Immigrant Status and the Severity of Financial Vulnerability in Older Adults

Mengya Wang, Oklahoma State University[1]
Christi Wann, University of Tennessee at Chattanooga[2]

Introduction

This study examines the financial vulnerability of older adults in the United States through an intersectional lens (Crenshaw, 1991), focusing on how immigrant status, race, and gender combine to influence financial outcomes. Using data from the 2018 Health and Retirement Study (HRS) Financial Decision Making and Coping module, the research investigates whether immigrant status is associated with higher severity of financial vulnerability among aging populations.

Background and Rationale

As the aging population in the United States grows more diverse, understanding the nuanced experiences of financial insecurity becomes increasingly important. Immigrants face a distinct set of challenges that can affect their financial stability in later life, including limited financial literacy, language barriers, and unfamiliarity with the U.S. financial and social systems (Financial Health Network, 2024). When these factors intersect with racial and gender disparities, the result is often compounded financial vulnerability.

Methodology

The analysis draws on responses from the 2018 HRS Financial Decision Making and Coping module, a unique dataset designed to measure financial behaviors, stressors, and coping strategies among older adults. Within the module, six items were selected from the Perceived Financial Vulnerability (PFV) measure to assess financial awareness and psychological vulnerability related to personal finances. Each of the six questions contains responses on a 3-point Likert-type scale, with 1 indicating no financial vulnerability and 3 indicating high financial vulnerability. A count of the level “three” responses (indicating high financial vulnerability) across the six questions is created for each respondent. This count variable is an ordinal dependent variable used to measure the severity of financial vulnerability.

The primary key independent variable is birthplace. Birthplace is a binary variable representing immigrant or non-immigrant respondents. Other key relationships studied include the interaction of birthplace with the control variables gender and race.

Key Findings

The study finds that immigrant older adults, on average, have a 12% higher probability of experiencing more severe financial vulnerability than their native-born counterparts. This disparity becomes even more pronounced among specific subgroups. For instance, immigrant Hispanic females are 15.06% more likely to experience severe financial vulnerability than non-immigrant Hispanic females. Furthermore, immigrant Hispanic females exhibit notably higher rates of concern over losing financial freedom (16.2%) and being persuaded to spend or donate money unwillingly (18.5%). These findings suggest that not only are immigrant older adults more vulnerable, but that this vulnerability is particularly acute for Hispanic women due to intersecting effects of gender, race/ethnicity, and immigrant status.

Discussion

These findings reflect the systemic barriers faced by aging immigrant populations, especially women of color. The increased susceptibility to financial stress among immigrant Hispanic women may stem from a variety of structural factors: lower lifetime earnings, gendered financial socialization, reduced workforce participation, and cultural norms that emphasize dependence on family. Additionally, language

[1] Mengya Wang (mengya.wang@okstate.edu), Assistant Professor of Human Development & Family Science, Dept. of Human Development & Family Science
[2] Christi Wann (Christi-wann@utc.edu), JC Bradford & UC Foundation Professor of Finance, Dept. of Finance and Economics

barriers and lack of familiarity with U.S. financial systems exacerbate the risks of financial exploitation and manipulation.

Importantly, these results highlight the inadequacy of one-size-fits-all financial education and support services. Programs must be designed with an awareness of cultural, linguistic, and socioeconomic differences to effectively address the needs of vulnerable subpopulations.

Policy Implications

Considering the identified disparities in financial vulnerability, several strategic policy initiatives are warranted. Financial education must be culturally and linguistically adapted to overcome the specific obstacles encountered by immigrant populations. Providing workshops in multiple languages and focusing on pragmatic subjects such as credit establishment, banking navigation, and insurance literacy can significantly improve financial competence.

Efforts to shield older immigrants, particularly women, from financial abuse should include tailored anti-fraud programs and robust consumer protections. The risk of exploitation in this group necessitates specialized outreach and prevention efforts that are culturally relevant and accessible.

Additionally, simplifying access to public benefits is crucial. Many immigrant seniors either lack awareness of available aid or face insurmountable bureaucratic and language barriers. Streamlined application procedures and outreach through trusted community organizations can bridge this gap.

Integrating mental health services with financial counseling may also provide dual benefits. Since financial strain and mental health are closely interlinked, delivering holistic support can reduce vulnerability and enhance overall well-being.

Promoting economic autonomy through support for entrepreneurship and small business initiatives targeted at immigrant women presents another promising avenue. Empowering this group with tools for self-sufficiency can help mitigate long-term financial insecurity.

