A Study on the Financial Stress and Retailer Selection of the Elderly*

Jong-Jin Kim**

Abstract

Purpose – The purpose of the study was to investigate the financial difficulty of the elderly in each income group and to examine the factors having related influence. The study adopted models with Korean welfare panel material and examined factors that having influence upon low income elderly's selection on retail business.

Research design, data, and methodology - The study investigated the effects having influence upon the financial difficulty of elderly household as well as common household. It also examined independence variables having influence upon household's financial stress and found out the direction of financial control in elderly household. The study investigated the effect of financial stress upon economy to support consumption of the elderly.

Results – In cases of financial difficulties, independent variables of the debt increased the financial difficulties of elderly households relying upon traditional markets. The elderly households had financial difficulties because of independent variables of the debt except for loan from financial institution.

Conclusions - In this study, the elderly's financial stress had influence upon the use of retail business and the characteristics of residing and family. Further study shall give support policies for the elderly to alleviate financial burden.

Keywords: Economic Activity of the Elderly, Retirement Style of the Elderly, Financial Stress of the Elderly.

JEL Classifications: J14, H31, L81, P36.

1. Introduction

1.1. Background

Person experiences various kinds of stresses when each of them live their lives. Financial difficulty may give great difficulty to mobilization of resources for living life. Money is an important resource for the labor to give employees the greatest stress. The stress had been defined depending upon times and persons: Generally speaking, the stress is said to be psychological and physical tension under difficult situations. Economic difficulty can be the most important source of the stress among financial stress. Scholars said three kinds of financial stresses, that is to say, financial desire, financial instability and financial burden. In other words, financial stress can be produced by the change and/or pressure of the finance to be psychological and physical tension(Hwang, 2010).

** First Author, Ph.D. researcher at the Department of Social Welfare, Graduate School of Theology of Hansei University, Korea. Tel: +82-70-7655-0425, E-mail: 2001j2k@hanmail.net

After Financial Crisis, Korean society has suffered from instable labor conditions, inequal income and high risk of household debt to have instable finance. The risks in the society can threaten low income group having poor financing very much to be interested in financial risk and to alleviate financial difficulty by the elderly's financial control and to alleviate financial stress and to investigate household's financial pressure and to include household finance in social welfare area(Lee, Choi, & Choi, 2010). Number of household in red under excessive reimbursement burden is close of 2 million (25% of total household), and 1.3 million households pay more than 40% of household income to suffer from household debt. Since early 2000, labor condition was worsened at low income labor workers and part time workers and inequal income to increase low income group's income less than high income group(Cho, 2010).

The elderly group under economic influence may select retail business depending upon consumption. In many studies, the elderly selected retail business depending upon income. It is required to study on the effect of the elderly upon selection of retail business.

1.2. Purpose of the Study

Most of the studies on financial stress investigated college students, married migrant women and housewives: Studies investigated financial stress of housewives in urban cities by using social variable (educational background, occupation) (Kim, 2016), objective and economic variable (income, debt, and ownership of house), and subjective variable (the couple's communication, family cohesion and internal-external control). Financial behavior was found to help alleviate financial stress based questionnaire survey on men and women in urban cities(Kim, 2014). A qualitative study on four of married migrant women in the stage of settlement disclosed great burden of children's college tuition fee and monthly living cost. A recent study on the poor people and non-elderly was: This study investigated the effect of financial stress by using questionnaire, and said relation between social variable and financial stress of poor people, and the difference of financial stress with the poorest people and poor people(Cho, 2010).

Most of the studies investigated urban households, urban household women, married migrant women and college students. Precedent studies defined and investigated financial stress from subjective point of view. This study made use of Korean welfare panel material not to be subjective but to be objective of financial stress and to define financial difficulty from point of view of gap between income and subjective living cost and to investigate the elderly. This study investigated effect of retail business selection upon the elderly depending upon income group(Choo, 2015).

1.3. Purpose

The purpose of the study was to investigate the financial difficulty of the elderly of each income group and to examine factors having influence. First, the study defined the elderly's financial stress and testing by using precedent studies. Second, the study investigated the effect upon the elderly's financial stress to find out variables. The study adopted models to investigate by using Korean welfare panel material and to examine factors having influence upon low income elderly's selection of retail business(Kim, Eom, Kim, & Youn, 2015).

2. Theoretical Background

2.1. Financial Stress

Stress is said to be stimulus externally and internally and to be all kinds of pressure producing tension and/or uneasiness. Financial stress is not just economic level of poverty but psychology of income level with economic state. Family stress is said to be family member's physical and emotional pain of distress, and financial stress is the greatest. Financial stress was often used with financial strain, disadvantage and financial stress at many studies: This study made use of terminology of financial difficulty(Oh, Nam, & Yun, 2014).

