

As cognition slips, so go financial skills

By Tara Siegel Bernard, New York Times

When Helen Clark brought her father-in-law, then 83, to the doctor last year, she knew his mind was slowing, but a mental status exam confirmed it. He knew the year, where he lived and the name of the president. But when the doctor asked him to count backward from 100, subtracting seven from each number – 100, 93, 86, 79 – a look of confusion washed over his face.

Studies show that the ability to perform simple math problems, as well as handling financial matters, are typically one of the first set of skills to decline in diseases of the mind, like Alzheimer's, and Clark's father-in-law, who suffered from mild dementia, was no exception. Research has also shown that even cognitively normal people may reach a point where financial decision-making becomes more challenging.

The National Endowment for Financial Education has compiled a checklist of early warning signs that may indicate when an older adult's financial competence is declining. The list is based on research conducted by Dr. Daniel Marson, of the University of Alabama at Birmingham.

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