

DIGNITY AND DEBT – financial difficulty and getting older

Common causes of financial difficulty

Key cause	Reason
Increasing cost of home based aged care	Means test reduces money available for costs of living Changes to allowable expenses -client has to pay for Meals on Wheels; medical gaps, other costs No Home and Community Care subsidy Lack of knowledge about available services & networks for assistance Lack of understanding about hardship applications
Increasing costs of residential care	Bonds Daily Accommodation Fees Respite costs Ongoing home based expenses (e.g. rent) whilst in receipt of residential respite Ongoing home based expenses whilst waiting to sell property Lack of understanding about hardship applications
Costs at home	Need to repair / modify home; borrowing through reverse mortgage products etc. Inappropriate use of credit cards / financial products Increasing cost of utilities, medications, and other essentials / cost of living
Finance matters	Limited financial literacy Exposure to increased marketing (media, phone, door to door sales, scams) Existing or increasing mortgages Inappropriate use of credit Mortgages of all types Long term low income Inappropriate use of direct debits for products
Financial history	Poor succession planning (e.g. farms and property) Generational poverty Chronic low income Chronic dependence on income support payments Long term
Family impacts	Family needing financial support / assistance Selling of property and 'buying into' a family property Financial elder abuse Changed family dynamics & isolation – geographic isolation/ broken families/ no support mechanisms Family events (e.g. illness, deaths, accidents, funerals, mishaps) – care impacts
Emotional / psychological Altered behaviour	Emotional loss / grief and loss related to people, place and abilities/ capacity Mental illness Cognitive impairment – e.g. dementia Social isolation / Gambling Reduced ability to communicate – e.g. cultural and linguistic challenges

Health risks linked to financial difficulty

Health is impacted by financial difficulty. Lack of money often results in not purchasing good or necessary food and other crucial items such as medications: Key impacts include:

Physical health	Risk of falls & fractures Circulation / heart problems Compromised tissue healing – long term wound management issues
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	<p>Impact on cognition Impact on chronic disease management (e.g. diabetes) Comorbidities Increased risk of presentation to hospital Emergency Department Use of additional community services (increasing financial burden and distress) Increase risk of early entry to residential aged care.</p>
Mental health	<p>Anxiety Acopia /being overwhelmed and unable to function, plan and problem solve Depression Suicidal ideation / suicide</p>
Psychological	<p>Relationship difficulty breakdown Decrease in sense of wellbeing / joy of life, dignity / self esteem Loss of confidence – in self and the future</p>
Behaviour	<p>Illegal activities – e.g. driving unregistered car Social isolation Irrational actions / confusion Hoarding Family violence</p>

How do you notice financial difficulty when providing Home Care?

Financial difficulty can prevent people from taking up the home care package they are entitled to.	
Area of impact	Signs
Environment	<p>Refusal or low engagement with services or assistance due to inability to pay / feeling uncomfortable to acknowledge financial hardship. When shopping for the client – inability to purchase essentials- food, hygiene products etc. Heating/cooling not being used Debt collection activity (letters, phone calls) Change in family behaviour (sudden increase or reduction of support)</p>
physical	<p>Skipping meals not using continence products</p>
Emotional	<p>Depressed Anxious Crying/ upset Irrational Confused (dehydration- malnutrition) Embarrassment</p>
Behaviour	<p>Social isolation Behaviours of risk – eating old food; living in small part of house, sleeping with pets, poor home maintenance Refusal to access home care packages</p>

How do you notice financial difficulty when an older person needs to go into residential care?

Financial difficulty can impact on family and friends and the residential care facility	
Area of impact	Signs
Environment	<p>Inability to pay bond Centrelink income impacted by Centrepay payments for services and debts (including advance payments)</p>

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	<p>Family feel that they are responsible to pay the daily accommodation fee</p> <p>Family are paying legal fees to manage the financial difficulty of the new resident</p> <p>Family are paying utilities/rates/credit card/chemist/other accounts</p> <p>Direct debits bouncing for payment of accommodation and facility contacting family/case manager.</p> <p>Resident unable to pay for medicine or personal care needs (toiletries, clothing)</p>
Physical	<p>Deterioration of physical health/ reduced mobility</p> <p>Weight loss</p> <p>No or little disease management</p> <p>Poor hygiene/ continence management</p> <p>Poor health due to long term financial difficulty</p>
Emotional	<p>Depression</p> <p>Confusion</p> <p>Increased anxiety</p> <p>Embarrassment</p> <p>Poor mental health due to long term financial difficulty</p>
Behaviour	<p>Refusal to enter residential care</p> <p>Social isolation</p> <p>Altered ability to communicate verbally</p>

General signs of financial / economic abuse

Area	Key observations
Financial	<p>Unexplained money going from bank accounts – older person unable to go to bank /paid carer observes</p> <p>Not enough money in accounts to buy food or pay bills</p> <p>Increased use of existing credit cards</p> <p>Use of payday lending</p> <p>Extension of mortgages or set up of reverse mortgages</p> <p>Paperwork/documents missing</p> <p>Possessions “gifted” or missing</p> <p>Disconnection notices (utilities)</p> <p>Debt collection activity</p> <p>No Power of Attorney (PoA) in place, or PoA being ignored/misused</p>
Behaviour	<p>Depression and anxiety; change in communication behaviour related to family- acting in a defensive manner – may express a desire not to see family</p> <p>Sadness/ mood lability</p> <p>Unkempt appearance – no haircuts / shaving / normal grooming etc. due to inability to pay for products / services</p> <p>Defensive/obstructive behaviour from family/friend/service provider when questioned about circumstances.</p>
Conversation	<p>Older person talks about signing contracts/ documents that they do not understand</p> <p>New “friends”</p> <p>Visits from long lost family - Pressure to alter wills or pressure for cash</p> <p>Saying that they need to give money to family members</p> <p>Listen for new financial risks revealed in conversations</p>

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Why refer to a financial counsellor?

A financial counsellor will provide the client with:	
Assessment	Free, confidential, non-judgemental, free of conflict Full financial counselling assessment including options and information about rights Non-judgemental; independent source of information
Options	Debt options and consequences / consumer rights Debt collection rights and responsibilities Costs of remaining living independently in the community Cost of moving into residential aged care Ensure correct income support entitlements (Centrelink) Referral to other services (e.g. community legal/ family law / health services etc.) Knowledge about concessions available and eligibility/ processes Budgeting / financial management Bankruptcy / debt agreements Economic abuse/ Family violence financial options Family rights
Negotiation	Advocacy for debt Negotiation with creditors / cease debt collection activities Knows the law to use for negotiation Assistance to use the hardship provisions of the Aged Care Act Advocacy with the residential care facility Systemic advocacy for endemic issues
Education	Education for family Education for facility / community care staff

Benefits of financial counselling

Better financial capacity leads to improved:	
Physical health	Able to afford better food/ able to eat regularly, Ability to buy necessary medication and health aids Better planning, Ability to make informed decisions
Mental health	Reduction of anxiety Management of existing mental illness
Social inclusion	Aged care provider has better relationship with family / resident/ Client not socially isolated / able to engage in activities etc. Family able to visit and be engaged in care giving and decision making where appropriate
Financial inclusion	Understanding of financial difficulty, rights and responsibilities Debt solutions using advocacy No inappropriate payment arrangements to creditors No inappropriate debt management solutions
Consumer rights	Feeling secure in making financial decisions including care arrangements Access to appropriate assistance and services – e.g. Utility Relief Grants and concessions Better understanding of consumer rights; client, family and providers