

### Protecting Elders from Financial Abuse

Financial abuse involves the misuse of a senior’s financial resources by family members, friends or strangers. Financial abuse can include:

- Theft (of money or possessions)
- Using debit or credit cards for personal items
- Using a joint banking account to make a personal loan or investment
- Forging checks
- Using a power of attorney to enter into contracts or loans for personal gain
- Changing a will or inheritance without consent

Financial abuse is often perpetrated by someone the elder trusts — this may include a spouse, romantic partner, friend, family member or caregiver. Seniors often are not aware of the abuse or if they are aware they might not be willing to report someone they know to the police. Some may not have the capacity to report abuse or may fear that they will lose the other forms of help they need from the abuser if the situation is reported. The abuser may not see what they are doing as abuse, instead seeing this as fair compensation for what they do to help the elder or as a small extraordinary circumstance, even though the pattern is repeated.

A recent national survey shows about 1 in 20 of all seniors is subject to financial abuse from a family member (abuse by non-family is unmeasured). Other studies show as many as 9-10 percent of seniors face some form of financial abuse from any source. Table 1 shows the prevalence of different types of abuse. The most common is using money without permission or making poor decisions with a senior’s money. Increased odds of financial mistreatment by family is more likely if the senior has no access to social services or if the elder has more limited activities of daily living (unable to dress, eat, get out of bed etc.).



*Experts say senior financial abuse will be the “crime of the 21st Century.”*



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**Table 1** Prevalence of Mistreatment: National Elder Abuse Study, 2008

Abuse Incidence (only related to abuse by someone in family):	
Spent money without permission	5.2%
Made poor decisions with money	3.4%
No copies of documents	0.5%
Forged signature	0.7%
Forced signature	0.3%
Stole money	0.7%

Source: Acierno, Ron, Melba A. Hernandez, Ananda B. Amstadter, Heidi S. Resnick, Kenneth Steve, Wendy Muzzy, and Dean G. Kilpatrick. "Prevalence and correlates of emotional, physical, sexual, and financial abuse and potential neglect in the United States: the National Elder Mistreatment Study." *American Journal Public Health* 100, no. 2 (2010).

## Elderly as Targets for Financial Abuse

Older households tend to have pensions or other forms of steady incomes, sizable savings, home equity and possessions accumulated over a lifetime. As we age, cognitive and physical ability decline, making for more dependence on others for help, and less attention to financial matters.

Many seniors may not realize how much they have in bank and other accounts or how much stocks and real estate assets have appreciated. It is often easy for someone to "skim" away funds that the senior did not even fully realize existed.

Elders with disabilities may rely on others to manage their financial decisions for them; these caregivers may also provide basic services like food preparation and transportation. This creates a strong dependence and power imbalance. The caregiver may easily exercise significant influence over the older person's decisions.

## Warning Signs of Financial Abuse

No single indicator proves that abuse has occurred, but suspicious patterns are cause for asking further questions. Some signs of problems include:

- A large number of checks made out to "cash"
- Bank statements are missing
- Caregiver who asks repeatedly about the amount of money an older person has

- Cash withdrawals at grocery store checkouts by caregivers buying food
- Changes in wills, trusts, contracts, powers of attorney, property titles, deeds or mortgages, beneficiaries on insurance policies
- Confusion by the elder about existing or new bank accounts
- New powers of attorney being created
- Suspicious signatures on checks or other documents
- The elder suddenly buys out-of-the-ordinary expensive gifts for others
- Transfers between the elder's accounts and external accounts
- Unexplained ATM withdrawals at odd locations or times
- Unpaid bills
- Withdrawals from bank accounts that do not follow historic patterns
- Withdrawals from investments even with large penalties for early withdrawal

## Preventing Elder Financial Abuse

### 1. Plan ahead.

- Simplify your financial management so you don't need as much help.
- Document all your financial arrangements and share them with your family.
- Work with an attorney to review your will and beneficiaries every 3-5 years or whenever your family situation changes.
- A bank (or credit union) trust department may help with controlling access to accounts or actually managing money for you (for a fee).
- Use direct deposit for all regular checks.

### 2. Stay on top of your finances.

- Keep documents in a safe place that you can easily manage.
- Never lend your ID, credit card, ATM card or checks to anyone.
- Check your bank statements carefully.

- Never give out password or bank account information online.
- If you don't use a credit card or ATM, cancel it.
- Set up text or email alerts that go to you and trusted family members for withdrawals or transfers over a certain size, and past accounts.

### 3. *Beware.*

- Trust but verify.
- Never be pressured into any transaction.
- "Today only" or "Last chance" are warning signals to walk away.
- Don't trust ANY phone solicitations, even one claiming to be a grandson/daughter.

### 4. *Guard personal information.*

- Do not give out Social Security Numbers, ATM cards or PIN numbers to anyone.
- Do not give out credit card information, your social security number, or account numbers over the phone unless you initiated the call to a well-known, reputable company.
- If someone wants to share information with you, your name and address should be sufficient.
- Check your credit report three times per year at [annualcreditreport.com](http://annualcreditreport.com)

## Reporting Elder Financial Abuse

Abuse is most often noticed by family members or friends, but can also be flagged by professionals working in social services, providers, caregivers and staff at financial institutions. Some banks and credit unions have a policy of notifying clients and even family members (with the elder's permission) when unusual activity in an account becomes apparent. Anyone who works in social services is mandated to report suspected abuse, but others can still voluntarily report suspected abuses in Wisconsin.

Each county has an agency with responsibility for investigating suspected abuse.

## Strategies for Educators Concerned About Elder Financial Abuse in the Community

There are a range of strategies an educator can pursue. One avenue is to provide education workshops directly to seniors, especially younger seniors who can prepare to prevent abuse as well as recognize abuse among their peers. Another strategy is to focus on adult children of aging seniors to help them recognize signs of abuse as well as avoid the pitfalls of being a financial steward for their parents. Another audience is caregivers and service providers focused on seniors who can learn the signs of abuse and how to report suspected problems. Finally, frontline staff of financial institutions could be trained to notice patterns of abuse and then how to report abuse, as well as to help work with families and make referrals to services.

## Further Resources

[AARP Foundation ElderWatch Program Video \(from KCNC-TV\)](#)

[Consumer Reports: Protecting Mom & Dad's money What to do when you suspect financial abuse \(January 2013\)](#)

[Elder Financial Protection Network](#)

[National Center on Elder Abuse](#)

[Elder Abuse: Financial Scams Against Seniors Common frauds and scams targeting seniors.](#)

[Wisconsin's Elder Abuse and Adult at Risk Reporting Law](#)

[Wisconsin Elder Financial Empowerment Project](#)

[Handout: Warning Signs of Financial Exploitation](#)



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