

[Home](#)[Health and Aging](#)[Research and Funding](#)[Newsroom](#)[About NIA](#)[Contact Us](#)[Home](#) » [Alzheimer's Disease and Managing Finances](#)

## Alzheimer's Disease Education and Referral Center

### Alzheimer's Disease and Managing Finances

Over time, people with Alzheimer's disease lose their capacity to perform the financial tasks of daily living and to manage their financial affairs. In fact, this may be the first noticeable sign of the disease and an early indication that a person is losing the ability to live independently.

You might notice that a family member or friend is having difficulty counting change, paying for a store purchase, calculating a tip, balancing a checkbook, or understanding a bank statement. You might find unpaid and even unopened bills lying around the person's home. You might notice lots of new purchases on a credit card bill or strange new merchandise. Increasing trouble with managing money can be an early sign of Alzheimer's disease—and can quickly drain away personal or family resources. Often, caregivers, family, or friends don't recognize the problem or understand its seriousness until it's too late.

Research funded in part by the National Institute on Aging (NIA) has shown that Alzheimer's-induced decline in financial skills occurs early and can progress rapidly. Early in the disease process, people with the disease may be able to perform basic tasks such as bill paying or counting change. However, they are likely to have problems with more complicated tasks such as reconciling a checkbook and bank statement, preparing a tax return, or making wise investment decisions. As Alzheimer's disease progresses, all of these abilities gradually are lost, with the more complex skills disappearing first.

#### Guarding Against Fraud

A major concern is increased vulnerability to fraud. Both strangers and people known to the person with Alzheimer's may take advantage. Kinds of fraud to watch for include:

- contractor fraud, such as unnecessary pest control treatments or repairs to foundations, roofs, chimneys, or driveways
- dishonest door-to-door solicitors
- scam charities

- health scams, such as marketing of unproven cures
- long-distance fraud via telephone, email, and mail
- credit card fraud or misuse of account and PIN numbers
- identity theft
- use of power of attorney to siphon off funds
- threatening or frightening the person into giving up financial resources

Indications that a person is being victimized include:

- sudden changes in bank balances, savings, or investments
- large cash withdrawals from bank accounts or retirement funds
- payment-overdue notices
- loss of services such as phone or utilities
- signs of physical or emotional abuse

When and how to address these problems are some of the most difficult decisions caregivers and family members must make. Experts agree that it is better to take charge of financial affairs early, before serious problems surface. Proactive steps to take, preferably soon after diagnosis and with the involvement of the person with Alzheimer's, include:

- planning in advance to delegate financial decision making
- finalizing trusts and estate arrangements
- providing increased supervision of financial activities

### Making Legal Arrangements

The best way to obtain legal authority to manage a person's financial affairs is to get the person's consent via a *durable power of attorney for finances*. This legal document indicates the person's understanding and agreement to relinquish control of his or her financial decisions upon incapacitation. The NIA's [Legal and Financial Planning for People with Alzheimer's Disease Fact Sheet](#) provides more information.

To avoid legal challenges, it is preferable to obtain this agreement while a person with mild cognitive impairment or Alzheimer's is capable of understanding and approving the arrangement. Without this agreement, obtaining legal authority to handle a person's financial affairs may be much more difficult.

People with Alzheimer's disease often are unaware of how well or poorly they are managing their finances. They may believe they are doing well when, in fact, there are problems. Most people see control of their finances as part of being an independent, self-reliant adult. Many older adults will strongly resist and be very suspicious of attempts to take over their financial affairs, regardless of earlier agreements.

One way to help a person with Alzheimer's feel responsible and independent is to give him or her small amounts of cash or, in some cases, voided checks to have on hand. Have the credit limit minimized on credit cards, or have the cards cancelled. Another strategy is for the caregiver and person with the disease to work together, as a team, on finances. You might tell the person that it is important for you

to learn about finances, with his or her help. Of course, the best way to handle the transfer of financial authority is to do so with respect and understanding.

### For More Information

#### **Alzheimer's Disease Education and Referral (ADEAR) Center**

P.O. Box 8250  
Silver Spring, MD 20907-8250  
1-800-438-4380 (toll-free)  
[www.nia.nih.gov/alzheimers](http://www.nia.nih.gov/alzheimers)

The National Institute on Aging's ADEAR Center offers information and publications for families, caregivers, and professionals on Alzheimer's disease research, diagnosis, treatment, patient care, caregiver needs, long-term care, and education and training. Staff members answer telephone, email, and written requests and make referrals to local and national resources. The ADEAR website offers free, online publications in English and Spanish; email alert and online *Connections* newsletter subscriptions; an Alzheimer's clinical trials database; the Alzheimer's Disease Library database (AD Lib); online resource lists; and more.

In addition to the fact sheet mentioned above, the ADEAR Center offers a comprehensive publication, [\*Caring for a Person with Alzheimer's Disease: Your Easy-to-Use Guide from the National Institute on Aging\*](#), that includes health, legal, and financial planning tips.

#### **Alzheimer's Association**

225 North Michigan Avenue, Floor 17  
Chicago, IL 60601-7633  
1-800-272-3900 (toll-free)  
1-866-403-3073 (TDD/toll-free)  
[www.alz.org](http://www.alz.org)

#### **National Center on Elder Abuse**

Center for Community Research and Services  
University of Delaware  
297 Graham Hall  
Newark, DE 19716  
1-302-831-3525  
[www.ncea.aoa.gov](http://www.ncea.aoa.gov)

#### **StopSeniorScams.org**

Philadelphia Corporation for Aging  
642 North Broad Street  
Philadelphia, PA 19130-3424  
1-215-765-9000  
[www.stopseniorscams.org](http://www.stopseniorscams.org)

#### **U.S. Federal Trade Commission**

Consumer Response Center  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
1-877-FTC-HELP (1-877-382-4357) (toll-free)

1-877-ID-THEFT (1-877-438-4338) (toll-free)

1-866-653-4261 (TTY)

[www.ftc.gov](http://www.ftc.gov)

Alzheimer's Disease Education and Referral Center  
A Service of the National Institute on Aging  
National Institutes of Health  
U.S. Department of Health and Human Services

Adapted from *Connections* newsletter, Fall 2009

Publication Date: December 2010

Page Last Updated: January 22, 2015

Online Only

**Share this:**



Alzheimer's  
Go4Life  
Español  
NIHSeniorHealth

Connect with NIH    

Disclaimer  
Accessibility  
PoliciesContact Us  
FOIA  
Get Acrobat (PDF) Reader

**National Institute on Aging** 31 Center Drive, MSC 2292, Bethesda, MD 20892

National Institutes of Health  
U.S. Department of Health & Human Services  
USA.gov