

What If You Run Out of Money?

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Summary

If you, or someone you care about, is retired and running out of money, what can be done? The situation may not be as bleak as it looks. Sometimes we have more resources than we are aware of: possessions or skills that can generate cash, entitlement to benefits we have not sought out, access to help from agencies or individuals, and ways to stretch what we do still have.

This paper describes some of the possibilities, and refers you to other sources where you can pursue the details. (A list of internet links, and some phone numbers, appears at the end.)

Are you really out of money?

Although your cash may be dwindling or gone, you may have other assets that can be turned into cash. A home that you own, valuables that you possess, and life insurance policies all can be converted to spendable money in more than one way.

Whether you own or rent, you may be able to find a roommate or boarder who will pay for the privilege of sharing your space.

In addition, the old expression "time is money" may still be true. Even if you are no longer vigorous, you may be able to do simple work for modest pay. It doesn't have to be a regular job: parents are happy to pay for a reliable person to watch their children, and grown children are happy to pay for someone to help tend aged parents.

Or if you do have any particular knowledge or skills (and chances are, you do), there is probably someone out there who needs them. If they aren't advertising for you, then you can advertise for them. If you can't afford a newspaper ad, many markets and other local retailers allow people to post notices for free.

Are you entitled to something you don't have?

You may be entitled to income or other benefits that you don't know about:

- If you were previously married to someone who made more money than you did, you may be entitled to higher Social Security benefits. If you are over 65, blind, or disabled, you may also qualify for Supplemental Security Income. Check with your local Social Security office.
- If you or a former spouse ever worked for a company with a pension plan – even if it was many years ago – you may be entitled to a monthly pension, or there might be a 401(k) or other account that has been forgotten about. Get in touch with any such employers, or check on-line for unclaimed amounts.
- Most states have lists of thousands of people who are entitled to miscellaneous funds that they don't know about. You could be on such a list. The National Association of Unclaimed Property Administrators maintains a website where you can check, state by state. You can also check the IRS for unclaimed tax refunds.

- There are separate lists for certain unclaimed life insurance policies, for unredeemed savings bonds, for undelivered tax refunds, unclaimed bank deposits and for other unclaimed funds. See below for help in finding out whether any of these apply to you.
- The federal government subsidizes housing for seniors through Section 8 rental vouchers. Such housing may or may not be available in your area, but if housing is an issue for you, you should find out (start with your local Area Agency on Aging).
- You might qualify for Medicaid if you don't currently qualify, you might soon. Medicaid provides additional medical care for the needy, beyond what Medicare offers. If you need prescription drugs and can't afford them, contact the company that makes your medications: most drug companies have programs that offer free or low-cost pharmaceuticals to low-income people who meet their guidelines. See "Other resources" at the end of this paper for other possibilities.
- If you are already in a nursing home, or if you now need one, federal law prohibits facilities from discriminating against you because you cannot afford to pay. Medicaid will cover your care, if you cannot do so yourself. You will not be able to have a private room, but you will not be in the street. However, you will have to prove that your assets are under \$2,000 (in most cases) to qualify, and any ongoing income will have to be made over to the care facility.
- Some localities offer real estate tax breaks to needy elders. Check with your municipal tax collector.

Who can help you?

You are not alone. There are three kinds of places you can seek further help of many kinds:

First, *relatives and friends* may be able to help. Some may even be eager to help. Even if they themselves can't help, they might know someone with whom you match up. For example, someone who is infirm may need a live-in companion if but if you don't let people know about your situation, they can't do anything for you. If you end up living with a child or other relative, they may be able to claim a tax exemption for you, as well as take deductions for medical expenses (or for the cost of a home aide or adult daycare center to help you if they work outside the home).

Second, many *government agencies* are in the business of helping people like you. You may be eligible for subsidized housing, food stamps, Medicaid, and other forms of public support if programs you helped pay for when you had greater financial means and were a taxpayer. Now is the time to collect. For starters, consult:

- The U.S. Administration on Aging has local Area Agencies on Aging that provide many kinds of information and support, and lead you to other resources in your locale, including both governmental and non-governmental welfare agencies. Visit their Benefits CheckUp Page to see what government and private benefits and services you may be eligible for.

