An unequal toll of financial stress: Poll of older adults shows different impacts related to health and age

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Financial strain in the past year
AMONG ADULTS AGE 50 AND OLDER

53% reported feeling stress about their personal finances

52% cut back on everyday expenses*

47% said they have been impacted by inflation a great deal

*Includes gas, groceries, utilities, personal items, home maintenance, and social & recreational activities

Source: University of Michigan National Poll on Healthy Aging, July/August 2024
Inflation rates may have cooled off recently, but a new poll shows many older adults are experiencing financial stress—especially those who say they're in fair or poor physical health or mental health.

Women and those age 50 to 64 are more likely than men or people over age 65 to report feeling a lot of stress related to their personal finances. So are people age 50 and older who say they're in fair or poor physical or mental health.

In all, 47% of people age 50 and older said inflation had impacted them a great deal in the past year, and 52% said they had cut back on everyday expenses, according to the new findings from the University of Michigan National Poll on Healthy Aging.

People in their 50s and early 60s were more likely to say they had reduced spending than those over 65. In all, 58% of the younger group said they've cut back in the past year, versus 45% of those 65 and older.

The percentages reporting spending cutbacks were also higher among those who say they are in fair or poor physical health (69%) or mental health (76%), those with lower incomes (60%), and those who are Black (58%) or Hispanic (60%).

And 16% of all adults 50 and over say they've had trouble in the past year paying for health-related costs, or have delayed or avoided getting
health care because of cost.

The poll is based at the U-M Institute for Healthcare Policy and Innovation, and supported by AARP and Michigan Medicine, U-M's academic medical center.

The poll asked older adults about the emotional impact of financial strain. In all, 16% said they feel a lot of stress from this source, and another 37% said they have some financially related stress.

Among those who reported being a caregiver, 14% said they felt a lot of stress because of the financial demands of caregiving, and another 27% said they felt some stress from these demands.

"Our biggest surprise from this poll is that the age group most likely to be affected or stressed by pressures on personal finances is not the group whose incomes are more likely to be 'fixed' by reliance on Social Security or retirement savings," says Helen Levy, Ph.D., a health economist and professor at U-M's Institute for Social Research and IHPI member who worked with the poll team.

**Michigan-specific findings**

In addition to the national data, the poll team also analyzed data from a group of Michigan adults age 50 and over who answered the same questions.


For a description of Michigan-specific findings, visit [https://michmed.org/bwJZB](https://michmed.org/bwJZB). For an interactive data dashboard that gives
access to Michigan poll data, visit https://michmed.org/93MDP.

**Impacts of spending cuts on health**

"We have known for years that when people cut back on needed health spending because of competing demands on their finances there can be negative health effects—for instance, they are often less likely to receive appropriate care for a chronic condition such as diabetes," says poll director Jeffrey Kullgren, M.D., M.P.H., M.S. "We encourage anyone facing financial stress to speak up to their doctor or other health provider about it."

As for spending on goods and services, 38% of all adults said they had cut back on social and recreational spending, and 28% had cut back on spending for groceries. Reductions in both of these types of spending could have health implications, Kullgren notes, if older adults have fewer social interactions with others, or buy less-nutritious foods.

Levy adds that other research has shown older adults are far less likely than families with children to take up food assistance programs they qualify for, such as the federal SNAP program, formerly referred to as 'food stamps.'

"Despite the slowing of inflation, higher costs over the past couple of years have had lingering consequences for debt and savings," said Indira Venkat, AARP Senior Vice President of Research.

"Every adult in America deserves to retire with dignity and financial security, yet recent AARP research shows that among adults age 50+ who are not yet retired, over 1 in 4 today never expect to retire and 1 in 5 adults have no retirement savings at all."
Ways to get help—or give help

If someone is feeling financially stressed—especially if they have a low income, a disability, caregiving responsibilities, or are over 65—they should check out what local, state and federal programs they might qualify for, Kullgren said.

Websites such as www.benefits.gov, eldercare.acl.gov and Michigan's newmibridges.michigan.gov are good places to start. Or call the United Way's 211 service or visit its site at www.211.org.

For those who have more flexibility with their time or money, many older adults find a sense of increased connection and fulfillment from volunteering with or donating to nonprofits that serve older adults and people with health issues, disability concerns, or caregiving responsibilities. This includes local organizations such as Meals on Wheels, food banks, senior centers, thrift stores and service clubs. Many organizations post volunteer opportunities through the United Way.

Provided by University of Michigan


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