[Preventing] Financial Exploitation of the Elderly

NCSL Capitol Forum
San Diego, CA
Monday, December 11
2017 Older Americans Benchmarking Survey Results Summary

www.aba.com/seniors
Scope of the challenge

• In the next 20 years, the Senior population will grow to 79 million

• Isolation, aging and health put Seniors at particular risk of fraud

• There are more financial crimes against Seniors than ever before

Sources: Joint Center for Housing Studies and Allianz Life
Profile of Survey Respondents

By Bank Asset Size

- < $500M: 43%
- $500M – $999M: 13%
- $1B – $9.9B: 35%
- $10B+: 9%

By Primary Geographic Footprint

- Local: 67%
- State-wide: 15%
- Regional/Multistate: 14%
- National: 4%

Note: The percentages in charts and tables may not always sum up to 100 percent due to rounding or multiple answers provided by the respondents.
70% of Deposits Held by Older Customers

- **Traditionalists** (born before 1946): 23%
- **Baby Boomers** (1946–1964): 32%
- **Generation X** (1965–1984): 38%
- **Millennials** (1985–2004): 19%

**Percentage of Deposit Balances**:
- **Traditionalists**: 38%
- **Baby Boomers**: 32%
- **Generation X**: 9%
- **Millennials**: 14%

**Average age of bank depositors**
- **Today**: 51.6
- **Five Years ago**: 52.2

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7 in 10 banks require specialized elder training

- Yes, training is required for all: 71%
- Yes, training is offered, but not required: 12%
- Yes, training is required for some: 6%
- No, does not offer training: 10%

For banks with less than $1B in assets:
- Yes, training is required for all: 67%
- Yes, training is offered, but not required: 18%
- Yes, training is required for some: 9%
- No, does not offer training: 5%

For banks with $1B+ in assets:
- Yes, training is required for all: 77%
- Yes, training is offered, but not required: 12%
- Yes, training is required for some: 5%
- No, does not offer training: 7%

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Banks increasingly using automation to detect fraud

ALL RESPONDENTS
- Yes: 47%
- No: 53%

< $1B IN ASSETS
- Yes: 35%
- No: 65%

$1B+ IN ASSETS
- Yes: 64%
- No: 36%

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Personal relationship still important

<table>
<thead>
<tr>
<th></th>
<th>ALL RESPONDENTS</th>
<th>&lt;$1B IN ASSETS</th>
<th>$1B+ IN ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone call</td>
<td>77%</td>
<td>79%</td>
<td>73%</td>
</tr>
<tr>
<td>In person</td>
<td>57%</td>
<td>61%</td>
<td>51%</td>
</tr>
<tr>
<td>meeting</td>
<td>25%</td>
<td>26%</td>
<td>22%</td>
</tr>
<tr>
<td>E-mail</td>
<td>25%</td>
<td>26%</td>
<td>22%</td>
</tr>
<tr>
<td>Text message</td>
<td>5%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>8%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Various ways banks report suspicious activity

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place an internal flag on account to be monitored for future suspicious activity</td>
<td>82.2%</td>
</tr>
<tr>
<td>Report to law enforcement</td>
<td>68.3%</td>
</tr>
<tr>
<td>Report to Adult Protective Services</td>
<td>62.4%</td>
</tr>
<tr>
<td>Close existing accounts and open new accounts for the customer</td>
<td>57.4%</td>
</tr>
<tr>
<td>Offer elderly customer education materials/resources</td>
<td>48.5%</td>
</tr>
<tr>
<td>Report to state regulatory agency</td>
<td>41.6%</td>
</tr>
</tbody>
</table>

[aba.com/seniors](http://aba.com/seniors)
Banks creating outside partnerships

- Senior-focused agencies or companies (e.g., area agencies on aging, senior centers, assisted living facilities)
  - ALL RESPONDENTS: 40.2%
  - <$1B IN ASSETS: 35%
  - $1B+ IN ASSETS: 48%

- Law Enforcement
  - ALL RESPONDENTS: 25.8%
  - <$1B IN ASSETS: 24%
  - $1B+ IN ASSETS: 27%

- Community-based organizations such as the United Way, American Legion
  - ALL RESPONDENTS: 24.7%
  - <$1B IN ASSETS: 18%
  - $1B+ IN ASSETS: 33%

- Adult Protective Services
  - ALL RESPONDENTS: 14.4%
  - <$1B IN ASSETS: 11%
  - $1B+ IN ASSETS: 19%

- Attorney General/District Attorney Offices
  - ALL RESPONDENTS: 12.4%
  - <$1B IN ASSETS: 11%
  - $1B+ IN ASSETS: 14%

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Banks are hosting community outreach events for older customers

- **All Respondents**
  - Yes, currently: 47%
  - No, plans exist: 32%
  - Not yet: 21%

- **< $1B in Assets**
  - Yes, currently: 40%
  - No, plans exist: 26%
  - Not yet: 33%

- **$1B+ in Assets**
  - Yes, currently: 56%
  - No, plans exist: 14%
  - Not yet: 30%

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Banks are helping educate caregivers to protect Seniors

- **Fraud awareness training**: 100% for all respondents, 100% for <$1B in assets, 100% for $1B+ in assets.
- **How to manage another person’s money**: 57% for all respondents, 83% for <$1B in assets, 38% for $1B+ in assets.
- **Other (e.g., Full complement of FDIC Money Smart curriculum)**: 29% for all respondents, 50% for <$1B in assets, 13% for $1B+ in assets.

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Key Takeaways

• Banks Play a critical role at the frontline, but can’t solve alone
• Partnerships are essential
• Technology can enhance ability to identify risks
• Regular training is key to giving employees the tools they need
• Attention should also be given to educating caregivers
• Staying ahead of latest scams and fraud risks is key
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