



The Netherlands Institute
for Social Research

Summary **Empowering older adults**

An explanatory model of changes in resources and participation on well-being in an ageing society



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Empowering older adults

An explanatory model of changes in resources and participation on well-being in an ageing society

original title:

Investeren in vitale ouderen

Een verklaringmodel van veranderingen in hulpbronnen en participatie op welbevinden in de vergrijzende samenleving

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Key messages

- 1 Well-being, participation and resources generally decline with age. This process accelerates when individuals become dependent on care. An ageing population with increased care dependence puts pressure on society, impacting welfare, healthcare, employment and housing.
- 2 The pressure on society can be eased by activating older individuals and getting them to participate, increasing the likelihood of maintaining their well-being in later years. This enhances the potential of healthy and active pensioners who are able and willing to contribute to society.
- 3 Focusing policy solely on the participation of healthy and active older individuals in informal caregiving tasks risks compromising their well-being. Promoting broader participation, including social, cultural and sporting activities for older individuals, appears crucial for their vitality.
- 4 Crafting policies based on the self-management and digital skills of older individuals without considering possibilities in the living environment leads to unequal opportunities. This reinforces unequal starting positions and unequal chances of maintaining well-being at the beginning of the third phase of life, known as the Third Age (retirement).
- 5 Opportunities for changing the prospects for the well-being of older individuals lie in the development of physical and mental health capital (perceived control, self-image, prolonged physical and cognitive limitations), economic capital (income) and social capital (social networks). This development is not possible without changes in the socio-cultural and institutional context.
- 6 Promoting broad participation and equal opportunities in the active Third Age can reinforce the existing trend of prolonging this phase on average and shortening the care-dependent Fourth Age. This could increase the benefits of the ageing population (well-being, broad participation) while relatively reducing the costs (of care and illness).
- 7 Therefore, new goals should be set in policies for the ageing population, in addition to cost control, to emphasise well-being and participation. In doing so, pay attention to unequal opportunities for elderly individuals in well-being due to differences in resources and participation in the Third and Fourth Ages.
- 8 When assessing and considering proposed policies, use benefit models in addition to cost models. The Well-being Participation Resources (WPR) model has been developed for analysing the ageing society. This model allows for the calculation and careful consideration of alternative policy options ex ante. By analysing changes within individual life courses, this model can more precisely calculate causal effects of investments in resources and participation on future well-being in the ageing society than comparisons of age groups at one moment.

Summary

A pressing societal question for the next few decades is: how can we prolong the health and happiness of the ageing population in a way that does not present society with an impossible burden? Ageing is typically framed as a demographic issue, and government policies for ageing rely on age-related studies covering life expectancy, disease, healthcare usage, healthcare costs, demand for healthcare workers, extended employment, volunteering and informal care.

This study offers fresh insights and operational perspectives by not only examining the ageing population but also reconsidering the ageing society through a different lens. Firstly, we explore changes in individual life courses alongside the conventional comparisons of age groups. Secondly, our analysis encompasses changes across multiple domains of daily life.

By investigating changes in well-being, participation and resources within people's life courses, we bring long-term effects into focus. We take a comprehensive view of well-being (covering cognitive, affective and eudaimonic aspects),¹ participation (encompassing work, caregiving, social roles, cultural engagement and physical activities) and resources (covering physical and mental health, social and cultural capital as well as economic resources). This approach reveals additional policy opportunities to sustain the well-being of the ageing population over the long term.

The innovation in our method and modelling lies in considering the relationships between well-being, participation and resources in two ways. Firstly, we explore associations, recognising that individuals who participate less at a given moment are likely to experience reduced well-being at that time. Secondly, we examine effects, acknowledging that individuals who reduce their participation, for example, are expected to experience reduced well-being later in life.

While extensive research has gone into group differences and correlations between well-being, participation and resources in age categories, there is significantly less research on the effects of changes within individual life courses. The latter analytical approach allows for informed statements about the causal and other effects of changes in resources and participation on people's well-being in later life.

