

According to the Caregiver Action Network, more than 90 million Americans care for a loved one living with a disability, disease, or experiencing reduced financial capability as a result of aging. Financial caregivers play an important role in ensuring that all finances — from routine to complex — are managed wisely, helping their loved ones maintain the best quality of life possible.



“Financial caregivers play a major part in helping their loved ones live stable and viable lives,” according to the American Bankers Association Foundation. “It’s extremely important that caregivers understand their role in managing day-to-day finances and planning for future expenses to ensure that all their loved ones’ needs are met.”

Read the following tips to understand individuals’ role as financial caregivers:

Learn the rights and restrictions that apply to your role. Financial caregivers, such as those with a power of attorney, trustees, and federal benefits fiduciaries, are fiduciaries with a duty to act and make decisions on their loved one’s behalf. Learn the legal responsibilities of your assigned authority in order to better execute your role.

Manage money and other assets wisely. Financial caregivers may be in charge of daily, unexpected, and future expenses of their loved one. Especially if the beneficiary has a fixed income or limited finances, it is extremely important that caregivers minimize unnecessary costs and budget accordingly to ensure that all money is properly allocated.

Recognize danger signs. Seniors have become major targets for financial fraud. Make sure to stay alert to signs of scams or identity theft that may put your loved one’s assets in peril.

Keep careful records. When acting as a financial agent, proper documentation is not only encouraged, but required. Make sure you keep well-organized financial records, including up-to-date lists of assets and debts and streamlined registry of all financial transactions.

Stay informed. Monitor changes in financial status of the beneficiary and take appropriate action, as needed. Also, be sure to stay up-to-date on changes in the laws affecting seniors.

Seek professional advice. Consult a banker or other professional advisors when you’re not sure what to do.

For more information on the role of financial caregivers, visit www.caregiveraction.org or www.aba.com/seniors.