

# Aging in America:

## An Examination of Financial and Health Decision Making among Older Adults

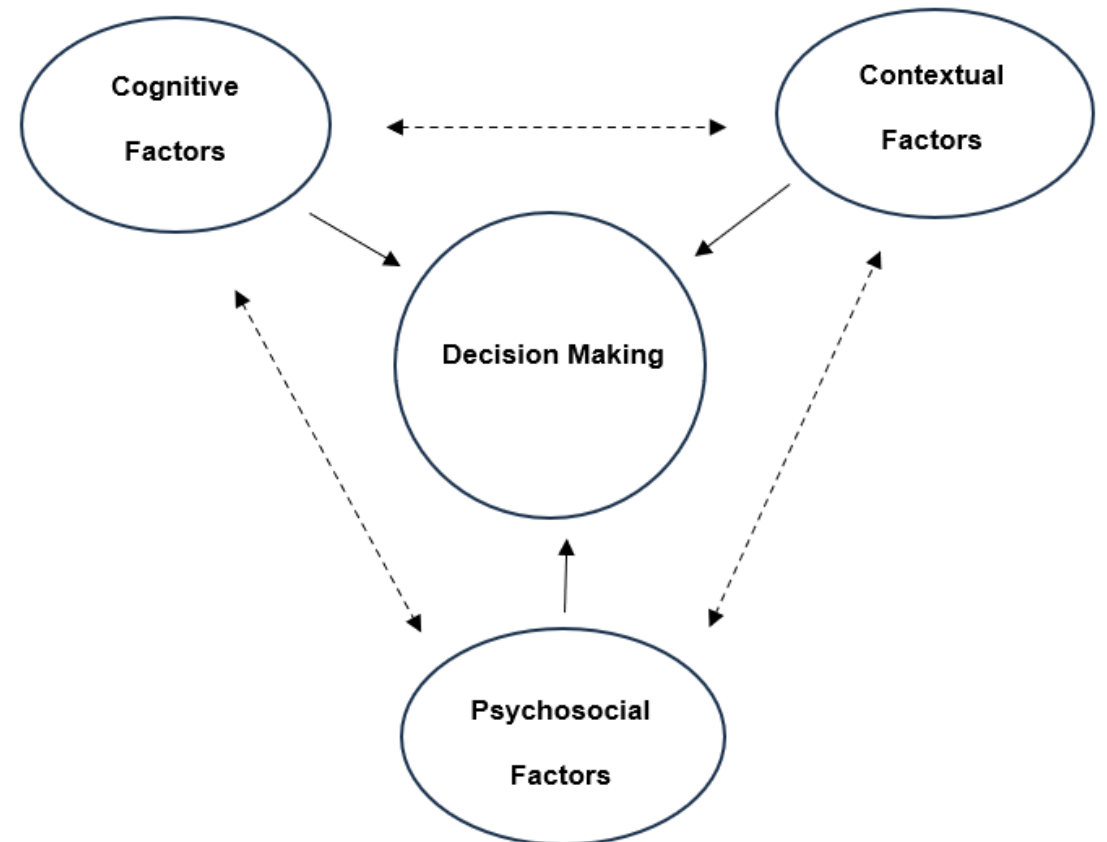
Pension Research Council 2024 Symposium

May 2, 2024

# Background

- Aging is Associated with Changes That Can Affect Decision Making
- Yet, Older Adults Need to Make Important Financial and Health Decisions
- Rush and FINRA Foundation Collaboration Started in 2019

## Conceptual Framework



# About the Data

## Rush Memory and Aging Project

- Cohort Study of Chronic Conditions of Aging
- Older Adults Throughout the Chicago Area
- Participants Agree to Annual Home Visits
- Started in 1997/Sub-study on Financial and Health Decision Making Started in 2010
- More Information and Data at [www.radc.rush.edu](http://www.radc.rush.edu)

