

The Impact of Aging on Cognitive Function

An article by Justin Fox for **Bloomberg** discusses a 2009 **study** by David Laibson, Sumit Agarwal, John C. Driscoll and Xavier Gabaix that found that cognitive function peaks at age 53 and starts to decrease rapidly, on average, for people in their 70s. The four economists examined the fees and interest rates paid by thousands of borrowers in 10 different types of credit transactions and found that, on average, such costs were minimized at age 53.3.

As more members of the baby-boom generation start moving into their 70s, this data takes on special significance.

The Center for Retirement Research at Boston College has a summary of the study **here**.

Over the last several years, AAI has covered the area of aging and its impact on investor abilities:

- **Aging and Investing: The Risk of Cognitive Impairment**
- **When It's Time to Transfer Financial Decision-Making**
- **Confidence in Financial Skills Unaltered by Worsening Cognitive Skills**
- **Five Ways Physicians Can Protect Seniors' Portfolios**
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