In today’s aging society, with people living longer lives, chances are high that you’ll be called upon to assist clients who are caring for or have Alzheimer’s disease or another dementia. More than 5 million Americans — one in nine age 65 and older and about one-third of people age 85 and over — are living with the disease today. Barring the development of medical breakthroughs, the number of individuals living with the disease may rise as high as 16 million by 2050.

With those projections in mind, there will be many new families that will have to face this devastating and debilitating disease. As a financial advisor, you can assist your clients by providing tailored financial advice as they age and are at greater risk for developing the disease or caring for someone who has it.

The costs of Alzheimer’s disease

The growing Alzheimer’s crisis is escalating. In 2015, the direct costs to American society of caring for those with Alzheimer’s will total an estimated $226 billion, with half of the costs borne by Medicare, according to the Alzheimer’s Association 2015 Alzheimer’s Disease Facts and Figures report.

Older people with Alzheimer’s disease and other dementias have more hospital stays, skilled nursing home stays and home health care visits. For these people, aggregate payments for health care, long-term care and hospice are expected to increase from $226 billion in 2015 to $1.1 trillion in 2050. Costs to Medicare will increase over 400 percent to $589 billion.

Indeed, Alzheimer’s places a tremendous financial burden not just on our economy, but on those who are diagnosed with it. Those living with the disease 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. In 2014, the 15.7 million family and other unpaid caregivers of people with Alzheimer’s disease and other dementias provided an estimated 17.9 billion hours of unpaid care, a contribution to the nation valued at...
$217.7 billion (with care valued at $12.17 per hour). Due to the physical and emotional toll of caregiving, Alzheimer’s and dementia caregivers had $9.7 billion in additional health care costs of their own in 2014.

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.

**Planning ahead for the financial impact of Alzheimer’s disease**

The costs of health care, long-term care and hospice for individuals with Alzheimer’s disease and other dementias are substantial, and Alzheimer’s disease is one of the costliest chronic diseases to society.

Many people assume that government programs, such as Medicare, will pay for Alzheimer’s-related care. 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 help your clients plan for future, legal and care needs.

**Advance Directives**

Advance planning is an essential step in ensuring that end-of-life wishes are fulfilled. Financial advisors can play a critical role in making sure the necessary discussions take 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.

A financial power of attorney, however, is especially relevant to the services you provide your clients, as this authorizes someone to act on the individual’s 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 is advantageous for you and your clients to discuss this matter early in your business relationship.

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**

Since Alzheimer’s is a progressive disease, the type and level of care needed will change over time. Any advance planning you can do will help a client with Alzheimer’s and his or her family members make informed decisions about not just finances, but health care, too. Consider the costs that your client might face now and in the future. For example:

- Ongoing medical treatment for Alzheimer’s-related symptoms, diagnosis and follow-up visits.
- Treatment or medical equipment for other medical conditions.
- Safety-related expenses, such as home safety modifications or safety services for a person who wanders.
- Prescription drugs.
- Personal care supplies.
- Adult day care services.
- In-home care services.
- Full-time residential care services.

*Read more: alz.org/care/alzheimers-dementia-common-costs*

If possible, 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; and 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 such as respite care, support groups, transportation and meal delivery.

**Caregiver resources**

A client with Alzheimer’s disease or a caregiver of an individual living with Alzheimer’s may not have the money necessary to pay for care. Advise them to review their own resources in order to determine exactly how much they can contribute to care costs.

Encourage them to:

- Review savings, investments and insurance plans.
- Assess the need to increase life insurance or disability insurance.
• Consider which 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. Being proactive is a wise approach for all involved.

For more resources, please visit alz.org/plannedgiving.

We’re here to help

With more than 5 million Americans living with Alzheimer’s disease today, it’s critical for financial services professionals to learn more about this disease and its 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.

The Alzheimer’s Association provides a full range of programs, services, resources and information about all aspects of the disease and caregiving. Through vibrant online communities, a robust informational website, 24/7 Helpline (800.272.3900) and more, the Association is a consistent and reliable resource.

ALZConnected®

People living with Alzheimer’s and caregivers interact and connect at our unique online community, ALZConnected®. Participants can post questions and offer solutions, or create public and private groups around a dedicated topic. This supportive environment offers information, suggestions and encouragement for people who are coping with Alzheimer’s. Get connected at alzconnected.org.
Alzheimer’s and Dementia Caregiver Center

The Alzheimer’s and Dementia Caregiver Center provides information about all aspects of caregiving including daily care, stages and behaviors, safety concerns, care options and planning for the future. Caring for someone with Alzheimer’s can be very stressful, and many caregivers can become so consumed with their responsibilities that they neglect their own well-being. The Caregiver Center provides strategies, tips and tools to help caregivers take care of themselves. Visit alz.org/care to explore.

Local chapters

The Alzheimer’s Association works on a global, national and local level to enhance care and support for all those affected by Alzheimer’s and other dementias. We have local chapters across the nation, providing services like care consultations, support groups and education programs within each community. Find a chapter near you by visiting alz.org/findus.

Alzheimer’s Navigator®

It is challenging to anticipate the day-to-day effects of Alzheimer’s. Alzheimer’s Navigator® offers a personalized action plan for caregivers and those living with Alzheimer’s. This online tool helps people plan for the future by setting up a guide to prepare them for working with health care professionals, caregiver support, activities of daily living, home safety, driving and more. Build an action plan at alz.org/navigator.

24/7 Helpline

The Alzheimer’s Association 24/7 Helpline (800.272.3900) provides reliable information and support to all those who need assistance. The Helpline is staffed with specialists and master’s-level clinicians who offer support, guidance, problem solving and crisis assistance any time of the day or night.

alz.org®

Our website, alz.org, contains a wealth of information and specific tools to help anyone affected by Alzheimer’s and other dementias. In addition to being a gateway for the resources outlined above, the site is a critical hub for advocacy, the latest research breakthroughs, event information, global and national statistics and much more.

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 alz.org.
About Alzheimer’s disease

Every 67 seconds, someone in the United States develops Alzheimer’s, the sixth-leading cause of death in America.

Alzheimer’s is a type of dementia 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. Alzheimer’s is the most common form of dementia, a general term for memory loss and other intellectual abilities serious enough to interfere with daily life. Alzheimer’s disease accounts for 60 to 80 percent of dementia cases.

Alzheimer’s 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 younger-onset Alzheimer’s (also known as early-onset), which often appears when someone is in their 40s or 50s.

Alzheimer’s is a progressive disease, where dementia symptoms gradually worsen over a number of years. 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 eight years after their symptoms become noticeable to others, but survival can range from four to 20 years, depending on age and other health conditions.

Currently, Alzheimer’s cannot be prevented, cured or even slowed. Although treatments cannot stop Alzheimer’s from progressing, for some, they can temporarily slow the worsening of dementia symptoms and improve quality of life for those with Alzheimer’s and their caregivers. Today, there is a worldwide effort under way to find better ways to treat the disease, delay its onset, and prevent it from developing.

About the Alzheimer’s Association

The Alzheimer’s Association is the 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 alz.org.
About Alzheimer’s disease

Memory loss that disrupts daily life may be a symptom of Alzheimer’s or another dementia. Alzheimer’s is a brain disease that causes a slow decline in memory, thinking and reasoning skills. Below are a list of some of the most common warning signs and symptoms. Every individual may experience one or more of these signs in different degrees.

If you notice any of these signs in your clients, talk to him or her about seeing a doctor.

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, which may cause problems with driving. *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 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, and retracing steps to find them.

8. **Decreased or poor judgement.**
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.