



Testimony as an Interested Party on Senate Bill 54

Stacey O'Brien, Chair, The Council On Older Persons (COOP)

Chairman Manning, Vice Chairman McColley, Ranking Member Thomas and members of the Ohio Senate Judiciary Committee: The National Center on Elder Abuse defines financial exploitation as the illegal or improper use of an older person's funds, property, or assets. Older adults, especially those who demonstrate cognitive impairments, are particularly vulnerable to financial exploitation. Existing vulnerabilities in older adult populations result in their being disproportionately targeted (Wood & Lichtenberg, 2017). Vulnerabilities that put older adults at higher risk of financial exploitation include lower digital literacy levels, their likelihood to have savings, and higher rates of social isolation and cognitive impairment (Peterson et al., 2014). Although there is no national reporting, Deane (2018) reports prevalence rates at 2.7% to 6.6% in older adults, who lose approximately \$2.9 billion annually in wealth. The prevalence of financial exploitation has been found to be higher in minority communities (Wood & Lichtenberg, 2017).

Older adults and their families are negatively impacted when an older person is financially exploited. A loss of trust in other people and organizations, feelings of shame, and defeat can be experienced by both the older adult and the family (Hafemeister, 2003). Family members of older adult victims may be called upon to intervene or increase their care to the older person, which can undermine family members' well-being and financial stability. Family members who lose trust in institutions may be reluctant to rely on those institutions for their own care needs or the needs of other family members, which can increase their risk as they age (Hafemeister, 2003).

Victims of elder abuse are more likely to experience a lack of confidence and higher rates of depression, both of which put them at increased risk of further victimization (Wood & Lichtenberg, 2017). Experiencing financial exploitation puts an older person at greater risk of hospital admissions and emergency room use (DeLiema & Conrad, 2017). When the older adult also has cognitive impairment, they are more likely to suffer more significant economic loss. Older persons with moderate income and savings can experience dire consequences, resulting in the person becoming reliant on family members or social welfare programs to subsidize care needs.

Efforts to reduce the incidence and prevalence of financial exploitation are critical to older adults and their families' safety and security. The provisions in Senate Bill 54 include efforts to increase prohibitions against telecommunications fraud and outline investigative efforts and penalties that would improve protections for older adults, thus increasing their emotional and financial well-being. Legislation like Senate Bill 54 would be an additional deterrent to the growing problem of financial exploitation among older people.

References

- Deane, S. (2018). *Elder Financial Exploitation: Why it is a concern, what regulators are doing about it, and looking ahead*. Office of the Investor Advocate, U.S. Securities and Exchange Commission. Retrieved from <https://www.sec.gov/files/elder-financial-exploitation.pdf>
- DeLiema, M. & Conrad, K. J. (2017). Financial exploitation of older adults. In Dong, X. Q. (Ed.), *Elder abuse: Research, practice, and policy* (pp. 141-157). Cham, Switzerland: Springer. doi: 10.1007/978-3-319-47504-2_8
- Hafemeister T. L. (2003). Financial abuse of the elderly in domestic setting. In: National Research Council (US) Panel to Review Risk and Prevalence of Elder Abuse and Neglect; Bonnie RJ, Wallace RB, editors. *Elder Mistreatment: Abuse, Neglect, and Exploitation in an Aging America*. Washington (DC): National Academies Press (US); 2003. 13. <https://www.ncbi.nlm.nih.gov/books/NBK98784/>
- National Center on Elder Abuse. (n.d.). Statistics and data. <https://ncea.acl.gov/What-We-Do/Research/Statistics-and-Data.aspx#prevalence>
- Peterson, J. C., Burnes, D. P., Caccamise, P. L., Mason, A., Henderson, C. R., Jr, Wells, M. T., Berman, J., Cook, A. M., Shukoff, D., Brownell, P., Powell, M., Salamone, A., Pillemer, K. A., & Lachs, M. S. (2014). Financial exploitation of older adults: a population-based prevalence study. *Journal of general internal medicine*, 29(12), 1615–1623. <https://doi.org/10.1007/s11606-014-2946-2>
- Wood, S. & Lichtenberg, P. A. (2017). Financial capacity and financial exploitation in older adults: Research findings, policy recommendations and clinical implications. *Clinical Gerontology*, 40(1), 3-13. doi:10.1080/07317115.2016.1203382.