

Discrimination, Mistreatment, and the Well-Being of Older Minority Adults

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Objective

The purpose of this study is to investigate how discrimination and mistreatment are associated with the financial and general well-being of older minority adults in the United States.

According to Healey, Stepnick, & O'Brien (2018), people who experience relative disadvantage as compared to members of a dominant social group can be referred to a minority group. Ritzer (2015) states that those who show observable differences in characteristics or practices, such as: ethnicity (ethnic minority), race (racial minority), religion (religious minority), sexual orientation (sexual minority) etc., are the ones with a minority group membership.

Individuals from minority groups “objectively occupy a disadvantageous position in society”, as Wirth (1945) stated, “the members of minority groups are held in lower esteem and may even be the object of contempt, hatred, ridicule and violence.” Tienda & Lii (1987) and McCall (2001) found strong evidence for earnings disparity and wage inequality between minority and majority groups in the metropolitan labor markets. Since income is positively correlated with financial satisfaction (Hsieh, 2001), and lower levels of income are associated with higher financial strain (Ullah, 1990), economic and financial discrimination faced by the minority groups have the potential to affect their financial well-being, of which financial satisfaction, financial control, and financial strain are strong predictors (Porter & Garman, 1993; Freeman, Carlson, & Sperry, 1993; Joo, 1998).

Financial well-being is a significant part of an individual's overall well-being, of which psychological well-being is probably the biggest component. Seligman's (2012) well-being theory proposed that the pursuit and attainment of five key elements - positive emotion, engagement, positive relationships, meaning, and accomplishment (abbreviated as PERMA) - can positively affect one's overall well-being.

Significance

Well-being encompasses an individual's “contentment, satisfaction, or happiness with their situation” (McDowell, 2010) and a high sense of well-being impacts quality of life (Andrews & Withey 2012). This study builds upon the literature by investigating the factors associated with the financial and general well-being of those experiencing discrimination associated with minority characteristics, as they already comprise a significant portion of the society. This future demographic state, often described as the “majority-minority society,” has been projected by the U.S. Census Bureau (2015, 2018b) to occur in the mid-2040s. At some moment in that decade, the number of Americans who describe themselves as non-Hispanic and solely white by race is expected to dip below the 50 percent mark.

Even though many researchers have studied life satisfaction and psychological well-being of minority groups, there is an opportunity to build upon the literature by incorporating measures for minority groups' experience of discrimination and level of mistreatment as predictors of financial and general well-being as multi-item constructs. Although, there exists a common notion that people from minority groups experience lower overall well-being, Calvo, Carr & Matz-Costa (2019) found that ethnic and racial minorities show higher levels of life satisfaction, and the reason could be found in Taylor, Chatters, Woodward, & Brown's

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(2013) study that found that the family and friendship support networks as well as religious congregation based informal support networks are much strong in most minority groups in the United States. Furthermore, researchers have not yet investigated how the extent of mistreatment for minorities experiencing discrimination is associated with financial and overall well-being. Hence, this study addresses this literature gap by using minority status for those experiencing discrimination as the predictor of financial and overall (PERMA) well-being, and incorporating the level of mistreatment as a mediating effect on these relationships. The following hypotheses were made for the study:

- Hypotheses for Direct Effects

H1: Perceived minority discrimination (race, religion, or sexual orientation) is associated with greater levels of mistreatment.

H2: Perceived minority discrimination (race, religion, or sexual orientation) is associated with reduced financial well-being.

H3: Perceived minority discrimination (race, religion, or sexual orientation) is associated with increased general well-being.

- Hypotheses for Mediating (indirect) Effects

H4: Mistreatment level facilitates a negative indirect relationship between perceived minority discrimination and financial well-being.

H5: Mistreatment level facilitates a negative indirect relationship between perceived minority discrimination and PERMA well-being.

Method

- **Data Source:** Data were utilized from the 2016 Health and Retirement Study (HRS). The 2016 RAND HRS Fat File (e.2A), and RAND HRS Longitudinal File 2016 (v.1) were merged together. All well-being, minority, and mistreatment variables were constructed from the Psychosocial and Lifestyle questionnaire, located within the HRS Fat Files. All control variables were constructed from the 2016 RAND HRS Longitudinal File.

