



Testimony of Carly Roszkowski
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on

Empowering Seniors Through Financial Literacy: Tools to Protect Savings, Prevent Fraud, and
Promote Independence

Before the

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My name is Carly Roszkowski, and I am the Vice President of Financial Resilience Programming at AARP. I am honored to be here to testify on behalf of AARP, which advocates on behalf of the 125 million Americans age 50 and older and their families. I would like to thank you, Chairman Scott and Ranking Member Gillibrand, and the members of the U.S. Senate Special Committee on Aging for holding this important hearing.

Americans age 50 and older are a rapidly growing demographic facing unique financial challenges, including longer life expectancy for some, increased healthcare costs, a vastly different retirement system than the previous generation, which had more access to defined benefit plans, and heightened exposure to financial fraud. Our research consistently shows that financial resilience in later life depends not only on knowledge but also on access to trusted guidance, protections, and age-appropriate tools.¹ Put simply, financial literacy is essential to retirement security. It's the foundation for one's economic security, independence, and dignity in aging.

The retirement system has shifted risk to individuals—but education and support never caught up. The U.S. retirement system now places primary responsibility on individuals to manage saving, investing, and turning those savings into lifelong income. Traditional pensions have largely disappeared; defined contribution plans must be managed over the course of a lifetime, and decisions like Social Security claiming and withdrawal strategies are complex and high-stakes. At the same time, many Americans lack the financial literacy, tools, and ongoing support needed—especially as choices grow more complicated and different life stages require different approaches. This gap leaves millions at risk of outliving their savings or making costly mistakes.

Financial literacy works—but only when it's practical, sustained, timely, and paired with decision support. Research consistently shows that financial knowledge can lead to better outcomes—but knowledge alone is not enough. People need step-by-step, plain-language guidance that helps them act at key moments: when opening a 401(k), nearing retirement, claiming Social Security, or navigating rising costs later in life. Effective programs must simplify complex decisions, address behavioral barriers like fear and procrastination, build confidence, and include fraud awareness. One-time education doesn't work; continuous learning does. AARP's approach reflects this reality—through workshops, tools, calculators, and structured digital programs like *AARP Navigator: Maximizing Retirement Income*, which turns disconnected information into guided, real-world decision-making support.²

Longer lives and economic pressure are reshaping “retirement”—and financial insecurity is a key driver. Americans are living longer, working longer, and experiencing retirement as a transition rather than a cliff. Today, 64 percent of adults worry they won't have enough money to retire, and nearly one in five non-retirees has no retirement savings at all.³ Millions of retirees have returned to work—primarily because they need income, though purpose matters too. Rising

¹ AARP Public Policy Institute. *How Banks and Credit Unions Can Better Serve and Protect People 50-Plus*. Washington, DC: AARP PPI, June 13, 2024. <https://doi.org/10.26419/ppi.00228.001>.

² AARP, *Navigator: Maximizing Retirement Income*, https://navigator.aarp.org/en_gb/courses/course/74/

³ Brown, S. Kathi. *AARP Financial Security Trends Survey, January 2025*. Washington, DC: AARP Research, May 2025. <https://doi.org/10.26419/res.00525.058>.

costs, longevity uncertainty, and lack of guaranteed income mean this trend will likely continue. Financial security in later life is no longer just about retirement; it's about enabling flexibility, confidence, and dignity across decades. That is why AARP has created robust resources for Americans of any age to better plan for their financial future.

AARP's Financial Literacy Resources

For more than 90 years, Social Security has been a cornerstone of financial security for older Americans, yet it remains a complex program that can be difficult to navigate. But navigating this crucial but complicated program can be challenging. AARP works to provide older Americans with current and unbiased information to ensure they understand their Social Security options, whether they are preparing for retirement, facing a disability, or planning for their family's financial future. We provide calculators, guides and other resources designed to help individuals make informed decisions about when and how to claim Social Security as part of a sturdy retirement plan.⁴ But we know from our surveys many Americans still have questions or misunderstand how to maximize their Social Security.

We also help with financial preparation by providing practical, easy-to-use digital tools that empower individuals to make informed decisions about their financial future and strengthen long-term retirement security. The AARP Retirement Calculator provides individuals with a personalized snapshot of what their financial future might look like.⁵ The tool allows users to simply answer a few questions about their household status, salary and retirement savings — for example, what they have in an individual retirement account (IRA) or 401(k). All of this results in guidance to help individuals plan to retire when and how they want.

The Required Minimum Distribution Calculator addresses a different, but equally important, stage of retirement.⁶ Once individuals reach the age where withdrawals from retirement accounts are mandated, this tool helps them estimate the amount they must withdraw each year to remain compliant with federal regulations. By simplifying complex rules into clear, understandable outputs, the calculator reduces confusion, helps retirees avoid costly penalties, and supports better income planning during retirement.

