Exploring the Social and Economic Costs of Abuse in Later Lif

Summary [1]

Abuse in later life ("elder abuse") first became recognized as a potential social problem in North America and many other parts of the world during the mid 1980s. Since that point, much of the focus on the problem has been at a micro-analysis level. While the research is still 15 years behind other forms of domestic violence such as wife assault or child abuse, there is growing evidence that abuse in later life has widespread social implications, and with that, widespread social costs to the individual, society, government and business.

This discussion paper prepared under contract to Health Canada, Family Violence Prevention Unit, is intended to help policy makers and the public understand the broader social costs resulting from abuse in later life. The paper identifies some of the likely cost areas. It does not attempt to identify the extent of those costs, because the information currently available is too rudimentary to attempt that kind of endeavour. However, we point out some preliminary issues to be considered and some of the steps that will need to be taken in order to carry out a cost analysis in this area in the future.

Understanding Social Costs: The term “social costs”, as used here, refers to the cost to society as a whole. The public commonly think of “costs” in terms of government expenditures on services to help seniors experiencing abuse. This is only one component of the social costs of abuse. Social costs refers to the tangible and intangible effects or costs on seniors, families and friends, communities, and businesses. Tangible costs are those that can easily be given a monetary value (such as the cost of hospitalization, the cost of adult protective services, or the cost of training banking staff to identify and respond to suspected financial abuse). Intangible costs refer to matters that cannot as easily be given a specific monetary value. This would include, among other things, pain, anguish, grief, humiliation, damaged sel -confidence or sel -esteem, and loss of faith in family or friends experienced the senior. In communities and groups where there has been a tradition o respect to older members, undermined social norms would be another intangible cost, as would the breakdown of community closeness. It is extremely important to bear in mind these “intangible” costs when assessing the overall impact of abuse in later life.

[1] This is a summary document of a report prepared by Charmaine Spencer, Gerontology Research Centre, Simon Fraser University, Vancouver, B.C. for Health Canada, Family Violence Prevention Unit (Fall, 1999)

The Importance of the Matter: Cost studies are a new way of considering the impact of abuse in later life. It is a difficult endeavour, largely because the level of knowledge and research in this area lags significantly behind other areas of domestic violence or other types of social problems. However, a description of the costs of senior abuse can help demonstrate the profound effect that violence and other harms have, not only on the lives of seniors, but also its widespread implications for governments, institutions and businesses.

Social cost analyses can help guide policy and aid social understanding. Putting a dollar value on violence and other harms against seniors can give us another dimension to a complex social problem. A full social cost analysis can also give us a chance to assess the effects of policy decisions in this area. By having an understanding of the different ways that a society is responding to abuse in later life and what it is currently expending (or not expending) on the issue, government and the public can have a better sense of whether that direction should continue to be pursued, or whether a different approach (e.g. increased or different resource allocation) may be needed in the future. Cost studies also aid our understanding of the "ripple effects" from abuse in later life, particularly in terms of increased chances of poverty for the senior, lost health, or damaged relationships. The analysis helps us to understand the full impact and implications of abuse in our society.

The First Time: To date, there has never been an attempt to look at the costs of abuse in later life.[2] Social and economic costs analyses have been successfully undertaken in a number of other areas, including violence against women and domestic violence. For example, a 1995 Canadian study on selected costs of violence against women placed the estimated annual costs in four policy areas (social services/ education, health/medicine, criminal justice, and labour/ employment) at $4.225 billion.[3] A study conducted by Day (1995), looking only at the health-related costs of violence against women in Canada placed the annual health costs at $1.54 billion.[4] In the United States, the estimated cost of domestic violence ranges from $1.7 billion[5] to $67 billion (1993 figures).[6] The final figure which a study arrives at, depends on what types of costs people are including, as well as the prevalence estimates used and sources of data.[7] The larger the prevalence rate used, the higher

[2] Once again, largely because of the primitive nature of the existing statistics and lack of documentation.
[3] Centre for Research on Violence Against Women and Children (1995) *Selected Estimates of the Costs of Violence Against Women*. London, Ontario: The Centre.
[4] Day, T., (1995) *The Health-Related Costs of Violence Against Women in Canada: The Tip of the Iceberg,* (London, Ont.: Centre for Research on Violence Against Women and Children), p. 34.
[5] Straus, M. (1986) "The cost of intra-family assault and homicide to society." *Academic Medicine 62*, 556-561.
[6] Miller, T., Cohen, M.A., Wiersema, B. (1995) *Crime in the United States : Victim Costs and Consequences.* Unpublished manuscript, 37 pages.
[7] Chalk, R. & King, P. (1998) *Violence in Families* (Washington, D.C.: National Academy Press), at 57.

the annual estimate of total costs is likely to be. [8] The more comprehensive the model, the greater the cost estimate it will yield.

Understanding Differences: While it is tempting to extrapolate from these other cost studies, it is important to recognize that costs of abuse in later life are likely "to play out differently" compared to cost studies of abuse involving younger adults. These other studies typically concentrate on abuse of women. With senior abuse, we will need to describe both abuse of older men and older women, the ways that abuse may affect their lives differently, and whether the costs for older men and older women will be different.

