

ELDER FINANCIAL ABUSE: KNOW WHAT TO LOOK FOR

Americans are living longer than ever before. And thanks to decades of increased financial literacy and favorable economic conditions, “This population that’s retiring is one of the wealthiest, if not the wealthiest generation, in terms of their retirement savings,” said Mike Rothman, President of the North American Securities Administrators Association.

It turns out financial security is a double-edged sword. Robust retirement accounts and substantial savings offer retirees a comfortable lifestyle, but they also make them prime targets for fraudulent activity. As the median age of U.S. citizens inches higher, so do the reported incidents of financial abuse. And while it’s true that adults of all ages fall prey to scams, elders 80 years and over are two to three times as likely to experience financial abuse than other members of the elderly population.

Financial Abuse Hits Close to Home.

It’s troubling enough to realize that some of the most vulnerable individuals face the highest risk of financial abuse. But according to the National Adult Protective Services Association estimates, only 1 in 44 elder financial abuse cases is reported. That means the problem may be more widespread than it appears. And unfortunately, the perpetrators aren’t always devious, faceless strangers. Statistics suggest the most common abusers are close friends and family members.

A report furnished by the National Center on Elder Abuse (NCEA) stated, “In a study of 4,156 older adults, family members were the most common perpetrators of financial exploitation of older adults (FEOA) (57.9%), followed by friends and neighbors (16.9%), followed by home care aides (14.9%).” Based on these findings, almost 90% of elder financial abuse is perpetrated by those closest to the victim.

Know What Warning Signs to Look For.

So, how can you tell if a senior citizen you know is at risk financially? The North American Securities Administrators Association (NASAA) maintains that guardianship scenarios,

where a person is given the legal right to make decisions on behalf of another individual or estate, often hold considerable potential for abuse. The NASAA shares the following warning signs:

- Using guardianship authority to transfer property for the guardian’s benefit.
- Receiving personal payments from a protected individual without court permission.
- Authorizing frequent cash withdrawals from the protected individual’s accounts without explanation.
- Using or borrowing property for personal benefit without court authorization.
- Making unexplained decisions that are not in the protected individual’s best interest.

Suspect Abuse? Take Action.

Defending yourself or others against elder financial abuse requires vigilance. By keeping a watchful eye on your finances or the finances of a loved one, you will be able to spot potential warning signs before significant damage can take place.

If you believe that you or someone you care for is the victim of elder financial abuse, be sure to contact local law enforcement officials immediately, as well as other state agencies to report the problem. For state-specific reporting resources, visit the National Center on Elder Abuse website at <https://ncea.acl.gov/resources/state.html>.

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