



# What Can We Do To Help?

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Adopting Age-friendly Banking To Improve  
Financial Well-Being For Older Adults

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# About CCRH



# Advocacy & Research on Age-Friendly Banking



Community Development  
INVESTMENT CENTER

Working Paper

FEDERAL RESERVE BANK OF SAN FRANCISCO

## What Can We Do To Help? Adopting Age-Friendly Banking to Improve Financial Well-Being for Older Adults

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January 2015  
Working Paper 2015-01  
<http://frbst.org/cdinvestments>



# Research Process



- 400 Survey Responses
- Nine Roundtable Conversations with 150 participants
- All low-income seniors living in affordable rental housing
- No demographic data

## **Resident Survey: Age-Friendly Banking and Elder Financial Abuse**

Please answer the following questions. If you need more space, attach an additional page.

### **BANKING SERVICES AND PRODUCTS**

1. What banking services and products have you used within the past year? Please check **all** that apply.

- Small business loans
- Consumer loans
- Automobile loans
- Annuities (e.g., insurance, etc.)
- GO DIRECT card to receive any Social Security benefits electronically
- Other pre-paid cards
- Debit cards
- Credit cards
- Checking account:
  - Service Fee  Required  Not required  Don't know
  - Minimum balance/deposit  Required  Not Required  Don't know
- Savings account:
  - Service Fee  Required  Not required  Don't know
  - Minimum balance/deposit  Required  Not Required  Don't know
- Options for caregiver account access
- Other, please specify: \_\_\_\_\_

2. Within the past year, have you used a non-bank company to cash a check or borrow money?

- Check cashing service:  Yes  No
- Payday loan service:  Yes  No
- Name of service(s) used: \_\_\_\_\_

3. If "Yes", were you satisfied with the costs, terms, and conditions of the service you received?

- Check cashing service:  Yes  No
- Payday loan service:  Yes  No
- If not satisfied, please explain why not? \_\_\_\_\_

### **BUDGETING AND MANAGEMENT**

Please respond to each of the following statements with either 'True' or 'False'.

4. Within the past year, I have reviewed my expenses such as housing, transportation, food, insurance, prescription drugs, and other daily needs, and created a budget for my future spending.

- True
- False

5. If faced with a significant financial emergency, I feel confident I have adequately planned and saved well enough to weather the emergency for at least three (3) months.

- True
- False, please explain: \_\_\_\_\_

## **Resident Survey: Age-Friendly Banking and Elder Financial Abuse**

### **FINANCIAL ABUSE**

6. Within the past year have you requested a credit report?  Yes  No

7. If "Yes", did you notice a discrepancy in your credit report, such as an unknown address, name, loan, or credit card purchase that is not yours?

- Yes, please explain: \_\_\_\_\_
- No
- Don't Know

8. Have you within the past year received a phone call, mail, email, or visit from someone you don't know asking for personal financial information (e.g. credit card number, banking account numbers, Social Security numbers, Medicare or other personal information)?

- Yes (Credit card number)
- Yes (Banking account number)
- Yes (Social Security number)
- Yes (Medicare information)
- Other personal information, please specify: \_\_\_\_\_

9. Within the past year, do you feel you have been the victim of financial abuse?

- Yes, please explain who took advantage of you. What happened?: \_\_\_\_\_
- No
- Don't Know

### **INCOME SUPPORTS**

10. Of the following income support programs, please note those you are currently receiving.

- Earned Income Tax Credits  Supplemental Security Income (SSI)
- Social Security  Rental Payment Assistance (e.g., Section 8)
- Social Security Disability Insurance  Utility Payment Assistance (e.g., LIHEAP)
- State Health Insurance Assistance Program  Veterans benefits
- Supplemental Nutrition Assistance Program (food stamps)
- Other, please specify: \_\_\_\_\_

### **INFORMATION AND TRAINING NEEDS**

11. Please rank in the order of importance the following subjects that you would most like to learn about to improve your financial security, with one (1) being the most important.

- \_\_\_ Preparing a household budget
- \_\_\_ Planning for retirement
- \_\_\_ Using banking services and products
- \_\_\_ Claiming the federal Earned Income Tax Credit
- \_\_\_ Detecting and avoiding financial fraud and identity theft
- \_\_\_ Accessing income support programs
- \_\_\_ Accessing quality, affordable health care
- \_\_\_ Other, please describe: \_\_\_\_\_

# FINDINGS

# #1

## Older Adults Want and Need Low-Cost Checking Accounts without Minimum Deposit Requirements

- 90% have Bank Accounts
  - Lower for monolingual Spanish speakers (71%) and extremely low-income people (84%)
- 84% rely on Social Security
- Upset over bank fees, minimum balance requirements, and overdraft consequences

## #2

# Older Adults Want Low-Interest Lending and Credit Products for Emergency Use

- 27% have Savings Account
- 42% have Credit Cards
- 3% use Payday loans
- 83% support Credit Card with \$1,000 maximum balance and >5% interest



# #3

## Older Adults Need Assistance Accessing Public Benefits and Income Supports

- Significant confusion over *Social Security GoDirect*
- Accountability and Oversight of Representative Payees
- CalFresh Benefits significantly underutilized
  - Only 4% of respondents said they received CalFresh
  - Only 1/3 of eligible older adults receive food benefits

## #4

# Older Adults Need Help Avoiding Financial Abuse and Fraud and Desire More Educational and Legal Training

- Significant under-reporting of fraud (6%)
- 15% of respondents described “fraud” as unjust bank fees and benefits cuts
- Highest risk – being financially exploited by a trusted individual

# #5

## Older Adults Want In-Person Customer Service

- Desire for more personal relationship with their bank
- Concerns over identity theft cited as biggest reason older adults to not use online banking

# #6

## Older Adults Need Early Intervention Retirement Planning

- *"No one wants to be old and broke...but here we are."*
- Only 13% expressed interest in budgeting or retirement assistance
- CCRH success with values-based budgeting discussions

# Additional Research

# Additional Research

- 41% Latinos and 30% of African Americans do not participate in formal financial sector, compared to only 7% of Whites
- Qualitative analysis allow us to better understand human behavior, reasons why or why not they use financial services, and savings patterns

# Recommendations

# Recommendations

- 1 – Increase Low-Cost Banking and Provide Financial Products to Help Older Adults Facing Emergency
- 2 – Help Older Adults Access Income Support Programs
- 3 – Prevent Financial Abuse and Fraud
- 4 – Integrate Services for the Elderly through Dedicated Customer Service
- 5 – Provide and Support Early-Intervention Retirement Counseling



# CCRH Activities

# Financial Literacy

## National Neighbors Silver Program



- Place- Based Information & Delivery
- Engaging under-resourced rural and suburban communities
- 100% Low-Income Senior Audience
- Strong Partnerships with Financial Institutions
- Thorough Interpretation of “Consumer Protection”
- Customized Curriculum using MoneySmart

# CCRH Bank Partners

