

The Sisters of Notre Dame

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For the past 25 years, a quiet but remarkable study has been going on at the School Sisters of Notre Dame convent in Mankato, Minn. What we're learning might not only be the keys to happiness and long life, but have some interesting financial planning implications as well.

In a nutshell, the study attempts identify predictors of Alzheimer's disease; now the sixth-leading cause of death in the U.S. Led by Dr. David Snowdon, the study has examined everything from the diet and exercise habits of the nuns to their early written communication skills, education levels and even autopsy reports of their brains.

What the researchers found is that certain factors can be used to predict -- sometimes with 85% to 90% accuracy -- which sisters would show the brain damage typical of Alzheimer's disease roughly 60 years later.

While there are several takeaways from this study -- maintain a positive outlook, keep physically active and remain socially engaged -- the most important may be our need to remain mentally engaged as we age.

The study has identified a definitive link between remaining mentally challenged and the onset of mental decline.

From a financial planning perspective, there are several implications.

As the cost of health care climbs, the economic benefits of preventive medicine are obvious. Combined with other mental illness, Alzheimer's is the fourth-most expensive medical condition in the U.S. costing over \$55 billion per year.

Just as their doctors might recommend that our clients exercise and eat right as a preventative measure to reduce the costs of physical health care, we might also recommend ways for them to stay mentally engaged to ward off the costs of decreased mental acuity.

One of the most obvious ways is to inquire about their plans for after they retire.

So many people today are retiring away from jobs that have become tedious or frustrating that they give little thought to what they'll do after they retire. For many, the first six months of retirement is a welcome respite, but they soon become bored without some kind of challenge.

Some may go back to work or volunteer with a cause they believe in while others may find either side of the classroom to be a great place to find that challenge.

From a financial planning perspective we need to know which side of the cash flow statement they'll be pursuing.

Will they be working thereby creating income, or volunteering which often creates expense? Will they be teaching their old skills to others or learning new skills for themselves? Is it an expense we need to plan for an additional source of income we can use to supplement their investment distributions?

While some clients might view the "What do you plan to do after retirement?" conversation as small talk, the implications can be serious not just for their financial lives, but for their personal lives also.

Since awareness is often half the battle, just letting your clients know the importance of remaining mentally challenged will often get them motivated to take action.

The reality is nothing changes behavior faster than fear. And when it comes to our health, few diseases are more feared than Alzheimer's.