This chapter examines how the cultural turn in gerontology informs our understanding of finances in later life. Globally, but especially in the Global North and transition economies, there is growing interest in the sociologies of consumption and identity as ways of understanding social behaviour, and these are illuminating our understanding of money and money practices across the life course. In post-industrial economies, we are seeing a gradual shift in policy and research focus from the financial interactions of older people with the state and the family, to the income, wealth and spending of older people in the marketplace, whether for living expenses, consumption and leisure, or the costs of health and long term care (Cutler 2005). Simultaneously, as the role of the global financial sector has grown and neo-liberal economic theories of competition have entered the politics of pensions, health, housing and social care, individuals’ wealth and income in later life is increasingly associated with their participation throughout the life course as consumers in financial markets, through private and occupational pension schemes, home ownership, savings, debt, insurance, annuities and/or equity release.

In this chapter we reflect on how these trends affect our understanding of money and later life. We first consider earlier gerontological understandings of the poverty of older people, before analysing important social, political and institutional changes that have led to changing conceptualisations of finance in later life. We then discuss how the cultural turn in gerontology affects our approaches to and understanding of these issues. We close by suggesting that the intersection of the political economy with developing interest in consumption and behavioural finance poses new questions for coming decades.

Life-cycle theory and the critique from political economy perspectives

Social science has long been concerned to document, explain and remedy the poverty of older people. As a result the history of researching finances in later life is inextricably linked with the history of pension reform. In the late nineteenth and early twentieth centuries, empirical observations by German and British social reformers led to Rowntree’s (1901) ‘life-cycle’ theory of poverty—that at certain stages of life, principally childhood and old age, people are more likely to suffer abject poverty. The perception that this was a great social problem, coupled with the establishment of political and labour movements arguing for pensions and retirement as
social rights, led to the founding of the earliest national pension schemes in Germany and New
Zealand in 1889 and Great Britain in 1908 (Higgs and Gillett 2000; Thane 2000). Remaining
influential throughout the twentieth century, these life-cycle understandings of poverty in
old age led to the establishment of national pension schemes in almost all the countries in the
world, including advanced capitalist democracies, transition countries (from centrally planned
to market economies) and many countries in the Global South (Holzman 2013; Pallares-Miralles
et al. 2012). Welfare states have emerged globally with social security and pension systems that
ameliorate financial poverty in late life, through redistribution of financial resources both across
the life course and across populations.

In the 1960s and 1970s the British academic Peter Townsend (1963; 1979) exposed weak-
nesses in national and social structures for financing later life arguing that the poverty and financial
dependency of older people were socially constructed. This approach was further developed by
American and British critical gerontologists who illustrated the structural, institutional, social
and political causes of inequality across the life course that culminated in disproportionate
poverty and deprivation among older people. Their research demonstrated the role of the state
and markets in structuring the life course, in particular the compulsory transition to retirement
from paid work (Dannefer 2002; Estes 2001; Phillipson 2013; Walker 2006). A substantial body
of feminist work across a number of capitalist welfare states also showed how advanced pension
systems were failing women, leaving older women financially much worse off on average than
older men (Estes 2001; Ginn et al. 2001).

While the cultural cleavages of social class, gender and ethnicity are widely considered in
this substantive body of work, it is primarily concerned with exposing power structures in soci-
ety and the operation of capitalism, rather than culture and identity. It shows how social class,
gender, ethnicity, disability and age create inequalities in access to financial resources and other
forms of power and control, especially in old age when options for social change become limited
by societal structures, disability and failing health. Rather than being concerned with cultural
representations, cultural norms, normative pressures or cultural fields, this ‘political economy’
perspective of money in later life draws on critiques of capitalism to show how particular groups
are systematically disadvantaged.

