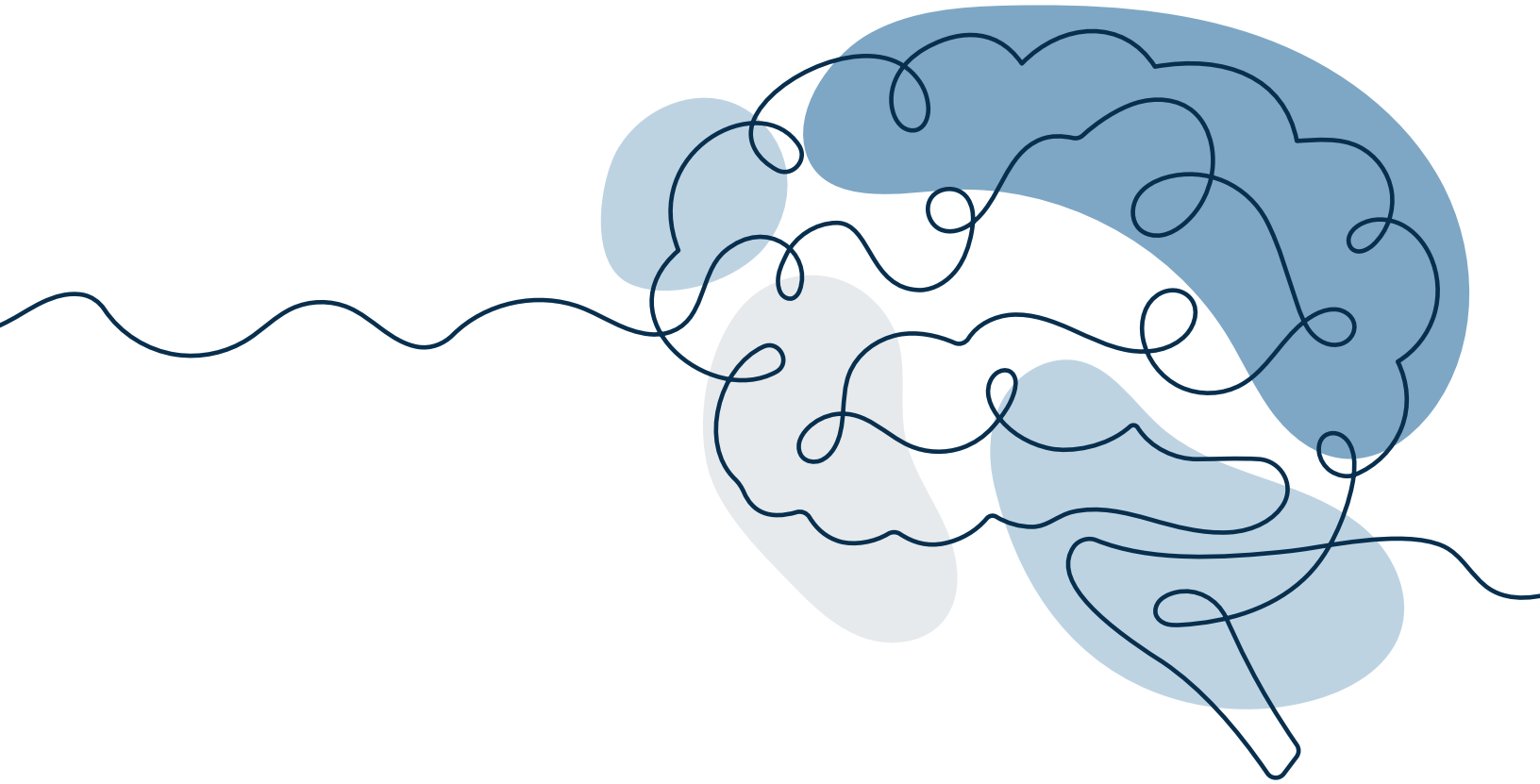
Brain Health and Financial Planning Guide

