

Late Economic Socialization: Regional Dimension

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ABSTRACT

The aging society faced by many countries, can have a significant impact on employment, savings, consumption, economic growth, and financial balance. It is promising to consider the problems of an aging society through the prism of the effective economic socialization of the older generation which is understood as a process and result of a person's re-interpretation of the economic reality, acknowledged by changes in economic mind and behavior at the retirement as a new social status. This study seeks to fill this gap by the qualitative analysis of semi-structured interviews with pensioners living in different parts of the country (in the capital and in the industrial city). 12 respondents were interviewed in Moscow and 9 respondents in Chelyabinsk (regional industrial center). Thematic analysis was used to systematize and analyze data. Differences were found in the attitude to loans, economic goals (plans for the future), as well as in the definition of an economically successful person among pensioners in the capital and in the region. However, despite the difference in living standards in the capital and the region, most pensioners in both groups are satisfied with their income level. In both groups, a fairly low level of consumer activity was recorded. The results indicate a regional specificity of the late economic socialization. The prospects for investigating the identified differences in the quantitative study are discussed.

Keywords: Aging society, Retirees, Economic socialization, Well-being, Money attitude, Savings, Values

INTRODUCTION

The aging society faced by many countries, can have a significant impact on employment, savings, consumption, economic growth, and fiscal balance (Bloom and Luca, 2016). It is promising to consider the problems of an aging society through the prism of the effective economic socialization of the older generation, which allows ones to extend the working capacity, health and well-being of pensioners. Late economic socialization is understood as a process and result of a person's re-interpretation of the economic reality, acknowledged by changes in economic mind and behavior at the retirement as a new social status (Chestyunina and Zabelina, 2019). Factors that affect the effectiveness of the late economic socialization have not been sufficiently studied. Nevertheless, economic differences of life standards in different parts of the country (in the center and on the periphery) make it possible

to assume them as a factor influencing the subjective financial well-being of older people. This study seeks to fill this gap by the qualitative analysis of semi-structured interviews with pensioners living in the capital and in the industrial city.

The concept of economic socialization has entered science at the end of the 20th century. B. Stacy first used it as an individual assimilation and active reproduction of social experience in the economic sphere of life (Stacey, 1982), as well as entering the economic environment and acquiring a certain socio-economic status. Economic socialization issues raise the interest of the researchers in the field of economic psychology (Deyneka, 1999; Drobysheva, 2013; Furnham, 2008; Furnham and Milner, 2017; Webley and Nyhus, 2008).

Unlike primary economic socialization, the development of the phenomenon of secondary economic socialization is at an initial stage (Drobysheva and Zhuravlev, 2016). Since people of retirement age in an aging society are beginning to play an increasingly important role in the country's economy, the economic socialization of them is a particularly urgent problem. Despite the obvious relevance of the problem, it is practically not represented in the scientific psychological literature. There are only a few sociological studies studying the socialization of pensioners in the modern society (Khairullina and Nikolaeva, 2011; Shchanina, 2017; Petrova, 2013).

The small number of studies of secondary economic socialization can be explained by a number of reasons, firstly, the lack of a holistic and systematic understanding of this phenomenon, and secondly, the lack of methods for studying it. In addition, in the case of late economic socialization, the complexity of conducting research is noted due to the presence of negative financial experience among the representatives of late age, the "taboo" of this side of life, they are reluctant to share information about the peculiarities of their economic life.

This article attempts to partially fill the existing gap of knowledge about late economic socialization. We conduct a qualitative study of the main elements and criteria of economic socialization of the representation of older people (pensioners) living in the center of the country and on the periphery.

RESEARCH METHODS

The research is based on a qualitative method (Giorgi, 1999). Conducting a qualitative, descriptive study allows us to partially overcome the difficulties in collecting information, which is necessary at the search stage. Firstly, a descriptive study conducted at the initial stages of problem studying allows us to explore the respondents' everyday representations on economic socialization, its mechanisms and criteria. Secondly, conducting an interview allows you to identify the key characteristics of economic socialization (income level, distribution of funds, purchasing behavior, attitude to loans and savings, attitude to entrepreneurship, etc.) in the process of direct communication. Thirdly, the form of a semi-structured interview allows us to choose the most comfortable mode of communication for the respondents of old age.

To study the characteristics and criteria of economic socialization of the pensioners in different regional groups, a semi-structured interview program was developed. The introductory part of the questions was aimed at establishing contact with the respondent, and included questions for collecting demographic data. The main part of the interview included questions related to satisfaction with the respondents' income level, their opinions on opportunities and limitations in increasing income; questions related to the practice of budget management and distribution of funds; questions aimed at studying the respondents' consumer habits and revealing their attitude to savings; questions clarifying the attitude to entrepreneurship; questions aimed at identifying the dominant values of the respondents. The final stage of the interview was aimed at clarifying the respondents' ideas about the criteria for successful economic socialization.

