

SPECIAL REPORT:
**Secure Your Wealth and Live Well
 with a Dementia Diagnosis**



Dementia and Alzheimer’s can sabotage individuals’ intentions for many parts of their lives, including how their wealth is managed and shared with future generations. This can occur when cognitive decline eventually robs an individual of the time they could otherwise use to make their wishes known.

A further complication is that a large number of dementia cases often remain undiagnosed due to patients who hesitate to act or conceal the symptoms—often out of embarrassment about being judged by others—at a time when potentially groundbreaking new treatments could provide some relief. Also, the cognitive decline may not be readily apparent to others early on.

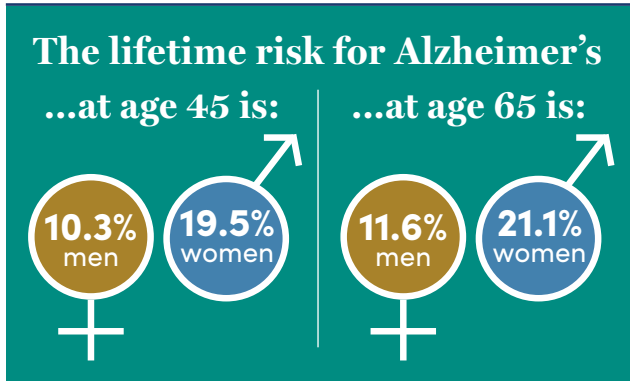
The possibility that each of us eventually could know someone with dementia—or potentially face this or some other traumatic life event ourselves—emphasizes the importance of already having a plan in place to provide for future care, look after loved ones, and secure wealth well before a diagnosis.

Individuals’ adult children can also be involved in at least the basics of initial planning and be designated as “trusted contacts” under specific circumstances. For your financial advisor, establishing a relationship with others who will be involved in your care can make the implementation of your planning much easier after the diagnosis and as the condition worsens.

Can Dementia Be Defined?

Dementia is not a specific disease but rather a syndrome (a group of symptoms) that can manifest through memory loss; distorted reality; changes in mood, behavior, or personality; and time disorientation, among other changes.

Alzheimer’s disease is a specific type of dementia that is characterized by progressive memory loss and cognitive decline. Alzheimer’s is the most common type of dementia, accounting for 60% to 80% of all diagnoses.



Mental Changes as We Age

- Making an occasional bad decision
- Overlooking an occasional bill
- Fumbling the date, but recovering quickly
- Temporary difficulty finding the right word
- Misplacing items (keys, eyeglasses, etc.)

Potential Warning Signs of Dementia

- Forgetting appointments or people
- Behavioral changes
- Difficulty with managing finances (such as paying bills or navigating a bank or credit statement)
- Forgetting when payments or income taxes are due
- Money missing from accounts, or unusual transaction activity in the accounts

Learn more about services, support, and other resources at alzheimers.gov, alz.org, and nia.nih.gov.

6.9 million*

Diagnosed in U.S.

The percentage of people with Alzheimer's increases with age: 5% of people ages 65 to 74, 13.2% of people ages 75 to 84, and 33.4% of people age 85 and older.

*As of 2024.

145%

Rise in deaths from Alzheimer's

As deaths from stroke, heart disease and HIV decreased from 2000 to 2019, reported deaths from Alzheimer's increased. It is the fifth-leading cause of death for Americans age 65 and older.

1 in 3

Number of seniors who die with dementia

Alzheimer's or other types of dementia are blamed for more deaths than breast and prostate cancer combined.

Source: National Institutes of Health, usagainstalzheimer.org

An estimated 6.7 million Americans age 65 and older were suffering from dementia in 2024, according to the federal Centers for Disease Control and Prevention, with that number expected to expand to nearly 14 million by 2060. The illness accounts for more than 100,000 deaths each year.

Globally, a new case of dementia arises about every 3 seconds.

Aging is a primary risk factor (for example, dementia is more likely to develop after age 75 than before) and women are at greater risk than men (one reason is thought to be that women's lifespans are longer than men's).

Diagnoses were found to be lower among individuals with higher levels of education or greater amounts of wealth.

While the risk of dementia can run in families, many other factors can play a greater role.

Individuals typically live four to eight years after a diagnosis but can go on for a decade or more. This duration increases the likelihood of requiring long-term, highly skilled care.

Dementia Risk Reducers

- ✓ Exercise
- ✓ Diet
- ✓ Sleep
- ✓ Hearing/eyesight treatment
- ✓ Heart/brain health
- ✓ Mental health
- ✓ Prevent brain injury/damage
- ✓ Stop smoking and limit alcohol
- ✓ Cognitive engagement
- ✓ Social connection

Source: *Dementia Friendly Denver, Alzheimer's Association of Colorado*

The Value of Responding Early

Responding early means more time to consider treatment options, make wishes known to loved ones, and organize key financial and legal matters. These are some key benefits of diagnosing symptoms early on:

- Early care may help prevent up to 25% of dementia hospitalizations
- Some detected concerns may not be dementia-related
- Allows you to adopt lifestyle changes that might affect progression
- More time to build the right care team
- Allows you to participate fully in providing medical history
- Increases consideration for clinical trials
- Potential to remain independent longer through health monitoring
- Prepare for safety issues at home and accommodate transportation to appointments

Early preparations also may help avoid costly or emotionally draining family conflicts and involve fewer legal or administrative expenses compared to emergency interventions later.