There are other important differences to consider. First, senior abuse encompasses abusive or neglectful situations occurring in community settings or in institutional settings. Second, the relativ division ("burden") of the costs between government and the private citizen may be different for abuse in later life than for other forms of violence, with the older adult currently bearing more of the responsibility for those social costs. The issue has taken much longer to be recognized as a social problem. At present, relatively fewer municipal, provincial or federal government resources in Canada are specifically allocated to abuse in later life, partly because the problem and its impact have not been as well recognized as other forms of domestic violence.

A Primer on Social Costs

Social cost studies are a tool to help better understand a particular issue. They often help inform public policy, but they are not the determining factor. An analysis of social costs involves combining reliable information on how common a problem is, with financial information on specific types of cost areas. It combines elements for which there are market-determined values (e.g. labour, health care, police services), but it also includes matters that cannot easily be given a monetary value (for example, an abused senior's loss of trust, destruction of family relationships, a neglected senior's pain and suffering). A social cost analysis is more than a mathematical exercise; it is also part of a thinking process, in which people will be considering where are the costs arising; who is bearing those costs; and whether that is appropriate for this social problem.

In any social cost analysis, it is crucial to have accurate figures on which to base the calculations (such as the number of seniors affected by abuse). The cost analysis involves an analytical process of considering risk factors, building from assumptions and attributing costs. Because the research and level of understanding of abuse in later life is still primitive at this stage, this process needs very careful scrutiny. Being able to conduct a cost analysis is heavily dependent on the availability o

[8] So, using an easy example, a lifetime prevalence rate of 10% will obviously lead to twice as high a cost estimate than a prevalence rate of 5% would.

good social statistics and reliable data. However, e know from other types of cost assessments that most provinces currently are not able to provide accurate breakdowns of their expenditures on violence against older adults services, programs and initiatives that relate to abuse or neglect.

A cost analysis will need to clearly distinguish between private and social costs, direct and indirect costs, market and non-market valuations. A good cost analysis is not limited to quantitative information. It needs qualitative information from seniors and others to determine the range o different ways that abuse affects seniors' lives and those around them.

Many social costs for senior abuse are not immediately obvious (e.g., costs to private industry, revenue/tax consequences for government). In many cases, the existing costs of senior abuse in Canada are borne largely by the abused seniors, not by government or business. In economics, costs borne by the individual have tended to be considered "private costs" and these costs not enter into cost calculations. This does not apply to abuse situations. Abuse is not a freely chosen state; it is one that is imposed by others' actions.

In any cost analysis, opportunity costs are considered the most relevant. Resources that government must expend on one area mean fewer resources available for other policy areas. For government, some of the costs of senior abuse tend be "hidden costs", in the sense that they represent services or resources that government expends to deal with the physical, psychological, social and financial aftermath of abuse without the cause of the problem ever being explicitly recognized. (For example, an abused or neglected senior may require medication or government funded mental health services for clinical depression, without abuse being identified as the trigger for the depression).

Abuse in later life creates opportunity costs for seniors as well. For example, assets and resources lost through financial abuse mean that the senior has far less for basics of housing, food, medications and transportation, let alone leisure activities, or resources to pass on family or others at death.

Context

It is important to have a context for understanding abuse in later life before we can determine the social and economic costs flowing from it. That means we need to consider the definitions used, the prevalence of the problem, and its impact on the lives of seniors.

Definition: Any social cost analysis of abuse will be affected by how wide or how narrow the definition of "abuse" used is. Some popular definitions of senior abuse include "an intentional harm

to a senior" (including consumer fraud, telemarketing etc.) In this discussion paper, however, we suggest focussing on abuse occurring within

1. personal relationships (spouse abuse, abuse by family, friends, acquaintances) and
2. professional and semi-professional relationships (abuse by paid caregivers, or others in a position of authority, responsibility or trust).

We also suggest excluding self-neglect from the discussion and analysis, as it is conceptually very different than abuse coming from the actions of others.

Prevalence: It is conservatively estimated that at least 4% (and possibly as high as 10%) o Canadians will experience one or more forms of abuse at some point during their senior years. That represents between 148,000 and 370,000 older adults in Canada today. The rate of abuse among certain subpopulations of vulnerable seniors (for example, among cognitively impaired seniors or physically dependent seniors) may be three to four times higher than the rate found in the general senior population.[9]

Impact: Abuse can have a significantly different effect on seniors than younger adults, partly because of changes in seniors' health and less ability to rebuild resources in later life. Injuries sustained from abuse or neglect can have serious implications to a senior's health and independence. Loss of financial resources often takes away or reduces the senior's choices(where and how to live) and can undermine the senior's quality of life.

Abuse in later life can also be manifested differently than abuse for younger age groups. Financial abuse, neglect, institutional abuse, and violation of rights are forms of abuse than are far less evident among younger abused adults. That makes drawing comparisons between age groups difficult. Each of these types of abuse situations, and the different types of costs associated with them would need to be carefully conceptualized and developed into a social and economic cost "blueprint."

