

Print ISSN: 2233-4165 / Online ISSN: 2233-5382
doi: <http://dx.doi.org/10.13106/ijidb.2018.vol9.no4.27>.

The Elderly's Life Satisfaction Recognition to Income Inequality : Focusing on Mediation Effects of Finance Stress

Jong-Jin Kim*

Received: March 14, 2018. Revised: March 31, 2018. Accepted: April 15, 2018.

Abstract

Purpose – The purpose of this research is to verify mediation effects of finance stress within relation structure between income inequality recognized by the elderly and life satisfaction.

Research design, data, and methodology - In order to achieve the purpose of this research, we investigated recognition of income inequality of the elderly, finance stress and life satisfaction by using examination data aimed at 541 elderly people whose age is over 65 living in Chungcheongbuk-do. We conducted reliability, correlation, regression analysis_(tolerance limit and variance inflation factor) by using SPSS ver. 18.0.

Results – From the result of analysis, it was proved that there are mediation effects of finance stress within the relation between income inequality recognized by the elderly and satisfaction with life. Based on this result, we suggest practical and political proposals to increase life satisfaction of the elderly.

Conclusions - The purpose of this research is to verify mediation effects of finance stress in the relationship between income inequality and life satisfaction recognized by the elderly. From the result of research, first, a direct effect was discovered that as income inequality becomes high, life satisfaction will be decreased. Second, partial mediation effect of finance stress was confirmed in the relationship between income inequality and life satisfaction.

Keywords: Income Inequality, Finance Stress, Life Satisfaction, Recognition by the Elderly.

JEL Classifications: J14, H31, L81, P36.

1. Introduction

Aging of Korea is being progressed very rapidly in which we cannot find the origin in this global world. This has positive aspect that the elderly is living a long life, but we should not overlook the probability of occurring various social pathological problems if we are not fully prepared for rapid aging society. In this research, the primary purpose is to investigate fundamental cause regarding the influence to life satisfaction of the elderly which attracts the biggest concern among the problems occurring according to rapid aging society of Korea(Oh, Nam, & Yun, 2014).

Research on life satisfaction of the elderly is being progressed in two directions, one is to examine the status of life of the elderly such as analysis of current status of life satisfaction. And the other is to analyze the factors

which influence life satisfaction of the elderly(Kim, 2016).

Especially, the researches analyzing the factors influencing life satisfaction of the elderly are the focus of researches because they become major evidence data to set up practical political target. There are many various factors influencing to life satisfaction of the elderly, but the salient factor at this point of time is economic vulnerability. OECD published that the poverty rate of Korean elderly is 47.0% and this value is 3.67 times higher than OECD average poverty rate of elderly, 12.8%. Actually, it was reported that economic vulnerability is the most salient cause to cause life satisfaction of the elderly(Hwang, 2010).

However, representative measurement variable of the economic vulnerability concept is poverty and income inequality. Poverty can be classified as absolute poverty, the status of insufficient daily necessities, and relative poverty, which can be understood via comparison with others. But, income inequality concept encompasses absolute poverty and relative poverty. That is to say, income inequality, rather

* First Author, Visiting Professor, Department of Social Welfare,
Jungwon University, Korea.
Tel: +82-43-830-8222, E-mail: 2001j2k@hanmail.net

than poverty, can be understood as explaining economic vulnerability influencing life satisfaction of the elderly more comprehensively (Federico, 2005). Preceding researches are also supporting significance of relationship between income inequality and life satisfaction. But, in spite of the basis that income inequality gives significant influence to life satisfaction, there are several limitations within the relationship between two variables. First, there is a gap between income inequality and life satisfaction. This means that theoretical basis is insufficient for the process that macro indicator, income inequality, is influencing to individual action, life satisfaction. Normally, there are various mediation variables connecting the relationship between macro indicator, income inequality, and individual action, life satisfaction, but we paid attention to the mediation role of finance stress at the point where this income inequality is connected to individual life satisfaction. This mediation role of finance stress was asserted that the target of economic success and discriminative distribution of resources in order to achieve the target, that is to say, inequality of social structure impede life satisfaction. It explained that simple inequality of social structure itself does not trigger individual deviant behavior, but the tension experienced by an individual under unequal social structure, on other words, finance stress, triggers individual deviant behavior. Therefore, in order to clearly understand the process that income inequality retrogresses to individual life satisfaction behavior, it is necessary to analyze mediation role of finance stress (Seo, Yang, & Lee, 2014).

