

RESEARCH DIRECTIONS

Protecting the nest egg

Dr Phoebe Bailey, of the School of Social Sciences and Psychology, is leading a team investigating whether some older adults are more likely to be financially exploited because of changes in the way social and emotional cues are interpreted. The Australian Research Council project will test a novel strategy for gauging trust and detecting deception during financial negotiations.

'The fastest-growing form of abuse among older Australians is financial abuse, and this most frequently involves exploitation via a relationship of trust,' Dr Bailey says. 'While expressing trust is essential for maintaining productive, cooperative relationships, withholding trust is critical for avoiding exploitation and destructive relationships. Financial fraud has a substantial psychological impact among older adults, creating stress-related illness that is costly for the individual and the wider economy.'

Ageing is associated with changes in assessing social and emotional information, which sometimes results in older people taking less notice of negative cues in order to focus on the positive. Research has shown that older adults are also more likely to think someone who is lying is being truthful and are sometimes less proficient at interpreting people's motives and intentions. This tallies with evidence revealed by the Australian Securities & Investments Commission (ASIC) in 2007 which showed that financial abuse among older Australians often involves exploitation by friends, family, carers, professionals and strangers, via an existing or manufactured relationship of trust.

This project will bring healthy older adults (aged 65 years and over) and young adults (aged 18-30 years) into the laboratory to participate in a series of real-life financial decision-making scenarios. This will allow the researchers to assess the ways in which age-related changes in the reliance on



cognition versus emotion in decision-making may contribute to difficulty knowing who best to trust.

This is important research given the limited opportunity to recoup losses in older adulthood and the stress associated with financial hardship in older age. An understanding of mechanisms that contribute to the exploitation of older adults could help to form strategies for better financial security among this age group.

Project Title: Ageing, trust, and financial exploitation: social, emotional and cognitive mechanisms

Funding has been set at: \$420,000

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March 2014