We also provide the *AARP Navigator: Maximizing Retirement Income*, which is a guided, digital learning experience that helps individuals understand income sources in retirement, manage expenses and withdrawal strategies, and make informed decisions about Social Security and savings.⁷ The program provides structured, step-by-step education rather than overwhelming users with disconnected information. It emphasizes turning savings into sustainable income, avoiding common retirement pitfalls, and building confidence in financial decision-making. This program meets people where they are – whether they are just starting to plan for retirement, or if they are near retirement. Users of the program tell us that it helps them better understand the decisions they have to make beyond surface-level knowledge, and when they need to make

⁴ AARP, *Understanding Social Security Retirement*, <https://www.aarp.org/social-security/>.

⁵ AARP, *Retirement Calculator*, <https://www.aarp.org/money/retirement/retirement-calculator/>.

⁶ AARP, *Required Minimum Distribution (RMD) Calculator*, <https://www.aarp.org/money/retirement/required-minimum-distribution-calculator/>

⁷ AARP, *Navigator*, <https://navigator.aarp.org/courses/course/74/>.

them—providing them with confidence to ask meaningful questions when they meet with tax and retirement professionals.

And these are just some of the many tools we provide on our one stop- hub designed to help Americans make informed decisions across key aspects of their lives. All of these tools work to support financial planning, health and wellness, caregiving, and retirement preparedness, helping individuals better understand their options and plan with confidence. By translating complex topics into practical, accessible resources, AARP equips consumers with actionable information they can use to strengthen their financial security, protect their health, and plan for the future.⁸

AARP Fraud Prevention Work

A key component of a secure financial future is protecting your hard-earned savings from criminals. That is why working to prevent fraud and scams from happening is a top priority for AARP.

The AARP Fraud Watch Network is deeply vested in helping our nation’s older adults understand the very real threat to their financial security that fraud represents.⁹ We engage in communities around the country through our state offices and their trained volunteer fraud fighters to spread the message of fraud prevention. We share robust information online; we cover the issue in *AARP the Magazine* and the *AARP Bulletin* – which reach tens of millions of readers with each edition; we offer a biweekly email or text ‘watchdog alert’ newsletter and we produce an award-winning podcast, AARP’s *The Perfect Scam* – in the true crime genre but focused on the impact of this type of crime on victims and their families. We also offer a variety of virtual educational events, from member tele-town halls to webinars and Facebook live events.

In addition, AARP is unique in its focus on supporting victims of fraud and their families. Our Fraud Watch Network Helpline receives around 500 calls a day. These calls can be from people who simply want to report a scam they’ve encountered but didn’t engage with, to people who aren’t sure whether that Publishers Clearing House letter claiming they’ve won \$1 million and a Mercedes is legitimate (it’s not), and too often, from victims and their family members in the aftermath of the crime. We also offer an online victim support group program, through which trained facilitators run small group sessions to begin to address the emotional impact of fraud victimization—helping older Americans rebuild their lives.

On the prevention front, we know that education is critical, but we cannot educate our way out of the fraud crisis. AARP is at the forefront of seeking systemic change. For one, AARP has been leading an effort to reframe the narrative on fraud victimization. Our society tends to treat fraud victims differently than other crime victims. We often blame them with the language we use: they’ve been “tricked,” or “duped,” or “fooled,” rather than stating that a criminal has stolen from them. We tend to believe that there’s nothing law enforcement can do because the criminals are abroad. Our narrative change movement is rooted in research that shows how our tendency to blame fraud victims has served to deprioritize fraud as a crime.¹⁰ From the start of our narrative

⁸ AARP, *Tools & Calculators for Your Life*, <https://www.aarp.org/tools/>.

⁹ AARP, *AARP Fraud Watch Network*, <https://www.aarp.org/money/scams-fraud/about-fraud-watch-network/>.

¹⁰ AARP, *Words Matter*, <https://www.aarp.org/lp/words-matter/>.

change campaign with the FINRA Investor Education Foundation in 2021, we have continued the focus and we are seeing real movement – among consumers, in the media, across industries and among policymakers, toward an understanding that fraud is a crime and is not the victim’s fault.

AARP also runs a program called *BankSafe*, which trains employees at financial institutions to detect fraud and financial exploitation. *BankSafe* works with the financial services industry to help them stop financial exploitation before the money leaves accounts.¹¹ The program encourages industry to voluntarily adopt research-based interventions, policies, and procedures that effectively prevent exploitation. Researchers from the Virginia Tech Center for Gerontology have studied the impact of training bank and credit union staff to spot and prevent financial exploitation.¹² The research shows significant benefits to consumers and financial institutions when frontline employees take the AARP *BankSafe* training rather than other forms of training, including a 133 percent increase in knowledge regarding exploitation and four times greater employee confidence in recognizing, preventing, and reporting cases of financial exploitation. Compared with employees who did not undergo the training, *BankSafe* trained employees saved consumers 16 times more money from exploitation.