The Progression of Dementia

Dementia affects everyone differently and early symptoms are often relatively mild and not always easy to notice.

What's Happening in the Brain

The human brain has an estimated 86 billion nerve cells, or neurons. Each neuron is interconnected to a thousand others.

Neurons are information messengers. Signals traveling along neurons form memories, thoughts, feelings, and experiences.

Dementia destroys neurons or impairs their interconnection.

1 EARLY STAGE: Individuals may remain largely independent and need only minimal assistance with daily living.

2 MIDDLE STAGE: Symptoms are more noticeable. Individuals may need assistance with daily needs, such as laying out clothing and preparing meals. A home health aide or assisted living may be required.

3 LATER STAGE: Altered perception and physical problems are pronounced and the individual will eventually need full-time care. This stage typically is the shortest—perhaps one to two years—and the symptoms of all types of dementia become very similar.

The progressive damage to areas of the brain that control the body eventually will cause systems to shut down and lead to death.

Source: AMG National Trust

Autonomy vs. Safety: Is There a “Right” Time to Intervene?

The first move for someone exhibiting behavior that may seem like dementia should be to consult a doctor. For family and friends, the goal is the same—encouraging the individual to see a doctor, but it's also a gray area fraught with uncertainty and complications. The dividing line between respecting an individual's autonomy and right to guide their own life versus taking over some decision-making to provide safety can be blurry at best. Acting prematurely could result in anger and ill will but waiting too long also could lead to trouble.

An incentive to intervene is the possibility of significant personal financial losses by the loved one in the years leading up to a diagnosis due to poor decision-making resulting from the early stages of cognitive decline.

Some individuals in a pre-diagnosis phase have been known to develop impulsive or excessive online shopping and giving habits that can deplete wealth. They also may become susceptible to phone and email scams or fall prey to someone selling overly aggressive or unnecessary financial products or investments. The costs can add up, for instance, if someone impulsively decides to lease an expensive vehicle without giving thought to how it fits into financial planning. There also could be penalties or early termination fees if family members were to try to unwind the deal.

This diminished awareness of risk heightens the need to have a trusted family member or reliable agent

whose advice can be trusted. Without oversight, though, small financial mistakes can eventually escalate into significant losses.

There are some potential warning signals that intervention is needed:

- **Memory lapses.** Forgetting what you had for dinner a week ago is normal. It's another thing to forget that you went to dinner with a group of friends. Significant lapses such as these are concerning because the hippocampus, which is the short-term memory-forming center of the brain, is affected in the early stages of the disease.
- **Misplaced items.** People generally place items such as keys or eyeglasses in the same spot each day. Choosing a new and unlikely spot or having no recollection of putting it there in the first place can raise concerns because it suggests short-term memory is not functioning properly.
- **Mood, personality, and behavior.** Some individuals may become aggressive, unpredictable, frightened, confused, suspicious, or begin to withdraw from family, friends or favored activities.
- **Confused about time and place.** Losing track of where they are or how they got there.
- **Repetition.** Repeating questions or stories over a relatively short timeframe.
- **Poor judgment and decision-making.** Decisions or behavior begin to become reckless, such as leaving a stove burner on or forgetting to pull a meal from the oven.

Family Often the First Line of Defense

Family and friends can act as sentinels in noticing changes in memory or behavior. While there is no cure, noticing symptoms early on and getting an evaluation by a doctor can rule out other issues and help start treatment sooner. However, what if a loved one insists nothing is wrong and resists seeing a doctor?

Family members will know their loved one best and how to broach the topic, but here are some suggestions:

- Approach your loved one with concern and empathy and avoid confrontation.
- Perhaps avoid using the words “dementia” or “Alzheimer’s”.
- Suggest that GPS tracking, smart home devices, and medication reminders can enhance independence.
- Involve your loved one and trusted individuals in the conversations.
- Break the noticed changes into smaller examples: “You’ve been forgetting lunch dates with your friends” or “You have a stack of bills on the counter that are not being paid on time.” Ask your loved one to see a doctor to find out what the issue might be.
- Listen to your loved one’s fears and be supportive.

Financial missteps. Money management errors, ranging from the inability to count change or calculate a tip to ignoring a bill or mismanaging money, become more prevalent.

- **Wandering away.** Frequent disorientation regarding surroundings could lead to a loved one finding themselves in an unsafe situation. Individuals may try to compensate by traveling only to familiar, close destinations.
- **Confusion over familiar tasks.** Things done pretty much every day, such as preparing a meal or getting dressed, suddenly become difficult.
- **Word loss.** Difficulty finding the right word, or with following and completing conversations.
- **Hygiene and nutrition decline.** There is a growing inability to eat properly or maintain hygiene.
- **Hallucinations.** Loved ones might believe they are seeing, hearing, or smelling things that are not present.

- **Changes in sleep behavior.** Issues such as an inability to sleep or not sleeping as much can be common as adults age. However, altered behavior such as sleepwalking, talking in one’s sleep, and acting out dreams is not.

Denial may continue even after seeking treatment, but it may be a way of coping and adjusting to the diagnosis.



What if Some Family Members Hesitate to Act?

