



CONSUMER FRAUD IN AMERICA: THE LATINO EXPERIENCE

August 2021

Table of contents

Section	Slide
Research Goals	3
Executive Summary	4
Awareness of Scams	7
Susceptibility to Scams	14
Incidence of being Targeted or Victimized by Scams	29
The Physical and Emotional Impact of Scams	36
Research Implications	38
Sample Design and Methodology	42
Appendix	47
Contact Information	50

Research goals

- AARP fielded this survey to help understand the similarities and differences regarding knowledge of and experience with consumer scams across the Latino and Black adult populations ages 18 and older compared to other racial groups.***
- The survey compared knowledge and experience across 17 scams, many of which are presumed to be more common in Latino and Black communities. Some of these assumptions have been dispelled by this research.
- This report focuses on the adult Latino population; to view survey results describing the experience and incidence of scams among Black adults, please go to aarp.org/blackscamexperience.
- AARP will use these findings to improve education efforts around scams targeting these audiences and to inform work in this area for 2021 and beyond.

***Throughout this report, the term ‘Latino’ is used to refer to any respondent who answered *yes* to “*What racial or ethnic group best describes you – White, not Hispanic; Hispanic or Latino; Black or African American; Asian American; Middle Eastern or Arab; American Indian/Native American; other* – and then answered *yes* to “*Do you consider any part of your ethnicity to be Hispanic or Latino, or your family ancestry traced to countries in Latin America.*” The term “Black” is used to refer to non-Hispanic respondents who selected only “Black or African American” when describing their race. ‘White and other racial groups’ are those respondents who identified as ‘White only or as Asian American, Middle Eastern or Arab, American Indian/Native American, other unspecified. Within graph or chart labels, ‘White/other’ will be used. Please see the slides 43 through 46 for sample information or go www.aarp.org/latinoscamexperience to view full the methodology report.



Scam

EXECUTIVE SUMMARY

Executive summary

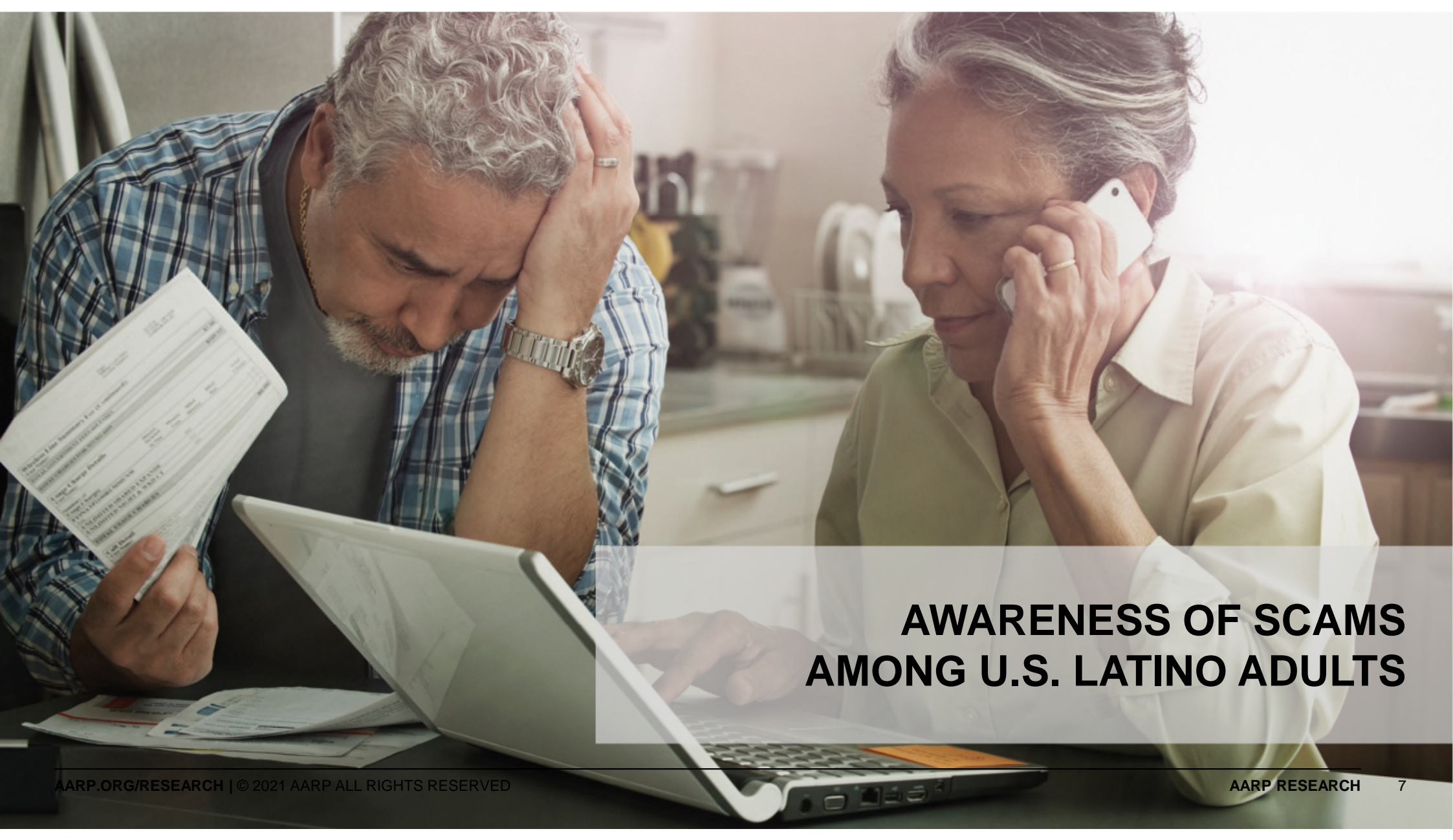
Awareness and incidence of scams among U.S. Latino adults

- Most Latino adults are aware of at least one scam. In addition, 2 in 5 have been targeted for a scam and 1 in 5 have lost money to a scam. This is consistent across racial groups.
- Latino adults are most targeted by government impostor scams, utility scams and grandparent scams. For both utility and grandparent scams, Latino adults far outrank other racial groups. Work-related scams—bogus work-from-home offers and fake job postings, as well as lottery scams—rank among the top ten scams targeting this population.
- Latino adults under age 40 are most likely to report being targeted by a scam. In fact, close 1 in 5 between the ages of 18 and 39 report being targeted by a government or utility scam.
- These younger Latino adults are more likely than their older counterparts to report being targeted for grandparent, immigration and work-from-home scams. Those age 50 and older are more likely to report being targeted for a government or lottery scam but few other types of scams.

*A total number of 17 scams were presented to respondents

Executive summary, cont.

- Latino adults who report being a victim of a scam report grandparent, romance, utility and lottery scams most frequently. However, it is important to note that the highest incidence of any individual scam was 6 percent and the lowest 4 percent. As a result, the differentiation between being a victim of individual scams is small overall and across racial groups.
- Latino exposure to scams (being a target and/or losing money to a scam) was on par with other racial groups, with about one quarter reporting being a target for two or more scams. A similar trend exists among those who report being a victim of a scam, which represents about 1 in 5 of adults within each racial group.
- A more troubling trend across all ethnic groups is that more than half of those who have been victimized have been a victim more than once.



AWARENESS OF SCAMS AMONG U.S. LATINO ADULTS

Dispelled assumptions

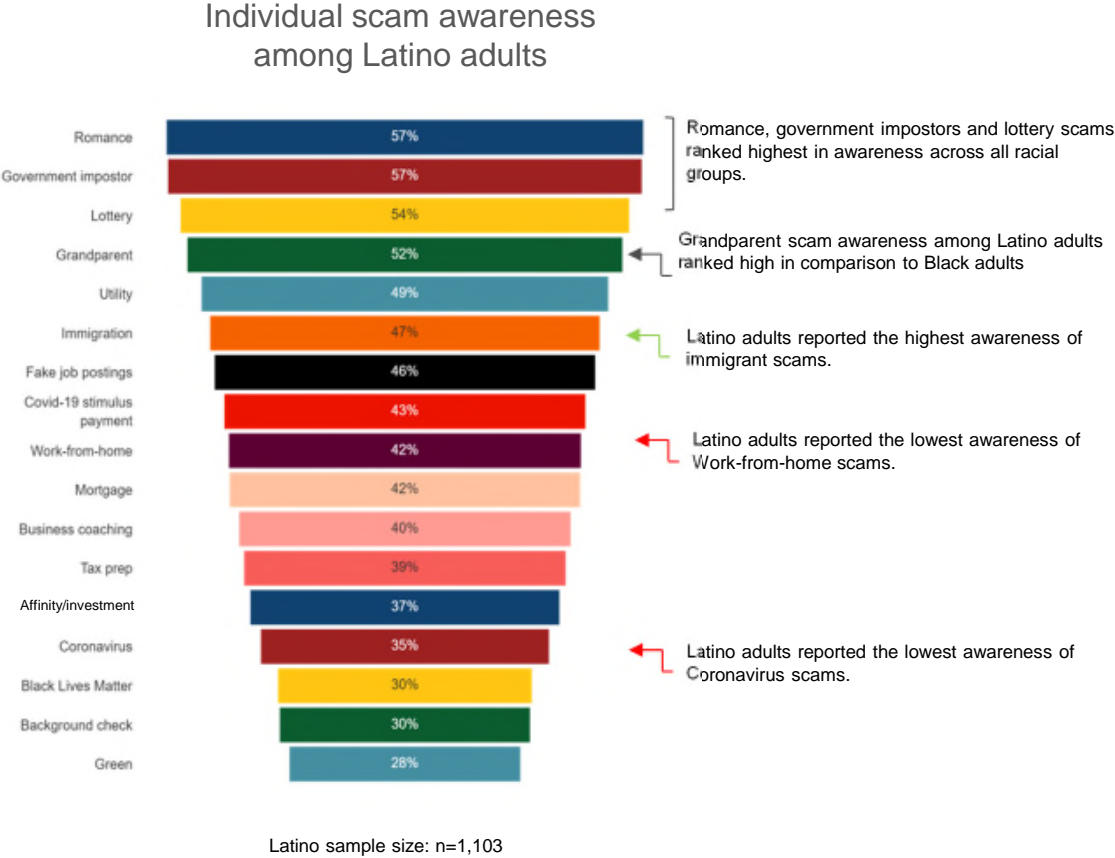
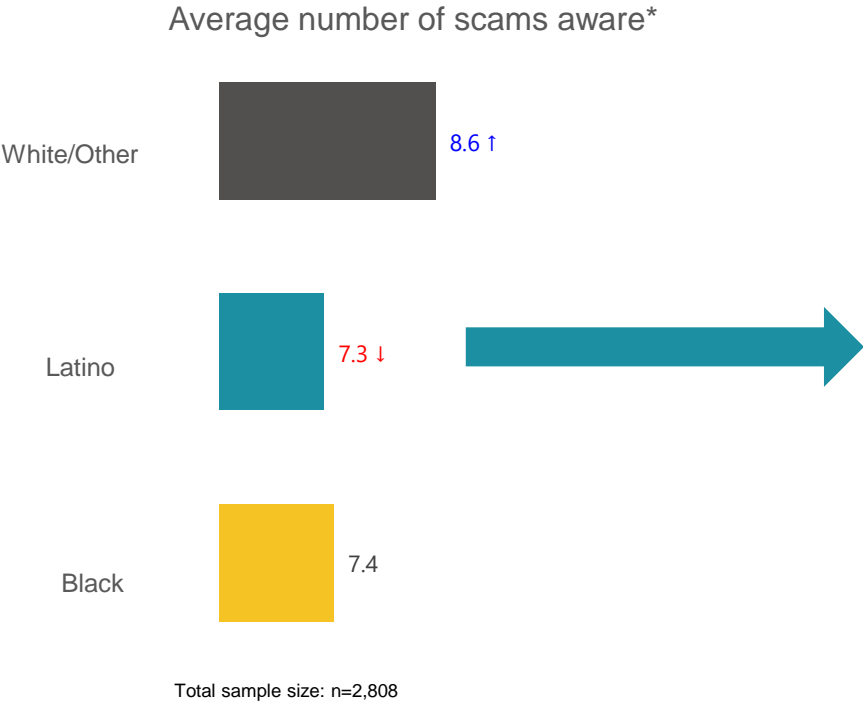
Latino adults rank same scams among top three as other racial groups.

Ranked order of scam awareness among Latino adults



- Contrary to expectations, of the 17 scams tested in the survey, the same three scams top the list in terms of awareness among Latino adults as other racial groups.
 - These top three include: Romance, Government Impostor and Lottery scams.
- However, Latino adults did report the highest level of awareness of immigration scams compared to other racial groups.
- Among scams where Latino adults report lower awareness of scams compared to White and other racial groups included:
 - Mortgage relief scams
 - Tax preparer scams (targeting small businesses)
 - Affinity (investment) scams targeting church/community groups
- Finally, Latino adults report the lowest levels overall for the following scams:
 - Coronavirus scams
 - Black Lives Matter scams
 - Background check
 - Grants for green home improvement

Latino adults are aware of an average of 7.3 scams—about one fewer scam than White and other racial groups and nearly on par with Black adults.