In addition to our fraud prevention awareness and victim support services, AARP conducts research on fraud to inform our work and the public at large. For example, in May 2024, we conducted research on “How Adult Consumers Feel, What They Know, and Their Actions That Pose Risks.”¹³ The report found that while most adults rarely or never answer phone calls, texts, or friend requests from people they don’t know, a significant percentage of adults (35 percent) usually or always do one or more of these actions. The report also looked at how adults were maintaining security of their devices and online accounts, including the use of VPNs and two-factor authentication, downloading free apps and/or taking online quizzes on social media, and the use of different passwords on all accounts.

Despite all our work, challenges still persist.

Financial Challenges Facing Older Americans

Many older Americans approach retirement with insufficient savings and limited retirement planning.¹⁴ Sixty-four percent of adults are worried they will not have enough money to support themselves in retirement, while 19 percent — who have not yet retired — have no retirement savings at all.¹⁵ A significant share of households nearing retirement have not calculated how

¹¹ AARP, *BankSafe*, <https://www.aarp.org/pri/initiatives/banksafe/>.

¹² AARP, *The Impact of Training Financial Professionals to Prevent Financial Exploitation*, July 2022, https://www.aarp.org/content/dam/aarp/ppi/banksafe/2022/july/AARP_BankSafe_FullReport_6-13-22.pdf.

¹³ AARP, *The Fraud Crisis In America: How Adult Consumers Feel, What They Know, And Their Actions That Pose Risks*, May 2024, <https://www.aarp.org/content/dam/aarp/research/topics/work-finances-retirement/fraud-consumer-protection/fraud-awareness-americans.doi.10.26419-2fres.00788.001.pdf>.

¹⁴ AARP, “New AARP Survey: 1 in 5 Americans Ages 50+ Have No Retirement Savings and Over Half Worry They Will Not Have Enough to Last in Retirement” (Apr. 24, 2024), <https://www.aarp.org/press/releases/2024-4-24-new-aarp-survey-1-in-5-americans-ages-50-have-no-retirement-savings.html>.

¹⁵ Brown, S. Kathi. *AARP Financial Security Trends Survey, January 2025*. Washington, DC: AARP Research, May 2025. <https://doi.org/10.26419/res.00525.058>.

much they need to save, and many rely primarily on Social Security for income in retirement. Longer life expectancy further increases the risk that individuals will outlive their savings. Despite these realities, financial education efforts often remain heavily focused on asset accumulation, with far less attention to retirement income planning, decumulation strategies, and longevity risk.

At the same time, financial fraud and exploitation are widespread and growing problems. Older adults are disproportionately targeted, and financial literacy research shows a concerning dynamic: objective financial literacy can decline after age 60 for some, while confidence often remains high.¹⁶ This gap between confidence and capability can be exploited by criminals. While education about fraud is important, evidence suggests that education alone is insufficient without also introducing protective interventions, trusted contacts, and coordinated responses involving financial institutions and government agencies. These challenges underscore the need for a strategy that goes beyond knowledge transfer and addresses how financial decisions are made in real-world contexts.

Adopt a Life Stage Relevant Framework

A life-stage-based approach to financial literacy that explicitly recognizes how financial needs, risks, and decision-making change over time, particularly in later life, is key. Financial education efforts too often assume a linear career trajectory culminating in a well-planned retirement. In reality, many individuals are pushed out of the workforce earlier than expected due to health challenges,¹⁷ caregiving responsibilities,¹⁸ economic disruption, or age discrimination.¹⁹ Others continue working longer than planned, often in contingent or part-time roles with fewer benefits and protections.^{20,21}

We've heard from many older adults that it's difficult to keep up with the rising cost of living while on a fixed income. This financial squeeze can be especially acute for family caregivers who have had to leave the workforce, even for a short time. A Virginia woman in her late 50s told us that "she'll likely work until she can't anymore" to be able to continue helping her disabled adult son. Countless others said they have returned to work after retiring because they

¹⁶ Boyle, Patricia, Olivia S. Mitchell, Gary R. Mottola, and Lei Yu. "Declining Financial and Health Literacy among Older Men and Women." *Journal of the Economics of Ageing* (2025): 100547.

<https://doi.org/10.1016/j.jeoa.2025.100547>.

¹⁷ Employee Benefit Research Institute and Greenwald Research. *2025 EBRI/Greenwald Retirement Confidence Survey Summary Report*. Washington, DC: Employee Benefit Research Institute, April 24, 2025.

<https://www.ebri.org/retirement/retirement-confidence-survey>.

¹⁸ Coile, Courtney C. "Health Shocks and Couples' Labor Supply Decisions." *NBER Working Paper* no. 10810. Cambridge, MA: National Bureau of Economic Research, October 2004. <https://doi.org/10.3386/w10810>.

¹⁹ U.S. Government Accountability Office. *Older Workers: Age Discrimination Is a Persistent and Growing Problem*. GAO-20-742. Washington, DC: U.S. Government Accountability Office, June 2020.

