



RETIRE...RELAX

ROSENBERG FINANCIAL GROUP

YOUR MONEY AND YOUR MEMORY

Sherri Goss



SUPPORT@RFMONEY.COM



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My father moved into an Assisted Living facility when he was 90. My family is in Idaho and fortunately my brother, Chuck, lived pretty close to the facility so he was able to stop in and check on dad every night. During that first year, dad seemed like he adjusted very well to the facility. He knew some of the people who lived there, which helped. When I called him, he was always in a good mood, thankful for the great life that he had lived, and thankful that all his kids turned out ok. During the second year I noticed a change.

He wasn't big on long phone conversations so there was a series of questions that I would consistently ask him, and one was, "So, what did you have for lunch today?" His answer started being the same, "meatloaf, mashed potatoes, and green beans." I e-mailed my brother about it, as he was already dad's Power of Attorney. Chuck said he had noticed the same thing and was watching dad's bank accounts. One day he saw a check clear that my dad had written to his ex-wife, for \$5,000.

When he stopped in to check on dad that night, he asked dad about it and dad got upset. "She said she needed some money, so I helped her out," he said. I won't go into details, but this woman did not need money. She had already taken a lot from my dad. So, Chuck organized a conference call with all of us siblings, and we agreed that Chuck should take bank access away from dad. For about six months, my dad thought my brother had stolen his money, even though we would all explain that this was not the case. It was really hard, but it was the right thing to do, and dad eventually accepted it.

My first encounter as a financial advisor with a client developing dementia was years ago. Mary retired from RAFB at age 74 and was mentally sharp. Her husband was already a client, so she brought her TSP money over for us to manage. When her husband passed two years later, I soon noticed a change in Mary. She was receiving her pension, half of her late husband's pension, was debt free and spent very little money.

Then all of a sudden, every time she came in for a review, she wanted to take money out of her account. She wouldn't tell me why she needed the money, just that she needed it. And when she received her annual pension notifications she would say, "I'm not supposed to get this money. I need to give this back." I would explain that she was the beneficiary of her husband's pension, but she wouldn't believe it.

Her son was her Trusted Contact Person, so I was able to call him and ask him to attend a review with her. He attended the review and all she would say is, "I don't have any money." I reviewed her pension income that went directly into her bank account, and the distributions she had taken from her account with us, and she didn't believe what I was telling her. I asked her son to get Power of Attorney so that he could intervene and see whether she was putting this money in the bank, or in a drawer at her house. He said, "She's fine, she just forgets stuff." Her withdrawal pattern continued for the next six months. By the time he finally obtained Power of Attorney, she had spent her account down to \$20,000.

Signs of Alzheimer's Dementia (source, <https://www.alz.org/>):

- Memory loss that disrupts daily life
- Challenges in planning or solving problems
- Difficulty completing familiar tasks
- Confusion with time or place
- Trouble understanding visual images and spatial relationships
- New problems with words in speaking or writing
- Misplacing things and losing the ability to retrace steps
- Decreased or poor judgement
- Withdrawal from work or social activities
- Changes in mood, personality and behavior

Since then, I have seen many similar cases, and in most of them, the family is proactive about getting involved as Power of Attorney. The POA can step in and help the client make good financial decisions and it can also stop them from making bad financial decisions.

Here are just a few examples of what I have seen:

- ***A client's daughter stopped to check on her dad one day and found a pile of sweepstakes notifications on his dining table with his checkbook.*** She asked him what was going on and he started to cry and said he had overdrawn his account. She went through the checkbook and saw all sorts of checks written to these different companies, and when she went through his register online, figured out that he had spent \$120,000 on sweepstakes entries in the hopes of winning big. Once one bad actor got him to act, they sold his information to others who hounded him to buy into this scam.
- ***Another client asked me during a review, how he could get rid of his timeshare. I advised he call the company he bought it from to see if he could sell it back to them.*** He never brought it up again. He started showing up late for our reviews, telling me he got lost. This was not normal, so I called his son and asked if he could attend the next review meeting. During that meeting I learned that he had gone on the internet and found companies that promised to sell his timeshare. He paid three of them \$5,000 each to do so, and none of them did anything for him. I looked further into it, and there was no way to recover that money as the companies were all based overseas. I advised the son to get a POA immediately, and to start monitoring his finances monthly to stop this sort of thing from happening again.

Three of the main reasons caregivers provide assistance to a person with Alzheimer's or another dementia (source, <https://www.alz.org/>):

- **The desire to keep a family member or friend at home (65%)**
- **Proximity to the person with dementia (48%)**
- **The caregiver's perceived obligation to the person with dementia (38%)**

There are lots of bad actors out there who are more than willing to scam a person with dementia. The Alzheimer's Association offers some helpful articles, print material and videos on their website, and here's a link that will give you an overview: <https://www.alz.org/>. Once you're on the website, click on "Caregiving" and you will find wonderful resources to help and support you.

According to the FBI, in 2020, 28% of the \$4.1 billion stolen from Americans through online scams came out of the pockets of seniors over the age of 60. They say that these crimes have increased due to the Covid lockdown, because more seniors stayed at home and spent more time on their computers. And there's no telling how much more money was lost, as many people are too embarrassed to bring it up, or admit it.