The first group of the respondents consisted of 12 pensioners living in Moscow, aged 55 to 75 years, 5 of them men and 7 women, 5 respondents are still working (the representatives of intellectual (operator, psychologist) and physical labor (driver, cleaner), 7 respondents do not work. The second group of the respondents consisted of 9 representatives of the retirement age living in the city of Chelyabinsk (51–82 years old, all officially retired), 4 of them are men and 5 women, 4 respondents are still working (the representatives of intellectual (doctor, accountant) and physical labor (seamstress), 5 do not work.

Chelyabinsk was chosen as a region for comparison for a reason. It is a city with a population of more than 1 million people. Chelyabinsk region is one of the largest economic entities of the country. The industrial development of the region is determined by metallurgical, machine-building, fuel and energy, construction, agricultural and industrial complexes. Therefore, the life standards in the city, although lower than in Moscow, is quite high in comparison with other regions.

Interviews were conducted individually (Interviewer – Respondent) with audio-recorded dialogues. The recordings were transcribed. Subsequently, thematic analysis (Braun and Clarke, 2006) was used to systematize and analyze data (Braun and Clarke, 2006).

RESULTS

Income Level

The first set of questions concerned satisfaction with the income level of the respondents, their opinions about the opportunities and limitations in increasing income. Both in the group of metropolitan pensioners and in the region, the majority of the respondents are satisfied with their income level (20% of dissatisfied respondents in Moscow and 33% in the region). Respondents in both groups find it difficult to answer the question of how to increase their existing income, while pensioners in the region offer options to take additional work (“continue working while you have the strength, but it’s already too hard”) or expect pension indexation. They feel tired of hired work and hope only for an increase in the pension by the state.

Finance Distribution (Budget)

The next set of questions was related to the practice of budget management and distribution of funds. According to the responses of the respondents in both groups, they spend the most money on food, utilities and medicines. It can be assumed that the range of the motives in the economic sphere in old age is significantly narrowed. On the other hand, a limited set of expenses may be associated with a small pension - the funds that people in this age group rely on, as well as with a restrictive strategy of economic behavior (Zabelina and Chestyunina, 2021).

If pensioners in Chelyabinsk spend the most money on food and rent, then Moscow pensioners - on medicine. In addition, the sample of Moscow additionally indicates such items of expenditure as gifts to loved ones, perfume, alcohol, assistance to children, a cottage, spare parts for cars, and theaters. It can be assumed that pensioners in the capital have a wider range of life needs and opportunities than in the region.

Buying Behavior

When studying the consumer habits of the older generation of both groups, questions were asked about how often and where purchases are usually made, and what they would like to change in their consumer behaviors. It was found that the respondents of both groups named retail chains and wholesale markets as the usual places for shopping. The main benefit of shopping both in the capital and in the region is savings: "where there are discounts, we go there" (Chelyabinsk), "I buy in any store where it is cheaper" (Moscow). In the region, some pensioners use online stores for shopping, in the capital – shops near their homes. Respondents of both groups are unanimous in the opinion that they would not like to change anything in their buying behaviors. This fact may indicate a relatively low activity of pensioners in the economic sphere, and a tendency to follow habits using familiar behavioral strategies.

Saving Behavior

The next set of questions was related to the attitude to savings, propensity to savings behavior and savings goals. About 30% of respondents in the region and 25% in the capital create savings, but the savings goals differ. In addition to the general goals of "a rainy day", in the group of Moscow pensioners there are such goals as "at sea", "for repairs", "just in case", which confirms the assumption of greater opportunities and expanded motivation of elderly people in Moscow. In both groups, one can see distrust of banks as custodians of savings: only 30% of respondents in the region and 12% in the capital keep money in bank accounts.

Credit Behavior

The interview included questions revealing the attitude to loans in both groups and the peculiarities of pensioners' credit behavior. As a result, there was an ambiguous attitude to loans among the respondents in different parts of the country. In Moscow, 8% of the respondents have a positive attitude

to loans (they have a mortgage), 33% perceive a loan as a normal phenomenon, and 50% have a negative attitude to loans. In the region, almost 100% of respondents assess loans sharply negatively, claiming that they have never taken them, and they will not take them (“I never take loans anywhere. This is my credo, no credits.” “I’ve never taken in my life, I try to use only my money”).

Economic Goals

Moscow pensioners have more diverse plans for the future and include ambitious economic goals: to get an apartment in turn, to change an apartment, to close a mortgage. Many plans are related to health (“to have an operation”), associated with children and grandchildren (to marry a son, wait for grandchildren), and with the rest (“to go to the Canaries”). In general, it can be noted that pensioners in the capital are more optimistic about the future (“I hope everything will be fine”). Only a small part of the respondents in Chelyabinsk (22%) set economic goals in the future related to continuing to work for hire (“Work while you have the strength”), 11% plan to have a rest and take care of health, 22% - to help children and grandchildren. Some of the statements about the future are pessimistic in this group: “I don’t want to achieve anything anymore, I have already achieved everything”, “in a year I may not live anymore”, “to go to a nursing home”.