Supporting financial well-being across generations



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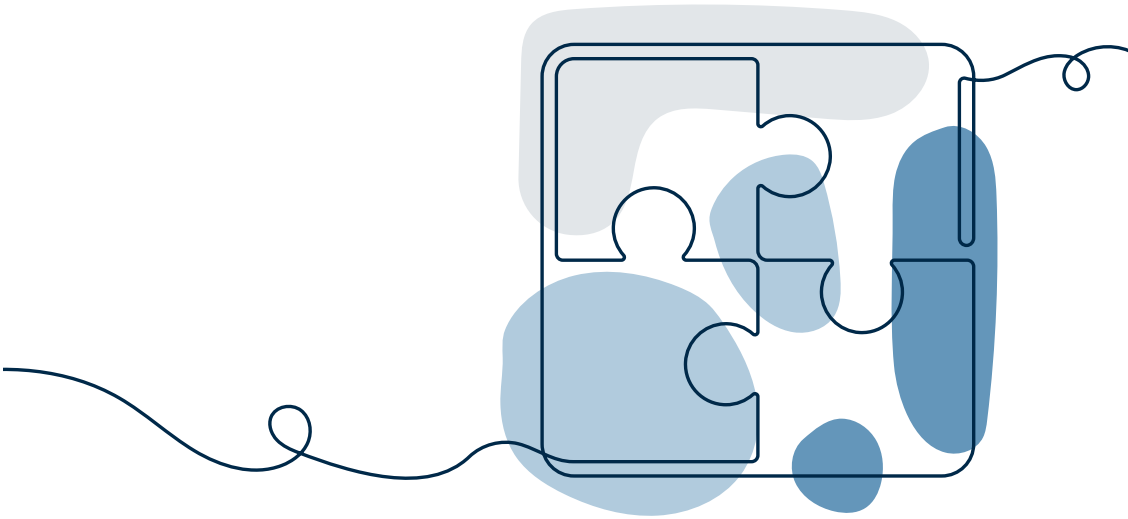

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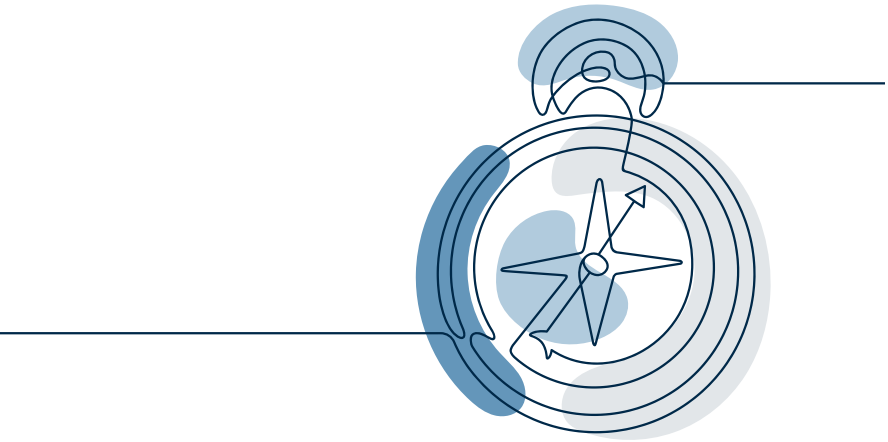
Executive Summary

The Brain Health and Financial Planning Guide in collaboration with Baycrest Foundation is designed to help Canadians understand the relationship between cognitive decline and financial decision-making, and how this relationship can affect families over time.

The guide brings together Baycrest's world-class brain health research with Raymond James' perspectives on financial planning to support families navigating longer life spans, caregiving responsibilities, and the complex care considerations that accompany these experiences.

Grounded in a practical, care-first planning framework, the guide outlines considerations to support family conversations and timely planning actions. It describes the evolving role of the financial advisor as one focused on facilitating discussions, identifying planning needs, and working with a team of specialists on matters such as future care funding.



An Overview

63% of Canadians say they worry about how cognitive decline could impact their financial future.[1] However, only 29% feel strongly aligned with their family on inheritance and wealth planning.[2] This gap between concern and preparedness points to a broader challenge rooted in our limited understanding of how the brain supports cognitive function, judgment, memory, and decision-making across all life stages, including those related to personal and family finances.

As Dr. Allison Sekuler, President and Chief Scientist at the Baycrest Academy for Research and Education, put it: "Brain health is shaped across our entire lives. The earlier we understand and address risks to brain health, the greater our ability to improve outcomes, not only for individuals, but also for families navigating complex financial and caregiving decisions."

