

TITLE - New Assessments in Financial Decision Making and Financial Exploitation: the Lichtenberg Financial Decision Screening Scale (LFDSS)

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SOURCE - Webinar (*recording [located here](#)*)

SUMMARY OF RESEARCH

This webinar examined the intersection of financial exploitation and decision making capacity; and introduced a new conceptual model and new tools for both the investigation and prevention of financial exploitation. We examined 108 additional cases in which the LFDSS was administered by APS workers and by other types of professionals. Our study provides evidence for the first financial decision-making screening scale that, in addition to being efficient, is person-centered (i.e., based on the actual decision being considered) and operationalizes Appelbaum and Grisso's (1988) model for decision-making abilities into a multiple choice rating scale. Preliminary evidence is ample for the construct validity of the LFDSS. The risk score operates in a similar fashion for those who have been financially exploited and those who have financial decision-making deficits. It also differs significantly for (a) those who have been exploited financially compared to those who have not and (b) those whose financial transaction was not carried out due to the professional's concerns about capacity compared to those with no capacity concerns. We examined criterion-related validity in 69 older African Americans (Lichtenberg et al., 2016) and found that the LFDSS risk score was significantly related to both the MMSE and the money management subscale of the Independent Living Scale (ILS), which is a performance-based measure of executive skills and financial knowledge. The LFDSS risk score was increased for those with poorer cognition, poorer financial executive skills, and lower financial knowledge. Other evidence for criterion validity was that the LFDSS risk score differentiated between those who had been financially exploited in the past 18 months and those who had not, whereas the ILS money management subscale did not. Finally, the LFDSS risk score differentiated those with decisional capacity from those who lacked decisional capacity.

PRACTICE & POLICY IMPLICATIONS

Assessment of financial decision making capacity is often the cornerstone assessment needed in cases of financial exploitation. Our first conceptual approach is the person-centered approach, which is novel in the field of financial exploitation, in that we examine the phenomenon by focusing on the older adult's decision-making process as it applies to a single financial decision the individual is considering (as opposed to a hypothetical scenario, which has traditionally been used to assess financial competency). Our second conceptual approach is based on Appelbaum and Grisso's (1988) decisional abilities framework, which they developed by examining the legal standards used by states to determine incapacity and identified the abilities or intellectual factors necessary to make informed decisions: choice, understanding, appreciation, and reasoning.

FURTHER READING

Lichtenberg, P. A., Ficker, L., Rahman-Filipiak, A., /Tatr, R., Farrell. C., Speir, J. J., Mall, S. J., Simasko, P., Collens, H. H., & Jackman, Jr., J. D. (2016). The Lichtenberg Financial Decision Screening Scale (LFDSS): a new tool for assessing financial decision making and preventing financial exploitation. *Journal of Elder Abuse & Neglect*, 28, 3, 127-133.

Lichtenberg, P.A. (2016). The intersection of financial exploitation and financial capacity. *American Psychologist*, 71, 312-320

To become more familiar with the scale we invite all professionals to visit our website www.olderadultnestegg.com.



This research summary is part of a series sponsored by the National Adult Protective Services Association (NAPSA) and the National Committee for the Prevention of Elder Abuse (NCPEA) joint Research Committee. The purpose of this research summary is to provide direct access to findings in order to enhance practice and clarify policy choices.

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