[9] Cooney, C. & Mortimer. A. (1995) "Elder abuse and dementia- a pilot study" *International Journal of Social Psychiatry 41* (4) 276-83 found that 55% of 200 people giving care to seniors with dementia admitted some form of abuse. Compton, S.A. Flannagan, P., & Gregg, W. (June, 1997) "Elder abuse in people with dementia in Northern Ireland and predictors in cases referred to a psychiatry of old age service" *International Journal of Geriatric Psychiatry 12* (6) 632-5, placed the rate at 34%.

Developing a Cost Model for Abuse In Later Life

To help inform public policy and public understanding, cost studies must be as methodologically sound, ethically defensible, and credible as possible:

> "*...estimates of the costs ... must be clear with regard to what constitutes a cost, who bears these costs and the boundaries which should be placed on the economic ramifications of negative impacts".*[10]

At present, there are major philosophical and economic challenges in and limitations to traditional cost analyses that need to be recognized and addressed in any cost study undertaken on abuse in later life. First, no "purely quantitative" approach to significant policy issues can be free from human interpretation, bias, assumptions and values. Second, all economic analyses have certain built in assumptions about people's value. Traditional economic analyses focus on people's "productivity" (that is, their contribution to the Gross National Product). In any policy area, these economic assumptions tend to work to the significant disadvantage of older adults.

Many of the assumptions inherent in traditional economic analyses are extremely age sensitive. For example, in a traditional analysis, a 25-year-old male's life has been valued at $1.4 million due to the loss of his economic contribution to society, while an 85-year-old man's life is valued at $2,540. For women, the range varies from a low of $2,534 for women aged 85 and over, to a high o $967,000 for women aged 25-29.[11] Under a human capital approach, older women fare a bit better than older men, because older women are seen as contributing through housework, and their housework is still valued as "work".

Third, economic cost analyses claim to be neutral or "objective" regarding costs. This ostensibly neutral approach needs to be carefully scrutinized, as it is achieved by ignoring (i.e. placing a zero value) on goods that have no market value. A different set of assumptions needs to be developed for considering the costs of abuse in later life. We will need a way of valuing seniors' contribution to our society, that looks at their direct economic contributions and beyond it. Loss of the opportunity to enjoy life (and particularly further life) is a cost for any abused or neglected senior, and arguably it is a cost that increases on a per unit of time basis, as the perceived time remaining to a senior, decreases.

[10]Single, E., Collins, D., Easton, B., Harwood, H., Lapsley, H. and Maynard, A. (March, 1996) A "International Guidelines for Estimating the Costs of Substance Abuse", Toronto: Canadian Centre for Substance Abuse., p. 12.
[11] Rice, D.P., Max, W., Golding, J. & Pinderhughes, H. (April, 1996) "Cost of Domestic Violence to the Health Care System". Report prepared for Office of the Assistant Secretary for Planning and Education, U.S. Dept. of Health and Social Services. At 13.

There are other issues to consider as well. Some types of cost analysis include the costs or benefits to perpetrators. [12] Economic analyses are also typically based on rational/ functional models.[13] The assume that people act rationally and act in what is in their best interests.[14] However, living with abuse is not a rational act. It is one based within a social context of complex human relationships. The challenge is to create an economic cost model that understands abuse, the dynamics, the lack of choices, and the short and long term implications.

Cost Areas

Abuse of older adults has a social impact in many areas, including

1. health/medical costs;
2. community services costs;
3. justice costs;
4. the costs of prevention, education, and research.

Other areas are less well recognized, costs in institutional settings; costs to business; tax and transfers (lost government revenue); the significant volunteer contribution that people make in this area; and once again the intangible costs of abuse.

1. Health/ Medical Costs:

We know from research on immediate and long term effects of abuse on younger women, that there is a strong connection between abuse and their need for (and use of) medical services. Battered younger women are over-represented in the health care system. [15] In American studies, it is estimated that one third of the visits to emergency departments made by younger women can be attributed to violence.[16] Research indicates that abused younger women are also over-represented in chronic pain clinics, outpatient mental health centres, and mental institutions. They frequently experience chronic illness and chronic pain. Abused women are more likely than women who have not been abused to experience negative health behaviours and they are less likely to practice

[12] For example "involuntary transgenerational transfers" where grown offspring steal parents' money.
[13] Hollander, M. (September, 1996) *The Cost- Effectiveness of Continuing Care Services: A Critical Literature Review* (Report prepared for the Division of Aging and Seniors, Health Canada), 22.
[14] However, those "rational decisions" can be constrained by lack of information or real options (what is referred to as "bordered rationality"). An important issue, is to what extent can remaining in an abusive situation be considered rational.
[15] Plichta, S. (1992). "The effects of woman abuse on health care utilization and health status: a literature review". *Women's Health Issues, 2* (3), 154-163.
[16] Supra, n. 7.

positive self care.[17] People who sustain long periods of violence often end up with long-term health problems.[18] Some conditions more common among abused people include ulcers, heart diseases, anaemia, asthma or bronchitis or emphysema, hypertension, digestive disorders, vision problems, backaches, arthritis, rheumatism and headaches.