Research by Baycrest and others shows that, as we age, changes in cognitive function can subtly start to influence our abilities to assess risk, plan daily tasks, adapt to change, and approach personal finances. When we improve our understanding of brain health, we can plan for the future with greater clarity and be better prepared for the emotional and financial weight that may accompany cognitive decline.[3]

This guide is intended for:

- **Individuals** who are curious about brain health and interested in planning proactively
- **Caregivers** supporting others while managing financial complexity and responsibility, and
- **Families** navigating aging and financial planning conversations

Understanding Brain Health

Our brain controls how we think, plan, and make decisions – using nearly 20%[4] of the body's energy even at rest. Although most Canadians maintain strong cognitive health throughout their lives[5], changes in a family member's cognition may affect the family's future – shifting priorities and disrupting the trajectory of shared goals and plans, particularly around health care budgeting, including care and estate-related costs.

Brain health exists on a spectrum

When brain changes occur, they may range from normal age-related shifts to more noticeable ones that can impact memory and function more significantly:

NORMAL AGING (COMMON AFTER AGE 60)[6]

Expected, age-related gradual changes

- Delays in verbal memory, such as remembering shopping lists, recalling names, or finding where the car is parked
- Slight delays in thinking and response time
- Reduced concentration in distracting environments, like background noise or music

Judgment and independence remain intact. These changes are a normal part of aging and are not considered disruptive to daily life.

MILD COGNITIVE IMPAIRMENT (MCI)[7]

Noticeable changes in memory and cognition, with independence largely preserved

- Significantly delayed verbal memory is often the most sensitive change—individuals can still drive or use the internet
- Memory or thinking changes are noticeable and measurable by cognitive testing
- Memory performance may fall below that of same-age peers

Some individuals remain stable, while up to 50%[8] progress to dementia within five years. At this stage, daily functioning and judgment are generally maintained, but noticeable changes often prompt closer observation.

DEMENTIA[9]

Significant changes that affect daily functioning

- Memory loss is most common, including repeated questions or conversations
- Difficulty finding words or completing familiar tasks
- Misplacing items and impaired judgment
- Motor and sensory changes, including potential of increased falls and hallucinations
- Changes in behaviour, mood, or personality, such as apparent apathy, depression, or aggression

Dementia is a term used for a collection of symptoms caused by diseases affecting the brain that significantly impact activities of daily living. **Dementia affects about 8% of Canadians over age 65 and around 33% over age 80,[10]** and it is not a normal part of aging. Alzheimer's disease is the most common cause of dementia, accounting for 60–70% of cases, but there is also vascular, Lewy body, and fronto-temporal dementia. About 50% of dementia cases involve a combination of underlying brain changes, including Alzheimer's-related pathology and other factors. The different types of dementia lead to different types of symptoms and behavioural changes, which can affect financial planning differently.

Why Money Is Often One of the First Clues

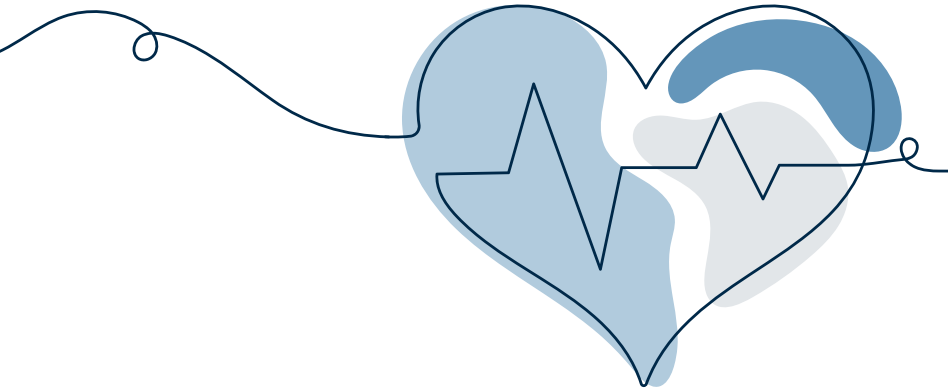
Financial capability depends on several core cognitive systems working together:

- **Memory**, to retain and recall important information
- **Attention**, to stay focused and filter distractions
- **Executive function**, which supports planning, organization, risk awareness, and error correction

These abilities support practical financial tasks, such as paying bills, filing taxes, budgeting for purchases, or monitoring bank accounts.[11] Some decline in all of these systems is expected with healthy aging, and it is even more apparent in individuals living with MCI or dementia. These age- and disease-related changes make older adults, and especially individuals living with MCI or dementia, prime targets for financial scams. Some types of dementia, such as fronto-temporal dementia, may also lead to potentially damaging changes in spending behaviour.

