Aging in America: An Examination of Financial and Health Decision Making among Older Adults

Pension Research Council 2024 Symposium

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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
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
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

Other DVs
Also, Effects for Scam Susceptibility and Psychological Wellbeing

Gender Differences?
Men and Women Decline at the Same Rate

Yu, Mottola, Bennett & Boyle (2021)
Background
• Under Reporting
• Actual vs. Self Reported

Government Imposter Scam
• Fictitious Agency
• Multi-channel Touch Points
• Focus on “Live Agent” Data
Scam Susceptibility—An Experiment

Results—Engagement

- **No Engagement**: 69%
- **Skeptical Engagement**: 15%
- **Full Engagement**: 16%

Correlations

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

Stewart, Mottola, Kieffer, Mascio, Vales, Bennett & Boyle (2023)
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