In today’s aging society, with people living longer lives, chances are good that you’ll be called upon to assist clients who have Alzheimer’s disease or a related dementia. An estimated 5.4 million Americans — one in eight over 65 and nearly half of those over 85 — already have the disease. In 40 years, that number is projected to grow to as many as 16 million.

That means there will be many new families that will have to face this devastating, debilitating disease. As a financial advisor, you can assist your clients by providing specially-tailored financial advice both prior to a diagnosis of Alzheimer’s as well as after the diagnosis has been made.

**the costs of alzheimer’s disease**

In 2010, the global costs of Alzheimer’s disease and related dementias were more than $600 billion, according to the *World Alzheimer Report 2010: The Global Economic Impact of Dementia.*

“This report clearly illustrates that dementia is already affecting health systems around the world, and for the families who are forced to face Alzheimer’s the anguish is universal,” said Harry Johns, Alzheimer’s Association president and CEO.

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The fact is that older people with Alzheimer’s disease and other dementias have more hospital stays, skilled nursing home stays and home healthcare visits. For these people, aggregate payments for health care, long-term care and hospice are expected to increase from $183 billion in 2011 to $1.1 trillion in 2050 (in 2011 dollars).

Indeed, Alzheimer’s places a tremendous financial burden not just on our economy, but on those who are diagnosed with it. Patients and their families — in all likelihood, some of your clients — are going to be stretched to their financial limits, and will need
ongoing assistance with planning and managing the escalating cost of care.

Now more than ever, your role is to help clients prepare for the possibility of an Alzheimer’s diagnosis as well as act as a resource to help navigate where to go for support for those who are already on this journey. Unfortunately, between 2000 and 2050, the burden on families touched by Alzheimer’s in out-of-pocket costs is expected to grow by more than 400%.

planning ahead for the financial impact of alzheimer’s disease

The costs of providing long-term care for an individual with Alzheimer’s disease or a related dementia can be financially disastrous. Many people assume that government programs, such as Medicare, will pay for it. However, it is individuals and families that typically pay for services out of their own pockets. As a financial services professional, your input and support can lessen the anxiety and stress associated with the challenges of dealing with existing financial activities and planning for the future.

According to the National Institute on Aging, “Many people are unprepared to deal with the legal and financial consequences of a serious illness such as Alzheimer’s disease. Legal and medical experts encourage people recently diagnosed with a serious illness — particularly one that is expected to cause declining mental and physical health — to examine and update their financial and health care arrangements as soon as possible. Basic legal and financial instruments, such as a will, a living trust, and advance directives, are available to ensure that the person’s late-stage or end-of-life health care and financial decisions are carried out.”

Advance Directives

Indeed, advance planning is an essential step in ensuring that end-of-life wishes are fulfilled. Financial advisors play a critical role in making sure the necessary discussions are taking place between their clients with Alzheimer’s and their families. Having these discussions as soon as possible, when the individual’s cognitive and communication abilities are least impaired, will go a long way toward fully understanding his or her wishes.

Two common forms of advance directives are a living will and a durable power of attorney for health care.

1) A living will states the individual’s choices for future medical care decisions.

2) A durable power of attorney allows the individual to designate a surrogate, usually a trusted family member, to make specific treatment decisions for them. The surrogate should make decisions consistent with what they think the individual’s wishes would have been.

“...The costs of providing long-term care for an individual with Alzheimer’s disease or a related dementia can be financially disastrous.”
A financial power of attorney, however, is especially relevant to the services you provide your clients, as this authorizes someone to act on their behalf — including paying bills, keeping track of assets, negotiating with the bank and more — should they not be able to manage their own finances. It would be advantageous to both you and your clients to bring this matter up early in your business relationship — before it’s too late.

The bottom line is that having advance directives in place is sound advice for everyone. Getting a handle on your client’s expenses, assets and income can make it easier for you to identify any necessary documents that aren’t in place and ensure swift measures are taken to remedy the situation. Addressing all relevant financial matters proactively will ensure that your client — and his or her caregivers — will make the best, most informed decisions possible should a dementia-related diagnosis arise.

