

Golden and Financially Empowered!

Financial Ideas for Seniors

Teacher's Guide

Series: DRS Client Education (Part 2 of 4)

Program Length: 45-90 Minutes

Audience: DRS Clients age 60+



Golden and Financially Empowered

by Debt Reduction Services Inc

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Our senior population is skyrocketing as Baby Boomers retire in droves. Unfortunately, many are not financially prepared for retirement, and many others end up chasing after promises of wealth only to be defrauded by scammers.

LEARNING OBJECTIVES

Participants will:

- I. Recognize signs of financial trouble common among Seniors
- II. Explain Common Reasons Why Seniors File for Bankruptcy
- III. Critique options seniors have for increasing their income and decreasing their expenses and debts
- IV. Construct a debt repayment plan for retirees
- V. Identify the types of fraud, financial abuse and predatory loans that target seniors
- VI. Demonstrate ability to report and/or address different types of financial abuse, fraud and scams

Topic: Financial Empowerment
for Seniors

Time Required: 45-90 minutes

SUPPLIES, MATERIALS & EQUIPMENT

- Projector and screen (optional)
- Golden and Financial Empowered PowerPoint (optional)
- Participant handouts (1 Booklet)

PREPARATION:

- Be prepared to provide answers to activities in the handout (available in this guide)
- Consider filling in the boxes on each page with relevant information from the news, personal experiences, and other ideas that match your presentation style.

PARTICIPANT HANDOUTS:

- Financial Toolbox: DEBT
- 8-page Booklet of Student Handouts for Corresponding Lesson

Discussion Question: What can I do to avoid the problems of consumer debt?

INSTRUCTOR TIPS
<p>Discussion Question: The Discussion Question is meant to grab the participants’ attention and interest, encourage engagement, and begin them on the steps up Bloom’s taxonomy of learning (Remember, Understand, Apply, Analyze, Evaluate & Create). It addresses ideas that are relevant to the participants’ lives from a top-level perspective.</p>
<p>Personal Experience:</p>
<p>Current Event Ideas: Consider mentioning or referring to current events (local, regional, national or global) that have to do with scams targeting seniors. It may be appropriate to mention a public figure (politician, professional athlete, musician, actor or other celebrity) that has fallen victim to scams to illustrate that it can happen to anyone.</p>
<p>Story Relevant to Participants’ Lives:</p>
<p>Additional Information/Links:</p> <ul style="list-style-type: none"> Find more information about senior scams and frauds in the notes section of the corresponding PowerPoint

I. Recognizing the Signs of Financial Trouble Common among Seniors

Suggested Time: 5-10 minutes

- What are some everyday signs or indications that they are at risk or already may be in financial trouble?
 - Banking: You do not regularly balance your account statements.
 - Banking: You have no checking account at a bank or credit union.
 - Banking: Your debit cards purchases are regularly declined.
 - Debt: You are carrying a balance on your credit card(s) or you have gone over your credit card credit limit.
 - Debt: You borrow from your children for living expenses, such as rent.
 - Debt: You have a mortgage or home equity loan/line of credit that may not be paid off till you are in your 80s or 90s.
 - Debt: You have cosigned a loan for a child, grandchild or other family member.
 - Debt: You make only the minimum payments on your debts.
 - Debt: You’d like a “Reverse Mortgage” but do not understand how it works.
 - Debt: You’re on fixed income but 15%+ of it goes toward transportation.
 - Debt: You’ve taken out or are considering taking out a payday loan.
 - General: Someone else is managing your accounts and bills.
 - General: You frequently miss paying an obligation (bills, utilities, etc...).
 - General: You have delayed doctor visits for financial reasons.
 - General: You have pawned or are considering pawning possessions.
 - General: You have to work to cover car payment and/or a mortgage.
 - General: You lose sleep due to financial worries.
 - Saving: You have no savings or very little savings.
 - Scam: You are pressured by strangers or family members to make an investment you do not understand.

II. Explain Common Reasons Why Seniors File for Bankruptcy

Suggested Time: 5-10 minutes

- Identify and explain why most senior-bankruptcy filers file.*
What do you think the most common reasons are for seniors to file for bankruptcy?
 - 447 (59%) had a mortgage
 - 489 (64%) had \$20k or more in non-mortgage debt
 - Most common debts: Credit card (86%), Mortgage (41%), Medical (38%), Vehicle (37%), Home Equity (13%), Payday loans (5%), Student Loan (4%)
 - Most common reason for filing among seniors: Job loss/Income reduction (34%), Overuse of Credit cards (25%), Medical expenses (18%), Overspending (8%), Divorce (3%), Widowed (3%)
 - How much savings did they have in their accounts before heading to bankruptcy? \$0 (54%), Less than \$1k (30%), \$1,000-\$2,500 (6%), \$2,500-\$5,000 (3%), \$5k-\$10k (3%), \$10k+ (4%)
 - Conclusions: *Too much credit card and mortgage debt with no back up savings to minimize medical and other emergency issues.*