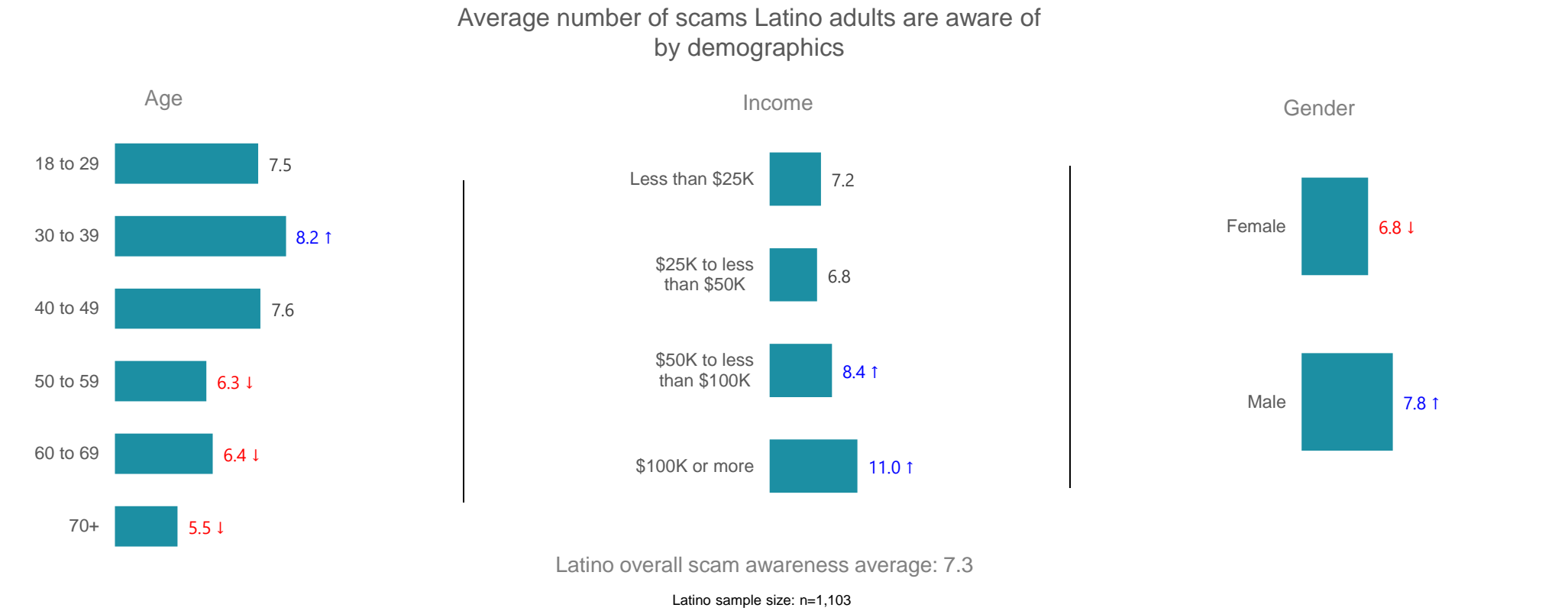


Q. Are you aware of ...

**UP and DOWN arrows indicate statistical significance in respective direction

Latino adults who are age 50 and older, are women, and those who report annual household incomes less than \$100,000 are aware of fewer scams, on average, than their counterparts.

More specifically, Latino adults ages 30 to 39 are aware of the highest number of scams, while those ages 70 and older are aware of the fewest.



Q. Are you aware of ...

**UP and DOWN arrows indicate statistical significance in respective direction

Rank of awareness of scams differ by race.

Compared to White and other racial groups or Black adults, Latino adults report higher awareness of grandparent, immigration and business coaching scams and lower awareness of work-from-home, mortgage, and coronavirus scams.

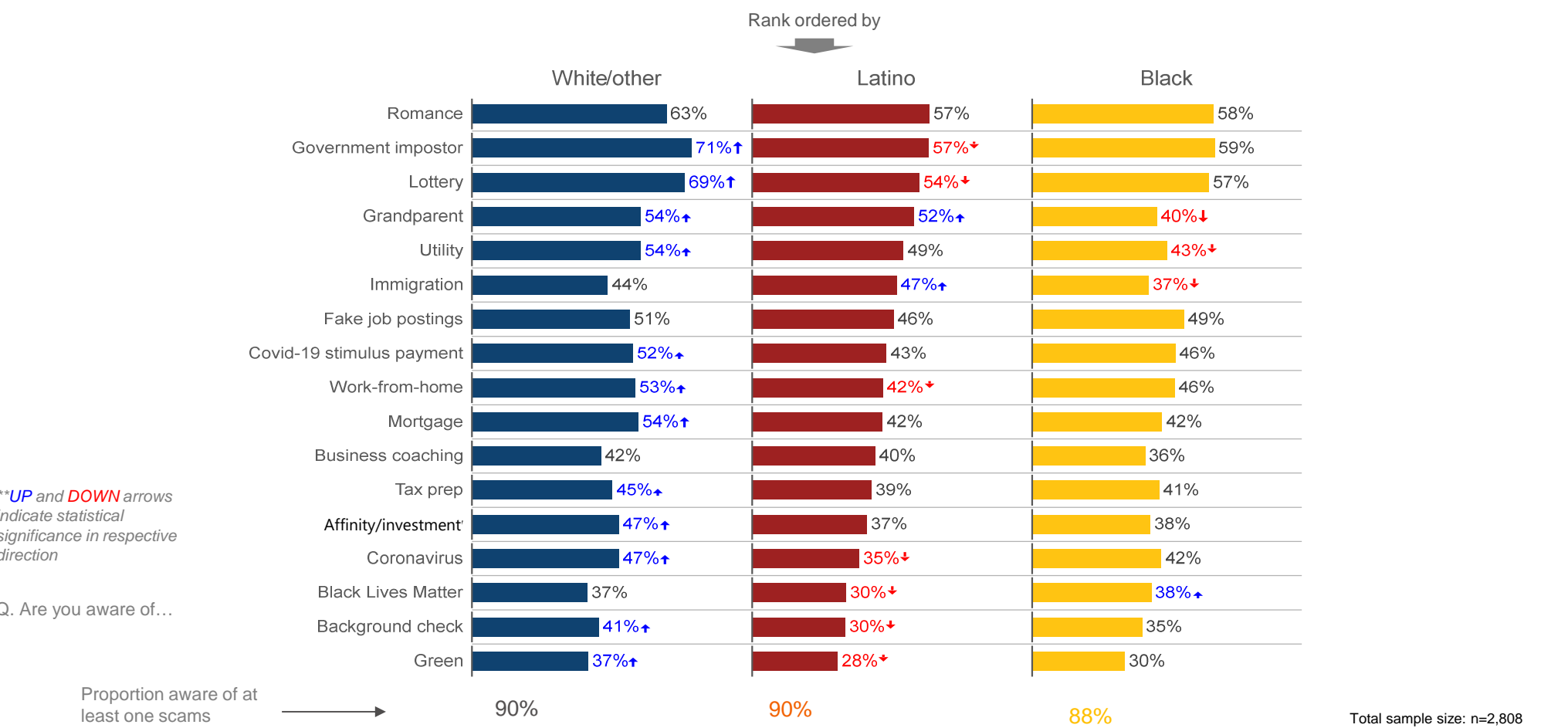
Rank order
of scam
awareness
by race



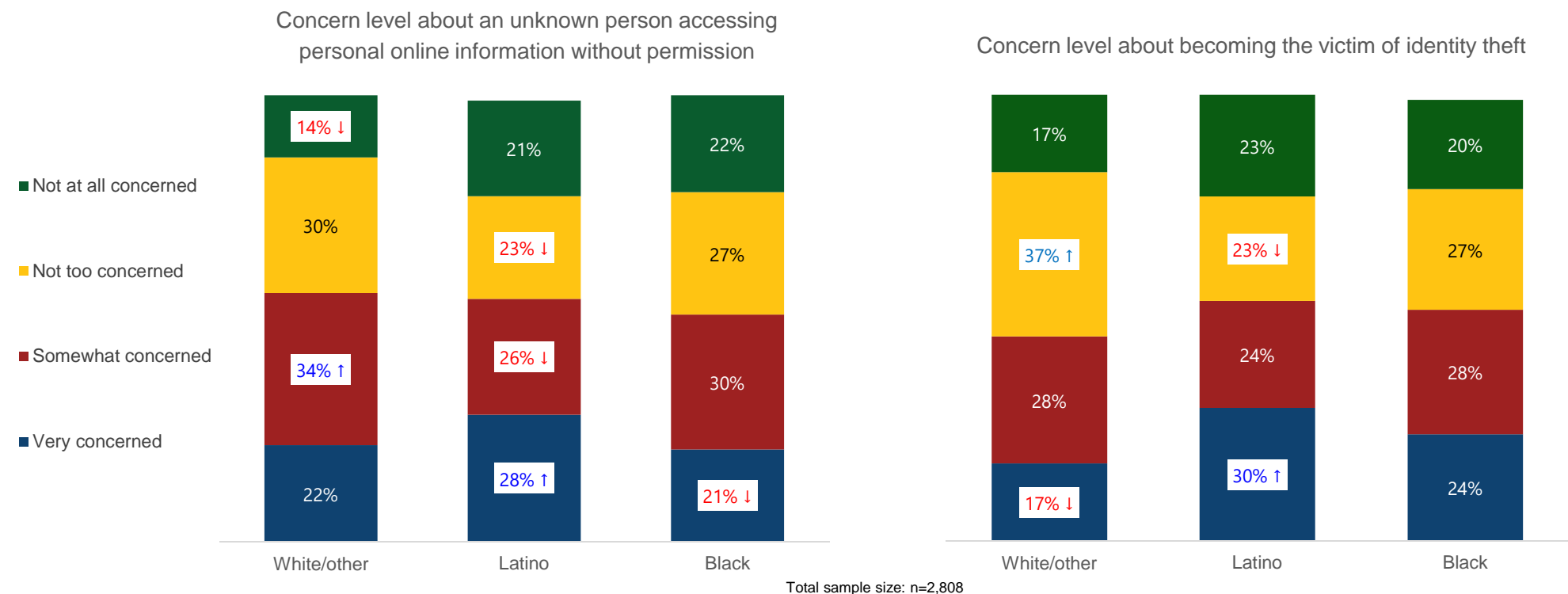
Q. Are you aware of ...

Total sample size: n=2,808

Incidence of scam awareness varies by racial group, with Latino adults reporting lower awareness of several scams compared to one or both of the other two racial groups.



More Latino adults than the other racial groups report being very concerned about access to personal information online and becoming an identity theft victim.



Q10. To what extent are you concerned about someone you don't know accessing any of your personal information online without your permission.... are you very concerned, somewhat concerned, not too concerned, or not at all concerned?/Q28. How concerned are you these days, personally, about becoming the victim of identity theft– that is, when someone steals your Social Security number or other personal information and uses it to open new bank accounts, new loans, or make large purchases for themselves in your name.

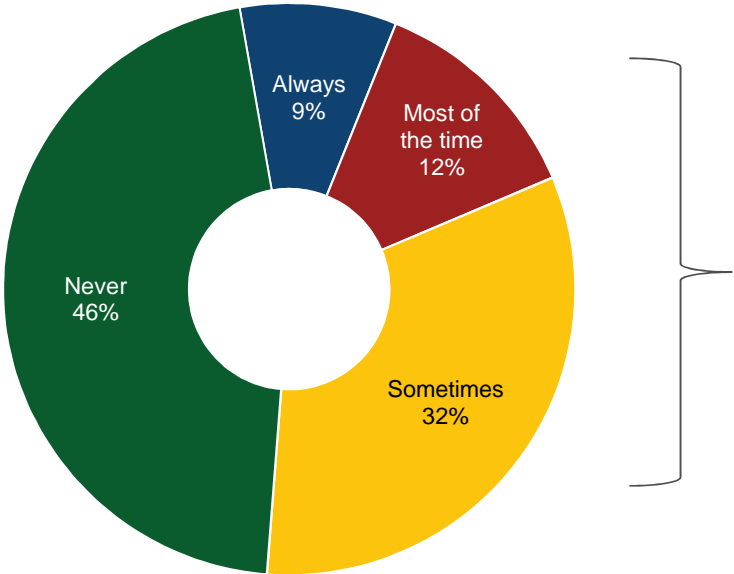
**UP and DOWN arrows indicate statistical significance in respective direction



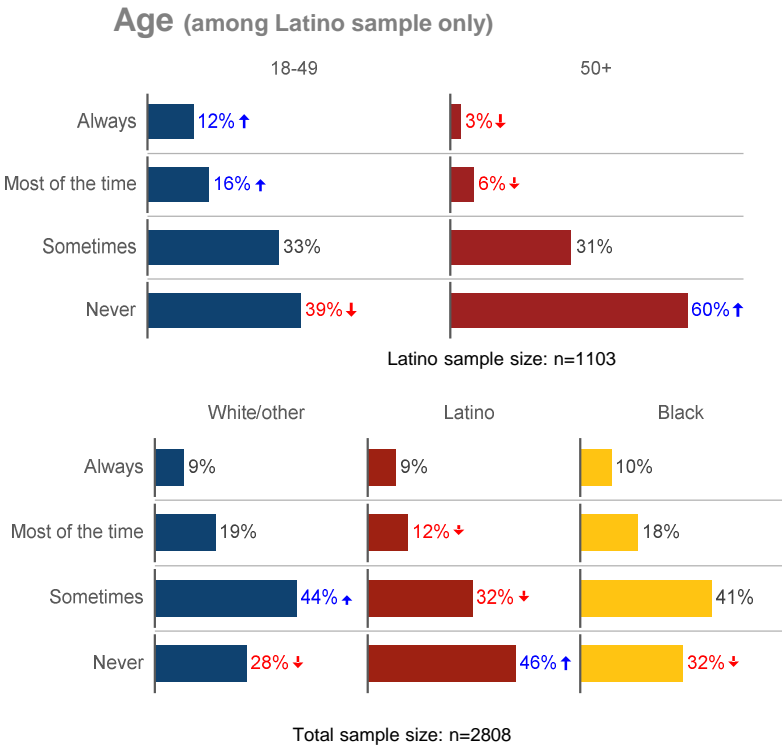
SUSCEPTIBILITY TO SCAMS AMONG U.S. LATINO ADULTS

Latino adults in general, and those ages 50 and older specifically, are significantly less likely than other racial groups and younger adults to provide their personal information in order to win a prize or gift.

How often Latino adults provide personal information to win a prize/gift



Entering a prize/gift offer by demographics

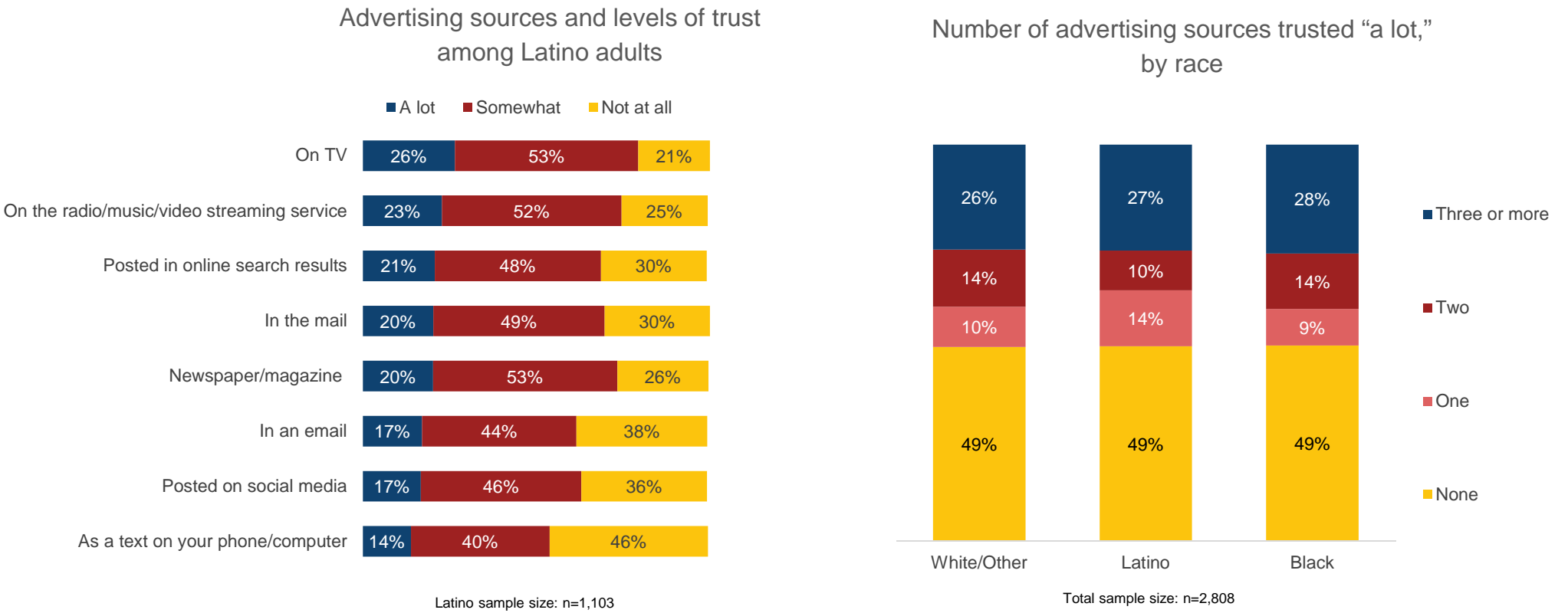


Q2. How often do you enter your name and other information to win a prize or free gift?

