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People over 65 at risk for scams



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Fraud costs Americans more than \$50 billion a year, and the targets are disproportionately people ages 65 and older.

There's a reason bad folks like to target the elderly: As we age, we tend to make more emotional decisions. Researchers at the Stanford Center on Longevity, in collaboration with the Financial Industry Regulatory Authority and AARP, recently released a study that found older investors are more susceptible to fraud than younger ones due to the emotional states — both positive and negative — they were experiencing.

According to Doug Shadel, a co-author of the report: “Whether the con artist tries to get you caught up in the excitement of potential riches or angry at the thought of past and future losses, the research shows their central tactic is the same and just as effective. ... Cons are skilled at getting their victims in to a heightened emotional state where (they) suspend rational thinking and willingly hand over (their)

hard earned money to a crook.”

To protect yourself or an older friend or family member, try not to act when you feel yourself in a heightened emotional state. If you are on the other side of a high-pressure sales tactic (e.g., “Time is running out!” or “This is a onetime offer!”), run the other way. The same goes for any pitch where you are being asked to pay upfront fees, told that you won a contest that you didn't enter, or receive unsolicited mail, emails or phone calls for services that you were not seeking. Practice saying “No” or “I'm not interested. Thank you.”

That's easy enough when a come-on is patently absurd, but even seemingly legitimate investments are often unnecessary and expensive or even fraudulent. According to the Boston University Center for Retirement Research, here are some red flags for shady investment pitches:

- They appear to be too good to be true.
- A very high or “guaranteed” return is offered at “no risk” to the investor.
- The salesperson suggests that you not tell family members or friends about the offer.
- A solicitor tries to lure you with a “free lunch.”
- The proposed investment cannot be investigated, inspected or checked out further.
- The terms of the deal are so complex that they are difficult or impossible to understand.

In order to protect yourself and your relatives, the Consumer Financial Protection Bureau, FINRA and the SEC offer these tips:

- Sign up for the National Do Not Call Registry at <https://www.donotcall.gov>.
- Shred junk mail, old bills, bank statements and any other documents that have personal identifying information.
- Don't give out personal information over the phone unless you originated the call and you know with whom you are talking. Particularly safeguard your Social Security number.
- Be rude. At the slightest hint of pressure, feel free to hang up the phone or close the door.
- If you don't understand a contract or other legal document, don't sign it. Consult a reputable professional first.
- Perform a criminal background check on any personal or home care assistant you hire.

Urge all family members, especially older relatives, to discuss any unsolicited offers before writing a check. If you suspect fraud or a questionable practice, call FINRA's toll-free Securities Helpline for Seniors (844-57-HELPS) or go to www.finra.org/investors/finra-securities-helpline-seniors.

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