- **Variables:**

Dependent Variables:

Financial well-being: The financial well-being latent variable was constructed using the following indicators – financial satisfaction (Sat): how satisfied the individual is with his/her present financial situation, financial control (Cont): the amount of control the individual has over his/her present financial situation, difficulty of paying bills (Diff): how difficult it is for the individual or his/her family to meet monthly payments on their bills, and financial strain (Str): the presence of ongoing financial strain and how upsetting the ongoing financial strain, if any, has been for the individual in the last twelve months. All variables were coded so that higher scores mean a greater level of financial well-being (e.g., more satisfaction and control, less upset about strain if any, and less difficulty).

PERMA well-being: The PERMA well-being second-order latent construct was synthesized from the following first-order latent variables as indicators– positive affect (Positive Emotion), Cognitive enjoyment (Engagement), positive relations with family (PR Family; Relationships), Positive Relations with Friends (PR Friends), purpose in life (Meaning), and perceived mastery (Accomplishment). Indicators for the individual PERMA elements were constructed and parceled according to recommended methodology (Little, 2013).

Predictor:

Perceived Discrimination for Minority Status: The minority latent variable was constructed using three binary indicators – racial minority (race in figure 1), religious minority (reli in figure 1), and sexual-orientation minority (sexO in figure 1). A limitation to this measure is that respondents only completed these indicators if they had experienced some level of discrimination (ranging from less than once a year to almost every day). Thus, this measure of minority status would not include a racial, religious, or sexual-orientation minority individual who has never experienced discrimination. However, this measure is appropriate for this study as it facilitates investigation of how the relationship between discrimination and well-being is related to the level of mistreatment experienced.

Mediator:

Mistreatment: The mistreatment latent variable (mistreat in table 3) was constructed using the following indicators – whether the individual is treated with less courtesy or respect (MisTrt1), whether the individual is threatened or harassed (MisTrt2), whether the individual receives poorer service or treatment from doctors or hospitals, and at restaurants or stores (MisTrt3), and if people act as if the individual is scary or not smart (MisTrt4).

Control Variables:

Retirement Status: The individual's self-reported retirement status represented by the dummy variables “partially retired” for the partially retired individuals, and “not retired” for the individuals who are not yet retired. The reference group consisted of fully retired individuals.

Years of education: Education (in table 1 and table 3) represented the number of years of education the individual received.

Z-score of annual income: IncomeZ (in table 3) was the z-score of the individual's annual earnings in US Dollars (income in table 1)

Gender: The binomial variable gender (in table 2 and table 3) had males in the reference group.

- **Analysis:** This study employed a structural equation model with a confirmatory factor analysis measurement model. The indirect effects were tested using a bootstrap estimation approach with 1,000 draws.
- **Sample:** The final analytic sample consisted of 7,741 observations of American adults representing all the three retirement status – fully retired (28.91%), partially retired (50.35%), and not retired (10.85%). 40.33% of the sample were male and 59.67% were female, and no one identified themselves as non-binary or transgender. 15.57%, 4.36%, and 1.98% of the sample identified themselves as a racial minority, religious minority, and sexual-orientation minority respectively. The average annual earnings of the individuals were \$17,375 and the average number of years of education they received was 3.023 years.

Results

The results provide evidence in favor of “H1” that individuals reporting perceived minority discrimination (race, religion, sexual orientation) are associated with greater mistreatment (path a in figure 1). Results reveal a positive direct relationship between perceived minority discrimination and general (PERMA) well-being (the notion that minority groups have increased well-being is supported by the existing literature and

is evidence in favor of “H3”); however, a negative direct association was found between financial well-being and perceived minority discrimination (which is also supported by the existing literature and in favor of “H2”). Mistreatment levels facilitated an indirect relationship between perceived minority discrimination and financial well-being as well as general (PERMA) well-being, providing support for “H4” and “H5”. Results for the indirect effect between perceived minority discrimination and general (PERMA) well-being through mistreatment level suggest that an inconsistent mediation effect is present (Kenney, 2019). The results also reveal that an individual’s financial and overall (PERMA) well-being are highly correlated.