Second, another limitation owned by the preceding researches is that it measures variable of life satisfaction as life satisfaction level. For variable of life satisfaction, analyzing data of life satisfaction rate provided by OECD or National Statistical Office (NSO), is useful for understanding a tendency that national unit income inequality is influencing to life satisfaction (Kim, 2014).

But, it has limitation that it is difficult to analyze the relationship between income inequality and life satisfaction in partial area, where the researcher is interested in, due to limitation of OECD and NSO's data. Consequently, it is limited to understand the context that current income inequality was lead to life satisfaction. Therefore, in order to overcome this limitation of variable of life satisfaction, we may indirectly presume the influence of income inequality to individual behavior, life satisfaction, in the region where the researcher is interested in and at this time, by analyzing variable of life satisfaction which is precedence factor of life satisfaction (Kim, 2014).

Like this, what implied by the limitations of preceding researches to analyze the influence of macro indicator, income inequality, to individual behavior, life satisfaction, is that, first, in order to clearly understand the process that income inequality is lead to life satisfaction, the process of analyzing mediation role of finance stress should be performed. Second, in order to analyze the influence of

income inequality in the region where the researches is interested in and at this time, to life satisfaction, it is necessary to presume indirectly via variables of life satisfaction which is precedence factor of life satisfaction (Kim, 2015).

Therefore, in this research, we would like to analyze mediation effect of finance stress within the relationship between income inequality and life satisfaction. Also, this research is meaningful that we can check the point of practical political intervention by analyzing the process of income inequality is lead to life satisfaction, and the point that we can suggest useful evidence data to welfare-friendly party who supports increase in taxation and expansion of welfare, because it is possible to solve existing poverty concept via economic growth, but it is possible to solve income inequality encompassing absolute poverty and relative poverty via utilizing tax or expanding welfare service (Eastman & Iyer, 2005).

2. Theoretical Background

2.1. Income inequality and life satisfaction

Inequality is a phenomenon that an individual can exist in hierarchical position according to possession of scarce resources and the distribution of this scarce resources is being monopolized by a few people beyond reasonable level. Therefore, income inequality means the status that distribution of income is monopolized by a few people. Thus, some people in a certain level can systematically experience monetary benefit from the society, but on the other hand, other people in other level may experience monetary disadvantage (Yoon, 2008). In this context, OECD conceptualized that income inequality is an index on how income (material resources) is distributed in a society. The seriousness of this income inequality issue became remarkable in the elderly age. It is because the gap of income is accumulated according to life course and the income inequality is maximized in the elderly age. According to actual statistics of OECD, Gini's coefficient of population group in the age of 18-65 in late 2000s in Korea was 0.300 which is lower than OECD average 0.311, but Gini's coefficient of elderly age is 0.405 which is a lot higher than OECD average 0.299 (Kim & Youn, 2015).

This issue of income inequality incurs various problems of the elderly, but also it becomes major cause of decreasing life satisfaction and interruption causes of life satisfaction. The relationship between income inequality and life satisfaction of the elderly via mechanism that income inequality is reducing life satisfaction of the elderly is as follows. Income inequality issue is influencing to life opportunity of society members according to social stratum. Life opportunity means monetary-non-monetary benefit expected within a group or hierarchically ranked system and

life status will be determined pursuant to life opportunity against one's will (Kim, Eom, Kim, & Youn, 2015). Especially, income inequality incurs complaints related to health and etc, which is the most important factor in life of the elderly. Income inequality issue was explained as core factor causing various kinds of social inequality and it was investigated that as income inequality is increasing in 11 countries in Europe, the more subjective health status is negatively changing. Also, it was reported that as income inequality is increasing, physical activity is being restricted. Like this, income inequality issue incurs gap of the elderly's life opportunity and this gap increases the elderly's life satisfaction, consequently. After inputting male and female population's life satisfaction as dependent variable, it was proved that only Gini's coefficient gives significant influence to life satisfaction. And from the research result investigating relationship between recognized income inequality and life satisfaction of the elderly age over 65 by using data of International Social Justice Project from 1991 to 1992, it was proved that there is significant negative relation between income inequality and life satisfaction. The elderly in bottom income stratum experiencing serious income inequality through relationship between this income inequality and life satisfaction may experience negative life opportunity compared to upper income stratum, so we can estimate that their life satisfaction would be decreased. Actually, the significance between income inequality and life satisfaction is being supported by preceding researches and it was reported that serious income inequality is connected to decrease of life satisfaction. Based on preceding researches, we can clearly understand that as income inequality is increasing, life satisfaction is rapidly decreased (Yoon & Alexander, 2009).

