Financial Abuse of Older People by Family Members

Major Findings from a National Research Project
Aims of this presentation

• To overview findings from a current national research project that focuses on developing strategies to prevent the financial abuse of older people by their family members
  – Definitions of financial elder abuse
  – Prevalence and nature of the problem
  – Its impact on older people and families
  – Explanations for and factors contributing to financial elder abuse
  – Barriers to older people reporting this form of abuse
  – Key strategies for early intervention and prevention
About the Project

• Project title - Preventing the financial abuse of older people by their family members: Designing and evaluating older-person-centred models of family mediation
• Australian Research Council (ARC) Linkage project (University of South Australia & Flinders University)
• Industry partners:
  – Department for Families & Communities
  – Office for the Public Advocate
  – Relationships Australia
  – Alzheimer’s Australia SA
  – Guardianship Board
Progress to date

- A comprehensive review of the national and international literature
- A national online survey of CEOs and service providers (n = 442 respondents)
- A phone-in and a national online survey of older people and family members concerned about financial elder abuse (n = 128 respondents)
- Currently in the process of working with industry partners to trial and evaluate an ‘older-person-centred’ model of family mediation
Defining financial elder abuse

• According to the World Health Organisation (WHO) (2002), financial elder abuse is: ‘The illegal or improper exploitation or use of funds or other resources of the older person’

• This includes acts with adverse financial outcomes committed by people known to and in a trusting relationship with the older person as well as strangers and institutions
Difficulties in defining the problem

• Financial elder abuse is difficult to define because it often occurs within complex family relationship situations, where older people have a relationship of trust with the abuser.

• In particular, it is difficult to put into practice what is meant by ‘improper exploitation or use of funds’ because different families and cultures have very different attitudes and values regarding what constitutes improper use of funds.

• Defining an ‘elder’ or ‘older person’ further complicates the definition of financial elder abuse.
The implications of definitional difficulties

- The issue of defining the problem of financial elder abuse has an impact on factors such as prevalence and risk factors for financial abuse.
- For example, the WHO’s broad definition includes a wide range of behaviours, from deliberate theft to inadvertent mismanagement, which would likely lead to the identification of high prevalence rates (problem appears to be widespread).
- However, narrow definitions would likely lead to the identification of less common but more serious forms of abuse, which may exclude situations where there are elements of financial abuse present (problem appears to be less common).
Intended and unintended abuse

A working definition of financial abuse needs to include both intended and unintended acts of financial abuse:

- Intended financial abuse – the deliberate intention to deprive an older person of the benefit of their assets for the benefit of another person
- Unintended financial abuse – the inadvertent and/or uninformed financial mismanagement or neglect of financial assets, wherein an older person is deprived of the benefit of their assets
Examples of illegal or improper use of an older person’s funds/resources

• Stealing from the older person
• Misappropriation or misuse of money, property, assets
• Coercing an older person to give away assets or gifts
• Putting pressure on an older person to accept lower-cost or lower-quality services to increase financial resources for beneficiaries upon the older person’s death
• Misuse of powers of attorney
• Withholding funds from the older person or denying them access to funds
Examples of illegal or improper use of an older person’s funds/resources (cont.)

• Failure to repay loans to the older person
• Living with the older person and refusing to contribute money for expenses
• Forging or forcing an older person’s signature
• Getting an older person to sign a will, contract or power of attorney through deception, coercion or force
• Abusing join signatory authority
• Promising long-term care in exchange for money or property and then not providing the promised care
Case-studies

Meryl’s daughter refuses to visit or communicate with her until Meryl gives her money or buys her significant assets, which is cyclical in nature. As a result of loneliness and feeling to blame for the daughter's life outcomes (being single, unhappy and an alcoholic), Meryl eventually complies and gives her daughter money and assets.

Mavis does not speak English and cannot read and write in her own language. Recently, her son has put pressure on her to sign legal documents without consulting his three siblings and without an interpreter being present. In the event of Mavis’ death, her son will inherit 85% of her estate.
At various times over the last three years, Harold’s son and daughter have borrowed money from him to buy new motor vehicles and other high priced items. Neither have repaid these loans and Harold is finding it difficult to pay his household bills. When Harold asks his son or daughter about the loans, they tell him that it is pointless to pay him back as these loans will eventually be offset by their inheritance.

Harvey is a guarantor on this daughter’s home loan and over the years he has paid the arrears when his daughter has fallen behind on the mortgage. Over the last eighteen months, the situation has worsened as his daughter lost her job and has been unable to find employment due to her alcohol abuse. The bank has told Harvey that if the arrears are not paid, they will sell his house to pay the loan.
Prevalence of financial elder abuse in Australia

- No national prevalence study for elder abuse has been conducted in Australia but it is estimated that 0.5 to 5 per cent of older Australians have experienced financial elder abuse (Darzins et al, 2009)
- Psychological and financial abuse – non-physical forms of abuse – are the most prevalent forms of abuse to be reported by people aged 65 years and over (Procopis, 2007)
- The majority of abusers of older people (80-90%) are close family members (Kurrle, 2004)
- Older women are at particular risk of financial, physical and sexual abuse, usually by younger or older men (Boldy et al, 2002)
Prevalence of financial elder abuse in the UK