**UP and DOWN arrows indicate statistical significance in respective direction

TV and radio are the most trusted advertising sources for Latino adults.

In fact, over a quarter say they trust three or more advertising of the sources listed in the survey “a lot” – on par with other racial groups.

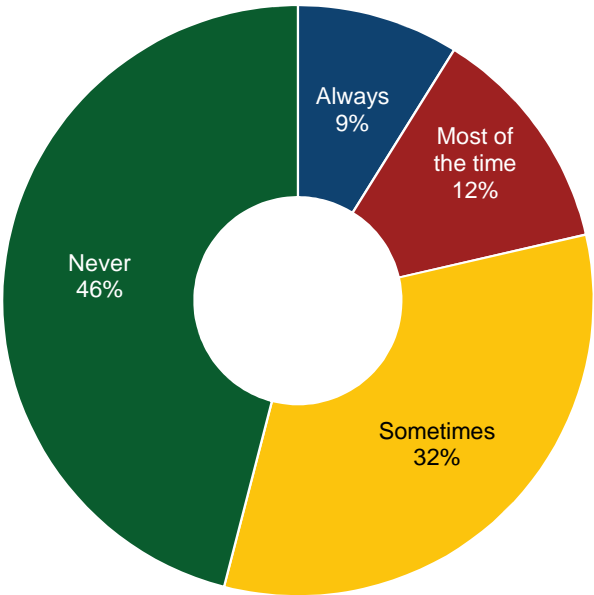


Q1. For each of the following places you could see or hear an advertisement for a product or service, tell me if you would trust that advertisement a lot, somewhat, or not at all. If you saw or heard an advertisement for something you're interested in placed in [...] would you trust that ad a lot, somewhat or not at all?

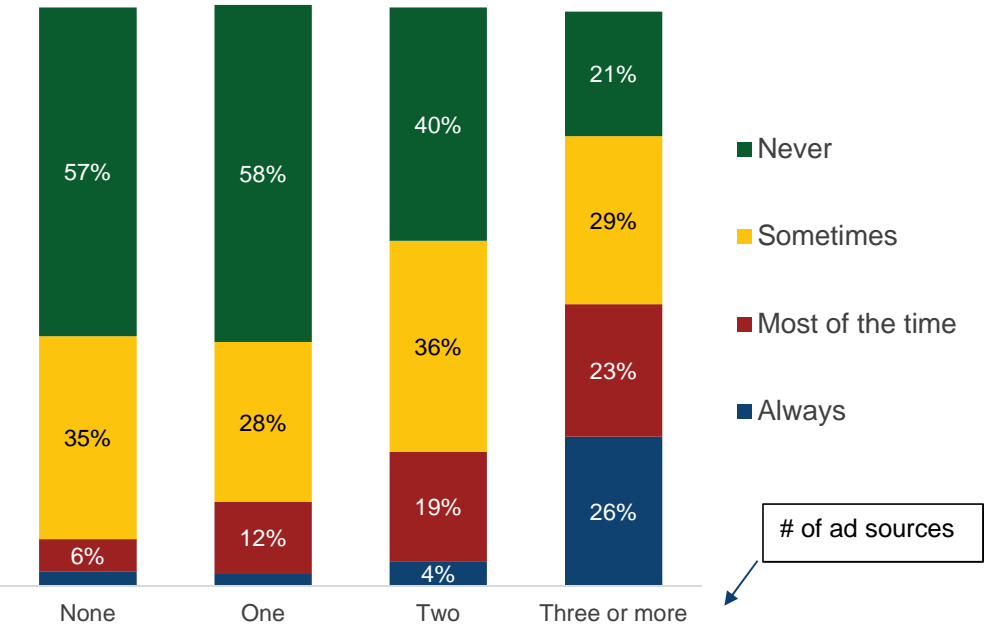
The relationship between trust in advertising sources and certain activities contributes to the risk of fraud loss.

Among Latino adults who trust three or more ad sources, the incidence of always providing their name and other information for a contest nearly triples, while among those who trust *no* ad sources, the incidence is virtually zero.

How often Latino adults provide personal information to win a prize/gift



Prize/gift offer participation by number of trusted advertising sources among Latino adults

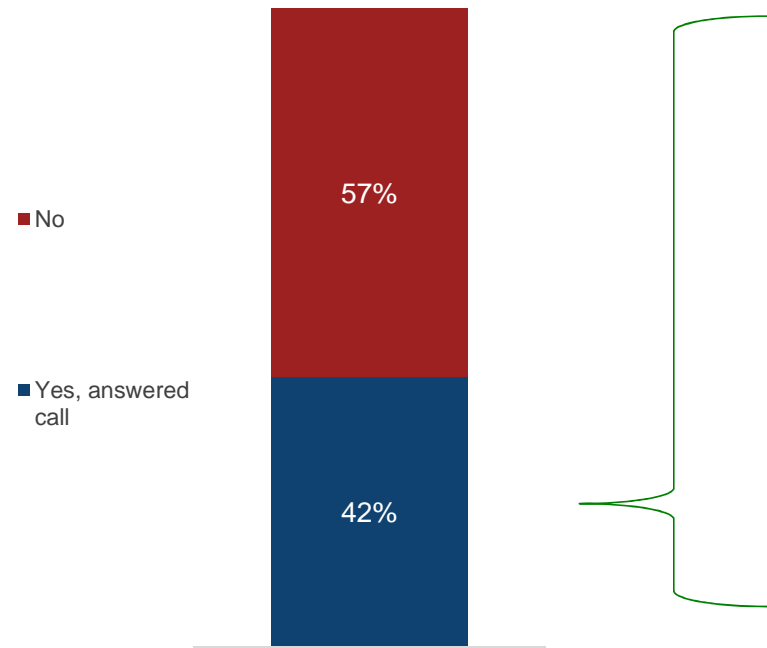


Latino sample size: n=1,103

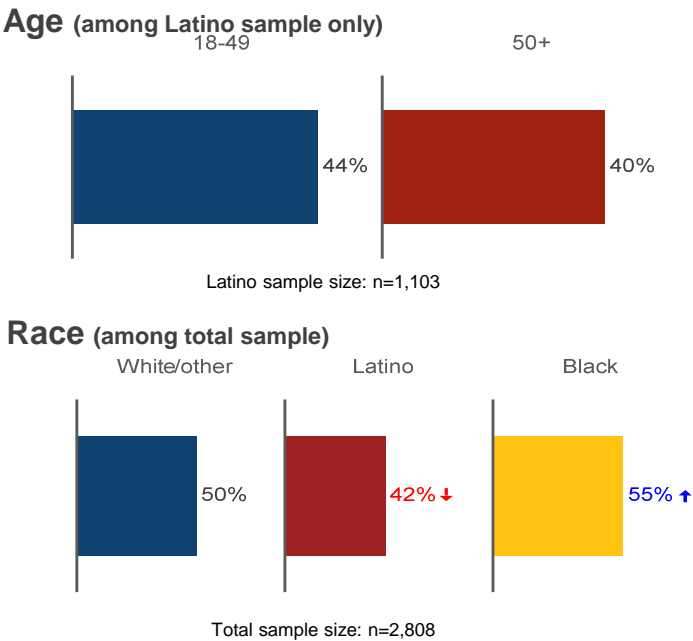
Q2. How often do you enter your name and other information to win a prize or free gift?

Latino adults are far less likely than the other racial groups to report answering a call from someone they don't know.

Answer a call from someone they do not know



Answer unknown callers by demographics

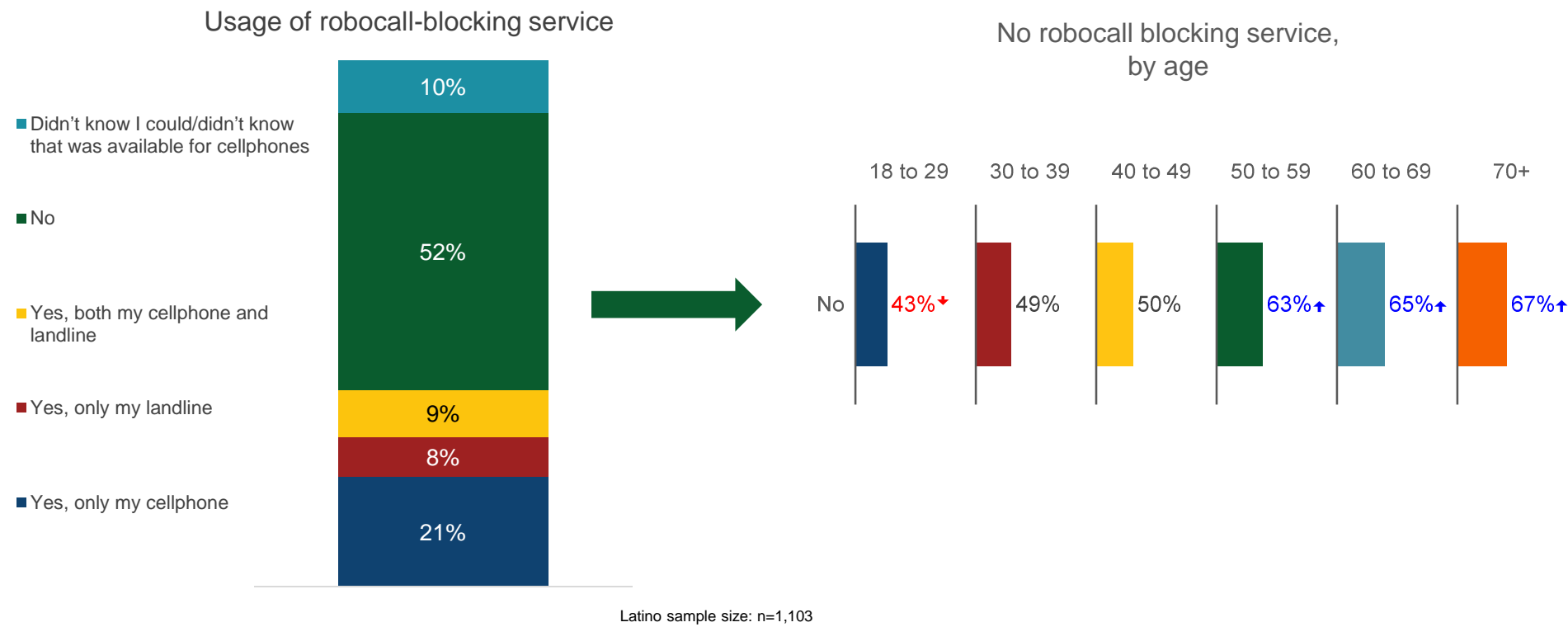


Q3. In the past 12 months, or since last [INSERT MONTH OF INTERVIEW] have you ever answered a phone call from someone you didn't know who was selling a certain product or service they thought might be of interest to you?

**UP and DOWN arrows indicate statistical significance in respective direction

Just over half of Latino adults report *not* using a service to block robocalls to their cellphone or landline.

Usage of a robocall-blocking service varied significantly by age, with about two thirds of those 50 and over reporting *not* using a blocking service.

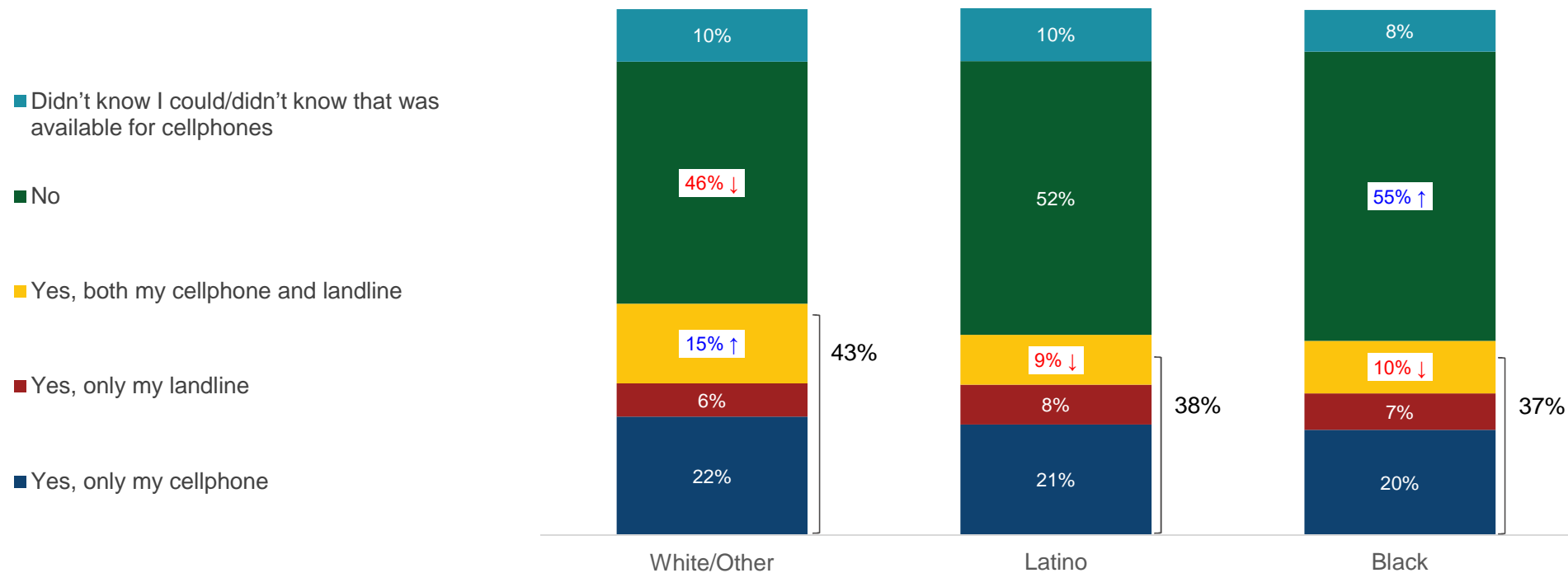


Q8. Do you currently use a robocall blocking service on your cellphone or your landline phone?

