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Preventing Elder Financial Exploitation Is Focus of Upcoming Web Event

By Chicago Fed Staff Writer

From older investors getting hit by sophisticated internet swindles to grandparents writing checks to con artists who claim to represent charities, we've all heard stories of elders being taken for some portion of their hard-earned savings.

With such crimes reportedly on the rise, the Federal Reserve Bank of Chicago will host Preventing Elder Financial Exploitation: Research, Policies, and Strategies, an online event that will closely examine the issue. Heidi Reijm, a Chicago Fed principal community development specialist who helped to plan the event, answered a few key questions about it.

Q: What can people expect to learn if they sign up and attend the webinar?

A: The April 3 event starts at 11 am CT and is designed around two major goals: first, to understand the issue of elder financial exploitation (or EFE)—including its extent, impact, and challenges—and second, to learn how individuals and institutions are working together toward solutions. Researchers from the Chicago Fed and the University of Minnesota School of Social Work will dive deep into the data around EFE, trends, risk factors, impact, and policy implications. Then a panel of experienced practitioners from the Federal Reserve's Seventh District, and outside it, will shed light on what such exploitation looks like on the ground, how and what kinds of entities are working to address EFE and assist victims, and how older people and people who support them can help protect them against financial exploitation.

Q: Why is it important to address elder financial exploitation?

A: Victims of elder financial exploitation are especially vulnerable because many of them are retired and/or living on fixed incomes; it's difficult for them to recover from financial losses. Older Americans across all demographic groups can be victims, so it is important for everyone to understand the problem as well as solutions and preventive measures. While there are victims in many groups, the impact can be different. Victims with more wealth tend to lose larger amounts of money, and victims with lower wealth have a harder time recovering and recouping losses—and so losses might have a more detrimental impact on their long-term well-being.

Q: Is this happening more often, especially as the baby boom generation ages? Are there other factors contributing to a rise in such exploitation?

A: There are different sources of data on elder financial exploitation, including the U.S. Treasury, the Consumer Financial Protection Bureau, the Federal Trade Commission, and the FBI. All sources indicate increases in the reporting of EFE in recent years, and Chicago Fed Senior Economist Bhash Mazumder is going to talk about trends that show up in the data. There are even reports of older people experiencing Bitcoin scams; our other main presenter, the University of Minnesota's Marti DeLiema, is expected to talk about that.

The measured prevalence of EFE could be increasing for many reasons: Perpetrators may be more sophisticated, using technology to access personal information in ways not possible before; older Americans themselves could be more vulnerable to exploitation because they are using technology but may not know how to safeguard their financial information; and more awareness of the issue could be leading to more reporting. More research is needed to understand exactly why incidents are on the rise, but we do see that the problem is growing.

The population of older Americans is also expected to grow in the coming years, contributing to the potential for elder financial exploitation becoming an even larger problem. Census projections indicate that 2030 will mark a major demographic shift for the U.S. population: By then, all baby boomers will have become older than 65, and 20% of all Americans will have reached this traditional retirement age. So, understanding the prevalence of and possible solutions to this problem will help prevent increases in victimization as this demographic shift occurs.

Q: How does this fit into the mission of the Federal Reserve Bank of Chicago?

A: The Chicago Fed’s vision statement calls for us to promote “a healthy, stable, and inclusive economy and financial system for our region and nation, where all have the opportunity to thrive.” So promoting health and financial stability, especially for vulnerable populations, is key to our work. We hope to help older individuals—as well as those who support, protect, or advocate for them—ensure their ability to thrive by providing information that will help maintain their hard-earned financial resources.

Q: I’m guessing that even those of us who aren’t yet part of the older adult population will be able to benefit from this information. How so?

A: Yes, certainly. We probably all have older individuals in our lives—in our workplaces, families, and communities—so a broader and greater awareness of this issue can help prevent them from being victims of these financial crimes. We also hope that this event will provide information that can help inform advocates, practitioners, policymakers, and those who work with and serve older Americans to be able to better protect their constituencies.

How to register

Please follow [this link](#) to sign up for the web-only event.

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