



HELPING SOMEONE WITH INVESTMENT DECISIONS: A Resource for Family and Friends





Making investment decisions with support

Many people who have a disability, including dementia, can make some or all of their own investment decisions if they have help from people they trust.

This booklet explains:

- What is an investment?
- What does decision-making capacity mean?
- What is supported decision-making?
- How can you support someone with their investment decisions?
- How do you choose an investment advisor?
- How do you consider risk?

What is an investment?

Saving means putting money aside, usually into a savings account, for purchases or emergencies. Saving involves little or no risk. Money may earn some interest over time. Interest is a fee the financial institution pays to you.

An **investment** is money that you put away to earn higher interest over a longer period. There is more risk involved. The goal is to increase wealth. Investments can support you to travel, go to college, buy a home, provide money to your children—whatever matters most to you.

Making investment decisions

To make an informed investment decision, a person needs to:

- Understand the decision to be made;
- Know the available options, including the risks and benefits of each one; and
- Make a decision based on their investment goals, preferences, and values.

The Canadian Centre for Elder Law created this booklet in consultation with the Alzheimer Society of B.C. and Inclusion B.C. to support family and friends to respect the decision-making autonomy of people living with dementia and other disabilities.

Every adult is presumed to be capable of their own financial and investment decisions—even if they have a disability.

Human rights law states that people with disabilities have a right to assistance with disability-related needs and support for inclusion in activities and services.

Understanding capacity

Capacity means the ability to make your own decisions.

A person with capacity must show they can:

- Understand information;
- Use the information to consider their situation; and
- Understand the possible outcomes of a decision.

Capacity is decision-specific. A person might be able to make some decisions, but not others, depending on what kinds of information they can understand.

Capacity is not determined by how a person communicates. People can describe their wishes and preferences verbally, in writing, or with signs or gestures.

Remind investment advisors to communicate directly with the person being supported. You are there to help, not to make decisions.

Factors that impact capacity

Decision-making abilities can be impacted by:

- Time of day;
- Meeting environment;
- Medication;
- Lack of sleep;
- Stress or fear;
- Grief or depression; and
- Health issues, such as illness.

For some people, capacity can vary from day to day.

If a person is said to be incapable, this likely means they have been found incapable of making:

- A specific decision—for example, deciding whether to live in a care home or group home; or
- Certain types of decisions—for example, all financial decisions.



Supported decision-making is about understanding people's unique needs and abilities, and tailoring experiences to work with their strengths.

Supported decision-making

Supported decision-making is when people get the support of friends, family members, and other people they trust to help them understand information and make choices. Supported decision-making allows people to make their own decisions.

Supportive decision-makers “support” a person to:

- Understand the issues involved in a decision;
- Understand the consequences of a decision;
- Access appropriate assistance or information to help them make a decision; and
- Express their views.

Most people make big decisions with the help of people they trust.

Respecting rights means the degree and type of support matches a person's unique needs.

Strategies to support investment decision-making

Here are some ways you can help:

- Clarify confusing terminology or concepts;
- Ask a professional to speak more slowly;
- Reduce distractions and background noise;
- Help a person to ask questions;
- Suggest different communication strategies to relay the information (such as using visual diagrams);
- Take notes at meetings;
- Schedule appointments; and
- Provide help with researching options.

Everyone needs different kinds of support with decision-making.



Many people with disabilities who have an attorney, a representative, or a guardian can make some or all of their own decisions.

What about substitute decision-making?

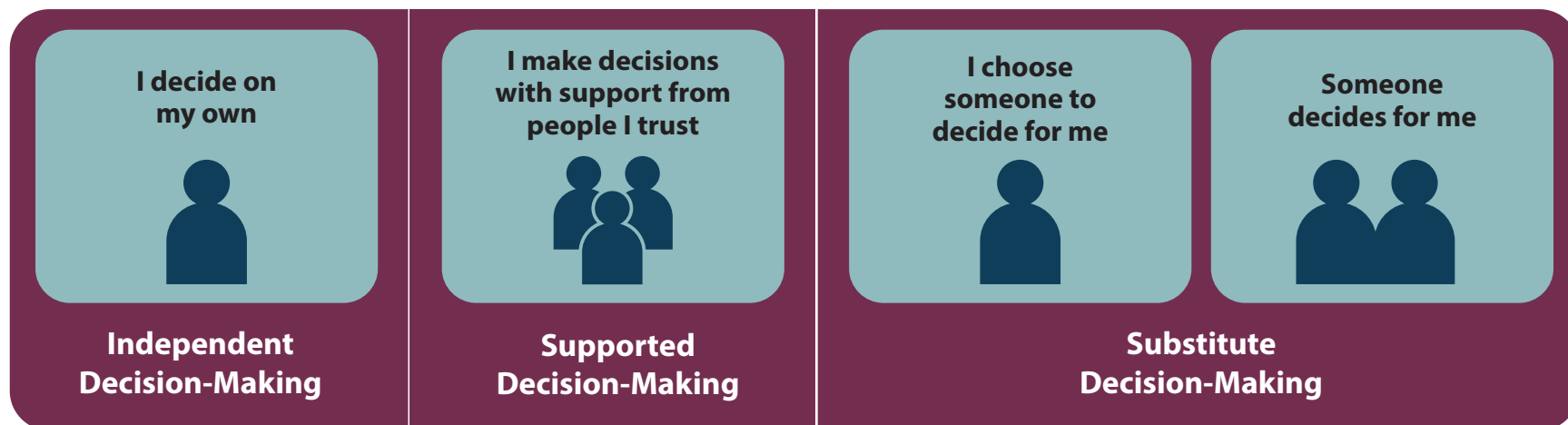
Substitute decision-making means making decisions for someone else.