Accurate calculation of these effects necessitates longitudinal data. For modelling, the *Longitudinal Aging Study Amsterdam* (LASA) has been used. This panel has tracked a nationally representative group of individuals aged 55 and above since 1992, transitioning from the Second to the Third and then the Fourth Age (Huisman et al. 2011). The Third Age commences upon retirement, and the Fourth Age starts when older individuals become reliant on others for daily activities like bathing and dressing.² Participants undergo thorough surveys every three years, covering various aspects of physical and cognitive health, attitudes and skills, societal participation and well-being. Over the 1992-2019 period, more than 5,000 individuals were followed, and over 17,000 measurement points have informed our analyses.

¹ Subjective well-being encompasses three distinct aspects. Firstly, the cognitive or evaluative aspect, typically measured through life satisfaction or contentment with specific life aspects. The second aspect involves affects, including positive and negative emotions. The third aspect is the eudaimonic aspect, often gauged by how individuals perceive meaning in the activities they undertake throughout life (cf. CBS 2015).

² The life course is divided into four Ages (cf. Laslett 1987, 1991):

- 1 First Age: youth
- 2 Second Age: working life
- 3 Third Age: retirement
- 4 Fourth Age: care-dependent phase

The third life phase commences when a person becomes eligible for their old-age pension or retires (whichever comes earlier) and concludes at the onset of the fourth life phase. The fourth life phase begins when a person in the third life phase becomes chronically dependent on others for performing daily life activities (e.g. dressing and bathing) and continues until death.

Objective

This research aims to provide insights into which domains of daily life changes contribute most to long-term well-being in the ageing population. To investigate these developments, a theoretically grounded computational model has been developed that is also applicable for ex ante policy evaluation: the Well-being Participation Resources model or WPR model. This model equips policymakers with a tool to estimate the effects of policy intentions.

Research questions

Utilising a WPR model based on the life courses of over 5,000 individuals aged 55 and older spanning 27 years, we aim to answer the following questions:

- 1 How does well-being evolve in the population aged 55 and above?
- 2 What impacts do changes in forms of participation and combinations thereof have on the trajectory of well-being in the later stages of life?
- 3 What role do changes in resources and combinations thereof play in these well-being effects?
- 4 What insights do these findings provide for more effective policies?

Findings

In the population aged 55 and older, the well-being, participation and resources of individuals remain relatively stable or slightly decline after transitioning from the second (active working) to the Third Age (retirement). Following the transition from the Third to the Fourth (care-dependent) Age, all three decline. Results indicate a turning point around age 70, followed by a subsequent increasing deterioration.

A significant contributor to the decline in well-being in the later stages of life is reduced active participation in various domains of society. Somewhat parallel to the decline in well-being, broad participation in different activities gradually decreases between ages 55 to 69, accelerating from 70 onwards. A mild decline is observed in the transition from the second to the Third Age, and after the transition from the Third to the Fourth Age, broad participation sharply decreases.

Additional analyses, considering the influence of variables from three years prior to the current measurement, reveal that the causal effect runs from participation to well-being and not the other way around. This implies that promoting broad participation can have positive effects on well-being in the subsequent years in a person's life. Broadening participation with social, cultural and sporting activities has a more positive impact on well-being in the later stages of life than increased work and caregiving, informal or otherwise.

Recommendations

The results of this study suggest that further shifting caregiving responsibilities to informal carers in the Third Age will negatively impact well-being in later years. Focusing policy on broad participation (work, social interactions, participation in culture and sports) will result in substantially less decline in well-being for the ageing population than the current policy, which emphasises narrow participation in work and caregiving.

Encouraging broad participation in the Third and Fourth Ages can be achieved by offering a larger, more diverse and accessible range of social, cultural and physical activities. Naturally, these activities should align with people's preferences, highlighting the importance of a diverse range of activities for all social and cultural groups in the ageing population. Additionally, (unequally distributed) chances of decline in well-being can be mitigated by strengthening the resources (physical and mental health, income, social networks) of individuals in the Third Age.

Strengthening resources in the Third Age has a positive impact on health and well-being at an individual level. Furthermore, strengthening resources has collective side benefits, such as (more equal opportunities for) improved public health, higher life expectancy, reduced healthcare utilisation and prolonged independent living. Healthy individuals live longer, are more productive, social and resilient, are better equipped to deal with setbacks and have more trust in others and society.