2.2. Financial Difficulty and Stress

2.2.1. Subjective point of view

Financial stress consisted of financial needs, instability and burden to expend in accordance with financial needs and to keep basic life level, and financial instability had relation with fear of expenditure in the future, and financial burden (EU-SILC) had relation with burden of medical service, fuel, children, residence and debt. Likert scale was used. The study investigated financial stress by using two questions of the fear of finance at retirement and insufficient money(Shin, 2012).

2.2.2. Objective point of view

The study investigated annual income and household income and self reported financial stress from objective point of view. Economic deprival (for instance, low income) had relation with occupational health to account for relation with job satisfaction, job attitude, outcome, conflict with labor and family, depression symptom, poor health and welfare(Oh, Nam, & Yun, 2014).

Financial stress can be produced at shortage of money, non-payment of duties, rental charge and principal and interest, and mortgage, selling of something, skipping of meal taking, no heating, and help from welfare center(Kim & Lee, 2014). An individual has been fallen into financial stress at two or more of aforementioned factors. Financial stress is shown in <Table 1>.

As such, financial stress is said to be psychological state made by financial burden, uneasiness and financial dissatisfaction at change of financial situation. This study defined financial difficulty(Doey & Kurta, 2011).

2.2.3. Influence upon financial stress

It was not always true that the poorest people experience financial stress. In 2009, 413 questionnaires were used to investigate effect upon non-elderly poor people and to find out financial stress of most of poor people(Ahn, 2011). This study investigated the effect of financial stress from not only the poorest group but also second poorest group. The poorest group had higher financial stress than second poorest group had to account for financial stress at difficult expenditure. Not only dependence upon credit but also no earning of living cost was significant for the second poorest group. At multi-regression, gender, type of residing and scale of the debt did not have significant influence(Oh, Nam, & Yun, 2014).

<Table 1> Financial stress

Description			Definition & Concept
Deprival of objective finance			Evaluate access to financial resources
Deprival of objective finance	Direct income	Job income	Monetary income before adjustment of a job (annual income)
		Total household income	Total household income from various resources (job, investment, pension)
	Income after adjustment	Income after adjusting	Income from point of view of demand, for instance, household scale, and community price index
		Relative income priority	Objective income compared with reference group
Financial debt	Direct debt		Measurement of financial demand (debt, liabilities, educational and/or medical debt, household living cost)
	Indirect debt		Spouse employment, number of children, and measurement of financial demand
Subjective financial stress			Cognition on financial state
Subjective financial stress	Cognitive rating		Cognition on individual's financial state
	Influential reaction		Cognition on individual's financial state
	Absolute level		Absolute cognition on an individual's financial state, and comparison with reference group
	Relative comparison		Absolute cognition on an individual's financial state, and comparison with reference group
	Desire		Capability keeping essential matters for survival
	wants		Capability that keeps unessential and desirable matters
	Time consideration		Cognition on financial state of an individual in the past, at present and in the future

Education and marriage had significant influence upon financial stress. In this study, the poorest group had low relation with financial stress, and about 25% of the poorest group experienced financial stress. Debt burden factors had influence upon financial stress, and debt burden, occupation and income had significant influence. And, gender, marital status, type of residing and number of household member had influence upon financial stress. In this study, financial stress included elderly's financial stress and non-elderly's financial stress(Federico, 2005).

2.2.4. Definition of financial stress

Financial pressure is said to be living cost that exceeds income. When household's subjective living cost a month exceeds current income, household has been fallen into financial pressure to indicate household's financial pressure by the gap(Lee & Kim, 2012).

2.3. Classification of Retail Business

2.3.1. Concept of retail business

Retail business (excluding automobile) is said to be industrial activity of resale and not to make change of 'individual and consumption use product' (KSIC, 2007) and to include retail business with shop, street vendor, delivery business, mail order sales, consumer's cooperation, peddler, and auction(Seo, Yang, & Lee, 2014). Men's consumption activity plays mediator role, and consumers ask for various kinds of functions and values of today's retail business. Special function and values shall be supplied between supplier (producer) and consumer to produce income and to include tangible and intangible products and methods(Kim,

2015). Retail business is to distribute all kinds of materials (consumption material and production material) and services to end users from wide point of view, and to distribute consumption material (product for living purpose) and services to end users from narrow point of view. The business divides products in minimum unit to sell to end users and to satisfy consumers' demand and to create consumer and supplier value of role of the retail business. Roles for the consumer include shopping place, assortment of the products, supply of correct product, keeping of inventory, information, and pleasure of shopping(Menon & Kahn, 2003). Retail business has roles for the supplier, for instance, delivery of consumer's desire and support for the production, in other words, effective production and supply of the product. Retail store is to do industrial activity based on store and to include unattended retail store on Internet, sales on visit, mail order, sales by phone, sales by vending machine, and sales by broadcasting(Kim & Youn, 2015).

