AARP BANKSAFE™

The Thief Who Knows You:
The Cost of Financial Exploitation

BY JILENNE GUNThER

Summary

Knowing the growing impact of financial exploitation, AARP set out to unpack the dynamics surrounding the issue. With a close eye on the all-important question of cost — that is, the cost to victims, financial institutions, and government budgets — AARP’s report defines financial exploitation, summarizes the methodologies and findings of studies that have examined its costs, and sheds light on what we know about both the victims and perpetrators.

The Cost of Exploitation

ON AVERAGE, VICTIMS LOSE MANY THOUSANDS OF DOLLARS PER INCIDENT

State Study Average

$25,000 – $85,000

National Average

$120,000

THE COST OF FINANCIAL EXPLOITATION EXTENDS BEYOND VICTIMS

Victims may turn to public assistance after being exploited.

Caregivers pick up an average of $36,000 in direct costs due to the exploitation of family members.

$17,000 Average Loss to Financial Institutions Per Incident

Financial Exploitation is Not the Same as Fraud

Financial exploitation describes any illegal, unauthorized, or improper act that inappropriately exploits or deprives an older adult of resources for monetary or personal benefit, profit, or gain. Laws related to financial exploitation that have been enacted around the country focus specifically on providing protections for those 60 to 65 and older.

In contrast, laws regarding fraud provide protections for all ages, but do so only when there is intent to deceive during the exchange of goods and services. Therefore, fraud can be a form of financial exploitation, but it is much narrower in scope and protection.

Family Members as Perpetrators

AMOUNT OF MONEY STOLEN PER CASE

Family Members

2x

Strangers

1x

60% to 90%

Percentage of cases where people are exploited by family members.

Full report available at aarp.org/banksafe

aarp.org/banksafe | banksafe@aarp.org

Follow Jilienne Gunther, Director of BankSafe, on Twitter @banksafegirl

https://doi.org/10.26419/ppi.00095.002