A wrinkle in these discussions can arise if children or other family members shy away from intervening or feel less compelled to act when the ailing individual’s spouse is involved or is the caregiver. They may feel as though they are intruding on the decision-making. The danger in this instance is that the caretaking spouse may resist efforts to plan or could later fall ill and become unable to make decisions for either of them.

Circumstances such as this amplify the importance of family members or other advocates being involved and able to follow through on the individual’s wishes.

Domains of Well-Being

Dementia can result in decline, restriction, and a loss of autonomy that can impact financial well-being. Often ignored, though, is one’s emotional well-being—viewing dementia as a change in life rather than an end.

Treatments for the many types of dementia generally revolve around a biomedical view that assumes a causal relationship between disease and illness and often results in prescribed medication. Those treatments are important, though there are concerns that a focus primarily on medication to respond to behavior can overlook the underlying reason behind the behavior.

This mode of care—known as domains of well-being—aims to understand and interpret behavior in a way that supports the individual’s well-being and quality of life. It recognizes that because dementia shifts the way a person experiences the world and communicates needs, care interactions may be more successful when based on knowledge of the individual’s habits and routines before diagnosis as well as trying to interpret their current actions. It recognizes that the individual is still trying to communicate, just in a way we’re not accustomed to.

Calming Activities

Sensory interactions such as listening to music or gentle touches (holding hands or a soothing massage, for example) have been found to be a powerful non-drug intervention that can provide moments of connection as well as comfort and dignity.

For instance, an individual pounding on a door at a care facility may be considered disruptive or angry, when in reality they may be recalling a time when they enjoyed long walks outdoors and merely want to be outside. And while dementia may mean the end of one aspect of a life, opportunities for respect and enrichment can still be encouraged by supporting the individual’s domains of well-being.

Domains of Well-Being

Identity – Being well-known; having personhood; individuality; having history

Connectedness – Belonging; engaged; involved; connected to time, place, and nature

Security – Freedom from doubt, anxiety, choice and freedom

Meaning – Significance; hear; hope; value; purpose; sacredness

Growth – Development; enrichment; expanding; evolving

Joy – Happiness; pleasure; delight; contentment; enjoyment

Source: Christian Living Communities



Initial Steps to Safeguard Financial Security

Loved ones and friends are not the only ones in a position to recognize dementia symptoms and recommend help. Through their contacts with clients, financial and legal professionals may also notice cognitive concerns, such as a client not recalling conversations from recent meetings, not following through on agreed upon advice, or impulsive decision-making.

These lapses can have financial implications. However, trying to safeguard well-being and wealth can be difficult for individuals to navigate. It can be beneficial, therefore, to build a team of professionals that can help establish future care, update estate planning, and carry out an individual’s wishes.

Who Is On Your Team & What Powers Do They Have?

Having the right team ensures your plans and related documents comply with state laws and address financial concerns and end-of-life wishes. It generally includes an estate planner, legal professional, financial advisor, and/or care provider, among others.

For some individuals, an unofficial advocate can be essential: to accompany an individual to medical appointments, to help the individual digest all the incoming information, and to be sure the patient’s voice is heard. Family and other loved ones could be involved in establishing preferences about future care and whether it will be at home or in a specialized facility, who will have power of attorney, and whether that person will also serve as health care proxy.

An early step is to consider a trusted contact who is authorized to receive communications if a financial institution is unable to reach the account holder in instances where there is concern about fraud. The contact is not an owner of the accounts, has no access or decision-making authority over the account, and cannot make transactions.

Medical and legal assessments may be required to establish the individual’s capacity to make medical, financial, and other decisions and could lead to a court-appointed guardian if no power of attorney was named. Different types of decisions (for example, day-to-day choices versus complex matters such as establishing a will or trust) may require different levels of capacity.

Numerous legally enforceable options can help provide protection and facilitate independence now and the right level of care as dementia progresses.

Take Care of Your Finances

- Who is on the team of people helping you live well with dementia in the early stages of the illness? Consider adding a trusted contact to accounts and identifying an unofficial advocate to go with you to appointments.
- Put in motion plans for transitioning financial, legal, and medical authority to act on the individual's behalf during the later stages of illness.
- Plan ahead for costs of care and consider long-term care or other insurance.
- Explore employer benefits, such as family leave and flexible working hours, to enhance future care.
- Revisit the terms of existing trusts or trusts that will come about as a result of death or estate planning.

A more detailed list can be found in the appendix at the end of this document.

Power of Attorney

A power of attorney (POA) authorizes an agent to act on a person's behalf regarding property or money. The power can be limited, such as paying your monthly bills, or much broader. It also can be structured to be temporary or durable (i.e., remains in effect if you become incapacitated). Depending how it is structured, it can take effect immediately or only when a specific event or condition arises. An estate plan would generally include durable POAs for financial and medical matters.

Someone with dementia who is able to demonstrate understanding of their actions can select the POA agent. Choose carefully because there may be virtually no oversight unless it becomes clear that the POA is abusing his or her authority. If there is a fundamental disagreement with the person exercising the POA, the agreement in some instances may be dissolved and a new POA established if the individual with dementia is still considered legally competent. Otherwise, a court can be asked to appoint a guardian or conservator to handle their affairs.

