



NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

Partnering for Financial Well-Being

Quick Takeaways

Early Warning Signs of Impaired Financial Skills in Older Adults

University of Alabama at Birmingham

Principal Investigator: Daniel Marson, Ph.D.

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.