2.2. Relationship between income inequality, finance stress and life satisfaction

Inequality is a phenomenon that partial group is possessing monetary-non-monetary resources and this distribution status is being continued. Therefore, income inequality can be understood that the status of occurring gap because income is distributed into partial group and this gap is lead to stratification according to income. Also, as the elderly belonged to bottom income stratum may experience serious income inequality, that is to say, deficiency of monetary-non-monetary resources, they are exposed to various stressors. Among various stress the elderly is experiencing, the primary stress is finance stress. Finance stress is the result of change of economy of individual and family, generally in preceding researches, it is used as various concepts such as hardship, pressure and strain (Choo, 2015).

Also, finance stress is being discussed from objective dimension and subjective dimension, and objective dimension finance stress regarding employment instability is deficiency

of regular work position and subjective dimension finance stress means employment instability recognized by an individual (Dishaw & Strong, 1999).

Especially, in case of objective finance stress, as it is difficult to access to data, so in this research subjectively recognized economic strain was defined as finance stress. In addition, according to a research measuring finance stress of the elderly, it was reported that Korean elderly is exposed to above-average finance stress as income expense stress index recognized by Korean elderly was reported as 3.08 point out of 5.00 point. From an preceding research analyzing relationship between actual income inequality and finance stress, the significance between two variables is supported. In the research, it was pointed out that income poverty and relative poverty is deeply related to finance stress, and as income inequality is high, economic pressure to household is being increased (Chen, Gillenson, & Sherrell, 2002).

In addition, finance stress such as economic hardship, economic strain and economic pressure gives negative influence to mental health of the elderly. Preceding researches are also supporting negative influence relationship between finance stress and mental health, and it was reported that especially economic hardship causes economic pressure and increases emotional pain of parents. And from the result of research investigating 221 low-income family members, it was pointed out that as economic pressure is high, the more the pain is increased (Collier & Bienstock, 2006). It was reported that finance stress, i.e., income and expense stress gives significant influence to depression. Like this, preceding researches are consistently reporting that finance stress is giving negative influence to individual mental health. Especially, in case finance stress is compounded, it is not simply giving influence to mental health of the elderly, but also it becomes the cause to decrease will to live which is former stage of life satisfaction. That is to say, when experiencing finance stress such as economic hardship, economic strain, economic pressure and financial strain, individual mental vulnerability will be increased and this increased mental vulnerability will be connected to decrease of life satisfaction (Collier & Bienstock, 2006). Preceding researches are supporting the significance of relationship between finance stress and life satisfaction and they are reporting that economic pressure of family will increase cognition vulnerability such as depression, so consequently life satisfaction will be improved. It pointed out that material hardship due to economic crisis, divorce or broken relationship may give negative influence to life satisfaction. It was confirmed that the life satisfaction of person who experienced economic sustain was reduced during economic crisis period in Greece (Sung, Kim, & Youn, 2014).

However, when we review the relationship between income inequality, finance stress and life satisfaction, as above preceding research pointed out, when we consider that there is significance of relationship between income inequality and finance stress, and finance stress and life

satisfaction, we can presume that finance stress has mediation effect in the relationship between income inequality and life satisfaction. Preceding researches are also supporting significance of mediation role of finance stress and it was pointed out that finance stress has mediation effect in relationship between economy-related variable and healthy. Especially, it was suggested that there is finance stress at the point of connecting macroeconomics index, income inequality such as economic vulnerability with microscopic index, life satisfaction. Based on this, we can clearly understand that finance stress is applying as mediation effect in relationship between income inequality and life satisfaction (Auken, Barry, & Bagozzi, 2006).