*Based upon our bankruptcy survey of 763 filers aged 60-91

III. Critique options and limitation seniors have for increasing their income and decreasing their expenses and debts

Suggested Time:5-10 minutes

3. On the handout, "Income Limited or Empowered," identify whether the listed limitations are by choice or are imposed upon us. Then, prioritize how or whether you want to "attack" each limitation, by adding a circle to the chart.
 - Most seniors can continue to earn money, unless they are physically and mentally incapacitated.
 - The handout is a visual prioritization activity to help them figure out if they want to earn money and to see if they are willing to overcome the challenges that some of their limitations present.
 - Before pursuing additional income, ask yourself what you love to do. Tie your interests, passions and hobbies to your income. Here is a list of potential resources to help seniors earn additional money:
 - AmeriCorps/VISTA "Volunteers" through nationalservice.org or 800-942-2677 (Stipend does NOT count against Social Security benefits)
 - Start a business: Contact RSVP for free assistance and consulting
 - Contact your favorite museums, parks, and community resources about becoming a part-time tour guide or historian
 - Check with local temp agencies for jobs you would enjoy
 - If you have a writing skill, consider becoming a guest blogger or write your own book
 - If you enjoy arts and crafts, consider turning your hobby into part-time income through sites like etsy.com
 - If your health (and energy) allow, you might consider elder care or childcare part time
 - Do you garden? Have you looked into selling your home-grown produce at a local farmer's market?
 - Become a consultant: Use your contacts from previous employment to build a new, part-time, flexible business
- Debt elimination should be a priority for all of us, but certainly for seniors on fixed income. The handout lists six options for dealing with debt that transcend all age demographics. Go through each of the options, discussing the pros and cons of each.
 1. Consolidation loan: PRO – It has the potential to simplify your monthly debt repayment; CON - It is typically difficult to qualify for and usually carries a pretty high interest rate.
 2. Credit counseling: PRO – Credit counselors can usually lower your interest rates and your monthly payments; CON – If you don't have regular income or if you have far more debt than your income can cover, even such concessions are not enough to forestall bankruptcy.
 3. Debt settlement: PRO – Companies promise to get you out of debt for just half of what you owe; CON – The success rate can be in the single digits, and you are pretty likely to be sued by the creditor and have your wages or tax refund garnished long before the settlement is ready.
 4. Bankruptcy: PRO – Ideally it gives you a fresh start in your financial life. CON – The process is very intrusive and many still consider it humiliating; you lose some degree of self-determination during the process.
 5. Ignoring the debt: PRO – If your only income is social security, or a protected retirement (such as a 401(k) or IRA), creditors cannot take any portion of it. CON – You can still be contacted by phone, email, mail, etc. by collection agencies. You may even be sued in court and lose any tax refund due to you.
 6. Paying off as agreed: PRO – You pay on your terms and will likely pay the least amount of interest over time; CON – It may take years or even decades to repay excessive consumer debts.

INSTRUCTOR TIPS
<i>Additional Questions:</i>
<i>Personal Experience:</i>
<i>Current Event Ideas:</i>
<i>Story Relevant to Participants' Lives:</i>
<i>Links to Other Lessons:</i>

INSTRUCTOR TIPS	
<i>Additional Questions:</i>	
<i>Personal Experience:</i>	
<i>Current Event Ideas:</i>	
<i>Story Relevant to Participants' Lives:</i>	
<i>Links to Other Lessons:</i>	
<i>Additional Information:</i>	Financial abuse is the illegal use of a senior's money, property or assets, including unauthorized check cashing, savings withdrawals, or signature forgery

IV. Identify the Types of Fraud and Financial Abuse Targeting Seniors

Suggested Time: 5-10 minutes

4. On the handout, "Match Game: Senior Scam Edition" match the common frauds and financial scams targeting seniors with their typical approaches. Write the letter of approach that corresponds to the name.

- Have participants complete the activity
 - Review answers and possible outcomes of fraud and scams
1. Counterfeit Prescription Drugs: Internet purchases of unverifiable Rx's
 2. Fraudulent Anti-aging Products: Bogus supplements, equipment or treatments
 3. Funeral & Cemetery Scams: Fraudsters at funeral present bogus claims of outstanding debt to the widow(er), or funeral homes charge unreasonable or unnecessary fees
 4. Homeowner/Reverse Mortgage Scams: Scammers promise to get you monthly payments from your home's equity for the rest of your life, but they often ask you to sign the deed over to them, after which they can sell it to whomever they like.
 5. Investment Schemes: Pyramid schemes, the "Nigerian prince" scams and fraudulent or overly complex investment products.
 6. Medicare/Health Insurance Scams: Scammers bill your insurance or Medicare for bogus services, including at mobile clinics.
 7. Obituary Scams: The scammer approaches the surviving spouse regarding a debt owed by the deceased regarding personal or business loans.
 8. Phishing Scams: Any email promising thousands of dollars (or more) for a seemingly simple service or assistance. Sometimes known as the Nigerian Prince scam.
 9. Repair Fraud: Vehicle repair shops take advantage of seniors by scaring them into services and products they do not need. Additionally, fraudsters go door to door explaining that they have extra cement or other material from a job down the street and are willing to provide driveway or sidewalk repair at a significant discount (cash prepaid, of course) then never return.
 10. Sweepstakes & Lottery Scams: If it sounds too good to be true, it's probably a scam
 11. Telemarketing/Phone Scams: Seniors are more likely to make phone purchases, but it can include fake charitable solicitations, fake family accidents or "special deals" promising wealth
 12. The "Grandparent" Scam: Scammers pose as a grandchild asking for financial help out of a legal or immigration problem.

