

## HIGHLIGHTS

# Broken Trust: Elders, Family, and Finances

## Study and Tip Sheets on Elder Financial Abuse Prevention



### Overview

Elders in the United States fall victim to over \$2.6 billion in financial abuse annually. Beyond the obvious financial loss, such crimes are dependent on a betrayal of trust, so the personal loss can make this a particularly painful crime. Perpetrators can be as close as a family member, neighbor, or friend, or as distant as an invisible voice on the telephone or an e-mail from the other side of the globe.

Elder financial abuse, “the unauthorized use or illegal taking of funds or property of people aged 60 and older,” takes many forms, including, but not limited to: fraud (coupon, telemarketing, mail); repair and contracting scams; “sweetheart scams”; false/fraudulent advice from loan officers, stock brokers, insurance salespersons, accountants, and bank officials; undue influence; illegal viatical settlements; abuse of powers of attorney and guardianship; identity theft; Internet “phishing”; failure to fulfill contracted health care services; and Medicare and Medicaid fraud.

This study explores the extent and implications of elder financial abuse in its various manifestations, profiles typical perpetrators, and provides actual news reporting to put faces on this very real crime.



Throughout the study and in two separate tip sheets there are recommendations on ways to help mitigate this devastating crime.

*With good reason, financial elder abuse has been characterized by some as “the crime of the 21st Century.”*

*–J.F. Wasik, Journalist*

### Key Study Findings

- ▶ An estimated one million elders lose over \$2.6 billion from financial abuse in the United States on an annual basis.
- ▶ Family members and caregivers are the culprits in 55% of cases, although financial losses are higher with investment fraud scams.
- ▶ A “typical” victim is between 70 and 89, white, female, frail, cognitively impaired, trusting, and often lonely or isolated.
- ▶ In addition to the financial loss, victims often experience long-term effects such as credit problems, health issues, depression, and a loss of independence.
- ▶ Elders’ vulnerabilities and larger net worth make them a prime target for financial abuse and the increased aging of the population, social changes, and technological advances will likely lead to a dramatic increase in the opportunity for a growing level of elder financial abuse.

## Study Methodology

From April through June 2008, leading researchers from the National Committee for the Prevention of Elder Abuse (NCPEA) and Virginia Polytechnic Institute and State University (Virginia Tech) reviewed 1,007 Newsfeed articles from the U.S. Administration on Aging's National Center on Elder Abuse (NCEA), collected by the National Association of Adult Protective Services (NAPSA), which daily tracks media reports of elder abuse through Google and Yahoo Alerts (a process that scans billions of Web pages).

The researchers also searched 12 electronic databases that index academic journals containing primary literature on elder abuse from 1998 through June 2008. The search also included business and trade publications published from 2005 to 2008. As a final source of information, the researchers gathered information about community programs designed to address elder financial abuse from the primary literature and the NCEA Promising Practices database.

## Elder Financial Abuse Prevention Tip Sheets

Two tip sheets, *Preventing Elder Financial Abuse: For Older Adults* and *Preventing Elder Financial Abuse: For Family Caregivers*, present issues for individuals to consider and steps to take to protect themselves and their family members from becoming victims. Tip subjects include the execution of legal documents, issues to be aware of, signs of abuse, preventative measures, and what to do if abuse is suspected. These tip sheets were produced in collaboration with NCPEA and the Center for Gerontology at Virginia Tech.

### For More Information

Visit the MetLife Mature Market Institute at [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com) to access the *Broken Trust: Elders, Family, and Finances* study, Helpful Hints Tip Sheets for Older Adults and Family Caregivers, and the *Preventing Elder Abuse Since You Care* Guide. You may also e-mail a request to: [MatureMarketInstitute@MetLife.com](mailto:MatureMarketInstitute@MetLife.com).



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