Older Americans

Growing Targets of Financial Fraud (along with everyone else!)

Many of us grew up in a different world where it was customary to be courteous and trusting. Unfortunately, these standards of conduct could get some individuals into trouble. Con artists bank on the tendency of people (of all ages and backgrounds) to respond to:

- shared affiliations, or
- interactions that push our buttons of convenience, confusion, anxiety, or wishful thinking.

Scammers have become very skillful at getting everyone, from the savvy to the naïve, to listen, read, or make that first click. Scams have become very convincing, with realistic emails and phone communications. Often the effect is increased if friends' or family members' email accounts are hacked and used to pass along the bogus item to their "private" email groups/cc's, easily lifted from old email history.

This type of crime often goes unreported due to the embarrassment fraud victims can experience, which is exactly what scammers count on.

Scammers can temporarily trip up the most cautious among us…So it is key to arm yourself with habits that improve your odds of extracting yourself when you invariably are targeted.

The FINRA Investor Education Foundation in partnership with WISE Senior Services and the AARP researched why older individuals are often victimized by financial fraud. The report revealed psychological tactics typically used by cons:

- Victims may be pressured to believe that their only option is the scam, or the scammer may request help, tapping into the victim's sympathy.
- Another ploy is to claim famous investors or people the victim knows are also buying into the property or product in such high demand, and how lucky the victim is to have this exclusive opportunity. It is easy for a scammer to find online the names and addresses of a potential victim's relatives, neighbors, or community groups to add false credibility.
- Con artists may also prey on victims' fears to coerce them into making decisions; offer no-risk, guaranteed results; or tell victims they must continue to invest to keep what they have already paid in.

- People who have experienced negative life events, such as job loss, divorce, or the death of a spouse are more inclined to be open to a supposed solution to their problems.

Fighting Back

The best way to fight fraud is to remove yourself as quickly as possible from urgent-sounding warnings, requests, and offers, even if it feels rude. Give yourself time to think and regroup! Don't attempt to argue with or out-reason the other person. Don't comply in some small way that you think will get rid of them—they will be encouraged by that success and will be back, likely pushing harder. Be skeptical, question in your mind why the request or demand to act is being made to you at this time. Do your own research. Get second opinions from friends, trusted advisors, and family before taking any action whatsoever. Remember, if it sounds too good to be true, or feels threatening, it is.