**Neo-liberalism, financialisation, and the changing life course**

In the late 1980s neo-liberal economic policies spread across the globe, partly as a result of the
global power of international institutions such as the International Monetary Fund and the
World Bank (Deacon 2007; Harvey 2005). This has resulted in a global trend towards govern-
ments providing welfare through private markets rather than public provision, across a number
of social policy domains including pension systems, health and social care (Pallares-Miralles
et al. 2012). This substantial transformation of the policy landscape has been widely analysed as
the product of two ideological shifts: from welfarism to consumerism; and from collectivism to
individualism (Rees Jones et al. 2008; Taylor-Gooby 1998). The dominant ideological fram-
work of neo-liberalism is one of freedom and choice, with the hegemonic ideology of markets
as more efficient providers of social welfare than the state (Clarke 2010; Harvey 2005). This has
led to increasing individualisation of risk, with the state and employers having a smaller role in
the provision of income in later life and a shrinking role in providing the costs and services of
care (OECD 2011; Phillipson 2013). In this conceptualisation, individuals became consumers
rather than recipients of state services, with the assumed power to regulate the new markets
through consumer behaviour. The role of governments shifts from provider, to enabler and
regulator of the private sector.
The new characterisation of citizens as consumers coincided with money, assets, pensions, financial products and financial risks playing an increasing role in people's daily lives, a process sometimes referred to as 'financialisation' (Finlayson 2009). For older people, this has taken a number of forms. Across the second half of the last century, political commitment to 'asset based welfare' had led to a rapid rise in home ownership, not only in Western economies but across East Asia, Japan and the transition economies of Eastern Europe (Doling and Ronald 2010), so that older people have recently emerged as a group who own their homes, mostly without mortgage. More recent retirees from industrial and public sectors have also received good occupational pensions negotiated in an era of strong trade unions (Blackburn 2003). The late twentieth century also witnessed stock-market flotations and sales of nationalised industries and utility companies (Lunt and Livingstone 2007). Many people became property owners, shareholders and stock-market investors for the first time, whether as individuals or indirectly through globally invested savings and pension funds. The financial sector and financial services became increasingly dominant in the global political economy, with deregulation generating a plethora of products and providers (Lunt and Livingstone 2007). The public has been bombarded with offers of credit and investment products, and governments have encouraged the public to see themselves as active participants in these global financial services markets (Clarke 2010; Cutler 2005; Lewis and Messy 2012).

These trends have coincided with social, cultural, political and policy changes that have led to less regular life courses, greater risks in employment, changing retirement patterns and challenges to mandatory retirement (Higgs and Gillear 2005; Macnicol 2006). Simultaneously, especially across Europe, OECD countries and Latin America, publically provided national pension systems have been becoming less generous and more risky for individuals (Orenstein 2011). This is being achieved through increasing the role of markets, later state pension ages, recalculations of benefits, and structural changes from defined benefit to defined contribution schemes (Zaidi 2008).

The degree of financial planning now expected across the life course to finance old age has therefore increased markedly in many parts of the world, with accumulation and dissipation of housing and pensions; the management of income, consumption, saving and debt; and, with the spread of home ownership and riskier life courses for younger generations, increasingly complex intergenerational transfers and legacy issues. Money in later life is therefore becoming an intensely individual, complicated and risky experience. Since such experiences are in part culturally and normatively determined, the recognition of finances, retirement and consumption as cultural fields is becoming ever more important.

Understanding money in later life: the cultural turn

A focus on consumption in the context of money and later life is part of a wider cultural turn in sociology and the humanities (Anderson 2002). The economic sociologist Viviana Zelizer (1994; 2005) has written powerfully about the diverse social meanings that attach to money and how these affect our daily interactions with it, and research in sociology and psychology has demonstrated how money exerts symbolic power within the privacy of couple relationships, often leading to substantial gender inequalities in access to financial resources (Pahl 1989; 2001). Yet there are as yet few researchers or theorists who approach either the financial governing of ageing populations or money management for and in later life as practices that operate in a cultural space.

In these spheres, two distinct fields of gerontological study are emerging. The first draws on conceptions of culture and identity to augment our understanding of the social, structural and
institutional determinants of pensions, savings and financial exchanges through the life course; the second draws on theories of cultures of ageing and generations.

In the first strand, culture is understood as a system of collective constructions of meaning by which human beings define reality, including knowledge, values and ideals. All these are the subject of constant conflict, negotiation and compromise which can result in cultural change (Pfau-Effinger 2004). Pfau-Effinger (2004) has been at the forefront of arguing in the European context that to understand money, work and pension accumulation in the context of state and market provision, gendered cultural contextual understanding across nation states is essential, and that feminist work from the 1980s and 1990s failed to engage sufficiently with cultural influences.

