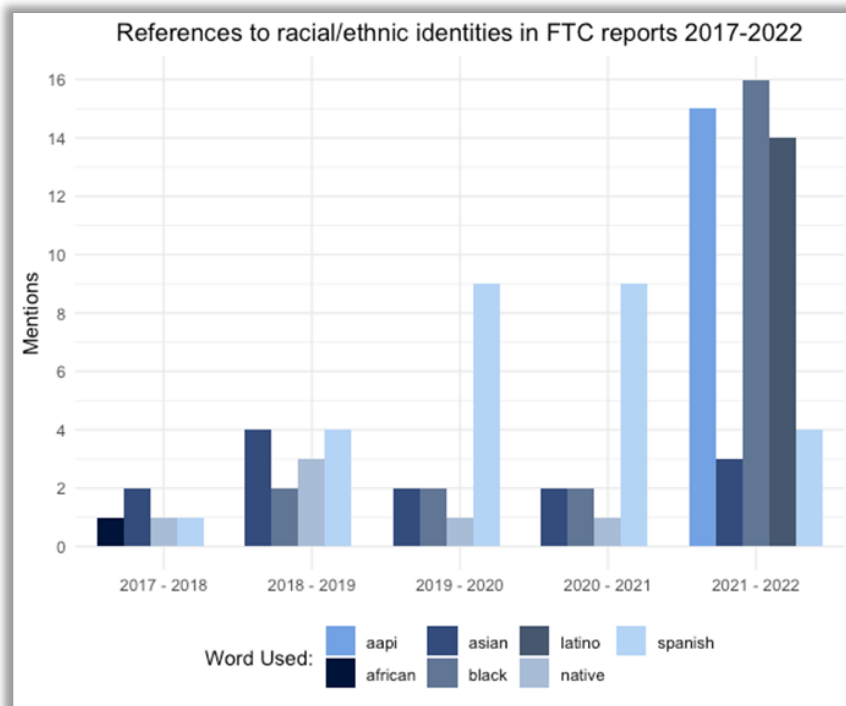




## FTC Increasingly Takes Account of Race and Ethnicity in Assessing Elder Fraud Trends

SAFE's vision is to eliminate the financial exploitation of older adults through its work as both watchdog and advocate. Among SAFE's values is a concern for all vulnerable communities. As part of its ongoing work, SAFE analyzed each of the Federal Trade Commission's (FTC) annual "Protecting Older Consumers" reports dating back to 2017. SAFE conducted a close reading and performed a word count of each report, yielding a quantitative measure of the FTC's shifting approach to fraud complainants who are both over 60 and who belong to a racial or ethnic minority.

SAFE assesses that the FTC has increasingly taken into account the racial and ethnic identity of victims of elder fraud. While the FTC's accounting of victims' racial and ethnic identity has increased steadily since its 2017-18 report, the mentions of terms such as "Black," "Latino," "AAPI," and "Spanish" increased dramatically between the 2020-21 and 2021-22 reports, as depicted in the chart below. Of note, the increase between the 2019-20 and 2020-21 arose mostly from use of the term "Spanish," used in two contexts: (1) description of reported scams targeting Spanish-speakers and (2) the FTC's use of Spanish-language materials to educate the public about elder fraud.



By contrast, the 2021-22 featured a marked increase in additional terms such as "AAPI," "Asian-American," "Black," and "Latino." These terms appeared throughout the report, including in a new section that inferred the racial and ethnic identities of complainants and used those inferences to draw further conclusions about how elder fraud manifests in specific communities. For example, according to FTC data, Black older adults are less likely to be victims of Romance scams than

the average of all older adults. According to the same data, AAPI older adults are more likely to be victims of Government Imposters and Investment Scams than the average of all older adults.

SAFE assesses that **increasing focus on the racial and ethnic identity of elder fraud victims is a trend that will continue for the foreseeable future.** This trend is significant for two reasons. First, the 2020-21 report unequivocally recognizes that some communities – such as older adults of color – can be more vulnerable to fraud as a result of lower levels of financial resilience and less access to anti-fraud tools and education. Second, the FTC's analytical focus on such vulnerable victims may suggest that its enforcement practices may shift to target not just those who perpetrate elder fraud, but particularly those who seek to exploit more vulnerable older adults who belong to a racial or ethnic minority.

SAFE recommends: The FTC should not stop at *analyzing* racial and ethnic trends in elder fraud. **The FTC should use these insights to adjust its enforcement practices. In particular, the FTC should consider rebalancing its enforcement resources to ensure adequate enforcement actions are taken against fraudulent schemes that disparately affect racial and ethnic minorities, who can be among society's most vulnerable.**