



**Investor
Protection
Trust**



**Investor
Protection
Institute**

**Results from the
Investor Protection Trust/
Investor Protection Institute**

**Elder Investment Fraud and
Financial Exploitation
Survey of Experts**

Released on August 15, 2012



www.investorprotection.org






IPT/IPI SURVEY ON CFPB REQUEST FOR INFORMATION








1. What is your profession?

		Response Percent	Response Count
State securities regulator.		9.0%	68
Financial planner.		4.1%	31
Other investment professional.		1.5%	11
Health care professional.		4.1%	31
Social worker.		15.9%	120
Professional geriatric care giver.		0.8%	6
Other caregiver.		0.4%	3
Adult protective services.		22.7%	171
Law enforcement.		3.3%	25
Elder law attorney.		4.0%	30
Financial educator.		7.8%	59
Other academic.		5.4%	41
None of the above.		20.8%	157
answered question			753
skipped question			3





2. How often do you deal with the elderly victims of investment fraud/financial exploitation?

		Response Percent	Response Count
Very often.		33.2%	243
Somewhat often.		31.5%	230
Not very often.		25.6%	187
Never.		7.9%	58
Don't know/not sure.		1.8%	13
answered question			731
skipped question			25








3. How serious would you say the problem of elderly investment fraud/financial exploitation is today?

		Response Percent	Response Count
Very serious.		75.4%	539
Somewhat serious.		21.3%	152
Not very serious.		0.7%	5
Not serious at all.		0.1%	1
Don't know/not sure.		2.5%	18
answered question			715
skipped question			41








4. How vulnerable would you say that older Americans are to investment fraud/financial exploitation today?

		Response Percent	Response Count
Very vulnerable.		77.6%	554
Somewhat vulnerable.		21.6%	154
Not very vulnerable.		0.4%	3
Not vulnerable at all.		0.0%	0
Don't know/not sure.		0.4%	3
answered question			714
skipped question			42










5. What financial education, counseling, or personal finance management programs do you think are best tailored to the unique financial needs of older Americans and their families or caregivers? (Pick up to three of the below.)

		Response Percent	Response Count
Programs delivered by securities/investment regulators at the state and national governmental level.		24.5%	175
Programs delivered through senior centers and other facilities catering to older Americans.		65.0%	464
Programs delivered by senior-oriented national and local organizations.		54.9%	392
Programs delivered through the news media and mass media, such as public television.		42.0%	300
Programs delivered by local professionals, such as caregivers, adult protective services workers, law enforcement agencies, and health care professionals.		70.6%	504
Other.		4.2%	30
Don't know/not sure.		4.1%	29
answered question			714
skipped question			42







6. What do you think the best practices are today in providing seniors financial literacy and robust, practical information on personal finance management? (Pick up to three of the below.)

		Response Percent	Response Count
Availability primarily in person.		70.7%	498
Availability in person and via the Internet.		35.4%	249
Availability through recorded media, such as CDs and DVDs.		17.8%	125
Quantification of participation.		15.9%	112
Measurement of results in terms of improved awareness/understanding.		52.0%	366
Other.		5.8%	41
Don't know/not sure.		10.9%	77
		answered question	704
		skipped question	52






7. What do you think are the most common types of fraudulent, unfair, abusive or deceptive financial practices target Americans age 62 and over? (Pick up to three of the below.)

		Response Percent	Response Count
Financial scams perpetrated by strangers.		46.5%	327
"Affinity fraud" schemes perpetrated by individuals, groups or institutions known to a senior.		34.1%	240
Theft or diversion of funds or property by family members.		79.4%	558
Theft or diversion of funds or property by caregivers.		49.4%	347
Promotion of inappropriate or excessively risky financial products.		23.3%	164
Promotion of overpriced or poorly performing financial products.		11.0%	77
Exploitation of the equity in the senior's home.		14.2%	100
Abuses under power of attorney or guardian situations.		41.1%	289
Don't know/unsure.		1.4%	10
answered question			703
skipped question			53





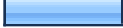
8. What types of fraudulent or deceptive practices target older veterans and/or military retirees? (Pick up to three of the below.)

		Response Percent	Response Count
"Affinity fraud" schemes perpetrated by individuals, groups or institutions known to a senior.		36.8%	257
VA Aid and Attendance fraud, in which veterans are advised to transfer retirement funds into irrevocable trusts that cause them to lose access to the funds and also become ineligible for Medicaid benefits.		23.0%	161
Military pension buyout schemes, in which veterans are offered cash payments in return for their military pension payouts in a manner that could ultimately deprive the veteran of the majority of his or her pension.		18.6%	130
Veterans/military retirees face basically the same and deception risks as other older Americans.		50.6%	354
Other.		3.1%	22
Don't know/not sure.		34.8%	243
answered question			699
skipped question			57

9. How able do you think older Americans are to determine the legitimacy, value, and authenticity of credentials held by their financial advisors and planners?

		Response Percent	Response Count
Very able.		2.1%	15
Somewhat able.		35.9%	251
Not very able.		51.2%	358
Not able at all.		6.6%	46
Don't know/not sure.		4.1%	29
answered question			699
skipped question			57

10. How effective do you think current efforts are for maintaining the legitimacy, value, and authenticity of credentials held by financial advisors and planners?

		Response Percent	Response Count
Very effective.		2.6%	18
Somewhat effective.		33.0%	229
Not very effective.		38.0%	264
Not effective at all.		9.1%	63
Don't know/not sure.		17.3%	120
answered question			694
skipped question			62






11. How effective do you think existing accountability controls are when it comes to deterring the misuse of “senior advisor credentials”?

		Response Percent	Response Count
Very effective.		1.3%	9
Somewhat effective.		17.3%	121
Not very effective.		41.8%	292
Not effective at all.		17.2%	120
Don't know/not sure.		22.5%	157
answered question			699
skipped question			57

12. How adequate are resources available to seniors when it comes to explaining to the subject matter expertise presented or implied by individuals touting specific senior-oriented certifications and designations?

		Response Percent	Response Count
Very adequate.		1.0%	7
Somewhat adequate.		19.3%	134
Not very adequate.		45.5%	317
Not adequate at all.		17.8%	124
Don't know/not sure.		16.4%	114
answered question			696
skipped question			60

13. How effective are available resources for seniors when selecting a financial advisor with appropriate knowledge to address their specific financial needs?

		Response Percent	Response Count
Very effective.		1.7%	12
Somewhat effective.		27.8%	191
Not very effective.		42.4%	291
Not effective at all.		10.9%	75
Don't know/not sure.		17.2%	118
		answered question	687
		skipped question	69