Talking about brain health and finances isn't always easy, yet it's an impactful step that families can take to protect independence, dignity, and family wealth over time.

As Canada experiences a significant shift in wealth from Baby Boomers to younger generations, and with aging-related cognitive diseases continuing to rise, the timing for family conversations is increasingly important. Having conversations early, before signs of cognitive decline are evident, would give you more time to plan for your family's financial well-being. Working collaboratively with your family and an independent financial advisor can help ensure you're prepared for life's uncertainties with clarity and confidence.



Changes That May Signal Cognitive Decline Over Time

The changes related to dementia may show up in how one manages money or maintains self-care.[12]

CHANGES IN PERSONAL FINANCES

- Unpaid bills or not filing taxes
- Unexplained withdrawals or transfers
- Difficulty keeping track of day-to-day expenses
- Changes in spending or investment habits
- Confusion about finances and assets
- An unexpected change in a will or power of attorney

PHYSICAL CHANGES

- A dishevelled or unkempt appearance
- Noticeable weight loss
- Unexplained sores, cuts, or bruises
- A vacant or withdrawn expression
- Evasive or contradictory responses to questions
- Increased difficulty reaching or contacting the individual

Why Early Signs Are Often Missed

Early changes in brain health are easy to overlook because they are commonly attributed to normal aging, stress, or other life pressures. In some forms of dementia, the changes also may appear over time, and be less noticeable than large, sudden changes. As a result, individuals and families may normalize or neglect these changes, sometimes for years, before recognizing that additional attention is needed.[13] Baycrest encourages everyone to be aware of their brain health, using their free online brain health assessment tool, Cogniciti (www.cogniciti.com) – people 65 and older should check their brain health every six months to determine if there are changes for further assessment. When concerns do arise, Baycrest offers a specialized assessment through its **Neuropsychology and Cognitive Health** program, supporting the evaluation of memory, cognition, and decision-making: https://www.baycrest.org/all-clinics-services/neuropsychology-and-cognitive-health/

Dementia Prevention

Many people would be encouraged to learn that at least 45% of the global risk for dementia is related to lifestyle factors over which we have some control. Baycrest's Defy Dementia program (defydementia.org) provides free resources to help people better understand dementia and the ways in which we can decrease dementia risk, or slow the progression of the disease in individuals already diagnosed with MCI or dementia. A simple way to remember how to protect your brain health is to be **BRIGHT**:

- Move your **Body**
- **Rest** and **Resilience** are important
- Stay socially and cognitively **Involved**
- Use **Glasses** and **Hearing Aids** to address vision and hearing loss
- **Heart Healthy** strategies keep your brain healthy too
- And avoid **Toxins**, like alcohol and smoking

In January 2025, Canada had around **771,939**[14] dementia cases.

The cases are estimated to increase to nearly **1 million** by 2031.[15]

The Cost of Care

As cognitive health declines, families often face an important, and sometimes unexpected, question: Where will care happen, and what will it cost?

Essential and supportive care can take place at home, in a retirement residence, or in a long-term care setting. Each option comes with different financial, emotional, and logistical considerations. Costs can add up quickly and, without careful planning, create added pressure for families.

Care at Home

Frequently chosen, associated with higher ongoing costs

KEY CONSIDERATIONS

- Home care is largely paid out-of-pocket
- Costs increase as care needs grow
- Promises like "we'll never move" become difficult to sustain

TYPICAL COSTS[16]

- Part-time home care can cost thousands of dollars per year – 20 hours a week of care, for instance, could cost $61,016.
- Round-the-clock home care can approach $300,000+ per year.

Retirement Residences

Independent living with added services

KEY CONSIDERATIONS

- Monthly fees vary by location and services
- Care services are often extra and increase over time
- Most costs are not publicly funded

TYPICAL COSTS[17]

- $4,500–$9,000 per month, for those with Alzheimer's disease, dementia, and other memory-related conditions in a secure environment.
- Annual costs can range from $40,000 to $85,000+

Long-Term Care

Higher medical and personal support

KEY CONSIDERATIONS

- Partially publicly funded
- Long waitlists are common
- Accommodation and extras may still require personal payment

TYPICAL COSTS

- Generally lower due to government co-funding, however, are subject to criteria assessments and waitlist dependent.

