

How to Prevent Aging Parents and Relatives From Making Financial Mistakes

Getting family members to listen to you when you think they are headed down a dangerous financial path can be difficult. But there are preventive steps you can take.



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By Paulette Perhach

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Jilene Gunther's uncle noticed her 91-year-old grandfather never seemed to have as much cash as he should in his wallet. A banker with access to the cash dye packs used to catch bank robbers, her uncle put one in a wallet in their home. When the money went missing, a trusted home care worker had the dye on her coat.

The experience inspired Ms. Gunther to dedicate her life to protecting elders from financial fraud, and she is now the director of the BankSafe Initiative at AARP.

Americans over 70 control \$53 trillion in wealth, and they are the prime targets for scams. Their adult children are often the first people to notice when something seems amiss, but when elders are the victims of misdeeds, family dynamics can make it difficult to change their behavior. Experts say it takes empathy, due diligence and sometimes outside help.

It's not just money that's at stake, Ms. Gunther added: Financial exploitation can cause anxiety, depression, a higher risk of heart attacks and even suicide.

Ms. Gunther said older adults might require the help of grown children and trusted friends to see their financial lives more clearly.

“There’s a relationship between age and financially unsound decision-making,” Ms. Gunther said. “It follows this U-curve. Younger people and older people are more prone to making mistakes.”

A Range of Dangers

One of the most insidious situations can involve someone’s trusting a relative who doesn’t have his or her best interest at heart. Or it could be as simple as an investment that’s not appropriate for the elder’s stage of life, Ms. Gunther said.

“They know this is high-risk, but might not be disclosing that,” she said. “And so it’s really important to really slow down and think about things.”

Cybercrime against elders is skyrocketing. In 2024, the Federal Bureau of Investigation’s Internet Crime Complaint Center received nearly 150,000 complaints of cyber-enabled fraud against people 60 or older, with almost \$5 billion in losses, according to the agency’s annual report. The victims lost an average of \$83,000.

Scams can come from investment opportunities, impostors pretending to be the Internal Revenue Service or an online romance.

When you hear something that sounds off, you might react in the moment without thinking, but that would be a mistake, Ms. Gunther said. You want to lead with empathy.

“Coming right out and saying something like, ‘You’ve been scammed’ or ‘This is a horrible decision’ — those are things that are not going to open up the conversation,” she said. “So before writing off their decision as risky or bad, it’s important to do your own research and also to ask questions like, ‘What interests you about this investment? What are you hoping to achieve?’”

Free tools can help with your research. Any company that claims to be publicly traded in the United States should show up on the Securities and Exchange Commission's Electronic Data Gathering, Analysis and Retrieval System. A financial adviser's employment history, registrations and regulatory actions are available at the Financial Industry Regulatory Authority's free BrokerCheck tool. The Consumer Financial Protection Bureau provides a searchable database of complaints about financial products and services. For companies, the Better Business Bureau lists complaints and ratings.

For anyone claiming to have a professional designation, check with the entity that provides that license to confirm that the person has it.

When asking who should be involved in a conversation about fraud, consider which family members talk regularly with the person in question.

"People can also leverage family trust in these types of situations," Ms. Gunther said, adding that adult children who have maintained open dialogues with their parents are better positioned to influence financial decisions.

Looking for Red Flags

In 2024, Rianka Dorsainvil's mother came to her with a check that looked legitimate. All she had to do was deposit it and then send a money order for a lower amount to a third party, and then she'd be able to keep the difference. It's a common check fraud scam.

"I was like: 'Mom, this is not real,'" said Ms. Dorsainvil, the founder and senior wealth adviser at YGC Wealth. "These scammers are becoming so sophisticated in their tactics."

People can now be scammed by clicking on a quiz on social media, signing up for a game or responding to a Facebook message that appears to be from a relative, she said.

Ms. Dorsainvil recommends looking out for if a loved one mentions anything that seems too good to be true. Other red flags include pressure to act fast or guarantees of making money.

If you see something suspicious and want to talk to an elder in your life, Ms. Dorsainvil recommended bringing in a neutral third party so that it doesn't seem like just your own judgment.

"What I share with my clients, especially when it comes to their parents, is: Blame it on me," she said.

Ms. Dorsainvil recommended that you acknowledge what they've taught you about finances, and then add to that what you've learned from financial experts and, if possible, pass them along to someone who can advise them.

"Approach it in an educational manner versus 'I know more than you now,'" she said, "and I think they will appreciate that."

Peter Lichtenberg, a former director of the Institute of Gerontology at Wayne State University in Detroit, said financial missteps could be a sign of a deeper issue.



Peter Lichtenberg, a former director of the Institute of Gerontology at Wayne State University in Detroit, said some people discovered dementia in their parents because their parents were losing money. Nic Antaya for The New York Times

“What we’ve found from some of our focus groups over the years is maybe about one out of every five people discover dementia in their parents because their parents are losing money,” he said. Usually, it takes the form of not remembering that they gave to a cause and sending money again, or falling prey to phone scams.

Signs that dementia may be involved include recent health problems that required hospitalization, increased falls, missed appointments or the repeating of things, like telling the same joke twice in an hour.

This concern adds a second dimension of stigma to the equation, but Dr. Lichtenberg suggested a two-part process for approaching the conversation.

First, take an inventory of your family. How taboo has money been? What are the privacy boundaries around it? How open is your relative to your input about his or her personal life?

Second, he said, “think of it as maybe a series of conversations, because one of the mistakes that people make is they think: OK, well, I’ll just show the person that they’re involved in a scam, and then they’ll logically realize, ‘I guess I have to give that up.’

“But that’s not, of course, what happens,” he added. “And so you’re really in a negotiation.”

Part of negotiation, he said, is a deep understanding of why the situation may be important to the older person. Don’t chide or correct, but instead ask questions in a respectful manner.

“You have to keep that anxiety at bay and that fear and really take it one step at a time as you progress in these conversations,” Dr. Lichtenberg said. “Talk about what the F.B.I. has learned — that older adults are being targeted more and more.”

You may suggest that your relative get a cognitive test during an annual wellness check. Make sure you work with a physician who specializes in older adults with dementia.

The condition can add severity to the financial dangers, Ms. Gunther said.

“We’re seeing with people that are being diagnosed with dementia, they’re losing half their wealth in the years leading up to the diagnosis,” she said, adding that the cause is usually from poor financial decision making or fraud.

How to Protect Your Elders From Fraud

Get ahead of fraud with preventive conversations. Share data on the rise of fraud and ask if they would like help being protected. Letting them take the lead with independence will make it a smoother road.

Ask about protective account options. Some financial institutions offer transaction alerts, daily withdrawal limits or review for unusual transfers. Ask if your parents would add you as a trusted contact on their accounts so their bank, credit union or investment firm can contact you if it suspects fraud.

Ease into account monitoring. Discuss options such as view-only access or subscribe to an account-monitoring service such as EverSafe, which alerts both the account holders and a trusted contact to unusual activity.

Pass along the AARP Fraud Watch Network Helpline. At 877-908-3360, experts offer tips to avoid scams, help with identifying a possible scam and support for victims. They are also open to helping relatives concerned about an elder in their life.

Help them freeze their credit. To prevent new accounts from being opened in their name, your loved ones can freeze his or her credit for free. Equifax, Experian and TransUnion offer this free service, which can be temporarily lifted if credit is legitimately needed.