

Elder financial abuse

See the signs to help safeguard their finances



As older Americans enjoy the fruits of their labor in their golden years, cognitive decline, fraudsters and even friends and family can put their financial security at risk.

According to findings from the AIG Elder Financial Abuse Survey, more than half of Americans (53 percent) say that senior financial abuse is likely to compromise their ability to live a long, financially secure life. A recent Bloomberg report estimates that financial abuse could rob America’s elderly of as much as \$37 billion a year.¹ Additional research reveals that 22 percent of individuals age 60 and older keep retirement assets in their former employer’s plans—providing further incentive for plan sponsors to work with a retirement plan provider who can help protect these assets.²

With such high stakes, it’s important to be aware of the common tactics being used to financially exploit older Americans:

- You’re contacted with sweepstakes or other contest winnings but taxes or another fee is required upfront to claim the prize. If it sounds too good to be true, it might be.
- Someone you’ve never contacted offers to fix a problem but requires a fee and/or your personal information (e.g., someone offering to fix a computer problem).
- Someone from an online dating or social media site asks for financial help to pay for travel or moving expenses, so they can visit or move into the area.
- There’s pressure to act quickly on a request or offer, especially with respect to purchasing decisions, payments for goods and requests for financial help. You always have the right to take your time to make financial decisions.
- You are asked to make payments to a utility or other company to address a debt. Often the victim is asked to make multiple payments.
- Someone claims to have found a considerable amount of money and will share it with you if you pay an upfront fee.
- Multiple requests to change account information, such as ownership or address.
- Pressure to obtain the ability to act on individual’s behalf, particularly asking to be made power of attorney.
- The sudden appearance of a family member who has not been in contact for some time and requests financial assistance.
- A person asks multiple questions about finances, account information or personal details typically used to authenticate accounts (place of birth, favorite food, mother’s maiden name, etc.).
- Someone habitually takes over conversations, not allowing you to answer questions or make independent decisions.
- Someone who helps with applications for bank accounts, financial products or life insurance policies does not allow you to review documents before signing.

¹ “How Criminals Steal \$37 Billion a Year from America’s Elderly,” Bloomberg, 2018.

² Distributions from DC Plans, Alight Solutions 2019

Elder financial abuse: See the signs to help safeguard their finances

Seniors step up to safeguard their finances

Despite a lack of awareness of common financial scams, Americans—and seniors in particular—sense the need to protect themselves. Our survey found that many are taking some steps to safeguard their personal information and wealth:

- Not responding to phone calls, texts or emails asking for urgent personal information (92 percent of seniors, 80 percent overall)
- Not clicking on links in emails from unknown senders (89 percent of seniors, 78 percent overall)
- Reviewing their credit report (65 percent of seniors, 57 percent overall)
- Setting up alerts from their financial institution (63 percent of seniors, 56 percent overall)
- Only providing personal financial information when they initiated the phone call (60 percent of seniors, 42 percent overall)

Advisors help seniors plan ahead

Including an impartial third party can add an extra layer of protection. However, only 16 percent overall report they have a financial professional in place to help manage their finances—and potentially protect against financial abuse. This cohort displayed positive financial behaviors, likely encouraged by their advisor.

For example, almost two-thirds of those survey respondents with financial advisors (64 percent overall) report having a trusted contact in place with their financial advisor, a critical step in helping protect against abuse. A trusted contact is an individual designated by the account holder that a financial institution can contact if they are concerned about the account holder's mental health or suspect financial abuse may be occurring.

Those who work with a financial professional are also getting on the same page as their significant other; 90 percent overall say they involve their spouse or significant other in conversations with their financial professional.

Protect yourself and your loved ones— Report senior abuse

Financial abuse often accompanies other forms of abuse. It is important to recognize and report red flags of exploitation or abuse immediately.

Contact your local Adult Protective Services agency to report financial exploitation.
Contact 911 if you or someone you know is in immediate danger.

Securities and investment advisory services offered through VALIC Financial Advisors, Inc. (VFA), member FINRA, SIPC and an SEC-registered investment adviser.

Annuities are issued by The Variable Annuity Life Insurance Company (VALIC), Houston, TX. Variable annuities are distributed by its affiliate, AIG Capital Services, Inc. (ACS), member FINRA.

AIG Retirement Services represents AIG member companies — The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries, VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).

