

# Financial health literacy: capacity to manage healthcare choices in old age

EDITORIAL

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Most late-life financial plans and retirement plans focus on general expenses, neglecting the impact of health conditions on total expenditure. Owing to long waiting times in public health services, many patients consider using private health services for acute care and long-term care. Therefore, health expenditure can be a large proportion of expenses for adults after retirement.

Financial health literacy refers to the capacity to understand and apply financial information and available financial resources to make sound healthcare and treatment choices.<sup>1</sup> It combines financial literacy and health literacy and is not a subset of health literacy. Decisions on healthcare treatment depend on financial resources (affordability and availability), health needs, knowledge of treatments, and individual preferences.

One study reported that both health literacy and financial literacy were independent and primary correlates of decision making in old age.<sup>2</sup> Both were distinct domains and were measured separately. Financial literacy was measured by 23 items related to basic financial concepts (such as compound interests, stocks, and bonds) and simple numeric calculations, whereas health literacy was measured by 9 items related to health-related topics such as drug prescription instructions. However, the study did not investigate whether financial literacy is more impactful than health literacy on decision making, and health literacy and financial literacy cannot fully represent the concept of financial health literacy. Another study reported that higher health literacy and financial literacy combined was associated with a lower rate of cognitive decline in old age.<sup>3</sup>

More studies on financial health literacy and its effect on health decisions are warranted, particularly how financial literacy is interlinked with health literacy and whether the theoretical concept of financial health literacy exists.

## REFERENCES

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