Attitude to Entrepreneurship

The next set of questions concerned the attitude to entrepreneurship and readiness to open one's own business, as well as the opportunities and barriers associated with this. In Moscow, almost 100% of respondents have never considered the possibility of entrepreneurship for themselves. In the group of the pensioners in Chelyabinsk, 20% reported that they were thinking about their own business or had entrepreneurship experience (“I had a business in the 90s, it brought good income and public recognition”). The respondents of this group formulated such barriers to doing their own business as age (“now at our age it is unrealistic”), health status (“disability prevents”), the need for financial investments. Entrepreneurship is associated in the region with a young age, health, energy and a successful combination of circumstances: “Then, in my youth, you had to be in the right place at the right time.”

The Value of Money

In order to find out how much money and wealth have value in the lives of older people, questions aimed at identifying the dominant values of the respondents were included in the interview.

Health is in the first place for the majority of respondents in both groups. Next comes the family (“children, grandchildren, great-grandchildren”, “so that children, grandchildren are healthy and loved, happy”, “peace in the family”). In the third place in the frequency of occurrence among the pensioners in the region are material values in one form or another (prosperity, well-being, “work so that there is an opportunity to pay for goods and services”). Pensioners in Moscow have the need for respect and love of loved ones

in third place (it is noted by 25% of respondents in this group). Only after that follow material values (work, close the mortgage). This fact may indicate a greater satisfaction of the material needs of the pensioners in the capital than in the region, therefore, their relevance is less. Additionally, values such as movement, education, communication, love, peace were named in the region; in Moscow – rest and friends.

Criteria and Attributes of Economic Success

At the final stage of the interview, we analyzed the criteria for successful economic socialization in the respondents' views. To do this, we asked the study participants to answer the following questions: How do you imagine an ideal retirement life (describe)? Describe an economically successful person? and others.

For the respondents in the region of the country, when describing an ideal lifestyle in retirement, a decent financial level plays an important role ("more money, so that you may not work, but calmly put things in order, do hobbies, embroider", "ideally find a job to replenish funds", "to have enough for life"). The solution of the financial issues is closely connected with health issues ("only healthy pensioners can be economically successful"), and a sense of stability ("I want stability, confidence in the future"). One of the attributes of a happy old age, according to pensioners in Chelyabinsk, is a separate, well-maintained housing ("my children are all arranged, they live separately, so there are no complaints against me", "the house is well-maintained, the sewerage is central").

Pensioners in the capital also note separate housing as a criterion for an ideal life in retirement (living separately from the young). The criterion of financial independence is the only one in this sample (not to ask children for money).

Respondents from the region believe that a mature economically successful person is characterized by a high level of income ("living in prosperity, demand"), living in a separate apartment, having a family ("the level of material benefits, raising children and living in an apartment"), career development ("a steadily developing career"), creating savings for the future ("a successful person creates certain benefits for himself at a later age: the purchase of housing, some shares, etc.").

Most of the respondents in the Moscow sample find it difficult to formulate criteria for economic success. The formulations are vague ("who does not need anything", "who has enough money to meet his needs", "the main thing is not to feel old age"). The features of entrepreneurship, economic activity of the individual are noted (grasping, purposeful, well-connected, agile). Part of this sample shows a negative attitude towards economically successful people, associating them with low moral qualities and implying dishonest ways to enrich themselves (a crook).

DISCUSSION

The results of the study contribute to the concept of late economic socialization in an aging society by demonstrating differences in the economic

consciousness and behavior of the pensioners in different regions of the country (in the center and on the periphery). The results are consistent with the data obtained from other samples, showing differences in the employment of people of pre-retirement and retirement age depending on the territorial feature - the region of Italy (Checcucci et al., 2020).

The study develops the idea that aging occurs unevenly in different regions of the country, however, it claims that life expectancy and life satisfaction are affected by not only geographical conditions and climate affect (Vierboom and Preston, 2020), but also by lifestyle features in the economic sphere (economic habits). In general, the results continue the line of research on spatial factors of aging (Suchecka and Urbaniak, 2016).

CONCLUSION

The conducted research has shown that along with the general trends of economic aging in the country, there are a number of features of economic socialization in its center and on its periphery. In particular, pensioners in the capital have a wider range of living needs and financial opportunities than in the region. A larger percentage of the capital's pensioners have a positive attitude to purchases on credit, set financial goals for themselves, and are more optimistic about the future.

At the same time, pensioners in the capital trust their savings less to the banking system, and do not consider the possibility of entrepreneurship for themselves. There were also no differences in subjective economic well-being in the study groups: the majority of the respondents in both groups are satisfied with their income level. We associate the revealed features of late economic socialization not only with different levels of socio-economic development of regions, but also with different experiences and habits in the economic sphere in two groups of pensioners. The results of the study substantiate the need for a differentiated approach to the development of effective aging programs in the regions.

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