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Introduction

Elder Wealth, Cognition, and Abuse

Robert B. Hudson, PhD[1,*] and James Goodwin, PhD[2]

[1]Editor-in-Chief, Boston University, School of Social Work, Massachusetts [2]Head of Research, Age UK, London, UK

*Address correspondence to Robert B. Hudson, PhD, Boston University, School of Social Work, 264 Bay State Road, Boston, MA. E-mail: rhudson@bu.edu

As our populations grow older and more of us survive to very mature ages, the financial services industry is beginning to respond to the risks of financial exploitation. For example, money transfer companies like Western Union started working several years ago with law-enforcement and consumer-protection agencies around the world to educate people about the most common types of fraud, including "grandparent scams" (see, http://www.wu.com/fraudawareness). In January 2014, the financial world experienced a milestone event in its approach to aging. Cynthia Hutchins, a 30-year veteran of the financial services industry and a recent graduate of USC Davis School of Gerontology, was appointed as the first-ever Director of Financial Gerontology at Bank of America Merrill Lynch—the first person to work for a financial services company in that role (Franklin, 2014). It was also the year in which Wells Fargo revolutionized its operating procedures to take account of the potential risks to its older clients (Long, 2016)

Many older people, with finances to manage, may face the prospect of declining mental capacity. As a result of this troubling confluence, recent years have seen a growing problem of elder financial abuse. Scammers and schemers—known to the elder victim or not—follow the Willie Sutton bank robber analogy: steal from affluent elders because that is where the money is. And that is where a lot of money is: Peter Laibson of Harvard reports that, in 2011, people over the age of 65—12% of the population—were in possession of one-third of the nation's assets: $18 trillion out of a total of $53 trillion. Or, as put here by Daniel Marson (2016), the population that has amassed the greatest wealth is at the greatest risk. There are multiple risks and sources of such risks. In Europe and the United Kingdom, it is little different. As chronicled by Gilhooly et al. (2016), to have lost accumulated wealth can result in economic destitution, depression, embarrassment, isolation, and suicide with the perpetrators including malicious inheritance schemes, opportunistic intrusions, and duplicitous friendships. The vulnerabilities that invite these perpetrators range from neglect, misplaced moral justification, loss of financial skills, misjudgment, to significant cognitive decline.

As seen here, much attention is now being paid to detection, prevention, and intervention around elder financial abuse. Elders, their families, and advocates have an obvious stake in eliminating these practices. Financial institutions that hold both elders' assets and their trust (in multiple meanings) have both a community- and self-interest in protecting their clients. Government, charged with promoting the general welfare, cannot look aside, and the newfound prominence of adult protective services and other elder justice programs reflect a growing concern.

Yet, the problem comes with a number of complexities. Most center on preventing, uncovering, and addressing fraudulent behaviors, and these can be addressed through research and experimentation as seen in several efforts below. But, as well, there are ethical issues that compound detection and intervention efforts. Values of privacy, autonomy, and choice come up against those of paternalism, supervision, and control. Who can and should "take away the financial keys" has clear moral, legal, and affective dimensions, which clearly complicate whatever empirical understandings of a given situation may suggest.

In short, the problem is complex, but it is also a problem that unquestionably exists and is assuming remarkably large personal, monetary, and social dimensions. That being the case makes the articles below of great value. They deepen our understanding of the elder financial abuse problem, but present clear, tested, and promising strategies to detect and root out these malicious practices.

The opening article by Mary Gilhooly and colleagues (2016) introduces the topic of financial elder abuse and reports on the development and promise of a bystander intervention model (BIM) to address the problem. The

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authors note the paucity of existing research on the topic, speak to the settings and behaviors associated with such abuse, and note the remarkable prevalence of elder financial abuse across a number of nations. Yet, even the existing data may only be the tip of the iceberg, as warranted suspicion of abuse is widespread but undocumentable. Thus, the authors developed BIM, it is being organized around five stages: noticing relevant cues, construing the situation, determining that a situation is a responsibility, knowing how to deal with it, and deciding to intervene. At each stage, they speak to barriers and opportunities facing an intervention decision. Beyond again stressing the complexity of the problem, they note as well that the more people that may be involved in a given situation, the less likely that any one of them will intervene.

Daniel Marson (2016) sets his sights on prevention of elder financial abuse and does so by reporting on and recommending neuroscience interventions that might predict the onset or presence of cognitive incapacities associated with impaired financial decision making. The connection between neuroscience and intervention is not as distant as it might first appear in that clinicians are increasingly being asked to evaluate and offer opinions about the need or wisdom of professionals or others taking protective action on behalf of an elder. Neuroscience investigates the structure and function of the human brain and nervous system and their relationships to behavior. As such, it can ask: what are the neural and cognitive components for financial independence in cognitively normal adults, how do financial capacities break down in the presence of injuries or disease such as Alzheimer's, and can we identify changes in the brain that can predict diminished financial capacity. Marson has undertaken the first study using magnetic resonance imaging to identify neural substrates that linked to the financial capacity of patients with well-characterized neurodegenerative disease. Other studies have identified brain regions that underlie financial risk-taking and the balancing of risk and reward. Marson concludes that neuroscience has the potential to identify the brain structures and networks that underlie financial decision making and capacity in both cognitively competent and impaired older adults.