**UP and DOWN arrows indicate statistical significance in respective direction

While most Latino adults indicate awareness of a robocall-blocking service, less than 4 in 10 report using it for at least one of their phones.

Usage of robocall-blocking service by race



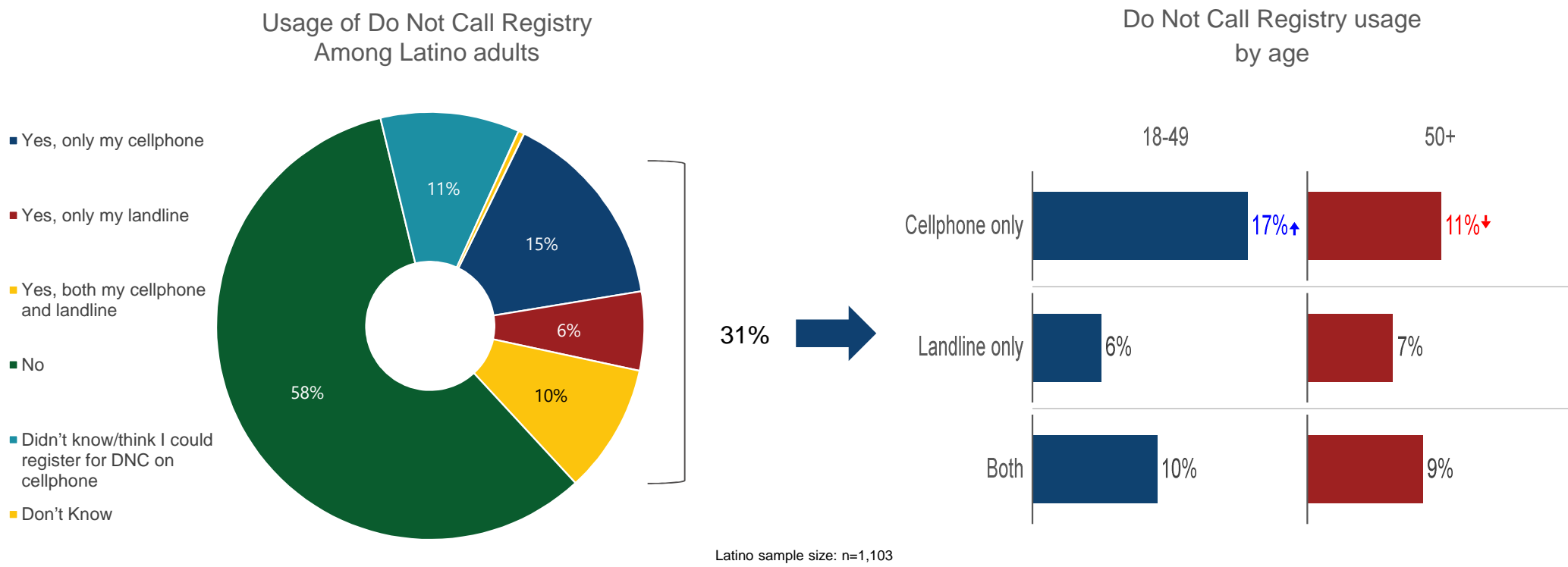
Total sample size: n=2,808

Q8. Do you currently use a robocall blocking service on your cellphone or your landline phone?

**UP and DOWN arrows indicate statistical significance in respective direction

Less than a third of Latino adults report registering for the National Do Not Call Registry.

Those ages 50 and older are far less likely than younger Latino adults to register their *cellphones*.

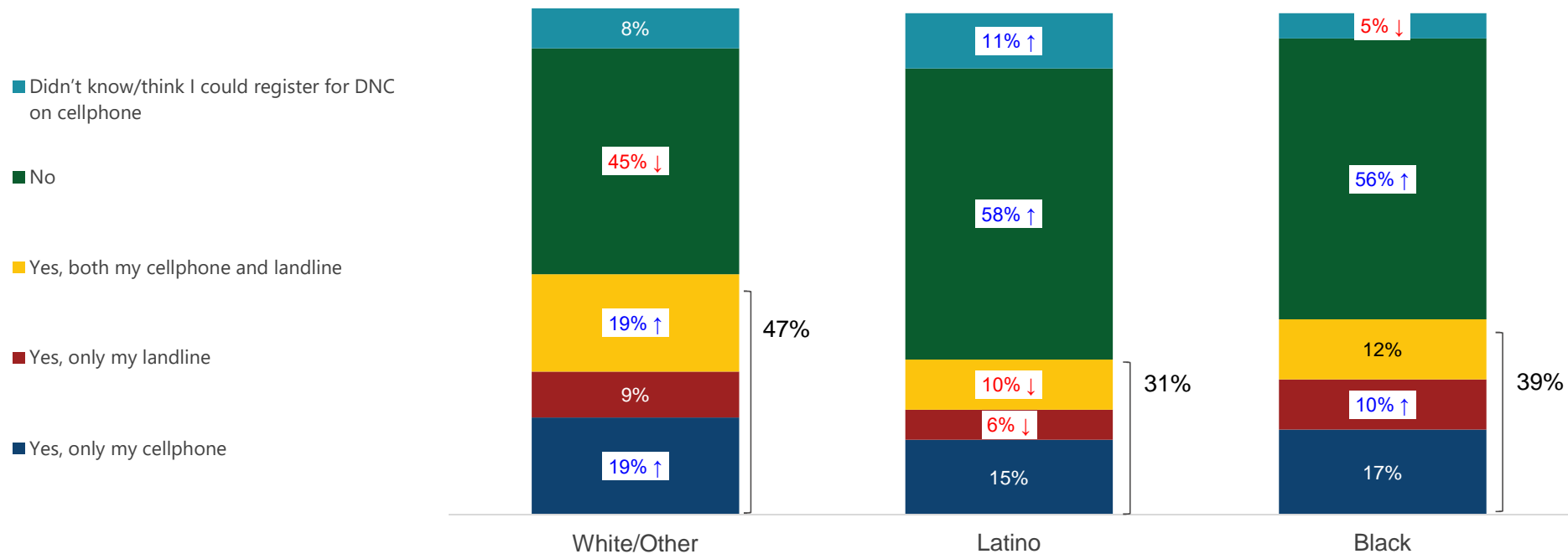


Q9. Have you ever registered either your cellphone or your landline on the federal government's Do-Not-Call list?

**UP and DOWN arrows indicate statistical significance in respective direction

Latino adults are less likely than the other racial groups to register a phone on a Do Not Call list.

Incidence of registering phone on a Do Not Call list



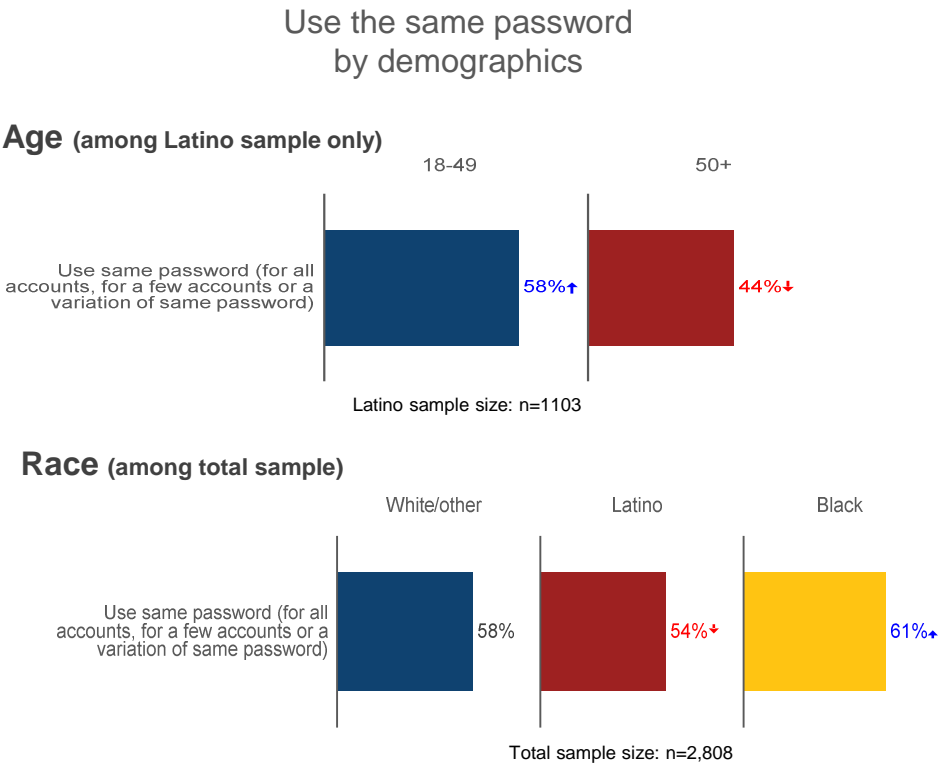
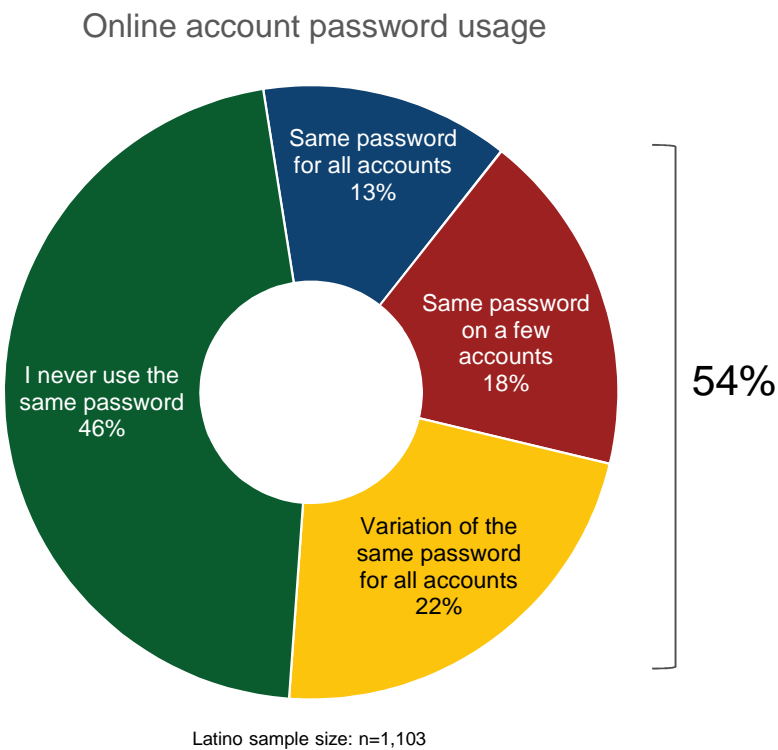
Total sample size: n=2808

Q9. Have you ever registered either your cellphone or your landline on the federal government's Do Not Call list?

**UP and DOWN arrows indicate statistical significance in respective direction

Over half of all Latino adults, younger more than older, report using the same password on a few or all accounts or a variation of the same password for all accounts.

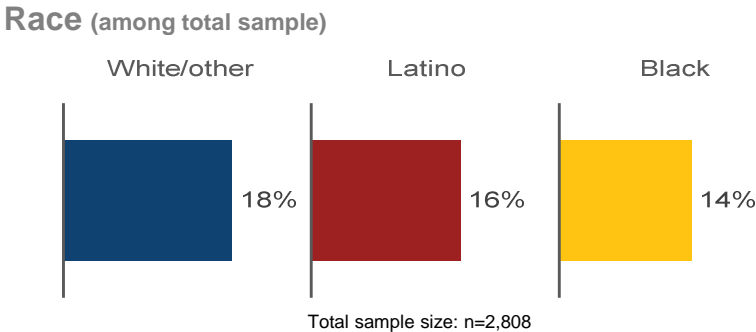
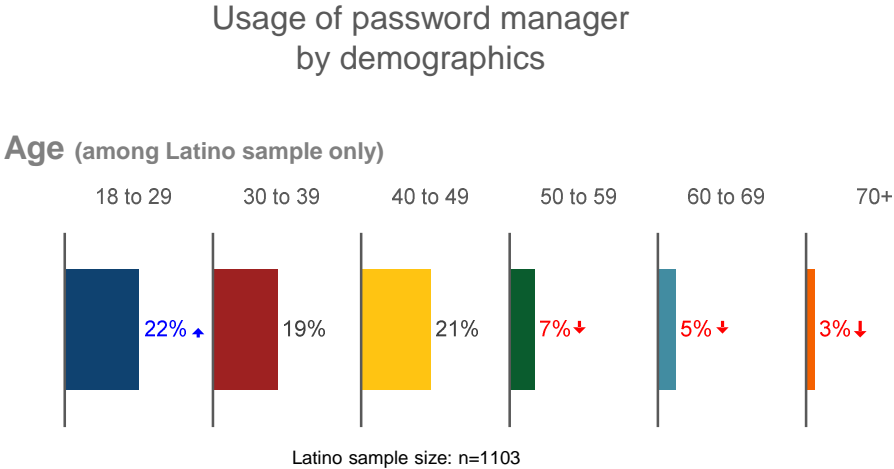
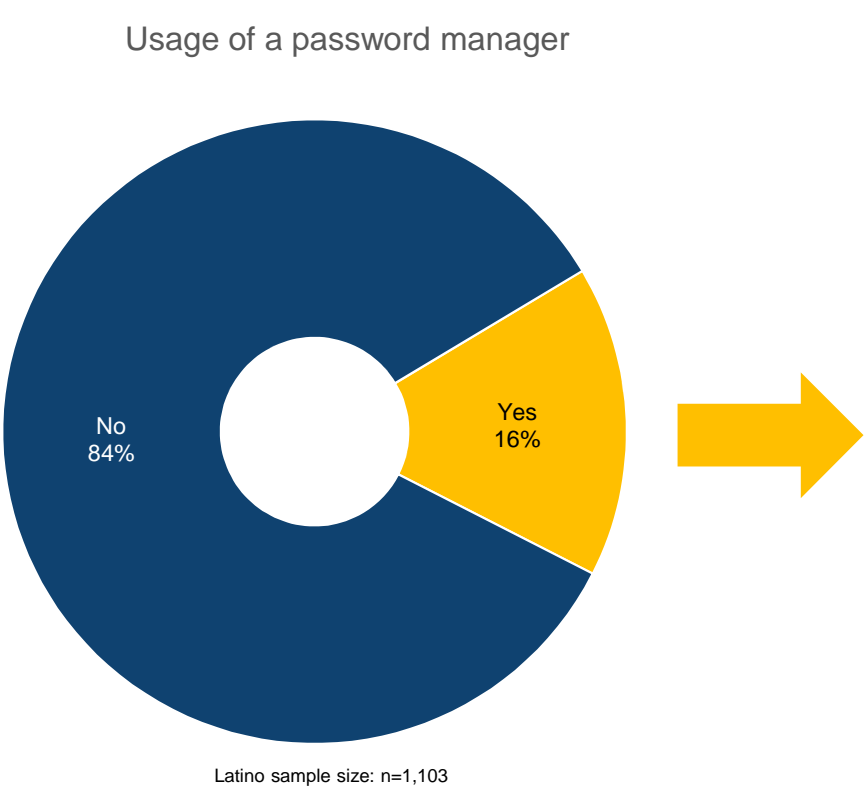
Latino adults are significantly less likely than Black adults to use the same password on a few or all accounts or a variation of the same password for all accounts.