# Cognitive Factors

## **Cognition**

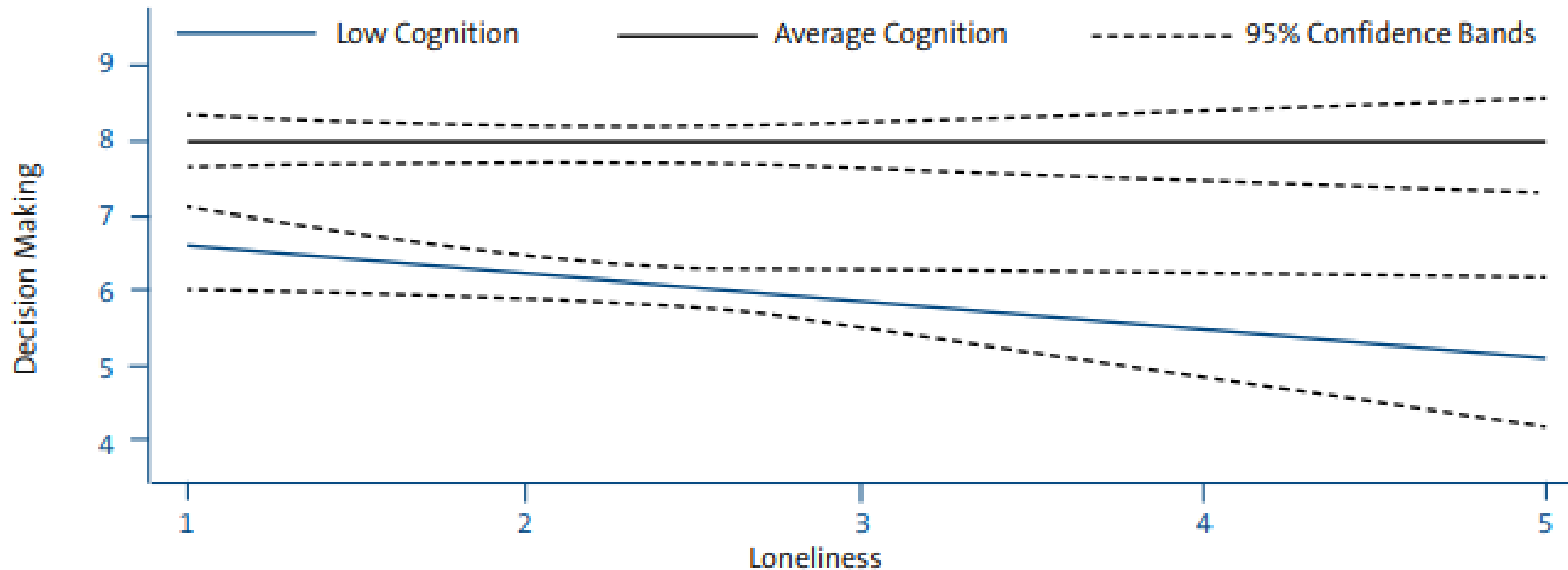
- Positively Related to Financial and Health Decision Making
- Also Related to Variables Tied to Decision Making
- Less is Known About How Cognition Interacts with Other Variables



# Psychosocial Factors

## Loneliness

- Lower Cognition Associated with Poorer Decision Making
- No Main Effect for Loneliness
- Interaction—Loneliness Mattered for Those with Low Cognition

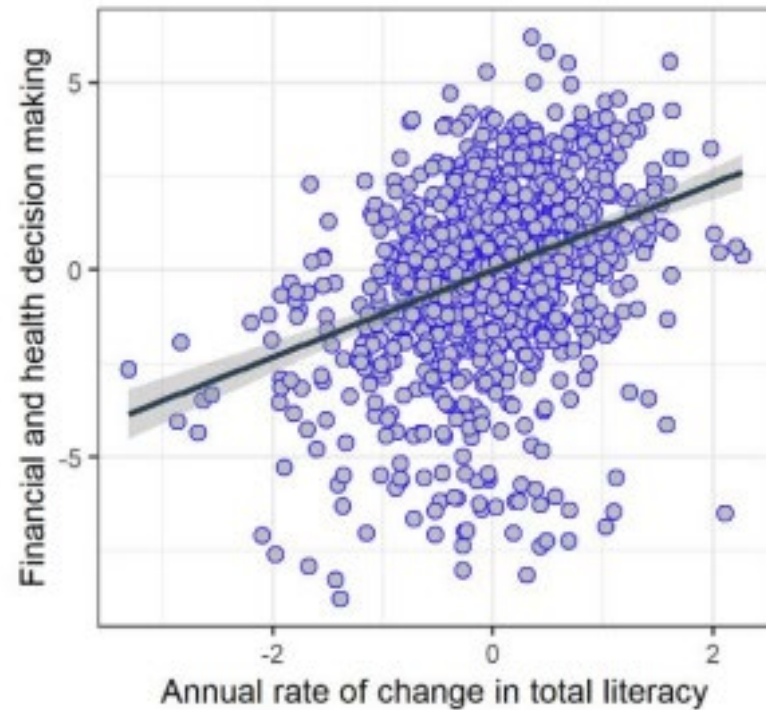


Stewart, Yu, Glover, Mottola, Bennett, Wilson & Boyle (2020)

