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## Influence of the middle class on well-being of older adults

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### Abstract

“Well-being” and “welfare” terms were considered and specified. There were highlighted main factors that identify the level of subjective well-being of the seniors. There were enlisted parameters to evaluate the well-being of the seniors. There was shown the seniors’ population dynamics in Tomsk Oblast for the period from 2010 to 2012. There was made a conclusion stating that well-being of senior citizens impacts the middle formation process. Nowadays, senior citizens increasingly fall into difficult life situation: with the termination of employment the level of material well-being is reduced, health deteriorates and memory weakens with age, social circle narrows. However, the measures taken are not enough, as most of these measures are aimed at the development of human welfare, but it is also important to improve well-being as well.

Relevance of the topic is that for centuries the proportion of people older than 60 years was less than 10% of all mankind. In the beginning of the XXI century in industrialized countries which entered the phase of information development, the share of the elderly population has reached 20%, and by mid-century could exceed 30%. According to demographic projections, the median age of the population in these countries can reach 55 years. In this regard, the problem of senior class well-being is actualized. It is also important to consider the fact that senior citizens are an integral part of society, and, in the majority of researchers’ opinion some of the seniors form a part of the middle class in Russia.

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### 1. Introduction

The purpose of this article is to examine the level of senior citizens well-being in Russia and Tomsk Oblast. In order to solve this issue the following tasks must be performed:

1. Identify economic and social factors that are the most important for the senior;
2. Study measures provided to develop well-being of the seniors abroad, in Russia and Tomsk Oblast;
3. Develop recommendations for improving the well-being of the seniors.

In Russia 20% of wealthy Russians with income in the range of 20 to 40 thousand rubles a month are called middle class. These people afford to purchase a variety of durable goods. However, the big ticket items, including real estate and new cars are still luxuries of little availability since they do not have the sufficient income.

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Researchers estimate that about 21% of the population of the middle class is retiring with higher education, and sufficient income level.

It is also important to distinguish between the concept of the welfare and well-being, as they complement each other, and are the sides of the same coin.

Welfare is the state of provision material, social and spiritual benefits necessary for the life. It is determined by a combination of benefits which a person has to meet own needs.

The main way of welfare is to perform work activity. It is rather work, than anything else, the number and amount of benefits a person enjoys depends on. As a general rule, hard-working and diligent person lives better than a lazy and indifferent one.

If welfare of a person or a group improves without worsening of another it can be definitely said that welfare of the whole society improves. Unfortunately, in real life, this happens very rarely. Most economic changes lead to the fact that one gets a better life, and another a worse one. For example, imports of cheap clothing can give some people the opportunity to live a better life, because they will be able to buy clothes at lower prices. However, at the same time many people may lose their jobs and their lives worsen. Changes are inevitably associated with the redistribution of income and property, and no economic theories that would determine what changes in allocation patterns would be most acceptable to society have been developed yet.

## 2. Review of related research

First point, the main index to evaluate the national welfare is GDP. The GDP index is used all over the world not only to calculate achieved economic and industrial development, but to characterize social development. Human development index is also used as an index of nation welfare. The index is a consolidated indicator of human potential development, which is mainly consists of physical state and longevity of people. Life quality index developed by Economist Intelligence Unit company, considers such factors as life expectancy (years) and a divorce level (per one thousand people). The main element of welfare is a level and a differentiation of population incomes. One of the main features of national welfare is a grade of conformity between cash revenue and living wage.

Natixis Global Asset Management (NGAM) international organization has published an index of pensioners' welfare globally in 2013. Rating takes into account such criteria as the seniors material welfare level, their standard of living and incomes. The first place in the ranking is taken by Norway, followed by Switzerland and Luxembourg as the third place. Russia is ranked only on the 70th place out of 186 countries.

“Well-being” term includes slightly different factors. Well being is a human state or an objective situation when a person has everything that positively characterizes his life in the eyes of society, his relatives and himself.

Mental well-being is related to such personal features as self-confidence, reasonable self-esteem, positive outlook on own lives, amiability, sociability, and emotional stability.

Social well-being is more often characterized by the fact that a person has friends and a beloved person, good job, an opportunity to do hobby, health, education, and a general living standard at least at a general level.

For millions of pensioners all over the world old age is a period of self-fulfillment, interesting vacation and new impressions. For others it is a period of endless depression and disappointments. It is necessary to go beyond the frames of healthcare and pension support to realize what makes a retired person happy, considers Julia Zelikova from the Laboratory of comparative studies of the Higher economy school. She studied research results of the fifth wave survey in World Value Survey project and analyzed the level of seniors' well-being on the individual level and on the average national level. Within the survey frameworks people over 60 years were asked with questions whether they were happy and how much they were satisfied with the conditions of their lives, relationships with family and friends, whether they control their lives. The analysis is based on gender, exact age, marital status, income level, education, and health.

It turned out that the most important factors determining the level of subjective well-being of senior people are:

1. positive perception of own health;
2. satisfaction of own financial situation;
3. a person's confidence that he will manage events of his life during retirement

4. marital status: married pensioners are much more prosperous than widowers, widows and divorced ones;
5. an opportunity and possibility of senior people to open up and keep good relations with other people, mainly with members of a family and friends, a possibility to transfer own resources into positive emotions and important relations.

Second point, inequality in education, healthcare and income of the population has a significant negative impact on the life satisfaction among senior people. And even a higher level of GDP per capita can not compensate for the negative impact of the inequality.

Taking into account all the factors affecting the well-being it is possible to make a ranking of countries based on an index of well-being and respect for the seniors.