Q31. Thinking about all of your online accounts — social media, email, financial, and others — which ONE statement most closely reflects your use of passwords?

**UP and DOWN arrows indicate statistical significance in respective direction

Few Latino adults use a password manager such as LastPass, Keeper, Dashlane, or Bitwarden.

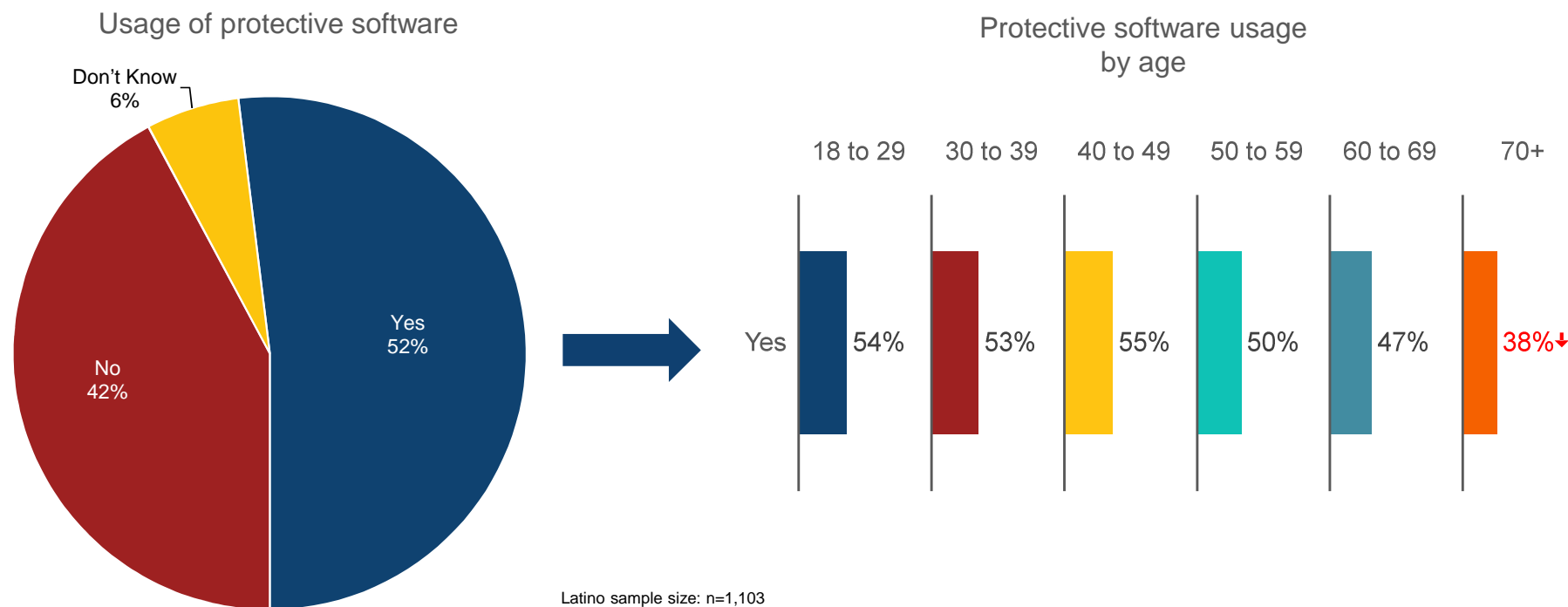


Q32. Do you use a password manager like LastPass, Keeper, Dashlane or Bitwarden to store and manage your online passwords?

**UP and DOWN arrows indicate statistical significance in respective direction

Just over half of all Latino adults report using protective software for their device and/or computer.

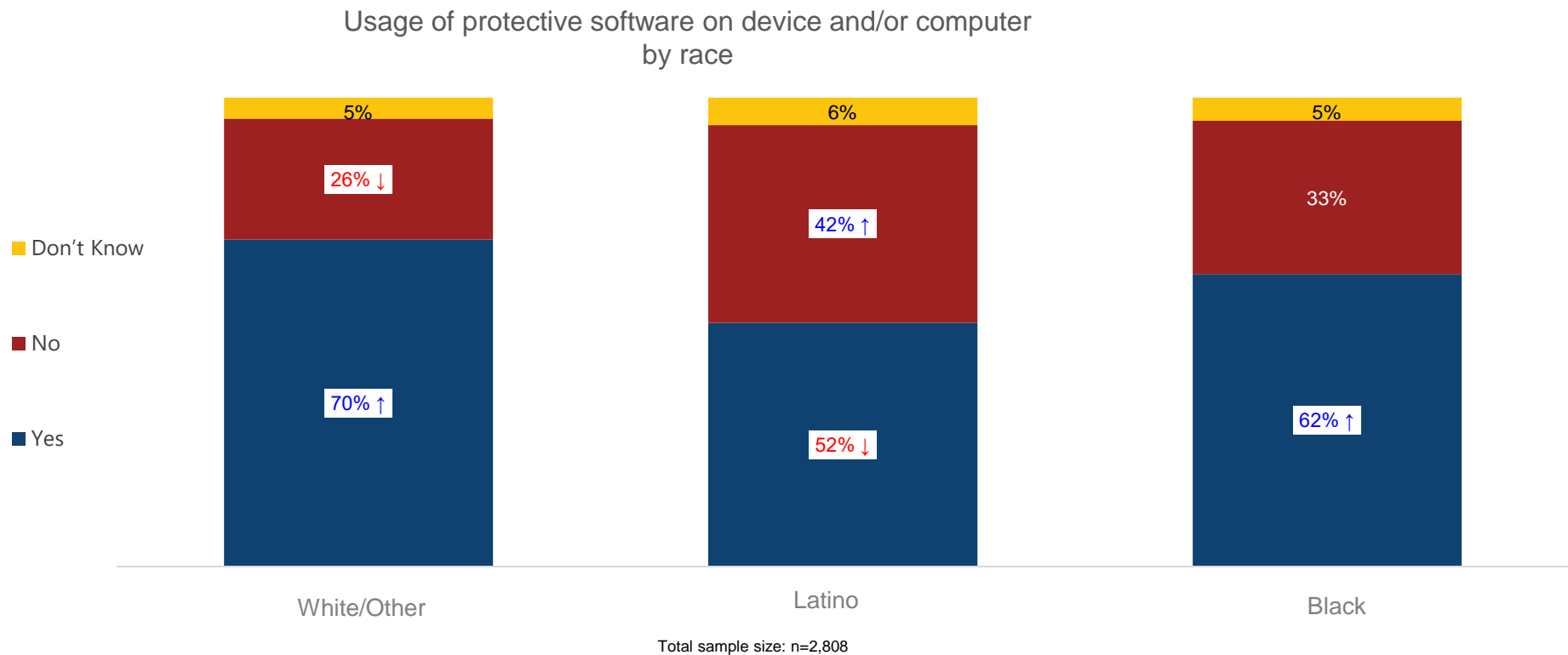
Protective software usage rates are above or at half until age 50 when incidence rates begin to decline — especially for those age 70 and over.



Q6. Do you currently have any protective software installed or enabled on any of your devices or computers such as antivirus, anti-spyware, a firewall, or a call or pop-up blocking feature or app?

**UP and DOWN arrows indicate statistical significance in respective direction

Although half of Latino adults report using protective software, this rate is far lower than the incidence among White and other racial groups adults and the Black community.*

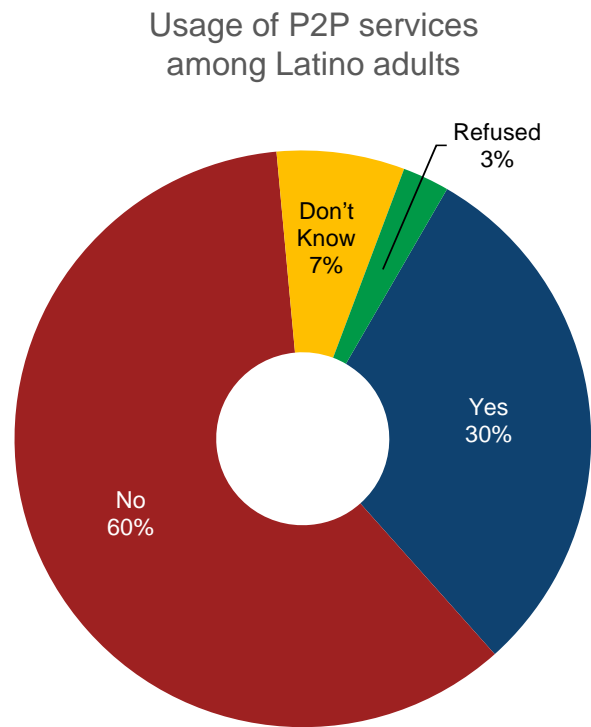


Q6. Do you currently have any protective software installed or enabled on any of your devices or computers such as antivirus, anti-spyware, a firewall, or a call or pop-up blocking feature or app?

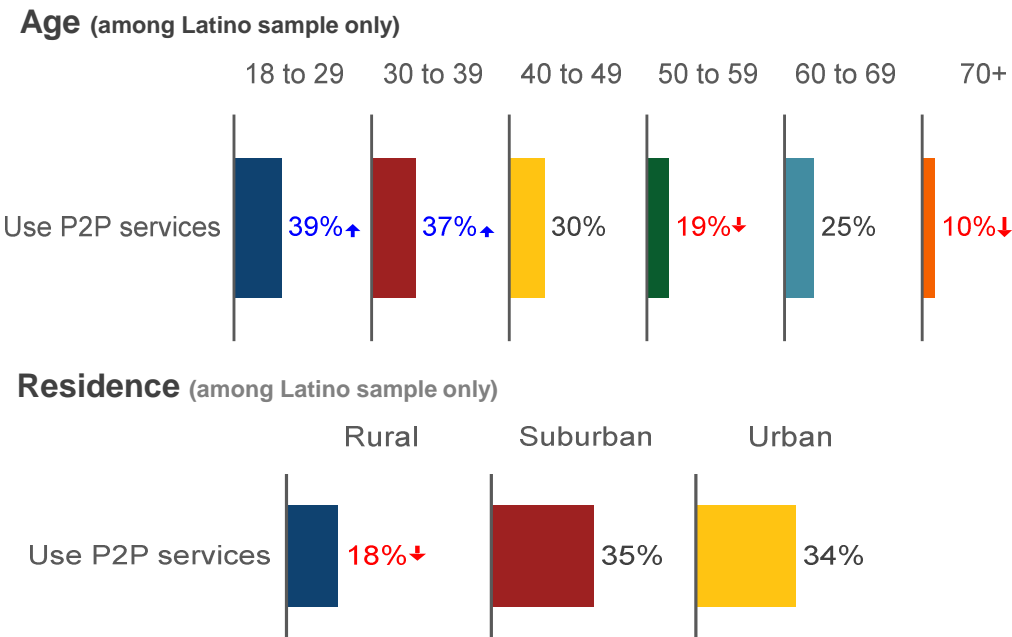
*This lower rate is not driven by lack of knowledge of protective software, as those not aware are on par with other racial groups.

**UP and DOWN arrows indicate statistical significance in respective direction

P2P payment platforms are not widely used by Latino adults and especially less so among those older than age 50 and those living in rural areas.



