



Perceived Financial Well-Being of Canadians in Mid to Later Life: A Longitudinal and Multi-Method Analysis

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Overview

- While lower income is known to be associated with poorer health, the potential influence of perceived financial stress on life course trajectories has been less explored.
- Cross-sectional research suggests that older people reporting financial stress or subjective financial inadequacy have worse health.
- Not well known if the relationship between perceived financial well-being and physical and mental health over life courses differs across birth cohorts.

Research questions

- How is perceived financial health associated with physical and mental well-being in mid-life and older years?
- What relationship between financial health and well-being do people anticipate in their later years?
- Do the effects of perceived financial health over time vary by individual characteristics and differ for those in mid and later life?

Framing

- Social determinants of health
- Welfare state theory
- Life course perspective
- Longitudinal analyses of SES/health among those in mid-life as they age
- Multi-method approach

Statistical analysis

- **Data:** Canadian National Population Health Survey (NPHS) (2000/01 through 2010/11)
- **Sample** ($N = 6,289$): Respondents age 45 + in Cycle 4 (2000/01) [45-64 = 3,690; 65+ = 2,599]
- **Dependent variables**
 - **Self-reported fair or poor health:** Respondents' evaluations of their health as poor, fair, good, very good, or excellent (scored 0 through 4, respectively). Dichotomised into 0 = good (good, very good and excellent) and 1= poor (fair and poor)
 - **Self reported high psychological distress:** K6 distress scale for mental health (Kessler *et al.*, 2002) - interval measure scaled 0 - 24 (higher scores indicate more distress: recoded as 1 for K6 Psychological Distress Scale score ≥ 4)

Statistical analysis (continued)

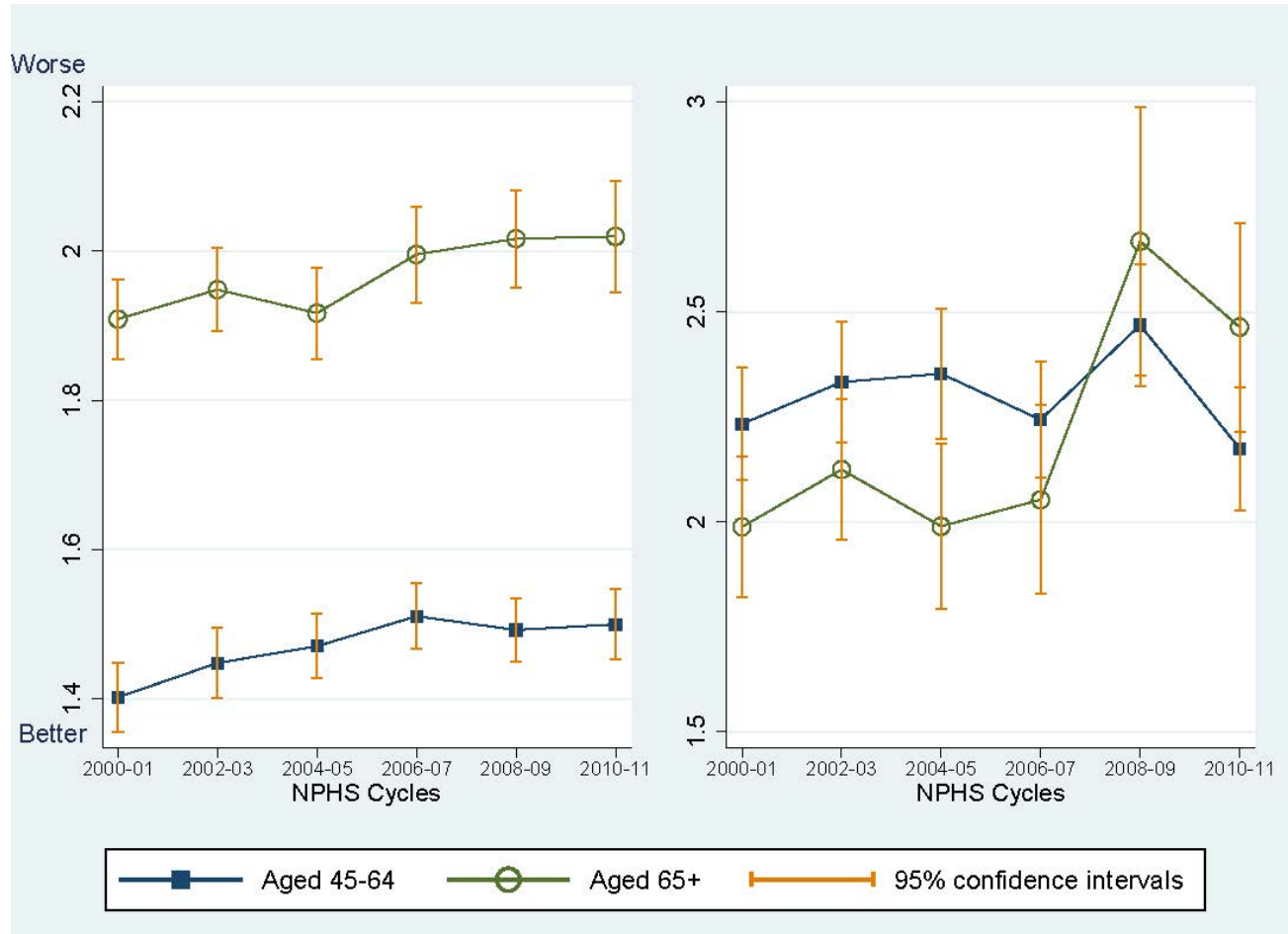
- **Method- mixed effects logistic regression models**
 - Multilevel random coefficient (intercepts & slopes) models were utilized to account for non-independence of repeated measures.
 - A two-level model was structured with time (level 1) being nested within individuals (level 2).
- **Key predictor variable**
 - **Financial Problems Stress Index (FPSI):** An index derived by Statistics Canada through the statement: *“You don’t have enough money to buy the things you need.”* Respondents answered either true (coded as 1) or false (coded as 0).