3. Survey of the Material and Analysis

3.1. Subject of research and investigation method

The subject of this research is elderly people whose age is over 65 living in Chungcheongbuk-do. For sampling of subject of research, we stratified 10 cities/districts of Chungcheongbuk-do and gender and then selected sample for 44 groups. And, simple random sampling method was used for sampling for each stratum. We conducted survey aimed at 559 people who agreed to the purpose of this survey through this process. Among them, we conducted research based on 541 copies of data excluding 18 copies which were insincerely responded. In addition, this data was collected during 14 days from March 27th 2017 to April 9th 2017. And collected data for this research was passed through coding process utilizing SPSS statistical package (PASW, ver 17.0) and in order to understand overall characteristics (frequency, percentage, average and standard deviation) of collected data, we conducted frequency analysis. also, we analyzed correlation to understand relevance between variables. In addition, in order to verify mediation effect of finance stress, we conducted hierarchical regression analysis and confirmed its statistical significance (Venkatesh & Bala, 2008).

3.2. Measurement tool for life satisfaction

Life satisfaction means the status of recognition that how much a person is satisfied with current situation while living life. In order to measure life satisfaction, the questionnaire was consisted of 19 items and the scale was consisted as, from 0 point to 2 points, 3 points Likert scale (Cho, 2010).

In this research, we corrected 2 questions according to expert's opinion which were difficult to answer for an elderly person who has no recognition for life satisfaction, and deleted 3 questions which are difficult to correct and 2 questions which hinder reliability, so we used 14 questions for analysis in total. Also, we corrected some positive question into negative question. Therefore, it means that the

higher the score is, the higher life satisfaction as well. In this research, Cronbach's Alpha of life satisfaction scale was reported as .875.

3.3. Measurement tool for income inequality

In this research, income inequality means the status that distribution of resources is being monopolized by a few people. In order to measure this income inequality, we used recognized income inequality question. Recognized income inequality question is a single question asking "Do you think that income inequality was expanded in Korea for the last five years?" and it is consisted of 5 points Likert scale from 1 point "It is not like that at all." to 5 points "It is very like that" (Fornell & Larcker, 1981). Therefore, it means that as the score is high, income inequality is high as well. Especially, in the process of content validity verification, according to expert's opinion that it might be difficult for the elderly to understand the concept of income inequality, we added additional explanation and corrected the question into "Do you think that income inequality (rich person become more rich, but the elderly become poorer) was expanded in Korea for the last five years?"

3.4. Measurement tool of finance stress

In this research, finance stress means economic strain recognized by the person. In order to measure this finance stress, we used economic strain question. finance stress question was a single question asking "Looking back the past three months, how many difficulty did you have when paying charged amount?" and it is consisted of 5 points Likert scale from 1 point "There was no difficulty at all." to 5 points "There were difficulties frequently." (Doey & Kurta, 2011) Therefore, it means that as the score is high, finance stress is high as well. Especially, from the result of content validity verification, according to expert's opinion that charged amount is ambiguous, we added detailed content for bill "utility bill, tax, rental fee, interest and etc." and corrected the question into "Looking back the past three months, how many difficulty did you have when paying charged amount (utility bill, tax, rental fee, interest and etc.)?"

3.5. Control variable

We selected the variables which influenced to life satisfaction as control variable such as gender, age, education level and presence of spouse. Among the control variables selected by this research, nominal variables were passing through following process in order to put into regression equation. For gender, male was coded as 1 and female was coded as 0, for education level, over elementary school was coded as 1 and no education was coded as 0 and for presence of spouse, spouse was coded as 1 and no spouse was coded as 0, and they were handled as dummy variable (Koufaris, 2002).

4. Methodologies and Empirical Analysis

4.1. Population sociological characteristic of respondent

The result of investigating population sociological characteristic of respondent is as same as in <Table 1>. For gender, number of female respondents were 335(61.9%) and occupied higher rate than 206 male respondents(38.1%). Average age of respondent was 76.75 and in detail, the result was that 268 respondents were in 70s(49.5%), 188 respondents were in 80s(34.8%) and 85 respondents were in 60s(15.7%). For education level, 320 respondents were graduated higher than elementary school(59.1%) and it occupied higher rate than 221 respondents who took no education(40.9%). For presence of spouse, 308 respondents had no spouse(56.9%) but 233 respondents had a spouse (43.1%).

