

What Are the Causes and Warning Signs of Elder Financial Abuse?

By Roy Niedermayer

Yesterday we looked at why elder financial abuse is a growing problem and who is at risk of becoming a victim. Today we identify the more common causes of elder financial abuse and the warning signs to look out for. Although elder financial abuse may also be caused by psychological, sexual or other types of physical or mental abuse, dealing directly with those issues is not part of this discussion of elder financial abuse.

What are the causes of elder financial abuse?

First, we're just living longer. 16 million Americans will be diagnosed with Alzheimer's by 2050 [The Alzheimer's Association]. Alzheimer's age-related psychological changes in the interior insula of the brain affect the brain's ability to detect fraud and scams. This reduced ability begins at age 53 [The Jewish Council for the Aging and Probate & Property Magazine]. These changes adversely affect a person's financial decision-making, judgment and assessment of the trustworthiness of potential predators according to studies by NIH. Thus, older people are more trusting and therefore more vulnerable to elder financial abuse by abusers of all types.

Many elders are living alone or in social isolation. Nearly 1/3 of non-institutionalized elders live alone because of loss of a spouse. They may be dependent on a caregiver or family member but remain independent. Social isolation increases the risk of elder financial abuse because there are fewer family members around to detect suspected abuse or deterioration of an older person's ability to protect himself or herself.

Seniors are exposed to and use technology, especially the Internet. The proliferation of digital communication by elders and the access to financial resources through electronic communication increases the exposure of seniors to abusers.

What are signs or indicia of financial abuse and exploitation?

Fortunately, there are some warning signs that may alert you to elder financial abuse:

- Financial transactions and bank accounts or credit cards of an unusual number or amount.
- Withdrawals or transfer from financial accounts which a senior cannot explain, or for items which are not needed or customarily purchased. Unexplained or unusual withdrawals, liquidations or changes in financial behavior.
- Increased ATM withdrawals or checks payable to cash.
- Frequent, unexpected or unusual changes in financial documents or estate planning documents including inquiries from a caregiver, children or other relatives claiming that an older person wishes to change his or her will or designate someone as a power of financial attorney; inquiries received by an attorney from someone other than a real estate owner about preparing a deed or transfer of real estate; out-of-state children or family who cannot observe the older parent.
- Reduced communication with family.
- Expressions of need for urgent changes in significant financial arrangements or estate planning documents.
- Changes in the older person's personality such as becoming more withdrawn, angry, irritable, defensive, depressed or other changes in habits of appetite, weight or activity.
- Caregiver or one family member tries to isolate older person from others, especially from other family members.
- Absence of adequate documentation or explanation for transactions.
- Missing belongings or personal property from home.

If you notice any of these warning signs, you may need to consider that a senior you know is being abused. Tomorrow, we will look at who the abusers are and why elders may not be reporting the abuse.