<https://www.gao.gov/products/gao-20-742>.

²⁰ Antonelli, Angela M. *The Aging of America: A Changing Picture of Work and Retirement*. Washington, DC: Georgetown University Center for Retirement Initiatives, 2018.

<https://cri.georgetown.edu/the-aging-of-america-a-changing-picture-of-work-and-retirement/>.

²¹ U.S. Bureau of Labor Statistics. *Contingent and Alternative Employment Arrangements — July 2023*. USDL-24-2267. Washington, DC: U.S. Department of Labor, November 8, 2024.

<https://www.bls.gov/news.release/conemp.htm>.

didn't feel they had enough money saved. A retired accountant in New Hampshire, for example, went back to work as a receptionist and is still feeling the pinch. "Things have gotten more expensive, and I'm doing more and more shopping at the dollar store," she said.

AARP research shows that in the past six months, 7 percent of retirees age 50 and older have "unretired," or reentered the labor force.²² This is approximately 8.5 million Americans. Among retirees, 28 percent said they retired too early. Our latest research also shows that 48 percent said their primary reason for returning to work is to make money. The second most common reason (14 percent) is to stay active. With the cost of living still high and many people worried that they don't have enough saved for retirement, the trend of older adults working longer will likely continue requiring evolving strategies for financial literacy.

As a result, financial education must begin well before retirement and continue through key transition points, including job loss or job change later in life, the transition from work to retirement, the onset of caregiving responsibilities, and decisions related to housing, health care, Social Security claiming, and end-of-life planning. These transition points frequently involve complex, high-stakes financial decisions that cannot be effectively addressed through one-time or generic education earlier in life.

We should therefore promote continuous, adaptive, and responsive financial education. This includes recognizing that older adults may face declining cognitive capacity,²³ changing health needs,²⁴ and increasing exposure to fraud and financial exploitation.²⁵ A life-stage framework would help ensure that education is delivered in ways that are timely, relevant, and aligned with the decisions individuals are facing.

In addition, we must address the growing role of family members, caregivers, and trusted third parties who increasingly manage or assist with financial decision-making for aging parents or loved ones.²⁶ Financial literacy efforts should include resources that help individuals plan for shared or delegated financial management, including clear guidance on powers of attorney, fiduciary duties, beneficiary designations, and safeguards against misuse or exploitation. The Consumer Financial Protection Bureau's (CFPB) *Managing Someone Else's Money* guide is an example of a well-regarded, free resource designed for financial caregivers that details responsibilities of a fiduciary, how to identify fraud and where to go for help, if needed, in clear and understandable language. Supporting both older adults and those who assist them is essential to maintaining financial security, autonomy, and dignity later in life.

²² AARP, *Retirement on Pause: High Costs Push Older Americans Back to Work*, February 2026, <https://www.aarp.org/press/releases/2026-02-05-high-costs-older-americans-back-to-work.html>.

²³ National Institute on Aging. *How the Aging Brain Affects Thinking*. Bethesda, MD: National Institutes of Health, updated 2024. <https://www.nia.nih.gov/health/brain-health/how-aging-brain-affects-thinking>.

²⁴ Centers for Disease Control and Prevention. *Cognitive Health and Caregiving*. Atlanta, GA: CDC, June 3, 2024. <https://www.cdc.gov/cdi/indicator-definitions/cognitive-health-caregiving.html>.

²⁵ Federal Trade Commission. *Protecting Older Consumers 2024–2025: A Report of the Federal Trade Commission*. Washington, DC: Federal Trade Commission, December 1, 2025. <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-issues-annual-report-congress-agencys-actions-protect-older-adults>.

²⁶ AARP Public Policy Institute and National Alliance for Caregiving. *Caregiving in the United States*. Washington, DC: AARP, 2020. <https://www.aarp.org/ppi/info-2015/caregiving-in-the-united-states.html>.

Elevate Retirement Income and Decumulation Literacy

AARP believes we should treat retirement income and decumulation literacy as a core pillar of financial education, rather than a secondary or optional topic. For most households, the transition from saving to spending in retirement is the most complex and consequential financial phase of life. Yet financial education efforts have historically emphasized accumulation – how to save and invest – while devoting far less attention to how assets are converted into sustainable income once paychecks end. Research consistently shows that many retirees struggle with this transition and often decumulate assets more slowly or less effectively than standard economic models would predict, with significant implications for lifetime financial security.²⁷ Retirement income literacy should encompass education on managing withdrawals across different account types, optimizing Social Security claiming decisions, sequencing assets over time, and understanding longevity risk.

Social Security alone represents the largest source of guaranteed income for most older Americans, and claiming decisions can permanently affect monthly benefits and lifetime income – not just for the worker, but also for their spouse. Monthly benefits are 77 percent higher if claimed at age 70 than they are if claimed at age 62. For many people already in their 60s, delaying Social Security claiming may be one of the most significant options still available to them to improve their economic stability in retirement.

