



The Role of Financial Stress in Old Age well-Being

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Submission:  October 18, 2017; Published:  November 13, 2017

Mini Review

Old age is often associated with disease, in the sense of discomfort and inconvenience. Looking at the etymological history, we find that the word traces back to the early 14th century where it appears in the Old French language as *disease*. It consists of *des*-without, *away* and *aise* which means ease. In today's language we would translate this being-without-ease as experiencing stress.

Yet, disease is usually constructed as a mainly physiological condition associated with specific medial symptoms and treatments. Since the mid-20th century, research is conducted on the relationship between stress and pathology [1-8]. Stress can be beneficial at times, producing the drive and energy to support people through challenging situations. However, ongoing "systemic stress" is often found to have adversely affect the immune, cardiovascular, neuroendocrine and the central nervous system [8,9]. For some diseases these risks are calculated. For instance, individuals who suffer from depression and anxiety run a risk twice as high for heart disease than people without these conditions [10].

I am interested to what extent stress, related to the risk of old age poverty-financial stress-increases the of prevalence of diseases in later life. This is a relevant question because in most cultures, supporting older people financially is becoming an increasingly demanding obligation. In rapidly aging emerging countries people live longer, but they run a greater risk of falling into old age poverty because family support is declining and this is not (yet) replaced by social security measures in the same speed. The emerging countries will have significantly less time and fewer resources to meet the aging challenges. This situation makes it much harder to develop appropriate financial and social protection for older people in the emerging countries, than the developed countries have faced in the past. One could argue that emerging countries "are getting old before they become rich".

The risk of old age poverty is particularly high for women since on average they live longer, they are often married to a much older husband, and they had and still have fewer opportunities to create a pension due to less (formal) labor market participation. According to studies by Dutt, at least 245 million women around the world have been widowed and more than 115 million of them live in devastating poverty.

The following is three big set of data which are researched on the relationships between stress, health and pensions. I came across some topical research, including macro level, micro and meso levels, and geriatric oriented studies.

A. A first group of studies focuses on the macro level and analyses country averages on the quality of life of older people. An interesting example is the work of David Hayes of the Personal Finance Research Centre. He studies the financial wellbeing in older age. He has analyzed 56 countries on the relationship between financial satisfaction and happiness among older people (50+) using the World Values Survey 1981-2008. The paper he wrote focuses at self-reported happiness by country and the variation between countries, and examines how this compares to self-reported financial satisfaction among the over-50s. Multilevel models are used to explore the individual and country-level predictors of self-reported financial dissatisfaction and unhappiness, and how country of residence impacts upon these, above and beyond individual circumstances. On the first five places we find Switzerland, Norway, Sweden, Canada, and Finland. On the last five places Ukraine, Russia, Rwanda, Bulgaria and Georgia. As was expected, the countries with the most satisfied older generations had a much higher level of socio-economic development than the lowest five countries [11].

Another example is the Global Age Watch Index. This index ranks 96 countries according to the social and economic wellbeing of older people. This represents 91% of people over 60 across the world. The data are gathered through quantitative studies and more qualitative surveys. The GAWI Index uses four domains: income security, health status, capability, and enabling environment as well as variables per domain directly related to the concepts like relative poverty rate, pension coverage, income, health and life expectancy. The first 4 countries of the index-Switzerland, Norway, Sweden, Germany all had 100 percent pension coverage. The 5th country, Canada covered 97 percent of older people.

B. The second group consists of micro and meso studies related to the quality of life of older people in terms of financial situation, life satisfaction, and physical health. I present an example from Thailand and from Brazil.

Data from the 2011 Survey of Older Persons in Thailand examines the association between preparations for old age (financial, health, care giving, living arrangements, and spiritual) and three variables of well-being: financial satisfaction, life satisfaction, and physical health. The study further explores the role of social stratification and the gendered nature of these relationships. The large sample (N=10,235) is restricted to adults 60+ years who are retired. Multivariate logistic regression analyses indicate that especially socioeconomic resources are positively associated with all three well-being outcomes. Furthermore, for women, there are significant negative interaction effects of income and financial preparation on life satisfaction, as well as negative interaction effects of disability and caregiver preparation on self-rated health. (Pothisiri & Quashie)

Amorim, França & Valentinicompared differences in degree of happiness, social support, activities performed health and economic situation among retirees from urban and rural areas in Minas Gerais State in Brazil. They included 279 retired individuals living in Abre Campo (a rural town >20,000 inhabitants) and in Belo Horizonte (a city of 2.5 million inhabitants). Participants responded to a questionnaire that included scales of happiness, social support, diversity of activities, and issues about satisfaction with health and economic situation. Retirees from the urban area had a higher happiness level than retirees from the rural area ($\beta=0.16$). The most important predictors of happiness were health ($\beta=0.42$), social support ($\beta=0.26$), and economic situation ($\beta=0.15$). No moderation effects of urban and rural areas were found. The researchers concluded that the findings support action to offer financial planning before retirement and to stimulate social support and health promotion for retirees, particularly given the importance of these factors in perception of happiness [12].

C. A third set of more geriatric oriented studies, review the relationship between financial stress as a direct result of illness as well as a strain at the end of life [6,13]. For instance, Hanratty [6] conducted a systematic search of four electronic databases, providing data on illness-related financial burden (stress), or perception of financial hardship (strain), from patients with terminal cancer or their caregivers [13-16].

They identified and reviewed twenty-four papers from 21 studies published in English between 1980 and 2006, the majority (14) of cross-sectional design. Financial stress was reported in all 13 studies from the USA (median 33%, range 10-66%), but only four sought measures of financial strain. In the USA, specific social consequences, such as moving house or change in employment to cope with care giving, were reported in four of these studies. In studies from outside the USA, there is a lack of data on financial stresses and the consequences of this for the household, despite widespread reporting of financial strain. To fill a gap in our understanding and improve holistic palliative care, researchers need to ask the questions about the consequences of financial stresses and strain for the health and wellbeing of the household [6].

Conclusion

The results all three sets of macro, meso and more geriatric oriented studies provide evidence on the positive correlation between the financial situation of older people, their well-being and their physical health condition. Living in a country with full pension coverage predicts a high level of welfare and a low level of dis-ease. Residing in an urban environment correspondingly predicts a higher chance on happiness and a better health situation than in rural areas related. The results from the large study in Thailand focused on the role of social stratification and the gendered nature of these relationships confirmed these findings. These results added the insight that for women there was a negative interaction effects of income and financial preparedness on life satisfaction, as well as negative interaction effects of disability and caregiver preparation on self-rated health.

The United Nations estimates that over 1.2 billion older people will be without a secure income by 2050, unless action is taken. These findings suggest that this insecurity will lead to increased health problems in the older generations. Therefore, these results invite more research on the identification of the exact strength of the correlations between financial preparedness (pension) and the related financial stress (unpreparedness), health condition and well-being for women as well as men. Gerontology, defined as the study of the social, cultural, psychological, cognitive, and biological aspects of aging, could contextualize its multi-level research agenda given the importance of these socio-economic and financial aspects in the well-being of older people and their families.

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