Attitudes Towards Bearing the Cost of Care in Later Life

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Data: *The Future of Retirement*

FoR I: 2004

Consumer (aged 18+)

interviewed from 10 countries

FoR II: 2005

Consumer & Employer interviewed from 21 countries

Roughly 1000 consumers and 300 employers were interviewed from each country

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Regions:

North America – *US, Canada*.

Europe – *France, Germany, Poland, Russia, Sweden, Turkey, UK*.

Latin America – *Brazil, Mexico*.

Middle East – *Egypt, Saudi Arabia*.

Asia – *China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore*.

1. Perceptions of Old Age

Q: At what age do you think of a person as becoming old?

Mean age and life expectancy at birth by country

Brazil	59.7 (68.9)	India	55.9 (61.0) ➡ 5.1	
Canada	68.0 (79.8)	Japan	67.2 (81.9)	
China	49.8 (71.1) ➡ 21	Mexico	55.7 (74.3)	
France	70.7 (79.8)	UK	65.3 (78.2)	
Hong Kong	58.9	USA	66.1 (77.3)	

Total   61

1. Perceptions of Old Age

Q: At what age do you think of a person as becoming old?

Cross-national differences, weighted material:

F-test : F(9) = 421.3

p << 0.0001

Significant variation between countries

1. Perceptions of Old Age

Q: At what age do you think of a person as becoming old?

Global age differences: 18-39, 40-59 and 60+, weighted material

18-39   Mean age = 56.7

40-59   Mean age = 62.8

60+   Mean age = 68.2

(Mean age for total material = 61)

1. Perceptions of Old Age

Q: At what age do you think of a person as becoming old?

Global age differences: 18-39, 40-59 and 60+, weighted material

F-test : F(2) = 683.7

p << 0.0001

Significant variation between age cohorts

1. Perceptions of Old Age

Q: At what age do you think of a person as becoming old?

Global gender differences:

Males	*59.9*
Females	*62.1*

T – test : p << 0.0001

Dependent variables

Who do you believe should bear most of the financial costs of caring for you in retirement?
- Yourself = 1
- Your children or other family members = 2
- Your employer/previous employers = 3
- Your government (either local or national) = 4

Who do you believe will ultimately bear most of the financial costs of caring for you in retirement?
- Yourself = 1
- Your children or other family members = 2
- Your employer/previous employers = 3
- Your government (either local or national) = 4

Independent variables

Age of respondent: Completed years

Gender: Male = 1   Female = 0

Employment status:

     Working full-time = 1

     Working part-time = 2

     Not working/unemployment = 3

     Retired = 4

     Student = 5

     Housewife = 6

     Other = 7

Descriptive statistics and absolute gaps

Bear financial cost of caring	Should bear		Will bear		% Absolute Gap
	Frequency	%	Frequency	%	
Yourself	9246	44.16	9607	46.46	2.30
Your children	4321	20.64	5676	27.45	6.81
Your employer	1100	5.25	799	3.86	1.39
Your government	6271	29.95	4598	22.23	7.72
Total	20938	100	20680	100	18.22

Test of significance for selected covariates.

Characteristics	You	Your children	Your employer	Your government	Number of cases	χ^2 test
			Should bear financial costs			
Age						
18-59	43.46	21.16	5.45	29.94	17096	p<0.001
60+	47.17	18.42	4.30	30.11	3816	
Gender						
Female	42.51	23.28	4.69	29.52	10466	p<0.001
Male	45.81	18.01	5.80	30.39	10472	
Working Status						
Not working	40.07	20.48	4.55	28.90	9471	p<0.001
Working	47.54	15.82	5.83	30.81	11466	
			Will bear financial costs			
Age						
18-59	46.55	28.14	3.97	21.33	16884	p<0.001
60+	45.86	24.47	3.34	26.33	3772	
Gender						
Female	44.93	30.92	3.38	20.77	10317	p<0.001
Male	47.97	24.00	4.34	23.69	10364	
Working Status						
Not working	39.73	32.94	3.44	23.88	9325	p<0.001
Working	51.98	22.93	4.20	20.89	11355	

