

# **Epidemiologic Study of Aging, Scam Susceptibility, and Financial Exploitation**

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## Elder Financial Fraud: A Major Economic and Public Health Challenge

- Older adults hold majority of household wealth, yet are vulnerable to financial scams and fraud
- Over **5 million** are **defrauded** each year, including **1 in 18** who are cognitively intact
- Financial losses may exceed **\$35 billion/year**

Victimization is linked to:

- Hospitalization
- Admittance to skilled nursing facilities
- Depression
- Early mortality

# Aging and Decision Making



## Important Decisions

- Social Security benefits
- Management of retirement funds
- Complex medical/health choices

## Unique Challenges

- Declining cognitive, physical, and social resources
- Limited opportunity to recover losses



## Our Work

- Neuroscientific approach to understand how aging affects decision making, fraud/scam susceptibility
- Multiple Rush Alzheimer's Disease Center cohort studies of aging
- SSA project
  - Examines factors related to scams/fraud in older adults
  - Cognition, literacy, psychological, social, experiential

# Adverse Impacts of Declining Literacy In Old Age

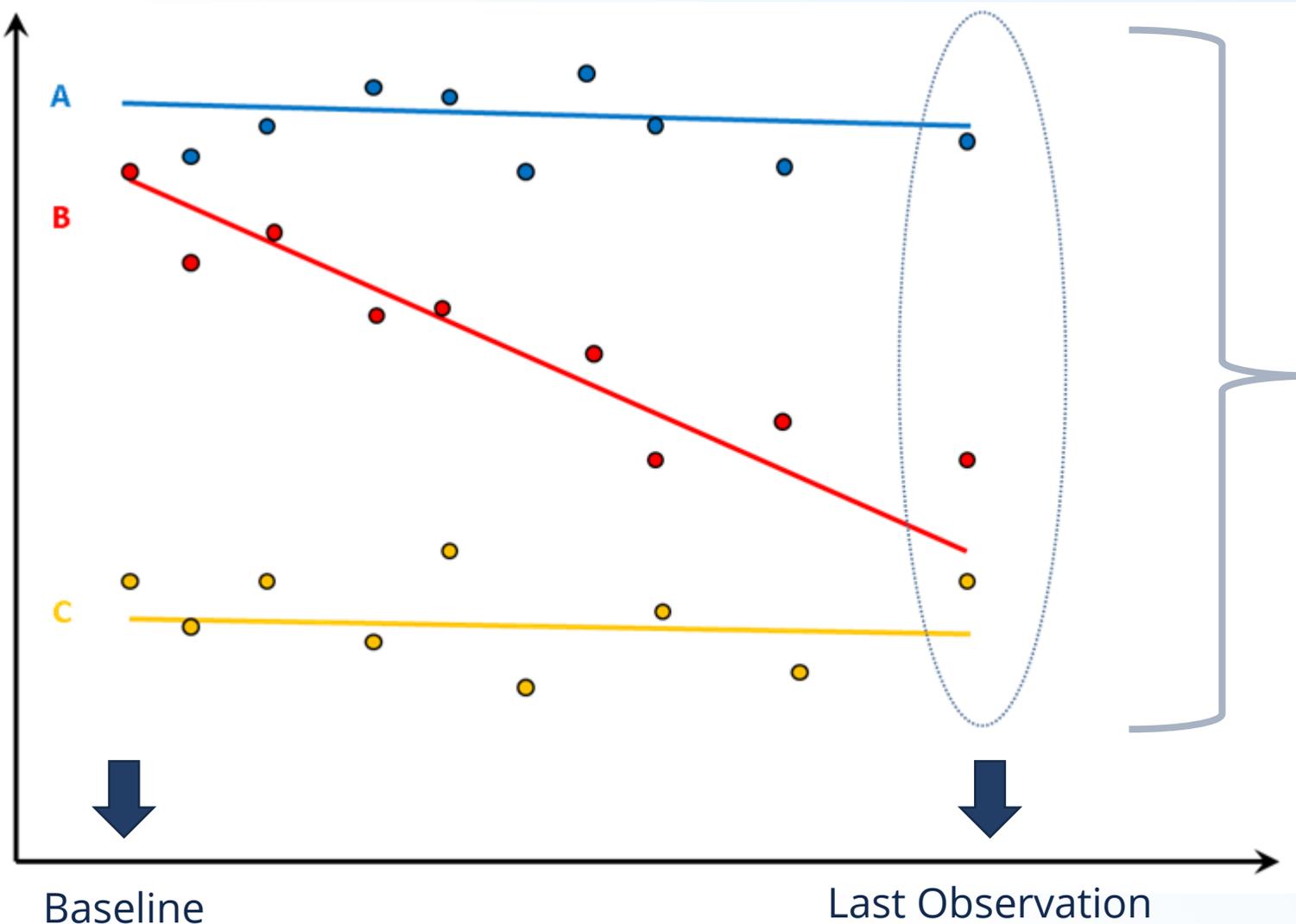
## Motivation

- Financial and health literacy are essential for good decision making
- Many older adults exhibit poor literacy
- Poor literacy has important implications for financial and other aspects of wellbeing