Yet despite these high stakes, most beneficiaries claim benefits before their full retirement age, often without fully understanding the tradeoffs involved.²⁸ AARP research finds significant gaps in people’s understanding of Social Security claiming ages and other aspects of the program.²⁹ Only 40 percent of Americans could correctly identify the earliest age you can start collecting retirement benefits (62) and just 24 percent knew the age that would maximize their monthly retirement benefit (70). People also lacked knowledge about spousal benefits and how work affects benefits. As a result, comprehensive education that clearly explains how claiming age, continued work, and household circumstances affect Social Security benefits could materially improve retirement outcomes, particularly for individuals who rely heavily on Social Security as their primary income source. In addition, the language and the framing of this education can affect how people perceive their options.³⁰ A bill currently before the Senate (S. 1504, the Claiming Age Clarity Act) would improve the terminology of Social Security’s retirement

²⁷ Hessam Bavafa, Anita Mukherjee, and Tyler Q. Welch, *Asset Decumulation in Retirement: Patterns, Predictors, and the Role of Financial Literacy*, TIAA Institute Research Dialogue no. 232 (New York: TIAA Institute, 2025), <https://www.tiaa.org/content/dam/tiaa/institute/pdf/research-dialogue/2025-11/tiaa-institute-research-asset-decumulation-in-retirement-patterns-predictors-and-the-role-of-financial-literacy-rd-232-bavafa.pdf>.

²⁸ Suzanne Shu and John W. Payne, *Social Security Claiming Intentions: Psychological Ownership, Loss Aversion, and Information Displays*, NBER Working Paper no. 31499 (Cambridge, MA: National Bureau of Economic Research, 2023), <https://www.nber.org/papers/w31499>.

²⁹ Bryan Miller, “Celebrating 90 Years of Social Security: A Look at Changing and Persisting Opinions Over Time: Social Security Opinions and Attitudes on Its 90th Anniversary” (AARP Research, 2025). <https://www.aarp.org/pri/topics/work-finances-retirement/social-security/social-security-90th-anniversary-survey/>.

³⁰ Perez-Arce, Francisco, Lila Rabinovich, Joanne Yoong, and Laith Alattar. “Three Little Words? The Impact of Social Security Terminology on Knowledge and Claiming Intentions.” *Journal of Pension Economics and Finance* 23, no. 1 (2024): 132–51. <https://doi.org/10.1017/S1474747222000269>.

benefit claiming ages in order to help individuals make more informed choices about when to start collecting benefits.³¹

Moreover, an effective financial literacy strategy must recognize that people of all ages have a stake in Social Security and should have a baseline understanding of how the program works. Research indicates that people consistently overestimate the scope of the program's financing shortfall. Nearly two-thirds of Americans did not understand what would happen if the Social Security trust funds became depleted; over a third believed no benefits would be paid at all, and roughly another one-third said they did not know. In reality, Social Security's actuaries project that roughly 75 to 80 percent of benefits would remain payable after trust fund depletion for the foreseeable future. This lack of program knowledge can and does affect people's benefit claiming decisions: AARP research in 2025 found that "almost half of older Americans (49 percent) who recently started receiving — or plan to start receiving — Social Security retirement payments earlier than originally planned were motivated by concerns that Social Security is running out of money."³² Improving people's basic understanding of how the program works — and that solvency should not be a reason to claim early — would help facilitate more informed claiming decisions.

Similarly, effective decumulation requires understanding how to draw income from a mix of tax-advantaged retirement accounts, taxable savings, and guaranteed income sources while managing exposure to market volatility, inflation, and unexpected expenses. Unlike the accumulation phase — where defaults and simplified investment options can guide behavior — the decumulation phase places far greater decision-making demands on individuals. The absence of standardized guidance or clear educational frameworks leaves many retirees vulnerable to poor timing, inefficient withdrawal patterns, or overly conservative behavior that unnecessarily suppresses their standard of living.³³

The need to elevate decumulation literacy has grown more urgent as the U.S. retirement system has shifted from defined benefit pensions toward defined contribution plans. This shift has transferred responsibility not only for saving but also for income planning and risk management from institutions to individuals. While defined benefit plans typically provide lifetime income by default, defined contribution plans generally do not, requiring participants to make complex decisions about how long their savings must last and how much they can safely spend each year. Research and policy analyses consistently identify this institutional shift as a central driver of retirement income insecurity and underscore the importance of education that prepares individuals for managing longevity and income risk on their own.³⁴

³¹ Deirdre Shesgreen, AARP, "Can a Few New Labels Change Social Security Claiming Trends?," <https://www.aarp.org/social-security/retirement-age-clarity-act/>; AARP letter to Senators Bill Cassidy, Chris Coons, Susan Collins, and Tim Kaine, September 2025, <https://www.aarp.org/content/dam/aarp/politics/advocacy/2025/09/endorsement-letter-claiming-age-clarity-act-senate.pdf>.

