this situation involves family members. The most common types of elder financial abuse or fraud seen by CPA financial planners over the past five years were ...

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Financial fraud against the elderly is on the rise. Almost half of CPA financial planners (47 percent) have seen an increase in elder fraud or abuse in the last 5 years, according to a new survey from the American Institute of CPAs. The AICPA PFP Trends Survey found that falling victim to fraud was vastly more likely to have a substantial emotional impact (37 percent) than a substantial financial impact (5 percent). The survey, which included responses from 266 CPAs, was fielded from May 5-27, 2015.

A contributing factor to the emotional impact of financial fraud or abuse is how

for CPA financial planners working with elderly clients is balancing their desire to help their family members financially with the need to ensure that they have the means to continue to meet their own expenses."

The survey found that family members are often involved in elder planning meetings, with spouses taking part 77 percent of the time, and adult children 37 percent of the time. Others involved in the process as part of an elder client's "support team" are attorneys (39 percent of the time), trustees (23 percent) and outside investment managers (19 percent) – underscoring the role of the CPA financial planner in coordinating with others.

"In elder care and planning issues, particularly those that involve dementia, the CPA financial planner serves as the quarterback – calling the plays and making sure that everyone involved is playing the role that they are supposed to," said Jean-Luc Bourdon, CPA/PFS, and a member of the AICPA's PFP Executive Committee. "Whether it is decisions regarding estate planning, long term care or housing, it's crucial that CPA financial planners coordinate with other professionals employed by their elderly clients."

One of the most emotional aspects of elder care planning is decisions about housing, including helping elderly clients make the decision to relocate into a continuing care facility. The survey found that CPA financial planners had assisted 15% of their elderly clients with decisions relating to housing options or nursing home due diligence analysis in the last year. Forty-four percent of respondents reported that they're providing this service for their elderly clients more frequently than they were five years ago. With the U.S. population continuing to age, it is likely that this trend will continue moving forward.

Providing elder planning services requires an approach that combines sophisticated technical expertise with the emotional intelligence to understand a client's needs.

CPA financial planners suggest a number of strategies for safeguarding their elderly

another. This helps provide checks and balances, and, since elder financial abuse is often committed by a relative, checks and balances are important.
- Tell clients to use their CPA financial planner as "the bad guy." Get them in the habit of saying "I run everything by my CPA financial planner; I'll get back to you" before making financial commitments to others. That way they will not be caught off guard by scams or stories aimed to take advantage of them.
- If a client is displaying competency issues or just can't say no to relatives, put their assets in a Revocable Living Trust and assign a co-trustee. Ensure that all checks – or checks over a certain dollar amount – require two signatures. This can reduce any chance of an elderly client giving to unscrupulous people.

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