

Technology can offer support to advisers with aging clients

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Financial advisers increasingly worried about serving aging clients who may suffer from dementia or even Alzheimer's Disease can begin to look toward technology for some relief.

New fintech efforts focus on arming financial advisers with tools to help them take the right steps with older clients and even provide some cognitive testing that can help advisers identify a change over the years.

Financial adviser and medical doctor Carolyn McClanahan is part of a team developing software for advisers that will create financial caretaker plans for clients, pushing people to decide and document issues like who will pay their bills if they begin to have problems making financial decisions.

"The goal is to get clients talking and thinking about these issues before there is a problem," said Ms. McClanahan, director of financial planning at Life Planning Partners. "Because once they have a problem, they are really hard to work with."

(More: [Hiding Alzheimer's like Gene Wilder did is natural, so prepare for it](#))

Her Whealthcare Plans, which is expected to be available for sale before the end of this year, also incorporates a profiling diagnostic that gauges cognitive function, memory and other skills that can red-flag clients who may be at a higher risk for making poor decisions about money.

Financial exploitation costs seniors billions every year. Older individuals are often targeted by fraudsters because dementia and Alzheimer's are so prevalent among the elderly, and they can be more easily cajoled into turning over funds or compromising their personal information.

Regulators increasingly want advisers to take a more active role in identifying and preventing elder financial abuse.

Last week, the Financial Industry Regulatory Authority Inc. filed a proposed rule with the Securities and Exchange Commission that would [allow brokers to report suspected financial exploitation of seniors](#) and other vulnerable investors.

[A model rule](#) approved in early 2016 by the North American Securities Administrators Association goes even further, requiring advisers to alert state authorities of suspected financial abuse of elderly clients. [A handful of states](#) have approved those requirements.

“We used to do things in this country that are unfathomable now,” said Mark Lachs, director of geriatrics for the New York Presbyterian Health System, at an industry conference last week aimed at protecting seniors. “I think 20 years from now we’ll look back on our failure to protect the assets of older people with astonishment.”

He said technology can play an effective role in screening.

ARTIFICIAL INTELLIGENCE

Using artificial intelligence, it’s possible to passively observe email accounts of older people and detect through changes in the language they use that cognitive function is declining, Mr. Lachs said.

“Technology can definitely be helpful with oversight,” said Brie Williams, head of practice management at State Street Global Advisors.

Her investment management firm recommends advisers create plans with clients that account for the possibility of cognitive decline. She said monitoring technologies can help identify and even prevent elder financial fraud.

One of the best known is [EverSafe](#), which can provide family members or other advocates with notices when someone’s accounts show unusual spending or other suspicious activities.

Tom West, a financial adviser who specializes in working with clients who have dementia and other cognitive issues at his firm Signature Estate & Investment Advisors, said he likes the idea of adult children or someone on the family side having a role in keeping an eye on his older clients’ financial situation.

He also supports advisers having written plans from clients in the event the adviser suspects the client may be having trouble making their own financial decisions.

Mr. West is less sure that he would put cognitive diagnostic tools in the hands of advisers, and he wonders about the liability for advisory firms.

“I would leave the diagnostics stage to the health-care professionals to the greatest degree possible,” he said.