MEMRI SCRIPT

A Cognitive Screening Tool for Financial Advisors and Their Clients

By Richard L. Peterson, MD

By virtue of their stewardship of client funds, financial advisors are on the forefront of detecting impairments in their aging clients’ financial decision-making. Although most advisors are unfamiliar with assessing cognitive impairment, it is their responsibility to be aware of a client’s decision-making capacity (Scism 2012). Recent studies show the prevalence of clinical dementia at 5 percent for those in their 70s, 25 percent for those in their 80s, and 55 percent for those in their 90s (ADI 2008). In fact, about half of the population between ages 80 and 89 either has dementia or qualifies for a medical diagnosis of “cognitive impairment without dementia” (Agarwal et al. 2009). By implication, most advisors are working with clients with cognitive impairment or outright dementia.

Advisors on the Front Line

The opportunity for advisory discussion about cognitive impairment often arises during a review of a client’s estate plan—particularly the emergency documents for powers of attorney. During such discussions, advisors typically ask clients questions such as, “Who do you trust to manage your financial affairs in an emergency?” Most advisors then seek to establish a communication channel with the trusted individual in case of emergency.

Yet what if a client’s cognitive impairment is mild—as is typically the case for several years during the onset of dementia—and the case for conservatorship of estate cannot be made? Such mild cognitive impairment can significantly diminish the quality of financial decision-making, yet it is difficult to detect, much less to manage. Few advisors have had training to identify the warning signs of mild cognitive impairment and the poor financial decisions that too often accompany it (Agarwal et al. 2009; Finke et al. 2016).

In response to this financial advisor need, we created MEMRI—a five-point mnemonic to help advisors assess which clients may benefit from a referral to a medical specialist for evaluation of cognitive capacity.

MEMRI Checklist Instructions

Please check each of the following criteria that apply to your client. We recommend this checklist be completed once a year for all clients over age 65. Clients with a family history of dementia should begin at age 50, and those who have experienced loss of consciousness or signs or risks of cardiovascular disease (e.g., stroke, angina, myocardial infarction, type 2 diabetes) should have this checklist administered annually from the date the advisor becomes aware of this medical history.

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MEMRI Checklist

Memory lapses. Has the client become forgetful, including demonstrating word-finding difficulties, inability to retain new information, or lacking recall of familiar names?

Emotional lability. Has the client recently demonstrated personality changes such as...
sudden anger flashes, damaging impulsive behavior, inappropriate risk taking, or confabulation (clearly unrealistic explanations of events)?

**Math loss.** Has the client had increasing difficulty with simple calculations related to completing taxes, bills, checkbook balancing, making change, or other simple arithmetic operations?

**Recognition lacking.** Is the client increasingly unable to recognize familiar faces, places, or events including being found wandering or lost, confused by simple directions, atypically neglecting appearance, missing scheduled appointments, or experiencing car “dings” or other accidents?

**Insight limited.** Is the client indifferent or irrationally dismissive of positive findings on the above checklist? Demented clients lack insight, and often when family members or friends suggest there might be a problem, they dismiss concerns with circular or tangential rationalizations.

**Documentation**

As physicians do in their routine documentation of clinical encounters, advisors should write a notation in meeting notes indicating that MEMRI was checked in order to cover their liability.

**Further Information About Cognitive Impairment**

**Medical evaluations of cognition.** The most widely used screening tool for assessing cognitive impairment is a 30-item exam called the Folstein’s Mini Mental Status Exam (MMSE). The MMSE evaluates cognitive functions including arithmetic, memory, and orientation to person, place, and time. Any score greater than or equal to 25 points (out of 30) is effectively normal. Below 25, scores can indicate severe (≤9 points), moderate (10–20 points), or mild (21–24 points) cognitive impairment (Mungas 1991).

**Mild cognitive impairment.** Mild cognitive impairment (MCI) may be due to a reversible medical condition (see below), a nonreversible result of a brain injury, a normal consequence of advanced age, or a sign of developing dementia. Mild cognitive impairment significantly impacts the quality of complex decision-making, but it is not typically apparent in superficial conversation, and it does not overtly impact one’s quality of life. In this sense, MCI is more dangerous than dementia, because legal protections have not yet been put into place. Financial advisors often will see MCI before it has been diagnosed by medical clinicians.

**Dementia.** Dementia is a form of chronic cognitive decline characterized by significant impairments in occupational or social functioning and activities of daily living. The incidence of dementia rises with age. The most common forms of dementia are fronto-temporal dementia (a.k.a. Pick’s Disease—more commonly associated with early personality changes), vascular dementia (isolated neurological impairments with step-wise progression due to small strokes), and Alzheimer’s dementia (diagnosed when other potential types have been ruled out).

**Medical causes of cognitive impairment.** A number of causes of cognitive impairment mimic long-term dementia. Reversible biological and hormonal changes such as hypothyroidism, B12 deficiency, anemia, hypoglycemia, substance abuse or withdrawal, medication side effects and interactions, infections, tumors, and head injuries cause some or all of the signs of dementia. Psychological causes of cognitive impairment that can mimic dementia include chronic stress, pain, insomnia, and depression.

Note that dementia is a form of long-term cognitive decline distinct from delirium. Delirium is an acute form of disorientation to time, place, or one’s own identity. Evaluation and treatment of delirium is a medical emergency. Delirium can be caused by acute cardiovascular changes such as strokes or hemorrhages, substance intoxication or withdrawal, infections, or trauma and may be life-threatening.

Insight is often lost early in the dementia process. Ironically, if a client expresses concern about progressing toward dementia, that client is showing insight, and thus is less likely to be experiencing dementia. However, those who minimize their problems of cognitive impairment, and those whose family members bring the impairments to the advisor’s attention, are those who are likely to be most at risk.

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**Endnote**


**References**


**Disclaimer**

The MEMRI mnemonic is meant as a concise tool for use in interviews with clients and their family members. It is not a standardized diagnostic tool, and it is not a substitute for a clinical interview or a formal clinical evaluation. When in doubt, always refer clients to a medical specialist, such as a primary care doctor, for further assessment.