Epidemiologic Study of Aging, Scam Susceptibility, and Financial Exploitation

2021 Retirement and Disability Research Consortium Annual Meeting

Patricia Boyle, PhD & Lei Yu, PhD
Rush University Medical Center

Gary Mottola, PhD
FINRA Foundation
Disclaimer:

The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability Consortium. The opinions and conclusions expressed are solely those of the authors and do not represent the opinions or policy of SSA or any agency of the Federal Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.

This work is also supported by the National Institute on Aging/NIH.
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
Most older adults decline over time, but decline is not inevitable
Adverse Impacts of Declining Literacy

1. **Poorer financial and health decision making**
   - Financial and Health Decision Making
   - Rate of Change in Total Literacy

2. **Greater scam susceptibility**
   - Scam Susceptibility
   - Annual Rate of Change in Total Literacy

3. **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