While there has been significant work done on the health effects of abuse on younger people, the same cannot be said for abused seniors. There has been very little research on the effects of abuse on seniors' physical or mental health. Indeed, many of the indicators of abuse or neglect may be misidentified as "simply normal aging". While a senior's fall and fracture may result from age-related conditions such as osteoporosis, it may also result from somebody's push, or from somebody's neglect.

In terms of health costs, it is reasonable to believe that abuse will negatively affect seniors'

1. rates of hospitalization,
2. need for medications (e.g., tranquillizers, anti-depressants),
3. need for community health services, and
4. rates of institutional placement.

Some of the health-related services currently used by and for abused seniors include geriatric assessment (short stay assessment and treatment units, competency assessments), hospitalization, care by a physician or nurse, use of day hospitals, rehabilitation centres, medical and nursing services in the person's home, medical tests in a hospital, occupational therapy, physiotherapy, and psychiatric services. Other health or medical services to consider are assessment and case management services, home nursing care, and adult day care services. There are other less immediately obvious health-related services such as dentistry, counselling services (peer and professional), osteoporosis clinics, falls clinics, pain clinics, and many others that likely see abused seniors without recognizing the underlying cause of the presenting health problem.

Seniors currently account for 39% of Canada's health care costs, while representing 12% of the population. In light of the fact that people tend to need more health services in their later years, health services may represent a significant social cost of abuse. (Using a hypothetical example, even if only 1% of the annual health costs allocated for older adults in Canada was the result o

[17] Koss, M.P. & Heslet, L. (1992). Somatic consequences of violence against women. *Archives of Family Medicine, 1* (1), 53-59; Ratner, P.A. (1993). "The incidence of wife abuse and mental health status in abused wives in Edmonton, Alberta". *Canadian Journal of Public Health, 84* (4), 246-249.; Radomsky, N.A. (1992). "The association of parental alcoholism and rigidity with chronic illness and abuse among women". *Journal of Family Practice, 35* (1), 54-60..

[18] Day, T., (1995) *The Health-Related Costs of Violence Against Women in Canada: The Tip of the Iceberg,* (London, Ont.: Centre for Research on Violence Against Women and Children), p. 8

providing health related services to abused older adults as a result of the immediate and longer term effects of abuse, this would represent at least $500 million in costs each year. Pain and suffering would represent another $225 million in costs).

Research evidence from the United States indicates that abused seniors die prematurely, compared to seniors who have not been abused, and the deaths may be due to the stresses of living with abuse, as opposed to the direct effects of physical abuse. Part of any cost assessment of the effects of later life abuse will need to take this premature mortality into account, not only in terms o the senior's loss of life (which is extremely important), but also in terms of the emotional, psychological, social, and financial effect of that loss on family and friends.

2. Community Services

In Canada, there are two main approaches to helping abused or neglected seniors. The four Atlantic provinces have special adult protection legislation and offer adult protection services. The rest o the country integrates their elder abuse responses into whatever community and government services are normally offered to seniors.

Under both systems, the three most commonly given community services for abused seniors are:
1. homemaking aid (e.g., home support);
2. case management (including coordination of services and monthly meetings); and
3. institutional placement (nursing homes).

Other community services include: meals assistance (e.g., meals on wheels); income assistance; supervision and reassurance (including telephone reassurance); counselling; housing or relocation; transportation; and socializing (including recreation, home visitors, senior centres).

The range of services is quite different from services offered to younger adults, which tend to include transition shelters, social assistance and community supports. The cost of these services offered to abused seniors could be much higher, except that 30-40% of them decline the types o help currently offered to them, partly because of the stigma of abuse, and partly because what is being offered does not meet their actual needs.

A. Public Trustee Services: Abused seniors also come in contact with a number of other government or quasi-government services. Throughout the country, many mentally incapable seniors receive assistance from public guardians, trustees or curators. The operational costs of these services is approximately $1.4-$1.7 million per province annually, with approximately 40% of the costs going to providing protective services for adult clients, dealing with their property and effects during the initial

resolution of abuse and neglect issues, and stabilizing the client's situation. [19] In addition, in some provinces, approximately 30% of internal legal counsels' time under the Public Trustee Services to Adults, and 50% of the time of legal counsel externally engaged by the Public Trustee is spent on issues of abuse and neglect. In addition to these costs, there are the substantial private costs to the senior's estate in the Public Trustee pursing the case for restitution. Where a Public Trustee is trying to recover assets fraudulently or improperly taken from a mentally incapable senior, the legal costs are often $25,000-$75,000 for the plaintiff, and a similar amount for the defendant. [20] Admittedly, these are cases that typically involve much larger assets. These legal cases would not include financial abuse of the senior whose only resource is her Old Age Security cheque which her son takes each month for his own use.