<Table 1> Population sociological characteristic

Item		Frequency	Rate
Gender	Male	206	38.1
	Female	335	61.9
Age	65 - 69	85	15.7
	70s	268	49.5
	80s	188	34.8
Education level	No education	221	40.9
	higher than elementary school	320	59.1
Presence of spouse	Yes	308	56.9
	No	223	43.1

4.2. Correlation between independent variables

In order to review multicollinearity problem between independent variables, we analyzed correlation and the result is suggested in <Table 2>. Correlation coefficient between independent variables were .048 ~ .424 in absolute value, so no serious multicollinearity problem between independent variables were discovered.

4.3. Relationship between income inequality and life satisfaction

The result of reviewing influence of income inequality recognized by the elderly to life satisfaction is as same as in <Table 3>. First, in <Model I> it was proved that population sociological characteristic(gender, age, education, presence of spouse) explains variance of life satisfaction 9.5% and for life satisfaction, age and education level variable had significant influence on life satisfaction. Second, in <Model II>, from the result of input income inequality variable recognized by the elderly under the status of controlling population sociological characteristic, explanation power for life satisfaction was 11.6% and it showed significant increase in 2.1% compared to <Model I>. And, for life satisfaction, it was investigated that recognized income inequality has significant influence at the level of $\beta = -.256$. Therefore, we can understand that as income inequality is high, life satisfaction will be decreased.

<Table 2> Correlation between variables

Classification	Gender	Age	Education level	Presence of spouse	Income inequality	finance stress	Life satisfaction
Gender	1						
Age	.048	1					
Education	.424***	-.240*	1				
Presence of spouse	-.232*	.141	.189	1			
Income inequality	.113	-.327***	.281**	.132	1		
finance stress	-.177	.133	-.132	.133	.26*	1	
Life satisfaction	.077	-.212*	.289	.120	-.230	-.212	1

*p < .05, **p < .01, ***p < .001

<Table 3> Relationship between income inequality and life satisfaction

Stage	Life Satisfaction					
	Model I			Model II		
	B	S.E	β	B	S.E	β
Gender	.129	.129	.143	.135	.129	.154
Age	-.112	.102	-.321***	-.011	.102	-.325***
Education level	.168	.129	.205	.055	.129	.187
Presence of spouse	.122	.131	.132	-.005	.131	-.108
Income inequality				-.164	.118	-.256***
Redundancy	Constant= -.475, R ² = .112, adj. R ² =.095, F=13.629***			Constant= -.786, R ² = .124 adj. R ² = .116, F=13.836***		

*p < .05, **p < .01, ***p < .001

4.4. Relationship between income inequality and finance stress

The result of influence of income inequality recognized by the elderly to finance stress is as same as in <Table 4>. First, in <Model I>, it was proved that population sociological characteristic(gender, age, education level, presence of spouse) explains variance of finance stress 2.7% and significant influence was discovered in education level. Second, in <Model II>, from the result of input income inequality variable recognized by the elderly under the status of controlling population sociological characteristic, explanation power for finance stress was 5.3% and it showed significant increase in 2.6% compared to <Model I>. And for finance stress, it was investigated that income inequality has significant influence at the level of $\beta=.272$. Therefore, we can understand that as recognized income inequality is high, finance stress will be increased.

<Table 4> Relationship between income inequality and finance stress

Stage	Life Satisfaction					
	Model I			Model II		
	B	S.E	β	B	S.E	β
Gender	-.186	.113	-.139	-.211	.112	-.150
Age	.108	.018	.144	.109	.018	.149
Education level	-.385	.114	-.231**	-.339	.113	-.210*
Presence of spouse	.184	.117	.139	.281	.119	.183
Income inequality				.340	.072	.272***
Redundancy	Constant= 3.348 R ² = .035 adj. R ² =.027 F=3.359***			Constant= 2.182 R ² = .061 adj. R ² = .053 F=5.782***		

*p < .05, **p < .01, ***p < .001

4.5. Influence of income inequality and finance stress for life satisfaction

The result of influence of income inequality and finance stress recognized by the elderly to life satisfaction is as same as in <Table 5>. First, in <Model I>, it was proved that population sociological characteristic(gender, age, education level, presence of spouse) explains variance of life satisfaction 9.5% and significant influence was discovered in age and education level. Second, in <Model II>, from the result of input income inequality and finance stress variable recognized by the elderly under the status of controlling population sociological characteristic, explanation power for life satisfaction was 16.6% and it showed significant increase in 6.1% compared to <Model I>. And for life satisfaction, it was investigated that finance stress has significant influence at the level of $\beta=-.377$ and income inequality has

significance influence at the level of $\beta=-.222$. Therefore, we can understand that as recognized income inequality and finance stress is high, life satisfaction will be decreased.