The risk of a rapid decline in well-being from the Third to the Fourth Age can possibly be mitigated or postponed through preventive actions by policy-makers, citizens and professionals. The research results offer various tools and operational perspectives. The WPR model broadly illustrates where the effects on well-being are more pronounced or less so. This allows us to more specifically identify which resources and forms of participation policy should prioritise initially, as investments in these areas will yield more significant effects. Additionally, the WPR model reveals the flip side of the resource coin: what physical, mental, social, economic and cultural limitations need to be considered? Individuals entering the Fourth Age with a strong social network and good mental resilience, for example, are at less risk of experiencing a rapid decline in well-being. Thus, the WPR model provides insight into the trajectory of inequality of opportunity in the Third and Fourth Ages.

Operational perspectives

This report serves a dual purpose: firstly, to offer insights into the ageing society, and secondly, to provide a model for projecting the future impacts of policy intentions on the ageing society. While significant efforts and policies are in place to enhance the resources and participation of individuals in the Fourth Age, the Third Age often remains overlooked in policy discussions, despite its pivotal role in shaping later years.

The WPR model highlights in what areas investments in the Third Age will yield more or less impact.

- For example, expand local initiatives into the Third Age within existing national policy programmes such as 'Creating culture together' (Ministry of Education, Culture, and Science), 'Dignity and Pride', 'Ageing together' and 'GALA' (all three under the Ministry of Health, Welfare and Sport). This expansion would fortify the preventive objectives of these programmes.
- Expand the traditional roles of nurses and caregivers in elderly care by incorporating artistic professionals (examples include the innovative programmes 'Art and Care' and 'Meaning' by ZonMw, the Netherlands Organisation for Health Research and Development).
- Strengthen the social and cultural infrastructure, restructuring it for and in co-creation with older adults (for example, initiatives in neighbourhoods within the *Eén tegen eenzaamheid* ('Together against loneliness') framework. The aim is to make it more accessible, ensuring equal opportunities for older adults to meaningfully participate in society.
- Formulate realistic policies by calculating and carefully considering policy intentions based on the WPR model. For instance, the Ministry of Health, Welfare and Sport aims for older adults to 1) take more control, 2) utilise digital solutions for their care needs and 3) expand their social networks. Calculations of these policy intentions and wishes using the WPR model reveal that seemingly straightforward policy intentions can have unintended side effects due to other factors. These factors may include physical and mental health, the availability of a social network and opportunities for participation. The model applications reveal factors influencing each of the three policy wishes and shed light on what will weigh more heavily in promoting well-being in the ageing population over time. Ex ante calculations of policy intentions provide guidance for potentially more effective future policies.

Future

The population's demographic landscape is shifting, with individuals in the Third Age increasing as the population ages – 50% of the Dutch population is already aged 50 and above. Many individuals in the Third Age wish to stay active and contribute to society, deriving satisfaction, joy and a sense of purpose from such engagement. However, this group often risks being overlooked and underutilised in policy, as policy attention tends to be directed toward the care-dependent Fourth Age.

A compelling suggestion is to approach ageing and policy on ageing not only based on age but also based on the four phases of life. These phases, or Ages, more precisely mark turning points from vitality to dependency in the ageing population and depict the years when older individuals can and want to actively contribute to society. There is substantial potential among healthy, active and wise pensioners to address societal issues. The significant potential of the Third Age needs to be strategically utilised. Relying on individuals to work longer and assuming they will engage in voluntary work and informal care after retirement to address staff shortages is a one-sided approach. Similar to citizens in the First and Second Ages, there needs to be a balance between compulsory participation (work and education) and voluntary participation (leisure activities, such as participation in culture and sports). This balance keeps individuals and the population generally healthy and happy.

By investing in the vital Third Age, the trend can be strengthened for this Age to be longer and the care-dependent Fourth Age shorter. This could mean that the benefits of ageing would increase (well-being, broad participation) and the costs (of care) would decrease. In other words, by harnessing the potential of an ageing population more effectively, the costs associated with ageing will diminish.

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