2.3.2. Types of retail business

Retail business has various types depending upon business methods, scale and types of business place, and concepts. In Korea, retail business can be classified into small-sized retail business (471), large sized retail business (4711), food and beverage retail business (4712), and other kinds of retail business (4719) that consist of supermarket (47121), chained convenience store (47122), food and beverage retail store (47129) and general retail business (47190) according to KSIC 2007(Seo, Yang, & Lee, 2014). The Act on Distribution Industry Development classified large-scaled shops into big mart, department store, specialty store, shopping center and complex shopping mall according to size and types to give systematic support for small

business(Kim & Youn, 2015). Unattended store sales includes door-to-door sales, sales at home, multi-level marketing, sales by phone, catalog sales, TV home shopping, sales by IP TV, e-commerce such as Internet shopping mall and cyber mall, sales by mobile communication, and sales by vending machine(Kim, 2015).

2.3.3. Types of retail business

Retail business has various kinds of types depending upon sales methods, business place size and type, and concept. In Korea, retail business has been divided depending upon business type of KSIC 2007: large sized general retail business (4711) of small group general retail business (471), food and beverage retail (4712), and other kinds of retail business (4719) that consists of department store (47111), large-scaled retail (47119), supermarket (47121), chained convenience store (47122), food and beverage retail business (47129) and other kinds of general retail business (47190)(Kim & Youn, 2015). The Act on Distribution Industry Development classified large scaled small business depending upon size and type to have requirements and types: big mart, department store, specialty store, shopping center, and complex shopping mall, etc. Unattended store sales includes door-to-door sales, display sales at home, multi-level marketing, sales by phone, catalog sales, TV home shopping, Internet multimedia broadcasting (IP TV), Internet shopping mall and cyber mall, sales by mobile communication, and sales by vending machine(Kim, 2014).

2.3.4. Mart

Mart that was called discount store allowed consumers to buy various kinds of products at inexpensive price to have area of more than 3,000㎡. In Korea, terminology of big mart has been used according to scale of shops to differ from business type in foreign countries and to call discount store, hyper market and GMS in the United States. Since middle of the 1990s, big mart grew up rapidly to open E-mart Changdong branch for the first time and 489 stores (estimated) in 2014 to record annual sales of about 47 trillion KRW(Seo, Yang, & Lee, 2014).

2.3.5. Traditional market

Market means according to dictionary: First, market is place of transaction. Second, products and/or services are exchanged and sold out to include articles (commodity, goods and services), persons (buyer, seller and intermediary) and space. In other words, market means place where buyer and seller gather to exchange goods. On the other hand, traditional market is place of selling and buying to decide upon prices depending upon supply and demand (Seo, Yang, & Lee, 2014).

2.4. Elderly's Selection on Retail Business

2.4.1. Selection of retail business

Various elements are combined to give comprehensive store image, for instance, consumer's convenience, commodity, price, services, employee and control after buying. Understanding on attributes and differentiation can get retail business competitive edge, and effect of the attribute upon consumer satisfaction shall be understood(Lee & Kim, 2013). Consumers shall select a store by place, price, supply of commodity and store concept, in other words, store image, to make consumer's mind by not only functional qualities but also psychological attributes. And, other selection factors include convenience of the place, appropriateness of the commodity, value of the price, making effort to sell and store service, friendliness of the store, and satisfaction after transaction. Retail business image is thought to be important to select retail business that consists of tangible and/or functional element to have complicate properties(Kim, 2014).

2.4.2. Elderly's selection of retail business

In a lot of precedent studies, price policy of the store had great influence upon the elderly's selection of the store. Consumers can cognize values by price policy to get price image of affirmative stores. The price policy adopts higher selling price to lower selling price remarkably(Sung, Kim, & Youn, 2014). The sales promotion policy allows elderly consumers to keep higher price than distribution business price on average and to give great discount by rapid discount. Distribution business can give discount not temporarily but consistently every day(Won, 2011). Lowest price guarantee (LPG) refunds difference of price when competitors sell same product at lower price. Ordinary low price system and lowest price compensation system allow distribution business to sell at low price and to give customers inexpensive price and to include signaling of the will(Shim, 2016).

3. Survey of the Material and Analysis

3.1. Survey of the Material

In this study, object was based on ages of the 14th material. The elderly household means household having 65 years old or higher family member. Retail business includes big mart and traditional market. The study investigated effects having influence upon financial difficulty of not only common household but also elderly household, and examined independence variables having influence upon household's financial stress and to find out direction of financial control of elderly household. The study investigated effect of financial stress upon economy to support consumption of the elderly(Kim & Lee, 2014).

