



FCS-2151

Getting started with financial caregiving

January 2025

Introduction

Financial caregiving involves managing the finances of someone who is unable to make financial decisions on their own. This includes tasks like paying bills, monitoring bank accounts, managing trusts and filing taxes. Caregivers often take on these tasks without discussing finances with the person they're caring for, making it important to start these conversations early and plan ahead. While managing finances can feel overwhelming, there are tools available to individuals in this role.

Talk about finance

Starting financial caregiving conversations can be difficult, especially when family dynamics or emotions are involved. Use these tips to help guide these conversations.

- 1. Start early**
 - **Begin conversations early** — don't wait for a crisis to start discussing finances.
 - **Create a safe space** — choose a quiet, private place and approach the topic with sensitivity.
- 2. Plan the Conversation**
 - **Share a story** — Mention someone you know who faced financial challenges because they hadn't planned ahead. This can highlight the benefits of having these talks early.
 - **Ask for advice** — Bring up a financial issue you're dealing with and ask for their input. It can give you clues about their own financial planning.
 - **Ask a "What if" question** — "What would happen if you were in the hospital?" "How would we take care of your bills?" This can start a conversation about the importance of planning ahead.
- 3. Get the Family Involved**
 - **Set expectations** — Discuss who will be responsible for different aspects of caregiving.
 - **Assign financial tasks** — Clarify who will handle bill payments, taxes and account management.
 - **Coordinate roles** — Ensure everyone understands their responsibilities to reduce stress and avoid conflicts later.

Develop a spending plan

A spending plan helps manage income and expenses effectively. Follow these steps to create a spending plan for yourself and the care receiver.

- 1. List all sources of income**
 - Include salaries, pensions, Social Security and any other income sources.
- 2. Document all expenses**
 - List all regular expenses, such as housing, utilities, groceries, transportation and medical costs.
- 3. Calculate the difference**

- Subtract total expenses from total income.
 - If income exceeds expenses: Discretionary money that can be saved or invested.
 - If expenses exceed income: This results in a shortfall. Adjust spending or seek additional financial resources.
- 4. Create two spending plans (optional)**
 - Plan 1: Estimate income and expenses if continuing to work and pay for care.
 - Plan 2: Estimate income and expenses if reducing working hours or ceasing employment.
 - Have the care receiver create similar plans based on their financial situation.
 - 5. Prioritize spending plans**
 - To secure a healthy financial future, set aside some income for savings and investments before covering other expenses.

Worksheet 1

Document all assets

Tracking assets is essential in managing finances as a caregiver. Below are the key areas to document and understand.

- 1. Accounts and titles**
 - List all financial accounts — including checking, savings, retirement accounts, investments and credit accounts.
 - Know account titles — be aware of how each account is titled, as this will determine how assets are accessed.
 - Joint accounts allow access by more than one person.
 - Payable on Death (POD) and Transfer on Death (TOD) accounts pass assets directly to beneficiaries without going through probate.
 - List beneficiaries — review and update beneficiaries for IRAs, life insurance, pensions and other accounts.
- 2. Important documents**
 - Gather key documents like tax returns, insurance policies and account statements.
 - Track online accounts: Securely store login info for future access.

Worksheet 2

Make a list of credit cards and loans

Create a detailed list of all debts, including credit cards, loans and other financial obligations. This will make it easier to stay on top of payments and avoid penalties.

Here's what to track:

- Credit card payments — list balances, due dates and contact details for each account.
- Loans — include auto loans, mortgages and student loans, noting the lender and payment terms.
- Buy Now, Pay Later (BNPL) — include BNPL debts (e.g., Klarna, Affirm, Afterpay), which often go overlooked.
- AnnualCreditReport.com — check the credit report for a comprehensive list of debts, payment histories and credit scores.
- Manage automatic payments — ensure payments are redirected if accounts are frozen or closed.

Worksheet 3

Create a balance sheet

Creating a balance sheet for both the care giver and the care receiver is essential for understanding the whole financial situation.

Follow these steps to create a comprehensive balance sheet:

- 1. Assess the care receiver's financial situation:**

- Determine how much the care receiver can contribute to their care and whether they may qualify for government assistance programs (e.g., Medicaid).
- 2. Assess the care giver's financial situation:**
 - Understand the care giver's income, expenses and available resources to make financial health decisions.
 - 3. List assets:**
 - Identify everything the person owns that could be sold or used to cover expenses (e.g., property, vehicles, jewelry).
 - Value the assets: Record the current market value, not what was originally paid for the asset.
 - 4. List liabilities:**
 - Total liabilities: Include all debts the person owes, such as credit cards, loans or mortgages. Calculate the total amount needed to pay off debts, not just the remaining payments.
 - 5. Encourage family involvement:**
 - Have other family members create their own balance sheets to identify how they can contribute to the caregiving process.

Worksheet 4

Understand insurance coverage

Pay special attention to insurance coverage. Knowing what types of coverage plans the care giver or the care receiver have is important. Some long-term care, disability and health-care plans require notification before any medical services are provided for them to cover the costs. Being familiar with who needs to be contacted and when can help avoid unexpected expenses

Worksheet 5

Financial caregiving can feel overwhelming, but with proper planning and communication, it becomes much more manageable. By starting conversations early, keeping thorough records, setting up a spending plan, and reviewing insurance coverage, care givers and care receivers can ensure financial responsibilities are handled effectively. Thoughtful planning helps provide support to loved ones while maintaining personal financial stability. For more information: Considering a financial caregiver? Know your options.