³² Miller, *op. cit.*

³³ Bavafa et al., *op. cit.*, 15.

³⁴ Samuel Estreicher and Laurence Gold, "The Shift from Defined Benefit Plans to Defined Contribution Plans," *Lewis & Clark Law Review* 11, no. 2 (2007), <https://law.lclark.edu/live/files/9567-lcb112estreicherpdf>.

Finally, retirement income literacy should explicitly address longevity risk – the risk of outliving one’s savings – which is difficult for individuals to intuitively assess. Increases in life expectancy, combined with wide variation in individual outcomes, mean that many retirees must plan for decades of income without knowing how long their resources will need to last. Educational efforts that help individuals understand life expectancy uncertainty and the role of guaranteed income sources can support more realistic planning and reduce the risk of financial hardship at advanced ages.³⁵

Prioritize Outcome-Based Evaluation and Evidence

A growing body of research demonstrates that increases in financial knowledge, awareness, or self-reported confidence do not consistently translate into improved financial outcomes. While traditional financial education metrics often focus on inputs (such as program reach or content delivered) or intermediate indicators (such as knowledge gains), these measures alone provide limited insight into whether programs meaningfully improve financial security. Comprehensive reviews of financial literacy research find that the behavioral and financial impacts of education initiatives vary widely, underscoring the need for evaluation frameworks that focus on real-world outcomes rather than solely on educational attainment.³⁶

It is important to prioritize outcome-based evaluation of financial literacy efforts that tracks measurable changes in behavior and risk exposure. Examples of such outcomes include increased participation in retirement plans, sustained contribution behavior, improved Social Security claiming decisions, greater use of trusted contacts and account safeguards, reduced reliance on high-cost or inappropriate credit products, and lower rates of fraud victimization. These indicators more directly reflect whether individuals are better positioned to navigate financial risks and maintain long-term security, particularly in later life.³⁷

Federal oversight bodies have similarly emphasized the importance of outcome-focused measurement. The Government Accountability Office (GAO) has found that many federal financial literacy programs report limited or inconsistent outcome data, making it difficult to assess effectiveness or compare interventions across agencies. GAO has specifically recommended that the Treasury Department and the CFPB, in their roles leading the Financial Literacy & Education Commission, encourage agencies to collect and report standardized outcome data to strengthen accountability and improve program design.³⁸ Without such data, policymakers lack the evidence necessary to determine which approaches merit expansion and which should be refined or discontinued.

³⁵ Karolos Arapakis and Gal Wettstein, *Longevity Risk: An Essay* (Chestnut Hill, MA: Center for Retirement Research at Boston College, 2023), https://crr.bc.edu/wp-content/uploads/2023/11/2023_Longevity-Risk.pdf.

³⁶ Tim Kaiser and Annamaria Lusardi, *Financial Literacy and Financial Education: An Overview*, NBER Working Paper no. 32355 (Cambridge, MA: National Bureau of Economic Research, 2024), https://www.nber.org/system/files/working_papers/w32355/w32355.pdf.

³⁷ AARP Public Policy Institute, *op. cit.*, 1; Consumer Financial Protection Bureau, *Financial Institutions Can Help Prevent Elder Financial Exploitation with Alerts to Trusted Contacts* (Washington, DC: CFPB, 2021), https://files.consumerfinance.gov/f/documents/cfpb_trusted-contacts-fis_2021-11.pdf.

³⁸ U.S. Government Accountability Office, *Financial Literacy: Better Outcome Reporting Could Facilitate Oversight of Programs for Older Adults and People with Disabilities*, GAO-24-106381 (Washington, DC: GAO, April 2024), <https://www.gao.gov/assets/gao-24-106381.pdf>.

Promote “Just-in-Time” and Workplace-Based Education

Evidence suggests that financial education is most effective when delivered at or near key decision points, such as job changes, enrollment in workplace benefits, retirement transitions, or the onset of caregiving responsibilities, rather than as one-time, abstract, or disconnected instruction. Research reviewing decades of financial education interventions finds that timing and relevance are critical to whether individuals apply information to real-world choices, particularly when decisions are complex or unfamiliar.³⁹ Education that coincides with moments when individuals must act is more likely to influence behavior than education provided well in advance of, or long after, the decision itself.⁴⁰

The workplace is a particularly effective setting for decision-point education because many consequential financial choices, such as retirement plan enrollment, contribution levels, and benefit elections, are made there. Some people are living longer, which dramatically increases the risk of outliving savings, especially without lifetime income. Some people are also working longer to fund these longer lives. We know that many older workers are staying in the workforce longer. About 38 million people age 55 and older are working today—more than two and a half times the number 40 years ago.⁴¹ And work is changing. A substantial body of evidence shows that standardized and unbiased workplace-based and employer-facilitated education increases retirement plan participation and contribution rates. Behavioral economics research demonstrates that simplifying choices and pairing information with enrollment opportunities significantly improve outcomes.⁴² This underscores the value of integrating education directly into benefits decision-making processes rather than treating it as a standalone activity.