- The Department of Housing and Urban Development can help you with housing options.
- The U.S. Administration for Children and Families offers the Low-Income Energy Assistance Program, which can help cover home heating or cooling bills.
- Federal Centers for Medicare & Medicaid Services can explain your benefits and refer you to the appropriate agency in your state.

Third, *churches, private charities, and other groups* often can be of help, in big ways and small ones. Many groups are local: check with your church, with your town or city clerk, or with the leaders of local fraternal organizations for possibilities in your area. In addition, many national organizations offer local assistance, for example:

- The National Council on Aging offers advice on public benefits, ways to get lower cost prescription drugs, and other useful subjects.
- The National Shared Housing Resource Center can help match you up with someone to live in your home and share expenses, or if *you* need a home, someone who has space available and needs companionship, assistance, or someone to help cover expenses. They also may be able to refer you to homes where unrelated persons share living space and expenses.
- Meals on Wheels provides meal services to people in need.

Ways to minimize your expenses

Learning to make the most of what you do have is a skill that, like any other, requires knowledge and experience if you want to get good at it. Here's another area where time is money: by taking the time to learn top-notch household economy, you can probably save much more than you think. And you don't have to apply for this work, nor will the government tax it. Your savings will pay you well for the time you put into achieving them.

Specific suggestions in this area could fill a book, but here are a few ideas to get you started:

- Go find such a book! Ask your local librarian for books and magazines that deal with smart shopping and other forms of consumer economizing.
- Identify where you do spend money, and find things you can eliminate or reduce, whether because you can do without them, because you can find government or other sources to help provide them, because you can find less expensive alternatives, or because you can shop smarter.
- Do learn to shop better. Seek out new places to buy things: use second-hand shops, church or charity stores, discount and close-out stores, factory outlets, wholesale clubs, food pantries, or other such low-cost retailers. Look for sales, church bazaars, swaps, yard sales, coupons, and senior discounts. Plan your shopping more carefully, so you get only what you need, and only as much as you need, so nothing is wasted.

- If you can get a part-time job at a local restaurant or retailer, you not only will earn a little money, but you may get good discounts or even freebies on items sold there (and maybe the chance to pick up left-over or slightly damaged goods at no cost).
- Ask for discounts, whether from the shop around the corner or from your doctor, or anyplace else you do business. Most professionals provide services on a sliding scale or even for free, at times, and most businesses would rather make a little profit than none.
- Bargains are increasingly available online. If you don't have a computer, you can usually get free access to one at the public library. Some good shopping websites are listed at the end of this paper.

Is your biggest obstacle you?

If your money is gone, or nearly gone, this is a hard situation. You may also find it embarrassing, even if it was not your fault. We all like to feel independent, and suddenly that feeling is slipping away. It can be tough to ask people for help.

But pride has never been a virtue. You cannot deal with your situation unless you face it honestly, without pride, and without self-pity. Nor can you enlist others to help you, even those who desire to help, if you refuse to accept help, refuse to ask for help, or refuse to let people know that you need to make some changes in your life.

If you were a good person when you were self-sufficient, you are still a good person now that you are less fortunate. Now it is all the more important that you also be a smart person, and get help wherever it is available. Because other people are good, too, and some of them will be there for you, if you let them.

For More Information

- ***Papers available from this same source:***
 - Options for Obtaining Cash from Your Home's Equity
 - Should You Use a Reverse Mortgage to Raise Cash from the Value of Your Home?
- ***Outside information (general):***
 - *Consumer Reports Money Advisor* is an excellent general source for money-saving information, though a bit expensive if you have little money to spare. You can check out this and other Consumer Reports publications at <http://www.consumerreports.org>. They may also be at your local library.
 - *Bottom Line / Wealth & Retirement* is another good consumer publication, and is particularly aimed at older readers and their needs. It's a bit expensive for individuals short of cash to subscribe to, but a lot of their articles are available for free online. You can check out this and their other publications at: <http://bottomlinepublications.com/content/article/wealth-a-retirement>.

