

Exploring the role of cognitive factors in a new instrument for elders' financial capacity

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Although the general public and mental health professionals seem to disregard incapacity regarding financial issues and relevant decision making in mild cognitive impairment (MCI), and focus only on severe dementia cases, a PhD study in Greece reveals that noticeable deficits do exist in the handling of financial issues in elders suffering from MCI.

An extended sample of 719 elders from Northern Greece, including healthy participants and patients with different types of cognitive deficits, such as amnesic [mild cognitive impairment](#) (aMCI), mild, moderate, and severe Alzheimer's dementia (AD), mild Parkinson's disease dementia (PDD), mild vascular dementia (VD), moderate frontotemporal dementia (FTD), and moderate mixed dementia (MD), were examined with a new instrument specifically designed in the Greek cultural context, entitled Legal Capacity for Property Law Transactions Assessment Scale (LCPLTAS) and a battery of classic neuropsychological tests concerning various cognitive functions.

The proposed instrument is based on Marson's theoretical model of [financial capacity](#) and consists of seven domains: basic monetary skills, cash transactions, bank statement management, bill payment, financial conceptual knowledge, financial decision making, and knowledge of personal assets. In addition, both participants and their family members/caregivers were examined with a structured interview and a questionnaire that assessed everyday financial experiences/problems and their personal beliefs about the elders' everyday financial capacity. An assessment of capacity was made by mental health experts. The generally

accepted psychometric approach for the classification and determination of capacity status (incapable, marginally capable, and capable) was used for LCPLTAS and was established in relation to normal control performance. Cutoff scores for distinguishing capable from marginally capable status, and marginally capable from incapable status was set at 1.5 SDs and 2.5 SDs, respectively, below the control group mean for LCPLTAS

Significantly different profiles in the scores and subscores of LCPLTAS for all the groups of dementia patients were found. A general incapacity finding holds true not only for all the dementia groups who obtained scores more than 2.5 SDs lower than healthy controls, but also for the MCI patients group who scored around 2.0 SDs lower than healthy participants.

The severity of the deficits in the scores and subscores of LCPLTAS depend on the severity of the cognitive deficits in the classic neuropsychological tests, and more specifically on Mini Mental State Examination (MMSE) total [score](#). Logistic regression showed that specific neuropsychological tests, such as the MMSE, Geriatric Depression Scale (GDS) and Trail Making Part B predicted competence on LCPLTAS for the patients. Persons with MCI and [dementia](#) had lower financial knowledge scores than those without cognitive impairment, with MMSE scores below 27, suggestive of an indication of financial incapacity.

Cross-cultural replication studies are needed, as this research serves as a first step in the direction of providing a short form of a reliable and valid tool for use in the Greek elderly population. In addition, it seems necessary to further investigate in detail the biological and brain underpinnings of financial incapacity in MCI patients. Finally, normative data for the child and teenage population, as well as patients with other neurological disorders that may affect judgment for financial issues, is a

promising area of future research, as normative data are generally lacking, not only in Greece, but internationally, while there is a plethora of relevant financial cases at courts which rely on other neuropsychological tests and not on relevant tests that aim specifically the financial capacity.

More information: Vaitsa Giannouli et al, Exploring the Role of Cognitive Factors in a New Instrument for Elders' Financial Capacity Assessment, *Journal of Alzheimer's Disease* (2018). [DOI: 10.3233/JAD-170812](https://doi.org/10.3233/JAD-170812)

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