



Identity theft. It's happening to some of your best employees. That's why some companies now offer innovative protection for employee identity and credit scores as part of their employee benefits package. Identity theft is a huge problem. In 2020, the FTC received more than [1.4 billion reports](#) of identity theft, twice as many as in 2019.

But that's not all. Of the 1.4 billion claims, 406,375 involved applying for some form of government benefit, such as unemployment insurance. That's an increase of 17 times over the previous year. The Department of Labor inspector general estimates that in the year following the start of the pandemic, more than [\\$63 billion](#) was paid out in fraudulent or erroneous unemployment claims.

Who pays for this fraud? The victim, the government and the employer through increased employer contribution rates. But perhaps the biggest toll from identity theft comes from the impact it has on people's lives. The problem doesn't simply disappear once the victim replaces their stolen credit card, covers the bounced

checks or closes their bank account. Nearly [38%](#) can't get a new credit card, 34% are denied a loan and 28% go into debt due to their victimization.

Identity theft goes far beyond an inconvenient call to the bank. Many employers recognize the growing problem and are adding identity theft protection for employees to their benefits package.

How Big Is the Identity Theft Problem?

[Forty percent of Americans](#) are stressed enough that their financial concerns affect their ability to enjoy their daily lives. A larger number, 65%, feel overwhelmed by financial difficulties beyond their control. In addition to general stress over money, many people are concerned with identity theft.

Roughly [two-thirds](#) worry about identity theft occasionally or frequently. And identity theft doesn't just happen to the privileged few. It strikes all income brackets, races, genders and ages. During 2020, nearly one [in five Americans](#) were the victims of actual or attempted identity theft. Needless to say, employees bring that stress to work every day.

Trends in Financial Service Benefits

More and more employers recognize the value of offering financial service offerings. It's the newest trend in employee benefits. Research proves that a good benefits package helps attract and retain employees. You want your employees to be financially fit for the same reasons you want them to be physically healthy. Not only will your company attract and retain the best employees, research shows you'll also experience higher levels of performance and engagement. You want your people to show up every day and give 100 percent of themselves to the task at hand. That can only happen when employees are free from stress and worry.

Some companies offer financial assistance via student loan repayment, retirement planning or investment strategies. These offerings are a welcome part of your comprehensive benefits package. But the most pressing concern for many people is their everyday financial situation:

- How can they use credit cards more responsibly?

- How can they achieve their best credit score?
- How can they balance the convenience of credit and debit card usage with the risks they entail?
- How can they protect their identity when using credit and debit cards online?

What Is Identity Theft?

Identity theft occurs when someone obtains another person's personal identifying information and uses it without their permission for economic benefit. There are several common ways the theft might occur:

- The criminal listens in on a phone conversation or looks over the victim's shoulder while they are conducting a financial transaction in a public place.
- Mail is intercepted or redirected without the victim's knowledge.
- The victim receives a pre-approved offer for credit and discards the information without shredding it.
- The victim responds to a phishing (i.e., fraudulent) attack and provides information by email, phone or text for a benefit they never receive.
- There is a widespread online data breach by cyberhackers which compromises the victim's information.
- Fraudsters generate random account numbers until they find one that is valid.

With today's technology, identity theft can happen to anyone. Once the theft occurs, the criminal uses the information to max out credit cards, withdraw money from the victim's bank account, apply for credit, use online accounts or obtain goods and services using the victim's credit, medical or job history.

Why Should Benefits Packages Include Identity Theft Protection?

There are many steps employees can take to protect themselves, such as monitoring their bank accounts, credit card statements and credit reports. The reality, however, is that most people will not recognize theft until the damage has

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been done. Moreover, these monitoring activities require time and attention, a precious commodity for busy people.

With the threat of cybercrime increasing day by day, it would make sense that Americans would check their credit reports more, not less. But, in fact, the [opposite is true](#). In 2020, just 33% of Americans checked their credit reports, a decline of approximately 12% from 2019. Despite warnings to avoid giving out our social security numbers, almost half have entered all nine digits in an online form, up nearly 18% from the previous year.

With [56%](#) of people increasing their online shopping and just 45% checking their credit card transactions, data theft is bound to climb even higher. That makes identity theft protection for employees a very attractive offering.

Give Employees Greater Control, Peace of Mind

When you include ScoreMaster as part of your benefits package, you provide a tool that works for employees as hard as they work for you. ScoreMaster helps employees protect their information, manage their money, optimize their credit score and gain control of their financial future. They'll receive instant alerts about suspicious activities and be able to resolve identity theft and credit reporting problems using the application's Action button. Whether your employees are recent college graduates or near retirement age, ScoreMaster is a benefit everyone can use to reduce the stress of money management.

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