

## Wealth Differences Among U.S. Older Adults: Is Sense of Purpose in Life a Protective Buffer?

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Despite overall economic growth, income and wealth differences persist, with significant ramifications for individual well-being, retirement security, quality of life, and societal equity (Brown, 2012; Shapiro, 2004; Valentino & Yadon, 2023). Prior research has consistently revealed that non-Hispanic Black and Hispanic older adults, as well as women, bear a disproportionate burden of income and wealth differences compared to their non-Hispanic White and male counterparts (Brown, 2012; Choi et al., 2019; Deaton, 2024). Many older adults from marginalized communities confront formidable financial challenges in retirement, including inadequate savings, restricted access to healthcare, and heightened rates of poverty (Choi et al., 2023; Munnell et al., 2018; Valentino & Yadon, 2023; Wolff, 1995).

Extensive literature consistently indicates that having a high purpose in life is indicative of healthy aging (Boyle et al., 2010; Hill & Turiano, 2014; Hooker et al., 2018; Kim et al., 2020; Teater & Chonody, 2020; Scheier et al., 2006; Steptoe & Fancourt, 201; Zika & Chamberlain, 1992), and purpose in life may ameliorate challenges faced by older people of color (Kirsch et al., 2019). Individuals who possess a greater sense of purpose in life often indicate higher levels of psychological well-being, particularly positive emotions (Zika & Chamberlain, 1992) and physical health (Scheier et al., 2006). Prior studies suggest that individuals with a strong sense of purpose are more likely to achieve higher economic outcomes across the adult life span, including income and net worth (Hill et al., 2016). To date, however, there are no studies examining whether change in sense of purpose in life can serve as a buffer against racial/ethnic, age, and gender gaps in income and wealth among older adults in the United States.

In this study, we aimed to build upon prior research by investigating whether change in sense of purpose in life buffers enduring income and wealth differences among older adults in the United States. We use data from the 2012-2018 waves of the Health and Retirement Study ( $N = 7,505$ ), a large nationally representative longitudinal survey of U.S. older adults to evaluate the extent to which: (1) racial/ethnic, age, and gender differences in income and wealth persist among U.S. older adults, focusing on household income, housing wealth (non-liquid assets), and non-housing wealth (liquid assets); and (2) whether change in sense of purpose in life moderates differences in income and wealth in later life.

We estimated ordinary least squares regression models to examine the extent to which racial/ethnic, age, and gender differences in income and wealth persist among U.S. older adults, focusing on total household income, housing wealth and non-housing wealth, adjusting for health, family statuses, and socioeconomic characteristics. We further evaluated the two-way interaction terms between each of total household income and wealth and the potential moderator, change in sense of purpose in life.

Multivariable analyses showed that total household income and wealth differences across race/ethnicity and age groups persist among older adults in the United States. Non-Hispanic Black, non-Hispanic Asian/other races, and Hispanic older adults compared to non-Hispanic White and, as well as the youngest age subgroup (ages 51-64) exhibited significantly lower household income and wealth. Multiple moderation analyses revealed evidence of racial/ethnic and age differences in total household income, but not gender, were mitigated by change in sense of purpose in life. Specifically, increased sense of purpose in life was protective against lower income for Hispanic older adults. In contrast to the other racial/ethnic groups, non-Hispanic Asian/other races older adults displayed a negative relationship—as sense of purpose in life increased, predicted total household income decreased. Additionally, our results suggest that the association between an enhanced sense of purpose in life and

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higher household income was present primarily in late middle age (51-64), but not in later stages of life. This may reflect life-course differences in how purpose in life and household income interact, potentially due to retirement, fixed income sources, or changing motivational priorities among older adults. Yet, our multiple moderation analyses indicated that change in sense of purpose in life over time did not buffer the persistent differences in household wealth in our sample.

Our findings demonstrate the potential power of change in sense of purpose in life across the life course in facing persistent racial/ethnic and age differences in household income and wealth among older adults in the United States. Although marginalized racial and ethnic groups, including non-Hispanic Black and Hispanic older adults, tend to have lower levels of financial resources than their non-Hispanic White counterparts, multiple moderation analyses reveal that change in sense of purpose in life buffers against income differences for Hispanic older adults. Furthermore, sense of purpose in life buffers against income differences among the youngest age subgroup (ages 51-64). These results support the notion that a sense of purpose in life may function differently for older adults in the workforce compared to retirees (Hill & Weston, 2019). Our results invite targeted interventions (Friedman et al., 2017; Friedman & Teas, 2023) and further research aimed at enhancing financial security and well-being during later life across diverse groups.

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