Table 1. An index of well-being and respect for the seniors. Global AgeWatch Index (2013)

Position	Country	Index
1	Sweden	89.9
2	Norway	89.8
3	Germany	89.3
4	The Netherlands	88.2
5	Canada	88.0
6	Switzerland	87.9
7	New Zealand	84.5
8	USA	83.8
9	Iceland	83.4
10	Japan	83.1
77	Nepal	33.7
78	Russia	30.8
79	Laos	29.4

### 3. Models introduction

Sweden has become the best country for the seniors to live. The top three countries, which take care of the seniors' situation more carefully than others also include Norway and Germany. This can be explained by generous benefits and pensions for the seniors, good transportation alongside with a sense of community, which the seniors in these countries have. Russia was on the 78th position. According to the index authors, seniors in Afghanistan, Montenegro, Pakistan, Nigeria, as well as Palestinian territorial entities face situations which are worse than in Russia.

The study authors have selected four key criteria to assess the situation of senior people in different countries: material well-being, health, employment and education, and living conditions in general.

Indicators of material well-being of retirees were coverage of retirement income, the level of poverty in old age, the relative well-being of senior people and GDP per capita. The general conditions index compilers attributed social networks, physical security, civil liberties and access to public transportation.

“AgeWatch 2013” index shows how much the country is close to the ideal value (100%) in the field of well-being of senior people. In HelpAge International they believe that a careful analysis of the indicators of the index will help the national authorities to identify gaps and opportunities for progress in relation of the well-being of senior people, noting that the good position of pensioners does not directly depend on the growth of their pensions. For example, senior people with the highest incomes live in Luxembourg, however this country is only 16-th row of the index.

For a more detailed examination of programs on improvement of well-being of senior people in Russia it is necessary to examine the situation in the regions. In this article the emphasis is made on the study of the Tomsk Oblast.

Table 2. The population dynamics of senior people in Tomsk Oblast for the period from 2010 to 2012

	People			As percentage of total		
	2010	2011	2012	2010	2011	2012
Total population	1040245	1048538	1057748	100	100	100

Including those in the age of: 55-59	71096	72508	73771	6.8	6.9	7.0
60-64	49347	56396	59971	4.8	5.4	5.7
65-69	28515	24843	25308	2.7	2.4	2.4
70 and older	82258	84452	85379	7.9	8.1	8.1

According to statistics, a population in the Tomsk Oblast as per 01.01.2013 amounts up to 1,057.7 thousand people, including pensioners receiving occupational pensions - 253.7 thousand people or 24% of the total population. The average pension in 2013 was 9,005.7 rubles. During 2012 the number of pension recipients has increased by more than 3.0 thousand people. Tendency to increase the number of pensioners is still kept.

In the Tomsk Oblast, as well as in the rest of Russia, the most frequently studied and the main criterion for well-being of senior people is their material wealth (retirement pension and benefits), as well as health care and social benefits. These criteria are state-controlled.

"Integrated social services center closed administrative-territorial entity Seversk"; 13 inpatient facilities with non-stop stay of people (11 residential care homes for the senior and disabled people of the general type, 2 neuropsychiatric boarding); 2 semi-permanent social service agencies. Every year more than 10 thousand senior citizens and people with disabilities receive services in the field of social services.

And so on, there were taken measures to improve the social economic situation of pensioners among World War II veterans, widows of the Great Patriotic War veterans and to provide targeted social assistance. The cost of financing of regional programs of additional assistance to veterans equaled about 24 000 thousand rubles in 2013. Funds for reimbursement of expenses incurred in carrying out gasification premises were allocated from the regional budget in order to improve the social situation of non-working pensioners living alone or in households that consist of non-working pensioners. Spesivtseva (2014) shows that there were allocated 11 200.0 thousand rubles for these purposes from the regional budget in 2010 - 2012 years.

Federal State Statistics Services shows that 721 non-working pensioners were provided with one-time financial assistance for the gasification of housing at the expense of the regional budget and subsidies from the budget of the Pension Fund of the Russian Federation in the amount of 15 526.1 thousand rubles in the stated period. The program provides targeted social assistance for 101 non-working pensioners who performed gasification of premises, which equals 2 500.8 thousand rubles, including the expense of the regional budget which is 2 050.0 thousand rubles, with a grant from the budget of the Pension Fund of the Russian Federation of 450.8 thousand rubles. The average size of the targeted social assistance will be 24.76 thousand rubles per capita.

#### 4. Conclusion

Having considered the measures to ensure the growth of the well-being of senior people of the Tomsk Oblast, we can conclude that the main focus is made on health and wealth. However other criteria are no less well-developed abroad.

According to the statistics, the seniors in Russia have lack the attention of friends and family, so they believe that they are no longer respected, as they considered not to be able to make decisions. This opinion is based on the following reasons:

1. An incline to hesitate before making a decision, and as a result of this feature seniors are labeled as feeble people;
2. The seniors are called moody, when they express their disappointment with their lives, even though the young do the same;

3. The seniors are always kept under supervision and controlled, so whenever they forget a person's name they are attributed with dementia and other disabilities.

Having studied the materials on this topic, it can be concluded that to improve the well-being of senior people in Russia and regions it is necessary to develop the following components of life:

1. Social significance and social demand;
2. A constant number of interest-friends, communication not with age mates only;
3. Moderate work and physical activity.

Three of these components, in addition to basic, will help to increase the well-being of older people and will help them to feel that other people, especially loved people need them.

It is necessary to form social economic programs that promote the formation of the group of people within the middle class in order to increase the welfare and well-being of senior people. This is a necessary and sufficient condition for the successful functioning of the economy as a whole.

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