

Financial security tip sheet

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10 tips to protect your life savings

Some cognitive functions slip faster than others, and one of the first things to go is the ability to manage money.

It's very common for someone with cognitive loss to rack up debt or make reckless purchases or bad investments. By the time the family realizes what's going on, the money is gone. And you'll never get it back. Yet there are simple, sensible ways to prevent this. Here are 10 tips to help preserve your life savings.



1. Lower the credit limit on your primary credit card or cards.
2. Set up automatic bill payments. If you don't know how, ask someone to help you.
3. Set up your checking account so that checks over a certain amount have to be co-signed by a second person.
4. Authorize your bank or investment firm to put a hold on larger transactions until they've been reviewed.
5. Set up a monthly budget and use one bank account for those regular expenses, while segregating other savings into accounts that are protected against impulsive spending.
6. For people who receive Social Security, one option is a program that allows you to have a Representative Payee (often a relative) who manages your benefit payment.
7. Identify a single, trusted person — typically a spouse, adult child or friend — who will act as the second “set of eyes” to help monitor your finances.
8. Make a list of all financial accounts. Periodically review them with that trusted family member or friend, watching for transactions you don't remember or can't explain. You may also want to give this person read-only access to monthly bank statements.
9. Consider the services of a financial adviser who specializes in elder finance.
10. Whatever you put in place to have that second set of eyes on your savings, don't let it feel demeaning. Incorporate it into an activity you enjoy. For instance, say it's your adult son who plays this role. So maybe you go to a sporting event together, and on the way there, you stop at your favorite restaurant, do the financial review before you eat, and then head to the game. Now that's teamwork!