

SENATE AGING COMMITTEE DISCUSSES FINANCIAL LITERACY, RETIREMENT SECURITY, AND FRAUD PROTECTION FOR SENIORS

EXECUTIVE SUMMARY

On Apr. 15, the Senate Special Committee on Aging held a [hearing](#) to examine financial literacy, retirement security, and fraud prevention among older adults. The hearing focused on the growing complexity of financial decision-making in retirement, the increasing prevalence of scams targeting seniors, and the policy and educational tools needed to improve financial outcomes and protections for aging populations. The Committee also highlighted available resources for seniors, including educational tools and support services, emphasizing the importance of connecting older adults with existing guidance and assistance mechanisms.

Both parties emphasized the urgent need to strengthen financial literacy as demographic shifts place greater pressure on individuals and public systems. Members broadly agreed that older adults are facing increasingly complex decisions related to Social Security, Medicare, and retirement income, often without clear or accessible guidance. Republicans highlighted the importance of improving access to existing financial education resources without increasing federal spending, while Democrats emphasized the need for a more coordinated federal response to protect seniors from financial abuse and ensure equitable access to financial and digital literacy tools, particularly in underserved communities.

Witnesses reinforced the critical role of financial literacy in promoting retirement security and preventing fraud, while emphasizing that education alone is not sufficient. Panelists highlighted the rise of sophisticated scams and the need for “persuasion literacy” to help individuals recognize manipulation tactics. They also underscored structural challenges, including low retirement savings, limited understanding of benefits, and barriers to using financial technologies. The witness panel also emphasized the importance of coordinated national strategies, public-private partnerships, accessible financial planning services, and targeted education efforts to help older individuals make informed decisions, avoid exploitation, and maintain financial independence.

OPENING STATEMENTS

Chair Rick Scott (R-FL) emphasized the growing financial challenges facing older adults, especially complex decisions regarding Social Security benefits, retirement income timing, and Medicare coverage options. He noted that nearly half of U.S. households do not earn enough to meet basic living expenses and that savings typically replace only about 40 percent of necessary retirement income, leaving many seniors financially vulnerable. He stressed that these high-stakes decisions are often

made without clear or accessible guidance, increasing reliance on chance or inadequate preparation. He also highlighted the prevalence of financial scams targeting seniors, arguing that improved financial literacy can help individuals both optimize benefits and protect themselves from fraud. He concluded that addressing these issues does not require increased federal spending, but rather better utilization and dissemination of existing financial education resources.

Ranking Member Kirsten Gillibrand (D-NY) emphasized the growing need for financial literacy as demographic shifts place greater pressure on individuals and public systems. She noted that longer life expectancies require individuals to sustain longer retirement periods, increasing the importance of strategic financial planning. She highlighted that individuals expect programs like Social Security and Medicare to be available when needed, but face uncertainty due to unforeseen circumstances such as disability. She pointed to efforts by the Consumer Financial Protection Bureau (CFPB) to assist individuals facing financial shocks or fraud, while stressing that more coordinated federal action is needed to protect older adults from financial abuse.

WITNESS TESTIMONY

Ms. Christine Kieffer ([testimony](#)), of the Financial Industry Regulatory Authority (FINRA), emphasized that protecting investors and preserving market integrity requires prioritizing financial literacy for older individuals. She argued that financial literacy is not a luxury but rather a necessity for effective retirement planning, noting that financial scams can have serious mental and physical health consequences. However, she highlighted that while financial literacy can serve as a protective factor, it is not sufficient on its own. She stressed the importance of “persuasion literacy,” or understanding the tactics used by scammers, and called for broader dissemination of scam prevention messaging. She also emphasized the need for a more collaborative, global response to cyber-enabled financial threats.

Mr. Sam Kunjukunju ([testimony](#)), of the American Bankers Association Foundation, emphasized the rapid aging of the U.S. population. He highlighted a significant rise in fraud complaints among older adults and outlined the Foundation’s four-pronged approach to addressing these challenges: (1) educating consumers through banker-led financial literacy initiatives; (2) coordinating with financial institutions to detect and respond to scams; (3) collaborating with authorities such as the National Adult Protective Services Association to strengthen protections; and (4) leveraging technological solutions to mitigate fraud. He stressed that financial exploitation often relies on common manipulation tactics, including urgency, impersonation, and enforced secrecy. He concluded that protecting older adults requires a coordinated national response.