Financial fraud involves both the elder at risk and the source and security of the assets that might be lost. Peter Lichtenberg (2016) focuses on three partial solutions involving frontline workers in the financial system, including attorneys, financial planners, and physicians. To assess elders' capacities and to assess financial employees' abilities to determine client vulnerabilities, Lichtenberg and colleagues have developed two scales, a comprehensive decision-making rating scale and a screening scale. The initial scale centers on elders' abilities involving choice, rationale, understanding, appreciation, and values. Initial tests of the screening scale with financial professionals found that the screening scale differentiated those with capacity as judged by frontline professionals from those who did not have capacity, and the scale differentiated those with substantiated financial exploitation from those where complaints of financial exploitation went unsubstantiated.

Elders' principal financial interactions are with banks, and Sarah Lock (2016) reports on surveys and focus groups that AARP has conducted to see where banks could do more to meet the needs of their aging clientele. Four themes emerged: creating a conducive physical environment, establishing protections against fraud and abuse, assisting customers experiencing cognitive decline, and facilitating responsible financial caregiving. Not surprisingly, AARP also found that the banking industry had great interest in protecting their older customers from financial chicanery; yet, both bank employees and financial advisors experience ambiguity and confusion between wanting to be protective of their customers while not being seen in the eyes of either customers or regulators of undertaking actions that would be seen as undermining customer privacy and liberty.

Annamaria Lusardi and Carlo de Bassa Scheresberg (2016) use a wider lens in investigating financial risks that older adults face. Perhaps, but not usually, involving diminished capacities, the authors report on the risky and often uninformed financial actions these individuals make, ones putting their financial well-being at substantial risk. Much involves debt, with household debt having risen from 77% of disposable income in 1990 to 127% in 2008. Only 61% of pre-retirees (aged 51–61) have established retirement accounts, with only 49% of single people having done so. Sixty percent of pre-retirees have some form of long-term debt, and 26% have more than one source of such debt. Seventeen percent of homeowners with mortgages were "under water" in 2013; 55% of the National Financial Capability Study respondents do not pay full monthly amounts on credit card debt, 22% have used "payday" financial services, and 43% admitted to having too much debt. Only 47% of respondents say that they have tried to determine how much money that they will need in retirement. Elsewhere the authors have reported on low levels of financial literacy among the public, and here they point out that financially literate individuals are 10 points more likely to plan for retirement than others even after controlling for education.

This issue of *Public Policy & Aging Report* also contains three Spotlight articles directed to elders' financial risks. Harries, Gilhooly, Gilhooly, and Davies (2016), reporting from the United Kingdom, discuss an online resource that they have developed to identify best practices in the detection and prevention of financial abuse. They found great support among financial, social care, and health professionals for the development of such a training resource. In testing the web-based training module, they found a statistically significant positive effect of the training on professional capacity to detect and prevent abuse and an enhanced capacity to recognize abuse without increasing the number of false-positive cases. The article goes on to

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describe steps the team has taken to further disseminate both their design and the encouraging results that the training has yielded.

Ronald Long (2016) reports on major steps that Wells Fargo Advisors (WFAs) has taken to protect older clients against financial abuse. WFA has created an Elder Client Initiative to assist the firm's financial advisors in addressing third-party abuse directed at their clients. The firm identified five types of such abuse: power of attorney abuse, romance scams, diminished capacity dangers, third-party scams, and family disputes. The team worked with the firm's advisors around the difficult issues of balancing protection and privacy and with determining when the involvement of public sector protective services was called for. Also concerned about "self-financial abuse," the team involves social workers to help assess physical and mental changes among the firm's clients that might render them vulnerable to abuse.

Working with the Alzheimer's Association and Transamerica, Olivia DaDalt and Joseph Coughlin (2016) of the Massachusetts Institute of Technology's AgeLab undertook a major literature review tying elders' needs and vulnerabilities to the financial system. Attention here focused on older adults, their families and caregivers, that is, those who might be termed the informal participants in the elder financial arena. They distilled five need areas from the literature where attention should focus: assets assessment, income and insurance review, future care preferences, daily expense management, and plan care management. Addressing these need areas will better equip families and caregivers to provide both care and advice.

Elder financial abuse involves millions of individuals and billions of dollars. It damages health, harms well-being, and arguably costs lives. Highlighting the need for detection, prevention, intervention, and resolution—to the benefit of the elder and to the detriment of any perpetrator—is fully worth our attention.

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