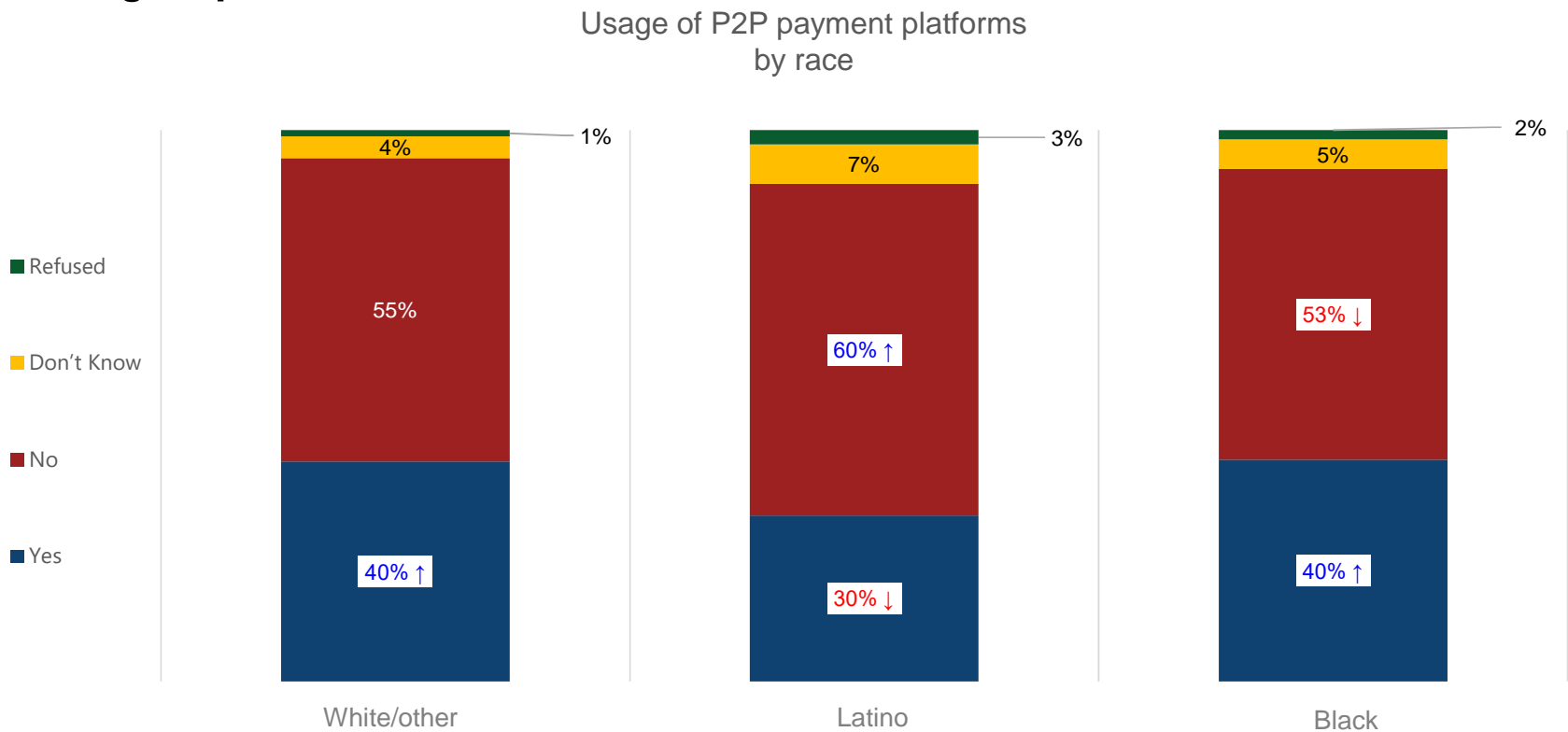
P2P usage by demographics



Latino sample size: n=1103

Q30. Peer-to-peer or P2P payment platforms, also known as money transfer apps such as CashApp, Zelle or Venmo, allow users to send one another money from their mobile device. Do you currently use a P2P app?
**UP and DOWN arrows indicate statistical significance in respective direction

Just three in ten Latino adults use P2P payment platforms – significantly lower than the two other racial groups.



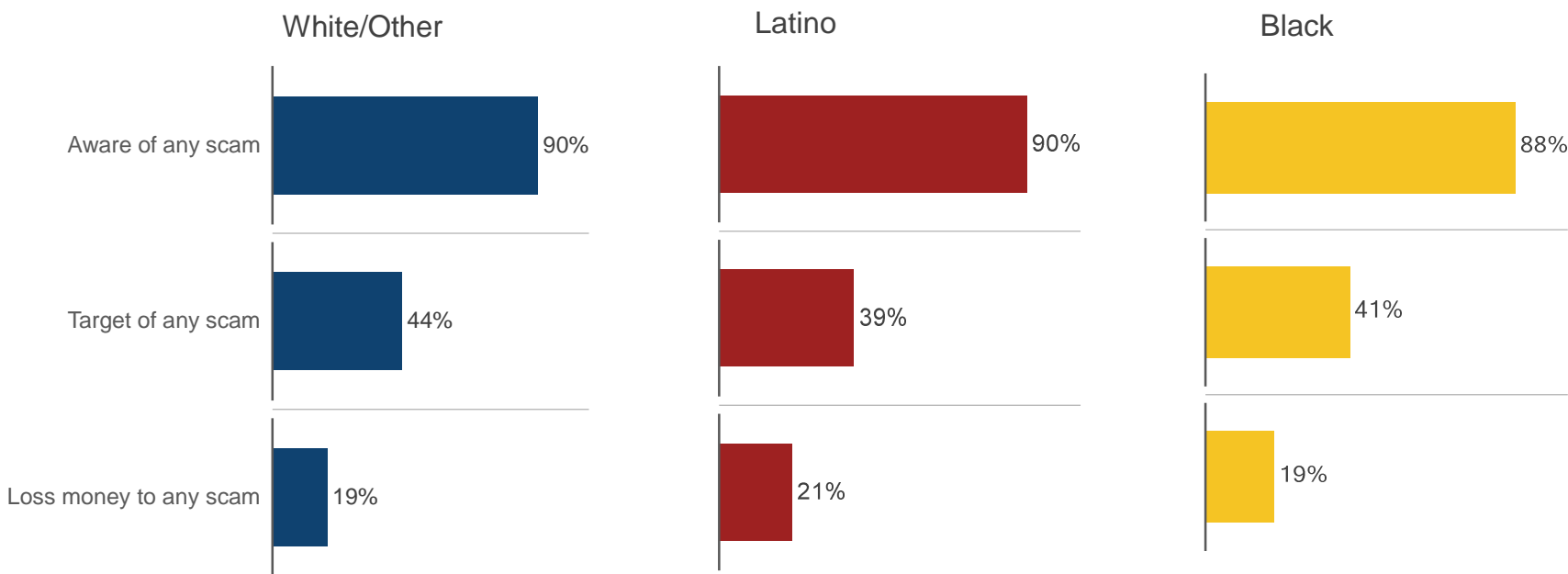
Total sample size: n=2,808

Q30. Peer-to-peer or P2P payment platforms, also known as money transfer apps such as CashApp, Zelle or Venmo, allow users to send one another money from their mobile device. Do you currently use a P2P app?
**UP and DOWN arrows indicate statistical significance in respective direction



U.S. LATINO ADULTS INCIDENCE OF BEING TARGETED OR VICTIMIZED BY SCAMS

Most Latino adults are aware of at least one scam and 2 in 5 have been targeted and 1 in 5 have lost money to a scam. This is consistent across racial groups.

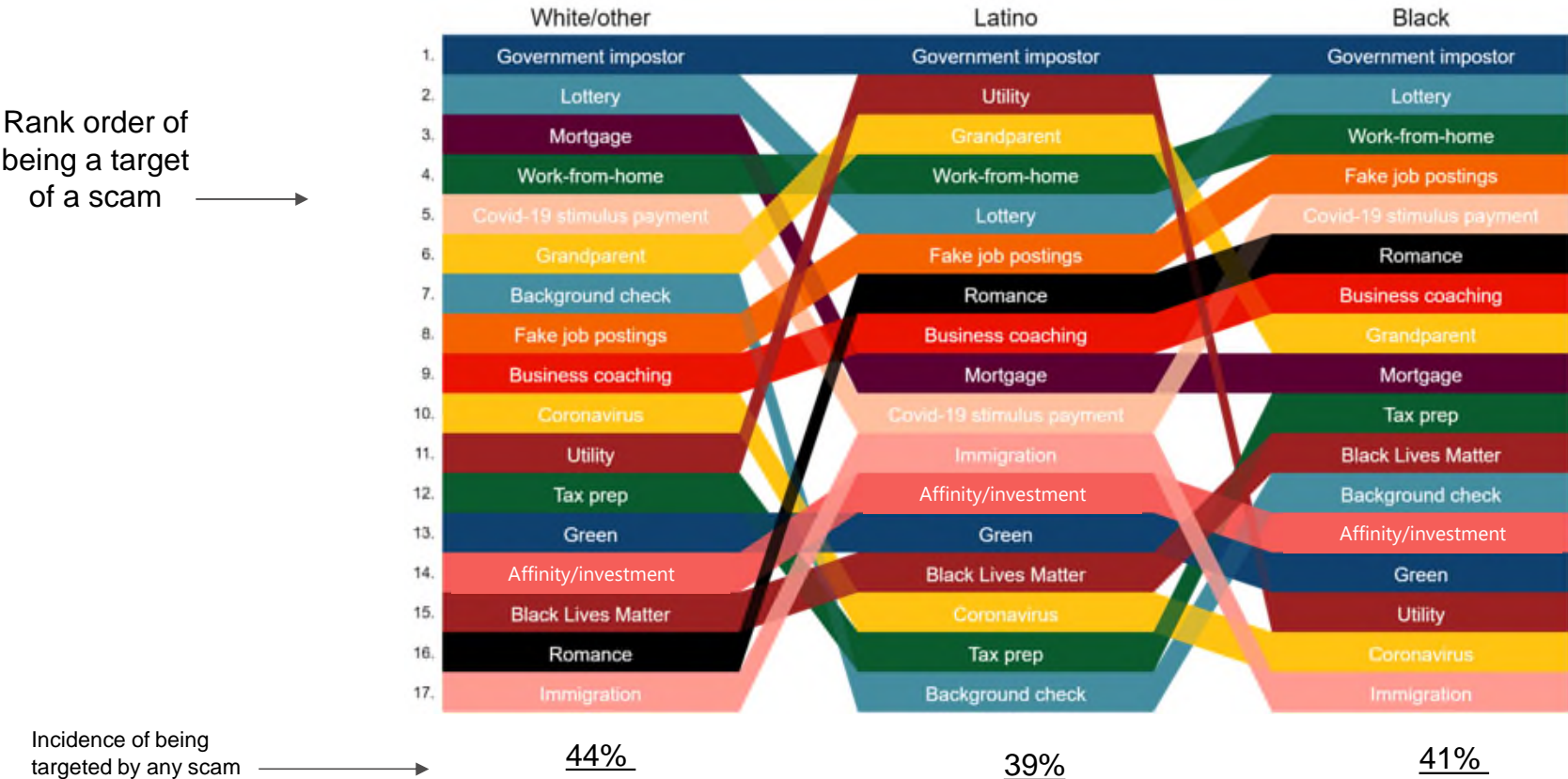


Total sample size: n=2808

Q. [For the following]... Aware of scam... A target of scam.... Lost money to scam

Latino adults are most targeted by government impostor, utility and grandparent scams.

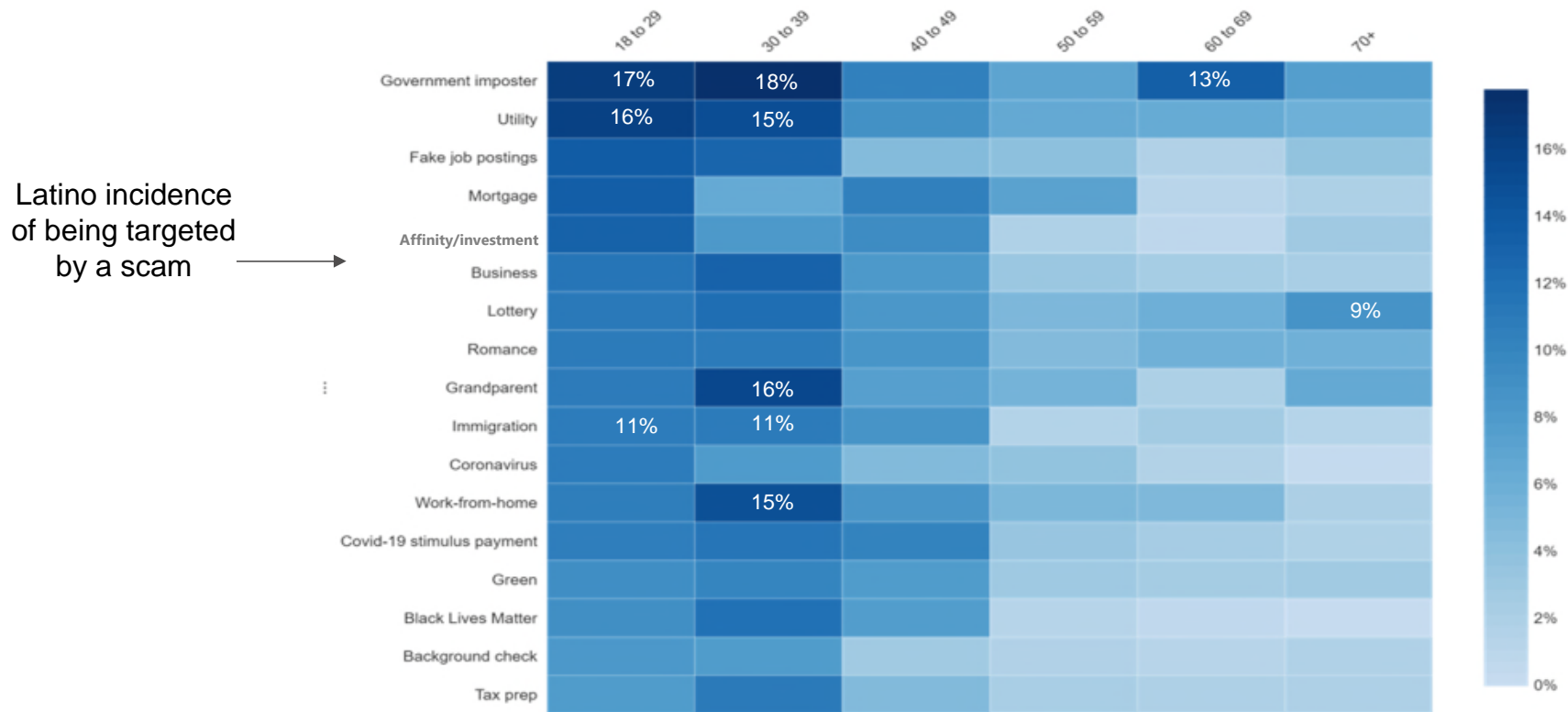
For both utility and grandparent scams, Latino adults far outrank other racial groups. Work-related scams (bogus work-from-home offers and fake job postings) and lottery scams also rank among the top scams targeting this population.



