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Managing Money Problems for People With Dementia

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People with [Alzheimer's disease or a related dementia](#) often have problems managing their money. Research shows that money problems may be one of the first noticeable signs of the disease.

Early on, a person with dementia may be able to perform basic tasks, such as paying bills, but they are likely to have problems with more complicated tasks, such as balancing a bank account. As the disease gets worse, the person may try to hide financial problems to protect their independence. Or the person may not realize that they are losing the ability to handle money matters.

Signs of money problems

Look for signs of money problems such as trouble counting change, paying for a purchase, calculating a tip, balancing a checkbook, or understanding a bank statement. The person may be afraid or worried when they talk about money. You may also find:

- Unopened and unpaid bills
- Lots of new purchases on a credit card bill
- Unexpected new merchandise in the home
- Money missing from the person's bank account

A family member or legal representative should check bank statements and other financial records each month to see how the person with dementia is doing and step in if there are serious concerns. This can protect the person from becoming a victim of [financial abuse or fraud](#).



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Take steps early

Understandably, many older adults will resist allowing someone else to take over their financial affairs. To provide support while also respecting the person's independence, a family member or trusted friend can do several things to help the person with dementia:

- **Start a conversation about the importance of a monthly budget.** Help the person develop a spending plan on paper. If the person is comfortable with computers or a smartphone, share information about secure online budgeting tools, many of which are free.
- **Set up automated bill payments.** Arrange for utilities, mortgage, rent, and other expenses to be paid through automatic deductions from a bank account. This will ensure that bills are paid correctly and on time.
- **Discuss ways to help manage spending.** Consider giving the person small amounts of cash to have on hand, reducing the spending limit on credit cards, and canceling unneeded credit and debit cards. Offer to go grocery shopping or have items delivered to reduce overspending and ensure the person has what they need at home.

To prevent serious money problems as the disease gets worse, you may have to take charge of the person's financial affairs through legal arrangements. It's important to handle the transfer of financial authority with respect and understanding.

You can arrange consent to manage the person's finances via a durable power of attorney for finances, preferably while the person can still understand and approve the arrangement. To get started, consider taking steps to:

- **Establish consent to manage finances.** To prevent serious problems, consider naming a legal representative, called a proxy, to access and manage the person's financial affairs. A lawyer may not be required to establish a legal proxy, but they can provide guidance and advice if needed. Learn more about [finding legal resources](#).
- **Plan for long-term care costs.** Consider options for help at home, such as a personal care assistant or home health care aide. Find out how much they cost and whether Medicare, Medicaid, or long-term care insurance will cover any of the costs. If the person needs more care, they might move to a residential facility, such as an [assisted living community or nursing home](#). Learn more about [paying for long-term care](#).
- **Gather important papers and discuss financial and estate planning.** Gather the person's important records and documents in one place. Basic papers include the person's birth certificate, insurance information, and banking records. These papers should also include the person's will and any health care or financial directives to ensure that their wishes are honored. Learn more about [advance care planning](#) and the process of [getting your affairs in order](#).

Guard against financial abuse and fraud

People with dementia may be targets of [financial abuse or fraud](#). Sometimes, the person behind it is a stranger. But financial abuse and fraud can also be carried out by a “friend” or family member. Telephone, email, or in-person [scams](#) can take many forms, such as:

- Identity theft
- Get-rich-quick offers
- Phony offers of prizes or home or auto repairs
- Insurance scams
- Government impersonator scams
- Health scams, such as ads for unproven memory aids
- Threats or intimidation

Look for signs that the person with dementia may be a victim of financial abuse or fraud. For example:

- Signatures on checks or other papers don't look like the person's signature.
- The person's will has been changed without permission.
- The person's home is sold, and they did not agree to sell it.
- The person signed legal papers (such as a will, power of attorney, or joint deed to a house) without knowing what the papers mean.
- Valuable belongings, such as jewelry or electronics, are missing from the home.

To lower the risk of telemarketing schemes, help place the person's phone number on the [National Do Not Call Registry](#). Consider registering the person for fraud alerts through their bank, credit card company, a national credit bureau, or other credit monitoring service.

One reason that scammers target older adults is that they are less likely to report suspected fraud. If you think that someone has been the target of a scam, contact the National Elder Fraud Hotline at 833-372-8311. You can also contact your local police department or the [attorney general of your state or territory](#), and you can report the scam to the [Federal Trade Commission](#).

Learn more about [common scams](#).

You may also be interested in

- Learning more about [legal and financial planning for people with dementia](#)
- Reading about options for [paying for long-term care](#)
- Reviewing a [checklist for getting your important documents in order](#)

For more information

NIA Alzheimer's and related Dementias Education and Referral (ADEAR) Center

800-438-4380

adear@nia.nih.gov

www.nia.nih.gov/alzheimers

The NIA ADEAR Center offers information and free print publications about Alzheimer's and related dementias for families, caregivers, and health professionals. ADEAR Center staff answer telephone, email, and written requests and make referrals to local and national resources.

Alzheimers.gov

www.alzheimers.gov

Explore the Alzheimers.gov website for information and resources on Alzheimer's and related dementias from across the federal government.

Centers for Medicare and Medicaid Services

Fraud Prevention Toolkit

www.cms.gov/Outreach-and-Education/Outreach/Partnerships/FraudPreventionToolkit

Consumer Financial Protection Bureau

Office for Older Americans

855-411-2372

olderamericans@cfpb.gov

www.consumerfinance.gov/practitioner-resources/resources-for-older-adults

Eldercare Locator

800-677-1116

eldercarelocator@USAgings.org

<https://eldercare.acl.gov>

Federal Financial Literacy and Education Commission

800-FED-INFO

www.mymoney.gov

National Academy of Elder Law Attorneys

703-942-5711

naela@naela.org

www.naela.org

National Center on Elder Abuse

855-500-3537

ncea-info@aoa.hhs.gov

<https://ncea.acl.gov>

National Elder Fraud Hotline

833-FRAUD-11 for 833-372-8311

<https://ovc.ojp.gov/program/stop-elder-fraud/providing-help-restoring-hope>

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