Elder Vulnerability: Definition and Application

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Abstract

Older consumers have been identified as the largest group of fraud victims with respect to frequency and financial costs (Friedman, 1992). Suzeanne et al. (1993) refer to the elderly as a "vulnerable group, more susceptible to unscrupulous business practices than younger groups". This study defines elder vulnerability as a combination of three factors: health status, cognitive ability, and social interaction, based on a review of existing literature. Given that elderly persons are disadvantaged in various activities including market activities, it is critical to understand the factors leading to elder vulnerability to improve the quality of lives for the elderly.

The comprehensive components of elder vulnerability were identified. Then, study examined who are the vulnerable elderly using the data from 6,088 elderly households (65 years of age or older) participated in the 2000 Health and Retirement Study (HRS). Variables measuring elder vulnerability were specified combining health, cognitive, and social factors. It was found that elderly persons (people 65 years of age or older) exhibited greater vulnerability than non-elderly persons (people 50-64 years of age). By regressing socio-economic variables on each vulnerability component, the vulnerable individuals' characteristics were identified among the elderly. Within the elderly group, those exhibiting higher vulnerability tended to be older, less educated, African-American/Hispanic, living in rural areas, not employed, have no spouse, and have fewer number of children living near by. Policy programs directed toward these specific elderly populations would be helpful to improve elderly well-being.

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