Substitutes are a last resort because decision-making autonomy is a fundamental human right. People should be supported to make as much of their decisions themselves before we resort to giving others the power to make decisions for them.

There are different types of substitute decision-makers for investment. Substitute decision-makers have different titles in the various provinces and territories in Canada.

Depending on where you live, a substitute decision-maker could be a representative, an attorney under a power of attorney, a guardian, or a committee.

Some substitute decision-makers are people you choose because you trust them: for example, representatives and attorneys. Others are appointed by courts or through other legal processes.





Investment and risk

We all have different comfort levels with risk. Higher risk investments often have greater potential to increase wealth. Investment decision-making involves complex personal decisions regarding comfort with risk.

Risk means taking chances, and trusting (and hoping) that one choice over another will generate the growth a person needs over time to achieve a financial goal.

People who have capacity are entitled to make their own choices regarding risk.

A desire to make high risk investments does not, by itself, prove a person lacks capacity for investment decision-making.

Comfort with risk

Comfort with risk might depend on:

- What are the investment goals and values?
- How soon will they need to access the money?
- What is their ability to tolerate unexpected changes in the growth or decline of their investment?

Comfort with higher risks and unexpected losses may depend on:

- Practical financial needs and resources; and
- Emotional capacity to handle disappointment and uncertainty.

People living with dementia or other disabilities may need support to understand the concept of risk.

Choosing an investment advisor

1. Conduct background research

- Confirm the advisor is registered through the Canadian Securities Administrators (CSA) website.
- Check their discipline history on the CSA website.
- Ask about the advisor's title and designations.

2. Interview the advisor

Here are some questions to ask a potential advisor:

- What are your fees?
- How long have you worked as an advisor?
- What experience do you have working with a person living with a disability?
- How much experience do you have advising on Registered Disability Savings Plan investments?
- What disability accommodations can you offer?

The advisor should be able to clearly explain the different risks associated with different kind of investments.

It is important that you, the person you support, and the advisor feel that the relationship will be a good fit.



Person-centred planning

Here are some questions to explore:

- What are you saving your money for?
- Do you want your money in one account?
- When, and how often, do you want to be able to access your money?
- Do you want your money to increase over time?
- What would you like to spend your money on?
For example, do you want to own a house some day? Travel?

This booklet provides general information about the law in Canada. The legal content was reviewed in December 2020 by lawyers at the Canadian Centre for Elder Law.



Where to get help

Disability Community Resources

Government of Canada—Canada Disability Savings Grant and Bond, Federal Disability Tax Credit, and Registered Disability Savings Plan: **www.canada.ca**

Resources on Investing

Canadian Securities Administrators (CSA): Investor Tools: **www.securities-administrators.ca**

Investment Industry Regulatory Organization of Canada (IIROC) Regulatory and Investing Links (including a list of Canadian securities commissions): **www.iiroc.ca**

Mutual Fund Dealers Association (MFDA): Investors: **www.mfda.ca**

Ombudsman for Banking Services and Investments (OBSI): **www.obsi.ca**. OBSI works with banks, investment firms, and their customers to resolve disputes.

ABOUT THE CCEL

The CCEL conducts legal research, and develops legal reports and educational tools about the legal and policy issues related to aging. The CCEL is part of the BC Law Institute, BC's non-profit independent law reform agency.

www.bcli.org/ccel



ABOUT THE ALZHEIMER SOCIETY OF B.C.

The Society's vision is a world without dementia, and that world begins with a more dementia-friendly society, where people affected by dementia are acknowledged, supported, and included. The Society works in communities throughout BC to support, educate, and advocate for people living with dementia.

www.alzheimerbc.org



ABOUT INCLUSION BC

The vision of Inclusion BC is a world where everyone belongs. Inclusion BC is a non-profit federation that works with partners to build community and to enhance the lives of children, youth and adults with intellectual disabilities and their families by supporting abilities, promoting action and advancing rights. Inclusion BC provides support, education and advocacy where and when it is needed.

www.inclusionbc.org





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