Q. [For the following]... Aware of scam... A target of scam.... Lost money to scam

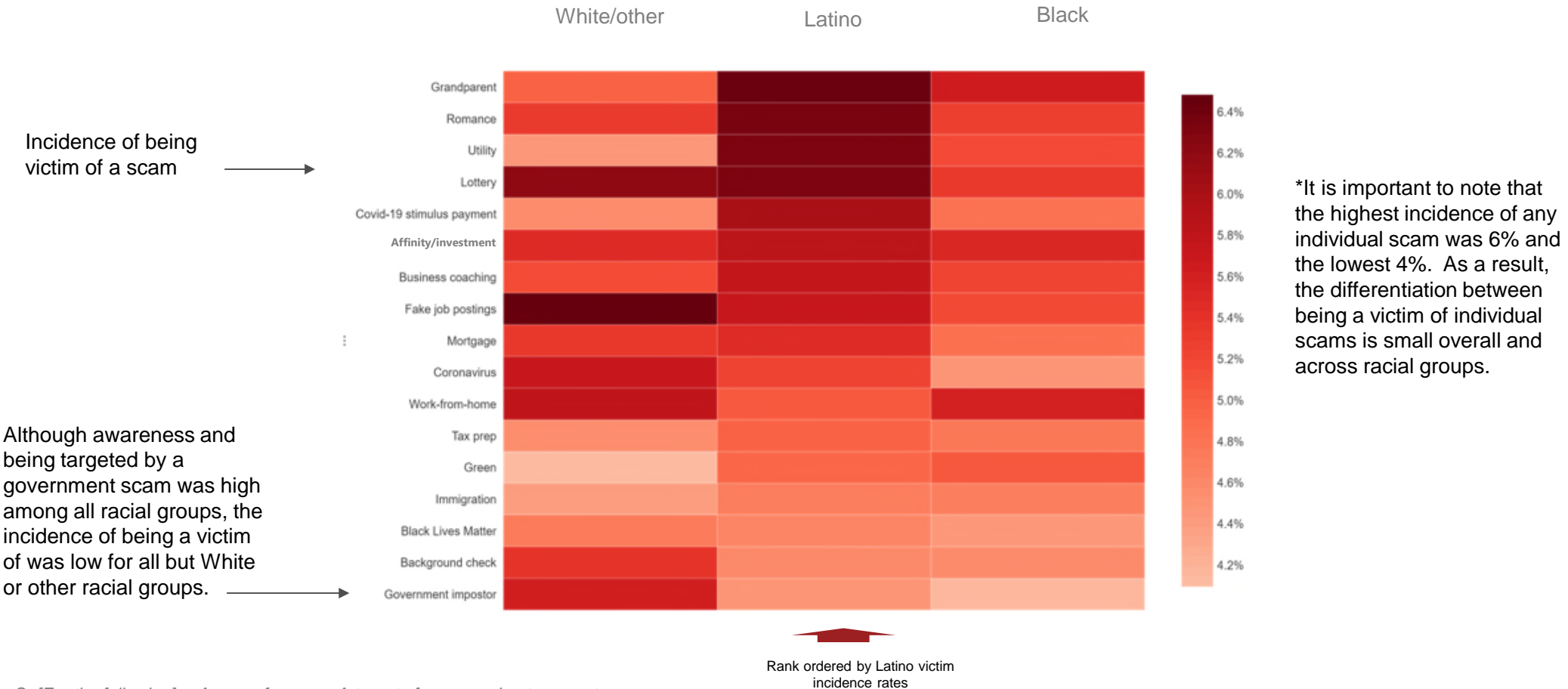
Younger Latino adults are most likely to report being targeted by a scam.

In fact, almost 1 in 5 between ages 18 and 39 report being targeted by a government or utility scam. These younger Latino adults report relatively higher incidences of being targeted for grandparent, immigration and work-from-home scams while those ages 50 and older report being targeted for government or lottery scams.



Q. [For the following]... Aware of scam... A target of scam

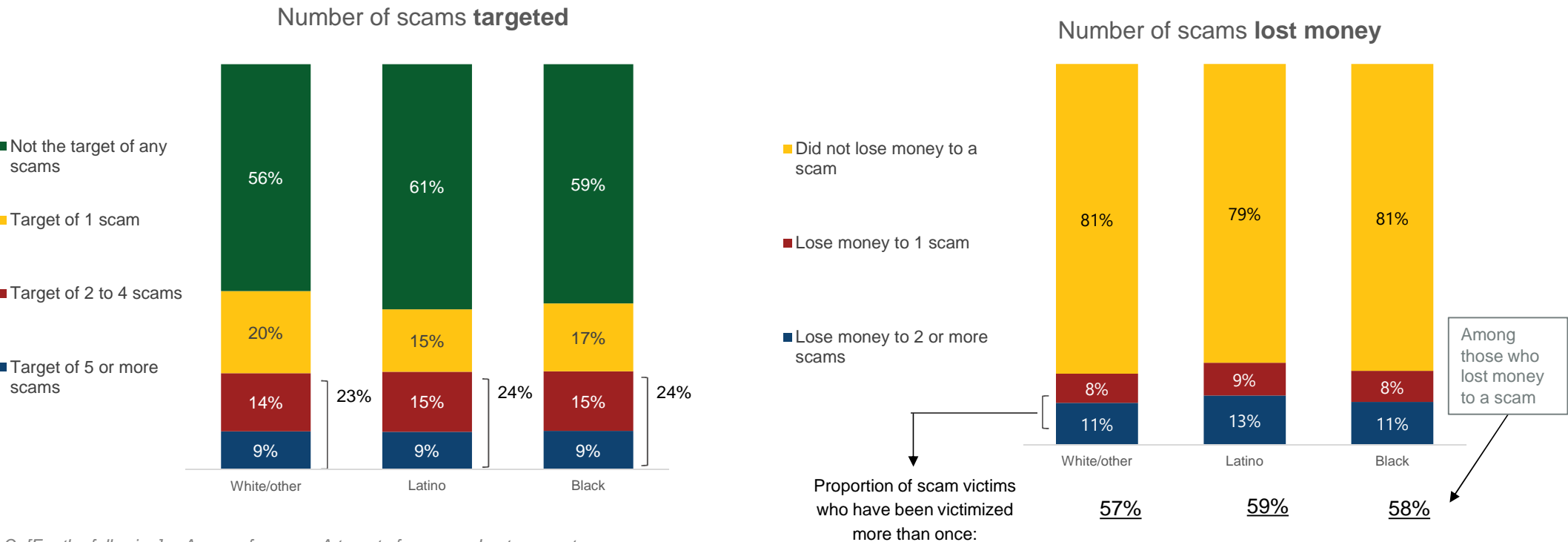
Latino adults who report being a victim of a scam, report grandparent, romance, utility and lottery scams most frequently.



Q. [For the following]... Aware of scam... A target of scam.... Lost money to scam

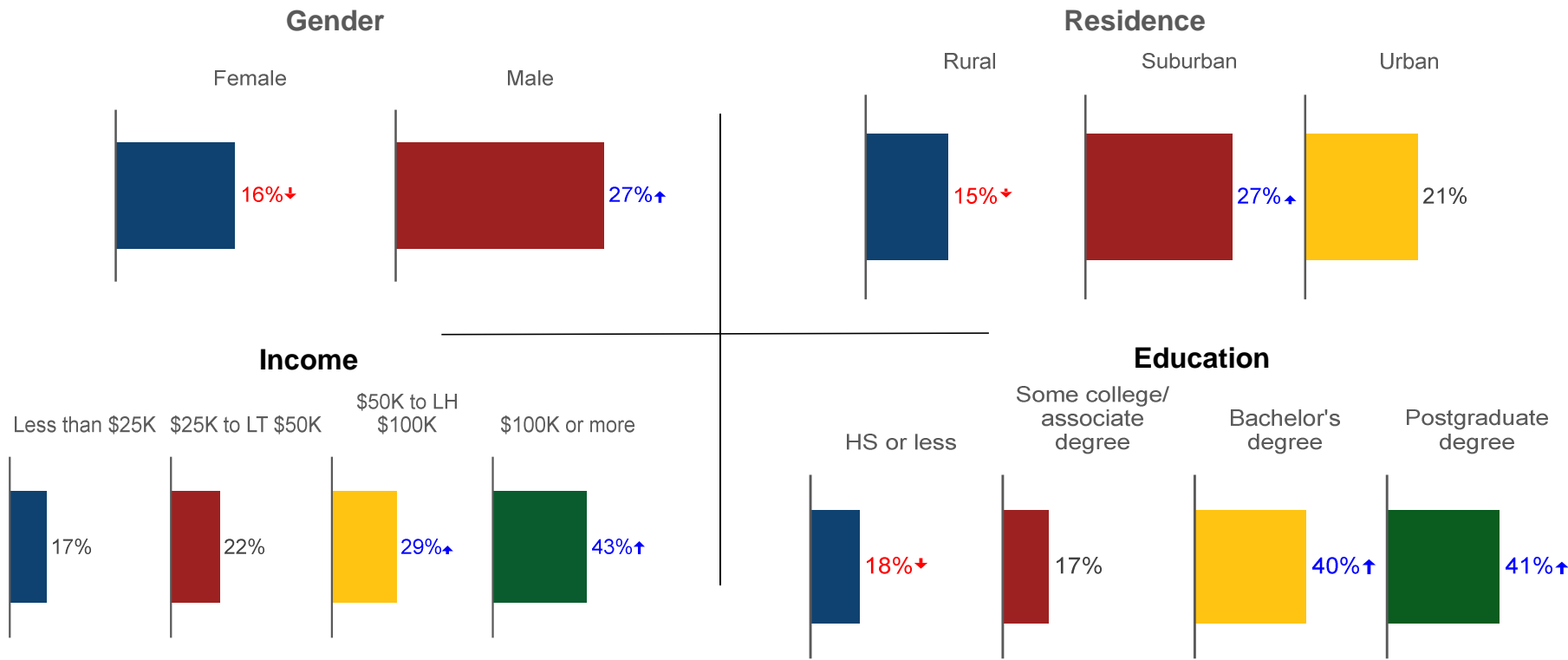
Across all racial and ethnic groups, more than half of those who have been victimized have been a victim *more than once*.

Latino exposure to scams (being targeted and/or losing money to a scam) was on par with the other two racial and ethnic groups with about one quarter reporting being a target for two or more scams. A similar trend exists among those who report being a victim of a scam, which represents about 1 in 5 adults within each group.



Q. [For the following]... Aware of scam... A target of scam.... Lost money to scam

Latino adults who are men, live in suburban areas, report annual incomes of \$50,000 or more, and have at least a college degree are most likely to indicate they lost money to a scam. These demographic relationships to scam victimization mirror those of other racial and ethnic groups.



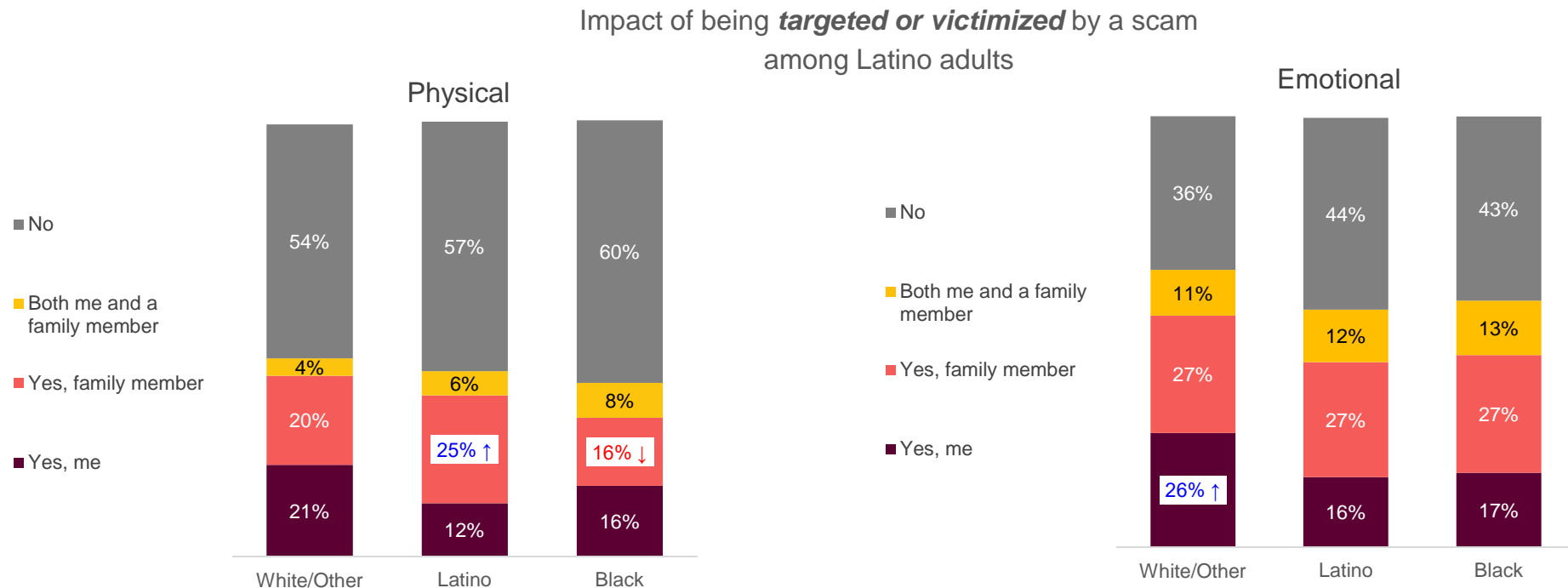
Q. [For the following]... Aware of scam... A target of scam.... Lost money to scam
**UP and DOWN arrows indicate statistical significance in respective direction



THE PHYSICAL AND EMOTIONAL IMPACT OF SCAMS AMONG U.S. LATINO ADULTS

Physical and emotional distress of being targeted by a scam are felt across racial groups.

One quarter of Latino adults say a family member has experienced *physical* health problems due to a scam, the highest among racial groups and significantly higher than Black adults. However, Latino adults report significantly lower levels of personal emotional distress than White and other racial groups.



Q33. Have you or a family member ever experienced any physical health problems from being targeted or victimized by any of these scams such as high blood pressure or other health conditions worsening?/ Q.34 Have you or a family member ever experienced any emotional distress from being a target or victim of these scams — such as anxiety, depression, paranoia or stress?

**UP and DOWN arrows indicate statistical significance in respective direction

A glowing yellow question mark is centered inside a light bulb. The light bulb is set against a dark blue background with some blurred, lighter blue shapes that suggest a window or a modern interior. The light from the question mark illuminates the interior of the bulb and casts a soft glow on the surrounding area.

RESEARCH IMPLICATIONS

SOME GOOD NEWS

Latino adults are less susceptible to the scams tested in the survey than other racial groups

- ✓ **Trust in advertising:** Latino adults' most trusted advertising sources are TV and radio. However, only about a quarter trust these sources *a lot*. Scammers place ads as a means of attracting targets, so low trust may indicate less likelihood of responding to a bogus ad among the Latino population.
- ✓ **Prize/free gift contest:** Entering personal information for contests increases the likelihood of being targeted by scams. Only 1 in 10 Latino adults say they *always* enter a prize/gift offer with their personal information. However, this incidence is significantly influenced by age—with adults age 50-plus significantly less likely to participate in these offers. In comparison to the other racial and ethnic groups, Latino adults are less likely to enter prize/gift offers.
- ✓ **A call from an unknown person:** Illegal robocalls are ubiquitous, and answering calls from unknown callers increases the risk of fraud loss. Fewer than half of Latino adults report answering a call from someone they don't know.
- ✓ **Lower levels of fraud susceptibility:** Results of a regression analysis of the activities that facilitate fraud susceptibility showed that Latino adults are in a particularly good position to avoid being a victim of fraud. For example, results showed a low incidence of answering a call from an unknown person and never entering a prize contest significantly reduced the likelihood of being a victim of fraud. For both these activities, Latino adults report lower incidences in comparison to the other two racial and ethnic groups.