Caution is advised when considering whether to name several individuals, such as children, as POAs, with each able to act alone. Having multiple POAs could result in disagreements, extra costs, and delays. A more practical approach, in AMG's view, is to designate a primary POA to take the lead in your affairs, and to designate others as successor POAs. Alternatively, a majority of POAs could be required for a decision to be carried out. Also, guidance could be spelled out about how and when the POAs could act.

Health Care Proxy

Also known as a durable power of attorney for health care, a health care proxy is authorized to make health care decisions based on your preferences and instructions, generally expressed through advance medical directives

(e.g., do not resuscitate order, living will, organ donation, and medical orders for life-sustaining treatment (MOLTS)/physician order for life-sustaining treatment (POLST)). These directives are explained in detail in the appendix and in the AMG publication "Estate Planning Primer" ([request a copy](#) from an AMG advisor).

Family members' wishes generally cannot override the decisions made by the proxy. Also, circumstances may arise where one's wishes cannot be followed exactly.

HIPPA Authorization

The Health Insurance Portability and Accountability Act (HIPAA) helps protect health information and when it can be disclosed. Records such as a diagnosis, treatment plan, medication, and care notes cannot be shared without authorization. Designated family members or an agent can be authorized to share medical information with caregivers.

How Your Advisors Can Support You

Regular communication with people with dementia creates a social connection that can help support brain health. It also can maintain trust. Here are some tips to share with your financial and other advisors for facilitating productive conversations and meetings:

- ✓ Time of day matters; mid-morning may be the sweet spot for meetings
- ✓ Keep meetings short and focused
- ✓ Remove clutter from rooms and tables
- ✓ Seat clients with back to interior windows
- ✓ Provide water and snacks
- ✓ Provide paper and pens
- ✓ Limit number of participants from the firm, but invite appropriate family members
- ✓ Provide simple handouts and avoid complicated presentations or tech
- ✓ Limit your questions to clients
- ✓ Answer repetitive questions cheerfully
- ✓ You are talking with someone you know. Treat them like the friend they already are.

Source: *Dementia Friendly Denver*, Alzheimer's Association of Colorado

The same individual can be both power of attorney and a health care proxy. If separate individuals are selected, the health care proxy makes decisions about care and the power of attorney agent would likely be responsible for handling the bills resulting from that care, suggesting that these two agents would need to be able to work in tandem.

Anticipate Cost Trajectory of Care

Planning ahead for the cost of care requires an acknowledgement that treatment eventually will become progressively more intensive and expensive, with little certainty about how the illness will unfold. The cost can be above \$100,000 per year for higher levels of care, such as for a private room in a nursing home facility.

Calculating Long-Term Costs

The overall economic burden of caring for Americans age 65 and older with dementia is estimated to be \$781 billion in 2025.

Genworth's [Cost of Care Survey](#) calculates the median monthly cost nationwide and in each state for different levels of care, such as a home health aide, assisted living facility, or a private room in a nursing home facility.

Medical care is often compounded by comorbidity issues that increase needs for health care services such as diagnostics, medications, hospitalizations, and specialized care.

Providing for a loved one at home can offer them a feeling of familiarity and security and potentially reduce anxiety and agitation. While family members may feel

comfortable handling their loved one's needs early on, in-home professional caregivers can also help provide meaningful assistance. The level of 24/7 care, however, will likely become more challenging as the disease progresses.



The final stages of dementia generally require round-the-clock assistance, often through a combination of family and other caregivers. Patients' needs can be anticipated to escalate from in-home care to a long-term care facility or hospice.

There also is the option of pre-emptively paying for care at a preferred facility before a diagnosis in order to secure peace of mind. However, the contract may not be refundable if the care is not needed.

Financing Long-Term Care Needs. If you fall into an upper-income group, you may feel secure that your future needs can more easily be accommodated. But there's an important caveat: A high net worth does not necessarily mean assets can be easily sold to pay for health services when they are needed. For example, assets may be tied up in a family business or in an irrevocable trust and not easily accessible.

In addition, individuals who wish to self-insure for long-term care (LTC) may need help planning to meet their needs and monitoring their investment portfolios to generate sufficient income well into the future. With your financial planner, you can begin by identifying stable income sources (pensions, dividends, Social Security), and examine a strategy with them that plans for multiple potential needs. This may include:

- **Medicaid** – Provides medically necessary long-term care but requires you to first spend down your income and assets to meet eligibility levels.
- **Long-term care insurance (LTCI)** – Provides an established level of benefits but the policy can be expensive, and premiums likely will increase annually.
- **Hybrid life insurance with LTC rider** – Some permanent life insurance policies allow the addition of an LTC rider. Benefits likely will be less than for an LTCI, but the rider may include a death benefit on top of the regular life insurance payout if the rider is not needed.
- **Health Savings Account** – Essentially self-insurance for qualified medical expenses and offers several tax advantages. At age 65, the money becomes eligible for non-qualified medical expenses.

Related Article

Our publication **Financing Long-Term Care** explains insurance and other options to assist in your care ([request a copy](#) from an AMG advisor).



- **Veterans Benefits** – Veterans and surviving spouses may be eligible for the VA Aid and Attendance benefit, which provides assistance to help pay for long-term care services.

Importantly, the financial plan will require regular updating to reflect changes in the individual’s condition, cost of care, or available resources.

Explore Employer Benefits. Family members and other loved ones may be eligible to leverage employer benefits, if offered, to sustain higher levels of caregiving.

