

Dec 10/7/08

Submission No. 698

(Inq into better support for carers)

Care-giving and Issues in the Financial Management of Older Person's Assets

Authors: Professor Jill Wilson, Associate Professor Cheryl Tilse (University of Queensland)

Professor Linda Rosenman (Victoria University of Technology)

This submission, with respect to the 'inquiry into better support for carers', addresses

1. issues relating to the contribution that carers make to the management of older people's assets,
2. complexities relating to this and
3. measures that could give better support to carers in this potentially challenging role.

1. The incidence and nature of carer involvement in older people's assets

Although the carer's role in managing the finances of older people, has received little attention to date, is a common and often complex task of informal care. The findings of a large scale national study, comprising two research projects (Tilse, Setterlund, Wilson & Rosenman, 2005a) have identified the extent and nature of this aspect of caring. A national study, via telephone interview, of 3,466 adults, explored the prevalence of asset management, while a second study investigated the experience of asset management derived from in depth interviews with 81 asset managers. From the national prevalence study, the benchmark to date, it is estimated that the extent of care-giving, involving non-professional asset management support to an older (or disabled) person, is considerable. This type support is thought to be provided by almost one third (i.e. 32.9%) of the adult population (Tilse et al., 2005a). Furthermore, it is estimated that more than two thirds (70.7%) of this care, is given to those aged 65 or more. Tilse et al. also reported that the majority of asset management is provided to direct family members (i.e. parents or parents-in-law: 54.3%). Finally, everyday tasks represented the most common form of asset management. Almost half (i.e. 49.7%) of the care giver's involvement in older people's assets was in paying bills. In contrast, assistance linked to substitute decision making mechanisms occurred less often. For example, conducting activities in terms of guardian and administration orders occurred less than 1 percent of the time.

2. Complexity of the task

While many of the tasks themselves appear commonplace, a range of factors surrounding the management of the finances for the elderly can make this whole aspect of caring complex. These factors relate to a range of culturally based expectations around how older people's assets should be used and who 'owns' them, government expectations that older people's assets should be used to pay for care, older people's wishes to maintain their living situation and cordial relations with family members, carer needs to balance the demands of caring with other aspects of their lives and hence perhaps 'take over' in older people's asset management in the interests of efficiency, market expectations that assets should buy a particular life style, and legislative frameworks that appear to privilege family involvement at the

expense of protecting older people and do not provide strong substitute decision making tools (Tilse et al 2005a and 2005b).

Primarily, the focus of policy, and practice, has tended to substitute decision-making (e.g. enduring power of attorney) rather than empowering the older person in effectively managing their own finances, and little support has been offered to carers in relation to this potentially fraught area. Our research has demonstrated that carers use a number of potential risky financial practices such as mixing older people's money with their own, failing to keep adequate records, not communicating with other family members and abuse of older people's assets involving theft or fraud (McCawley et al 2006).

Consistent with the complicated landscape that assisting older people with their finances presents, agencies most likely to provide help also seem challenged by this complex environment. Indeed, dominant medical and personal care models seem to ignore the increasing financial responsibilities that face care-givers (Tilse et al., 2005). These care models are failing to respond to this aspect of care both in terms of the stress it can place on carers, and the support needed to enable older people to continue to be involved if that is what they want, or to protect their interests from those who would exploit them. At present, there are few clear guidelines and few targeted support programmes to compensate for the limitations in the financial literacy of carers, older people and professional social-care staff (Tilse et al., 2005a).

Suggested action

Assisting informal care-givers to develop the asset management skills and protecting older people from financial risks that might erode their financial base requires various strategic policy and practice responses that extend beyond substitute decision-making legislation (e.g. enduring power of attorneys). Policies and programs are required to: increase awareness of and educate toward:

- new options around the practices surrounding asset management
- improving the financial literacy of older people and their informal care-givers and service providers
- ensuring access to information, advice and support services
- developing better accountability practices.

Being on the frontline, banks can play a major part in helping to assist in the responsible asset management of the elderly. In future, clear practice guidelines, especially for banks, seem essential to help manage the risks inherent in third party involvement in older people's assets (The Banking and Financial Services Ombudsman, 2007). Primarily, for the banking sector, with particular reference to third party transactions by caregivers, this involves:

- comprehensive training and the provision of detailed support manuals for 'front-line' staff
- assistance in the development of adjunctive measures such as community and customer education
- contribution to the clarification of the roles that the legal profession and protective bodies (e.g. Public Advocate) should play.
- The development of measures for detecting and preventing abuses.

This submission recognizes the complexity of caregiving to the elderly and focus on an area that has, to date, been largely overlooked; financial assistance to the elderly. Several innovations have been recommended, with particular focus on the banking sector. It is believed that these measures will help carers feel more empowered, more informed and more able to provide care in this complex financial area.

References

- Banking and Financial Services Ombudsman, (2007). *Financial abuse of the vulnerable person, Bulletin 56*.
<http://www.abio.org.au/ABIOWeb/abioweb/site.nsf>
- McCawley, A., Tilse, C., Wilson, J., Setterlund, D. and Rosenman, L. (2006) Older people with impaired capacity and financial abuse. *Journal of Adult Protection* 8, 1:20-33.
- Tilse, C, Setterlund, D, Wilson, J & Rosenman, L. (2005a). Minding the money: a growing responsibility for informal carers. *Ageing & Society* 25, 215–227.
- Tilse, C, Setterlund, D, Wilson, J & Rosenman, L. (2005b). Older people's assets: a contested site, *Australasian Journal on Ageing* 24 s1, S51-56.