

Assets and Health: Examining the Asset-Building Theoretical Framework and Psychological Distress

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Abstract : Background: The asset-building theoretical framework (ABTF) is acknowledged as the most complete framework thus far for depicting the relationships between asset accumulation (the stock of a household's saved resources available for future investment) and health outcomes. Although the ABTF takes into consideration the reciprocal relationship between asset accumulation and health, no ABTF based study has yet examined this relationship. Therefore, the purpose of this study was to test the ABTF and psychological distress, focusing on the reciprocal relationship between assets accumulation and psychological distress. Methods: The study employed longitudinal data from 6,295 families from the 2001 and 2007 Panel Study of Income Dynamics data sets. Structural equation modeling (SEM) was used to test the reciprocal relationship between asset accumulation and psychological distress. Results: In general, the data displayed a good fit to the model. The longitudinal SEM found that asset accumulation significantly increased with a decreased in psychological distress over time, while psychological distress significantly increased with an increase in asset accumulation over time, confirming the existence of the hypothesized reciprocal relationship. Conclusions: Individuals who are less psychologically distressed might have more energy to engage in activities, such as furthering their education or obtaining better jobs that are in turn associated with greater asset accumulation, while those who have greater assets may invest those assets in riskier investments, resulting in increased psychological distress. The confirmation of this reciprocal relationship highlights the importance of conducting longitudinal studies and testing the reciprocal relationship between asset accumulation and other health outcomes.

Keywords : asset-building theoretical framework, psychological distress, structural equation modeling, reciprocal relationship

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