In this context, recent UK research on older couples and the management of household money reveals that gender, ethnicity and health are all important cultural identities for understanding the ways that people experience, interact with, think about, share and spend money (Bisdee et al. 2013a; 2013b; Price 2006; Price et al. 2014), and this has implications for inequalities in access to financial resources in later life. When considering ethnicity, while there is a burgeoning literature on culture, ethnicity and ageing, especially in the context of care, so far few studies link ethnic cultures to money practices and financing later life. Burholt’s (2004) analysis of financial transnational practices among different ethnic groups in Britain concluded that differences were partly accounted for by structural and demographic differences, but also by cultural norms. Similarly, Quilgars and colleagues (2008) in their study of ethnicity, disability, sexuality and faith in financial planning concluded that socio-cultural approaches to risk need to be better understood in policy. As Silverstein’s (2012) review of this literature shows, researchers have focussed primarily on structural and demographic rather than cultural differences to explain observed ethnic differences in money practices, with the focus almost exclusively on intergenerational exchange and remittances rather than the differential experience of money, savings, pensions and consumption across the life course.

The second developing strand of cultural literature surrounding money and later life theories later life consumption practices as embedded in cultures of ageing and generations. Drawing on Bourdieu’s (1984) concept of a cultural field, Higgs and Gilhearrd (2000, 2005) have argued that rather than the ‘third’ and ‘fourth’ ages being distinct stages of life, the third age can be better understood as a generationally defined cultural field with its origins in the cultural transformations of the 1960s, linked to the rise of individualism, mass consumption, and new developments in our social and cultural understanding of leisure and lifestyles. They term daily practices within the cultural field as ‘generational habitus’, leading to consciously adopted lifestyles defined by consumption choices. Rees Jones and colleagues (2009) have argued that we need to explicate and expand these cultural concepts to understand the interactions between family, community, care, lifestyle and consumption in later life. They point to cultural constructions of ‘active ageing’ and ‘successful ageing’ to understand the expansion of consumption of late life leisure and anti-ageing strategies, as well as changes in the policy discourse from ‘welfare dependents’ to ‘active consumers’ of health care, social care and housing, and argue that these developments change our perceptions of ourselves and our interactions with the state.

These ideas have been primarily drawn from Western perspectives, with little attempt to extend these theories globally. Nevertheless, we can see the influence of these ideas in three key areas. First, across Europe and the USA over the last 20–30 years, we have seen an increasing focus on looking beyond income measures to understand poverty, by examining instead deprivation, shopping and consumption—all culturally determined experiences (Chen et al. 2003). Research into material deprivation shows that older cohorts report and experience poverty and deprivation differently to younger cohorts, such as going without rather than incurring...
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debt, and reporting less felt deprivation even when observation suggests quite extreme hardship (Price 2010; Scharf et al. 2006). Moffatt and Higgs (2007) have argued that generational habitus explains why older people do not claim welfare benefits to which they are entitled, and that the failure of some older citizens to act as ‘citizen-consumers’ is likely to exacerbate inequalities in later life.

Second, there is a new interest in the daily consumption and leisure practices of older people as earlier assumptions that the wider societal dynamics of consumption did not affect older people have broken down (Higgs et al. 2009). This has led to increased research about shopping in later life, as well as burgeoning interest in the new cultural spheres of anti-ageing medical, cosmetic and leisure markets. The financial wealth and housing assets of older people are increasingly the subject of the public gaze, with the emergence of a new understanding of older people as financially diverse, often wealthy, consumers (Cutler 2005; Doling and Ronald 2010; Higgs and Gillear 2005; Rees Jones et al. 2009).

Third, the emergence of a culture of a ‘third age’ that rejects narratives of decay and dependency means that the ‘fourth age’ has become a powerful social imaginary of abjection and loss of hope (Gilleard and Higgs 2011). Price and colleagues (2014) have shown, for example, that these cultural narratives have constructed significant barriers to older couples’ financial planning for long-term care, however much such planning might be in their, or the nation’s, interests. While people easily contemplate active ageing, successful ageing and death, they are unable to construct any positive meaning for a period between, seeing expenditure as wasted and death as preferable.