3.2. Variable Measurement

<Table 2> Definition by variable

Independent Variable		Division
Normal	Gender	Men, Women
	Level of education	University graduate or below/ Above university graduation
	Marital Status	Spouse / Other
Housing, Family	Type of residence	Guarantee Rent or Rent
	Family structure	Foster Care Structure / Other
	The enemy of the household	Number of children under 20
Independent Variable		Division
Financial stress	Participation in economic activity	Participation
	Loan from financial institutions	The presence or absence
	Loan from non-financial institutions	The presence or absence
	Debt of deposit from the lease of house	The presence or absence
	Reimbursement of principal and interest	Monthly average
	Interest of housing loan	Monthly payment
	Miscellaneous debt interest	Monthly payment
Dependent Variable		Division
Selection of retail	Mart	Use of large-sized marts
	Traditional market	Use of Traditional Market Access

<Table 3> Characteristics of common household

Independent variable		Measure	Furniture	Financial stress Furniture	Ratio
Normal	Gender	Male	573	140	24%
		Female	123	33	27%
	Level of education	University graduate or below	533	127	24%
		Above university graduation	163	39	24%
	Marital Status	Has a spouse	520	122	23%
		Etc.	176	45	25%
Housing & Family	Type of residence	Monthly	117	35	30%
		Etc.	579	132	23%
	Number of household members	1 person	90	23	25%
		2 person	203	46	23%
		3 person	149	33	22%
		4 person	184	45	25%
		5 person up	71	19	27%
Financial stress	Subjective living cost a month	Commercial	234	45	19%
		Temporary	96	26	27%
		Daily use	48	15	31%
		Public work and others	3	1	31%
		Employer	19	4	22%
		self-employment	149	39	26%
		Unpaid family	3	0	13%
		unemployment	9	3	39%
		Inactivity	135	33	24%
	Loan from financial institutions	No	417	92	22%
		Yes	279	75	27%
	Loan from non-financial institutions	No	604	137	23%
		Yes	92	30	32%
	Reimbursement of principal and interest	Amount / Month	79	16	20%
	Interest of housing loan	Amount / Month	165	38	23%
	Miscellaneous debt interest	Amount / Month	165	50	30%

3.3. Characteristics of the Households

3.3.1. Characteristics of common households

24% of common households had financial difficulty: Women had financial difficulty more than men had, and household having monthly rental, unstable economy and difficult finance had difficulty. Household having debt and reimbursement of interest of debt had difficulty more than household on average had(Yoon, 2008). Refer to <Table 3> below.

Not only number of family member but also educational level was not different much from point of view of ratio of household suffering from financial difficulty, and ratio of household suffering from financial difficulty was not different among households paying interest of house debt to be on average. This study examined ratio regardless of financial difficulty to differ from experimental studies. For instance, in precedent studies and studies on inequality(Yoon, 2009),

number of household members had partial influence upon inequal household income. In precedent studies and studies on the equality, number of household members had influence upon inequality of household income. Multi-regression analysis was needed.

3.3.2. Characteristics of the elderly household

Most of elderly households (73%) suffered from financial difficulty to be likely to increase financial uneasiness. Refer to <Table 4> below.

Men, college graduate or higher, monthly rental residing, participation in economic activity, bearing of debt, and household paying interest of elderly household were high than on average. Four or more of household suffered from financial difficulty than household on average did. Debt variable was thought to have influence upon financially difficult household.

<Table 4> Characteristics of elderly household

Independent Variable		Measure	Furniture	Financial Stress Furniture	Ratio
Normal	Gender	Female	307	195	64%
		Male	268	226	84%
	Level of education	University graduate or below	548	400	73%
		Above university graduation	27	21	80%
	Marital Status	Etc.	359	266	74%
		Has a spouse	216	155	72%
Housing & Family	Type of residence	Etc.	441	318	72%
		Monthly	134	103	77%
	Numbers of household members	1 person	294	221	75%
		2 person	209	146	70%
		3 person	46	34	74%
		4 person	17	14	78%
		5 person up	8	6	80%
Financial stress	Participation in economic activity	Commercial	9	7	80%
		Temporary	21	14	69%
		Daily use	29	21	72%
		Public work and others	23	14	61%
		Employer	1	0	67%
		self-employment	104	68	65%
		Unpaid family	2	1	56%
		unemployment	7	6	85%
		Inactivity	380	290	76%
	Loan from financial institutions	No	491	357	73%
		Yes	84	64	76%
	Loan from non-financial institutions	No	518	376	73%
		Yes	57	46	80%
	Debt of deposit from the lease of house	No	541	395	73%
		Yes	34	26	76%
	Reimbursement of principal and interest	Amount / Month	14	10	71%
	Interest of housing loan	Amount / Month	36	25	71%
	Miscellaneous debt interest	Amount / Month	47	38	80%

3.4. Research Model

The research hypothesis of the research problem is shown in the following <Table 5>.