Integrate Fraud Prevention with Cognitive Aging and Protective Design

Fraud prevention should be recognized as a core component of financial literacy for individuals of all ages, particularly for older adults who face heightened, evolving risks. Research shows that age-related changes in cognition, such as declines in executive function, information processing speed, and susceptibility to social manipulation, can increase vulnerability to fraud, even among individuals with otherwise strong financial skills.⁴³ Fraud prevention cannot rely solely on

³⁹ Kaiser et al., *op. cit.*, 23.

⁴⁰ Bruce Ian Carlin and David T. Robinson, “Financial Education and Timely Decision Support: Lessons from Junior Achievement,” *American Economic Review: Papers & Proceedings* 102, no. 3 (2012): 305–308, <https://doi.org/10.1257/aer.102.3.305>.

⁴¹ AARP, *New AARP Survey Shows a Sharp Increase in the Number of Older Americans Seeking a Job Change*, January 16, 2025, <https://www.aarp.org/press/releases/2025-1-16-new-aarp-survey-sharp-increase-number-older-americans-seeking-job-change.html>.

⁴² Brigitte C. Madrian and Dennis F. Shea, “The Power of Suggestion: Inertia in 401(k) Participation and Savings Behavior,” *Quarterly Journal of Economics* 116, no. 4 (2001): 1149–1187, <https://www.jstor.org/stable/2696456>.

⁴³ DeLiema, Marguerite, David Burnes, and Lynn Langton.

“The Financial and Psychological Impact of Identity Theft among Older Adults.” *Innovation in Aging* 5, no. 4 (2021): igab043. <https://doi.org/10.1093/geroni/igab043>.

knowledge-based education, but must incorporate insights from cognitive aging research to better reflect how decisions are actually made under stress, urgency, or deception.⁴⁴

When developing financial literacy programs, we should explicitly promote protective design features that reduce reliance on individual vigilance alone. Evidence from regulators and law enforcement demonstrates that tools such as trusted contact protocols, transaction monitoring, alerts, and appropriate payment delays enable earlier detection of suspicious activity and reduce financial harm. Federal financial regulators have jointly recognized these mechanisms as effective risk-management practices, particularly when paired with employee training and clear escalation pathways.⁴⁵ Embedding awareness of these safeguards into financial literacy efforts helps normalize their use and empowers consumers to adopt protections before harm occurs.

It is important to expand public awareness and prevention efforts modeled on proven initiatives, including AARP's Fraud Watch Network, which combines education, real-time alerts, and victim support.⁴⁶ Financial capability initiatives should increase the ability of all people to make informed decisions about the use and management of money and include information on financial fraud and abuse. They should also cover technological advances that may be of value to older consumers. Research tools that accurately measure the effectiveness of financial capability programs should be developed. Public-private coordination with consumer groups and financial service providers is critical to enabling early intervention, timely reporting, and access to recovery resources when fraud occurs. Evidence from enforcement agencies and victim services providers shows that early action can significantly limit losses and mitigate the cascading financial, emotional, and health consequences of victimization.⁴⁷

Finally, fraud prevention should be treated not only as a consumer protection issue, but also as a public health concern. Fraud victimization is associated with increased stress, anxiety, loss of independence, and adverse health outcomes, particularly among older adults. Addressing fraud through a public-health lens – focused on prevention, harm reduction, and coordinated response – is key to addressing with the real-world impacts of financial exploitation and support a more comprehensive approach to financial security across the lifespan.⁴⁸

Address Structural Barriers Alongside Education

Financial literacy outcomes are strongly shaped by income, education, race, health, and access to safe, affordable financial products, with persistent disparities across demographic groups. National surveys consistently show that individuals with lower incomes, less formal education,

⁴⁴ Rachel E. Morgan and Susannah N. Tapp, *Examining Financial Fraud Against Older Adults* (Washington, DC: National Institute of Justice, March 20, 2024), <https://nij.ojp.gov/topics/articles/examining-financial-fraud-against-older-adults>.

⁴⁵ Board of Governors of the Federal Reserve System et al., *Interagency Statement on Elder Financial Exploitation* (Washington, DC: Federal Reserve Board, December 4, 2024), <https://www.federalreserve.gov/frrs/guidance/interagency-statement-on-elder-financial-exploitation.htm>.

⁴⁶ AARP, *AARP Fraud Watch Network*, <https://www.aarp.org/money/scams-fraud/about-fraud-watch-network/>.

⁴⁷ Federal Trade Commission, *op. cit.* 10.

