

Search Results for Google


**MetLife**®
March 17, 2009 09:00 AM Eastern Daylight Time 

## **Financial Abuse Costs Elders More Than \$2.6 Billion Annually, According to MetLife Mature Market Institute Study, Though Four in Five Cases Are Not Reported**

**Family Members and Caregivers are Responsible in 55% of Cases**

**Related Costs Reach into the Tens of Millions**

**Prevention Tips Available for Older Americans and Their Families**

WESTPORT, Conn.--(BUSINESS WIRE)--Elder financial abuse costs older Americans more than \$2.6 billion per year and is most often perpetrated by family members and caregivers, according to a new report released by the MetLife Mature Market Institute (MMI) entitled, *Broken Trust: Elders, Family and Finances*, which is accompanied by tip sheets for older adults and families on how to prevent such issues. The report, produced in conjunction with the National Committee for the Prevention of Elder Abuse (NCPEA) and Virginia Polytechnic Institute and State University, states up to one million older Americans may be targeted yearly and that related costs like health care, social services, investigations, legal fees, prosecution, lost income and assets reach tens of millions of dollars annually. The study indicates that for each case of abuse reported, there are an estimated four or more that go unreported. The economic downturn may increase vulnerability. Family members and caregivers are the culprits in 55% of cases, although financial losses are higher with investment fraud scams.

The National Adult Protective Services Association (NAPSA) suggests that the “typical” victim of elder financial abuse is between the ages of 70 and 89, white, female, frail and cognitively impaired. She is trusting of others and may be lonely or isolated, although reports show that there is a very diverse population of victims.

“Elder financial abuse has been called the ‘crime of the 21<sup>st</sup> century,’” said Sandra Timmermann, Ed.D., director of the MetLife Mature Market Institute. “With the present state of the economy, older Americans are at a greater risk than ever of having their financial security threatened. And, for every dollar lost to theft and abuse, there are still more related costs associated with stress and health care and the intervention of social service, investigative and legal entities.

“This is also a growing problem made greater by the increase in the number of older Americans as targets, the relative wealth of this group, a change in family structure and the availability of technology that may make such abuse somewhat easier,” said Timmermann.

---

**Sharing**

 [Digg](#) [delicious](#) [Newsvine](#) [Reddit](#) [Google](#) [Yahoo](#) [Permalink](#)

“Sadly, family members and caregivers tend to financially exploit their elderly relatives more often than strangers. Community service providers and other professionals agree, however, that reported cases represent only the very ‘tip of the iceberg.’ Scholars and practitioners speculate that, like perpetrators of other types of elder abuse, family members who exploit their elders are dependent upon them financially and their actions may be influenced by other problems such as alcohol and drug abuse. In addition, some family members feel a sense of entitlement and believe that they have a right to the money and material goods their parents or older relatives have accumulated,” Timmermann added.

Pamela B. Teaster, Ph.D., NCPEA president, said the data provided through the National Center on Elder Abuse daily newsfeed proved invaluable. “The feed tracks media reports of elder abuse through Google and Yahoo Alerts, a process that scans billions of Web pages,” said Teaster. “Not only were we able to put a face on the information reported in the primary literature, but more importantly, we had real-time information on financial elder abuse and information from numerous reporting sources,” she said.

The 2006 national *Survey of State Adult Protective Services* revealed that victims range in estimated number from a low of 100,000 to a high of one million a year. It is believed that these numbers will grow with the aging population and their increasing net worth.

Elder financial abuse takes many forms, including, but not limited to: fraud (coupon, telemarketing, mail); repair and contracting scams; “sweetheart scams;” false/fraudulent advice from loan officers, stock brokers, insurance salespersons, accountants and bank officials; undue influence; illegal viatical settlements; abuse of powers of attorney and guardianship; identity theft; Internet “phishing;” failure to fulfill contracted health care services; and Medicare and Medicaid fraud.

The report states that the justice and social services systems are often inadequately trained, staffed and funded to address elder financial abuse. Further, at times it is difficult to determine whether financial abuse occurred or if one unwittingly or knowingly made a poor financial decision. Generally under state jurisdiction, most states mention financial exploitation in their statutes, although what it constitutes, who is covered and who is accountable vary as widely as do the remedies. A bill before Congress since 2002, The Elder Justice Act, would increase awareness of elder abuse, neglect and exploitation at the national level and would train individuals from various disciplines, combat elder abuse and prosecute cases. An additional measure would create an Elder Justice Coordinating Council.