4. Findings

4.1. Effects of Financial Stress upon the Households

The elderly households had suffered from financial shortage of 220,000 KRW on average, while non-elderly households had done from 720,000 KRW. So, elderly households had better financial status because of difference of the income. Non-elderly households (73%) suffered from financial stress to require financial control. Refer to <Table 6> below.

Non-elderly households (common households) (24%) suffered from financial stress. Overall households (46%) suffered from financial difficulty to deteriorate living life quality and to be deprived of rich life to a certain degree. Studies on effect upon financial difficulty were needed to reflect to policy and to control financial difficulty.

<Table 5> Hypothesis

<Hypothesis 1>	The elderly suffer from more financial stress than non-elderly do.
<Hypothesis 2>	The elderly's financial stress has influence upon the selection of retail business.

<Table 6> Effect of financial stress of the households

Independent Variable		Factor	Elderly Household		Common Household	
			Actual income a month	Financial difficulty	Actual income a month	Financial difficulty
Normal	Gender	Female	92	75	199	246
		Male	138	109	324	401
	Level of education	University graduate or below	110	90	284	352
		Above university graduation	184	122	361	446
	Marital Status	Etc.	93	74	201	249
		Has a spouse	148	118	336	416
Housing & Family	Type of residence	Etc	122	96	308	384
		Monthly	111	90	272	323
	Number of household members	1 person	76	62	143	179
		2 person	129	107	217	277
		3 person	193	147	319	402
		4 person	272	186	400	490
		5 person up	286	200	459	553
Financial stress	Participation in economic activity	Commercial	203	154	364	460
		Temporary	175	137	283	336
		Daily use	144	118	272	321
		Public work and others	96	88	210	248
		Employer	255	193	418	519
		self-employment	132	109	288	357
		Unpaid family	120	107	311	398
		unemployment	225	130	330	361
		Inactivity	99	79	217	273
	Loan from financial institutions	No	105	86	272	344
		Yes	163	120	346	419
	Loan from non-financial institutions	No	109	89	297	373
		Yes	157	112	331	381
	Debt of deposit from the lease of house	No	111	90	298	368
		Yes	150	113	327	408
	Reimbursement of principal and interest	Amount / Month	165	125	361	447
	Interest of housing loan	Amount / Month	161	120	360	441
	Miscellaneous debt interest	Amount / Month	177	123	339	409

4.2. Financial Stress between the Elderly Household and Common Household

Multiple regression was done to investigate both elderly household and common household: The elderly household had significant difference at age, educational background, number of household members, existence of economic activity, reimbursement of the debt, loan from non-financial institution, deposit for house rental, debt related payment interest and financial difficulty (0.5%). The one who is more educated to have spouse and more household member and to have more monthly debt reimbursement and to have loan from non-financial institution and deposit for house rental and to have more interest payment of the debt had suffered from financial difficulty. Gender, existence of spouse, type of residing, loan from financial institution and housing related debt interest were not significant. Refer to <Table 7> below.

Common households were significant at educational background, type of residing, number of household members, economic activity, monthly reimbursement of the debt, loan from financial institution, and loan from non-financial institution, and were not significant at interest payment variable.

4.2.1. Gender, educational background and existence of spouse

Gender of not only elderly household but also common household had no significant influence upon financial difficulty. And, educational background had significant influence upon not only elderly household but also common household in different direction. Well educated household head of the elderly (college graduate or higher) had more financial difficulty, and common household head had less financial difficulty. Refer to <Table 8> below.

Educational background of the elderly household could not increase income significantly, and well educated person was likely to ask society and/or environment to pay more. Well educated elderly was likely to ask for higher living cost and to feel financial difficulty. Well educated common household's head could produce high income to lessen financial difficulty. Well educated elderly household head was likely to feel much stress at financial loss and to be depressed and to be given much stress. Existence of spouse had no influence upon both groups of household.

4.2.2. Type of residing, number of household members, and economic activity

Type of residing of the elderly household had no influence, in other words, the elderly was not given financial influence depending upon his or her own house and monthly rental. Type of residing of the elderly relied upon financial status. Common household with monthly rental suffered more financial difficulty. Low income group of common households could not get his or her own house and/or residing of rental of deposit to rent house monthly (including guarantee). The low income group earned less income to think of high living cost at burden of residing cost. Refer to <Table 9> below.