⁴⁸ U.S. Department of Justice, *Annual Report to Congress on Efforts to Combat Elder Fraud and Abuse* (Washington, DC: DOJ, November 17, 2025), <https://www.justice.gov/opa/pr/department-justice-releases-2025-annual-report-congress-efforts-combat-elder-fraud-and-abuse>.

and limited access to mainstream financial services score lower on standard measures of financial literacy and experience worse financial outcomes, including lower retirement preparedness and higher financial fragility. These gaps are particularly pronounced among Black and Hispanic or Latino households, reflecting broader structural inequalities rather than differences in motivation or effort alone.⁴⁹

That is one reason AARP Foundation, an affiliate of AARP, has prioritized a focus on advancing financial resilience for older adults as part of their work.⁵⁰ By strengthening access to income and stability for people age 50+ who are at heightened risk of economic insecurity. The Foundation's approach to workforce participation prioritizes helping experienced workers reconnect to employment and navigate barriers in the modern labor market.

This accomplished largely through the BACK TO WORK 50+ program which provides free nationwide job search coaching and resources- along with referrals for other training and financial assistance- to thousands of unemployed and underemployed workers 50 and over.⁵¹ The program helps low-income older adults build the skills and confidence to regain employment and compete for higher quality jobs that serve as a pathway to financial resilience.

We must acknowledge the limits of education as a standalone intervention and coordinate financial literacy initiatives with policies that expand access to retirement plans, trusted financial advice, and core consumer protections. Evidence shows that individuals are far more likely to save and make sound financial decisions when they have access to payroll-deducted retirement plans, safe default options, and regulated financial products – conditions that education alone cannot create.^{52,53} Without addressing these structural barriers, financial education efforts risk overstating their impact and leaving populations with the least access to financial infrastructure further behind, despite increased knowledge or awareness.^{54,55}

Ensure Accessibility and Inclusive Design

Financial education materials should be accessible across formats, including print, in-person, and digital delivery, and written in plain, clear language. AARP research consistently shows that communication and comprehension needs vary widely among older adults, and that overly complex language, jargon, or digital-only formats can unintentionally exclude large segments of

⁴⁹ Annamaria Lusardi et al., *Financial Literacy and Retirement Fluency in America: Findings from the 2025 TIAA Institute–GFLEC Personal Finance Index* (New York: TIAA Institute, 2025); FINRA Investor Education Foundation, *National Financial Capability Study* (Washington, DC: FINRA, 2021).

⁵⁰ AARP Foundation, <https://www.aarp.org/aarp-foundation/>.

⁵¹ AARP Foundation, <https://www.aarp.org/aarp-foundation/our-work/income/back-to-work-50-plus.html>.

⁵² The Pew Charitable Trusts, *Workers Without Access to Retirement Benefits Struggle to Build Wealth* (Washington, DC: Pew, June 25, 2025), <https://www.pew.org/en/research-and-analysis/issue-briefs/2025/06/workers-without-access-to-retirement-benefits-struggle-to-build-wealth>.

⁵³ AARP Public Policy Institute. Payroll-Deduction Savings Programs Improve Retirement Security. Washington, DC. December 12, 2024. <https://www.aarp.org/pri/topics/work-finances-retirement/financial-security-retirement/payroll-deduction-savings-programs-improve-retirement-security-s/>.

⁵⁴ Kaiser et al., *op. cit.*, 18.

⁵⁵ AARP Public Policy Institute, *op. cit.*, 1.

the population.⁵⁶ Accessible communication is particularly important given the prevalence of vision loss, hearing loss, and age-related cognitive changes, which can affect how individuals receive and process information even when their underlying financial decision-making capacity remains intact.⁵⁷ Ensuring that financial education resources are readable, understandable, and navigable across a range of abilities will help prevent unintentional exclusion and support fairer access to financial information.

Conclusion

In closing, the realities of longer lives for some, rising costs, and a retirement system that places increasing responsibility on individuals demand a renewed focus on financial literacy that is practical, ongoing, and actionable. Financial literacy and fraud prevention work together. Building awareness, education, and the importance of these strategies into financial literacy is critical. Too many Americans are navigating complex retirement decisions without the tools, guidance, or confidence they need—contributing to financial insecurity, delayed retirement, and workforce reentry driven by economic necessity. By investing in trusted education, decision-support tools, and policies that reflect how people work and retire today, we can help ensure that every American has the knowledge and confidence to achieve financial security, independence, and dignity as they age.

We thank this Committee for bringing attention to this important issue and look forward to working with you to address the financial challenges that Americans aged 50 and older face, combat fraud and find comprehensive solutions to prevent it.

⁵⁶ AARP and Older Adults Technology Services, *Age-Friendly Technology Design: A Practical Guide for Designers and Developers of Digital Experiences* (Washington, DC: AARP, 2021), <https://creativeagingresource.lifetimearts.org/wp-content/uploads/AARP-Age-Inclusive-Techn-Broch.pdf>.

⁵⁷ AARP Research, *The Language of Aging* (Washington, DC: AARP, updated September 17, 2025), <https://www.aarp.org/pri/topics/aging-experience/language-aging/>.