* The figures provide approximate, high-level cost estimates intended to illustrate typical care related expenses. Actual costs may vary by region, city, level of care, and duration of care.

To see how care costs affect you or an aging person's situation, try the **Cost of Aging Calculator** from Canada's National Institute on Aging: https://coacalculator.ca/

Caregiving: The Hidden Costs of Care

Brain health is often viewed primarily as a medical issue and understandably so—but its effects extend far beyond health care. When cognitive change occurs, it can alter family roles, routines, and financial stability in ways that are difficult to anticipate. What may begin as a change for an aging person often has broader implications, affecting caregivers and influencing decisions about work, care arrangements, housing, and long-term planning.

Caregivers are frequently the first to notice early signs of cognitive decline and step in to provide ongoing support, helping aging persons manage care needs and navigate financial matters as circumstances evolve. The financial impact can be significant: caregivers and care partners of people living with cognitive decline commonly spend 24.5 hours per week[18] providing care and can incur out-of-pocket costs of $1,000[19] per month for expenses such as medical supplies, home modifications, and transportation.[20]

These figures do not account for lost income resulting from reduced work hours or time away from employment due to caregiving and medical commitments.

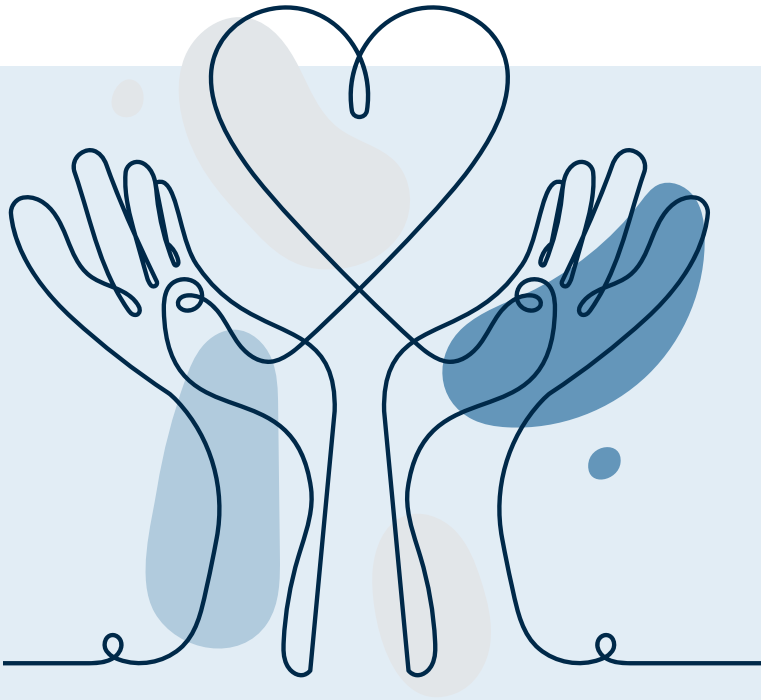
Did you know?

Half of Canadian caregivers must adjust their daily lives. For some there are manageable trade-offs and scheduling challenges, while for 1 in 10 caregiving is life-altering.[21]

Caregivers face approximately $12,000 per year in out-of-pocket costs on average.

Dementia caregivers in 2020: 44% were between the ages of 45 and 65.[22]

By 2050, caregivers of dementia patients worldwide will work 1.4 billion unpaid hours, equivalent to over 690,000 full-time jobs.[23]