Underreporting is attributed to fear of government interference, parents protecting their children and family members; embarrassment and self-blame; a lack of realization that abuse has occurred; fear of being placed in a facility; fear of harm from the perpetrator; and a belief that nothing will be done or more money will be lost.

Additional facts:

- Reports vary as to whether women or men are more vulnerable to financial abuse, but loneliness and isolation clearly leave one more

exposed to theft. The average victim of elder abuse is a woman over the age of 75 who lives alone (48% of women over the age of 75, according to the Administration on Aging). Men are reported to be particularly vulnerable to the "sweetheart scam."

- 60% of substantiated Adult Protective Services (APS) cases of elder abuse involve an adult child; sons are 2.5 times more likely than other family members to take advantage of parents.
- In addition to the obvious financial loss, long-term effects include credit problems, health issues, depression and the loss of independence.
- Signs of abuse include indications of intimidation by or fear of a caregiver, isolation from family and friends, disheveled appearance, anxiety about finances, new "best friends" and missing belongings.
- Elder financial abuse can be prevented by the following: 1) education about one's rights and about the various types of consumer fraud and scams; 2) Financial conservatorship and/or power of attorney for those who are vulnerable; 3) Assignment of responsibility to a trusted outside person, if children are a concern; 4) Additional media attention for this issue; 5) Training financial professionals to properly assist older customers; 6) Assistance from social services, medical/nursing personnel, government agencies; 7) Reporting suspected cases of financial abuse to local authorities.

### **Methodology**

Leading researchers from the National Center for the Prevention of Elder Abuse (NCPEA), Virginia Polytechnic Institute and State University (Virginia Tech) reviewed all Newsfeed articles from April through June 2008 from the Administration on Aging's National Center on Elder Abuse (NCEA), a newly established database which tracks media reports of elder abuse through Google and Yahoo Alerts scanning billions of web pages. The researchers also searched 12 electronic databases that index academic journals containing primary literature on elder abuse from 1998 through June 2008 to provide the basis for this analysis. They found 168 articles from journals in the social science, medical and legal disciplines. At the same time, they conducted a database search of organizational and trade magazines published from 2005 to 2008 to find mentions of elder financial abuse by business and private-sector professionals (e.g., bankers, financial planners, insurance agents) who frequently interact with older adults. That search resulted in 110 articles on this topic.

### **National Committee for the Prevention of Elder Abuse**

The National Committee for the Prevention of Elder Abuse (NCPEA) is an association of researchers, practitioners, educators and advocates dedicated to protecting the safety, security and dignity of America's most vulnerable citizens. It was established in 1988 to achieve a clearer understanding of abuse and provide direction and leadership to prevent it. The Committee is one of six partners that make up the National Center on Elder Abuse, which is funded by Congress to serve as the nation's clearinghouse on information and materials on abuse and neglect. To learn



more about NCPEA, visit [www.preventelderabuse.org](http://www.preventelderabuse.org).

### **About the MetLife Mature Market Institute**

Established in 1997, the Mature Market Institute (MMI) is MetLife's research organization and a recognized thought leader on the multi-dimensional and multi-generational issues of aging and longevity. MMI's groundbreaking research, gerontology expertise, national partnerships, and educational materials work to expand the knowledge and choices for those in, approaching, or caring for those in the mature market.

MMI supports MetLife's long-standing commitment to identifying emerging issues and innovative solutions for the challenges of life. MetLife, a subsidiary of MetLife, Inc. (NYSE: MET), a leading provider of insurance, employee benefits and financial services with operations throughout the United States and the Latin American, Europe and Asia Pacific regions.

For more information about the MetLife Mature Market Institute, please visit: [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com).

For a free copy of the study, *Broken Trust* and the accompanying tip sheets for family caregivers and older individuals, *Helpful Hints: Preventing Elder Financial Abuse*, and the Since You Care guide: *Preventing Elder Abuse* call 203-221-6580, e-mail [maturemarketinstitute@metlife.com](mailto:maturemarketinstitute@metlife.com), or download them from [www.maturemarketinstitute.com](http://www.maturemarketinstitute.com). You may also send a written request to the MetLife Mature Market Institute, 57 Greens Farms Road, Westport, CT 06880.

### **Contacts**

DJC Communications  
Debra Caruso, 212-907-0051  
[debra@djccommunications.com](mailto:debra@djccommunications.com)

or  
MetLife  
Joseph Madden, 212-578-3021  
[jmadden@metlife.com](mailto:jmadden@metlife.com)

or  
MetLife  
Shalana Morris, 212-578-1115  
[snmorris@metlife.com](mailto:snmorris@metlife.com)

**Permalink:** <http://www.businesswire.com/news/google/20090317005205/en>

