Quick Takeaways

*Early Warning Signs of Impaired Financial Skills in Older Adults*
University of Alabama at Birmingham
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Primary Purpose: To identify very early declines in financial skills among cognitively normal aging adults through the analysis of a unique federally funded longitudinal dataset.
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Key Findings

- The early warning signs of financial decline, all representing a change from the older person’s prior financial functioning, are as follows:

  1. **Taking Longer to Complete Financial Tasks**
     Examples include preparing bills for mailing; completing checks and check register; and filing income taxes.

  2. **Missing Key Details in Financial Documents**
     Examples include identifying a bill that is overdue and needs prompt attention; scanning/finding details in complex documents like a bank statement; and completing sections of a check register.

  3. **Experiencing Difficulty with Everyday Math**
     Examples include determining a return on an investment; calculating a medical deductible; doing two related calculations at the same time, especially making change; and figuring a tip in a restaurant.

  4. **Showing Decreased Understanding of Financial Concepts**
     Examples include health care concepts like a medical deductible and terms in a bank statement like interest rate and minimum balance.

  5. **Identifying Risks in Investment Opportunities**
     Examples include identifying a key risk in an investment purchase and emphasizing benefits/return and minimizing risks.

For more information and to read the executive summary and final report, visit www.nefe.org.