

Study finds cognitive declines preceding Alzheimer's diagnosis lead to credit card, mortgage delinquency

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In the years prior to an Alzheimer's disease or other memory disorder diagnosis, credit scores begin to weaken and payment delinquency

begins to increase, concludes new research led by Georgetown University.

The findings show consistent deterioration in these financial outcomes over the quarters leading up to diagnosis. The findings also show that credit card and mortgage delinquencies, specifically, both increase substantially prior to diagnosis.

The research was released by the Federal Reserve Bank of New York (FRBNY: "[The Financial Consequences of Undiagnosed Memory Disorders](#)").

"Most [memory disorders](#) aren't diagnosed until symptoms are severe, yet, given the progressive nature of disease, cognitive decline usually starts many years prior," says health economist and the study's lead researcher, Carole Roan Gresenz, Ph.D., a professor in Georgetown's School of Health and McCourt School of Public Policy.

"The earliest changes in cognition might not be noticeable by [family members](#) and friends, but may be quietly compromising financial decision-making."

For the study, Gresenz teamed up with collaborators from Georgetown, including a neurologist who specializes in memory disorders as well as researchers at the FRBNY.

They examined the effect of undiagnosed memory disorders on credit outcomes using nationally representative credit reporting data merged with Medicare data (all anonymized). Credit cards and mortgages are the primary components of debt among those 70 years and older.

According to Gresenz, increased credit card delinquency was observed more than five years prior to diagnosis, while mortgage delinquency was

seen three years prior.

"The results are striking in their clarity and consistency," she added. "The financial decline we observe mirrors the [cognitive decline](#) that these individuals are experiencing: [credit scores](#) consistently decline, quarter by quarter, and probability of delinquency consistently increases as diagnosis approaches."

The work builds on [previous research](#) conducted by Gresenz. That work, which used [survey data](#) on roughly 10,000 households, showed that prior to an Alzheimer's diagnosis, a person in the early stages of the disease faces a heightened risk of adverse financial outcomes—a likely consequence of compromised decision-making when managing money and financial exploitation by others.

Gresenz added, "In addition to the human toll, a [diagnosis](#) of this type can be financially disruptive to families and exacerbated by the harmful financial effects of undiagnosed memory disorders. Our findings substantiate the possible utility of credit reporting data for facilitating early identification of those at risk for memory disorders."

More information: Gresenz, Carole Roan, et al. "The Financial Consequences of Undiagnosed Memory Disorders." Federal Reserve Bank of New York Staff Reports, no. 1106, May (2024)
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