- **Family and Medical Leave Act** – This federal law authorizes unpaid, job-protected leave to care for a family member with a serious health condition.
- **Flexible or Remote Work Hours** – Employees may be able to adjust the start and end times of a workday to accommodate caregiving responsibilities and medical appointments. The ability to work from home, even if an in-home health aide is also present, may also provide comfort and calm for patient and family.
- **Employee Assistance Program (EAP)** – Provides access to educational workshops on stress management and mental health, among other topics, and private counseling services.



Simplify Financial Accounts

Where possible or beneficial and in consultation with financial or other professionals, streamline accounts to help reduce confusion for family members or agents who will be paying the bills. Here are some options:

- **Consolidate accounts.** Move multiple checking or savings accounts to a single account to keep track of money more easily.
- **Automate deposits and payments.** Set up regular deposits for pensions or investment income, as well as automatic payments for recurring expenses such as mortgages and other loans, utilities, and insurance premiums to maintain continuity of service.

- **Minimize access to credit cards.** To avoid the risk of misuse, consider reducing the number of cards used. Work with the issuer to establish a limit commensurate with needs and set up alerts to warn of unusual activity. Pre-paid credit cards can also provide autonomy while limiting potential losses.
- **Freeze credit.** Doing so for free with each credit bureau (Equifax.com, Experian.com, and TransUnion.com) prevents identity thieves from opening new accounts in a victim’s name. It does not limit the use of existing cards. Also, a password/PIN allows the freeze to be lifted temporarily if new credit is needed for the account holder.
- **Limit access to conduct transactions in high-value investments and accounts.** The cognitive decline that comes with dementia can increase the risk of impulsive decisions that can have a detrimental effect on financial security. Designating an agent to handle investments may help preserve assets for long-term care needs. Doing so can also block the risk of falling victim to scams or high-pressure sales tactics.

Banks or investment firms may be able to provide read-only access to accounts, allowing designated family members to monitor finances without having permission to conduct transactions.

Update Beneficiary Designations

Beneficiary designations on life insurance policies, retirement accounts, and other accounts opened years earlier may not reflect an individual’s current circumstances, because of changes such as marriage, divorce, births, or other family events. Conflicts can arise when outdated designations do not reflect the individual’s current will or estate plan, opening the door for disputes among heirs or loved ones. Updating the designations allows assets to go to the intended people or organizations.

Revisit Wealth Transfer Plans and Directives Periodically

Some may mistakenly believe that putting plans in place is a one-and-done task. To the contrary, wealth transfer plans and other directives should continue to be reviewed periodically to account for evolving financial circumstances, health events, or other changes.

Working with legal and financial professionals is recommended to help determine whether a

modification or reformation is recommended and how that can be accomplished.

Do terms of trust still match intent? Care needs—and costs—typically increase with time, and a trust may need to be updated to allow greater flexibility of spending to adjust to those needs. There also may have been changes to laws and tax codes, or a financial change to the assets in a trust that affect the beneficiary. Evidence of a trust’s original intent can help bolster the argument to allow changes.



Simplify trust setup. It may help to simplify responsibilities of a trustee, such as by appointing a professional or corporate trustee (typically a bank or trust company) for professional oversight.

Some of the options available include:

- Consolidate accounts and eliminate any that create unnecessary reporting or tracking.
- If the patient is also the trustee, gradually empower a successor trustee.
- Consider a pour-over will that, upon the patient’s death, captures any assets that weren’t already in the trust and transfers them (“pours over”) into the trust.
- Switch to outright or fixed-percentage distributions in situations where the goal is to pass assets along rather than manage taxes or timing.
- Appoint an independent special trustee to exercise limited but clearly defined powers unavailable to the original trustee, such as modifying administrative provisions, decanting (moving assets to a new trust with simpler terms), and changing distribution terms.

Seek funding redundancies. Do funding and income sources remain adequate? Steps such as deciding to sell other assets may need to be taken if trust funds fall below a certain level. Backup funding

also could include some type of insurance to replenish the trust after death.

Review impact post-death. Go over the provisions of any existing trusts or trusts that will come about as a result of death or estate planning. For example, when the grantor is determined to be incapacitated, a successor trustee may be allowed to step in. Or upon an individual’s death, assets can be set aside for a spouse with dementia or for children.

Use actual dollar amounts when reviewing wealth transfer plans. Seeing account values during any review helps confirm financial security, that assets in various accounts are likely to sustain current and anticipated costs. It also can identify whether trusts or other structures are underfunded, prompting the adjustment of investment strategies. If overfunded, a higher level of care quality might be sustainable, or some assets could be used in a more tax-advantaged manner.

Guard Against Financial Abuse and Fraud

Cognitive decline resulting in confusion and forgetfulness can impair the ability to recognize scams, making those with dementia potentially susceptible to financial abuse. The culprit could be a complete stranger—or a previously trusted family member or friend.

As mentioned in the “Initial Steps to Safeguard Financial Security” section above, safeguards can be put in place. But there are other precautions to help protect loved ones.

Caring for a loved one at home should provide a sense that they will be safe. However, incidents can occur when an outside caregiver is involved or a family member/friend visits and senses an opportunity to take advantage of someone who is vulnerable. Installing security cameras around the house (inside and out) can show who is coming and going and what is happening outside your view. Cameras are particularly helpful if the loved one who is being cared for lives some distance away.