Ms. Carly Roszkowski ([testimony](#)), of AARP, emphasized that financial literacy is central to achieving retirement security and must be developed across the lifespan, particularly as financial decisions become more consequential with age. She noted that most adults are concerned about their ability to retire, with many lacking any retirement savings, and warned that these trends are likely to persist. She highlighted that financial literacy also serves as a critical defense against increasingly sophisticated scams. She argued that financial education must go beyond basic savings concepts to

include managing retirement income, Social Security decisions, and debt, and that programs are most effective when delivered through trusted messengers using clear, practical guidance. She called for a comprehensive, ongoing, and actionable national strategy and urged Congress to prioritize the financial needs of older adults.

Mr. Scott Kahan ([testimony](#)), President of Financial Asset Management Corporation, emphasized that access to trustworthy financial planning significantly improves financial outcomes, noting that individuals who work with certified financial professionals are more likely to have emergency savings and feel confident about their financial futures. He highlighted the growing threat of sophisticated fraud targeting seniors, particularly with the rise of artificial intelligence (AI), and noted that victims often face additional financial burdens such as tax consequences on losses. He stressed that financial professionals can help individuals navigate complex decisions and intervene before financial harm becomes irreversible but observed that many people seek assistance only after reaching a crisis point. He argued that financial planning should be accessible to all individuals, not just the wealthy, and urged Congress to advance policies that expand access to financial guidance and protection.

DISCUSSION AND QUESTIONS

Emerging Scams & Financial Decision-Making Challenges

- Chair Scott asked about the primary challenges seniors face when managing major financial decisions. Ms. Roszkowski responded that many seniors lack awareness of their full Social Security benefits and have limited understanding of their projected retirement income and investments.
- Ranking Member Gillibrand asked Ms. Kieffer about common knowledge gaps. The witness highlighted difficulties associated with transitioning from saving to spending in retirement, understanding risk, and navigating new financial products and decisions.
- Mr. Kunjukunju identified investment-related scams, technology-based fraud, romance scams, and a growing number of crypto-related scams, when prompted by **Sen. Jon Husted (R-OH)**.
- **Sen. Andy Kim (D-NJ)** asked about the evolution of scams targeting older adults. Ms. Kieffer noted the rise of more complex scam typologies, including schemes where trusted relationships evolve into fraudulent activity, such as misleading investment advice. Scammers often expand their efforts once a victim has been exploited, she explained.
- Ranking Member Gillibrand raised concerns that many financial technologies are not designed with older users in mind, creating barriers to effective financial decision-making. She asked Mr. Kahan about his experience. He noted that seniors often struggle to distinguish legitimate communications from fraudulent ones, particularly through email. Mr. Kahan also emphasized that embarrassment and shame frequently prevent victims from reporting scams, further exacerbating harm.

Financial Education & Fraud Prevention Tools

- Chair Scott asked about how financial institutions are trained to prevent fraud. Mr. Kunjukunju explained that banks are trained to identify irregularities in customer behavior, including changes in demeanor and bank account activity.
- Sen. Husted asked about specific tools being used to detect fraud. Mr. Kunjukunju emphasized that banks are increasingly trained to recognize behavioral red flags and intervene when activity deviates from established patterns, while also educating consumers to be more skeptical of unsolicited outreach and unfamiliar financial opportunities.
- Sen. Husted also asked for recommendations for family members concerned about fraud. Mr. Kunjukunju emphasized the importance of family engagement, noting that social isolation increases vulnerability and that trusted contacts can play a critical role in identifying and preventing financial exploitation.

Congressional Action & Policy Recommendations

- Sen. Kim raised concerns about the scale of financial scams and asked what steps Congress could take at the federal level. Ms. Kieffer suggested leveraging technology for prevention, including expanding public-private partnerships to better detect and mitigate fraud.
- Chair Scott emphasized the importance of utilizing technological tools to ensure that seniors have access to clear and comprehensive information about financial risks and decisions.
- **Sen. Ashley Moody (R-FL)** highlighted increasing pressure on financial institutions to identify scams amid advancing technology and asked about state-level efforts. Mr. Kunjukunju noted that many states have adopted “hold and delay” laws that allow financial institutions to pause suspicious transactions, and he emphasized the importance of educating seniors about scams to enable more effective intervention. He also pointed to state-level legislative models as potential frameworks for federal action.
- Chair Scott called for congressional action to better protect seniors from financial fraud and highlighted available committee resources, including support services for individuals who believe they have been targeted or victimized.