Statistical analysis (continued)

- **Model specification in regression analysis:**
 - Sequentially adjusted multivariate models for ages 45-64 (mid-life cohort) and 65+ (later life cohort) separately
- **Model 1** adjusted for time and Financial Problems Stress Index (FPSI)
- **Model 2** adjusted for **Model 1** plus income adequacy
- **Model 3** adjusted for **Model 2** plus education, employment status, marital status, age, Social Support Index, chronic condition, sex, visible minority status, and immigration status
- **Model 4** adds **Model 3** to the interaction term between time and Financial Problems Stress Index (FPSI)

Quantitative findings

Mean levels of Self-Reported Health (left) and Psychological Distress Scale (right) across NPHS Cycles, for mid-life and later life cohorts



Source: 2000/01 to 2010/11 National Population Health Survey.

Multilevel odds ratios for self-reported fair or poor health

Financial Problems Stress Index	Respondents in Mid-Life (age 45-64) OR [95% CI]	Respondents in Later-Life (age 65+) OR [95% CI]
Model 1 ^a	4.36 [3.20,5.95]	1.65 [1.22,2.21]
Model 2 ^b	3.72 [2.74,5.05]	1.51 [1.08,2.12]
Model 3 ^c	3.35 [2.51,4.47]	1.43 [1.03,2.00]
Model 4 ^d	3.25 [2.20,4.80]	1.13 [0.65,1.97]

Source: 2000/01 to 2010/11 National Population Health Survey.