References

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Women's Institute for a Secure Retirement. (2020). Financial steps for caregivers: What you need to know about protecting your money and retirement.

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Spending plan worksheet

| FROM | TO | | |
|---------------------|---------|---------------------|--------------------------|
| Income | Current | Caregiving: Working | Caregiving: Leaving Work |
| Salaries | | | |
| Retirement | | | |
| Dividends/interest | | | |
| Social security | | | |
| Other | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total Income | | | |

Spending plan worksheet

| EXPENSES | | | | |
|----------------|---------------------------------|---------|---------------------|--------------------------|
| Income | | Current | Caregiving: Working | Caregiving: Leaving Work |
| Savings | | | | |
| | Deposits to savings | | | |
| | Deposits to retirement accounts | | | |
| | Purchase of other investments | | | |
| | Reinvested interest/dividends | | | |
| | | | | |
| | | | | |
| Fixed Expenses | | | | |
| | Mortgage/rent | | | |
| | Insurance | | | |
| | Auto loans | | | |
| | Taxes | | | |

Spending plan worksheet

| EXPENSES | | | | |
|-------------------|------------------------|---------|---------------------|--------------------------|
| Income | | Current | Caregiving: Working | Caregiving: Leaving Work |
| | Other loans | | | |
| | | | | |
| | | | | |
| | | | | |
| Variable Expenses | | | | |
| | Caregiving | | | |
| | Food | | | |
| | Transportation | | | |
| | Clothing/personal care | | | |
| | Entertainment/vacation | | | |
| | Medical/dental | | | |
| | Utilities | | | |

Spending plan worksheet

| EXPENSES | | | | |
|---|---------------|---------|---------------------|--------------------------|
| Income | | Current | Caregiving: Working | Caregiving: Leaving Work |
| | Child care | | | |
| | Charity | | | |
| | Gifts | | | |
| | Miscellaneous | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Expenses | | | | |
| Net gain or loss (total income minus total expenses) | | | | |

Bank and retirement accounts worksheet

| Account Information | Contact Information |
|----------------------------|--|
| Type of account | Contact person/agent/broker |
| Account holder | Name/address of financial institution/firm |
| Account number | Phone number |
| Type of account | Contact person/agent/broker |
| Account holder | Name/address of financial institution/firm |
| Account number | Phone number |
| Type of account | Contact person/agent/broker |
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| Account number | Phone number |
| Type of account | Contact person/agent/broker |
| Account holder | Name/address of financial institution/firm |
| Account number | Phone number |

Credit card and loans worksheet

| Credit Card/Loan _____ | |
|------------------------|---------------------------------------|
| Account number | Total amount due |
| Payment amount | Due date |
| Phone number | Name/address of financial institution |
| Credit Card/Loan _____ | |
| Account number | Total amount due |
| Payment amount | Due date |
| Phone number | Name/address of financial institution |
| Credit Card/Loan _____ | |
| Account number | Total amount due |
| Payment amount | Due date |
| Phone number | Name/address of financial institution |

Balance sheet worksheet

| NAME | DATE | |
|---|----------------|---------------|
| Assets (things you own) | Your household | Care receiver |
| Cash/cash equivalents | | |
| Checking account | | |
| Savings account | | |
| Certificates of deposit | | |
| Savings bond | | |
| Money market accounts | | |
| Money market funds | | |
| Cash value of life insurance policies | | |
| Investments | | |
| Retirement accounts/individual reirement accounts | | |
| Retirement plans | | |
| Pension plans | | |
| Retirement plans | | |
| Annuities | | |
| Non-retirement accounts | | |
| Stocks | | |
| Bonds | | |
| Mutual funds | | |
| Real estate | | |

Balance sheet worksheet

| Education | | | |
|---|----------------|--|--|
| | Education IRA | | |
| | 529 plans | | |
| | | | |
| Use assets | | | |
| | Home | | |
| | Furnishings | | |
| | Jewelry | | |
| | Collections | | |
| | Autos | | |
| Total assets | | | |
| Liabilities (amounts owed) | | | |
| | Mortgage | | |
| | Auto loans | | |
| | Credit cards | | |
| | Personal loans | | |
| | Taxes owed | | |
| | | | |
| Total liabilities | | | |
| Net worth (total assets minus total liabilities) | | | |

Insurance policies worksheet

| Type of policy | Name and address of company | Names of persons covered | Contact's name and phone number | Plan number | Benefit |
|----------------|-----------------------------|--------------------------|---------------------------------|-------------|---------|
| Health | | | | | |
| Medicare | | | | | |
| Medigap | | | | | |
| Long-term care | | | | | |
| Automobile | | | | | |
| Home owners' | | | | | |
| Disability | | | | | |
| Life | | | | | |

Insurance policies worksheet

| Type of policy | Name and address of company | Names of persons covered | Contact's name and phone number | Plan number | Benefit |
|----------------|-----------------------------|--------------------------|---------------------------------|-------------|---------|
| Annuities | | | | | |
| Funeral/burial | | | | | |
| | | | | | |
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