

LIFE SATISFACTION OF PEOPLE AGED 50+ IN POLAND - EVIDENCE FROM THE PANEL DATA

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Background and aim of the analysis

In the recent years due to population ageing and its socio-economic consequences a growing number of analyses has been devoted to people aged 50 years or more. The attention paid to this group is mostly related to its participation in the labour market, care giving to the elderly and other people in need as well as to the increase in demand for products and services connected to older people's needs. This population is highly heterogeneous, and many socio-demographic and economic characteristics may have impact on its quality of life and life satisfaction. Particularly, people aged 50+ experience many demographic events (such as leaving parental home by adult children, becoming widowed), deterioration of health status, retirement, job loss and as a result drop in income or becoming of a main carer of a dependent relative, which influence their life satisfaction. In Poland like in other OECD countries declared life satisfaction progressed remarkably (OECD 2009), but Poles' life satisfaction is still below the OECD average. Maybe it is related to the increasing share of persons aged 50+ who feel deprived under radical economic and social changes initiated by reforms of the 1990s. There are several symptoms of their difficulties to adapt to changing labour market requirements, to stay longer in work place, and to participate in social life (Kotowska et al. 2011). Moreover, studies on demand and supply for care and support show also, that there is a remarkable share of the elderly whose demand for support is not fulfilled (Abramowska-Kmon, Kotowska 2009). This constitutes a

point of departure for our paper which aims to analyse changes in the life satisfaction of people aged 50 or more in Poland and their determinants taking into account several aspects of well-being.

Among a wide range of macro- and micro-level determinants of individual well-being those related to individual and household traits like age, sex, human capital, health status, a type of living arrangements, household welfare, life styles, social networks and support seem to be of a special interest when studying well-being of the people aged 50 years or more.

In general, older women declare higher life satisfaction than men (Blanchflower & Oswald, 2004; Gerdtham & Johannesson, 2001), although they report worse health status, lower income and lower educational level and living alone remarkably more frequently than men. It is generally observed that life satisfaction among people aged 50+ increases with age (Blanchflower & Oswald 2004; Blanchflower & Oswald 2008; Clark 2007), but other empirical results show the mixed and inconsistent effects (Dear et al., 2002; Frijters & Beatton, 2012). As for living arrangements there is empirical evidence that those living with partner are more satisfied with life than those living without partner (even living in multi-person households) (Blanchflower & Oswald, 2004; Böhnke & Kohler, 2010; Chłoń-Domińczak, Kotowska, Abramowska-Kmon, Kurkiewicz, & Stonawski, 2014; Easterlin, 2003). In addition, health problems in terms of disability and different health disorders lower well-being of people aged 50+ (Bergsma, Poot, & Liefbroer, 2008; Heukamp & Ariño, 2011; Margolis & Myrskylä, 2013). High levels of education and indirectly linked to it an advantageous financial situation have positive influence on life satisfaction of people (Blanchflower & Oswald, 2004; Böhnke & Kohler, 2010; Dear et al., 2002; Frijters, Haisken-DeNew, & Shields, 2004; Margolis & Myrskylä, 2013). What is more, there is evidence that individuals engaged in different social and cultural activities and religious life (Lim & Putnam, 2010) as well as those who stay longer in work (Dear et al., 2002; Helliwell & Putnam, 2004), seem to report higher life satisfaction than others. Similarly, people who could rely on support from their family and social networks seem to be more satisfied with their lives than those without support (Litwin & Shiovitz-Ezra, 2006; Litwin & Stoeckel, 2012).

To sum up, the main aim of the paper is to present the determinants of subjective life satisfaction of people aged 50 years and more in Poland and to verify whether the results for Poland are in line with those described in the literature.

Data and methods

The data used come from the panel survey “Social Diagnosis – living conditions and quality of life of Poles”, carried out in Poland since 2000. The Social Diagnosis Survey includes data on the economic (labour market status, income, material situation, etc.) as well as non-economic aspects (psychological well-being, lifestyle, health care, social contact, participation in culture, use of modern technologies of communication, etc.) of household living conditions.

The data from seven waves (2003, 2005, 2007, 2009, 2011, 2013 and 2015) are used.

Life satisfaction is expressed in terms of happiness. In particular, the variable of interest is based on the following question: “Considering all, how would you assess your life in the recent times – would you say you are...” with four possible answers: very unhappy, rather unhappy, rather happy and very happy. This variable, measured on ordinal scale, allowed us to use the *random-effects ordered probit model* (Frechette, 2001), which may be expressed as follows:

$$y_{it}^* = \beta' x_{it} + \alpha_i + u_{it}, \quad i=1, \dots, n, \quad t=1, \dots, T \quad (1)$$

where y_{it}^* stands for unobserved happiness, x_{it} stands for a vector of observed individual characteristics, and β – vector of coefficients, α_i – unobserved individual characteristics considered as random (but constant over time)¹ and u_{it} – random error normally distributed $N(0, \sigma_u^2)$ (by definition uncorrelated with observed explanatory variables).

Observed happiness (y_{it}) may be related to modelled unobserved y_{it}^* in the following way:

$$y_{it} = \begin{cases} 1 & \text{if } y_{it}^* \leq \mu_1 \\ 2 & \text{if } \mu_1 < y_{it}^* \leq \mu_2 \\ 3 & \text{if } \mu_2 < y_{it}^* \leq \mu_3 \\ 4 & \text{if } \mu_3 < y_{it}^* \end{cases} \quad (2)$$

¹ This is a strong assumption.

In this model based on the panel data we included not only the basic demographic individual characteristics (such as sex, age, marital status, place of residence, level of education), but also household living arrangements (living alone, with partner only, with partner and other people, without partner but with other people) and economic (household income, poverty indicators) variables. Moreover, since health status is one of the most important determinants of well-being a health status variable (disability and several ailments) was incorporated in a model as well. Additionally, variables related to different forms of activities (for example social activity, participation in cultural events, sport or physical activities) and family and social contacts were also accounted for.

Main results

The results obtained are mostly in line with those described in the literature. Life satisfaction of people 50+ in Poland increases with age both for men and women, and females are more satisfied with life than males are. Married people and those living with partner only report higher life satisfaction than those without partner (both living with other people and living alone). Disability and experienced health problems affect negatively the well-being of the Poles aged 50+, while higher level of education and income have the opposite effect. Moreover, being employed influence positively life satisfaction of people aged 50+. Furthermore, high engagement in different social activities (sport, culture, social affairs (etc.)) as well as in religious life increase satisfaction of life among people aged 50+ in Poland. Similarly, the same influence refers to people who could rely on family and social support if needed.

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