<Table 5> Goodness-of-fit of path models

Stage	Life satisfaction					
	Model I			Model II		
	B	S.E	β	B	S.E	β
Gender	.129	.129	.143	.145	.139	.164
Age	-.112	.102	-.321***	-.122	.112	-.335***
Education level	.168	.129	.205	.065	.139	.197
Presence of spouse	.122	.131	.132	.005	.131	.108
Income inequality				-.215	.118	-.222**
finance stress				-.361	.113	-.377***
Redundancy	Constant= -.475 R ² = .112 adj. R ² =.095 F=13.629***			Constant= -.912 R ² = .174 adj. R ² = .166 F=16.288***		

*p < .05, **p < .01, ***p < .001

4.6. Mediation effect of finance stress in the relationship between income inequality and life satisfaction recognized by the elderly

In order to verify mediation effect of finance stress in the relationship between income inequality and life satisfaction recognized by the elderly, we followed analysis stage of Baron and Kenny(1986). Baron and Kenny(1986) explained that we should perform regression analysis for following three times in order to verify mediation effect in the relationship between independent variable and dependent variable. First, independent variable should have significant influence to dependent variable. Second, independent variable should have significant influence to mediating variable. Third, independent variable and mediating variable should have significant influence to dependent variable simultaneously and as the effect of independent variable, remaining after controlling the effect of mediating variable, is close to 0, we can understand that mediation effect is big, and we call it partial mediation effect. Contrarily, if influence of independent variable is not significant, it means complete mediation effect. In addition, we confirmed statistical significance of indirect effect through Sobel-test(Venkatesh & Davis, 2000). However, in order to confirm multicollinearity problem for regression model, we diagnosed Variance Inflation Factor and Tolerance Value of <Table 3>, <Table 4> and <Table 5> and the result showed that VIF was below 10 and Tolerance Value was 0.1, therefore no serious multicollinearity problem was discovered.

In order to verify significance of finance stress mediation effect and investigate significance of finance stress mediation effect in relationship between income inequality and life

satisfaction, we performed Z-test by Sobel. This is conducted by a method to dismiss the null hypothesis, that if absolute value of z is bigger than ± 1.96 , indirect effect does not exist, at the significance level of 5 %. The result of verification according to Sobel's z formula on statistic is as same as in following <Table 6>. Therefore, Z value was - 2.651 and significance of finance stress mediation effect in the relationship between income inequality and life satisfaction was discovered.

<Table 6> Result of significance test of finance stress mediation effect according to Sobel-Test

Process	Z	P
Income inequality → finance stress → Life satisfaction	-2.651	.000

5. Conclusions and Limitations

5.1. Conclusions

The purpose of this research is to verify mediation effect of finance stress in the relationship between income inequality and life satisfaction recognized by the elderly. From the result of research, first, direct effect was discovered that as income inequality becomes high, life satisfaction will be decreased. This corresponds to the result of preceding research that there is significant negative relation between income inequality and life satisfaction. Second, partial mediation effect of finance stress was confirmed in the relationship between income inequality and life satisfaction. This corresponds to the result of preceding research that there is mediation effect of finance stress in the relationship between income inequality and life satisfaction. Based on this research result, we suggest practical and political proposal as follows.

First, it was confirmed that as income inequality becomes high, life satisfaction will be decreased. That is to say, in order to increase life satisfaction, income support policy is necessary to relieve income inequality. For this, primarily, increase of earned income of the elderly is necessary. But, under neo-liberalism system, actually it is difficult for an elderly person to maintain good work position continuously in private market whose target is maximizing the profit. The government surely provides work positions continuously to the elderly through elderly job project, but most elderly jobs are consisted of simple works, so it is difficult to solve income inequality. Here, we can understand that it is actually difficult for the elderly to reduce income inequality with earned income. Therefore, in order to reduce income inequality, income support via public pension or public assistance is necessary. However, considering the fact that it takes considerable time until the time public pension is being matured, we can say that reduction of income

