

# An Ounce of Prevention



by Richard A. Hylan • Massachusetts Money Management Program



## ***Helping the Elderly with Daily Money Management***

**According to AARP,** as many as 7 percent of adults receiving Social Security benefits have difficulty managing their household finances. For some, this amounts to no more than an occasional bounced check. But for others, the inability to keep track of their household finances may lead to unpaid bills, undeposited checks, cut-off utilities, bank foreclosure, or eviction.

If nothing is done about the problem, then guardianship or institutionalization may follow. Simple money-management issues can snowball and can result in the loss of elders' right to make decisions about where they live, what happens to their property, and how their money is spent. Although older people turn to social services for assistance with this and other issues, social-service agencies have not routinely provided help with money management.



Everett Donaldson gets assistance with money management from volunteer Julia Chapman in West Springfield, Massachusetts.

Recognizing that service gap, AARP developed a program in 1981 to deliver free money-management help directly to seniors in their homes. A system of safeguards, including detailed monthly reporting and third-party oversight, was created to protect both the elder clients and the money-management volunteers.

In 1991, Mass Home Care, a non-profit network of 30 elder-service agencies, approached AARP and the Massachusetts Executive Office of Elder Affairs about starting a money-management program in the state. The program was launched with a grant from the settlement of a fraud case perpetrated on a senior and prosecuted by the Massachusetts Secretary of State. The grant provided start-up money for programs at six Mass Home Care "Aging Services Access Points" in the Boston area.

By 1999, 25 agencies had agreed to sponsor local money-management programs, making the service available to seniors in all 351 Massachusetts cities and towns. Shortly thereafter,

Mass Home Care approached the state legislature for funding, and today, in an acknowledgment of the rapidly growing incidence of financial exploitation of elders, the effort receives nearly \$900,000 annually in state operating funds as part of the Massachusetts Protective Services Program.

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The money-management program has an active caseload of roughly 1,200 clients per month and has helped more than 6,000 elders. It is now the largest

program of its kind in the country, thanks to the spirit of cooperation among the program's three sponsors: Mass Home Care, AARP, and the state's Executive Office of Elder Affairs.

### **Two Ways to Help Seniors**

Recognizing that different people have different financial needs, the Money Management Program offers two levels of service: *bill-payer service* and *representative payees*. With both services, trained, supervised volunteers are matched carefully with clients, taking both the volunteer's and the client's preferences into consideration. For example, volunteers can choose the places they are willing to travel to and whether to work in the homes of smokers or pet owners. Clients can state a preference for male or female volunteers and can ask for a different volunteer if the "chemistry" is not right. The volunteers, many of whom are AARP members, are required to maintain detailed monthly records using an AARP reporting system.

For most seniors, the bill-payer program is the most appropriate service. It provides assistance to low-income elders who are still able to make responsible decisions about their financial affairs but are unfamiliar with the bill-paying process and need guidance. The bill payer helps the client establish a budget, organize and send out mail, sign his or her own checks, and balance a checkbook.

Representative payees bear a higher responsibility for allocation of the client's funds than bill payers. Appointed by a government agency, usually the Social Security Administration, the representative payee administers the benefits of those who are not capable of making decisions about their financial affairs. (See the exhibit "One Senior's Story.") They open up a checking account in the client's name to pay the client's bills. Even though the account belongs to the client, the volunteer is the only person allowed to sign checks.

Each month, program monitors provide third-party oversight and sys-

## One Senior's Story

Larry is 65 and lives in senior housing in Boston. His health is reasonably good, but his memory has begun to fail. In December 2003 he was facing eviction because the housing authority suspected that his daughter was living with him in violation of affordable-housing policy. His phone bill showed more than \$1,000 in calls to places he had no reason to call, and when he failed to pay, he lost his phone service. His other expenses were also in arrears, his debts were mounting, and his monthly income disappeared at the beginning of each month because of large withdrawals he did not recall making. His daughter said she was helping her father manage his money, but Larry was always short of cash and increasingly anxious. For a while, Larry thought he had withdrawn money and then misplaced it. When it was pointed out to him that his daughter was stealing from him, he was devastated.

The resident-services coordinator in the housing unit where Larry lived called Protective Services, the state program charged with investigating abuse of the elderly. Protective Services then referred Larry to the Boston Money Management Program.

At that point, things began to change for the better for Larry. Believing that Larry was not capable of making appropriate decisions about his Social Security benefit check, the Boston Money Management Program contacted the Social Security Administration. Boston Money Management's Deborah Grose informed Social Security that she had a volunteer, Jane Brayton, who was willing to serve as Larry's representative payee and manage his benefit check. Brayton then opened a checking account for him, to which she has sole access. Larry's Social Security check is now deposited directly into that account, and Brayton pays all his bills and makes sure he has enough money for incidentals.

Although Larry's daughter doesn't come around as much anymore, another daughter, after hearing of the situation, has become much more attentive, visiting Larry on a regular basis. And one by one, Brayton is getting Larry's overdue debts either paid or forgiven. Larry has a phone again and has enrolled in a day-time adult-health program that he enjoys immensely. Now that his money is being used wisely, Larry has funds he never had before to buy some creature comforts. Brayton says that the look on his face when he sits in his new La-Z-Boy recliner is indescribable.

Larry is happy with Brayton, too. "She's good. She takes a lot of pressure off of me," he says. "She makes me understand things and takes the worry and pain out of my head."

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tematically review all financial records. Because representative payees have ready access to the elder's checkbook, they are monitored more frequently than bill-payer volunteers. For help with technical matters and policy issues, the program draws on the expertise of state and local advisory councils, consisting of Social Security managers, bankers, and other business professionals, plus a variety of advocacy groups.

Given the oncoming wave of retir-

ing baby boomers, and given that people who are age 85 and older represent the fastest growing segment of the country's elderly population, the need for money-management services will undoubtedly increase. Volunteer-based programs such as the Massachusetts Money Management Program are a cost-effective way to promote the financial security of the elderly.

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**Photograph** on page 16 courtesy of the Age Center of Worcester Area