^a Model 1: Adjusted for time and Financial Problems Stress Index

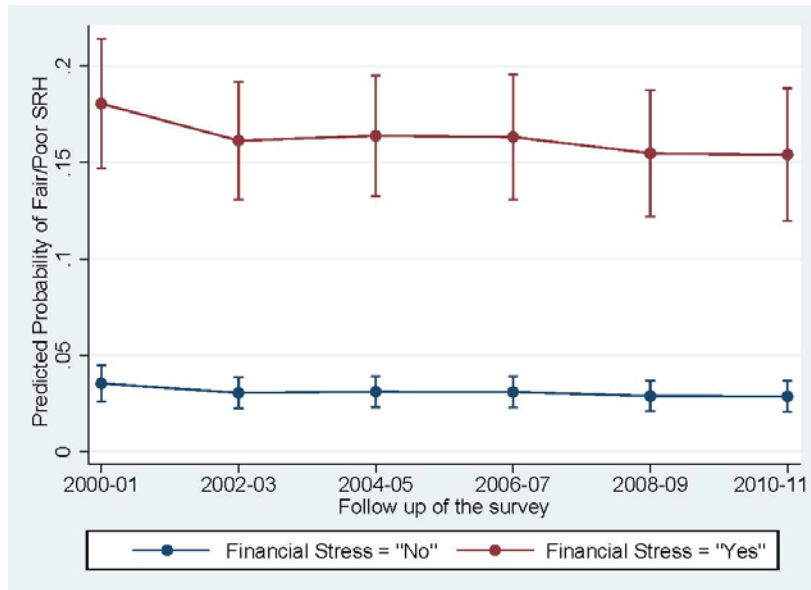
^b Model 2: Adjusted for time, Financial Problems Stress Index, and income adequacy quartiles.

^c Model 3: Adjusted for Model 2 and education, employment status, marital status, age, Social Support Index, chronic condition, sex, visible minority status, and immigration status.

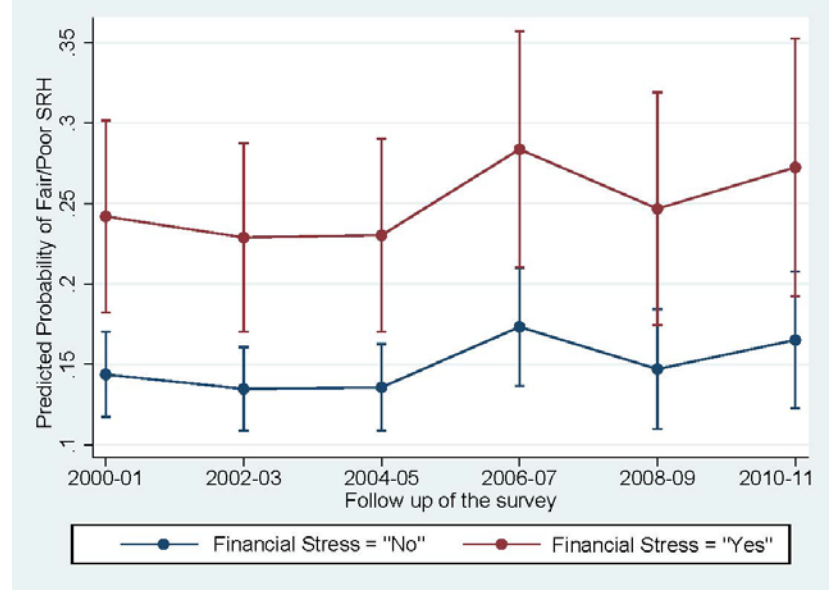
^d Model 4: Model 3 plus the interaction term between time and Financial Problems Stress Index

Trajectories of self-reported fair or poor health by financial stress

Respondents aged 45-64



Respondents aged 65+



Source: 2000/01 to 2010/11 National Population Health Survey.

Note: Predicted probabilities of self-rated fair or poor health by financial well-being status over NPHS Cycles based on mixed-effects logistic regression analyses (final models, Model 4).

Multilevel odds ratios for self-reported high psychological distress (K6 distress scale: 4+)

Financial Problems Stress Index	Respondents in Mid-Life (age 45-64) OR [95% CI]	Respondents in Later-Life (age 65+) OR [95% CI]
Model 1 ^a	2.84 [2.37,3.39]	1.82 [1.33,2.47]
Model 2 ^b	2.58 [2.15,3.09]	1.65 [1.16,2.35]
Model 3 ^c	2.48 [2.09,2.93]	1.73 [1.25,2.38]
Model 4 ^d	3.03 [2.33,3.95]	1.73 [1.06,2.81]

Source: 2000/01 to 2010/11 National Population Health Survey.

