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# HOUSEHOLD MONEY MANAGEMENT

*White Paper*  
*Seniors Servicing Company*

For more than 30 years Seniors Servicing Company (SSC) has been partnering with people of all ages to navigate their healthcare coverage and protect what matters most: their loved ones, their health, and their financial security. We've now expanded our services, leveraging our professional expertise to help individuals and families comprehensively manage their personal finances.

## **What is Household Money Management?**

In 2019, SSC launched a new arm of our business, Household Money Management (HMM). After receiving dozens of requests from clients and considering our own experiences with family members and friends, we recognized that for many individuals, working with a household money manager can significantly improve the ease with which they manage their financial lives and improve their general well-being. So, we launched HMM as a best-practice solution to provide our clients with greater, more individualized support with their personal finances.

## **What is does an HMM specialist do?**

When a client engages us to provide HMM services, we work with them to develop a custom plan based on their needs, concerns, and goals for their personal finances. For example, our HMM team can partner with clients to

- Pay monthly bills and automate regular payments
- Review and confirm the accuracy of credit card statements
- Establish systems to open and securely file mail and financial paperwork
- Manage reimbursement payments
- Negotiate inaccurate charges or payment plans with utility companies, credit card companies, insurance companies, banks, and other payees
- Prepare checks, make electronic payments, and prepare bank deposits
- Audit and reconcile checking and bank accounts
- Track income and expenses and create budgets
- Provide reports detailing cash flow and spending patterns
- Review medical insurance paperwork and verify claims
- Identify, research, and resolve billing errors

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- Assist in gathering complete and accurate information for tax preparation and other end-of-year financial tasks
  - Collaborate with other professional service providers, including accountants, financial advisors, insurance agents, and attorneys.

### **How is an HMM specialist different than a financial advisor, attorney, or accountant? Why not just have a friend or family member help?**

Household money managers maintain an overview of a client's financial life. While accountants, attorneys, and financial advisors provide expert advice in their fields, HMM specialists offer a cost-effective solution to manage daily tasks, like paying bills and tracking expenses and income. They also partner with individuals and families to provide needed financial information to other trusted professionals, including accountants, attorneys, and financial advisors.

While the low cost and convenience of turning to a friend, neighbor, or family member for help to manage household money matters seems attractive, there is a real risk in entrusting one's personal finances to anyone other than a professional. According to the National Adult Protective Services Association, one in 20 seniors has reported experiencing financial mistreatment or exploitation.<sup>1</sup> Experts also agree that most cases of financial abuse go unreported, which means that rate likely is much higher. In addition, seniors who are taken advantage of financially most often know their abuser. Nearly 90 percent of abusers are family members, friends, or other trusted individuals who capitalize on another person's cognitive decline and diminished capacity.<sup>1</sup> Those statistics are not meant to incite panic, but the risk is real.

Even if financial abuse isn't a worry, the most well-intentioned friend or family member may find it difficult to manage the more complicated elements of someone else's financial life. This includes reviewing retirement account required minimum distributions, managing health reimbursement accounts, and identifying and tracking tax-deductible healthcare expenses.

Our HMM team, which is led by Sally Francis, has the experience and training to help clients achieve financial peace of mind. Sally has worked in the financial industry for more than 25 years and has helped individuals manage their personal finances for more than 15 years. Before joining SSC and owning her own money management consulting firm, she worked for many years in operations and compliance for a private wealth management and investment firm. As a member of the American Association of Daily Money Managers, Sally brings vast knowledge, experience, and a kind spirit as she serves our clients.

### **Who should work with an HMM specialist?**

While HMM services benefit retirees and older individuals, partnering with an expert to proactively and efficiently manage one's household finances is beneficial at any age. Research suggests that 81 percent of Americans experience some stress related to their finances.<sup>2</sup>

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Partnering with a professional to get and keep a household's finances on track can significantly reduce stress and improve overall health and well-being. Most often, people who work with HMM specialists are

- Older adults who are beginning to have trouble remembering to pay bills, have difficulty understanding financial concepts, become overwhelmed by paperwork and processes
- Individuals with declining health or memory issues
- People who have never managed finances or paid bills on their own, including those whose spouse may have managed the money and recently passed away
- Anyone who would feel better with an expert handling their finances
- Those who prefer to spend their time on things they enjoy rather than paying bills or who are frequently traveling
- High net-worth individuals and families with complex financial lives
- Powers of Attorney
- Adult children juggling both their finances and those of their loved ones.

### **How does it work?**

When meeting with a new HMM client, our team will begin by asking questions to find out about the clients' concerns or challenges. We will want to learn about their financial goals and how they may be achieved through a well-designed plan. We will work to establish a firm understanding of their overall household finances by gathering details around their current bank and investment accounts, income, and expenses.

After we have conducted a thorough analysis of a client's finances, we agree upon a strategy and get to work. Depending on the financial goals, we often begin by tracking all income and expenses, documenting assets and liabilities, sifting through and organizing paperwork and receipts, identifying insurance coverages, and even tracking down old bank accounts or unfilled Health Reimbursement Account claims. Regardless of the task, we stay in close contact with our HMM clients through regular meetings or phone calls. For clients who simply want help setting up a monthly budget and addressing a few issues, a limited-time engagement option is available. We also can serve as a longer-term, consistent partner in managing the ongoing tasks of an individual's finances.

Our HMM specialists adhere to the American Association of Daily Money Managers strict code of ethics and all local and federal laws. We value professionalism, confidentiality, competence, and integrity, and we pride ourselves in managing our clients' finances as we would our own family's affairs.

### **What other benefits does working with an HMM have?**

After an individual or family has partnered with an HMM specialist, they often realize the host of other benefits the relationship brings. Not only are their finances healthier, accounts balanced, and affairs in better order, there is

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also now an extra set of trusted eyes watching over an individual or loved one.

Because our HMM specialists often are in regular contact with the client and have access to daily transactions, they can tell when something is amiss. For example, being charged for a safe deposit box rental when the box has been closed, when the client's prescriptions aren't being refilled at their insurance company's preferred pharmacy, or if circumstances arise that indicate the client needs help with daily tasks around the house.

They also can help clients avoid being financially exploited. Or, if financial abuse or scamming does happen, HMM specialists can take the necessary steps to address the issue.

Finally, taking control of one's finances can significantly improve their physical and mental health. According to the American Psychological Association, money continues to be a leading cause of stress for Americans.<sup>3</sup> For most adults, knowing their financial life is being managed well makes a world of difference to their outlook and daily lives.

### **How can I learn more?**

To learn how we can help you or a loved one take a step toward realizing their financial goals, contact Emily Clugston, President of SSC, at [HMM@seniorsservicing.com](mailto:HMM@seniorsservicing.com) or 614-451-9585 for a complimentary consultation.

<sup>1</sup>National Adult Protective Services Association: <https://www.napsa-now.org/get-informed/exploitation-resources/>

<sup>2</sup>Center for Financial Services Innovation: <https://s3.amazonaws.com/cfsi-innovation-files-2018/wp-content/uploads/2018/11/01021952/Pulse-infographic-lettersize-10.31.18update.pdf>

<sup>3</sup>American Psychological Association: <https://www.apa.org/news/press/releases/2015/02/money-stress>