

Older people more swayed by impulsive actions of others when making financial decisions, new study shows

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Older people are more likely to be influenced by the impulsive financial preferences of others than their younger counterparts, according to a new study.

Research led by psychologists at the University of Birmingham and the University of Oxford published today in *Communications Psychology*, reveals that people aged 60 and over are more prone to being influenced by other people when it comes to making impulsive financial decisions compared to [young adults](#) aged between 18 and 36.

The study set out to explore delayed gratification and how our willingness to wait and [social influence](#) develop and differ across our lifespan. To test how age affects these behaviors, a group of 76 young adults (aged 18–36) and 78 older adults (aged 60–80) were recruited.

These participants were carefully matched based on gender, intelligence, and years of education. Older adults were aging healthily and underwent thorough screening to ensure they were free of dementia or other factors that might affect their decision-making regardless of age.

Senior author Professor Patricia Lockwood from the University of Birmingham said, "In an era of an aging population and increasing misinformation, it is crucial to understand how aging affects people's susceptibility to influence.

"One key area where people may be influenced is in their preferences for receiving money sooner rather than later. This knowledge is vital for developing interventions to ensure people make good financial choices across their lives."

All participants completed a decision-making task in which they were required to make a series of choices about two different options: an impulsive one which resulted in receiving a smaller amount of money immediately; or a more restrained one which meant receiving a larger amount of money after a delay.

Since one of these decisions would be realized as a bonus payment at the

end of the experiment, participants knew that their choices had real consequences, motivating them to reveal their genuine financial preferences.

Following their [initial decision](#), participants then observed and learned about the choices made by two "other people" who had completed the same [decision-making](#) task before (actually generated by a computer). One set of decisions favored the immediate, more impulsive options, while the other set leaned towards the delayed, more restrained options, compared to the participants' own decisions.

Finally, the participants made such decisions for themselves once more. This allowed the researchers to apply advanced mathematical modeling to precisely quantify the participants' financial preferences and assess how these preferences were influenced by others.

The results showed that [older people](#) were more susceptible to social influence, especially from the more impulsive person. After seeing someone who consistently chooses the impulsive option, older adults were more likely to change their preference to make impulsive decisions themselves.

In contrast, younger adults were more resistant to such influence, tending to stick with their original preference even after seeing someone repeatedly opt for the impulsive option.

The researchers also measured people's self-reported emotional experiences to see if there were differences between people in how susceptible they were to social influence.

Among older adults, those who reported higher levels of affective empathy (i.e., a greater ability to feel others' emotions) and reported being more emotionally motivated were more strongly affected by

impulsive social influence.

Senior author Professor Patricia Lockwood said, "These findings highlight that there could be important differences in how [older adults](#) are influenced by other people's financial decisions compared to younger adults.

"If confirmed by further research, they could inform evidence-based programs that support people to make sensible financial decisions throughout their lives, and realize if their own decisions could be negatively affected by those around them."

Lead author Zhilin Su commented, "In an era of high levels of misinformation on [social media](#), it is crucial to understand the science behind social influence so we can make a meaningful and positive impact on people's lives."

More information: *Communications Psychology* (2024).

Provided by University of Birmingham

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