- A large variety of rather random but useful articles are available on the AARP "Budgeting and Saving" page (<http://www.aarp.org/money/budgeting-saving/>).
- SeniorDiscounts.com (<http://www.seniordiscounts.com/>) can direct you to lots and lots of saving opportunities.
- **Government resources:**
 - Federal Administration on Aging (can link you to local Area Agencies on Aging): <http://www.aoa.gov>. The National Council on Aging also has a website that lets you know what federal benefits you may be entitled to; try it at: <http://www.benefitscheckup.org/>.
 - The Administration on Aging also sponsors the "Eldercare Locator," which can help connect you with services in your area: <http://www.eldercare.gov> or call 800-677-1116.
 - Federal Dept. of Housing and Urban Development (can help you find low-cost housing options): http://portal.hud.gov/hudportal/HUD?src=/topics/information_for_senior_citizens
 - The Low-Income Home Energy Assistance Program (helps cover home heating/cooling bills): <http://www.acf.hhs.gov/programs/ocs/programs/liheap>, or call 866-674-6327.
 - Medicaid information: <https://www.cms.gov/home/medicaid.asp>.
 - Check for unclaimed IRS refunds at their "Where's My Refund?" page: <http://www.irs.gov/Refunds>.
 - National Association of Unclaimed Property Administrators: to check online for unclaimed funds that may belong to you: <http://www.unclaimed.org/>, at <http://unclaimedmoney.org/>, or at <http://www.MissingMoney.com>.
 - If you might be owed unclaimed funds in connection with an FHA mortgage, go to the HUD website: <http://www.hud.gov/offices/hsg/comp/refunds/index.cfm>.
- **Other resources:**
 - If the person running out of money is not you, but someone you care about who lives far away, consider paying for the assistance of a geriatric care manager in the other person's area. The National Association of Professional Geriatric Care Managers website can be used to help find someone suitable: <http://www.caremanager.org>.
 - To check on unclaimed pension benefits from previous employers, go to: www.unclaimedretirementbenefits.com. If the employer no longer exists, the U.S. government-backed Pension Benefit Guaranty Corp. may have custody of the plan, and they maintain <http://search.pbpgc.gov/mp/mp.aspx>. If you think that the company still exists but has merged or been bought out by another company, try <http://www.corporateaffiliations.com>, which tracks companies that have merged, changed names, or dissolved.

- For unclaimed life insurance policies, try <http://www.demutualization-claims.com/>. Also try contacting insurance companies directly if you think that you, or perhaps a deceased family member, may have owned a policy with them at some point.
- For unclaimed FDIC-insured accounts at closed banks: <http://www2.fdic.gov/funds>.
- For unredeemed savings bonds you owned but have lost or forgotten, go to http://www.treasurydirect.gov/indiv/tools/tools_treasuryhunt.htm, for copies of the forms you need (there are different forms depending on the circumstances).
- The National Council on Aging: <http://www.ncoa.org> or call 202-479-1200.
- For help finding low-cost prescription drugs, contact your state health department, or consult the last sections of RetirementWORKS Retirement Readiness page, dealing with sources of prescription drugs and other medical supports, at: http://www.retirementworks2.com/RetireReady/RW_RetireReady_Health_PhysicalProblems.htm, which will connect you with other internet resources..
- National Shared Housing Resource Center: <http://www.nationalsharedhousing.org>
- Meals on Wheels: <http://www.mowaa.org/>
- Good websites for comparison shopping include <http://www.pricegrabber.com>, <http://www.shopzilla.com>, and the Google shopping site (formerly known as Froogle), <https://www.google.com/shopping>. You can also find online overstock outlets, such as those at <http://www.overstock.com>, and at <http://www.smartbargains.com/>.
- Established websites that offer on-line coupons and/or info about where to get good deals: <http://couponmom.com>, <http://www.flamingoworld.com>, <http://www.edealinfo.com>, <http://www.hotcouponworld.com>, <http://www.couponing.about.com>, <http://www.wow-coupons.com>.