<Table 7> Financial stress of both elderly household and common household

Financial Stress		Elderly Household			Common Household		
		β	t	P>|t|	β	t	P>|t|
Normal	Gender	0.69	0.29	0.768	-7.31	-1.06	0.289
	Level of education	25.97**	6.47	0.000	-9.67*	-2.16	0.030
	Marital Status	-4.73	-0.26	0.797	-4.45	-0.68	0.497
Housing, Family	Type of residence	-3.02	-1.43	0.154	13.06*	2.46	0.014
	Number of household members	9.71**	7.15	0.000	-11.56**	-6.22	0.000
Financial stress	Participation in economic activity	6.77**	3.64	0.000	16.95**	3.23	0.001
	Reimbursement of principal and interest	0.67*	2.56	0.011	-0.21**	-3.56	0.000
	Loan from financial institutions	0.84	0.31	0.758	12.80**	2.83	0.005
	Loan from non-financial institutions	5.92*	1.96	0.050	24.78**	4.36	0.000
	Debt of deposit from the lease of house	10.93**	3.07	0.002	-5.55	-1.01	0.311
	Interest of housing loan	0.39	1.85	0.064	-0.18	-0.95	0.343
	Miscellaneous debt interest	1.58**	8.87	0.000	0.29	0.24	0.807
		Adj R² 0.1700, F-value : 46.26**			Adj R² = 0.0437, F-value 13.24**		

<Table 8> Financial stress depending upon educational background

Level of education	Division	Elderly Household		Common Household	
		Actual income a month	Financial difficulty	Actual income a month	Financial difficulty
	University graduate or below	110	90	284	352
	Above university graduation	184	122	361	446

<Table 9> Financial stress depending upon educational background

Type of residence	Division	Elderly Household		Common Household	
		Actual income a month	Financial difficulty	Actual income a month	Financial difficulty
	Etc.	122	96	308	384
	Monthly	111	90	272	323

<Table 10> Financial stress analysis

Reimbursement of Principal and Interest/Month		Elderly Household		Common Household	
None	Actual income a month	2797	112	3082	295
	Financial difficulty		90		365
	Reimbursement		17(17)		-75
Have	Actual income a month	67	165	388	361
	Financial difficulty		125		447
	Reimbursement		35(17)		-90
	Miscellaneous debt interest		44		41

Number of household members had significant influence upon not only elderly household but also common household: Large number of household members had positive influence upon financial difficulty, and common household had negative influence. Effect of number of household members upon income increase was thought to be important. The elderly household below than 60% of mean income increased number of household to require high living cost and to have positive influence upon financial difficulty. And, common household increased household members to keep good financial state. Regression analysis on poor household was done (<Table 9>). Participating in economic activity had significant influence upon not only elderly household but also common household. Households that did economic activity had less financial difficulty, and the ones doing no economic activity had more financial difficulty.

4.2.3. Financial stress analysis

Elderly households were given much financial pressure to reimburse debt of principal and interest of 490,000 KRW a month on average and to increase subjective living cost. And, common households reimbursed 460,000 KRW a month to be given less financial burden than elderly households were done. Refer to <Table 10> below.

Common households reimbursed principal and interest in proportion to the income to have negative relation with financial difficulty that was supported by the regression analysis. Ratio of the income of reimbursement rose to produce more financial difficulty, and systematic control of the debt was thought to be important. The elderly having burden of the reimbursement should be given support of debt control. Loan from financial institution had significant influence upon the elderly household's financial difficulty, and loan from non-financial institution had influence upon not only elderly household but also common household. Other

debt interest than housing debt interest had significant influence upon elderly households than housing debt interest had. Debt of lease on deposit basis of elderly household had positive relation with financial difficulty, and that of common household had negative relation. Interest payment of other debts made financial difficulty, and debt of lease on deposit basis of the elderly increased financial difficulty, and that of common household lowered financial difficulty. In regression analysis, many elderly households (74%) had financial difficulty by number of household members, economic activity, debt variables, loan from non-financial institutions, debt of lease on deposit basis, and other debt related variable. Such a fact should be considered to describe directions and contents of financial control of the elderly households. Elderly households shall be given financial support and control considering effects of debt variables. Economic activity, loan from financial institutions, and loan from non-financial institutions had influence upon common household's financial difficulty. Regression analysis inspected effects upon financially difficult households:

4.3. The Elderly's Selection of Retail Business

In this study, the researcher divided families into average and elderly family with targeting on economic hardship families, and then, monitored the types of the effect that each variable influence on the financial difficulty families. Considering the economic hardship degree for average and elderly families, the average families showed 520,000 Korean won, and the elderly families showed 370,000 Korean won. The average families seem to be higher as the absolute size, but the elderly families are suffering economic hardship seriously comparing their take-home pay(Kim, 2014). At this present, the researcher analyzed the retail category selection to study economic hardship stress and the factors for selecting retail categories.