^a Model 1: Adjusted for time and Financial Problems-Stress Index

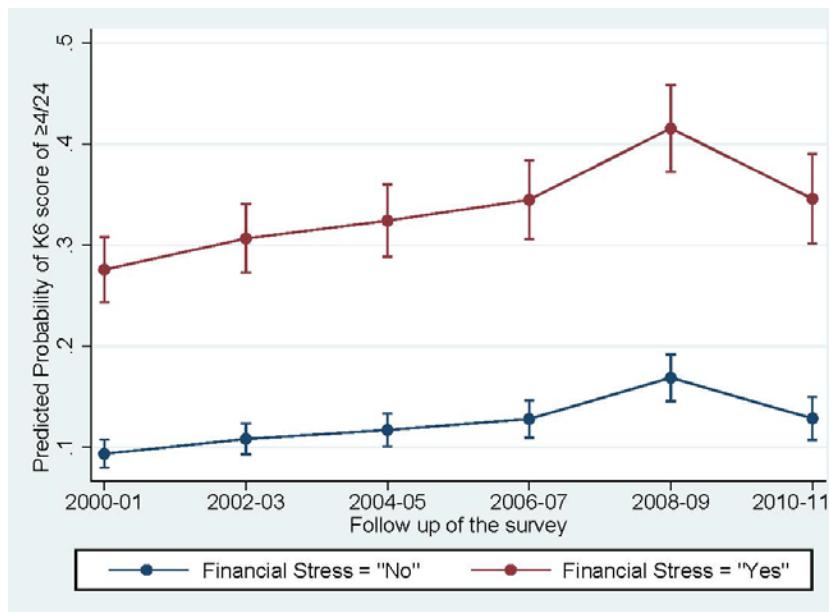
^b Model 2: Adjusted for time, Financial Problems Stress Index, and income adequacy quartiles

^c Model 3: Adjusted for Model 2 and education, employment status, marital status, age, Social Support Index, chronic condition, sex, visible minority status, and immigration status.

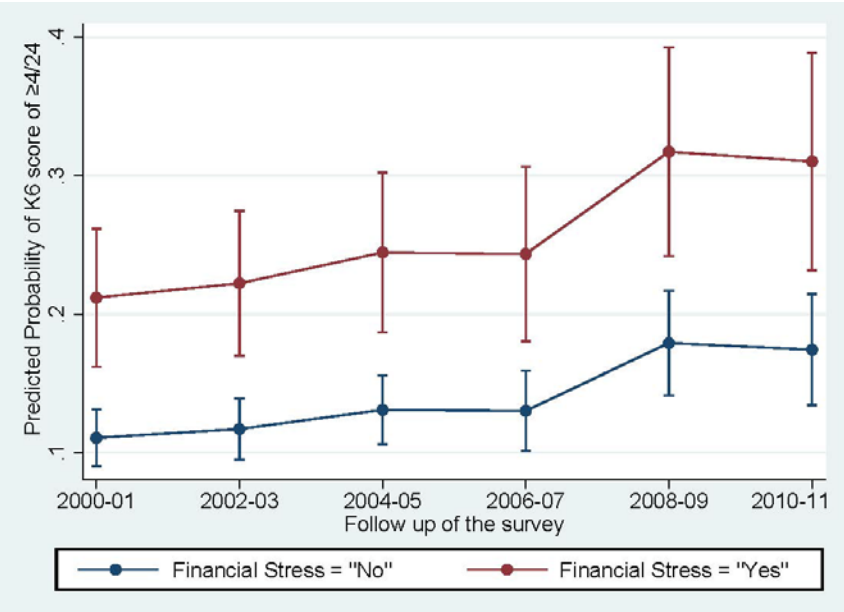
^d Model 4: Model 3 plus the interaction term between time and Financial Problems Stress-Index

Trajectories of self-reported high psychological distress by financial stress

Respondents aged 45-64



Respondents aged 65+



Source: 2000/01 to 2010/11 National Population Health Survey.