Conclusions/Relevance

Older adults are already subject to potential discrimination for age and face financial and psychological challenges with impending retirement or living in retirement. Thus, older adults who also experience discrimination and increased mistreatment due to minority factors are a vulnerable population. Existing research has shown that daily discrimination experienced by older American adults is related to poorer mental health (Ayalon & Gum, 2011). Results from this study build upon the literature with evidence that suggests older American adults who experience discrimination associated with minority characteristics (race, religion, and sexual orientation) have the potential for poorer financial *and* general well-being if they experienced increased levels of mistreatment. This population would benefit from future research into the effects of mistreatment on financial and general well-being to understand ways to protect their financial and psychological health. Furthermore, this study builds upon the literature by employing a confirmatory factor analysis to estimate the model constructs within a structural equation modeling framework in order to minimize measurement error.

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Table 1
Sample Characteristics of Scales & Continuous Variables

Variables	Mean	Std. Dev.	Min.	Max.
income (annual earnings in US Do	17375	43311.4	0	1000000
educ (years of Education)	13	3.02315	0	17

Table 2
Sample Characteristics of Categorical Variables

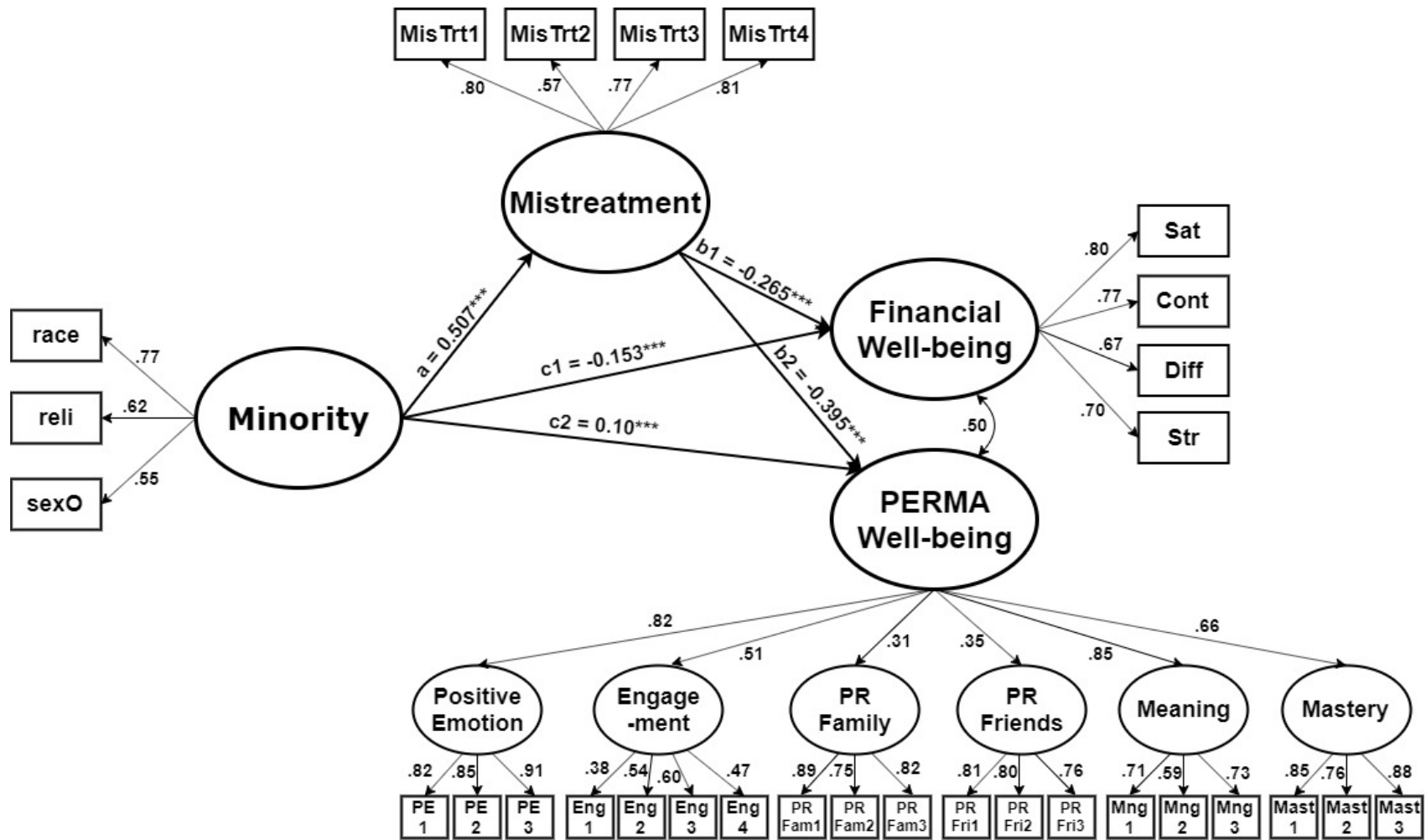
Variables	n	%
Self reported retiremnet status		
Fully retired	3922	28.91%
Partially retired	6831	50.35%
Not retired	1472	10.85%
Irrelevant	1342	9.90%
Gender		
Male	5472	40.33%
Female	8095	59.67%
Race and Ethnicity		
White/Caucasian	10009	73.77%
Black/African American	2388	17.60%
Hispanic	1701	12.53%
Religion		
Protestant	7675	56.57%
Catholic	3611	26.62%
Jewish	226	1.67%
No Preference	1406	10.36%
Other	612	4.51%
Minority (latent construct of the minority types)		
Racial minority	2113	15.57%
Religious minority	592	4.36%
Sexual-orientation minority	269	1.98%

