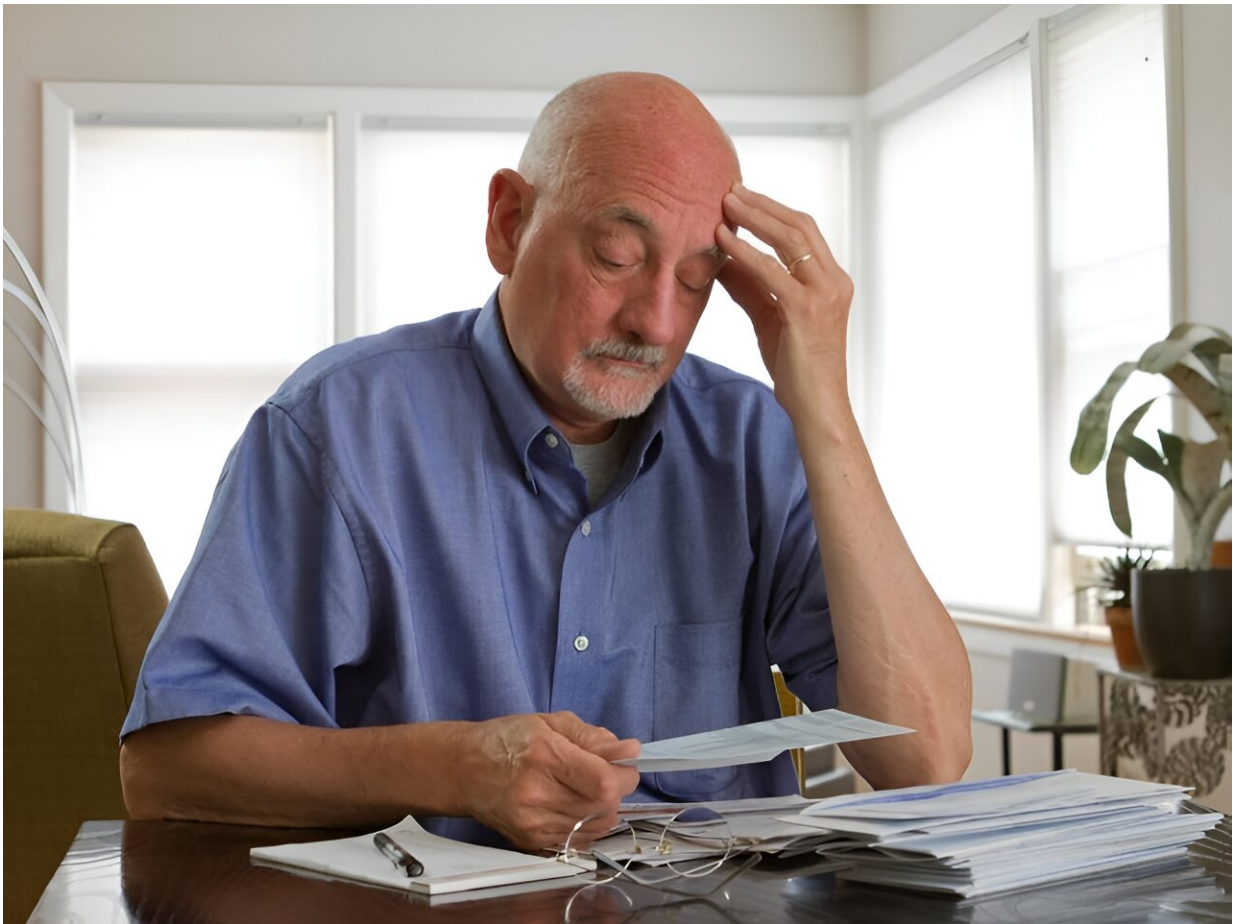


# Older Americans' finances decline in years before dementia diagnosis

September 18 2023, by Ernie Mundell

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Perhaps succumbing to fraudsters or facing mounting bills, older

Americans begin losing wealth in the years preceding a definitive dementia diagnosis, new research shows.

For example, the median household [net worth](#) of the seniors in the study dropped by more than half in the eight years before they were diagnosed with [dementia](#), but dipped much less for folks who retained their [mental capacity](#), according to a team reporting Sept. 18 in the journal *JAMA Neurology*.

"Household wealth, especially financial wealth, declined much faster among people with probable [undiagnosed] dementia than [healthy] controls during the decade before dementia onset," concluded researchers led by [Jing Li](#). She works at the Comparative Health Outcomes, Policy, and Economics Institute at the University of Washington in Seattle.

It's well documented that aging people who are losing mental acuity can find finances tough to manage, and are also prime targets for scammers. Li and colleagues wondered if mental deterioration might be reflected in the financial deterioration of a person's assets, as well.

To find out, they tracked 20 years of data (1998-2018) from the ongoing Health and Retirement Study, which follows outcomes every two years for Americans 50 years of age and older and their spouses.

Looking over [medical records](#), researchers compared the financial health of two groups of participants: One group of about 5,400 people whose mental capacity (and that of their spouse) remained stable throughout those two decades, and another group of nearly 2,700 people where dementia was probable and then at some point definitively diagnosed.

Eight years before the onset of what later was diagnosed as dementia, the median net worth of people in that group was just over \$217,000, Li's

group reported. That wasn't much different from the nearly \$211,000 averaged by folks who retained their mental health.

But in the years leading up to a dementia diagnosis, average net worth fell by more than half, to just over \$104,000, the research found. In contrast, net worth declined only slightly—to an average of more than \$187,000—among people unaffected by dementia.

Folks' liquid assets suffered, too, from a median of around \$25,000 eight years before a dementia diagnosis to just \$5,418 by the time dementia onset began. Over the same time period, liquid assets actually rose for people unaffected by dementia—from an average of about \$22,500 to more than \$30,000, the team found.

People affected by probable dementia were also more likely to not own a home: Only 50.2% did, compared to 62.2% of people untouched by dementia.

The study wasn't designed to probe why hidden dementia takes such a financial toll. However, Li's group said it "may reflect deteriorating financial capability associated with [cognitive decline](#) [including susceptibility to fraud]."

Of course, it might also reflect "the need to draw down assets to pay for increasing medical and long-term care expenses or qualify for Medicaid coverage of nursing home care," the researchers theorized. The exact reasons behind the financial declines need to be further examined in future research, they said.

**More information:** There's more on shielding vulnerable elders against fraud at the [U.S. Department of Justice](#).



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