

## **An Easy Way to Pay Your Bills: Hire Someone**

*New Class of Money Managers Targets Elderly and the Busy, But Is Largely Unregulated*

**By Jeff D. Opdyke**

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Every Friday, David P. Johnson grabs the mail and hops in his car for a standing date with Pat Manalio.

Ms. Manalio is Mr. Johnson's daily money manager. For \$50 an hour, she pays bills, balances the checkbook, and sorts medical claims for Mr. Johnson and his 94-year-old father.

"It has relieved quite a burden," says the 53-year-old Mr. Johnson, who handles patents and trademark searches for an Arlington, Va., law firm. "I don't have to worry about remembering all the bills and when they're due."

### **Who Needs One**

Daily money managers, who usually charge between \$35 and \$85 an hour, can make sense for people in the following situations:

- Your spouse always handled the bills. Now, you're divorced or your spouse is deceased.
- You're in poor health and can no longer handle money matters.
- You're too busy with work or family to keep your finances in order.

Once the province of the wealthy, "money management" is taking on a whole new meaning these days. While traditional money managers invest assets, so-called daily money managers are now popping up to tackle the scut work for people who either can't or won't do it themselves. These individuals pay bills, organize records for tax returns and even help consumers straighten out problems with banks and creditors. Their clients range from debt-addled newlyweds to retirees with health problems.

"I'm providing them a personal service just like the guy who takes care of the pool," says Mike Stern, who runs a daily-money-management firm in Menlo Park, Calif. "I just free up hours for them."

Behind the growth is essentially the fact that Americans are living longer and getting to a point where many don't feel comfortable managing their own affairs - and either don't want to burden their kids or don't trust their kids. Meanwhile, some in younger generations are so frenzied by family and work life that they're eager to find others to handle the tasks for them.

While there are good reasons to consider such a manager, the situation is also ripe for abuse. Much of the business revolves around the elderly, particularly widows whose husbands handled the finances for years. In addition, there are no federal or state standards for daily money managers. Some are certified public accountants, some are financial planners and some have no financial background at all. Indeed, there are no prerequisites for this career.

As a result, consumers need to approach daily money managers with some caution. Ask trusted lawyers and accountants if they know of any reputable daily money managers. Check out the daily money managers' association Web site; members of the association must abide by a code of ethics published on the site. Finally, consider personal chemistry. This is a relationship "in which you're going to be putting a lot of trust, and you want to feel like you can really rely on this person," says Phyllis Pawlovsky, a daily manager in Manhattan.

Potential clients should also make sure the daily manager they choose is bonded and insured. Check their references. When you hire someone, make sure the invoice you receive each month gives details of all the work completed in the hours that are billed.

The emergence of daily money managers parallels the growing use of living trusts and powers of attorney - both used to manage the affairs of an incapacitated adult - daily money managers lift the strain of shepherding the finances for mom or dad.

### **The Disciplinarian**

But increasingly, younger clients want that help as well, though for different reasons. Instead of fretting over health-care paperwork, they're more concerned with corralling debt and living within a budget. **Jody Rorick, a daily money manager in Lincroft, N.J., finds she must act like a surrogate mom or a disciplinarian, putting young clients "on a cash diet. I pay their bills and tell what they can spend."**

No one has any real fix on the number of daily money managers, though people in the field agree their ranks are growing. The biggest organization representing them was founded just seven years ago with six members in Maryland. Today, the American Association of Daily Money Managers lists 127 members in 31 states on its Web site: [www.aadmm.com](http://www.aadmm.com). The association believes it represents just a small fraction of the people in the business.

Sometimes daily money managers appear in phone books under "financial assistants"; other times they're not listed at all. "The Yellow Pages just doesn't have a category for us," says Ms. Manalio, who is president of the association.

Generally, daily money managers provide their service once or twice a month to a client, and charge an hourly fee ranging from \$35 to about \$85, depending upon the complexity of the account. Most impose a minimum of two to three hours a month, though clients sometimes need more than that when they get in a bind. Jeff Crane, a daily manager in Shreveport, La., once lined up movers and packers for a client moving into an assisted-living home.

Jon Brown, a Dallas financial planner who manages the daily finances for about a dozen clients, has a 40-something executive who travels so frequently that he rarely has time to muck about with the bills and checks that arrive while he's gone.

So Mr. Brown heads to the man's house twice a month to pick up from the housekeeper a paper bag filled with all the unopened mail. "I sort it all, deposit the checks that come in, write the checks to pay the bill, the return it all for him to sign and mail." Mr. Brown says, "And all the envelopes are already stamped."

**“Overwhelmed” by Finances**

A couple of years ago, Joy Eipel of New York City, “was frightened by all the problems” of having power of attorney over her elderly aunt’s finances. Ms. Eipel says her 86-year-old aunt, who suffers from dementia and other ailments, “was overwhelmed by her finances and it had become a nightmare.” Checks were mailed that hadn’t been signed. Other bills were paid three times. She was distrustful of anyone who tried to help. “Everything,” Ms. Eipel says, “was mixed up.”

**Then Ms. Eipel found out about Ms. Rorick, the New Jersey daily manager. “It’s now so much more wonderful,” Ms. Eipel says. “Jody comes in and takes all the mail in, signs the checks, balances the books, handles the medical claims, then sends everything on to me.”**

**Managing Your Daily Dollars**

Most daily money managers generally provide similar services, such as handling bills, balancing checkbooks, managing health insurance claims and helping with basic tax preparation. Here’s a sampling from around the country of the prices some daily money managers charge and some of the more unusual services they’ve offered. More information can be found at [aadmm.com](http://aadmm.com).

NAME/LOCATION	HOURLY FEE	MOST UNUSUAL SERVICE
Jody Rorick, Lincroft, N.J.	\$84	House-cleaning to help find needed documents.
Pat Manalio, Arlington, Va.	\$50-\$75	Escort client to apply for disability.
Mary Jane Bradley, Topeka, Kan.	\$32	Help settle the estate of client’s parent
Jon Brown, Dallas	\$50	Handled remodeling contractors for an elderly client who caught kitchen on fire
Jeff Crane, Shreveport, La.	\$35-\$45	Finding movers and packers to help a client move from home into assisted-living facility.
Mike Stern, Menlo Park, Calif.	\$45	Makes bank runs for clients, accompanies others to their broker’s office.

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