



CONSEQUENCES AND RESPONSE TO IDENTITY THEFT VICTIMIZATION AMONG OLDER AMERICANS

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Identity theft is one of the fastest-growing crimes in the United States, affecting more than 3.6 million older Americans. This study examines how socioeconomic status, demographic characteristics, and incident-specific factors relate to how much money is stolen, the likelihood of experiencing out-of-pocket costs, emotional distress, and the decision to report identity theft among older adult victims.

Identity theft victimization causes financial and emotional harm

Identity theft is the intentional, unauthorized use of a person's identifying information for unlawful purposes (Federal Trade Commission, 1998). In addition to financial costs, victims may experience ruined credit, legal trouble, challenges enrolling in benefits they are eligible for or entitled to, anxiety, and distress. Prior research on identity theft victims of all ages indicates that that baby boomers are significantly more likely than millennials to be victims of identity theft (Burnes, DeLiema & Langton, 2020), and that age is positively associated with out-of-pocket costs for incidents involving misuse of bank account information (Reynolds, 2020). Other research has shown that older adults, women, and those with lower household incomes are significantly more likely to report emotional distress following identity theft incidents (Randa & Reynes, 2019).

This is the first study to examine the outcomes of identity theft victimization specifically among adults aged 65 and older, and to determine the correlates of those outcomes. Data includes more than 3,000 older victims who participated in the 2016 or 2018 Identity Theft Supplements to the National Crime Victimization Survey. Victims are asked how much money identity thieves obtained from them, whether they experienced out-of-pocket costs, whether the incident resulted in emotional distress, and whether they reported the incident to law enforcement, a credit bureau, and/or a consumer complaint organization. We examine how socioeconomic and demographic factors relate to financial, emotional, and reporting outcomes, and what incident-level characteristics influence the decision to report.

The poorest older Americans are the most likely to experience out-of-pocket costs

Out-of-pocket costs are losses that are not recovered or reimbursed by a credit card company or other business or financial institution. Results indicated that victims living at or below the federal poverty level (FPL) and those between 100 and 150 percent FPL were between two and three times as likely to suffer out-of-pocket costs compared to victims living at 501 percent FPL or greater.



Older female and older African American victims are more likely to report emotional distress

More than a third of older adults reported that identity theft victimization caused moderate to severe emotional distress. Female victims were 74 percent more likely to report distress than male victims, and African American victims were 44 percent more likely to report distress relative to non-Hispanic white victims, although the latter finding only trended toward statistical significance ($p < .1$). Measures of incident severity were the strongest correlates of distress and included having more money stolen by the perpetrator, suffering out-of-pocket costs, and spending more hours trying to resolve the incident. The longer that information was misused by perpetrators before discovery, the more likely the victim experienced emotional distress. Incidents that led to subsequent problems with friends or family members were significantly associated with emotional distress.

Older adults with less social capital are less likely to report identity theft

Education and income were significantly associated with reporting identity theft to the police. Victims with some college or an Associate's Degree were more than twice as likely as those with less than a high school degree to report to the police and a credit bureau. Those living at or below the poverty level were 66 percent less likely to report to police than those living at 501 percent or more FPL. A similar trend was reporting to a credit bureau although it was not statistically significant. Emotional distress, the number of hours spent trying to resolve the incident, and having information misused for six months or more (relative to a day or less) were all positively associated with reporting.

Implications

- Limiting the extent of losses from identity theft and reducing the length of time information is misused may reduce the emotional toll of identity theft on older adults.
- Identity theft victims who experience subsequent problems with friends or family members are more than five times as likely to experience emotional distress, indicating that families need resources to emotionally support older victims.
- Older adults living in poverty need more resources to assist with financial recovery and reporting identity theft to law enforcement agencies.
- Education on cybersecurity and personal identity protection behaviors may help older adults keep their information secure. Protective behaviors include routinely changing passwords, making passwords complicated, monitoring financial transactions, and locking up or shredding documents could reduce the extent of identity exposure.
- Future research should examine the impact of identity theft on older adults with cognitive impairment and how victimization affects trust in participating in online activities.

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