

*Fast Facts*

# A Conversation on Dementia and Cognitive Decline

## SUMMARY

When dementia and cognitive decline strikes, affected individuals, families and others must adjust to new financial realities—in medical care, personal care, housing, lifestyle and other areas. But how does this play out in everyday life, and what solutions can help everyone cope?

In 2018, the Society of Actuaries (SOA) decided to explore this question via an online conversation with financial experts who have first-hand knowledge of such transitions. This report summarizes their views and includes accounts of how people they know have managed (or tried to do so).

Overall, steps do exist that can help address the financial side of memory decline, but the earlier the planning, the better the outcomes. The summary of the conversation provides valuable insight to those who guide affected individuals and families.

## HIGHLIGHTS

- Some participants reported that certain individuals and families among their clients will not discuss the possibility of needing help or having dementia while others are willing to take maximum planning steps relatively early.
- Look for signals that it is time to do something. The experts cautioned if no action is taken until after the individual with dementia dies, the executor and family must clean up a myriad of problems; this is often a difficult and painful experience.
- Some signs of problems include: unpaid bills and unopened mail, check books not balanced, tax returns not signed or filed, phone calls or emails not returned, and sometimes fraudulent activities. Also: difficulty with driving, poor dietary habits due to difficulty shopping or making meals, and inability to manage medication properly.
- Some financial measures that can help provide protection include: use of lifetime annuities, purchase of long-term care protection, creation of trust arrangements and powers of attorney, use of investment strategies that do not require ongoing choices, and hiring a bill-paying and money management service.
- Experts are not immune. They report their families also deal with the memory loss of a loved one. For instance:
  - *“Had we had ‘Plan B’ lined up in advance, we might have gotten the transition (to a long term care arrangement) accomplished before (Dad’s) fall—and if not, at least he would have had an active role in the planning process. It would also have been less stressful—and more cost effective.”*
  - *“I have had experiences with my own family that fit some of the methods the earlier commenters mention, including having open yearly meetings with the three kids and my parents.”*

## LINK TO FULL REPORT

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<https://www.soa.org/globalassets/assets/files/resources/research-report/2018/cognitive-conversation.pdf>

## METHODOLOGY

- Timeframe: The second half of 2018
- Trigger: Questions were posed to help identify 1) “steps that older people can take to help minimize exposure to fraud and mistakes” while still able to manage their own financial affairs; and 2) some “trip wires” or triggers that older people can use voluntarily to “get a trusted, named family member involved to help with their finances”.
- The SOA put the questions out to its online conversation list, and collected responses. This report was the result.

## REPORT SPECS

- Published: December 2018
- Pages: 25
- Access: Downloadable pdf
- Research Sponsor: The Society of Actuaries (SOA) Aging and Retirement Strategic Research Program
- Author(s): Anna Rappaport, Chair of the SOA Committee on Post-Retirement Needs and Risks and Principal of Rappaport Consulting
- Body of research: Table of contents, highlights, background on the conversation, ideas for solutions, long term care insurance concerns and challenges, various dementia-related issues (Medicare, Medicaid, women, elder-orphans, intergenerational), individual stories (including driving challenges, denial of need for help, intra-family conflict, barriers by physicians and facilities, and fraud and scams), conclusions, and resources.



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Cognitive, Psychological and Social Drivers of Longevity

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