The Pearson correlation matrix for the selected variables

	Age	Gender	Employ	Should	Mean	SD	N
			2004 wave				
Age	1.000				0.19	0.395	11387
Gender	-0.018	1.000			0.49	0.500	11406
Employment	-0.401**	0.251**	1.000		0.57	0.494	11406
Should bear	0.019*	0.034**	0.057**	1.000	0.49	0.500	11222
Will bear	-0.019*	0.035**	0.098**	0.474**	0.48	0.500	11406
			2005 wave				
Age	1.000				0.17	0.380	9923
Gender	-0.015*	1.000			0.50	0.500	9923
Employment	-0.353**	0.230**	1.000		0.53	0.499	9923
Should bear	0.034**	0.035**	0.082**	1.000	0.38	0.485	9716
Will bear	0.003	0.033**	0.148**	0.501**	0.44	0.496	9551

*Note: Correlation is significant at *p<05, **p<0.01 (2-tailed)*
Age: 60+years =1, else 0; Gender: Male=1, female=0; Employment: Working=1, else=0

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Factors affecting individual decision on the financial costs of caring in old age.

	2004 wave				2005 wave			
	Should bear		Will bear		Should bear		Will bear	
Characteristics	Estimate	Odds ratio	Estimate	Odds ratio	Estimate	Odds ratio	Estimate	Odds ratio
Age								
18-59 years	Ref	1.000	Ref	1.000	Ref	1.000	Ref	1.000
60+ years	0.246**	1.279	0.118*	1.126	0.388**	1.475	0.347**	1.414
Gender								
Female	Ref	1.000	Ref	1.000	Ref	1.000	Ref	1.000
Male	0.070	1.072	0.037	1.038	0.042	1.043	-0.033	0.968
Working status								
Not-working	Ref	1.000	Ref	1.000	Ref	1.000	Ref	1.000
Working	0.292**	1.340	0.429**	1.536	0.436**	1.547	0.706**	2.027

*Note: Significant at *p<05, **p<0.01.*

Factors affecting individual decision on the financial costs of caring for various regions

Characteristics	2004 wave				2005 wave			
	Should bear		Will bear		Should bear		Will bear	
	Estimate	Odds ratio	Estimate	Odds ratio	Estimate	Odds ratio	Estimate	Odds ratio
North America								
Age	0.086	1.089	0.242*	1.274	Not Available			
Gender	-0.122	0.885	-0.141	0.868				
Working status	0.089	1.093	0.498**	1.646				
Europe								
Age	0.487**	1.627	0.345**	1.411	0.572**	1.773	0.359**	1.432
Gender	-0.095	0.909	-0.269**	0.764	-0.093	0.911	-0.198**	0.820
Working status	0.118	1.148	0.600**	1.823	0.140*	1.150	0.713**	2.041
Latin America								
Age	-0.300*	0.741	-0.323*	0.724	Not Available			
Gender	0.133	1.142	0.078	1.081				
Working status	-0.157	0.855	0.071	1.074				
Middle East/Africa	Not Available				0.175	1.191	0.491**	1.635
Age					0.540**	1.716	0.635**	1.887
Gender					0.626**	1.870	0.721**	2.056
Working status								
Asia								
Age	0.275**	1.317	-0.023	0.977	0.106	1.112	-0.202	0.817
Gender	0.163**	1.178	0.289**	1.335	0.077	1.080	0.105	1.111
Working status	0.535**	1.707	0.341**	1.406	0.552	1.737	0.413**	1.512

Note: Significant at *p<05, **p<0.01.

Factors affecting the attitudes on bearing cost of care for selected countries.

Country	Characteristics	Should bear Odds ratio	Will bear Odds ratio
UK	Age	1.662**	1.837**
	Gender	0.811	0.673**
	Working status	1.322	2.082**
France	Age	1.332	0.901
	Gender	1.027	0.833
	Working status	0.846	1.471**
Germany	Age	1.875**	1.170
	Gender	1.098	1.034
	Working status	0.902	2.109**
Sweden	Age	1.018	0.614**
	Gender	0.988	0.959
	Working status	0.567**	1.199
Japan	Age	1.343*	0.946
	Gender	1.397**	1.640**
	Working status	1.359*	1.088

Conclusion

- Attitudes towards old age and retirement provide a general picture across the globe. It varies across countries, geographical regions and more precisely between age and gender.

- There is a clear confidence gap among consumers with respect to their attitudes towards bearing the cost of care in retirement. Age, gender and employment status of respondents are found to be important characteristics in responding such attitudes. They remain so important even controlling for country and geographical boundaries.

- People in the UK are more aware that they will ultimately bear their cost of care in old age compare to other selected countries.