Amounts of money involved: Canadian studies have indicated that it can be difficult to determine the exact level or amount of the financial abuse, even for agencies such as public guardians and trustees. In Quebec, the Public Curator notes that the average "inheritance" (estate) of all its clientele is $23,162.[21] However, 77.5% of the people have estates less than $10,000. The average value of the remaining 22.5% of the estates, however, was $95,011. [22] In December, 1997, the collective value of all the estates of the mentally incapable people represented by the Public Curator in Quebec reach $231.9 million (up from $216.5 million in 1996). [23] Obviously, only a proportion o these clients may have been abused, or were at risk of abuse prior to the Curator's involvement. The figures do help to indicate the amount of monies potentially involved. It is important to keep in mind that where financial abuse has occurred, the amounts being administered by the Public Trustee or Guardian, or Curator may only represent what is left of the money and other assets, not what was there before the abuse began.

B. Shelters and Other Services Potentially Involved: Currently, few abused seniors in Canada use the existing domestic violence resources such as shelters or transition houses. While Canadian women's shelters recorded more than 85,000 admissions in 1995, fewer than 5% of these were women over 55 years of age. [24] A shelter for abused seniors recently opened in Calgary, Alberta. The $1.4 million cost was largely funded through corporate and private donations.

Some abuse situations need the help of other federal government services, such as immigration services or Veteran Affairs. Abuse situations may also be the cause of a senior's contact with provincial housing departments, consumer affairs, or where the situation has lead to a death-- the

[19] Personal communication, Office of the Public Trustee, B.C.
[20] Ibid.
[21] Public Curator, Annual Report, p. 18
[22] Ibid. p. 22
[23] Ibid. p. 22.
[24] Statistics Canada. Family Violence in Canada: A Statistical Profile 1998. P.18

local coroner. Federal services such as Veterans Affairs can also feel the impact directly and indirectly when their older clients experience abuse. In some instances, the department will have to pay more in benefits directly to the abused senior. If more disabled because of the abuse, the client may need more services and assistance now to live independently in the community. The staff will also need to allocate time and resources to either monitor the situation, or to work with other agencies and departments in the community in a coordinated manner.

3. Justice

Most types of abuse perpetrated against older adults are against the law. While the criminal justice system typically represents a significant amount of the costs to government in other areas o domestic violence (often around 30- 50% of the identified costs), this is not the case for abuse o older adults in Canada. Seniors represent only 2% of victims of reported crime in our country. Abused seniors are far less likely to report abuses to the police and even when they do, the Canadian justice system has not been very responsive to their needs. As a result, many of the justice costs remain on the shoulders of the abused senior.

A. Why the Gap? Currently, police charging policies in most jurisdictions do not cover abuse by adult children. Seniors are often not eligible for legal aid (or the types of abuse or neglect situations they are experiencing are not covered). Even when seniors are able to access the justice system, the results are not very positive, as seniors' credibility as witnesses tend to be questioned.

To help underscore the disparity between the extent of abuse and use of the criminal justice system, consider abuse of a power of attorney, which is a criminal offence in Canada. Approximately one in ten seniors grants a power of attorney to a friend or family member at some point in time in their life (or over 370,000 powers of attorney granted throughout in Canada).[25] Conservatively assuming that 3% of these involved some form of financial abuse, there would be 11,000 potential criminal charges (or a minimum of 730 cases a year, averaged over the 15 years spent as a senior). However, according to national statistics, in the past three years, there have only been five instances across Canada (out of over 2000 likely cases) where a criminal charge of abuse of power of attorney has been laid. In all five, the charges were stayed or withdrawn.[26]

B. Civil Justice: The civil law represents a stronger potential cost area, particularly in the context o adult protection, guardianship, and financial abuse cases. As one study notes "It does not take the loss of very many $150,000 homes or retirement resources though financial abuse to create multi-

[25]Spencer, C. (1996). *Diminishing Returns: An Examination of Financial Abuse Among Seniors.* Vancouver, B.C. Gerontology Research Centre, Simon Fraser University. Most powers of attorney are signed when seniors are at least in their mid 70s, or in the case of women, on becoming a widow.
[26] Personal communication with Statistics Canada, on the Uniform Crime Report Survey.

million dollar losses to seniors, and in turn, to society." [27] We likely see the effects of abuse after the fact, when the senior's estate sues for undue influence or unconscionable contracts. The court and administrative system in some jurisdictions (notably Quebec) have begun to award moral and exemplary damages of $5,000-15,000 per person in senior abuse cases. These cases are still rare as seniors often encounter the same barriers to the civil justice system as they encounter in the criminal justice system.

4. Institutional Settings

Seniors currently comprise almost three-quarters (74%) of all people living in an institution (such as hospitals, personal care or nursing homes, or other collective settings). At any given point in time, approximately 7% of seniors in Canada reside in care facilities (ranging from a low of 5.4% for British Columbia to high of 9.6% in Quebec).[28] Twenty to thirty per cent of seniors will reside there at some point in their lives.

Basically, any abuse of senior that occurs in the community can happen in an institutional setting (including financial or other abuse by family). However, there are other types that are more likely to arise, such as theft of a senior's personal property ("because they really won't miss it" or "they really don't need nice things"), [29] abuse by over-medication,[30] and abuse by inappropriate use o restraints[31]. Some forms of institutional abuse involve issues around violation of seniors' rights to accept or decline treatment. Examples include compulsory use of "do not resuscitate" orders, [32] and overriding their personal health decisions.

