

**Issues Facing Seniors: Retirement Security, Healthcare, & Fiscal Health**  
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Financial Exploitation of Older Adults

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**I. The Problem**

There are over 56 million Americans ages 65 and older living in the United States. Older adults comprise the fastest growing group of the nation's population and will remain the largest age group for the foreseeable future. Approximately 10,000 Americans turn 65 each day and by 2030, the number of older adults in the country is projected to be more than 71 million, representing a 29% increase in less than 10 years. Americans are also experiencing unprecedented longevity, with the number of older adults living to be older than 100 steadily increasing. The current generation of older adults is unique from prior generations, differing in several ways: they are living longer and more active lives, they are spending more years in the workforce and retiring later in life, they have smaller families, they are more likely to relocate in their retirement years to various kinds of age-homogenous housing communities, and they are wealthier than any preceding generation of retired Americans, controlling approximately 70% of the invested wealth in the United States.

Along with the rapid growth of older adults has been a steady increase in the prevalence of financial exploitation of older adults over the past several decades<sup>i</sup>. Financial exploitation is among the most common forms of self-reported abuse by older adults<sup>ii</sup>. Older adults are more at risk of financial exploitation and scams involving telemarketing, charitable donation, real estate, automobile/home repair, lottery/sweepstakes, and healthcare than are younger adults<sup>iii</sup>. Although the prevalence of financial exploitation of older adults is great, and increasing, precise figures are not available because of widespread underreporting<sup>iv</sup>. Therefore, available statistics significantly underestimate the actual extent of financial exploitation of older adults and the cases that are known represent only the "tip of the iceberg" of this growing social problem. Older adults are not likely to report cases of financial exploitation because of fear, uncertainty about where and how to report, concerns they may be viewed as incapable of handling their own finances, unable to live on their own, or in need of supervision. Older adults who experience financial exploitation can often find themselves caught in a dilemma—if they report they may be viewed as incapable or naïve, they may be retaliated against, or they can lose their independence because a well-meaning relative may insist that they no longer live alone or handle their own financial decisions. However, by not reporting, older adults may not have any chance of recovering their lost money and may experience lasting feelings of guilt and uncertainty for never bringing the case to the attention of authorities. In sum, many older victims of financial exploitation suffer alone!

**II. Risk Factors and Consequences**

Numerous factors have been identified that can increase an older adult's risk for financial exploitation. The risk factors can generally be grouped into the categories of physical and cognitive health and social bonds<sup>v</sup>. Physical and cognitive health-related risk factors include changes and declines to physical health and cognition, major medical events or diagnoses, and psychological conditions such as depression and anxiety. Retirement, moving, changes to older adults' marital dynamic (whether through divorce or the death or incapacitation of a spouse), and social isolation are all social-related risk factors.

In addition, older adults are often viewed as popular targets by fraudsters because of the many stereotypes about them being wealthy, frail, and defenseless<sup>vi</sup>.

The distribution of crime across geographic areas is well known and although geographic variations in financial exploitation of older adults is not yet well understood, evidence suggests that there are community-level factors that may also increase older adults' risk of financial exploitation<sup>vii</sup>. For example, there has been research on financial exploitation of older adults who live in assisted living facilities that found, in general, residents were vulnerable for exploitation<sup>viii</sup>. A large and growing number of older adults live in various kinds of designated age-homogenous communities or areas where they make up a significant proportion of the population. Although exact numbers of age-homogenous housing communities—which include facilities that specialize in skilled nursing care, assisted living, independent active-living, and other retirement communities—are unavailable, such options are numerous and widespread. Of available statistics, in 2021 there were over 3,000 senior living communities and over 30,000 residential and continuing care properties in the United States, with over 10 million residents. For example, according to the 2020 Census, The Villages was the fastest growing metropolitan area in the country. These communities with large populations of older adults may be unwittingly contributing to “hotspots” for financial exploitation because so many perceived vulnerable targets live near one another.

Financial exploitation results in significant reductions to older adults' quality of life and the associated consequences can be severe and long-lasting. It can take months or years for older adults to financially recover, with many never able to fully recover or recoup their losses. Nearly one million older adults are estimated to be skipping meals each day or cannot afford their prescription medications because of financial exploitation<sup>ix</sup>. Lasting feelings of stress, anxiety, depression, and fear are common emotional responses to financial exploitation, which often lead to older adults' altering their lifestyles, behaviors, and activities as a result<sup>x</sup>. Finally, older adults who have experienced financial exploitation have an increased risk of dying prematurely<sup>xi</sup>.

### **III. Evidence-Based Policy Recommendations**

To confront this growing social problem, proactive evidence-based policy responses and specialized services that focus on older adults' unique circumstances, experiences, and living situations are necessary. Based upon relevant research, it is important that these services not just focus on the older adult but also their families and support networks. Doing so will help to reduce fear and provide an increased understanding of the causes, consequences, and recovery strategies for both the older adult and their support networks.

#### *Prevention*

To help prevent financial exploitation of older adults, risk assessment instruments that can be effectively administered by healthcare providers and others need to be developed based on the existing research, field tested, and then validated. These validated risk assessment tools would enable various professionals to identify older adults who are clearly at-risk for financial exploitation or other forms of abuse. We are currently in the process of developing, field testing, and validating such a risk assessment instrument for national use.

#### *Victimization Services*

To help older adults who are at-risk or victims of financial exploitation, a proactive evidence-based policy recommendation is the implementation of Community Service Centers (CSCs) in areas with large concentrations of older adults. CSCs would be a one-stop location that provides a range of services. Example functions of CSCs could include educational classes, the development of financial safety plans, a “shopping buddy” program in which older adults would be accompanied by a volunteer when making large purchases or financial decisions, a financial grant program to provide emergency relief money in the event of victimization, an anonymous hotline to provide answers to questions and guidance about financial exploitation and information about how to recover from an incident (e.g., where/how to report, how to hire a lawyer), and a community handbook with a listing of local service providers with proven

track records. CSCs should be operated by both volunteers and trained staff and include an institutionalized evaluation component to provide annual process and outcome assessments for evidence-based operational improvements. We recommend that the U.S. Senate Special Committee on Aging consider promoting these evidence-based CSCs.

Financial exploitation of older adults is a significant and growing social problem that needs more attention from researchers, policymakers, practitioners, and the public. It is imperative that our approaches to financial exploitation be proactive as opposed just responding to the cases that get reported.

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