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Identity Fraud and Families: Impacts of a Digitally Connected Life

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This original report sponsored by Allstate Identity Protection explores how identity fraud can affect families in a variety of unique and challenging ways. This report identifies recommended actions that families can take to help reduce their exposure to identity fraud through safer digital behaviors and heightened identity monitoring. This research report was independently produced by Javelin Strategy & Research.

Families are significantly impacted when identity fraud occurs, with an average amount stolen adding up to nearly $1,500 per incident. Add in that families pay three times as much in out-of-pocket expenses compared with individuals without children under 18. The out-of-pocket costs of more than $440 are due, in part, to the need to pay child care and legal fees and the extended time required to resolve incidents of identity fraud. Having children in the family can bring added and sometimes unexpected expenses. No family, however, consciously plans to budget for fraud events.

As technology meshes with everyday life, it leaves consumers open to greater vulnerability to identity fraud. Poorly protected financial accounts and unsafe online behavior can accelerate the actions of criminals who wish to steal identities for financial gain. Personally identifiable information, or PII, takes on particular significance when a loss occurs that affects a family unit and places incredible time and financial strain on those responsible for mitigating the losses and protecting the victims.

The need for security awareness, strong technology tools, and safer digital practices can be addressed only by reviewing consumer data to see where the weaknesses can be strengthened. This report focuses on where families face vulnerabilities and techniques to minimize risks and balance privacy.

The data in this report was primarily collected from a random-sample survey of 5,000 consumers during 2019. Throughout this study Javelin references families. Javelin identifies any household that contains at least one or more adults and one or more minor children less than 18 years of age as a designated family unit. Non-families are defined by Javelin as any household containing adults 18 years of age or older with no children. According to the U.S. Census 2018 study, there were 121,520,180 households in the United States, and 30.3% of those households contained a child under the age of 18 years.