Potential Unplanned Expenses

Alzheimer’s is a progressive disease that gets more severe over time, so the type and level of care a person needs will increase. Any advance planning you can do will help a client with Alzheimer’s and his or her loved ones make informed decisions about not just finances, but healthcare, too. Consider as many of the costs as possible that your client might face now and in the future. For example:

- Ongoing medical treatment, including diagnosis and follow-up visits
- Treatment for other medical conditions
- Prescription drugs
- Personal care supplies
- Adult day services
- In-home care services
- Residential care services, including assisted living and nursing homes

Do your best to help your client explore the many different options that are available to cover these costs, including government insurance programs such as Medicare and Medigap; disability insurance from an employer-paid plan or personal policy; group employee plan or retiree medical coverage; life insurance and long-term care insurance. Remember, after symptoms of Alzheimer’s appear, it is usually no longer possible to purchase many types of insurance. As you know, there are also retirement benefits to consider, as well as personal savings and assets, government assistance — including social security disability income, supplemental security income and Medicaid — and, of course, community support services which are often available at low or even no cost, such as respite care, support groups, transportation and meal delivery.
A client with Alzheimer’s disease or a caregiver of an Alzheimer’s patient may not have all the money necessary to pay for care. Advise them to review their own resources in order to determine if they can provide financial assistance and, if so, exactly how much. Encourage them to:

• Review savings, investments and insurance plans.
• Assess the need to increase life insurance or disability insurance.
• Consider what plans need to be in place in case something happens. Caregivers may want to consider if long-term care insurance is right for them. This type of insurance may help cover the costs for most care settings, including nursing home, private home, assisted living or adult day center. Of course, not all such insurance policies are the same; each must be evaluated very carefully.
• If the person with dementia is dependent under the tax rules, caregivers may be able to use their own workplace flexible spending account to cover the person’s medical costs or dependent care expenses.
• Talk with other family members about the possibility of pooling resources together to pay for care.

Again, when you’re working with a client who has been diagnosed with Alzheimer’s, it’s important to address as many of these issues as soon as possible. Dealing with such a progressive disease, your client’s ability to understand your sound guidance will lessen over time. Being proactive is a wise approach for all involved.

we're here to help

With as many as 5.4 million Americans — one in eight over 65 and nearly half of those over 85 — living with Alzheimer’s disease today, it’s critical for you, the financial services professional, to learn more about this disease and its financial planning implications. If you’re not properly prepared, working with a client who has Alzheimer’s will not only be difficult and frustrating, it can further complicate your ethical, legal and fiduciary responsibilities.

Take time to educate yourself and your colleagues about the escalating Alzheimer’s epidemic before it becomes an issue for your clients. Contact the Alzheimer’s Association in your community or visit us online at www.alz.org.
Every 69 seconds, someone in the United States develops Alzheimer’s, a disease which has recently become the sixth leading cause of death in America.

If you suspect that one of your clients has Alzheimer’s, you should be very proactive in how you plan his or her finances. Alzheimer’s is a brain disease that causes problems with memory, thinking and behavior. Symptoms usually develop slowly and get worse over time, becoming severe enough to interfere with daily tasks and certainly with managing finances. Alzheimer’s disease is the most common form of dementia, a general term for loss of memory and other intellectual abilities. Alzheimer’s disease accounts for 50 to 80 percent of dementia cases.

Alzheimer’s disease is not a normal part of aging, although the greatest known risk factor is increasing age and the majority of people with Alzheimer’s are 65 and older. But Alzheimer’s is not just a disease of old age. Up to 5 percent of people with the disease have early-onset Alzheimer’s (also known as younger-onset), which often appears when someone is in their 40s or 50s.

Alzheimer’s is a progressive disease. In its early stages, memory loss is mild, but with late-stage Alzheimer’s, individuals lose the ability to carry on a conversation and respond to their environment. Those with Alzheimer’s live an average of four to eight years after their symptoms become noticeable to others, but survival can be as long as 20 years, depending on age and other health conditions.

Alzheimer’s has no current cure, but treatments for symptoms are available and research continues. Although current treatments cannot stop Alzheimer’s from progressing, they can temporarily slow the worsening of dementia symptoms and improve quality of life in some individuals with Alzheimer’s.