**Most data are cross-sectional, leaving open the question...**

**Are adverse impacts due to low literacy levels across the lifespan or an aging-related deficit?**

# Adverse Impacts of Declining Literacy in Old Age



- Scam Susceptibility
- Decision Making
- Psychological Wellbeing

# Adverse Impacts of Declining Literacy in Old Age

## Objectives

1. Characterize the extent to which literacy (financial and health) declines over time
2. Investigate the impact of declining literacy on:
  - Financial and health decision making
  - Scam susceptibility
  - Psychological wellbeing

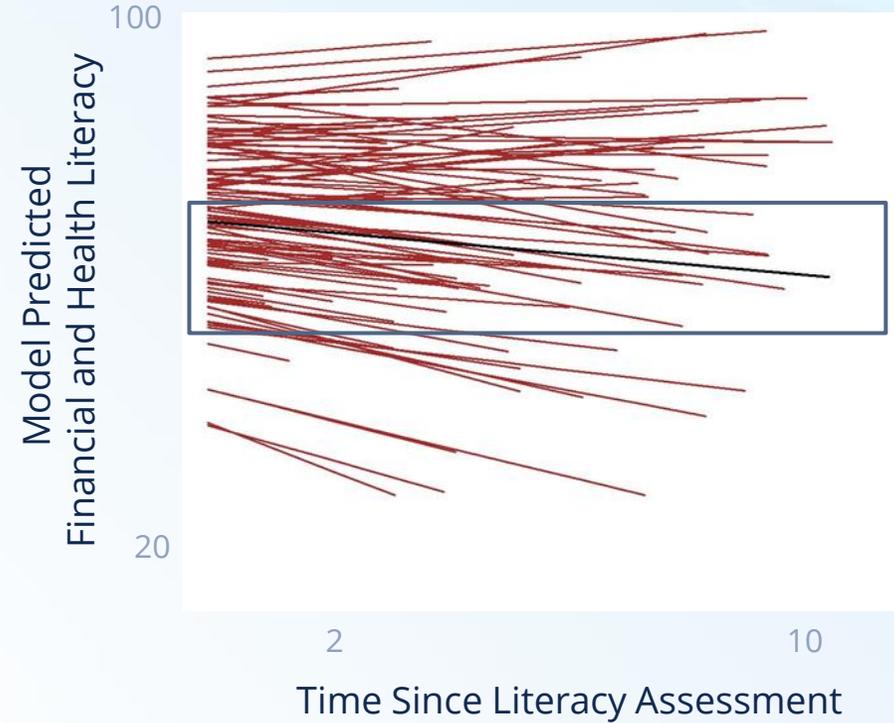
# Adverse Impacts of Declining Literacy in Old Age

## Rush Memory and Aging Project (MAP)

- Cohort study started in 1997
- Examines common chronic conditions of aging
- Decision making substudy introduced in 2010
- Participants from greater Chicago metropolitan area
- All are free of dementia at enrollment
- All undergo detailed annual cognitive, psychosocial, and behavioral assessments, clinical diagnosis



