

“Financial Hardship, the Accumulation of Wealth, and Health Disparities at Older Ages”

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With the goal of better understanding health disparities at older ages, this paper examines the impact of past financial hardship on race differences in wealth and health in later life. Increasingly, research on health inequalities has started to look beyond current SES to consider the impact of advantages and disadvantages experienced over the life course. Indeed, our earlier work has shown that past financial hardship has a strong negative impact on health at older ages, even after controlling for current financial circumstances.

In the present paper, we focus on race differences in health and examine the intervening impact of wealth accumulation on health outcomes at older ages. Wealth, unlike income, reflects cumulative economic well-being and provides a better indication of the resources to which an older adult has access. We argue that persistent financial hardship is likely to hinder lifetime earnings and the accumulation of assets, thereby raising the level of stress and strain experienced, and ultimately placing older adults at higher risk for chronic disease and disability. To the extent that whites and blacks have faced different levels of hardship and accumulated different levels of wealth, we expect these factors to help explain the persistent race gap in health.

Our analysis is based on data collected as part of the Aging Stress and Health (ASH) study which entailed repeated interviews (one year apart) with over 1100 white and black adults ages 65 years and over, residing in the Washington, DC metropolitan area. We utilize retrospective reports of financial hardship over the life course, and current measures of accumulated wealth to predict current physical and mental health outcomes as well as changes in health over time.