



Daily Money Management: Supporting Older People to Manage their Financial Affairs

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Financial Abuse of Older People

- 2007/8 CPA review on behalf of Help the Aged *The financial abuse of older people.*
- 2007/8 Kings College / National Centre for Social Research *UK Study of Abuse and Neglect of Older People – Prevalence Survey.* Funded by Comic Relief and Department of Health
- 2010 Brunel University *Detecting and preventing the financial abuse of older adults. New Dynamics of Ageing research project.*

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Financial Abuse – What is it?

- Complex and diverse range of acts arising out of different dynamics and in different context.
- World Health Organisation definition:
“A single or repeated act or lack of appropriate action, occurring within any relationship where there is an expectation of trust, which causes harm or distress to an older person.”
- Action on Elder Abuse:
“stealing from, defrauding someone of, or coercing someone to part with, goods and/or property”
- Possibly distinct from financial crime such as internet scams, distraction burglary, consumer fraud

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Financial Abuse – How widespread is it?

- Second most common form of elder abuse (after neglect)
- Nearly twice as common as physical or psychological abuse
- National prevalence study (of people aged 66 and over living at home in the UK) estimated 57,000 people (0.7%) had experienced financial abuse by a friend, relative or care worker in the past year with 105,000 (1.2%) having experienced financial abuse since age 65
- But... Likely to be under-reported through embarrassment or need to maintain social relationship with perpetrator

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Financial Abuse – Who is most at risk?

- Older people living alone, in receipt of services, in bad or very bad health, divorced, separated or lonely
- Highest risk are divorced and separated older women (5.3%) and men aged over 85 (2.5%)
- Men and women equally at risk overall but regional variations. In Wales, **women** most at risk. In Scotland and Northern Ireland, **men** most at risk

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Financial Abuse – Who are the perpetrators?

- 77% of financial abuse takes place at home, 16% in care homes.
- 53% of financial abuse is by a grown up son or daughter, 69% by a family member
(Action on Elder Abuse helpline analysis, 2007)
- Perpetrators often have drug, alcohol, relationship, financial or gambling problems

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Financial Abuse – Prevention is better than cure!

- *‘Owing to the difficulties involved in investigating and proving financial abuse, as well as the fact that abusers have often spent or dissipated assets by the time the abuse is discovered, the most effective way of protecting seniors is through preventive interventions.’*
(Lisa Nerenberg, *Financial Abuse of the Elderly*, 1996)
- Daily Money Management (DMM) programmes assist older people at home with day-to-day financial tasks, improving confidence, reducing social isolation and reducing the risk of financial abuse

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As part of its Investor Programme, the Nationwide Foundation has provided funding to the Centre for Policy on Ageing for a three year programme to investigate and pilot the use of Daily Money Management programmes in England.

CPA has so far completed part I of the project, the investigatory phase.

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Daily Money Management – Who is it for?

- Older people, usually living at home
- With mental capacity to make financial decision
- With some reason, for example disability or frailty, for having difficulty in carrying out day-to-day financial tasks

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Daily Money Management – What can it do?

- Face to face, one to one, at home service
- Cash collection
 - Pensions and benefits
- Bill paying
 - Preparing cheques for signature or setting up an alternative to cheques
 - Organising client's records
 - Establishing a monthly budget
- Advice on available entitlements and assistance with application

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Daily Money Management – Organisation issues

- Appropriate relationships (Sensitivity and confidentiality)
- Volunteer recruitment
- Training
- Vetting and monitoring
- Risk management
- Evaluation

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Daily Money Management: The US experience – Basic principles

- The person must be assumed to have the capacity to make his or her own financial decisions unless it is proved otherwise.
- The person must be given all necessary help and practical support to make their own financial decisions, express preferences, or be involved in decisions about their financial affairs.
- The person must retain the right to make what might be seen as eccentric or unwise financial decisions.
- Anything done for or on behalf of the person, or decisions made, must be in their best interests, take account of their needs and wishes, and provide them with the best quality of life (and, unless restricted by the terms of Power of Attorney, meet the needs of people the person might have been expected to provide for such as: gifts on birthdays, anniversaries, Christmas, marriage to people related to or connected with the person).
- Anything done for or on behalf of the person, or decisions made, must be the least restrictive of their basic rights and freedom of action.

