

Economic Attitudes as the Predictors of Working Activity of Older People*

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Abstract—In this article the analysis of the result of the research are presented, the objective of which was research of the economic attitudes of working and non-working pensioners. There are 160 people who took part in this research, with an average age of 66.4 years. The main method used was the "Economic Attitudes Questionnaire". Attitudes formed in the economic mind of pensioners influence the choice of socialization strategy. The results of the research allow speaking about various strategies of late economic adaptation: related to the active position in the market (investment, consumption, lending) and the position of money conservation (savings, rational consumption).

Keywords—economic attitudes; working activity; older people; pensioners; retirement

I. INTRODUCTION

Today, as life expectancy is increasing throughout the world and the birth rate is declining, the socio-economic and value structure of society is changing dramatically. The ageing of society becomes a serious political, economic and social problem that stipulates relevance of the study of late economic adaptation markers (adaptation of older persons to changes of their economic status) on a global scale.

Ageing of population was perceived as a challenge for the state, which had to develop public policy approaches to address emerging issues. It is evidenced by the "economic gerontology" arisen in the 1970s, which gave a theoretical description of the new economic situation [1].

There are a number of social consequences of ageing of the society: meeting several generations in one social group, the need to increase migration flows to replenish the labor resources of the state, leading to an increase in the level of social strain [2].

Probably, the most dangerous consequences of the

society ageing are socio-economic ones: there is a redistribution of economic resources for social welfare based on the pension system in ageing societies [3]; the number of young people entering the labor market is reducing which causes the ageing of the labor force and ultimately provokes violation of production processes [4], [5]; later adulthood of young people [6]; with age investors become more inclined to avoid risky investments [7], [8], [9] household consumption among the population aged 65 and over is declining, which also does not promote economic growth [10].

The process of population ageing has also affected Russia. The situation is compounded by the fact that the reforms carried out in recent years have not made any significant improvements in the lives of many elderly people. There has been observed the incidence of poverty among pensioners that drastically reduced the social status of the older generation in the society, in a family, strengthened the negative attitude of the elderly towards younger people [11]. On the other hand, there is a tendency of the increase of gerontophobic attitudes, the fall of the authority of old age and alienation between generations [12]. The majority of pensioners live hand-to-mouth, that dramatically limits their choice of economic behavior strategy [13].

Thus, many countries, including Russia, faced the problem of population ageing and its consequences, whereas the ways to address this issue are not obvious. One of the reasons is that knowledge of the mechanisms of ageing and socialization upon retirement is limited. In particular, it remains unclear, what personal and mental characteristics affect the employment behavior of people of advanced age. This study is based on the idea that an important factor influencing the choice of pensioners to keep working or not is their economic attitudes.

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II. THEORETICAL FRAMEWORK

Today, old age is considered not only as a passport age, health condition, but also as a social construct, partially imposed by stereotypes not corresponding to modern demographic and mainly socio-psychological conditions [14], as the level of social activity related to health status measured on the basis of objective indicators [15].

The motivation of older employees to keep working is being studied [16]. Studies show a stronger link between intrinsic motivation (i-e-congruency) and job satisfaction of the older employees [17]. It is elicited that prosperity of elder people is also related to the employment opportunities [18].

The aspects of pensioners' economic mind are still poorly studied. There are attempts to develop a financial planning model for pensioners taking into account their capabilities, abilities, and wishes [19].

The purpose of the study is to identify the impact of economic attitudes on the pensioners' choice whether to keep working.

III. METHOD AND DATA

In order to address this matter and to discover their economic attitudes, a survey of older persons (pensioners) was conducted (N = 160, average age is 66.4 years). The main method used was the "Economic Attitudes Questionnaire" [20]. The questionnaire is aimed at studying the economic attitudes. In order to comprehensively characterize the field of the individual's economic attitudes, various spheres of economic behavior were included in it: behavior of the owner (attitude to money, property, saving and investment behavior), the consumer, the entrepreneur, and the employee.