Table 3
Regressions and Defined Parameters

Regressions:		Estimate	Std. Err.	Std. all	ci. Lower	ci. Upper
Financial Well-being ~						
Minority	(c1)	-0.172***	0.034	-0.153***	-0.241	-0.107
Mistreatment	(b1)	-0.253***	0.023	-0.265***	-0.296	-0.209
Partially Retired		0.535***	0.036	0.238***	0.463	0.608
Not Retired		0.278***	0.048	0.083***	0.180	0.373
Education		0.051***	0.005	0.127***	0.042	0.062
IncomeZ		0.141***	0.013	0.141***	0.115	0.166
Gender		-0.127***	0.026	-0.056***	-0.177	-0.071
PERMA Well-being ~						
Minority	(c2)	0.111**	0.034	0.100**	0.046	0.178
Mistreatment	(b2)	-0.372***	0.023	-0.395***	-0.416	-0.330
Partially Retired		-0.312***	0.034	-0.141***	-0.384	-0.250
Not Retired		-0.047	0.046	-0.014***	-0.134	0.045
Education		0.071***	0.005	0.177***	0.060	0.081
IncomeZ		0.049***	0.012	0.050***	0.026	0.074
Gender		0.158***	0.029	0.070***	0.103	0.217
Mistreatment ~						
Minority	(a)	0.595***	0.035	0.507***	0.525	0.663
Partially Retired		-0.361***	0.036	-0.153***	-0.428	-0.287
Not Retired		-0.213***	0.050	-0.061***	-0.310	-0.115
Education		0.000	0.005	0.001	-0.110	0.011
IncomeZ		-0.032*	0.013	-0.030*	-0.057	-0.005
Gender		-0.107***	0.031	-0.045***	-0.170	-0.048
Defined parameters						
Indirect Effect 1	(a*b1)	-0.151***	0.012	-0.134***	-0.176	-0.127
Indirect Effect 2	(a*b2)	-0.222***	0.017	-0.200***	-0.260	-0.191
Total Effect 1	(c1 + Indirect effect 1)	-0.323***	0.029	-0.287***	-0.384	-0.256
Total Effect 2	(c2 + Indirect effect 2)	-0.111***	0.028	-0.100***	-0.163	-0.052
Overall Effect (Total Effect 1 + Total Effect 2)		-0.433***	0.050	-0.387***	-0.524	-0.334

Note: *p < .05. **p < .01. ***p < .001. All results were computed with R (lavaan). The indirect effects were tested using a bootstrap estimation approach with 1,000 draws. The bootstrap draws were executed in R (lavaan) with the Diagonal Weighted Least Square (DWLS) estimator. CI = 95% confidence interval for standardized estimates.

Figure 1. Structural Equation Model Results



* Note: * $p < .05$. ** $p < .01$. *** $p < .001$. Model Fit Indices: $\chi^2(528,7741) = 10011.522$, $p = <.001$; RMSEA = 0.048, 95% CI [-0.524, -0.334], CFI = .932, TLI = .944. All results were computed with R (lavaan). The structural model was estimated with indicators from the measurement model (CFA) for the latent variables, and controls for self-reported retirement status (ifret), years of education (educ), Z-score of the annual earnings in US Dollars (incomeZ), and gender.