

Different Mental Account of Different Age Stage

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Abstract. Different mental account of different age stage is an important topic about behavioral finance, it is of key significance for better study of mental account. This article sorts out the research on the mental account of different ages and summarizes the progress of the main research from the two aspects of income mode and income distribution of different ages. On this basis, the existing studies still have insufficient impact of age on mental accounts. Some studies only write about the differences between some ages and mental accounts, but do not summarize the whole age stage. Future research should focus on the mental accounts of different ages and explore the application of financial distribution and risk control. By clarifying the psychological state of different age groups and the dynamic change laws, the paper can better build a reasonable financial model. And it can also provide more accurate evidence for financial products, pension financial management and national policies. Therefore, further research in the future should integrate the perspective of life cycle and systematically consider how age affects the distribution of funds and decision-making preferences through economic roles, cognitive ability and social environment.

Keywords: mental account, different age stage, economic source, social role

1. Introduction

Mental account is a core concept of behavioral finance, which refers to the cognitive process of people's classification, marking, budgeting and evaluation of funds. Its key feature is non-substitutionally. Based on the Chinese situation, the capital structure can be divided into the following types: income is divided into regular income, operating income and additional income; expenditure is divided into life, family, pleasure and emotional expenditure; savings is divided into security and investment. This structure provides a stable framework for understanding age differences.

People's economic situation, social role and cognitive ability will change with age, thus shaping the form of mental accounts. According to the data of the World Bank, China has the largest total population, working-age population and elderly population in the world, and the size of the juvenile population also ranks among the top three in the world. The huge population data provides a stable basis for research [1]. There is no independent income in adolescence, the economy is gradually

independent in adolescence, undertakes family heavy ties in middle age, and security is the main focus in old age. The four stages present a clear mental account evolution path.

2. Four stages of age difference points in mental accounts

Table 1. The difference between the four age groups

Age stage	Core characteristics	Account structure	Decision-making preferences
Adolescence (aged 6-20)	Blurring, hedonic domination.	No clear classification.	Timely satisfaction, emotion driven.
Young adults (aged 20-30)	Labeling, excess.	Income/expenditure classification is clear.	Sensibility and rationality coexist.
Middle age (aged 30-60)	familialization, integration.	Family unified budget.	Steady and pragmatic, risk avoidance.
Elderly period (greater than 60)	Stability, simplification.	Mainly security.	Conservative and cautious, cost effective.

2.1. Adolescence (aged 6-20)

As shown in Table 1, the mental account of Primary to tertiary (aged 6-20) takes ambiguity and hedonism as the core. Because there is no independent income at this stage, the funds mainly come from family supply and New Year's money, and there is a lack of account classification awareness. Consumption is oriented by instant satisfaction, and it is mostly used for snacks, entertainment, socializing and other pleasure needs. Cognitive immaturity makes them lack budget and long-term planning ability, and mental accounts are in the bud [2].

This evolutionary law is empirically supported by the research of developmental psychology. Yin Huazhan et al. found that third-grade students have not shown obvious mental account characteristics, while ordinary students in the fourth to sixth grades have begun to form a preliminary time mental account, which can distinguish between the time budget of learning and non-learning sources, which shows that the classification ability of mental accounts is Gradually established with the development of cognition [3]. At the same time, the review of Fernandez-Duque and Baird also points out that there is continuity between the decision-making bias of school-age children and that of adults, and the germ of mental accounts is an early product of cognitive development, which provides a cross-text for the transition from ambiguity to clarity of adolescent accounts evidence [4].

2.2. Young adults (aged 20-30)

Young adults (aged 20-30) show labeling and transitional characteristics. With the independence of income, individuals began to label funds according to the source, such as wages classified as savings accounts and bonuses classified as consumer accounts. Expenditure is also divided into survival, socializing, self-improvement, leisure and other clear accounts with clear boundaries. At this stage, there is still a tendency to enjoy, but it begins to take rational planning into account, which is the transition period for the mental account from sensibility to rationality [2].

The labeling characteristics at this stage are essentially the embodiment of individual self-regulation ability. Brendl et al. proposed that mental accounts are actually a self-regulation strategy. Individuals can constrain consumption impulses by labeling different sources of funds [5]. Li 's

study of Generation Z in China further found that the mental account of this group shows unique intergenerational characteristics. They are more inclined to divide income into three independent accounts: "necessary for survival", "self-improvement" and "enjoyment and leisure". This classification reflects the younger generation's attitude towards working students. The pursuit of living balance also confirms the dual characteristics of the transition stage [6].