# Contextual Factors

## Financial and Health Literacy

- Faster Declines in Financial and Health Literacy Associated with Poorer Decision Making



*Yu, Mottola, Bennett & Boyle (2021)*

## Other DVs

Also, Effects for Scam Susceptibility and Psychological Wellbeing



## Gender Differences?

Men and Women Decline at the Same Rate

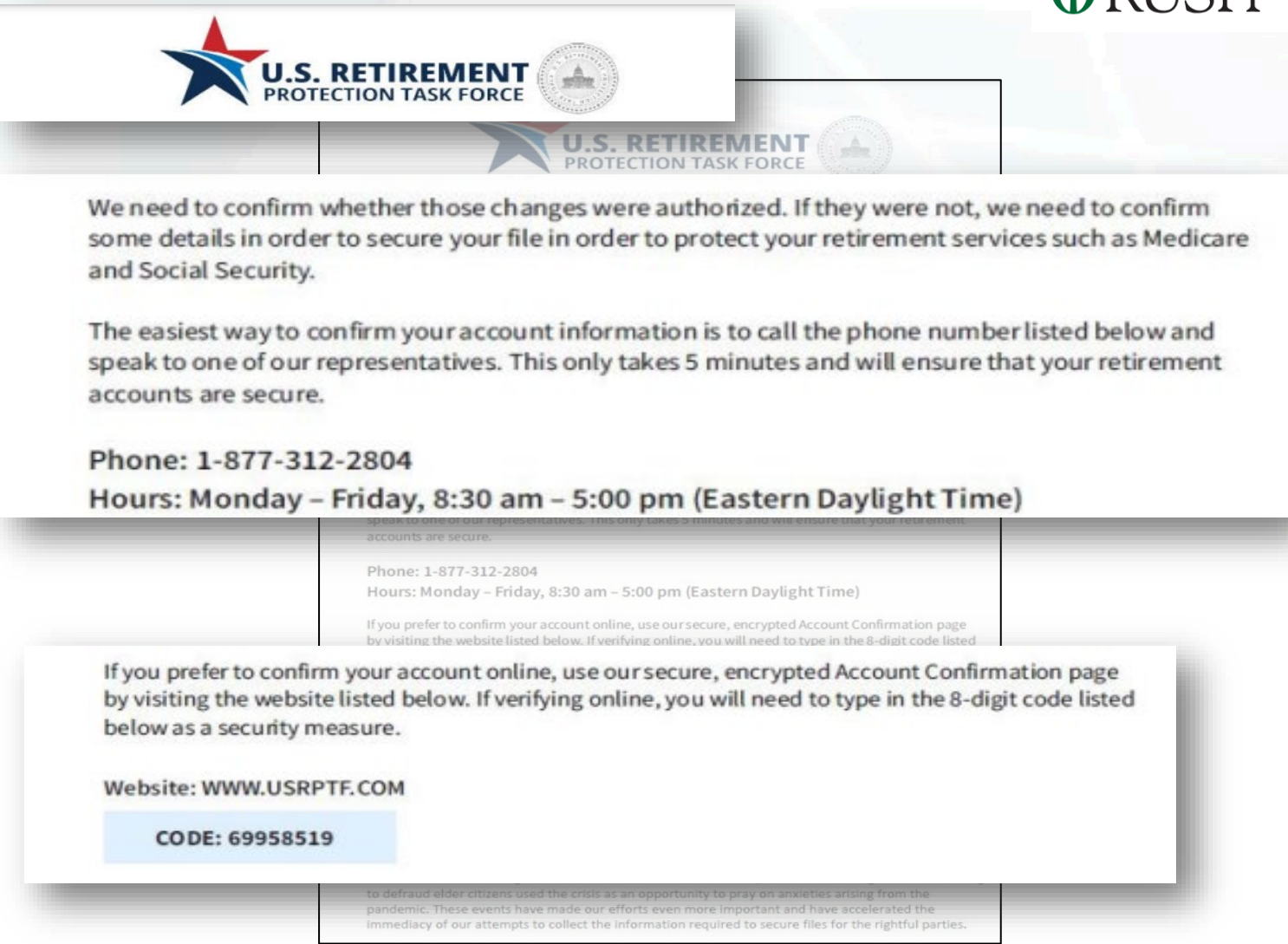
# Scam Susceptibility—An Experiment

## Background

- Under Reporting
- Actual vs. Self Reported

## Government Imposter Scam

- Fictitious Agency
- Multi-channel Touch Points
- Focus on “Live Agent” Data



The screenshot shows a scam email from the U.S. Retirement Protection Task Force. The header includes the task force's logo and name. The main body of the email contains the following text:

We need to confirm whether those changes were authorized. If they were not, we need to confirm some details in order to secure your file in order to protect your retirement services such as Medicare and Social Security.

The easiest way to confirm your account information is to call the phone number listed below and speak to one of our representatives. This only takes 5 minutes and will ensure that your retirement accounts are secure.

**Phone: 1-877-312-2804**  
**Hours: Monday – Friday, 8:30 am – 5:00 pm (Eastern Daylight Time)**

If you prefer to confirm your account online, use our secure, encrypted Account Confirmation page by visiting the website listed below. If verifying online, you will need to type in the 8-digit code listed below as a security measure.

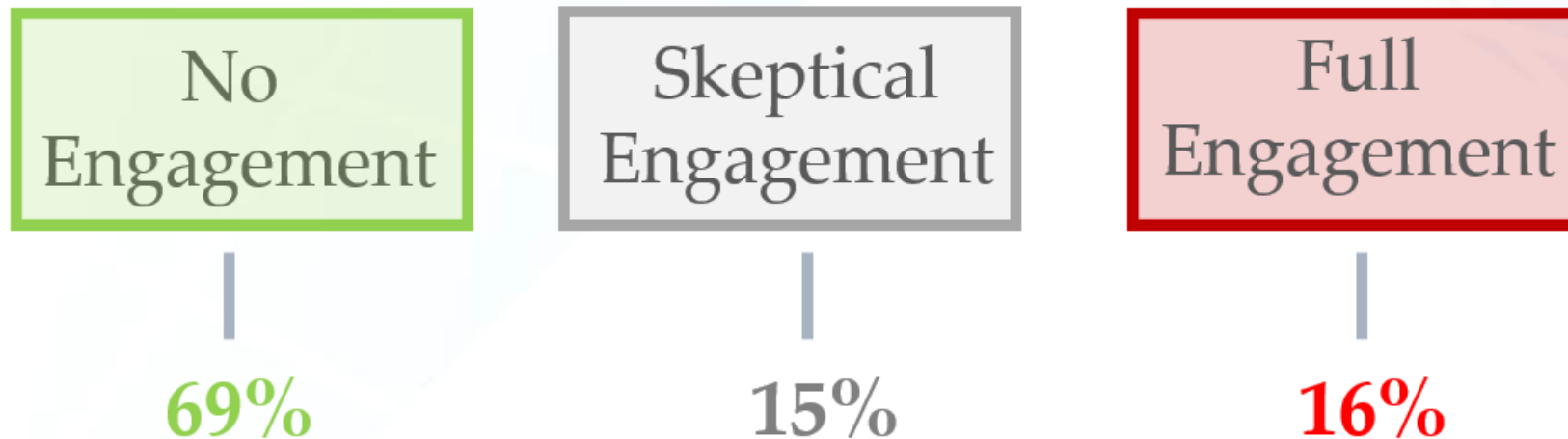
**Website: WWW.USRPTF.COM**

**CODE: 69958519**

At the bottom of the email, there is a small, faint line of text: "to defraud elder citizens used the crisis as an opportunity to prey on anxieties arising from the pandemic. These events have made our efforts even more important and have accelerated the immediacy of our attempts to collect the information required to secure files for the rightful parties."

# Scam Susceptibility—An Experiment

## Results—Engagement



## Correlations

- Skeptical Engagement Group Had the Highest Cognition
- Full Engagement Group
  - Lowest Financial Literacy
  - Lowest Scam Awareness



# Key Takeaways

## Research Suggests...

- Cognitive, Contextual, and Psychosocial Variables are Key Determinants of Decision-Making Ability
- Cognition, Financial Literacy, and Scam Awareness are Tied to Fraud Susceptibility
- Educational Opportunities Exist for Protecting Older Adults