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

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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".

| 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 | 2308 | 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 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     | .480     | .468     | .457     |
| Confidence in the future through savings                               | .631     | .591     | .589     | .555     |
| Tendency for savings                                                   | .622     | .559     | .524     | .501     |
| Investment ignorance                                                   | -.589    | -.493    | -.484    | -.454    |
| Activity, rationality in the banking sector                           | -.555    | -.460    | -.446    | -.437    |
| Distrust of banks, irrationality                                        | -.493    | -.460    | -.446    | -.437    |
| Consumer proactivity                                                   | .454     | .563     | .524     | .480     |
| Negative attitude toward entrepreneurs                                 | -.409    | -.567    | -.501    | -.457    |
| Significance of financial status                                       | .793     | .753     | .748     | .631     |
| Economic ambitions                                                     | .753     | .748     | .739     | .621     |
| The value of independent economic achievements                          | .480     | .563     | .524     | .480     |
| Proactivity in real estate                                             | .468     | .563     | .524     | .480     |
| Rationality of purchases                                              | .794     | .563     | .524     | .480     |
| Customer satisfaction                                                  | .761     | .563     | .524     | .480     |
| Avoiding debts                                                         | -.567    | -.501    | -.457    | -.409    |
| Financial optimism                                                     | .563     | .518     | .457     | .393     |
| Positive attitudes towards credits                                     | .457     | .518     | .457     | .393     |
| Consciousness of consumer irrationality                                | -.653    | -.518    | -.457    | -.393    |
| Willingness to invest                                                  | .518     | .457     | .393     | .333     |
| Priority of salary over health                                         | .518     | .457     | .393     | .333     |
| Social responsibility of wealth                                        | .518     | .457     | .393     | .333     |
| Explained variance ratio, %                                            | 19.76    | 11.41    | 9.64     | 6.78     |
| Factors differentiation method: Principal component analysis            |          |          |          |          |
Rotation method: varimax with Kaiser normalization.*                     |          |          |          |          |

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.
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 type of non-working pensioners who 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").
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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