Here are a few more trends the FBI is noticing:

- Online shopping has created a trend for buying from links advertised on social media, and some of these links are scams. The person buys an item, never receives it, and can't get a refund. According to AARP, One-third of business-impostor fraud complaints involve scammers claiming they're with Amazon. Older adults are four times more likely to lose money and get hit harder – losing a median of \$1,500, versus \$814 for younger adults – in such scams. People trust the Amazon name, not realizing it's an impersonator.
- Another big area, according to the FBI are fake calls offering technical support targeting older victims, which was the third most frequent complaint to the FBI for online crimes. This is when crooks posing as IT pros from well-known tech companies charge hefty fees to fix fabricated computer problems. This fraud has seen the most explosive growth during the COVID-19 pandemic. This con was the most commonly reported by people 60 and older last year, with 13,900 complaints, more than double the 2019 number. Losses from tech support scams grew more than sixfold over the same span, from \$38.4 million in 2019 to nearly \$238 million in 2021.
- A 2019 review by the federal Consumer Financial Protection Bureau of suspicious activity reports filed by financial institutions found that one in nine incidents of elder financial exploitation were committed by non-family caregivers. The average loss in such cases was \$57,800. AARP offers this advice. When looking for a caregiver, don't use an online classified site like Craigslist or put an ad in the paper. Instead, go through a bonded agency. It is more expensive, but at least you are buying some form of protection so that if the worst happens you probably have a far better chance to get reimbursed.

AARP has set up a complete site to fight fraud and scams, and you can learn a lot by clicking on this link: <https://www.aarp.org/money/scams-fraud/>

So what do we do to help these families? This is what we do at Rosenberg Financial Group:

1. While opening accounts, we ask clients if they would like to add a Trusted Contact Person to their account(s). This is someone we can contact if something doesn't seem right with the client. Ask your financial advisor if they can do this for your accounts, as they should be able to.
2. If our clients are concerned about identity theft, we can place a block on their accounts so that if they want to take money from their accounts, they have to call us and have us "unblock" the account so they can get a distribution.
3. When clients open accounts, we add beneficiaries, even to non-retirement accounts. We want to ensure that if something happens to the client, that the money goes directly to those beneficiaries instead of passing by the will. We review these beneficiaries on a regular basis to ensure they are accurate.
4. We ask all clients as they are nearing retirement age if they have a Power of Attorney. If they have a POA, we ask for a copy of it to attach to their accounts.
5. We encourage every client to have a current Will. We do not need to see it, but we want to know that it exists.
6. If we see the signs of memory loss, we contact their Trusted Contact Person and enact a plan.

If you want to start some healthy family conversations about getting affairs in order, please visit www.retirerelax.com and download My Life Book. This is a book I wrote in 2007 to help families start these conversations and organize their financial information in one place.

**Creating a Life Book,
How to Avoid a Family Disaster
By Sherri Goss, CFP®**

In our culture, the only thing we avoid talking about more than death, is money.

I've heard countless stories from clients about what happened when one of their parents died. In many cases, no pre-planning had been done, so the client was left to take care of everything; from calling family and friends, arranging the funeral and selecting the casket. The next job they had to take on was sorting through the household finances; locating documents, tracking down insurance policies and filing claims, getting into the safe deposit box, and settling the estate.

Not only can these experiences be traumatic and emotionally draining, but family members usually have to place their own lives on hold, sometimes for over a year, just to complete the process. And what if the executor of the estate is also in charge of distributing the property? And what if there are disagreements as to who should get what? I have seen family relationships destroyed by this experience.

None of the parents of these adult children did this to their children intentionally—it just happened.

I want your family to avoid these problems, which is why I have created My Life Book. Here's what can happen if you don't work through these issues in advance:

- I. Your wishes won't be carried out because nobody will know what YOU want.**
- II. Benefits will be lost because nobody will know what YOU'RE eligible to receive.**
- III. Your family will fight over who does what and who GETS what.**
- IV. Everything YOU wanted to have happen, will NOT happen.**

The solution: ***Begin the process of creating a Life Book.*** The purpose of creating a ***Life Book*** is to help you organize your personal information, desires and wishes in a way that is most useful to your loved ones. Each section contains case stories, explanations and/or examples of why that particular segment is important. Thank you for taking the time to do this for your family. They will appreciate it.

Once you're done either print the pages and insert them into a binder, or save them on your computer and send a copy to your loved ones. You may also want to add copies of account statements or other documents you think your heirs may need.

We offer complimentary consultations in either our Macon or Warner Robins office to help you through any financial decisions, including retirement planning.

Additional Special Reports On Our Website:

retirerelax.com/free-reports

About Rosenberg Financial Group

Your Money and Your Memory

Can I Afford To Retire?

What To Expect During Your Complimentary Consultation?

Internet Scams and Identity Theft

Financial Planning Worksheet

FTC Identity Theft - A Recovery Plan

For the Instantly Wealthy

Maximizing Social Security Benefits

My Life Book

Keep My Retirement Plan Where It Is? Or Roll It To An IRA?

What To Do When Your Spouse Dies

What Do I Need To Do To Plan for My Secure Retirement

Who Really Gets My Money When I Die?

Your Stock Market Survival Guide

Listen to us live, every Saturday morning on AM940 where we produce "Your Money," and take your calls on air.

We are available to speak to your group at no charge on a number of financial topics, so call our office and let us know how we can be a resource for you.

In our culture, the only thing we avoid talking about more than death, is money. That is why I created My Life Book, and it is free on our website. Print the pages, place them in a binder, and work through the process of documenting where things are, and how you want things to go in the event of your death or incapacity. Your family will greatly appreciate that you've planned ahead. So please, check out My Life Book today.

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WARNER ROBINS OFFICE

478-922-8100

2517 MOODY RD. SUITE 100
WARNER ROBINS, GA 31088

MACON OFFICE

478-741-4457

4875 RIVERSIDE DR, SUITE 201
MACON, GA 31210



RETIRERELAX.COM
SUPPORT@RFMONEY.COM