In addition, Furnham's modified scale of the individual income level adapted by O.S. Deyneka [21] was applied to

the level of subjective economic well-being. The respondents were asked to assess their income level on a 7-point scale (1 — live hand-to-mouth, 7 — a high level of income).

At the first stage, the respondents were asked to estimate their income level. The Mann-Whitney U test was used to analyze the differences. At the second stage, in order to describe the features of economic attitudes of working and non-working pensioners, the descriptive statistics and the analysis of differences of the Mann-Whitney U test were performed. At the third stage, the features of the factor structure of economic attitudes of working and non-working pensioners were revealed. Factors differentiation method: Principal component analysis Rotation method: varimax with Kaiser normalization. Finally, discriminant analysis was aimed at identifying the influence of attitudes formed in the economic mind of pensioners on the choice of active or passive socialization strategy.

IV. RESULTS

At the first stage, the respondents were asked to assess their income according to the Furnham's modified scale of the individual income level adapted by O.S. Deyneka. The respondents were asked to assess their income level on a 7-point scale (1 — live hand-to-mouth, 7 — a high level of income). "Table II" shows the results of the comparison.

The results of the comparison ($U=3478$, $p=0.9$) clearly show that the subjective perception of the level of own income of working and non-working people of retirement age does not differ. Despite the fact that working and non-working people of retirement age subjectively assess their income level equally, they have a number of significant differences in the perception of economic reality, given in "Table I".

TABLE I. THE RESULTS OF COMPARATIVE ANALYSIS OF ECONOMIC REALITY PERCEPTION OF WORKING AND NON-WORKING PEOPLE OF RETIREMENT AGE

Statements	Average ranks		U	3p
	Working pensioners	Non-working pensioners		
Rationality of purchases	73.6	93.4	2511	0.001
Tendency for savings	74.8	90.7	2650	0.024
Confidence in the future through savings	74.1	92.5	2590	0.014
Economic ambitions	88.9	72.1	2559	0.020
Proactivity in real estate	92.2	71.5	2503	0.003
Financial optimism	91.4	72.4	2573	0.004
Priority of salary over self-realization	92.8	71.5	2508	0.004
Significance of financial status	91.5	73.2	2634	0.012

Working pensioners are ready to be active in the field of real estate, and they are interested in real estate prices, even if they do not plan to buy anything in the nearest future. They have financial optimism, they are confident that the level of their income will increase in the nearest future. Working people of retirement age place a priority on a respectable salary. They believe that the key to well-being is to find a well-paid job, even if it is not their vocation. The status of a wealthy person is of great importance for employed pensioners. Non-working pensioners consider it important to make purchases consciously and rationally. It is

important for them to save. They believe that everyone, regardless of the income level, should regularly make savings for the future. Savings help them look ahead with confidence [22].

The results of the study revealed a number of significant differences in the perception of economic reality by working and non-working pensioners. Thus, working pensioners are ready to invest, and they consider it necessary to be active in the field of real estate. They place a priority on a respectable salary. They believe that the key to well-being is to find a

well-paid job, even if it is not their vocation. The status of a wealthy person is of great importance for employed pensioners. Non-working pensioners consider it important to make purchases consciously and rationally. They have confidence in the future through savings.

At the next stage, an exploratory factor analysis was carried out in order to identify the structure of working and non-working pensioners' economic attitudes ("Table II" and "Table III").

TABLE II. RESULTS OF FACTOR ANALYSIS OF ECONOMIC ATTITUDES IN THE GROUP OF WORKING PENSIONERS

	Factors			
	1	2	3	4
Financial literacy	,643			
Confidence in the future through savings	,631		,501	
Tendency for savings	,622			
Investment ignorance	-.589			
Activity, rationality in the banking sector	,555			
Distrust of banks, irrationality	-.493			
Consumer proactivity	,454	,446		
Negative attitude toward entrepreneurs	-.409			
Significance of financial status		,793		
Economic ambitions		,753		
Priority of salary over self-realization		,559		
Cognitive economic activity		,524		
The value of independent economic achievements		,480		
Proactivity in real estate		,468		
Rationality of purchases			,794	
Customer satisfaction			,761	
Avoiding debts			-.567	
Financial optimism			,563	,427
Positive attitudes towards credits			,457	
Consciousness of consumer irrationality				-.653
Willingness to invest				,518
Priority of salary over health				,511
Social responsibility of wealth				,484
Explained variance ratio, %	19.76	11.41	9.64	6.78
Factors differentiation method: Principal component analysis Rotation method: varimax with Kaiser normalization. ^a				