An cost model for institutional settings will need to be multi-faceted to capture the complexities in this area. We are more likely to see systemic forms of abuse or neglect in these settings than "out and out" physical abuse (e.g., to see the "routine use" of diapers instead of helping the senior to the washroom because there aren't enough staff, or it is just more convenient for staff). The question is "How do we value things like the loss or diminution of a person's dignity for the sake o other's convenience, or as a result of under-resourcing"). In Canada, we may be more likely to see

[27] Spencer. C. (1994) *Diminishing Returns: An Examinations of Financial Abuse Among Seniors in B.C*. (Vancouver: Gerontology Research Centre, Simon Fraser University)
[28] "Statistical snapshots of Canada's Seniors", Canada's Seniors- No. 13 Living in Institutions. Prepared by Statistics Canada for Division on Aging.
[29] Kogut, A.S. (January, 1993) "Assisting nursing home residents who have suffered theft or damage to their personal property" *Michigan Bar Journal,72 (1),* 50-53.
[30] Spencer, C. (June, 1994) *Abuse of Older Adults in Institutional Settings* (Ottawa: Health Canada, Mental Health Division)
[31] Brower, H.T. ((1992) "Physical restraints: a potential form of abuse" *Journal of Elder Abuse and Neglect 4* (4) 47-58.
[32] For example, see the facility policy in Sawatsky v. Riverview Health Centre, [1998] M.J. No. 506 Manitoba Court of Queen's Bench , November 13, 1998.

subtle emotional harms such as infantilization and disregard of seniors' wishes in institutional settings than to see physical neglect of a senior. In facilities, everyday practices and lack o sensitivity may create abusive or neglectful situations for older adults. In institutional settings, we are likely to see neglect where there are not adequate numbers of staff to meet the residents' needs.

There is very little data on how common abuse is in this setting, but in one Canadian study, over one third of 1608 nurses and nursing aides surveyed had witnessed at least one abusive act towards a patient or resident. In addition, 10% acknowledged having committed a physically abusive act towards a patient or resident, and 40% admitted being psychologically abusive on at least one occasion.[33]

A. Cost Areas: In institutional settings, two important abuse-related cost areas are:

1. abuse prevention (screening, criminal record checks; staff training and education; assuring adequate staffing levels); and
2. abuse identification and intervention (protocol development, investigation, suspensions and dismissals, labour grievances).

Other government costs revolve around 1) licensing/regulation; and 2) investigation and intervention by regulatory bodies or ombudsman, or police. If regulations are there to ensure at least minimum standards of care, the question arises, "What portion of those costs we should attribute to abuse prevention in long term care (10%? 50%? Or all of it?)"

Other social costs in institutional settings are more obvious. Alberta, for example, recently established a 1-888 telephone line for all reports of abuse in certain types of facilities providing communal care. There are special costs attached to:

1. staffing for the 1-888 line,
2. the mandatory reporting,
3. the involvement of three government departments that administer the hospitals, seniors lodges, women's shelters, group homes;
4. the legal interpretation of the reports, as well as
5. any remedies that flow out of the investigation and charges.

[33] College of Nurses of Ontario *Abuse of Clients by RNs and RNAS: Report to Council on Results of Canada Health Monitor Survey of Registrants* (Toronto: The College), September, 17, 1993. Unfortunately, no time frame was required (e.g. within the last year), so the abuse could have occurred anytime within their professional career.

The 1-888 line costs approximately $70,000 to $90,000 per year to operate, and there are the costs flowing to each of the three government departments covered by the legislation.

It is important for the public to remember that the fact that something has a cost is not necessarily bad or good. Other types of cost studies ("cost-benefit analyses") point out there are often o number of benefits that result from monies expended.

B. Tangible and Intangible Costs For the Senior in Care: A frail resident experiencing physical abuse or neglect risks losing what little physical ability he or she still has left. Psychological abuse or infantilization (treating the senior like a child) can demean the senior and erode his or her self-esteem. Financial abuse, which can be perpetrated by any number of people including family, sta or administration, can mean the loss of important necessities or "comforts" in later life, or being unable to stay in the care facility of choice.

Inappropriate use of restraints can leave the senior unable to move, or to engage in independent activities. Use of physical restraints also increases the likelihood of death. Inappropriate medication, particularly the use of medications to keep residents quiet and compliant, is another form of restraint and a common form of abuse. Restraining through medication increases the likelihood of confusion, erodes the person's remaining cognitive abilities, increases the likelihood of falls, and increases the likelihood of an adverse interaction with other drugs that the senior takes.

C. Costs For Families: Several Canadian jurisdictions have significantly reduced the funding for nursing care in institutions in the past five years, with a corresponding decrease in the number o staff to give hands on care. Community representatives state that family members are increasingly seeing neglect occur in the facilities because there are not enough nurses or care aides on duty. In some instances to avoid neglect, family will hire a nurse or care aide, at their own expense, to provide care for the senior *in the institution*. Family also often have to advocate strongly on behalf o their parent or relative to see that he or she receives the appropriate care. Both of these become tangible and intangible costs that family bear to prevent or address ongoing neglect.