Note: Predicted probabilities of self-reported high psychological distress by financial well-being status over NPHS Cycles based on mixed-effects logistic regression analyses (final models, Model 4).

Does the effect of perceived financial health differ among individuals?

- We add random slope for Financial Problems Stress Index (FPSI)
 - The significant variance (random effect) estimate for the FPSI slope addresses our research question: The effect of FPSI varies in our sample of respondents.
- The variance of the random slope coefficient for FPSI remains significantly different from zero in each model. Indicates that our control variables (both constant and time-varying) cannot explain all of the inter-differences in FPSI gaps in physical and mental health.

Qualitative analysis

- **Data:**
 - In-depth interviews with working-class and middle-class Canadians and Americans in mid-life and living in two comparable cities.
 - Interviews conducted at two points in time: 2008-10 (when the Great Recession was beginning) and 2013.
 - Focus here on interviews with Canadians in 2013 (8 working class, 7 middle class; age range 46-63; 5 men, 10 women).

Qualitative findings

- Financial precariousness, whether current or anticipated, is a recurrent theme, in 2008-2010 and 2013 interviews with Canadians.
 - In 2013, **more than 1/3** of respondents reported lacking confidence in their financial situation in old age.
 - **More than 1/2** expect their financial situation to change for the worse when they retire; middle class respondents, in particular, expect their financial prospects to be worse.

Qualitative findings (continued)

- *There'll be a cut I'm sure. Things might be a lot harder if they don't fix the economy. It's like everything has blown up. Housing costs are ridiculous. I don't understand how people afford those new houses. Food is way more expensive than it used to be. (WC)*

Qualitative findings (continued)

- Working and middle class Canadians are noticeably concerned about their children's financial futures.

(This concern also voiced by 2008-2010 respondents.)

- *My daughter she lives here rent free, we help her with her school. We've helped her in the past with educational costs, as well as my stepson . . . I don't mind, they're my children. We don't mind but hopefully she'll find a job. (WC)*
- *It'll be harder now that we only have one main income but we're not going to deprive him of the medication he needs. (MC: Her son has an eye problem and requires expensive treatments.)*

Qualitative analysis (continued)

- Implied in respondents' answers is that financial precariousness is often related to psychological distress
 - *My parents passing away. I don't have anyone to care for me. This is scary for me. I don't have any family anymore. (WC)*

– *I guess it would be harder for me because I don't have family and depend on my friends . . . I guess the fact that I'm single. I don't have anyone to depend on except my friends . . . I guess I wonder if something does happen to me, who can I depend on if my friends couldn't be there. Now that I'm thinking about that, it's an important consideration. (WC)*

Discussion and conclusion

- In both cohorts, respondents increasingly report worse health and higher psychological distress as they grow older.
- We find strong associations between subjective financial stress and self-reported overall health and psychological distress in both cohorts.
- Those reporting financial stress have worse subjective health over their life courses.
- The effect of financial stress on physical and mental health is greater in mid-life than in later life.

Discussion and conclusion (continued)

- Investigations of the effect of SES on health should include measures of subjective financial well-being.
- Income alone does not fully capture the difficulty individuals and families experience in trying to meet their needs.

Discussion and conclusion (continued)

- Interview findings echo our quantitative findings:
 - Respondents connect their financial well-being to their emotional well-being in reports of worry or concerns about the present or future
 - General worry and concern stemming from the link between financial and emotional well-being are greater when anticipating children's futures.

Discussion continued.....

- Policy discussions about aging in Canada could attend to the link between financial stress and well-being.
- Strong evidence exists on the income security challenges of some in later life, but less is known about those in mid life – who may carry financial stresses into their later years.
- Attention only to income security with aging is insufficient; Need to focus on how financial stress from mid to later life links with health and well-being
- Policy attention is needed beyond income supports to health issues connected to financial stress over life courses.

Thank you

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