2.3. Middle age (aged 30-60)

Middle age (aged 30-60) forms an integrated account of the family center. Driven by family responsibility, hedonism has been significantly weakened, labeling has been reduced, and income has been uniformly included in the family budget, giving priority to meeting the rigid needs of children's education, elderly support, housing, etc. The flexibility of the account is improved, the non-substitutionality is weakened, and it can be dynamically adjusted according to the family situation, and the motivation for saving and risk prevention is significantly enhanced.

The characteristics of this family integration are particularly prominent in the Chinese cultural context. Cheng Zimiao's research based on CFPS data found that there is an obvious life cycle effect on the mental accounts of urban families in China. In middle-aged families, their security-security accounts have the strongest inhibitory effect on advanced consumption, which shows that middle-aged people will give priority to integrating funds into the overall risk defense of the family system [7]. Hong Ganlin et al.'s research on rural families also confirmed that farmers will transfer pensions from different sources to different mental accounts, and non-contribution pensions are regarded as "extra income" and thus promoting land transfer decision-making, which further proves that middle-aged families are fine-classified and consolidation when dealing with family resources combined ability [8].

2.4. Elderly period (greater than 60)

Elderly period (greater than 60) is characterized by stability, conservatism and security priority. The decrease in income and the increase in health risk have greatly simplified the account structure, and only the three core accounts of life, medical and emergency are retained. Consumption focuses on cost-effectiveness and practicality, with extremely low risk tolerance, almost no participation in high-risk investment, and decision-making relies more on experience and safety needs.

This conservative feature has been consistently verified in transnational research. The research of Martin and Davari also pointed out that with age, the financial risk tolerance of individuals will decrease significantly. The non-substitutionality of mental accounts is manifested as strict budget constraints in the elderly group. They will strictly distinguish between living, medical and emergency funds, and never mix them [9]. The study of Jiang Manni also found that even in the era of digital economy, although online payment has improved the consumption activity of the elderly, it has not changed their conservative account structure, and survival and medical security accounts still occupy an absolute dominant position [10].

3. Analysis of the influencing factors of age difference in mental accounts

Table 2. Different influencing factors of different age groups

Influential factors	Adolescence (aged 6-20)	Young adults (aged 20-30)	Middle age (aged 30-60)	Elderly period (greater than 60)
Economic source	Family supply.	Salary, part-time job, bonus.	Stable professional income.	Pension, savings.
Social role	Student	Newcomer in the workplace, single.	The pillar of the family.	Retirement
Cognitive level	Immature	Gradually improve.	Mature and rational.	Experience-led
Neural mechanism	Anterior insula is not fully developed.	The decision-making brain area is active.	Comprehensive balance.	Prefer stability and safety.

Table 2 shows economic factors are the most direct influencing force. The existence of income, the source, the stability of income and the family burden directly determine the account form of each age group. Because the amount of income and the stability of income will affect people's emotions and psychology to a certain extent, and will affect the allocation of funds, especially in youth and adolescence. At this time, psychological development is not so mature, and a stable and sufficient source of funds can give some sense of security and control over life to a certain extent. This will show that the lack of income of teenagers leads to account blurring; the diversity of youth income leads to labeling; the middle-aged income is stable, but the burden is heavy, forming a family account; the decline in the income of the elderly turns into a guaranteed account.

Different social roles and specific scenarios of life will deeply shape the different fund allocation logic of different individuals. The identity positioning, life tasks and real demands at different stages of life are completely different, which directly affects the classification standards and usage habits of mental accounts. According to Table 2, the researchers can analyze that students in the learning stage have a relatively single social role and basically do not need to bear the pressure of the family economy. The living environment is also mainly based on campus life and daily social activities. Therefore, the distribution of funds is more biased towards self-enjoyment, interest consumption and personal ability improvement, psychological The construction and management of accounts also revolve around rest and entertainment, learning and social activities. As for young people who have just entered the workplace, there has been a change in social role, from students to independent workers, and the life scene has also changed to a certain extent. Focusing on career development, network maintenance and self-reliance, the allocation of funds will be more biased towards the improvement of professional ability, daily life expenses and social exchanges. They will want Find a specific state of balance in daily relaxation and life planning. In middle age, as the main pillar of the family, people need to be responsible for a variety of responsibilities such as children's education, support for the elderly, schedule and living expenses. Social roles and family identity are highly unified, and the life scenario revolves around the stable development of the family. The use of funds gives priority to the overall interests of the family and weakens the personal demand for pleasure. Finally, after entering the old age stage, social roles gradually withdraw from the workplace, and the focus of life shifts to physical health, daily life and emergency needs. The life scenario is relatively simple and conservative, and the financial planning is basically carried out around old-age care, medical care and emergency backup. It is precisely because of the changes in social roles and life scenarios at each stage that lead to different real needs, thus promoting the adjustment of mental accounts.

