Prepare for dementia: Efficiently help clients with diminished capacity.

Planning focused on your client's quality of life.
Planning to protect your practice.

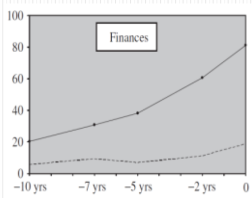
Presented by: Steve Starnes, MBA, CFP®

Steve Starnes, MBA, CFP®
The Monitor Group, Inc.

Financial Planner as First Responder

Medical research indicates a difficulty managing finances may be an early indicator of dementia.

Noticeable decline <u>up to 10 years prior</u> to a clinical diagnosis of dementia.



The American Geriatric Society, 2008

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What do I do now?

I. **What is Alzheimer's?**
   i. **Risks** to your firm
   ii. **Risks** to your client

II. **Stages of Alzheimer's**
   i. **Procedures** to protect your firm
   ii. **Planning** to protect clients

III. **Communication Tools**

IV. **Elder Abuse Awareness**

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What is Alzheimer's?

- Alzheimer's will affect your clients:
  - 1 in 5 women
  - 1 in 10 men
  - 50% of your clients over the age of 85
- The most well known cause of dementia.
- A brain disease which causes problems with memory, thinking and behavior.
- **The symptoms of Alzheimer's will never improve; they will only get worse.**

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Risk to Your Practice

- Client confusion
- Time spent with client.
- Liability for your firm if:
  - You follow an incompetent client's request.
  - If you don't follow a healthy client's request.

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Risk to your Client

- Poor financial decisions
- Lost financial resources
- Fraud
- Family abuse

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Signs of Alzheimer's

1. Memory loss that disrupts daily life.
2. Challenges in planning or solving problems.
3. Difficulty completing familiar tasks at home, at work or at leisure.
4. Confusion with time or place.
5. Trouble understanding visual images.
6. New problems with speaking or writing words.
7. Misplacing things and unable to retrace steps
8. Decreased judgment
9. Withdrawal from work or social activities
10. Changes in mood or personality

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Signs for Financial Planners

1. Forgets appointments or where your office is.
2. Requests a withdrawal and cannot explain what it is for
3. Unable to follow through on simple tasks
4. Shows a pattern of not remembering advice or conversations.
5. Expenses or gifts which do not fit with your client's values or financial plan.
6. Unexpected request which put your client's financial security at risk.

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Progression of Alzheimer's

Mild Decline → Moderate Decline → Severe Decline

8 – 10 Years

Progressive: The symptoms of Alzheimer's will never improve; they will only get worse.

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Mild Cognitive Impairment &
Mild Decline

Symptoms

- Good Days and Bad Days
- Bills may go unpaid
- Difficulty remembering names or words
- Confusion about places and dates
- More disorganized than normal

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Mild Cognitive Impairment &
Mild Decline

Planning Steps

1. **Recommend your client see a doctor**
2. **Review legal documents (Refer to Estate or Elder law attorney)**
3. **Introduce client's Advocate into your client relationship.**
4. **Consolidate finances**
5. **Provide client a written summary of meetings**
6. **After diagnosis: Refer to Care Manager**

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Moderate Decline

Symptoms

- Bills go unpaid.
- Socially withdrawn.
- Client requires help picking out clothes, shopping, or cooking.
- Mood Changes

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Moderate Decline

Planning Steps

1. **Interact more with Advocate and less with your Client**
2. **Transfer legal authority to act to client's Advocate**
3. **Focus on comfort and quality of life of your client**

Severe Decline

Symptoms

- Unable to remember recent experiences or conversations
- Require help with many ADLs
- May wander, struggle with delusions, and/or compulsive behaviors

Severe Decline

Planning Steps

1. **All interaction with Advocate**
2. **Focus on making Advocate's job easier.**
3. **Focus on comfort and quality of life of your client.**

Protect Clients & Your Practice

1. Identify Client's Advocate: Get someone involved
2. Plan
   - Estate & Legal Documents
   - Care Plan
   - Simplify Finances
3. Transfer Authority to Advocate (Moderate Decline)

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Communication Tools

1. Use Active Listening Skills
2. Reassure
3. Be Patient
4. Use closed-ended questions & proper names
5. Limit noise and visual distractions
6. Humor relaxes everyone! ☺

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Firm Procedures

Efficiently serve clients with the right planning and procedures.

- **Training:** Your staff should know what to do when they interact with a confused client.
  - Develop a dementia policy
  - Train staff in communication and active listening skills.
- **In Case of Emergency: Update Privacy Policy**
- **Investment Policy Statement**
- **Care Team:** Coordinate with other professionals. You can't do it all.

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Care Team

- Care Manager
- Client Advocate / Caregiver
- Financial Planner
- Estate Attorney and/or Elder Law Attorney
- Bill Paying Service

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Elder Abuse

There is something you can do.

1. Educate Advocate about what being a fiduciary means.
2. Personal Care Agreement (PSA)
3. Back Up Plan - Report to Adult Protective Services or Social Services

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How to provide Value

Planning focused on your client's quality of life.

- **Planning** to protect clients
  - Get someone involved
  - Update legal documents
  - Simplify finances
- **Procedures** to protect your firm
  - Privacy policy
  - Communication tools
- **Care Team**

Your client is your ally!

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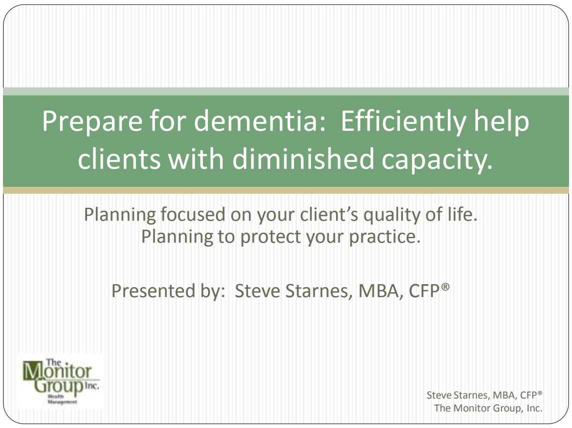
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