# Adverse Impacts of Declining Literacy in Old Age

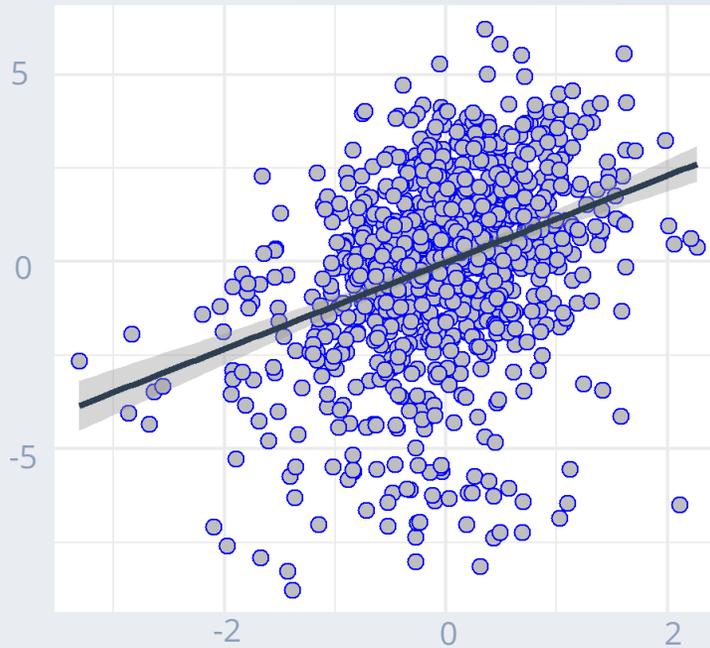


Most older adults decline over time, but decline is not inevitable

# Adverse Impacts of Declining Literacy

Poorer financial and health decision making

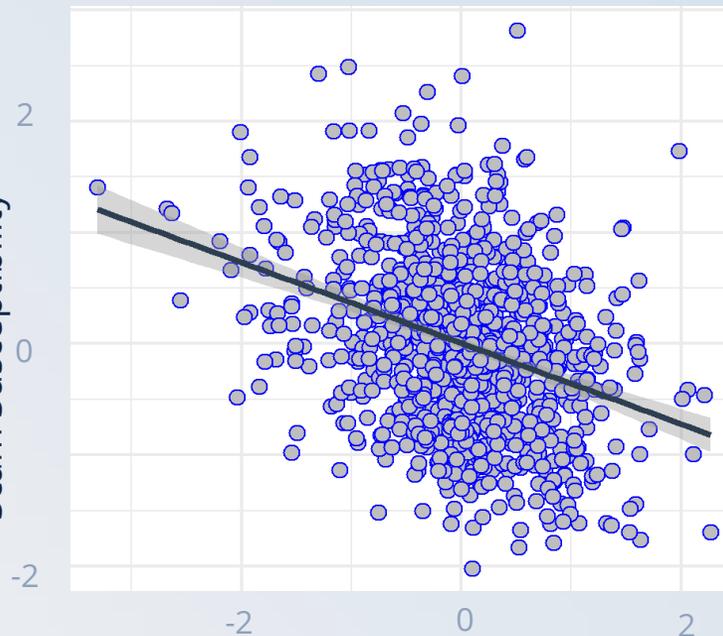
Financial and Health Decision Making



Rate of Change in Total Literacy

Greater scam susceptibility

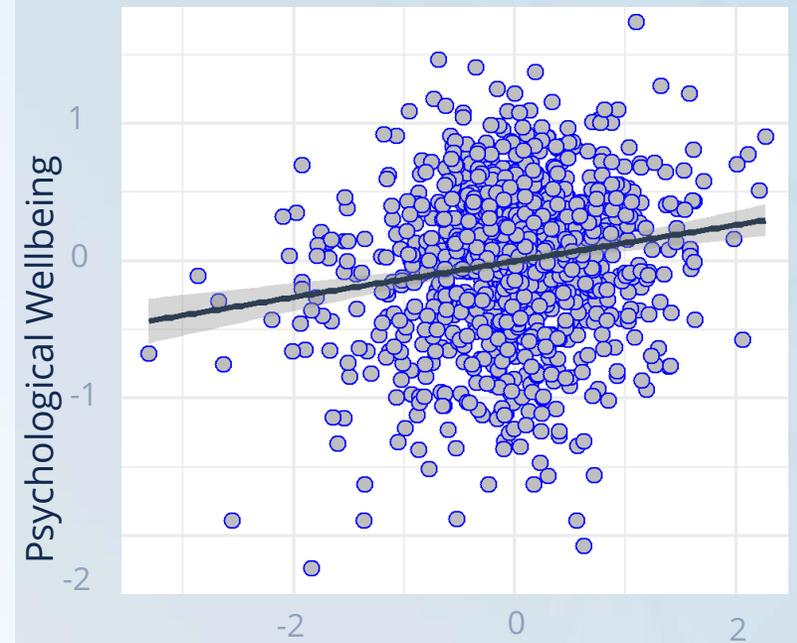
Scam Susceptibility



Annual Rate of Change in Total Literacy

Poorer psychological wellbeing

Psychological Wellbeing



Annual Rate of Change in Total Literacy

# Adverse Impacts of Declining Literacy

## Conclusions

- Most older adults show declines in literacy with advancing age
- Aging-related processes degrade literacy
- Declines in literacy are a driver of adverse outcomes:
  - decision making, scam susceptibility, wellbeing

## Implications

- Need to identify modifiable factors that prevent or minimize age-related declines in literacy
- Literacy assessment and monitoring may help identify individuals at risk of poor decision making and other adverse outcomes

## Related Work

- Correlates of Scam Susceptibility Among Older African Americans
- Financial Fragility, Cognitive Ability, and Scam Susceptibility Among Older Americans
- Memory Unawareness and Financial Decision Making in Older Adults Without Dementia



