Study: Older adults more willing to wait for gains

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Older adults, compared with younger adults, tend to report they are more upbeat and that their emotions and mental health do not interfere with their work and social life. That better mental health allows them to wait longer for a monetary gain, reports a new Cornell study.

For example, even though younger people have their entire future ahead of them, they're more impatient than older adults when it comes to waiting for financial rewards, the study found.

The researchers, publishing in *Psychology and Aging* (26:2), sought to resolve how and why age influences people's tendency to devalue or discount future rewards and losses compared to immediate ones.

Although the researchers found no age differences in people's choices about losing money, they found that older adults are more likely than their younger counterparts to wait for a larger amount of money rather than take an immediate, smaller sum.

"Our findings suggest that the improved emotional functioning generally experienced by the older adults is the primary driver of their greater ability to forgo immediate temptation in favor of waiting for a later, greater amount of money," said lead author Corinna Loeckenhoff, assistant professor of human development in Cornell's College of Human Ecology, who conducted the study with Ted O'Donoghue, professor of economics, and David Dunning, professor of psychology.

"We also found that younger adults expected that emotional reactions to gains and losses would feel less intense if they happened in the future. Older adults were more likely to understand that gains and losses would probably feel the same no matter when they occurred."

Unlike other studies, the research examined the effect of age on people's choices about financial gains and losses using computerized testing with real money outcomes, rather than taking a survey approach; and it studied age differences in both gains and losses.

Study participants -- 98 people between the ages of 19 and 91 -- were asked to make a series of choices about receiving or losing money, all involving an immediate gain (or loss) versus a future gain (or loss). For example, they were asked to choose between getting $5 now or $7.50 in 90 days. The gains or losses in the future ranged from $4.75 to $7.50 with time delays ranging from seven to 180 days. Participants also completed questionnaires that assessed cognitive abilities, personality traits and aspects of mental health. At the end of the study session, one of each participant's choices was picked at random and the appropriate amount of money was given to the participant. Participants were given a starting balance of $8, so they would not lose their own money.

"Understanding this [phenomenon] better would have implications for a host of important choices, such as saving for retirement and choosing medical care," said Loeckenhoff, who was designated as a "rising star" by the Association for Psychological Science this past May.

If confirmed by future research, she said, the findings could lead to the developing age-appropriate decision aids. Younger adults, in particular, would benefit from interventions that help them better manage their emotions and recognize the emotional reality of future consequences.

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