4.3.1 Elderly household's selection of retail business

<Table 11> The elderly's selection of retail business

Financial Stress(Independent variable)		Traditional Market			Retail		
		β	t	P>|t|	β	t	P>|t|
Normal	Gender	1.72	0.69	0.490	-2.21	-0.31	0.758
	Level of education	24.65**	5.99	0.000	11.44**	2.46	0.014
	Marital Status	-3.25	-1.08	0.280	3.69	0.53	0.596
Housing, Family	Type of residence	-4.47*	-2.02	0.044	-1.90	-0.37	0.708
	Number of household members	16.46**	11.48	0.000	8.96**	4.60	0.000
Financial stress	Participation in economic activity	0.76	0.37	0.708	0.62	0.12	0.906
	Reimbursement of principal and interest	0.04	1.82	0.068	-0.04	-0.60	0.550
	Loan from financial institutions	-1.26	-0.44	0.658	-10.12*	-2.20	0.028
	Loan from non-financial institutions	6.07*	1.97	0.049	9.40	1.81	0.071
	Debt of deposit from the lease of house	10.83**	2.89	0.004	19.07**	3.12	0.002
	Interest of housing loan	0.65**	2.96	0.003	0.61	2.47	0.14
	Miscellaneous debt interest	1.29**	7.60	0.000	0.37**	3.45	0.001
		Adj R^2 0.2720, F-value : 61.51**			Adj R^2 = 0.0960, F-value 7.79**		

4.3.2. Effects of common characteristics upon selection of retail business

Elderly household relying upon traditional markets was significantly influenced by educational background, and the one relying upon big mart was also done by educational background. But, elderly household relying upon big mart had not financial difficulty, and spouse and gender had not significant influence upon elderly household and household relying upon traditional market. Elderly household relying upon big mart was not given financial stress, and elderly household relying upon traditional market was influenced in inverse proportion. Educational background worsened financial difficulty of elderly household relying upon either traditional market or big mart: As mentioned before, cognition on social relation and proper life level rose to increase living cost more than that of college graduate or below.

4.3.3. Effect of residing and family characteristics upon selection of retail business

Households under difficult financial situation was influenced by number of household members regardless of the elderly relying upon either traditional market or big mart. At aforementioned regression, number of household members had positive influence upon elderly relying upon traditional market, and had negative influence upon elderly relying upon big mart: Common household relied not upon number of household but upon income of household members living in same house to differ from elderly household relying upon traditional market. Increase of number of household members was likely to raise household

income. When household was fallen into financial difficulty, number of household members had positive influence upon the elderly relying upon either traditional market or big mart. The elderly who relies upon big mart to be supported by household member at same house was not fallen into financial difficulty to be fallen into financial difficulty at suspension of income such as unemployment. Number of household members of poor household had great influence upon elderly and non-elderly household. When being fallen into financial difficulty, economic activity had not influenced upon financial difficulty. Regression analysis was: No economic activity made household be fallen into financial difficulty that did not influence upon depth of financial difficulty.

4.3.4. Effects of selection of retail business depending upon financial stress

At financial difficulty, independent variables of the debt increased financial difficulty of elderly household relying upon traditional market. Elderly household had financial difficulty because of independent variable of the debt except for loan from financial institution. The elderly household relying upon traditional market to be fallen into financial difficulty may worsen financial difficulty because of debt and interest. Solving of financial problem not by higher income but by more debt burden may increase debt. Loan from financial institutions had not significant influence because of the elderly household's low access to loan from financial institutions. The elderly relying upon traditional market may get easy access to loan from non-financial institution and debt of the deposit of lease of house. But, the elderly relying upon traditional market may get easy access to loan

from non-financial institution and/or debt of the deposit of lease of house. The elderly relying upon traditional market may have financial difficulty of loan from non-financial institution and/or debt of the deposit of lease of house, and may increase interest of housing related debt and others. Loan from financial institution of the elderly household relying upon big mart had negative influence upon financial difficulty. The one above specific income is allowed to borrow money from financial institutions, so that gap between subjective living cost and income was not much despite financial difficulty. Common household under financial difficulty by debt of deposit of lease of house and interest payment of other debts. Debt of elderly household relying upon traditional market worsened financial difficulty so the elderly household should control home finance and debt.

5. Conclusions and Limitations

5.1. Conclusions

In this study, financial stress was defined to be gap between subjective living cost and actual income. The study found out independent variables having influence upon financial difficulty and/or stress to investigate effect upon financial difficulty of elderly household and non-elderly household and to examine not only elderly household but also non-elderly household under financial difficulty.