Answers: 1-G, 2-F, 3-E, 4-J, 5-A, 6-H, 7-C, 8-B, 9-L, 10-D, 11-I, 12-K

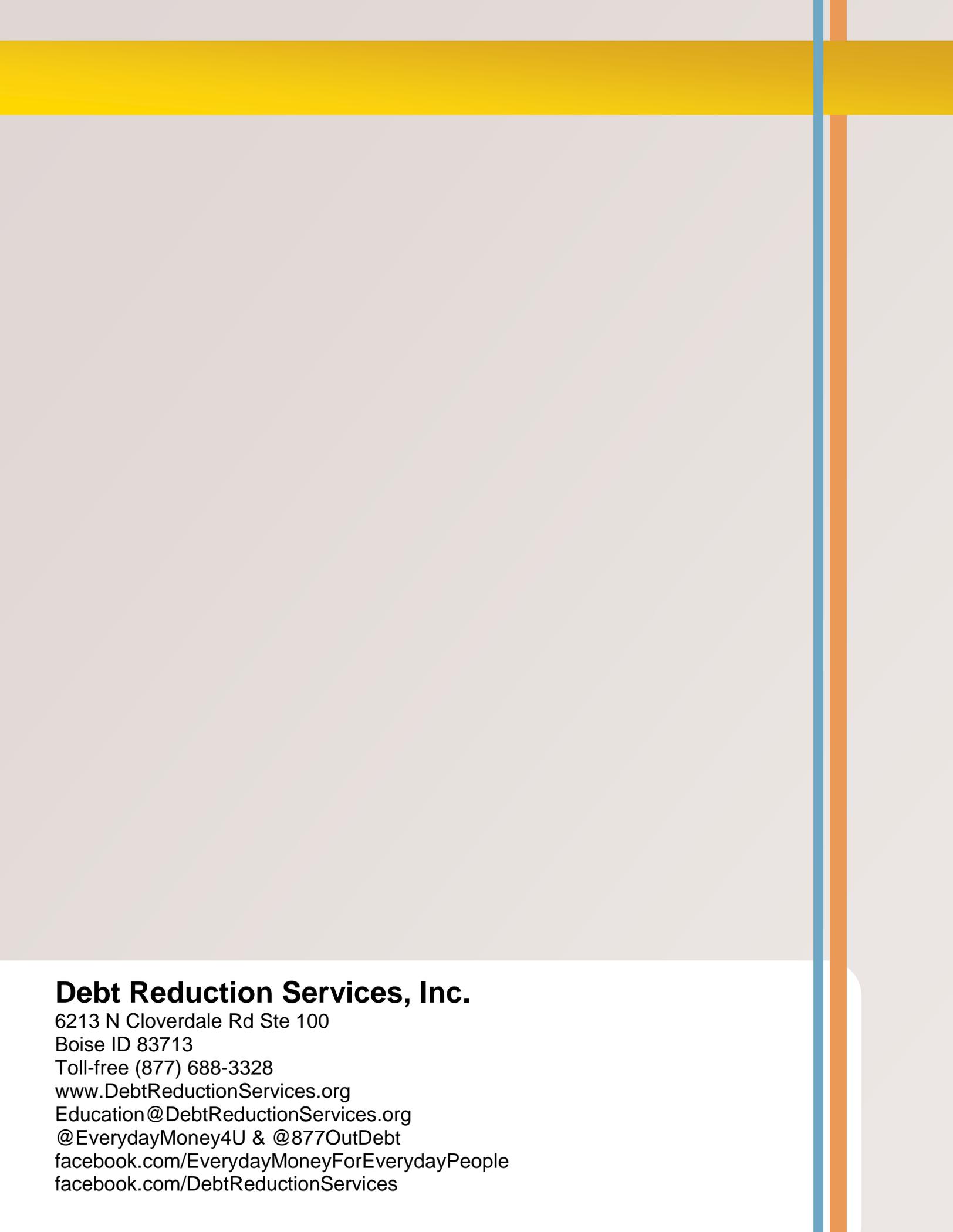
5. Have the participants attempt to identify the suspicious characteristics of the phishing email on page 6 of the handouts. Answers are on page 7.

V. Demonstrate Ability to Report and/or Address Senior Financial Abuse, Frauds and Scams

Suggested Time: 5-10 minutes

6. Where can you turn if you or a senior loved one is a victim – or worried about becoming a victim – of financial abuse, fraud or financial scams?

- Find resources in your community through www.eldercare.gov
- Financial fraud: Local police; Find Protective Services at www.napsa-now.org/get-help/help-in-your-area
- Financial abuse of seniors: National Center on Elder Abuse at www.ncea.aoa.gov



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