

# EARLY WARNING SIGNS:

## Impact of Aging on Financial Decision Making

It's inevitable that an average person will see a change in their ability to make financial decisions as they age. While there are varying degrees of cognitive decline for each individual, the key is to be prepared. Knowing how to identify early warning signs\* can help friends, family and caretakers be proactive instead of reactive in the planning process.



### WARNING SIGN #1

## Taking Longer to Complete Financial Tasks

#### EXAMPLES OF INCREASED SLOWNESS:

- Preparing bills for mailing
- Completing check and check register
- Filing income taxes



### WARNING SIGN #2

## Missing Key Details in Financial Documents

#### EXAMPLES OF DIFFICULTY WITH REDUCED ATTENTION:

- Identifying a bill that is overdue and needs prompt attention
- Scanning/finding details in complex documents like a bank statement
- Completing sections of a check register



### WARNING SIGN #3

## Experiencing Difficulty with Everyday Math

#### EXAMPLES OF DIFFICULTY WITH DECLINING MATH SKILLS:

- Determining a return on an investment
- Calculating a medical deductible
- Doing two related calculations at same time, especially making change
- Figuring a tip in a restaurant



### WARNING SIGN #4

## Showing Decreased Understanding of Financial Concepts

#### EXAMPLES OF DIFFICULTY WITH UNDERSTANDING:

- Health care concepts like medical deductible
- Terms in a bank statement like interest rate and minimum balance



### WARNING SIGN #5

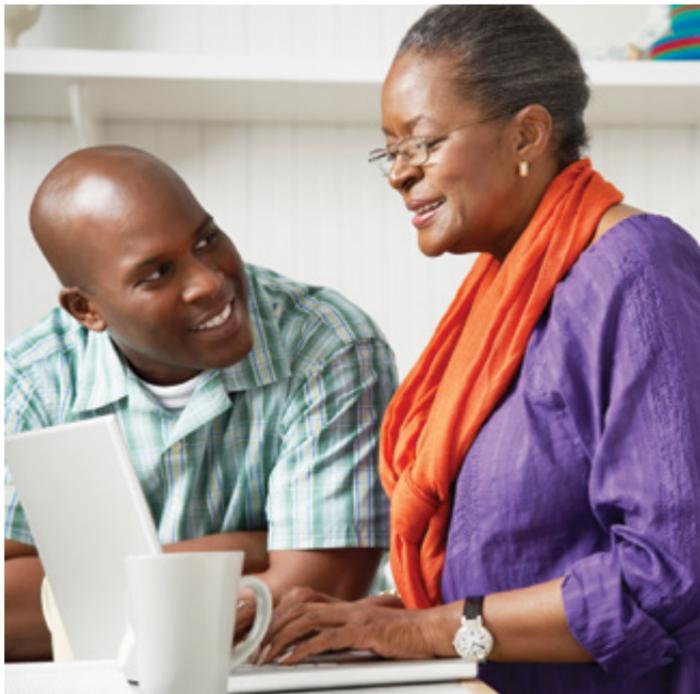
## Identifying Risks in Investment Opportunities

#### EXAMPLES OF NEW DIFFICULTY:

- Identifying a key risk in an investment purchase
- Emphasizing benefits/return and minimizing risks

\* Please note that to qualify as warning signs of financial decline, the above problems should represent a change from the older person's prior financial functioning.

This checklist of early warning signs was developed from ongoing research conducted by Daniel Marson, Ph.D., J.D. and his research team in the Department of Neurology at University of Alabama at Birmingham, and funded by the National Endowment for Financial Education® (NEFE®). Additional funding support provided by the National Institute on Aging.



For more information about NEFE's research funding program, visit:

[www.NEFE.org/what-we-provide/research-funding](http://www.NEFE.org/what-we-provide/research-funding)

Visit NEFE's Consumer Education Resources:

[www.SmartAboutMoney.org](http://www.SmartAboutMoney.org) | [www.MyRetirementPaycheck.org](http://www.MyRetirementPaycheck.org) | [www.FinancialWorkshopKits.org](http://www.FinancialWorkshopKits.org)