The subject was classified into elderly household and non-elderly household according to age based on 14th material of Korea Welfare Panel. 24% of the elderly household and 73% of elderly household suffered from financial stress to occupy 46% of total households. The elderly households had very much serious financial stress, for instance, 41% of elderly households (37/90: financial difficulty/actual income), and 17% of non-elderly household (52/303: financial difficulty/actual income). Educational background, number of household and debt related variables had great influence upon financial difficulty, and economic variables of the elderly household increased financial stress of non- elderly households. The financial difficulty was defined to be gap between subjective living cost and actual income and to coincide with studies on financial difficulty and stress. The implications were:

First, much high ratio of elderly households suffered from financial difficulty, and high ratio of elderly households had financial stress than common households had. Financial control of the elderly household was thought to be very much important. Debt related factors could worsen financial difficulty of the households: Loan from non-financial institutions, credit card loan and other high interest loan

used by the elderly was thought to worsen financial difficulty. So, financial systems for the elderly should be expanded. When banks control household loan at more than 1300 trillion KRW of household debt to weaken real estate market and to raise interest, households shall be given more burden of reimbursement to produce bad household debt. Bank of Korea expected to increase marginal household and insolvent household to be 90,000 households and 60,000 households each at interest of 0.1%, and households shall increase financial difficulty and unstableness owing to the debt depending upon economic situation to be concentrated on elderly households. Elderly households need to control finance and to be given financial instruction at social welfare area. Households shall have knowledge on financial consulting, individual rehabilitation proceeding, bankruptcy system and financial practice to help household be given welfare and support elderly households.

Second, financial difficulty and/or pressure may create financial stress so that elderly households can be given much financial stress. The financial difficulty is likely to have considerable influence upon the depression of the households. At another financial difficulty at the same time, for instance, unemployment, difficult expenditure, disease, and disorder, households shall be given much stress and elderly's financial difficulty needs to be watched. Social workers shall be able to control financial difficulty and to give practical finance welfare.

Third, financial difficulty is said to be gap between subjective living cost and actual income to express uneasiness of the future. When social safety net is not good at increase of family member, delivery, disease and disorder, subjective living cost of social members rises to cognize his or her own financial difficulty to create stress again. Current financial safety is of doubt at more uncertainty of the future to increase children's education expense and to have instable aged life. Not only social net but also macroscopic welfare system shall be expanded to get rid of uncertainty of life cycle.

5.2. Limitations

This study relied upon Korean Welfare Panel's 14th material not to overcome simpleness of cross-sectional data. Analysis and/or discussions should be simple and rich. Further studies shall supplement changes of financial difficulty at time flow and effects of independent variables to inspect effects upon retail business having financial stress.

In this study, the elderly's financial stress had influence upon use of retail business and characteristics of residing and family. Further study shall give support policy for the elderly to alleviate financial burden.

References

Ahn, D. K. (2011). A Study on the Recognition and Belief of Multiculturalism in Korea. *The Journal of Northeast Asia research, 26*(2), 203-219.

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.

Doey, L., & Kurta, J. (2011). Correspondence analysis applied to psychological research. *Tutorials in Quantitative Methods for Psychology, 7*(1), 5-14.

Federico, C. (2005). Racial perceptions and evaluative responses to welfare: Does education attenuate race-of target effects?. *Political Psychology, 26*(5), 683-697.

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. I*nternational Journal of Industrial Distribution & Business, 6(*1), 17-26.

Kim, H. H. (2014). Racism and Legal Culture: The Legal Consciousness of a "Multicultural" Korean Society. *Institute of cultural studies, 20*(2), 5-46.

Kim, H. S., & Lee, S. C. (2014). Measuring Multiculture Acceptance by Skewed Interest in Regions: A Case Study of Dalseo-gu, Korea. *Local administration Studies, 28*(1), 89-114.

Lee, M. J., Choi, Y. J., & Choi, S. B. (2010). Multi-Cultural Society and Social Distance for Foreigners in Korean Society. *Investigation Research, 11*(1), 63-85.

Lee, J. H., & Kim, K. K. (2012). Determinants of Koreans' multicultural acceptability: Focusing on the effect of educational attainment. *Educational Sociology Review, 22*(3), 1-24.

Lee, J. H., & Kim, K. K. (2013). Determinants of multicultural acceptability of middle school students. *Educational Sociology Review, 23*(1), 53-77.

Menon, S., & Kahn, B. E. (2003). Corporate Sponsorships of Philanthropic Activities: When Do They Impact Perception of Sponsor Brand?. *Journal of Consumer Psychology, 13*(3), 316-327.

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.

Shim, Y. S. (2016). The Issues of South Korean Anti-Multicultural Discourses and their Realities: Focus on Public Opinion Data. *Journal of Korean Political and Diplimatic History, 37*(2), 137-170.

Shin, D. J. (2012). Discrimination matters: Social Contexts of Foreign Workers Crime Problem in South Korea as a Multicultural Society. *Korean criminological review, 23*(4), 183-217.

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.

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.