



Contextual and Social Predictors of Scam Susceptibility and Fraud Victimization

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According to the Federal Trade Commission, reports of consumer fraud have increased throughout the COVID-19 pandemic, and older adults may be particularly at risk. Nearly 12% of U.S. adults ages 65 to 74 and 8% of adults 75 and older reported that they were victims of a scam in 2017 (Anderson 2019). This study assesses the relationship between negative life events and subsequent fraud victimization and scam susceptibility, as well as examines the impact of simulated social support, psychological well-being, and loneliness interventions on the risk of fraud victimization and scam susceptibility over a seven-year period.

Data comes from the Rush Memory and Aging Project (MAP) decision-making substudy of participants 65 and older recruited from the Chicago area. At enrollment, all participants were free of known dementia and agreed to annual evaluations (N=1,272). Participants undergo comprehensive clinical and cognitive assessments and complete social-behavioral measures on the occurrence of negative life events, social network size, perceived social support, psychological well-being, and loneliness.

Each year, participants also respond to a five-item scam susceptibility questionnaire (e.g., “If a telemarketer calls me, I usually listen to what they have to say”) and answer a question on fraud victimhood in the past year (yes or no).

More than 300 participants (24.5%) reported that they had experienced fraud at least one time over the course of the study and, on average, 8.8% of participants reported fraud across survey waves. Average scam susceptibility was 2.7 (out of 7).

We found that for every additional negative life event, scam susceptibility increased by only 0.016. Since scam susceptibility is on a 1 to 7 scale, where 1 is strongly disagree and 7 is strongly agree, a 0.016 increase per life event is likely not substantively or clinically significant, despite being statistically significant. After controlling for social variables and cognitive status, negative life events were no longer statistically significant. Experiencing negative life events was not associated with subsequent self-reported fraud victimization in separate linear mixed effects models.

Some secondary findings of these analyses were that higher social support was unexpectedly positively associated with self-reported fraud victimization, and that loneliness and poor psychological well-being were positively associated with greater scam susceptibility. To build on these secondary findings, we next tested the impact of simulated psychosocial interventions on the probability of fraud victimization and average scam susceptibility scores over a seven-year period.

First, we investigated the causal effect of different social

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support trajectories on self-reported fraud victimization. Overall, our microsimulation indicated that higher consistent social support trajectories — consistent social support scores of 5 — “strongly agree” with all four survey items every follow-up year — increased the average chance of reporting fraud victimization over the course of seven years.

Second, we assessed the causal effect of psychological well-being trajectories on average scam susceptibility. While within-subjects variability was low, average scam susceptibility increased slightly over the course of the study from an average of 2.53 to 2.65 with no intervention. Our microsimulation model held participants’ well-being scores at a constant level of 7 (strongly agree in response to all 18 well-being survey items) for seven years. We also tested the effects of a constant well-being score of 6 and a constant well-being score of 5. We found that the greater the well-being score, the larger the decrease in scam susceptibility. Consistent well-being scores of 7 and 6 significantly decreased average scam susceptibility across seven years compared to no intervention by 11.19% (well-being=7) and 4.05% (well-being=6). Given that the average well-being for subjects throughout the course of the study was 5.55, simulating a consistent well-being score of 5 increased average scam susceptibility relative to no intervention. These findings suggest that a consistent intervention that improves self-efficacy, sense of purpose, and life satisfaction may decrease susceptibility to scams, and that the intensity of the well-being intervention matters.

We repeated the procedure with a microsimulation model that reduced loneliness to consistent scores of 1, 2, and 3 (out of 5). The only statistically significant decrease in average scam susceptibility (6.34% decrease from no intervention) occurred when loneliness was consistently

reduced to the lowest level possible. Overall, increasing well-being had a larger effect than reducing loneliness. However, a combined intervention that increased well-being to 7 (highest well-being score) and reduced loneliness to 1 (lowest loneliness score) produced the greatest reduction in average scam susceptibility (16.71%). These simulated interventions have the largest effects in the first two years, followed by more tempered effects in subsequent years.

To determine which subgroups would benefit most from psychosocial interventions, we assessed participants with mild cognitive impairment (versus no impairment, and those who were divorced, separated, or widowed (versus married/partnered). Reductions in scam susceptibility were larger for those who were single, divorced, and widowed, particularly for the combined well-being/loneliness and loneliness alone interventions. These findings suggest that these subgroups may have the most to gain from interventions that improve well-being and decrease loneliness.

Although negative events in late life were not shown to have a meaningful effect on fraud or scam susceptibility, results from the simulations suggest that interventions that improve psychosocial outcomes be developed and tested in applied settings. Cognitive behavioral therapy and activities that foster social engagement may help reduce scam susceptibility in addition to improving life satisfaction and social connection in late life. Future research may explore what mechanisms underlie the association between psychological well-being and low scam susceptibility. ❖

References

Anderson, K. B. (2019). Mass-market consumer fraud in the United States: A 2017 update. Federal Trade Commission. Washington, D.C.

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