Related Article

Our publication **ID Theft & Fraud: Keep Your Guard Up** explains common scams and how to protect against them ([request a copy](#) from an AMG advisor).



These are a few other potential threats to be aware of:

Outside caregivers. Hire from a reputable agency and ask for proof of a background check. Specify who will be driving to doctor visits and consider the insurance risks if the caregiver uses their vehicle or one provided by you. If a caregiver is to be responsible for any purchases, provide a prepaid credit card to reduce risk and control spending.

Friend or partner manipulation.

Individuals prey on the person's loneliness or desire for companionship before asking for money or gifts. A variation is exploiting a dementia patient's emotional instability by threatening to withhold affection or use violence unless access to assets is granted.

To shield your loved one, consider limiting their access to financial accounts and create an inventory of all valuables in the house. You may also want to make unannounced visits to the home or ask a friend of your loved one to stop by. Consider installing a doorbell video camera or cameras inside the home to know when visitors come and go.

Fraud, scams, and ID theft. Consider setting up fraud alerts on accounts and placing a freeze on credit reports through [Equifax.com](https://www.equifax.com), [Experian.com](https://www.experian.com), and [TransUnion.com](https://www.transunion.com) to block fraudsters from opening new credit lines in another's name or otherwise stealing their identity.

- Dementia patients may unwittingly provide personal information to scammers over the phone, online, or even through the mail.
- Closely examine medical bills to match charges against treatments performed and flag any services that may not have been provided.
- If the patient is able to drive, be aware of individuals who may stage an accident to take advantage of your loved one.
- Consider having mail for the patient delivered to a locked box or to a secured facility to prevent a fraudster from gaining access to sensitive information in a letter.

Enlist the Bank as an Ally

Banks are on the front line for warning signs of older clients being victimized, such as when they withdraw more money than usual, visit a branch more frequently or are accompanied by a family member or caregiver when none of these behaviors were the case previously. Ask your bank what safeguards are available to clients.



Home repair. Guard against someone coming to the door who offers an “urgent” repair. Your loved one may be asked to make a large deposit upfront for the work. Removing your loved one's access to a credit card or checkbook can prevent such scams.

“Do Not Call” lists. You can opt out of marketing mailings and calls that could lead to unexpected purchases by using the [Direct Marketing Association's](https://www.dma.org) opt-out services and the [National Do Not Call Registry](https://www.donotcall.gov).

Using Wealth to Reduce Toll on Caregivers

Dementia's toll—financial, emotional and physical—can go beyond the person living with the syndrome.

Families may bear a large portion of care-related expenses, including in-home care services, home modifications, and personal care items. On average, they provide about \$750 per month of their own income to support daily needs.

Families also may find that the strain of providing constant care over a number of years could potentially increase the risk of health issues, such as stress, anxiety, and depression.

- Assistance comes from about 11.5 million family members or other individuals who each offer approximately 31 hours of unpaid care per week, on average.
- These caregivers are slightly more likely to be female.
- About one-third of caregivers are 65 or older.

Counseling and support groups can provide respite from these emotions. These resources are available in many communities (a list of some of the resources for patients and caregivers can be found in the appendix).

If desired, a trust can be created within an estate plan to ease the burden on caregivers by providing for reasonable reimbursements for care-related costs.

Effects of Dementia Caregiving on the Body



Just Four out of Ten

Dementia caregivers would rate their health as “excellent or very good”



Dementia caregivers suffer from **increased rates of physical ailments**, including acid reflux, headaches and pain/aching

53.0%

Have been diagnosed with two or more chronic conditions, such as heart disease, kidney disease, or diabetes

40.7%

Report having two or more chronic diseases

33.0%

Reported having a disability

14.1%

Reported coronary heart disease and/or stroke

36.7%

Reported getting insufficient sleep

Source: CDC, AARP, AMG National Trust

Sample situation:

Claire, age 72, has been diagnosed with early-stage dementia. She wishes to remain at home as long as possible, with help from her adult children and a part-time paid caregiver. Claire wants her children to be fairly reimbursed for out-of-pocket costs related to caregiving (e.g., mileage, groceries, medical supplies) but wants to avoid family disputes later.

As a part of her financial security analysis, she and her advisor have discussed her wishes and identified resources that can support her long-term care. She consults with her estate planning attorney to set up a living trust that reimburses “reasonable and necessary expenses related to the care of the grantor” after written documentation (e.g., receipts, mileage logs) is presented to the trustee, who accepts recordkeeping responsibilities.

The trust clearly specifies care-related costs as:

- Mileage to and from medical appointments
- Medical equipment or supplies
- In-home nursing services or physical therapy
- Grocery and meal preparation expenses related to caregiving
- For the caregiver, exercise/yoga classes or counseling to ease stress

Claire could name herself and another person as co-trustees, with the other trustee being a trusted family member, a friend, or a corporate trustee. Having a corporate co-trustee could alleviate negative family dynamics resulting from naming one family member over another.



Protecting Your Finances Can Protect Your Care

Dementia is a debilitating illness characterized by progressive cognitive decline. It’s estimated that about one-third of Americans will be impacted by age 85. Dealing with the illness can become emotionally draining but avoiding a diagnosis can exacerbate the financial and physical toll.

