

Effects of dementia on family wealth may contribute to economic disparities

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Dementia is a costly health condition, with the majority of the economic burden falling upon the families of those suffering with the disease. Black Americans, who are at greater risk of developing dementia than white Americans, hold on average less than one-eighth of the wealth of white Americans, and thus may be disproportionately affected by the

financial burden.

CUNY SPH alumnus Jennifer Kaufman led a study into whether [dementia](#) exacerbates this wealth disparity by examining dementia's effect on wealth trajectories of black versus non-black Americans over an eight-year period preceding death. The results were published in the journal *Ageing & Society*.

The findings indicate that black Americans with dementia may experience a precipitous drain in assets. Their median wealth declined 97 per cent (from \$38,205 to \$1,200), compared with 42 per cent (from \$141,500 to \$82,000) among non-black Americans with dementia. Among black Americans without dementia, median wealth declined less than 15 per cent.

Home-ownership reduces the probability of wealth exhaustion, but dementia is also a predictor of home loss, which appears to play a significant role in wealth exhaustion, especially among black Americans.

The research suggests that the effects of dementia on family wealth may hinder efforts to level the economic playing field for Americans. At least half of black Americans have insufficient wealth to withstand dementia's financial effects. For black Americans especially, all wealth may be exhausted over the course of dementia, leaving nothing for the next generation.

"Because of the importance of home equity in the accumulation of wealth, this circumstance may be, in part, a legacy of housing discrimination once enshrined in US policies and not yet eradicated in practice," Kaufman says. "If dementia hinders a family's efforts to improve its socio-economic status, and lower status is associated with a higher risk of dementia, not only [wealth](#) disparities but dementia itself may be part of a vicious cycle."

More information: Jennifer E. Kaufman et al. The contribution of dementia to the disparity in family wealth between black and non-black Americans, *Ageing and Society* (2018). [DOI: 10.1017/S0144686X18000934](https://doi.org/10.1017/S0144686X18000934)

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