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New Financial Apps Aim to Protect the Elderly

Financial-technology companies, long focused on millennials, start to cater to older people and their adult children

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A small but growing crop of financial-technology companies are offering online tools meant to help adult children manage and monitor their parents' finances and well-being.

The rise of these services comes as financial companies look to technology to cater to the changing needs of an aging population. A bonus for such companies is the opportunity to develop relationships with adult children who are likely to be beneficiaries of a large wealth transfer in coming years from their parents. The new tools often leverage forms of artificial intelligence to help users perform a range of tasks, from paying bills to monitoring financial accounts for suspicious activities. The services also can assist in curbing exploitation by unscrupulous caregivers, or help family members restrict spendthrift behavior by parents in cognitive decline. So far, the market for these services is in its infancy as most fintech products have been aimed at millennials. That is likely to change, though, given the wealth accumulated by retiring baby boomers.

"It's terribly shortsighted," said Theodora Lau, a former AARP executive who now runs a fintech consulting firm, referring to companies' slow entry. "There is so much they can do with the people who have money right now."

An average of 10,000 Americans turn 65 every day, according to the U.S. Census Bureau. The average net worth of families headed by those aged 65 to 74 was $1.07 million in 2016, including primary residences, compared with $692,100 for all households, according to the Federal Reserve.

Among the pioneers in fintech services for older people are companies such as **EverSafe**, an account-monitoring tool aiming to fight financial exploitation, and True Link Financial Inc., which offers a prepaid debit card that can be customized to limit both how much money a cardholder can spend and where the cardholder can spend it. Everplans provides an online archive for financial documents and wills, and Golden Corp. analyzes accounts to eliminate unnecessary expenses and helps with bill paying. Wealthcare Planning LLC offers a tool that assesses older people's financial decision-making capabilities and suggests specific steps for families to prepare for future challenges facing aging family members.

This new breed of fintech companies are, as of yet, largely untested in terms of effectiveness or safety, and will need to overcome skepticism to succeed.

"Anybody entering this field with software has got to figure out a way to make it extremely convincing that they are not in any way going to misuse personal information, or accidentally, enable misuse," said Laurie Orlov, founder of Aging in Place Technology Watch, a research service. Yet, there is a market need. The Consumer Financial Protection Bureau estimates that in 2017 seniors experienced 3.5 million incidents of financial exploitation, including fraud perpetrated by strangers or theft by caregivers and family members. Adults ages 70 to 79 are estimated to have lost an average of $43,300 in each reported case of financial abuse. Most fintech tools for older people are targeted at their adult children. Many in the so-called "caregiver generation," those caring for parents as well as their own children, are already familiar with online banking tools and are willing to try new services that might save them time.

"People don't live with their parents anymore," said Evin Ollinger, founder of Golden. "How do you take care of your parents when you live 3,000 miles away?

You do it online, on your phone, and you are alerted when you need to help them out."

In order for adult children to access their parents' financial accounts, they must have the parents' permission or power of attorney. Mr. Ollinger, a 62-year-old tech entrepreneur in the Bay Area, came up with the idea for Golden after a bank alerted him that his 84-year-old father had missed his mortgage payment three months in a row. Going over his father's bank and credit-card statements for the first time, Mr. Ollinger realized that while his father was otherwise independent, he needed help managing his money.

Mr. Ollinger shaved over $18,000 from his father's annual expenses by canceling a 427-channel cable contract and subscriptions to professional magazines he no longer read. He also signed his father up for benefits from the Department of Veterans Affairs and negotiated to lower his mortgage rate.

As a lawyer for a company operating senior-living facilities, Andrea Teichman said she diligently monitored bank and credit-card statements and paid bills for her parents, who were both in their 90s and had dementia. So, when her mother died last summer, it came as a surprise to find a lien on her estate due to a credit-card debt.

Ms. Teichman, a 59-year-old resident of Medfield, Mass., then signed up with **EverSafe**, the account-monitoring service that her employer offered to its senior living residents as a benefit. Through its credit-check function, it alerted her that 13 credit card accounts had been opened using her parents' names and social-security numbers. Ms. Teichman learned the accounts were opened, in her parents' names, by a home caregiver.

It took her family nine months to close the accounts and cancel the debts, which totaled nearly $90,000.

Fintech won't address all the challenges of aging parents. "It doesn't replace having conversations and going to their house and making sure you feel good about things," Ms. Teichman said. "But sometimes, going to the house and doing the personal check is not foolproof."

EverSafe was started in 2016 by Howard Tischler, a technology industry executive, and Liz Loewy, a former prosecutor who headed the elder abuse unit in the Manhattan District Attorney's Office. "It was my feeling that not enough was being done within banks, investment firms and credit unions to address this issue," Ms. Loewy said.

EverSafe is available to some customers of Fidelity Investments and Raymond James Financial Inc., as well as through a direct online channel.

Recent regulatory changes are giving a boost to some of these new services by making it easier for financial institutions to contact family members of older customers and suggest optional online protection tools. The Financial Industry Regulatory Authority, or Finra, adopted a new rule in 2018 requiring securities firms to make "reasonable efforts" to obtain contact information for a person trusted by the account holder.

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