Based on the factor analysis, in the group of working pensioners 4 factors in the structure of economic attitudes, explaining 47.6% of the total variance, were identified. All indicators were included in the factor structure with coefficients more than 0.4, while 3 indicators were at the same time included in two factors.

In the first factor, "Savings on the basis of financial literacy", the key indicators are the Tendency for savings and financial literacy. In addition, it includes a positive attitude towards entrepreneurs and banks, activity in the consumer and banking sectors. It can be assumed that this factor reflects favorably disposed and active in the economic sphere pensioners, relying on knowledge of financial laws, who know the market and regularly make savings [23].

The importance of financial status and economic ambitions are dominant in the second factor, "Economic activity caused by the importance of financial status". There are also such indicators as the priority of earnings over vocation, cognitive economic activity, and the value of independent economic achievements, Proactivity in real estate and Consumer proactivity. It can be assumed that this factor reflects a working pensioner seeking to maintain (not to lose) his/her financial status, because he/she is proud of the financial achievements, for him/her it is an important value factor. In this regard, these people are very active in the economic sphere, trying to gain new knowledge and to

keep the track of events in the market. Most probably, these pensioners work in order to maintain their financial status at an enough high level [24].

The third factor, "Focus on Consumption", to a greater extent explains the consumer behavior of working pensioners. It includes the following indicators: rationality of purchases, consumer satisfaction, financial optimism, positive attitudes towards credits, confidence in the future through savings and avoiding debts (with a negative sign). Most probably, this factor reflects working pensioners enjoying the opportunity to spend money buying their favorite things. At the same time, this category of pensioners is quite positive about purchases on credit, they are both optimistic and prudent in decision-making as well as they have certain savings.

The fourth factor "Positive feelings and attitudes in the economic sphere" was the most difficult to interpret, as it is dominated by the awareness of consumer irrationality (with a negative sign). This indicator includes willingness to invest, priority of earnings over health, awareness of social responsibility of wealth, and financial optimism. Probably, this factor generally reflects the positive attitude of working pensioners towards the economic realities up to the willingness to invest. However, this readiness is not supported by financial knowledge or rationality (as in the first and third factors), but is based only on beliefs and emotions.

TABLE III. RESULTS OF FACTOR ANALYSIS OF ECONOMIC ATTITUDES IN THE GROUP OF NON-WORKING PENSIONERS

	Factors			
	1	2	3	4
Financial optimism	,737			
Priority of salary over health	,694			
Economic ambitions	,675			
Priority of salary over self-realization	,659			
Proactivity, rationality in the banking sector	,582	,413		
Willingness to invest	,576			
Proactivity in real estate	,501			
Significance of financial status	,445			
Negative attitude toward entrepreneurs				
Social responsibility of wealth				
Cognitive economic activity		,730		
Confidence in the future through savings		,697		
Customer satisfaction		,645		
Consumer proactivity		,604		
Financial literacy		,551		
The value of independent economic achievements		,466		
Investment ignorance			,674	
Consciousness of consumer irrationality			,584	
Avoiding debts			,536	
Positive attitudes towards credits				
Rationality of purchases				,682
Tendency for savings				,613
Distrust of banks, irrationality				-.519
Explained variance ratio, %	16.47	11.10	7.9	7.74
Factors differentiation method: Principal component analysis				
Rotation method: varimax with Kaiser normalization. ^a				

Based on the factor analysis, 4 factors in the structure of non-working pensioners' economic attitudes were identified, but the indicators were combined into factors in a different way in comparison with a group of working pensioners. It is noteworthy that the indicators of negative attitude towards entrepreneurs, awareness of social responsibility of wealth and preference to make expensive purchases on credit were not included in the factor structure with high rates.