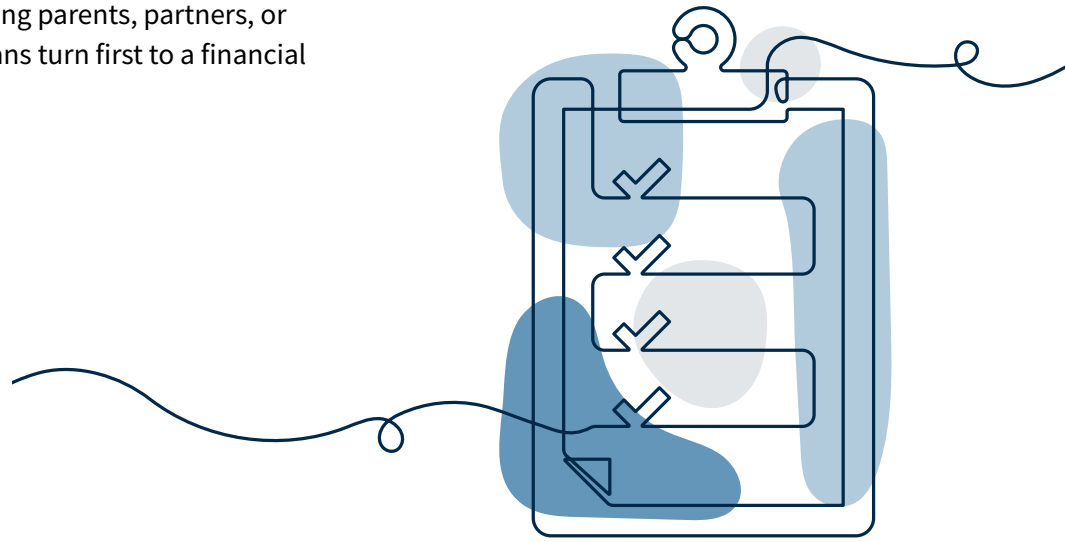


Caregiving often extends across generations. Commonly referred to as sandwich caregivers, many Canadians balance their careers, children, and aging parents all at once. Typically aged 35 to 54, they manage overlapping responsibilities while navigating their own financial and emotional pressures. Women represent about 54%[24] of caregivers and are more likely than men[25] to be the sandwich caregiver, balancing care for aging parents and children. Women also account for 72%[26] of people living with dementia, underscoring the disproportionate impact across caregiving and cognitive health.

Many caregivers are 65+ and may also need care. Nearly one in five caregivers is over the age of 65. Senior caregivers are least likely to access any services or support to help with their responsibilities – from home modifications, to respite or transportation services.[27] Chronic stress, social isolation, and decreased capacity to live a BRIGHT lifestyle, place dementia caregivers at up to six[28] times greater risk of developing dementia.

The Evolving Role of a Financial Advisor [29]

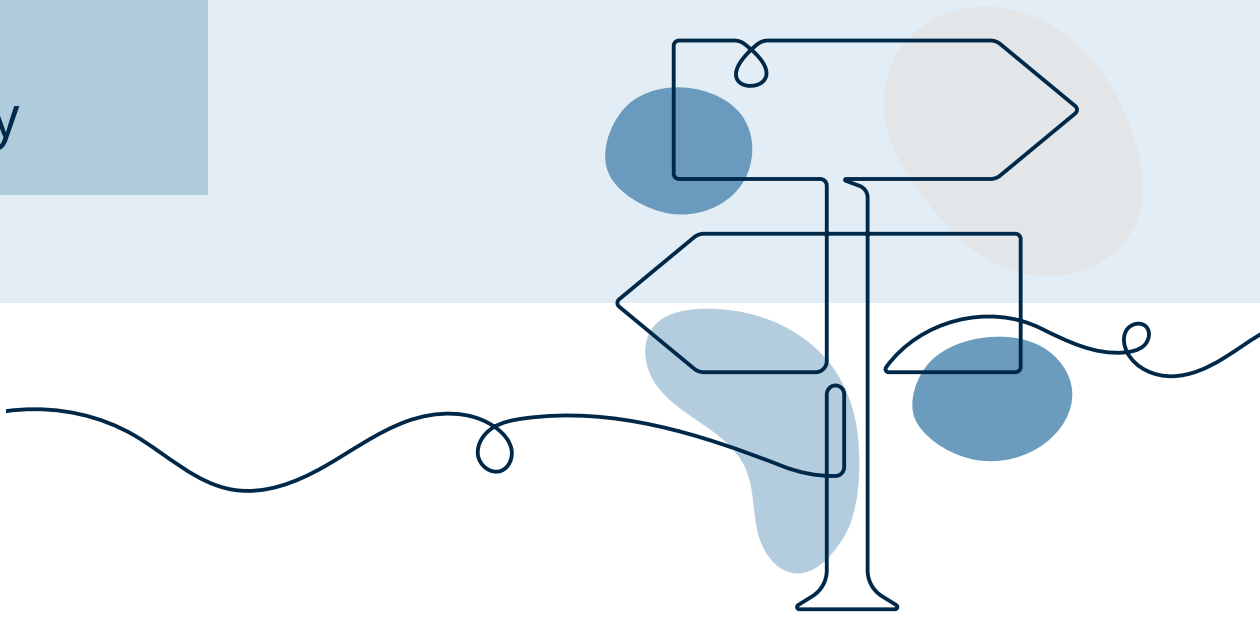
Today, financial advisors are increasingly serving as trusted partners, helping families navigate life transitions by bringing clarity to complex decisions involving parents, partners, or caregivers – in fact, 60% of Canadians turn first to a financial advisor when inheriting wealth.[29]



Prepare
↓
Concern
↓
Diagnose
↓
Legacy

To support these conversations, we have developed a four-part framework based on Baycrest research.