Limitations and Future Research

This study has several limitations. First, the ordinal nature of the dependent variable may not fully capture the complexity of financial vulnerability. Second, the use of data from a single HRS module limits the generalizability and reproducibility of the findings. Third, the sample size for certain subgroups, such as immigrant Black males and females, is small, which may obscure meaningful differences. Finally, unmeasured variables, such as social connectedness, may also play an important role in financial outcomes and warrant further exploration.

Future research should incorporate longitudinal data to assess changes over time and explore how specific interventions affect financial outcomes among immigrant populations. Additionally, more granular analyses of cultural subgroups within the immigrant population would enhance our understanding of within-group disparities.

Conclusion

This study sheds light on the complex and intersecting factors that shape financial vulnerability among older adults in the United States. Through an intersectional life course framework, it reveals that immigrant Hispanic women are disproportionately affected by financial stress and exploitation, underscoring the urgent need for tailored, culturally competent interventions. As the U.S. population continues to age and diversify, addressing these disparities is not only a matter of equity but also essential for promoting economic resilience and well-being among all older adults.

References

Financial Health Network (2024). *Pulse Points Summer 2024: The Financial Health of Foreign-Born Consumers.* *https://finhealthnetwork.org/wp-content/uploads/2024/06/Pulse-Points-Summer-2024_-The-Financial-Health-of-Foreign-Born-Consumers_Compliant.pdf*

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Table 1. Partial proportional odds models of financial vulnerability severity on social statuses with control variables, 2018 HRS

Panel A: Regression Results		***Model 1***	***Model 2***	
Variable	***Category***	***Coefficient***	***Coefficient***	
Birthplace (ref: US-born)	Foreign-born	0.6357**	0.9926	
Gender (ref: Male)	Female	---	0.2032	
Race (ref: White)	Black	---	0.4279	
	Hispanic	---	0.3308	
Birthplace x Gender (ref: US-born male)	Foreign-born; Female	---	-0.7320	
Birthplace x Race (ref: US-born White)	Foreign-born; Black	---	-0.4665	
	Foreign-born: Hispanic	---	-0.6477	
Gender x Race (Ref: White male)	Female; Black	---	-0.4578	
	Female; Hispanic	---	-0.8837	
Birthplace x Gender x Race (ref: US-born White male)	Foreign-born; Female; Black	---	0.8588	
	Foreign-born; Female; Hispanic	---	1.2065	
Control Variables		Yes	Yes	
Adjusted R-squared		19.90%	20.32%	
Wald		210.72	216.52	
C-statistic		72.90%	73.30%	
Panel B: Odds Ratios				
	Race and gender	***AOR***	***95% Confidence Limits***	
Model 1: Foreign-born vs. US-born	---	1.888**	1.249	2.888
Model 2: Foreign-born vs. US-born	White male	2.697	0.792	8.347
Model 2: Foreign-born vs. US-born	White female	1.297	0.463	3.251
Model 2: Foreign-born vs. US-born	Black male	1.692	0.405	6.206
Model 2: Foreign-born vs. US-born	Black female	1.92	0.422	8.022
Model 2: Foreign-born vs. US-born	Hispanic male	1.411	0.506	4.127
Model 2: Foreign-born vs. US-born	Hispanic female	2.268*	1.106	4.777
Panel C: Average marginal effects	***Model 1***	***Model 2***		
Severity level of financial vulnerability	***Foreign-born vs. US-born***	***Foreign-born vs. US-born Hispanic females***		
Level 3 to 5 (Most severe)	1.54%***	1.99%***		
Level 2	3.53%***	4.53%***		
Level 1 (Least severe)	6.67%***	8.54%***		
Level 0 (No severe financial vulnerability)	-11.74%***	-15.07%***		

Note: HRS = Health and Retirement Study Financial Decision Making and Coping module data (Univ. of Michigan). ***, **, * indicate p-values <0.001, 0.01, and 0.05, respectively. The sample size is 1,336 for all Models. In the regression there existed an independent variable that violated the assumption of proportional odds within the cumulative logit model. Models 1 and 2 were estimated with partial proportional odds with "unequal" slopes representing the needed adjustments for different slopes occurring for the independent variable "Depression" at each level of the ordinal dependent variable "Financial Vulnerability Severity." Differences in estimated probabilities were computed using each Model's regression results and estimated probabilities.