

Why Is Elder Financial Abuse a Problem and Who Is At Risk?

By Roy Niedermayer

In yesterday's blog we outlined our plan for participating in World Elder Abuse Awareness Week with an introduction of the issue, an overview of the topics we planned to cover, and the definition of elder financial abuse. Today, we'll discuss why elder financial abuse is a problem and who may be at risk.

Why is elder financial abuse a growing problem with which we should all be concerned?

In 2010, the census recorded 57 million persons aged 60 or over; 40 million aged 65 or over. The Census Bureau anticipates that the over-65 segment of the population may grow from 13% of the US population today to 20% by 2050. Currently about 40 million people in the US are age 65 or older. This is expected to increase to 89 million by 2050. Even more significantly, national statistics show that the 55+ age group controls more than three quarters of American wealth [The Jewish Council for the Aging: US consumer expenditure survey]. This is the target that abusers are aiming at. In 2010, older Americans lost at least \$2.9 billion to financial exploitation [MetLife].

Studies have shown that one in 10 adults over age 65 has been a victim of elder abuse with 12% of those situations involving financial abuse. Women are twice as likely as men to be victims [Probate & Property Magazine; The Jewish Council for the Aging]. Nationally, 30% of adults with disabilities who use personal assistance services report one or more types of abuse by their primary care providers. Elder financial abuse is estimated to create losses of \$2.9 billion annually [Probate & Property Magazine].

Who is at risk for elder financial abuse?

The American population is aging. With age comes a decline in financial skills due to Mild Cognitive Impairment (MCI). MCI is not dementia, but it is a possible pre-dementia stage. According to the CFPB, 22% of Americans over 71 have MCI; 1 in 9 persons over 65 have Alzheimer's disease and 1/3 of seniors over 85 have Alzheimer's disease. In addition to MCI or Alzheimer's, older adults that are isolated with few or no friends or family, suffering bereavement, or with alcohol or medication dependence are dependent on others for healthcare or daily living. Those with little prior financial experience stand especially in increased risk. Women may be more than twice as vulnerable as men because of these factors.

Tomorrow we look at the causes of elder financial abuse and the warning signs.