Heightened risk of adverse financial changes before Alzheimer's diagnosis

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Prior to an Alzheimer's diagnosis, a person in the early stages of the disease faces a heightened risk of adverse financial outcomes—a likely consequence of compromised decision making when managing money, in addition to exploitation and fraud by others.

That is the disquieting conclusion of a study published Oct. 25 in the journal *Health Economics*.

Alzheimer's disease isn't usually diagnosed until symptoms are severe, and its progression typically involves a multi-year process of cognitive decline.

"Previous studies show that people in the very early stages of Alzheimer's lose financial capacity; that is, their ability to manage their checkbook, to pay bills on time, to spend in ways that are consistent with the values they had in the past," explains the study's lead author, health economist Carole Roan Gresenz, Ph.D., interim dean for Georgetown University's School of Nursing & Health Studies.

In the study, Gresenz and her colleagues wanted to know more about that impact. "What happens to financial household outcomes during that period of cognitive decline prior to diagnosis?"

To find the answer, the researchers merged data from two sources: the Health and Retirement Study and Medicare claims.

The Health and Retirement Study is a nationally representative, longitudinal survey of Americans over the age of 50 sponsored by the National Institute on Aging, which includes questions about households' financial assets and liabilities. The Medicare data allow the researchers to identify individuals who have been diagnosed with Alzheimer's disease or related dementia as well as the date of diagnosis.

"These combined data allow us to track backwards from the date of diagnosis to figure out what was happening to households financially prior to diagnosis," Gresenz explains.

"What we found was that households in which someone is in the early stage of the disease are vulnerable to large reductions in liquid assets such as savings, money market, and checking accounts," she says.

The team also found evidence that these households are likely to have a reduction in net wealth during that time period.

"The findings are concerning because these adverse financial outcomes are occurring just prior to when substantial resource demands will be placed on these families as they grapple with costs related to caregiving needs," Gresenz says.

She says the findings also speak to the potentially important role of financial institutions in reducing the exposure of vulnerable elderly to poor outcomes.

The researchers are now working on matching credit data—which includes more granular financial outcomes measured for more refined time periods—with Medicare data.

"We want to understand more about the specific types of financial decisions and choices that underlie these findings as well as to explore whether financial information offers the potential for early identification of individuals who are in the initial stages of Alzheimer's disease and who should be prioritized for additional clinical screening," she says.

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