

Misperceived Financial Management Assistance Needs among the Elderly

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This study uses the 2004 Health and Retirement Study to examine whether there is a discrepancy between subjective and objective needs for financial management assistance among the elderly who are 70 years of age or older. The profiles of the elderly with subjective needs and objective needs for financial management assistance are explored. In addition, elderly persons with misperceived financial management assistance needs are identified. Using the logistic regression analysis, it is found that age, education, ethnicity, residence, and depression are significant predictors of elderly persons' misperceived financial management assistance needs.

Although a total of 982 respondents (out of 4,533) did not have adequate objective cognitive capability with respect to financial management, only 223 respondents perceived that they need assistance. Among the 982 respondents with objective financial management assistance needs, only 115 respondents expressed that they need assistance. Using logistic regression analysis, predictors of misperceived financial management assistance needs among the elderly were examined. The elderly who misperceived themselves as confident with their financial management capability were more likely to be older, female, ethnic minorities, less educated, depressed, and live in rural areas.

Endnotes

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