• 1st UK National Prevalence Study (Biggs et al, 2009)
  – 2.6% of respondents reported that they had experienced mistreatment, the most common being neglect (1.1%), followed by financial abuse (0.6%)
  – Women (90%) were significantly more likely to have experienced mistreatment than men during the previous year but prevalence of financial abuse was similar for both men and women
  – Main perpetrators of financial elder abuse were other family members (54%), care workers (31%) and partners (13%)
  – Men primarily perpetrators of interpersonal abuse (80%) – ‘spouse abuse grown old’
  – Gender split for perpetrators of financial abuse was more equal (56% men & 44% women)
Prevalence of financial elder abuse in the USA

- The National Elder Mistreatment Study (Acierno et al, 2010)
  - One in ten respondents reported some form of abuse in the previous year
  - Financial abuse by a family member was by far the most prevalent form of elder abuse *reported* (5.2%), followed by potential neglect (5.1%) and emotional abuse (4.6%)
  - Older adults who needed assistance with activities of daily life or who reported poor health were more likely to be victims of financial abuse due to their increased vulnerability
Impact of financial abuse on older people and families

• Profound impact – sums of money may be small but their importance may be significant due to some older people’s meagre income and assets
• Financial losses may have a bigger impact on older people as they have less time and capacity to recover
• May force major life decisions such as the sale of the older person’s home
• May cause marked emotional distress, which could lead to poor physical and mental health
• If older people lose their assets, they may not be able to provide for themselves and may become more dependent upon family members and/or the State
Explanations for and factors impacting on financial elder abuse

• The abuse of power within relationships where there is an implication of trust
• The vulnerability of the older person is a significant factor – more vulnerable = more likely to be abused
• A strong link between abuse of older people and dementia as older people who lack cognitive capacity are less able to manage their financial affairs
• Family members believing that they are entitled to the older person’s assets as part of their inheritance
• Increased isolation and dependence with ageing
• Lack of access to extended family or communities of support (particularly for CALD women)
Explanations for and factors impacting on financial elder abuse (cont.)

• Abuse and control from a spouse or partner (e.g. domestic violence) persisting into old age
• Family members seeking compensation for what they perceive was an abusive childhood
• Language, religious and cultural barriers restricting knowledge about and/or access to services
• Family members having a drug or alcohol addiction, gambling problem, or mental illness
• The older person losing a partner or spouse
• Family members who are struggling financially
• Ageist community attitudes
Barriers to older people reporting financial abuse

• Estimates of the prevalence of elder abuse in Australia could be much higher given that many cases are thought to go unreported

• Many older people may be prevented from reporting abuse due to their dependency on the abuser, isolation, mental, cognitive, or physical illness or disability but it is these older people who are most at risk of abuse due to their increased vulnerability

• While under-reported, financial abuse is potentially the most detectable form of abuse
Barriers to older people reporting financial abuse (cont.)

- Older people may be reluctant to report financial abuse because:
  
  - They feel responsible for the actions of the abuser
  - They fear the stigma and shame associated with abuse
  - They fear that their family members will be penalised or prosecuted
  - They want to preserve a family relationship
  - They fear reprisal from the abuser
  - They depend on the abuser to remain living in the community
  - They are fearful that they will lose their financial independence if it appears that they are unable to manage their own financial affairs
  - They do not know where or who to turn to for help
  - They may be unaware that they are being financially abused
Key strategies for early intervention and prevention

• No specific legislation for dealing with financial abuse in Australia

• Legislation to protect the ‘elderly’ is problematic

• Background police checks for working with the elderly are not conducted for theft and related crimes

• No national policy/approach in Australia for dealing with elder abuse but several states have set up their own systems (e.g. the Aged Rights Advocacy Service (ARAS) in SA – Elder Abuse Prevention program)

• Several early intervention & prevention strategies have been proposed and/or implemented in Australia →
Key strategies for early intervention and prevention (cont.)

- Public awareness campaigns (information about the problem and how to deal with it)
- Education of older people (e.g. asset management)
- Education of professionals (to improve detection & reporting)
- Elder abuse helpline (Elder Abuse Prevention Unit (EAPU) in Queensland)
- Power of Attorney (POA) & Enduring Power of Attorney (EPA) (allow the older person to appoint one or more trusted persons to manage their assets)
- Mandatory reporting of abuse (only in the US, Canada, Israel, South Africa)
- Family mediation (or family meetings)
Family mediation

• We are currently developing and trialling a model of family mediation to prevent and mitigate financial elder abuse.

• The goal is for the older person and/or their family members to identify and discuss issues of mutual concern in relation to person’s welfare in order to develop options that enhance his or her well-being and to make decisions and document plans to reduce vulnerability and risk (Bagshaw et al, 2009).

• The model supports the self-determination of older people (including those with diminished capacity) and ensures that their voices, wishes and long-standing values are heard and taken into account in decisions affecting their lives.
Family mediation (cont.)

• The model focuses on supporting and providing information to the older person and their family members as well as resolving current or potential disputes and/or misunderstandings.

• We contend that this strategy may not be helpful in situations where the abuse of the older person is particularly severe or intentional and/or where the older person is afraid of the abuser.

• Older persons with diminished cognitive capacity would need to be supported by a person they trust in this process.
Family mediation (cont.)

- We view family mediation as one of several potential strategies across a continuum of service provision in prevention and early intervention:

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<th>Primary prevention</th>
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| • Public awareness campaigns  
  • Education of older people | • Power of Attorney (POA)  
  • Enduring Power of Attorney (EPA) | • Elder Abuse Prevention Program (ARAS)  
  • Mediation | • Mediation |
References


• Bagshaw, D., Wendt, S. & Zannettino, L. (2009) Preventing the abuse of older people by their family members, a stakeholder paper for the Australian Domestic and Family Violence Clearinghouse, University of New South Wales.


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