Engaging a trusted financial advisor upon receiving a dementia diagnosis or well before the onset of serious symptoms can be crucial to protect your wealth, make your wishes known regarding who can act on your behalf, and secure the legacy you have worked so hard to build. There also are steps advisors can take to facilitate regular, open meetings with clients who have dementia and their families to help ease financial concerns.

As dementia inevitably progresses the illness takes a toll on families as well, impacting their emotional well-being as they strain to meet their loved one’s physical needs. Financial professionals, support groups, and caregivers can all help provide respite on this journey.

If you would like to schedule a **free consultation** with AMG about financial security in every phase of your life, call 800.999.2190 or [email](#) with the best day and time to reach you.

Appendix

Figure 1: Financial Security Primer

Below are some of the options and considerations that may help prepare your loved ones and secure your wealth in the event of a debilitating illness such as dementia. Your choices in each area should be discussed with loved ones and others who will be involved in your care. Consult with legal and financial professionals for a complete review of options related to your unique financial needs and to put your decisions into motion.

Legal and Estate Planning

- **Power of Attorney.** Allows an individual to act on your behalf, such as to make financial decisions. The authorization can be limited to certain situations or expansive in scope.
- **Health Care Proxy.** Similar to a power of attorney, but this relates to whom is allowed to make medical decisions on your behalf if you become incapacitated.
- **HIPPA Authorization.** Limits who is authorized to access your medical records.
- **Advance Directives.** Written statement of your wishes regarding medical care. These directives can include a living will, do not resuscitate order, and Medical Orders for Life-Sustaining Treatment/Physician Order for Life-Sustaining Treatment.
- **Insurance and Annuities.** Review how the policies mesh with overall financial goals and whether assets will be transferred efficiently. Clarify payout details.
- **Wealth Transfer Plan.** Utilizes wills, trusts, and other legal instruments to direct how assets are passed along to beneficiaries according to your wishes and in a tax-advantaged manner. Trusts may also help heirs avoid the time and cost of probate.
- **Beneficiary Designations.** Updated designations on bank accounts, retirement accounts and insurance policies should reflect your current situation and wishes.

Account Access and Transactions

- **Account Access.** Consider whether to grant a trusted individual access to bank, credit, or other key accounts. Check with your bank and financial advisor about different levels of access that can be granted and select one that suits your needs.

- **Direct Deposit and Bill Auto-Payments.** These tools can help streamline finances and lower the risk of payment errors.
- **Monitor Transactions.** Confer with banks, credit companies, and others about how to monitor accounts for fraud or unusual activity.
- **Fraud Protection.** Utilize identity theft monitoring tools and determine whether to freeze any accounts.

Benefits and Income

- **Retirement Accounts and Pensions.** With a financial advisor, identify and automate stable income sources (pension, dividends, annual required minimum distributions from a 401(k) or Investment Retirement Account). Verify terms, withdrawal amounts, and that required minimum distributions are being met.
- **Employer or Veteran Benefits.** Employers may provide unpaid, job-protected leave, flexible work hours, or access to private counseling. Veterans and surviving spouses may be eligible for the VA Aid and Attendance benefit, which provides assistance for long-term care services.
- **Social Security.** Understand eligibility and benefits.
- **Medicare Eligibility.** May be eligible for medical benefits and long-term care.
- **Long-Term Care Insurance.** Evaluate the need for a policy and understand coverage and terms.

Budget and Tax Planning

- **Long-Term Care Costs.** Review the potentially escalating cost of care—in-home, assisted living, and nursing home and formulate a plan to meet these costs.
- **Housing Decisions.** May choose to maintain home, downsize, or move in with loved one.
- **Tax Planning.** Factor in medical expenses and assess tax-advantaged options.

Communication with Loved Ones

- **Family Meeting.** Avoid surprises by making your financial and medical preferences known.

- **Unofficial Advocate.** Selected by you but acting outside of a power of attorney, this individual would take the lead in handling daily issues around the house, attending medical appointments with you, shopping, etc.
- **Emergency Fund.** Funds accessible for unexpected expenses.
- **Support and Assistance.** Dementia-focused support groups can assist patients and caregivers. (See Appendix 3 for more information.)

Figure 2: Advance Medical Directives

These documents specify preference for treatment and designate an alternative decision-maker in the event a person is unable to make medical decisions on his or her own behalf. These and other aspects of managing your care and estate in anticipation of life-changing events or illness are explained in the AMG publication “Estate Planning Primer” ([request a copy](#) from an AMG advisor).

Living Will. Not a will per se, but a document that specifies a person’s desires to approve or reject the use of life-sustaining procedures or substances.

Do-Not-Resuscitate (DNR) Order. A legally binding medical directive issued by a physician, indicating that cardiopulmonary resuscitation (CPR) should not be performed if a patient experiences cardiac arrest or stops breathing. DNR orders are typically used in the context of end-of-life care, based on the physician’s clinical judgment that resuscitation would be medically futile or would result in significant suffering, harm, or diminished quality of life. If the patient, proxy, or legal representative chooses not to allow CPR, the physician writes a DNR order in the medical record.

Power of Attorney (POA). A document in which one person grants another person or persons the authority to handle his or her legal and/or financial matters. The authority can range from very broad to very limited. The holder of the power is known as the “attorney(s) in fact” or “agent.”

