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Money trouble can precede dementia diagnosis by years, study finds

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The anecdotes Lauren Nicholas was hearing were all similarly alarming: People with dementia were experiencing “catastrophic financial events” — often before they or their loved ones knew there was anything wrong with them.

“Once you miss a bunch of payments, the bank owns your house or you can’t get credit anymore, so I think we were kind of concerned about why this is able to happen,” said Nicholas, a health economist and associate professor at the Johns Hopkins Bloomberg School of Public Health. Deteriorating financial capabilities have long been considered one of the earliest signs of cognitive decline, but Nicholas noted that experts still had “relatively limited understanding of how frequent it is and when it’s happening.”

New research published Monday by Nicholas in collaboration with experts from the Federal Reserve Board of Governors and the University of Michigan Medical School suggests that adverse financial events associated with Alzheimer’s disease and related dementias, or ADRD, can start happening years before people are clinically diagnosed. The study, published in *JAMA Internal Medicine*, is described by the researchers as one of the first of its kind to connect the health data of more than 80,000 Medicare beneficiaries with federal consumer credit reports. Its findings, according to the researchers, could potentially have broad implications on health and financial policies while also highlighting the potential benefits of early detection of conditions that are estimated to affect almost 15 percent of Americans older than 70.

“Some of these financial symptoms are popping up as early as six years before formal clinical diagnosis,” said Nicholas, the study’s lead author. “That suggests that it actually does affect your life for a lot longer than we thought, and that even if we can’t slow the cognitive impacts, we can still protect you from some of the financial losses.”

'A minute later, she forgets.' Pandemic brings new challenges when a loved one has dementia.

Using anonymized data, Nicholas and her team focused on Medicare beneficiaries who were alive at some point in 2014. They narrowed the sample to single-person households, because “that’s where we have the cleanest tie between ‘You are the person who’s developing dementia’ and ‘You are the person making financial decisions,’” she said. The Medicare data, which helped researchers determine who developed dementia and the rate at which they exhibited symptoms, was then matched with people’s credit histories before and after their formal diagnosis, based on characteristics such as census block, birth month and year, and Zip code.

To determine whether someone was experiencing “deteriorating financial self-management,” researchers looked for people who had bill payments at least 30 days past due for two or more months in a row and those with a credit score below 620, which is considered “subprime.”

The study found that those who developed dementia were at “significantly higher risk of payment delinquency” compared with a similar population of people who were healthy. “To our knowledge, these results represent the first large-scale evidence of financial harms related to preclinical and diagnosed ADRD,” the researchers wrote.

Controversial Alzheimer’s drug gets boost from FDA staff

Ronald Petersen, director of the Mayo Clinic Alzheimer’s Disease Research Center, called the study “very important and insightful and unique.” Petersen, who was not part of the study, noted that the findings appear consistent with existing research involving older adults participating in the Mayo Clinic Study of Aging, which also examined their financial capabilities.

“We’ve always had this concern that people might be compromised with regard to their decision-making even before a formal diagnosis is made,” he said. The new research presents “some hard data that indicated, yes, this is reality and it’s worrisome for these individuals.”

The effect cognitive impairments can have on a person’s financial health is “a significant problem,” said Oscar Lopez, director of the Alzheimer’s Disease Research Center at the University of Pittsburgh. If people are racking up debt or falling victim to financial scams or fraud, it could prevent them from having the necessary funds to care for themselves as their condition worsens.

“They need the money for what is coming,” Lopez said. “They may need to pay for a

nursing home, and they need to pay for help coming to their houses, and that money will disappear.”

In surprise turnaround, new analysis finds an Alzheimer’s treatment may work

The study’s findings probably represent just “the tip of the iceberg of the financial problems” being experienced by this vulnerable population, Nicholas said. Some people with dementia may have gotten assistance managing their finances from partners, adult children or other relatives and friends, she said, meaning “we’re getting underestimates on how common these things might be.”

“So many people, for example, who develop dementia and don’t have these problems probably would if someone hadn’t stepped in to help,” she said.

The available data also does not include information about whether people were keeping up with payments for utilities, rent and medical collections, nor could it show other types of risky financial decisions, such as making an unusually large bank withdrawal or moving a typically well-diversified individual retirement account into one stock, she said.

Still, experts said they are hopeful the JAMA paper will raise awareness and encourage action at the individual and policy levels.

Changes in judgment, financial ability or decision-making are usually the first signs individuals and family members may notice, but “too often these are denied or dismissed, when they may actually be a reason to get a thorough medical evaluation,” Heather Snyder, vice president of medical and scientific operations at the Alzheimer’s Association, wrote in an email.

There has traditionally been some reluctance to diagnose mild cognitive impairment or Alzheimer’s early, amid concerns that without effective therapies to cure or slow the progression of the condition, a diagnosis may only cause worry or other adverse mental health effects, Petersen said. Now, though, there is “hard documentation that a reason to make the diagnosis earlier than later is to prevent these kinds of catastrophes.”

For Alzheimer’s researchers, a long and frustrating struggle to find a drug

Clinicians should make a greater effort to find out how their elderly patients, especially those who live alone, are managing their finances and whether they have anyone who can assist them, Petersen said. Nicholas added that financial counseling and resources also need to be available for people after a formal

diagnosis, with the data showing money problems appeared to continue even though people were aware their cognitive abilities were declining.

More can be done to encourage older adults to start allowing their family members or other trusted people to access their accounts, so they can be alerted when payments are missed, Nicholas said. Banks and other financial institutions could also consider implementing additional policies for protecting older clients, such as investigating unusual account activity.

But experts emphasized that people should not rush to the doctor after their first missed bill payment.

“This new research suggests an association between early Alzheimer’s-related brain changes and poor financial decision making,” Snyder wrote. “It does not prove cause.”

Nicholas said there are “lots of reasons these things happen that are a symptom of living busy lives and not having impairment.”

“But it’s definitely giving us another tool to suggest something might be wrong,” she said. “If I saw evidence of multiple things going wrong or combined with any other changes in personality, changes in interest or memory, conversational ability, then I would absolutely recommend going to the doctor.”

Doing these five things could decrease your risk of Alzheimer’s by 60 percent, new study says

In the meantime, she suggested using the holidays as a time to start discussing the future with loved ones.

“Most people want their financial assets to stay with them and their families and not be lost to scammers and overdraft fees and things like that,” she said. So this should provide “some good motivation to have the difficult conversations.”