The **Prepare → Concern → Diagnose → Legacy** offers a practical method to clarify family priorities as early signs of cognitive decline begin to emerge.



Prepare
When Everyone Is Healthy

"Let's talk while we have time and choices."

This stage is about planning ahead before anything feels urgent.

HELPFUL QUESTIONS TO ASK:

- If something changed unexpectedly, who would help an aging person make decisions?
- Have we talked about future care preferences?

This is often a great time to put key basics in place, such as a will, trusted contact person and trusted decision-maker (such as a continuing or enduring power of attorney).

Concern
When Something Feels Different

"We've noticed a few changes. Let's check in."

Sometimes changes are subtle, and it can be hard to know what they mean.

HELPFUL QUESTIONS TO ASK:

- Have things started to feel more complicated lately for an aging person?
- Would it help to review their will and other estate documents together?

These conversations aren't about conclusions—they're about awareness, support, and care.

Diagnose
When Health Realities Are Clear

"Let's make sure future plans reflect what's happening now."

When there is greater clarity around health or cognitive changes, priorities may shift.

HELPFUL QUESTIONS TO ASK:

- Who is supporting decision-making right now, and is a continuing or enduring power of attorney in place if needed?
- Are our plans still realistic given current care needs and related costs?

Clarity at this stage can ease stress and help preserve an aging person's dignity.

Legacy
When Meaning and Family Harmony Matter Most

"How do we want this to feel for everyone?"

Legacy is about more than money—it's about relationships, values, and fairness.

HELPFUL QUESTIONS TO ASK:

- What feels fair, especially given who is providing care and support?
- How can estate decisions reflect today's needs while protecting long-term security?

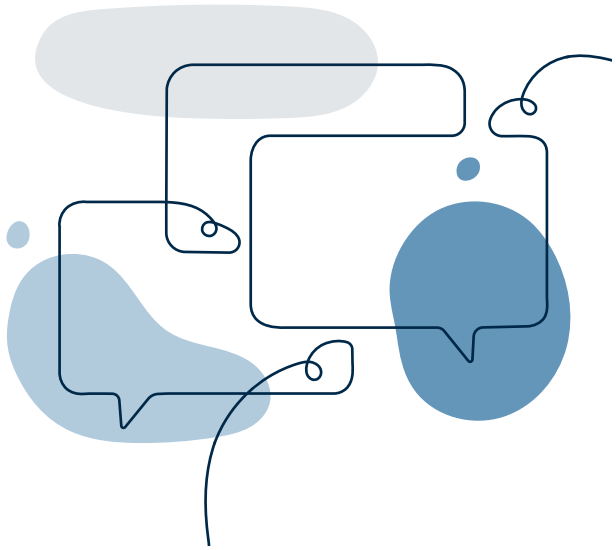
These conversations can be emotional, but they are often deeply meaningful.

It's also important to ask,
'Is my family member or support person willing and able to be a caregiver?'

The best time to start the conversation is now

Brain health plays a critical role in financial decision-making, caregiving, and legacy planning.

Whether you're planning ahead, supporting a loved one, or navigating change, you don't have to do it alone. Your independent financial advisor can help you navigate these conversations early to bring clarity to complex decisions and help ensure your family is prepared for change, confident in your plans, and supported at every stage.



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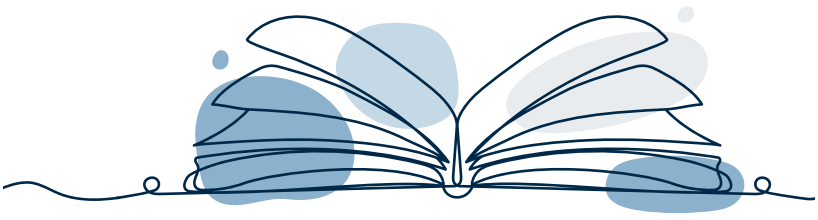

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