SOME NOT-SO-GOOD NEWS

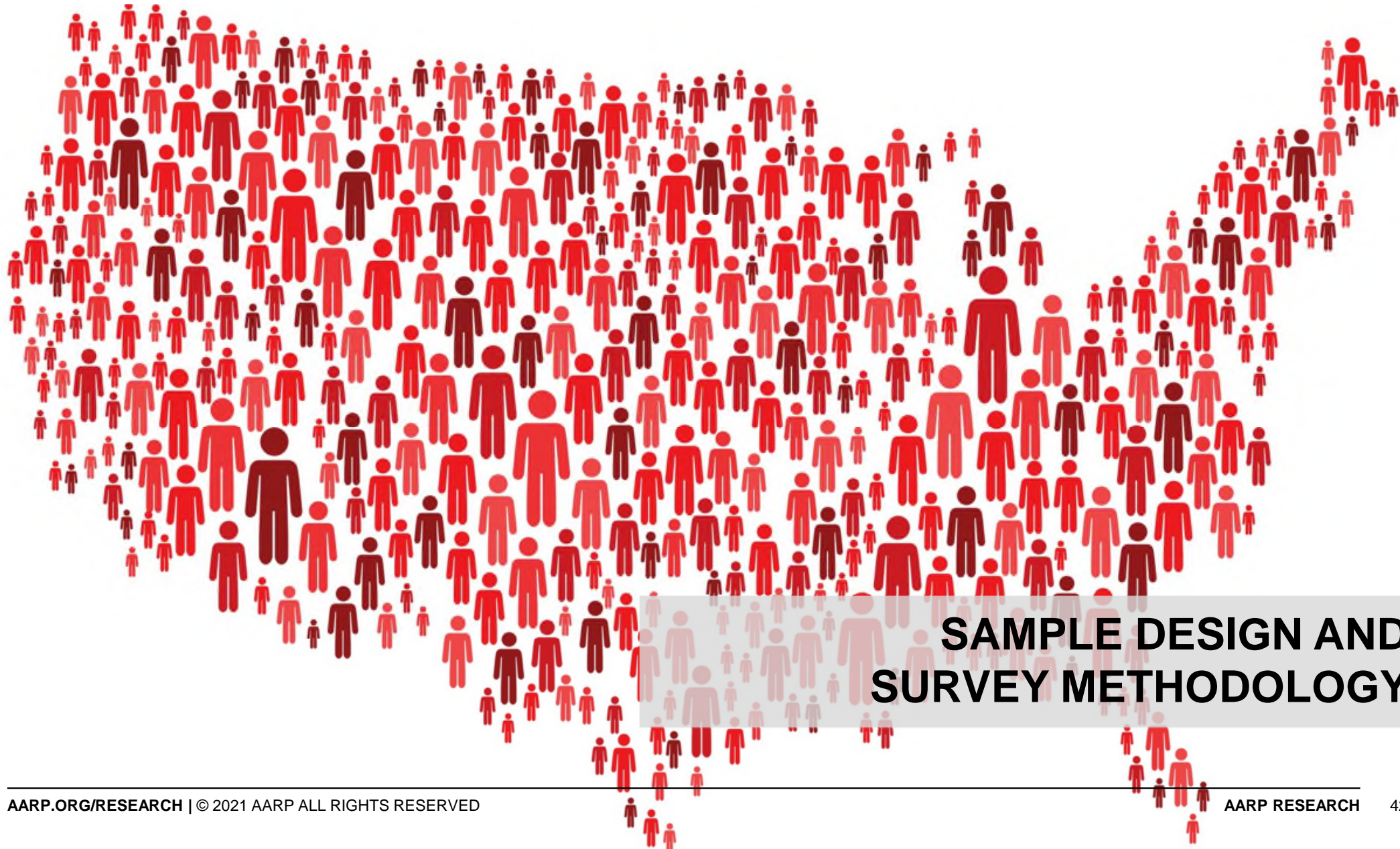
Many Latino adults have not taken protective measures

- ✗ **Robocall blocking service:** Many scams begin with a robocall. Call blocking services are intended to decrease robocalls from getting through to the user. Less than four in ten of Latino adults report using a robocall service on either a cell or landline phone. Usage of robocall blocking services varied significantly by age, with only about one third of those ages 50 and older reporting using a blocking service.
- ✗ **Adding phones to Do Not Call list:** Just under one third of Latino adults report registering their phone on the federal government's National Do Not Call Registry. Legitimate telemarketers are prohibited from calling numbers on the registry. It doesn't stop scammers, but cutting down on telemarketing calls can make scam calls easier to spot.
- ✗ **Password tendencies:** Over half of Latino adults report using the same password across accounts and those younger than age 50 report a high incidence of using a same password for every account. Using the same passwords across accounts is a risk factor for fraud losses.
- ✗ **Usage of password manager:** Fewer than 1 in 5 Latino adults report using a password manager to store and manage their online passwords. Password managers help protect online accounts by making it simpler to have strong and unique logins across accounts.

Stark realities

- Education is key in helping consumers spot and avoid scams. Yet this survey indicates that Latino adults may be underserved by educational efforts about scams and fraud compared to White and other racial groups.
- Latino adults who are older, less affluent and female are less aware of scams, putting them at higher risk of experiencing a scam.
- Latino adults who are men, living in suburban areas, report annual incomes of \$50,000 or more, and have at least a college degree are most likely to indicate they lost money to a scam.
- Latino adults compared to White and other racial groups are less likely to have protective software installed on their devices, have robocall protection or have posted their phone numbers to the National Do Not Call Registry. All these protections are designed to reduce fraud susceptibility.
- In addition to the direct economic consequences associated with experiencing a scam, the survey identifies that Latino adults suffer health consequences (both physical and emotional) due to experiencing scams.





SAMPLE DESIGN AND SURVEY METHODOLOGY

Survey methodology

- The survey was fielded between Sept. 14 and Oct. 2, 2020 among U.S. adults ages 18 and older. A mixed-mode data collection process with both web-based and telephone (landline and cell) interviews was utilized to optimize coverage of each population and yield projectable and methodologically sound samples with minimal sample frame error.
- 1,400 telephone interviews were conducted by live callers and 1,408 web-based respondents were recruited through text or email invitations.
- Respondents were all randomly selected with deduped lists so that each respondent had only one opportunity to participate in the study.
- Respondents had the ability to complete the interview in either English or Spanish, with 14% of the overall weighted sample taking the survey in Spanish, including 44% of Latino respondents.
- To explore differences between race and ethnic groups as well as within race and ethnic groups, the study sample was designed to include large samples of U.S. Black and Latino adults and adults ages 50 and older. The Black and Latino samples each contain a margin of error of +/- 3.1 percent.

For more information on the sample design and methodology, go to www.aarp.org/latinoscamexperience

Q8. Do you currently use a robocall blocking service on your cellphone or your landline phone?

Unweighted survey sample groups

Sample reflects 2,808 interviews with U.S. adults age 18 and older.

Unweighted sample groups	Sample count	Ages 18 to 49	Age 50+
White/Other	N=577	N=235	N=342
Latino	N=1,103	N=423	N=680
Black	N=1,128	N=470	N=658
Total sample	N=2,808	N=1,128	N=1,680

Note: N=2,808 completed interviews via online (50%) and phone (50%)

U.S. census population benchmarks applied to sample weights

Weighting methodology

- Rim weighting was applied to the survey data to ensure each racial group was representative of the U.S. population.
- Accordingly, the survey database was weighted using the seven population benchmarks listed in table 1.
- Each racial group was weighted separately according to its population benchmarks.
- After weights had been created for each ethnic group, the data was merged into a single data file.

Table 1

Population benchmarks: Adults 18+*		Whites/Other	Latino	Black
Age	Age_18_to_34	26%	38%	33%
	Age_35_to_49	23%	29%	25%
	Age_50_to_64	26%	21%	24%
	Age_65_Plus	25%	12%	17%
Census division	New England	5%	3%	3%
	Mid Atlantic	13%	10%	13%
	East North Cent	16%	6%	13%
	West North Cent	8%	2%	3%
	South Atlantic	18%	18%	35%
	East South Cent	6%	2%	9%
	West South Cent	10%	20%	14%
	Mountain	8%	10%	2%
Education	Pacific	15%	28%	7%
	HS or less	33%	58%	43%
	Some college/Associate	27%	24%	30%
	Bachelors	25%	13%	17%
Gender	Post graduate	15%	5%	10%
	Male	48%	50%	45%
Hispanic	Female	52%	50%	55%
	Hispanic	0%	100%	0%
Marital	Not Hispanic	100%	0%	100%
	Married	56%	48%	33%
Race	Not married	44%	52%	67%
	White	88%	89%	0%
	Black	0%	5%	100%
Sample size		N=577	N=1103	N=1128

* Source: U.S. Census Bureau

Weighted survey sample groups

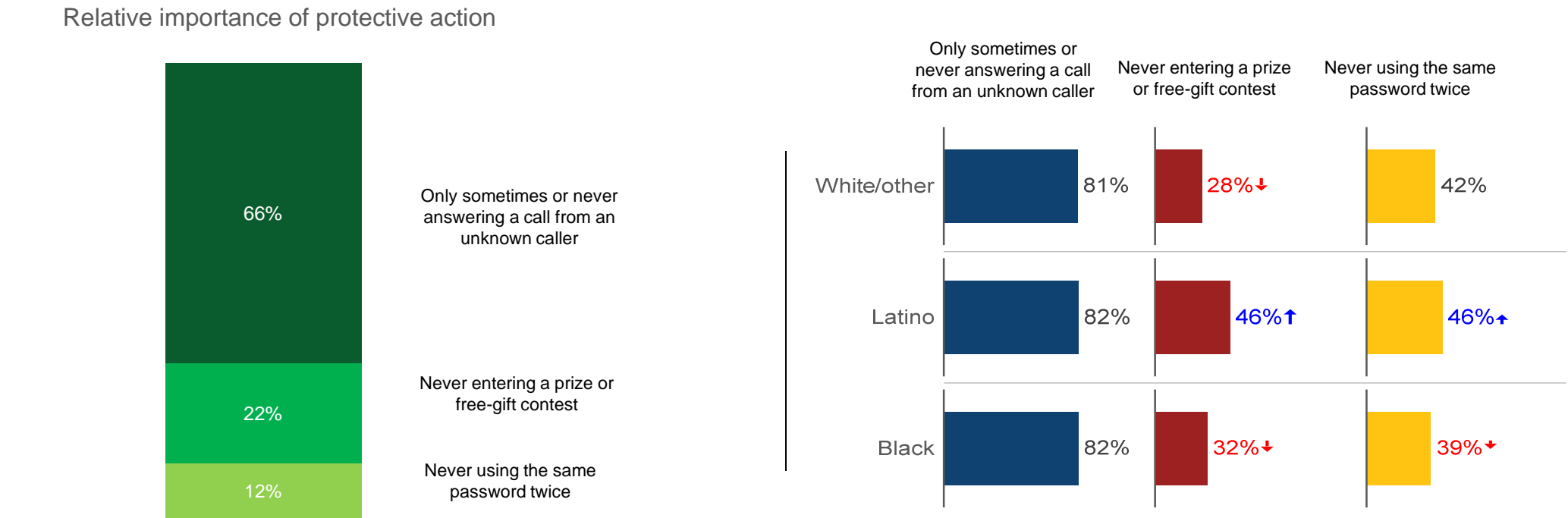
Sample reflects 2,808 interviews with U.S. adults age 18 and older.

Weighted sample groups	Sample count	Ages 18 to 49	Age 50+
White/Other	N=577	N=283	N=294
Latino	N=1,103	N=748	N=355
Black	N=1,128	N=659	N=469
Total sample	N=2,808	N=1,690	N=1,118

APPENDIX.

Across all racial groups, *sometimes or never answering a call from an unknown caller* has the largest impact in reducing exposure (losing money/being a victim) to scams.

Latino adults reported the highest level of engaging in two other consumer actions that have an impact on reducing exposure to scams: *never entering contests* and *never using the same password twice*.



Note: Results are based on a binary regression analysis and the data presented represents relative importance values of each behavior.

**UP and DOWN arrows indicate statistical significance in respective direction

Note: Only sometimes or never % is based on creating a new variable using Q3=no and Q4=never Q4=sometimes.

Binary behavior model results: All racial groups

Binary Logit: Lost money to any scam

	Estimate	Standard Error	t	p
(Intercept)	2.62	0.17	15.05	<.001
Never use same password for more than one online account: Yes, use the same password for all, few or select online accounts	-0.49	0.14	-3.40	<.001
Answering a call from someone you don't know: Yes, answer calls from people dont know	-1.78	0.14	-12.74	<.001
Enter a prize/free gift contest: Yes, enter contest	-0.65	0.17	-3.88	<.001

n = 2,808 cases used in estimation; data has been weighted (weight_race); R-squared: 0.1408; Correct predictions: 82.51%; McFadden's rho-squared: 0.1424; AIC: 2,421.7; multiple comparisons correction: None

Relative Importance Analysis (Binary Logit): Lost money to any scam

	Importance	Raw score	Standard Error	t	p
Never use same password for more than one online account: Yes, use the same password for all, few or select online accounts	-11.97	0.017	0.008	-2.22	.026
Answering a call from someone you don't know: Yes, answer calls from people dont know	-65.66	0.092	0.013	-7.00	<.001
Enter a prize/free gift contest: Yes, enter contest	-22.37	0.031	0.011	-2.79	.005

n = 2,808 cases used in estimation; data has been weighted (weight_race); R-squared: 0.1408; multiple comparisons correction: None;



Latino  **Decisions**

African American Research Collaborative
Understanding and Communicating Black Political Action

Matthew Petrie, President, BVA BDRC — Americas weighted, analyzed the data and authored this report (matthew.petrie@bva-bdrc.com)

For questions on this issue, please contact Kathy Stokes, Director of AARP Fraud Prevention Programs, at kstokes@aarp.org.

For media inquiries, please contact Emily James, AARP External Relations, at ejames@aarp.org.

For questions regarding the survey and methodology, please contact Jennifer Sauer at jsauer@aarp.org or Angela Houghton at ahoughton@aarp.org.

This report, the topline survey and full methodology report can be located at www.aarp.org/latinoscamexperience. To view findings from the Black adult sample, please go to www.aarp.org/blackscamexperience.

This research was designed and executed by AARP Research