D. Costs For Staff: It is important to recognize that abuse of residents can have an important effect on and a psychological cost for staff. Abuse can poison the work environment. Staff who witness abuse in care and have no resources or support to deal with the problem, bear the burden of that sense of helplessness to change the situation, day in and day out.

5. Labour, Employment, and Volunteer (Unpaid Contribution)

Traditional economic analysis tends to consider seniors as outside the paid work force and may overlook the ways in which senior abuse potentially affects employment. This is not always the case. It is also important to consider the assistance and support that seniors give to family and to each other. It is also important to consider the significant unpaid contribution (volunteer effort) that is made by seniors and others in the community to help address abuse. This includes among other things, thousands of hours acting on boards and steering committees, community presentations, developing and fostering research, as well as actively seeking funding for community projects. Increasingly, senior centres are taking a more active role in educating peers on abuse and offering assistance to abused seniors. Some of their volunteer contribution is conducted through peer counselling and advocacy. Attributing even a nominal value of $10/hour for this personal volunteer effort, this represents a significant social cost that has generally gone under-recognized.

The volunteer efforts of professionals and service providers: While professionals and service providers are paid for "their real work" (e.g. home support, medical care, legal services), they also expend thousands of additional ("volunteer") hours, before work, during lunch hour, and afterwards for case management, protocol development, community response development, funding applications, and staff training. In addition, many agencies do not have an express mandate to deal with abuse. However, they often carve time out from other work they do to help address the problem.

These types of volunteer efforts also arise in multidisciplinary consultant teams. For example, in one report on fiduciary abuse teams, 37 volunteer consultants (all professionals) contributed an average of 25.4 hours each in the previous year to working together to strategize on complex abuse cases.[34] Very conservatively attributing $30/hour for their time, that represents over $28,000 in annual costs for this one team. A more realistic cost based on professional services would place it in excess o $75,000 per annum. Each of these has largely been a hidden social cost and represent another significant unpaid community contribution which generally goes unrecognized.

[34]Aziz, A. (1999) "The FAST phenomenon: The Model Fiduciary Abuse Specialist Team" *Second National Conference on Elder Abuse: Proceedings*. Toronto, Ontario: University of Toronto, Institute for Human Development, Life Course and Aging, p. 130-141.

6. Taxes and Transfers

Financial abuse is generally acknowledged as the most common form of abuse that older adults are likely to experience, accounting for about 60% of the cases coming to community attention. By diminishing the financial resources of older adults, an abuser can leave the senior more reliant on government transfer payments such as the Guaranteed Income Supplement (GIS) and various provincial supplements payable to low income seniors. Depending on what assets are taken through financial abuse, financial abuse can also reduce the tax revenues that governments collect from seniors who have experienced abuse.[35] Reduction of seniors' financial resources may also affect the portion of income-tested user fees that seniors pay for their prescription drugs, nursing home accommodation charges, etc. The latter will be important in light of the tendency to rely on nursing home placement as an intervention.

Sometimes abuse negatively affects the person's length of time in the labour force and their level o pay. Victimized seniors who are still working and family members who may have to care for an abused parent or relative can be affected by these changes in paid labour force activity. This loss o paid labour force activity can reduce government tax revenues received from the senior or the family member in the long run. For example, consider a daughter who must go from full-time work to part-time work to care for a parent who has been abused. That change in employment status may reduce her own long-term income security. It also increases the likelihood of her future reliance on government transfers (social assistance, or guaranteed income security). [36] These are personal costs to people's lives, and costs to our society.

7. Costs to Business

Abuse of seniors can also affect businesses that serve seniors, particularly the financial, housing, and insurance industries. The client population for banks, credit unions and trust companies is aging, and the businesses are increasingly dealing with suspected financial abuse situations. Although the financial industry invested $301 million in staff training in 1998, only a very small percentage goes to training on working with clients, particularly the needs of older clients, or on

[35] Depending on whether or not the abuser uses the resources obtained through financial abuse to receive/ generate income, there could be gains in tax revenues collected from abusers that would offset losses in tax revenues from the victims. That is, assuming the abuser acknowledged receipt of the funds of resources, which is unlikely.
[36] In this situation, it would be important to take care to avoid double-counting of costs which may already be captured in estimates of lost productivity. In a cost study, it is legitimate to estimate the effect on tax revenues. However, one would have to be careful to avoid adding these to the estimates of lost productivity, if those estimates were based on gross wage rates, rather than after-tax wages.

recognizing and addressing financial abuse issues.[37] Instead, many of the costs of senior abuse to the industry remain hidden. There will be costs of investigating complaints by seniors, the family or the senior's estate, and the costs of defending lawsuits initiated by seniors or families.

For the housing industry (particularly non-profit rental housing) senior abuse issues tend to unfold where building managers have not been adequately screened or have not been trained on aging issues. Poor managers can create "a reign of terror" in some seniors' housing. Potential costs to the industry involve board time to address the situations, the cost of hiring consultants, or the cost o arbitration, loss of good residents, and damage to reputation.