Higgs and Gilleard (2000; 2005) have thus challenged the notion that political economy structures the financial dependency and well-being of older people. They argue that to understand later life we need to engage fully in understanding the cultural spheres in which people live and operate, especially cultures of leisure, self-fulfilment and consumption; that individuals of all ages in all socio-economic strata seek freedom from the state to express their consumption preferences (by which they define themselves); and that segments of the older population are able to fulfil their culturally propelled lifestyle aspirations, acting as a social and cultural beacon for others. They suggest that the idea of older people as consumers of privately marketed goods and services fits better with the current world than the idea of older people as citizens with needs and entitlements to the receipt of state welfare. In this world, the media and the market therefore play key roles as purveyors of normative messages about ageing and how we should age.

Governing the financing of later life

In the light of these new understandings of money in later life, studies of inequality and poverty in old age and the structural and institutional determinants of these conditions, could be viewed as old fashioned and anachronistic. In many parts of the world, older people are being reconceptualised in politics, the media, and increasingly, in research, as wealthy, home owning, high income, leisure-loving, third-age consumers (Higgs and Gillear 2005; Walker 2012). This is a development that gerontologists should view warily. Any cultural shift in the public positioning of older people from subjects of welfare to active and powerful consumers has the potential to mask substantial social inequalities between those who have the multiple resources needed to navigate the new worlds of financial welfare, and those who do not (Price 2015; Price and Livsey 2013).

Moreover, despite policy makers’ attempts to persuade citizen-consumers to participate in financial industries, unsecured consumer debt has risen, and levels of saving for retirement and old age are considered woefully inadequate (IMF 2012). While the financial services industry
has evolved to cater to the new diverse consumers, the gap has been widening between political aspiration for marketised financial self-sufficiency across the life course, and social reality. There is growing social inequality in many countries arising from low wages and precarious employment through the life course (WEF 2014). It appears that few citizens are equipped to be the market-savvy financial consumers required for the new markets to operate efficiently, nor do structural and institutional conditions support their doing so. We are increasingly seeing governments borrowing from behavioural economics and psychology associated with marketing to the middle classes to try to achieve their teleological vision for individuals to be financially self-sufficient through the life course (Clarke 2010; Cutler 2005; de Meza et al. 2008).

This trend has especially gained discursive and political power since the publication of Thaler and Sunstein’s (2008) seminal work, *Nudge: Improving Decisions about Health, Wealth and Happiness*. There is now a new industry in the research and implementation of behavioural economic theories to ‘nudge’ people into saving more for their retirement, using the financial services markets that have emerged under neo-liberal pension and saving reforms (Holzman 2013; Orenstein 2011). From a cultural gerontological perspective, this means that governments are in the process of trying to find the means to change their citizens’ thoughts, attitudes, alliances and behaviours in respect of how they construct meaning around money at all stages of life (Price 2015). This cultural shift parallels other ‘responsibilisation’ agendas associated with the neo-liberal state and the supremacy of the market (Rose 1996). It means that when individuals find themselves with insufficient resources in later life, the political, media and public gaze is fixed on their financial delinquency as failed consumerism rather than structural, governmental and market failures.

**Conclusion**

A new cultural space has opened up for us to ask about money in later life, beyond socially constructed structured dependencies and the political economy. Gerontological theorists are emphasising greater understanding of the role of consumption and identity in daily financial practices, and presenting new conceptualisations of later life money practices as situated within cultural generational fields. We are witnessing new modes of governing our ageing populations that rely on cultural change, expecting individuals to ‘act on the self’ to fulfil government’s greater vision of fiscal self-sufficiency in an individualised, complex and risky financial world. This means we must focus on the importance of the market, the media and political and public discourse to understand money, leisure and consumption in late life, and to understand the provision of late life welfare increasingly provided by quasi markets and the private sector. As individuals take on new risks associated with these new structures, a cultural shift is taking place. Older people are moving from being publicly positioned as needy subjects of welfare, to active, powerful and even greedy consumers—a discourse that has the potential to mask substantial social inequalities. Connecting our understandings of ageing with the financialisation of later life and the cultural sphere will be important agendas for critical gerontology in coming decades.

**References**


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