

# WHY YOU SHOULD CARE ABOUT SCAMS



Scams have been around for thousands of years. However, they have become increasingly sophisticated in recent years, resulting in billions of dollars of losses. Romance scams, investment scams, fake job offers and other scams impact millions of people annually worldwide. Many believe this can't happen to them, despite prevalent news reports, ongoing education and awareness efforts. Whether you believe you will fall victim or not, it is important to be aware of what is happening.

**Scams don't discriminate.** The criminals target young professionals, retirees, students, kids, business owners – in other words, everyone. No one is immune. Victims span all demographics, regardless of age, income level or education, as shown in [reports](#) from the [Federal Trade Commission \(FTC\)](#) and [other sources](#). Criminals prey on trust, fear, urgency and hope – emotions that are experienced by everyone. Even if you have not yet been a target, you likely know someone who has.

**The financial cost of scams is overwhelming.** Globally, scams cost individuals and businesses billions of dollars each year. We are seeing the same trends domestically. The data reported likely reflects only a fraction of the losses, as not all victims report the scams. Many victims are too embarrassed to come forward, resulting in significantly understated data.

**Scams fuel organized crime.** The money stolen through scams may fund organized crime and other illicit activities, such as money laundering and [human trafficking](#). Stopping scams is about more than protecting yourself – it's about cutting off a very profitable revenue stream for sophisticated fraud rings.

**Scams take an emotional and psychological toll.** The impacts of scams are not just about losing money. Victims often suffer from shame, anger and a deep sense of betrayal (especially in romance or impersonation scams). These [emotional wounds](#) can linger, leading to mental health issues and loss of trust in others. The psychological fallout may even discourage victims from seeking help or reporting future incidents.

**Scams undermine society and institutions.** When scams occur, they can destroy trust in the internet, the financial system, financial institutions and in each other. Scam victims may lose their sense of safety. For example, seniors may become afraid to answer the phone, small businesses may lose confidence in online transactions, and misinformation campaigns may further impact consumers and businesses.



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**Knowledge is power.** Caring about scams means staying aware and informed – and helping others do the same. Scams flourish in silence and ignorance. When people learn how scams work and share that knowledge, it makes the job much harder for criminals. Simple habits, such as verifying emails, questioning urgent requests, checking website addresses and having open conversations about online safety, can significantly reduce your risk.

**You can be a line of defense.** Even if you have never been scammed, you can learn enough to help protect those around you. Elderly relatives, young teens or less tech-savvy friends may not recognize red flags. Being more aware allows you to identify potential threats, offer guidance and report suspicious activity.

Scams don't discriminate. They threaten individual well-being, economic stability and public trust. Awareness about scams means you are informed, proactive and prepared. The next time someone shares a too-good-to-be-true offer or a suspicious link lands in your inbox, don't just ignore it. Think critically. Ask questions. Educate others. The more cognizant we are, the harder it becomes for criminals to succeed.

*The scams mitigation toolkit was developed by the Federal Reserve to help educate the industry about scams and outline potential ways to help detect and mitigate this fraud type. Insights for this toolkit were provided through interviews with industry experts, publicly available research, and team member expertise. This toolkit is not intended to result in any regulatory or reporting requirements, imply any liabilities for fraud loss, or confer any legal status, legal definitions, or legal rights or responsibilities. While use of this toolkit throughout the industry is encouraged, utilization of the toolkit is voluntary at the discretion of each individual entity. Absent written consent, this toolkit may not be used in a manner that suggests the Federal Reserve endorses a third-party product or service.*