The first factor "Financial optimism, materialism, and economic activity" combines the following indicators: financial optimism, priority of earnings over health and vocation, economic ambitions, Proactivity and rationality in the banking sector, willingness to invest, Proactivity in real estate, and the importance of financial status. This factor reflects the category of non-working pensioners who have managed to maintain a high financial level (for example, high pension provision) and continue to live a full life in the economy.

The second factor "Economic activity underpinned by savings and knowledge" combines the indicators: cognitive economic activity, confidence in the future through savings, Consumer proactivity and satisfaction, financial literacy and the value of independent economic achievements. This factor reflects the type of non-working pensioners who live a full life as consumers, are interested in market news, and maintain the level of financial literacy.

The third factor "Avoiding investments and debts" combines indicators of investment ignorance, awareness of consumer irrationality, and the desire to avoid debts. This is probably a type of non-working pensioners who prefer to

live modestly, without running into debts, sensibly assessing their financial condition, and not seeking to improve their financial literacy.

Finally, the fourth factor "Rationality and saving behavior" includes the indicators: rationality of purchases, the Tendency for savings, as well as credibility to banks. In fact, this factor reflects the temptation to saving behavior of non-working pensioners, connected to rationality and restrictions in personal consumption [25].

Thus, the results of the factor structure of economic attitudes on the samples of working and non-working pensioners confirmed the assumption of differences in these structures. If working pensioners choose a more active position in the economic sphere, are ready to earn and spend, then non-working pensioners either live off existing savings, or prefer to spend money rationally, not to borrow and to make savings, in other words, they choose a passive role in economic life. An important factor distinguishing working pensioners from non-working ones is the combination of economic activity and financial literacy.

At the next stage of analysis in order to verify the hypothesis that attitudes, formed in the economic mind of pensioners, affect the choice to work or not, a discriminant analysis was conducted ("Table IV").

TABLE IV. RESULTS OF THE DISCRIMINANT ANALYSIS

Steps	Parameters	Wilks' Lambda	F	p
1	Significance of financial status	,927	11.228	,001
2	Confidence in the future through savings	,892	8.560	,000
3	Avoiding debts	,866	7.203	,000
4	Rationality of purchases	,836	6.820	,000

The results of the discriminant analysis with a high degree of reliability showed that the distribution of pensioners in the groups (working and non-working) is influenced by such economic attitudes as the importance of financial status, confidence in the future thanks to savings, avoiding debts, and rationality of purchases. Thus, the entire hypotheses were confirmed.

V. DISCUSSION

The results of the study provide additional factors for the effective ageing process (successful ageing). We can say that for effective ageing it is necessary to have positive attitudes in the sphere of economy, for example, to form financial literacy and accumulate savings. Job choice is also important for effective ageing, as people who keep working in retirement have higher levels of satisfaction in consumption.

In addition, the results of the study broaden the understanding of the motivation of older employees to keep working [26]. They indirectly indicate that not only the features connected with work itself can affect the willingness to remain in the company, but also the external factors (an ability to act on the market, manage finances), as well as personality traits (for example, the importance of financial status, economic ambitions).

A relatively new fact was the identification of differences in the structures of economic attitudes of working and non-working pensioners. This fact makes it possible to expand the idea of economic mind at later age.

VI. CONCLUSION

Thus, the results of the research allow speaking about various strategies of late economic adaptation: related to the active position in the market (investment, consumption, lending) and the position of money conservation (savings, rational consumption), which is proved by a number of studies. The ways to continue the research, in particular to identify social, economic, and psychological factors affecting the choice of the type of late economic adaptation are suggested.

The study raises new questions. For example, why assessing the income on the same level, some pensioners decide to work, while others do not. Probably, there is a certain factor (personal or social), which is a mediator between the attitude towards economic realities and willingness to work in retirement. In general, deeper understanding of late economic adaptation specifics will allow developing dedicated methods of working with various categories of advanced aged citizens on the part of the state,

as well as it will help employers choose the most effective ways to interact with employees of this age, taking into account their attitude towards economic realities.

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