-employed	9
	Employed, part time	11
	Employed, full time	47
	Retired, not working at all	18
	Not working/don't know	15
Household Income	Less than \$15,000	5
	\$15,000 to less than \$30,000	13
	\$30,000 to less than \$50,000	19
	\$50,000 to less than \$75,000	22
	\$75,000 to less than \$100,000	16
	\$100,000 or more	24

Source: AARP Public Policy Institute study of financial caregivers.

- 1 About 34.2 million care recipients were ages 50 and older. National Alliance for Caregiving (NAC) and AARP Public Policy Institute, *Caregiving in the U.S. 2015* (Bethesda, MD: NAC; Washington, DC: AARP) June 2015.
- 2 Susan C. Reinhard, C. Levine, and S. Samis, "Home Alone: Family Caregivers Providing Complex Chronic Care," AARP Public Policy Institute and United Hospital Fund (Washington, DC: AARP; New York: United Hospital Fund) October 2012.
- 3 NAC and AARP Public Policy Institute, *Caregiving*, 43.
- 4 Susan C. Reinhard, Lynn Friss Feinberg, Rita Choula, and Ari Houser, "Valuing the Invaluable: 2015 Update," AARP Public Policy Institute (Washington, DC: AARP) July 2015.
- 5 NAC and AARP Public Policy Institute, *Caregivers of Older Adults: A Focused Look at Those Caring for Someone Age 50+* (Bethesda, MD: NAC; Washington, DC: AARP) June 2015. Accessed at: http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Care-Recipients-Over-50_WEB.pdf.
- 6 Kristen L. Triebel and Daniel C. Marson, "The Warning Signs of Diminished Financial Capacity in Older Adults," American Society of Aging, *Generations* (Summer 2012).
- 7 Some caregivers may have specialized in financial management duties while other relatives or friends helped with other caregiving tasks. Alternatively, some recipients of care may have needed help only with financial management tasks, been in a long-term care facility, or mainly needed assistance because of language or technological issues.
- 8 Respondents for this survey were selected from those who have registered to participate in Research Now® online surveys. The data have not been weighted to reflect the demographic composition of financial caregivers in the U.S. and therefore it is not representative of that U.S. population. Because the sample is based on those who initially self-selected for participation in the survey, rather than a probability sample, no estimates of sampling error can be calculated. All surveys that rely on samples may be subject to multiple sources of error, including but not limited to sampling error, coverage error, and measurement error.
- 9 For caregivers providing care to more than one person, these figures reflect the age of the care recipient who had been helped for the longest time.

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