inequality via public assistance is the only one alternative. Currently, major public assistance of Korea are National Basic Living Security System and Basic Senior Pension. In case of Basic Senior Pension System, paid amount and subjects of payment were increased despite of various arguments. But, Korean National Basic Living Security System has various problems, but the most salient problem is to grant entitlement based on recognized income amount of the elderly and the person who is under duty to support the elderly. Considering that income inequality is the concept encompassing absolute poverty line and relative poverty line (rate of Median Income), current National Basic Living Security System can solve absolute poverty to a certain degree, but it is difficult to solve relative poverty problem. So, the entitlement of National Basic Living Security System should be granted based on Median Income of the elderly and the person who is under duty to support the elderly.

Second, mediation effect of finance stress was confirmed in the relationship between income inequality and life satisfaction. As the elderly who are belonged to bottom income stratum may experience serious income inequality, absolute-relative poverty problem, they may experience finance stress as primary stress. It is understood that this finance stress may increase mental vulnerability of the elderly and this increased mental vulnerability of the elderly may be connected to decrease of life satisfaction. Therefore, in the field, development of program to reduce finance stress of the elderly belonged to bottom income stratum who are experiencing serious income inequality problem. When we review it in detail, we can say that economic support is necessary, considering that the point that economic strain, which is factor of finance stress, means utility bill, tax, rental fee and interest. Especially, it is necessary to prepare economic support such as utility bill, tax, rental fee and interest to solve finance stress problem due to economic strain of the elderly who are in the secondary-bottom income stratum or who was dropped out of selection of entitlement among low-income elderly in blind spot of government's economic support.

But, the meaning of this research is that, first, existing poverty problem of the elderly can be solved through economic growth but, for income inequality including absolute poverty and relative poverty, as major means are to utilize tax which has redistributing character or to increase welfare benefit, it can suggest the basis of welfare expansion logic which is useful by welfare-friendly party in 'welfare dispute'. Second, we could confirm mediation effect of finance stress in the relationship between income inequality and life satisfaction recognized by the elderly. Existing researches gave focusing to unilinear relationship between income inequality and life satisfaction, but this research has its meaning in materializing the relationship between income inequality, finance stress and life satisfaction.

5.2. Limitations

The limitation of this research and proposal for follow-up research is as follows. First, we reviewed mediation effect of finance stress only in the relationship between income inequality and life satisfaction recognized by the elderly. But, in order to understand the context of abundant relationship between income inequality and life satisfaction, it is necessary to perform research by inputting more various variables such as health, mental health, social network and social support system. Second, for finance stress used in this research, a single item, economic poverty variable, was used. Therefore, radical limitations would be followed in order to measure finance stress accurately. So, in the future researches, it is necessary to develop the standard of finance stress which secured reliability and validity. Third, in this research, we set up a research model by using recognized income inequality, economic strain and life satisfaction variable. In here, there is limitation that we can understand the tendency of finance stress in the relationship between income inequality and life satisfaction recognized by the elderly, but we cannot presume the result accurately. So, in the future researches, it is necessary to set up a research model by using objective income inequality, finance stress and life satisfaction variable. Fourth, this research is a cross-sectional research based on current situation. But, in order to investigate changes of variables according to income inequality and passing of time, longitudinal research is necessary. Fifth, in this research, the samples were collected from only in Chungcheongbuk-do, so it is difficult to generalize the result of research. Therefore, it is necessary to collect sample from national unit for the future research.

