PGRT Planned Giving Roundtable of Southern Arizona EXTRA

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Aging Donors: Generous or Impaired?

By Jacquelyne J. Mingle

Statistics show that as Americans age, they become more likely to donate to charity. According to Nonprofits Source (NPS), 88% of Americans who make up the "Greatest generation" give to charity, at a rate of an average $1,367 per individual each year. NPS counts everyone 75 and older as "Greatest" and says the demographic represents more than a quarter of total giving in the United States, although it is only about 11% of the population.

It's nice to think of these folks as kind-hearted grannies looking at their life savings and realizing that they have plenty to give back to the organizations they love and appreciate. But the truth is more complicated. The fact is, a large portion of this generation suffers from cognitive decline; a major part of both normal aging and dementias of all kinds is loss of financial judgment.

NPS states that the "Greatest" prefer to receive phone calls and direct mail and are most likely to give through direct mail campaigns.

That statistic took me back to my high school years, helping my mother, who was employed by a small marketing agency. A major client was a charitable organization, a home for orphaned children, as I recall, and over one summer, I began to realize that direct mail campaigns were going out to the same people over and over. My mother explained that the more someone gives, the more mailings they get because, if they give multiple times, they must love the organization and want to support it. She said she was astonished by the number of people who would send money back for every mailing.

Flash forward to my role as an elder law attorney. On more than one occasion, caregivers, family members, or financial advisers have come to me for help because they have discovered that an aging loved one or client has lost the ability to distinguish between bills and solicitations and has been writing checks in response to every mailing that included a dollar sign. This can go on for years before anyone notices and result in serious financial drain. Have the charities, publishers, or spice-of-the-month clubs done anything legally wrong? Probably not. These transactions are typically not exploitation or fraud; they're just unfortunate.

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However, those of us with professional relationships with aging adults may be able to help prevent or minimize the damage. Be mindful of – and don't ignore – warning signs, which include:

- Difficulty understanding simple concepts.
- Forgetfulness, difficulty remembering events in the recent past.

- Inability to recognize or appreciate the consequences of financial decisions.
- Making any decisions that are inconsistent with long-held goals, investment philosophy, or commitments.
- Erratic behavior.
- Refusal to follow appropriate investment advice when it was generally accepted in the past.
- Fear that someone has taken money or belief that funds are missing that are not.
- Lack of understanding of recently completed financial transactions.
- Disorientation or getting lost in familiar places.
- Failing to groom, bathe, or take basic care of physical needs.

What can you do? As a first step, encourage the person to discuss their situation with loved ones, see their doctor for an evaluation, and visit with their estate planning attorney and financial advisor to ensure that a power of attorney is in place and up to date, and that accounts are being monitored. Perhaps the person will authorize you to reach out to family and other professionals to alert them that action may be needed. Find out who has power of attorney, who is the financial advisor or attorney.

Consider calling on Adult Protective Services (APS); many don't realize that self-neglect is a valid ground for investigation. If APS finds that an adult "is unable to meet his or her basic needs (such as obtaining food, shelter, health care, managing finances, etc.) which then impacts the adult's minimum physical health, mental health or general safety," APS may enlist family members and service providers to assist.

You could have a mandatory reporting duty under the law if you are either a "person who has responsibility for the care of a vulnerable adult" or a "person who has responsibility for preparing the tax records of a vulnerable adult or a person who has responsibility for any other action concerning the use or preservation of the vulnerable adult's property."

Relationships with donors and clients and money are always complicated, and it gets even more so as people age. So when the 94-year-old widow who used to donate every year starts sending checks every week, think twice before you celebrate as you deposit the check. Consider that her sudden, out-of-character generosity might be a sign that there's something terribly wrong.

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Resources & Sources:

APS: https://des.az.gov/services/aging-and-adult/arizona-adult-protective-services-aps

Mandatory reporting: A.R.S. § 46-454: www.azleg.gov/ars/46/00454.htm

Warning signs: https://thebamalliance.com/blog/financial-decision-making-in-an-aging-world/

For your Calendar

May 1: **Breakfast Meeting; 7:30 a.m., Arizona Inn: Stories from the Trenches, Kent Weimer, Chair-elect of CGP, Director of Trusts, Estates and Gift Planning, Parkland Foundation.**

June 5: **Breakfast Meeting, 7:30 a.m., Arizona Inn: Donors: The Good Ones and the Ones that Got Away, Mary Louise Luna, Community Foundation of Southern Arizona.**

Aug. 7: **Summer Mixer, 4:30.**

Sept. 4: **Breakfast Meeting, 7:30 a.m., Arizona Inn: To be determined.**

Oct. 2: **Breakfast Meeting, 7:30 a.m., Arizona Inn, Intergenerational Transfer of Wealth, Angie Laskarides, Regional Director, Arizona Community Foundation.**