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Daily Money Management: The US experience

- Not for profit (59%)
- For profit (19%)
- Government agencies (15%)
- Big variation on project size, 0 – 4,000 clients, median = 50
- Typically fewer than 5 full-time staff
- 45% of programmes use volunteers
- Average 5 clients per volunteer
- No federal or state government regulation
- American Association of Daily Money Manager – voluntary code

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American Association of Daily Money Managers – Code of Ethics

- The American Association of Daily Money Managers is committed to promoting high standards of client services provided by its members.
- As Daily Money Managers (DMMs), we provide personal business assistance to clients who have difficulty managing their personal monetary and business affairs. As DMMs, we are not acting as accountants, financial advisors, or attorneys, unless separately educated and properly licensed to do so.
- DMMs shall have concern for the well being of their clients.
- DMMs shall provide services in an equitable manner for all clients.
- DMMs shall not exploit their clients financially, socially, emotionally, sexually, physically or in any other manner.
- DMMs shall avoid those relationships or activities that interfere with professional judgment and objectivity.
- DMMs shall disclose any affiliations that may pose a conflict of interest.
- DMMs shall not exploit a relationship with a client for personal or financial gain.
- DMMs shall strive to ensure fees are fair, reasonable and commensurate with the services performed. All fees for daily money management services are to be discussed with the client or other person accepting responsibility for payment prior to the initiation of services.
- DMMs shall take all precautions to avoid harm to the client or his or her property.
- DMMs shall respect the rights of their clients.
- DMMs shall protect the client's right to privacy and confidentiality in accordance with the laws of the state where the services are performed.
- DMMs shall maintain detailed, accurate, financial records for the client, based on information made available from client. (Deposits into and withdrawals from financial accounts shall be documented in terms of the source of the deposit and the purpose of the expenditure.)
- DMMs shall achieve and maintain high standards of competence.
- DMMs shall accurately represent their professional experience and training when requested by their client, client's family or someone looking out for the client, prospective client and other professionals.
- DMMs shall keep current with issues affecting their clients (health insurance, consumer fraud, etc.)
- DMMs shall keep current with public and private services available to their clients, for use in resource referrals.
- DMMs shall refer clients to other service providers or consult with other service providers when additional knowledge and expertise are required.
- DMMs shall define his/her role clearly to other professionals.
- DMMs shall treat clients, family members, colleagues and other professionals with fairness, discretion and integrity.

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UK schemes providing practical assistance

- DWP appointeeships
 - Claimant benefits when claimant has lost capacity
 - Voluntary, no payment, can be family, friend, relative or Local Authority
- Money Carer Foundation
 - National not-for-profit agency providing individual support, paid for by local authorities, £20-£40 per client per month
 - Carer Expense Card – based on Mastercard
- Age Concern Coventry
 - appointee services
 - Cash collection / bill paying service
- Help the Aged / Barclays – Your Money Matters
 - Financial information and advice
- The Friendly Trust – Cardiff
 - Financial advice and support
- Age UK Stafford and district
 - Pension collection
- Age Concern Slough & Berkshire East
 - Shopping and pensions
- Age Concern Calderdale and Kirklees
 - Benefit take up, banking and debt control in (mainly Pakistani) BME community
- Age UK Norfolk
 - **Money Matters** – volunteer help with personal finances
- Age UK Croydon
 - Advocacy service
- Money Advice and Community Support (MACS) - Brighton
 - Advice, counsel and assistance to people in Sussex having difficulty in managing financial affairs through illness, poverty or old age
- macs-plus
 - Not-for-profit social enterprise set up to manage both short-term and long-term finances

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Next stages and future context

- Stage II - pilot projects
- Personalisation agenda
- Volunteering and the 'big society'

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Empowering older people to stay in control of their own lives.

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