References

- Auken, S. V., Barry, T. E., & Bagozzi, R. P. (2006). A cross-country construct validation of cognitive age. *Journal of the Academy of Marketing Science*, 34(3), 439-455.
- Chen, L. D., Gillenson, M. L., & Sherrell, D. L. (2002). Enticing online consumers: An extended technology acceptance perspective. *Information and Management*, 39(8), 705-719.
- Cho, D. K. (2010). Social Distance and Attitude toward Migrants' Citizenship in Korea. *Korea Journal of Population Studies*, 33(3), 53-73.
- Choo, M. J. (2015). Effects of Traditional Market Service Quality Factors on Customer Value, Relational Quality, and Behavioral Intention. *Journal of Distribution Science*, 13(11), 79-92.
- Collier, J. E., & Bienstock, C. C. (2006). Measuring service quality in e-retailing. *Journal of Service Research*, 8(3), 260-275.
- Dishaw, M. T., & Strong, D. M. (1999). extending the technology acceptance model with task-technology fit construct. *Information and Management*, 36(1), 9-21.
- Doey, L., & Kurta, J. (2011). Correspondence analysis applied to psychological research. *Tutorials in Quantitative Methods for Psychology*, 7(1), 5-14.
- Eastman, J. K., & Iyer, R. (2005). The Impact of cognitive age on internet use of the elderly: An introduction to the public policy implications. *International Journal of Consumer Studies*, 29(2), 125-136.
- Federico, C. (2005). Racial perceptions and evaluative responses to welfare: Does education attenuate race-of target effects?. *Political Psychology*, 26(5), 683-697.
- Fornell, C. S., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Hwang, J. M. (2010). Analysis of Multicultural Acceptability in Korea: From the perspective of new politics of membership. *The Journal of Asiatic Studies*, 53(4), 152-184.
- Kim, J. J. (2014). A Study on the Effects of Traditional Market Healing Stories for Social Integration: Focused on traditional market in Seongnam-si, Gyeonggi-do. *Journal of Social Contribution*, 1(1), 2-5.
- Kim, J. J. (2014). A Study on the Role of the Leader in the Organizational Life for the Social Integration and the Changing Consciousness among the Traders: Focused on traditional market in Seongnam-si, Gyeonggi-do. *Journal of Social Contribution*, 1(2), 6-10.
- Kim, J. J. (2015). The Negative Impact Study on the Information of the Large Discount Retailers. *Journal of Distribution Science*, 13(7), 33-40.
- Kim, J. J. (2016). A Study on the Change of Conscious Thinking Process and Moral Reasoning in Social Welfare. *Journal of Social Contribution*, 3(1), 2-6.
- Kim, J. J., & Youn, M. K. (2015). Correlation analysis of self-employment of retirees using demographic characteristics of the retail establishment. *International Journal of Industrial Distribution & Business*, 6(4), 17-22.
- Kim, J. J., Eom, T. K., Kim, S. W., & Youn, M. K. (2015). Effects of Ethical Management on Job Satisfaction and Turnover in the South Korean Service Industry.

International Journal of Industrial Distribution & Business, 6(1), 17-26.

- Koufaris, M. (2002). Applying the technology acceptance model and flow theory to online consumer behavior. *Information Systems Research*, 13(2), 205-223.
- Oh, Y. S., Nam, S. H., & Yun, S. K. (2014). The Influence of Feature of Intergroup on the Multi-cultural Acceptance of Seoul Citizen: Focusing. *Health and Social welfare Review*, 34(2), 424-452.
- Seo, J. S., Yang, J. J., & Lee, Y. G. (2014). Effects of Perceived Benefits and Costs of Traditional Market Support on Relationship Quality and Support. *Journal of Distribution Science*, 12(12), 43-54.
- Sung, H. W., Kim, J. J., & Youn, M. K. (2014). A Study upon Effects of Family Restaurant Consumption Values upon Satisfaction, Reliability and Behavioural Intentions in Korea: Focused on College Students at Metropolitan Area. *Journal of Asian Finance, Economics and Business*, 1(4), 29-37.
- Venkatesh, V. A., & Bala, H. (2008). Technology acceptance model 3 and a research agenda on interventions. *Decision Sciences*, 39(2), 273-315.
- Venkatesh, V. A., & Davis, F. D. (2000). A theoretical extension of the technology acceptance model: Four longitudinal field studies. *Management Science*, 46(2), 186-204.
- Won, S. Y. (2011). Antecedents of Attitude toward State Policy for Racial Minorities: Focusing on the American Experience of Affirmative Action and Illegal Immigrant Policies. *Korean Public Administration Review*, 45(4), 327-351.
- Yoon, I. J. (2008). The Development and Characteristics of Multiculturalism in South Korea – With a Focus on the Relationship of the State and Civil Society. *Korean Journal of Sociology*, 42(2), 72-103.
- Yoon, I. J., & Alexander, N. (2009). Brand Authentication: Creating and Maintaining Brand Auras. *European Journal of Marketing*, 43(3), 551-562.