The Alzheimer’s Association is the world’s leading voluntary health organization in Alzheimer’s care, support and research. Our mission is to eliminate Alzheimer’s disease through the advancement of research; to provide and enhance care and support for all affected; and to reduce the risk of dementia through the promotion of brain health. To learn more about the Alzheimer’s Association, go to www.alz.org.
the 10 warning signs of alzheimer’s disease

Memory loss that disrupts daily life is not a typical part of aging. It may be a symptom of Alzheimer’s, a fatal brain disease that causes a slow decline in memory, thinking and reasoning skills. Every individual may experience one or more of the following warning signs in different degrees.

If you notice any of these signs in your clients, talk to them — or one of their loved ones — about seeing a doctor. And realize that working effectively with them means you will have to listen more closely and communicate even more thoroughly.

1. Memory loss that disrupts daily life.

One of the most common signs of Alzheimer’s is memory loss, especially forgetting recently learned information. Others include forgetting important dates or events; asking for the same information over and over; relying on memory aides (e.g., reminder notes or electronic devices) or family members for things they used to handle on their own. In contrast, a typical age-related change might be sometimes forgetting names or appointments, but remembering them later.

2. Challenges in planning or solving problems.

Some people may experience changes in their ability to develop and follow a plan or work with numbers. They may have trouble following a familiar recipe or keeping track of monthly bills. They may have difficulty concentrating and take much longer to do things than they did before. A typical age-related change might be making occasional errors when balancing a checkbook.

3. Difficulty completing familiar tasks at home, at work or at leisure.

People with Alzheimer’s often find it hard to complete daily tasks. Sometimes, people may have trouble driving to a familiar location, managing a budget at work or remembering the rules of a favorite game. A typical age-related change might be occasionally needing help to use the settings on a microwave or to record a television show.

4. Confusion with time or place.

People with Alzheimer’s can lose track of dates, seasons and the passage of time. They may have trouble understanding something if it is not happening immediately. Sometimes they may forget where they are or how they got there. A typical age-related change might be getting confused about the day of the week but figuring it out later.

5. Trouble understanding visual images or spatial relationships.

For some people, having vision problems is a sign of Alzheimer’s. They may have difficulty reading, judging distance and determining color or contrast. In terms of perception, they may pass a mirror and think someone else is in the room.
They may not realize they are the person in the mirror. *A typical age-related change might be vision changes related to cataracts.*

### 6. New problems with words in speaking or writing.

People with Alzheimer’s may have trouble following or joining a conversation. They may stop in the middle of a conversation and have no idea how to continue or they may repeat themselves. They may struggle with vocabulary, have problems finding the right word or call things by the wrong name (e.g., calling a “watch” a “hand-clock”). *A typical age-related change might be sometimes having trouble finding the right word.*

### 7. Misplacing things and losing the ability to retrace steps.

A person with Alzheimer’s disease may put things in unusual places. They may lose things and be unable to go back over their steps to find them again. Sometimes, they may accuse others of stealing. This may occur more frequently over time. *A typical age-related change might be misplacing things from time to time, such as a pair of glasses or the remote control.*

### 8. Decreased or poor judgment.

People with Alzheimer’s may experience changes in judgment or decision-making. For example, they may use poor judgment when dealing with money, giving large amounts to telemarketers. They may pay less attention to grooming or keeping themselves clean. *A typical age-related change might be making a bad decision once in a while.*

### 9. Withdrawal from work or social activities.

A person with Alzheimer’s may start to remove themselves from hobbies, social activities, work projects or sports. They may have trouble keeping up with a favorite sports team or remembering how to complete a favorite hobby. They may also avoid being social because of the changes they have experienced. *A typical age-related change might be sometimes feeling weary of work, family and social obligations.*

### 10. Changes in mood and personality.

The mood and personalities of people with Alzheimer’s can change. They can become confused, suspicious, depressed, fearful or anxious. They may be easily upset at home, at work, with friends or in places where they are out of their comfort zone. *A typical age-related change might be developing very specific ways of doing things and becoming irritable when a routine is disrupted.*

To learn more about Alzheimer’s disease, please contact the Alzheimer’s Association at 1-800-272-3900 or info@alz.org.