- **Durable Power of Attorney—Financial.** A legal document that grants the power for a person to act on behalf of another solely in financial matters. May be drafted to go into effect when signed or only when the principal becomes physically or mentally incapacitated.

- **Durable Power of Attorney—Health Care (also Medical POA).** Limits the powers of the attorney-in-fact to medical care and physical maintenance of the principal, following incapacitation.

Health Insurance Portability & Accountability Act (HIPAA). Federal privacy law enacted to protect the security and confidentiality of patients’ medical records and other health information held by health plans, doctors, hospitals and other health-care providers.

Medical Orders for Life-Sustaining Treatment (MOLTS)/ Physician Order for Life-Sustaining Treatment (POLST). These two medical orders are generally the same type of document but are referred to differently depending on the state or health care system where they are used.

These orders are signed by a health care provider after conferring with a patient or authorized proxy about a known life-threatening condition (e.g., dementia, severe heart disease, metastatic cancer, or advanced lung, renal or liver disease), the potential medical emergencies that may arise, and the types of life-sustaining treatments that the patient may or may not want.

They are not recommended for individuals with non-life-threatening conditions because of the limits on potentially life-saving care.

The form, which generally is a one-page, two-sided piece of paper, aims to provide a single form that follows the patient from doctor’s office to hospital to care facilities and eventually to hospice. Information about POLST/ MOLTS programs across the U.S. is available [here](#).

Figure 3: What If There is No Power of Attorney, Living Will, or Other Authorization?

When an individual is unable to manage their financial or health-related affairs, a spouse in many cases can make decisions for them. The same is not automatically true for other family members, which may lead to the appointment of a conservator (to oversee financial matters) or a guardian (who handles personal and health care decisions). A legal professional is recommended to file the application for this outcome with a court where the individual resides.

The same person can fill both roles and can be a family member. The risk in instances where there is no surviving family or family members are unable to handle the roles is that a stranger who knows little to nothing about your wishes could be appointed to make decisions about your finances and care.

The period between becoming incapacitated and the naming of a guardian or conservator is often a gray

area, and the decisions around who is allowed to act in your name on health issues often vary by state. The Uniform Health Care Decisions Act (UHCDA) attempts to standardize these decisions nationwide by establishing a hierarchy of default surrogates (e.g., spouse, adult children, parents, etc.) able to temporarily step in. Proposed in 2023 to supersede an earlier version, the UHCDA is only enforceable in states that adopt it. Delaware and Utah have enacted the 2023 version; a handful of other states are considering doing so or have enacted the earlier version.

In AMG's view, the preferred action is to be proactive and consult with family and medical, financial and estate planning professionals before having an attorney prepare documents customized to your needs.

Figure 4: How Can You Protect Against Financial Abuse or Fraud

Fraudsters may try to seize the opportunity to take advantage of victims of dementia through [financial abuse or fraud](#). The crime can be committed by a total stranger or by a "friend" or family member. Older adults, in particular, are targeted because they are believed to be less likely to report suspected fraud.

Telephone, email, or in-person [scams](#) can take many forms, such as:

- Identity theft
- Unsolicited insurance offers
- Aggressive home repair offers
- Impersonators seeking confidential information to avoid having benefits cut off
- Phony prize or get-rich-quick offers
- Offers of unproven cures
- Threats or intimidation

Warning signs of financial abuse or fraud

- Unexpected or unusual expenses
- Credit accounts being opened
- Unauthorized individuals spending time at loved one's home
- Mail diverted to another address
- Belongings begin to disappear from house
- Home is sold without family's knowledge
- Will or other legal documents are changed without permission

Placing a phone number on the [National Do Not Call Registry](#) may help lower the risk of telemarketing schemes.

If fraud is suspected, contact the local police department, your [state's attorney general](#), the [National Elder Fraud Hotline](#), or the [Federal Trade Commission](#).

Figure 5: Resources and Assistance

Medical providers can steer you toward resources and support groups following a dementia diagnosis. Here is a partial list of organizations that can be a starting point for information and resources:

ORGANIZATIONS:

[Alzheimer's Association](http://alz.org) (alz.org)

[Alzheimer's Foundation of America](http://alzfdn.org) (alzfdn.org)

[Association for Frontotemporal Degeneration](http://theaftd.org) (theaftd.org)

[Dementia Friendly America](http://dfamerica.org) (dfamerica.org)

[Lewy Body Dementia Association](http://lbda.org) (lbda.org)

[Lewy Body Dementia Resource Center](http://lewybodyresourcecenter.org) (lewybodyresourcecenter.org)

[National Task Group on Intellectual Disabilities and Dementia Practices](http://the-ntg.org) (the-ntg.org)

GOVERNMENT-RELATED RESOURCES:

Alzheimers.gov

[Alzheimer's and related Dementias Education and Referral \(ADEAR\) Center](http://nia.nih.gov/about/alzheimers-and-dementia/about-adear-center)
(nia.nih.gov/about/alzheimers-and-dementia/about-adear-center)

[Eldercare Locator](http://eldercare.acl.gov) (eldercare.acl.gov)

[MedlinePlus](http://medlineplus.gov) (medlineplus.gov)

[National Institute on Aging](http://nia.nih.gov) (nia.nih.gov)

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