

For Immediate Release

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As Cognitive Abilities Decline In Older Consumers, their Risk for Financial Exploitation Increases:
AFAR supports Governor Andrew Cuomo's Plan to Protect Older New Yorkers from Financial Abuse
and applauds US Senator Kirsten Gillibrand's Senior Financial Empowerment Act

NEW YORK, NY— Alzheimer's disease and related dementias, as well as general decline in mental abilities, can make older adults susceptible to fraud and exploitation. Experts from the **American Federation for Aging Research (AFAR)** warn that failure to address this exploitation of seniors compromised by cognitive impairment puts them at serious risk for losing their money, their homes, or both, while AFAR also calls for a greater collaboration between the scientific, federal, and financial sectors.

Defined as "the illegal or improper use of an elder's funds, property, or assets," financial elder abuse has reached epidemic proportions nationally. According to the 2015 True Link Senior Vulnerability Survey, financial abuse against the elderly amounts to a staggering \$36 billion annually.

Financial exploitation can have a drastic personal and social impact, notes Mark Lachs, MD, MPH, a pioneer in the field of elder abuse research, medical director of the New York City Elder Abuse Center, and President of the American Federation for Aging Research.

"When older adults are financially exploited and there are no resources left for their care, these older victims effectively become wards of the state. They become Medicaid recipients. Elder abuse victims do not just suffer themselves—they suffer in ways that are incredibly expensive to our systems of public health, welfare, and to our entitlement programs," explains Lachs, who is also co-chief of the Division of Geriatrics and Palliative Medicine at Weill Cornell Medicine.

As a 35-year-old national nonprofit whose mission is to advance biomedical research on healthy aging, AFAR recognizes the need to bring scientific insights on cognitive health to the federal and private sectors that serve consumers directly in order to prevent financial elder exploitation.

Likewise, AFAR commends New York Governor Andrew M. Cuomo's recently announced comprehensive plan to protect senior citizens throughout the State of New York from financial abuse, exploitation, and foreclosure.

The governor's plan, unveiled January 8, 2017 in Albany, includes establishing an Elder Abuse Certification Program for banks within New York State, as well as amending the banking law to empower banks "to place holds on potentially fraudulent transactions, and strengthening legislation that will protect senior homeowners with reverse mortgages." The impact of financial abuse of seniors in New York alone is estimated at \$1.5 billion annually.

Governor Cuomo's proposals include an elder abuse certification program for banks; enforcement measures aimed at allowing banks to place holds on or prevent suspicious transactions; and a requirement that banks report suspected elder financial abuse to the appropriate state agencies to take action. There are also proposals to protect seniors against fraud resulting from entering into reverse mortgage agreements.

AFAR also applauds NY Senator Kirsten Gillibrand for introducing the Senior Financial Empowerment Act, which, on a national level, would ensure that seniors and their caregivers have critical information regarding financial abuse, standardize and improve the way elder financial abuse is reported, establish a national hotline that would advise seniors on where and how to report fraud, and provide more resources to combat financial exploitation of older adults before it happens.

“Cognitive impairment is not simply a medical problem: it’s a public health problem, and the banking and financial services industries are at its front lines,” notes AFAR 2007 Beeson Scholar and *Forbes* columnist Jason Karlawish, MD, a Professor of Medicine, Medical Ethics and Health Policy, and Neurology at the University of Pennsylvania in Philadelphia, Pennsylvania. “With aging, our health and wealth face multiple risks. The more we integrate our health and wealth care, the better we can identify and intervene, before it’s too late.”

Major New York-area financial institutions such as Bank of America Merrill Lynch have pioneered programs to sensitize both their clients and advisors on cognitive decline and financial management. Bank of America Merrill Lynch also has appointed a director of financial gerontology, Cynthia Hutchins – the first such position in that industry.

“Bank of America Merrill Lynch’s first responsibility is to protect our clients,” says Ms. Hutchins. “We encourage and train our financial advisors and other client-facing associates to know their clients, trust their own instincts, and to report suspicious or uncharacteristic activities in client accounts. Moreover, we’re encouraging our industry to create similar programs to better prepare their advisors, many of whom are aging themselves as they serve older clients.”

AFAR believes that New York officials like Governor Cuomo and institutions like Bank of America Merrill Lynch exemplify how federal and financial leadership can proactively prevent the financial exploitation that older consumers may face due to cognitive changes, as AFAR-supported research shows.

“AFAR welcomes opportunities to engage the research, banking, and public sectors and apply the insights we are learning through biomedical research on the cognitive changes that older citizens face that put them at risk for financial exploitation,” notes **Stephanie Lederman, Executive Director of the American Federation for Aging Research**. “We look forward to seeing more older New Yorkers prepared and protected through Governor Cuomo’s plan.”

AFAR has helped advance research on cognitive health and decline in older Americans through its range of grant programs. For example, its Paul B. Beeson Scholars program has funded research projects by MD/PhD’s exploring older adults’ cognitive changes and their financial decision-making and risks. As of 2016, AFAR has awarded \$22.3 million to 227 scientists researching Alzheimer’s disease and related dementias at 90 institutions in 32 states as well as Ireland and Israel. In 2015, a two-part series on elder abuse by AFAR Medical Officer Richard M. Besdine, MD, in *The Huffington Post* helped raise awareness with the general public. In June 2017, AFAR also is helping to organize a think tank at Stanford University with leaders from the scientific and financial sectors to address opportunities for collaboratively addressing how age-related health concerns affect older customers’ financial decisions.

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About AFAR:

The American Federation for Aging Research (AFAR) is a national non-profit organization whose mission is to support and advance healthy aging through biomedical research. Founded in 1981, AFAR has championed the cause and supported the funding of science in healthier aging and age-related medicine. To address the shortage of physicians and researchers dedicated to the science of healthier aging, AFAR funds physicians and scientists probing the fundamental mechanisms of aging, as well as specific diseases associated with aging populations at critical points throughout their careers. AFAR engages the public through webinars, conferences and our online resource, InfoAging, featuring over two dozen downloadable guides, edited by guest experts on topics ranging from theories of aging, age-related conditions, healthy lifestyle tips, and more. Learn at www.afar.org or follow AFARorg on Twitter and Facebook.