In the insurance industry, insurance payouts may be increased by abuse-related *morbidity* (e.g. Blue Cross for ambulance services or prescription drugs) and *mortality (early payment of life* insurance). In the United States, victims of domestic violence have found they will be denied insurance coverage because they are considered a "high risk" group, and they make heavier use of medical services than individuals who have not been abused.[38] In Canada, the types of insurance likely to be affected by increased claims will be private health insurance that covers ambulance costs, hospital care (upgrade from ward to private or semi-private room) and prescription drug costs.

Abuse potentially affects other types of businesses. For example, lawyers can encounter financial exploitation situations while representing either the abuser or the victim.[39,40] Although certainly not common, lawyers have been found negligent for not helping to prevent abuse from occurring (not properly informing older clients of the effects of a transaction).[41] Law Societies sometimes face complaints from older clients or their representatives that a lawyer has exploited his or her position of trust vis à vis an older client (e.g., theft of funds). This, in turn, affects the errors and omissions insurance payable by all practising lawyers.

[37] Banking Industry Learning Survey, 1997 Investment in Training and Education Six Major Banks and their Subsidiaries. http://www.cba.ca/eng/cba_on_the_issues/su

[38] Lachs, M. 1999, "Is elder abuse an independent predictor of death?" Keynote presentation, 2nd National Conference on Elder Abuse, Toronto, Ontario, March 23, 1999.

[39] Blunt, A. P. (December, 1991) "Financial abuse of the elderly: a nightmare for client and lawyer alike" *Arizona Attorney 28* (4) 21-23.

[40] Schmidt, W.C. (1993) "Accountability of lawyers in serving vulnerable, elderly clients" *Journal of Elder Abuse & Neglect 5* (3) 39-50.

[41] See Premier Trust Co. v. Beaton (Gen. Div.) 1 O.R. (3d) 3, [1990] O.J.

8. Prevention, Education, Research

Abuse in later life has tended to be a hidden issue, and people have recognized that the general public and professionals needed to become more aware of the problem. There has been a strong effort in Canada to develop abuse education materials (videos, brochures, presentations) for seniors and the general public. There are two types of costs represented here: 1) the development and production costs for the materials, and 2) the time spent in giving the presentations (often volunteer time).

In the last decade, the focus has been on three types of education for many professions and services that come in contact with abuse in later life:[42]

1. curriculum development for new graduates, helping them to recognize and appropriately address senior abuse in the course of their work;
2. continuing education to raise awareness and improve the response among those already in practice; and
3. education through policies.

9. Intangibles

Intangible costs of abuse are equally important in any cost study. Abuse tends to cause fear, distrust, emotional pain and suffering. Abuse can damage self esteem, family relationships, inter-generational relations**,** and our sense of community well-being. For the senior, abuse can represent significant loss of choices and loss of the opportunities to enjoy life. To those in the community helping abused seniors, abuse carries indirect costs to staff. For example, working without adequate support from funding bodies or their agencies in this area or can lead to emotional burn out for staff. In nursing homes, abuse often represents a negative work environment.

[42] In health care, these include not only family doctors and nurses, but also emergency department and ward staff, dentists, home support workers, occupational therapists, eye doctors, podiatrists, dieticians and many others. Social workers, lawyers, and police all may need training and education on abuse in later life.

Summar and Recommendations

Currently there are major gaps in the information available from community, business, and government that would help us better appreciate the full impact of abuse in later life and help us ascertain the magnitude of the social costs. To overcome this in the future, it will be important to take an integrated approach to information building focussing on five issues:

1. How common is the problem?
2. What are the effects of abuse for seniors, family, community and government?
3. What types of tangible and intangible costs flow from those effects?
4. What resources are we allocating to the problem?
5. What is the magnitude of the costs for the effects that have been identified?

In order to accurately determine the social costs of abuse in later life, we need much better information on the numbers of seniors in the community and in care who have experienced abuse. An important starting point for community agencies, government departments, and businesses would be to gather statistical information on the abuse or neglect cases they encounter. It will also be important to illustrate the value of record keeping to community service providers and businesses in order to develop the needed data and to identify the links between abuse and cost areas.

We also need to have a much better understanding of the short and long term effects of abuse on seniors' lives (their health, their social and financial situation). To develop that information, we need improved reporting, documentation, and intervention among community agencies, government departments, and businesses that deal with seniors. We need to integrate information from seniors with that from other sources. We need to encourage cooperative research among community agencies, government, and business. At an administrative or regulatory level, provincial governments are well placed to improve statistical information coming from their own departments and from external bodies accountable to them (e.g. physicians' use of DSM IV R coding). We also need to build bridges between economics and social sciences (particularly gerontology, social work, health, law) to develop a common language and common understanding of the issues in order to create a comprehensive model.

It will be important to use the strengths of qualitative research to inform and understand quantitative information that is used in a cost analysis and other abuse related research. We need to build appropriate questions for older adults in provincial and national surveys on domestic violence and other types of victimization, over-sample for older adults, and identify and disaggregate gender variables. We need to begin examining the risk and consequences of abuse in special populations of seniors (seniors residing in institutional settings, seniors with cognitive impairments).

By using an integrated approach to policy development, practice, and research in the future we will begin to better understand the true impact that abuse has on seniors, and on society generally. We will be better able to plan and prioritize to meet the issue head on.