Cognition and neuromechanism form the intrinsic foundation. Research shows that the preference processing of the mental account is closely related to the activation of the former island leaf, and the neural changes brought about by age will further affect the decision-making preference. Through the analysis of Table 2, the mental development in adolescence is not mature, and the logical thinking ability and long-term planning ability are weak, and it is difficult to rationally control and evaluate the income and expenditure of funds. The cognitive level of youth has been rapidly improved, and logical thinking ability, self-binding and rational control have been significantly improved, and income and expenditure can be actively labeled and reasonably distributed. During the middle age period, the comprehensive cognition, overall planning and risk control ability have basically reached the peak and can arrange family income and expenditure and long-term financial accounts at the same time. In old age, cognitive function declines, relying more on past experience and habits to make decisions, and the behavior style is conservative and steady.

Social culture and environment play a regulating role. China's family-oriented culture makes middle-aged people pay more attention to family accounts; the level of social security affects the savings intensity of the elderly; the convenience of digital payment improves the frequency of youth account renewal; consumption culture strengthens the enjoyment tendency of young people. Multiple external factors together shape the age difference characteristics of localization.

4. Research review and future outlook

Existing studies have confirmed that mental accounts have a significant impact on consumption, investment and other decision-making, and revealed their neural foundation. However, there are still shortcomings as a whole: first, there is little research on the integration of the whole life cycle, mostly concentrated in a single group; second, there is a lack of research on the formation process of adolescent mental accounts; third, the localization review of China's population structure is insufficient. Nevertheless, scholars have begun to explore this direction in recent years. The second-generation behavioral finance theory proposed by Statman points out that human needs change dynamically during the life cycle. From the accumulation of wealth in youth to pension security in old age, this process is highly consistent with the evolution of mental accounts [11]. At the same time, the study of psychological accounts can be combined with the theory of the whole life cycle, so as to distinguish the differences in savings behavior of different ages, and a comprehensive study can be carried out for the whole life cycle.

Overall, mental accounts show clear rules with age: ambiguous enjoyment in adolescence, label transition in adolescence, family integration in middle age, and stable security in old age. Economic conditions, social roles, cognitive nerves and cultural environment jointly promote this evolutionary process. Based on China's huge population sample, age-specific research can not only make up for the existing literature gap, but also provide theoretical support for consumption guidance, financial product design and pension policy formulation. Future research should strengthen the integrated analysis of the whole life cycle, focus on supplementing the adolescence and dynamic evolution mechanism, and promote the theory to be closer to the real situation.

5. Conclusion

Based on the mental account of behavioral finance, this article combines Chinese population data with local culture, divides funds into three mental account structures: income, expenditure and savings, and analyzes the change laws of mental accounts from the whole age stage. The study found that the mental account will show the characteristics of four stages with age: the mental

account in adolescence is vague, mainly for pleasure and consumption. The income of young adult is independent, and the mental account shows the characteristics of labeling and rationalization. In middle age, due to the influence of family responsibilities, a unified family account has been formed, and the awareness of risk prevention has been enhanced. The structure of the elderly-age account is relatively simple, and the decision-making is conservative and stable. Economic conditions, social roles, local cultural environment and cognitive neural abilities are the core reasons for the formation of different mental accounts at different ages.

This study analyzes the change logic of mental accounts. Combined with the characteristics of China's population combination, it can provide reference for consumption concepts, financial products and pension policies. However, at the same time, there are also shortcomings in the research. Most of the existing research focuses on the same group and lacks integrated analysis. At the same time, the research on adolescence is not in-depth and thorough enough, and there is less systematic research on localization in China. In the future, the researchers can strengthen integrated research, deepen the research and analysis of adolescence, and improve the theoretical system of mainland China at the same time.

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