The economic vulnerability of the elderly in a cross-national perspective: assessing the EU-SILC for cross-country comparison

Eva Sierminska

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Purpose of the Presentation

Assess the economic well-being of the elderly population:

- are the elderly captured in the survey representative of the population?
- use monetary indicators of well-being: income and assets
- compare results with other data sources

Focus on the 2nd point. Provide evidence on the other two.
**income** adequate income to sustain above poverty

**assets** can be drawn upon in times of economic hardship

**self-assessment** can households make ends meet?

Questions:
How well are the elderly doing in the middle of the distribution compared to the rest?
What are their income packages? Are they relying on public pensions or other means (assets)?
What share are at risk of poverty?
Differences across household types?
Motivation I

Existing data sources

- Survey of Health, Ageing and Retirement in Europe (SHARE)
- Luxembourg Wealth Study/Luxembourg Income Study (LWS/LIS)-database of harmonized wealth and income data for European and non-European countries
Advantages/Disadvantages

- SHARE collected for population 50+ (2004-2006/07-2008/09)
- LWS/LIS whole population, repeated cross-section: wave 2000/2005

Methodological questions: Is the EU-SILC suitable for the analysis of the well-being of the elderly population? Is the elderly population representative in the survey?
Differences in population shares Eurostat and EU-SILC 2006
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The economic vulnerability of the elderly in a cross-national perspective:

Outline

- Data
- Methodology: Income concept, Measurement Issues
- Results for the whole sample and by family type
- Conclusions and Future Research
EU-SILC 2006:

- Sample: households with person aged 65 and over are present

Results in the following household types:

- all households with an elderly person
- single elderly women
- single elderly men
- couple with elderly person

→ for comparison: all households
Income Concept

DPI = earnings + capital income + private transfers + public transfers (social insurance and public assistance) net of direct taxes/contributions

private occupational pensions? public sector occupational pensions?
Methodology

DPI adjusted for household size.

Adjusted = unadjusted / equivalized household size

Income poverty = income < 60 % national median income
1. How well-off is the median elderly household compared to all households

2. Examine the elderly income packages across Europe (by family type)

3. Asset distribution: Homeownership
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The economic vulnerability of the elderly in a cross-national perspective.
Older Person’s Income Packages: All HHs with Elderly and Single Elderly Women

A. All Households with elderly person

B. Single elderly women

The economic vulnerability of the elderly in a cross-national perspective:

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Older Person’s Income Packages: All HHs with Elderly and Couple with Elderly Person

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The economic vulnerability of the elderly in a cross-national perspective:
Homeownership

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The economic vulnerability of the elderly in a cross-national perspective:
Difference in HO rates between all households and the specified households

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The economic vulnerability of the elderly in a cross-national perspective:
Homeownership (percentages by country and age group)
Results II

1. Poverty rates among the elderly

2. Homeownership among the poor (by family type)
## Poverty rates for HHs with elderly persons

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Poverty rates for LIS and EU-SILC
Homeownership among the poor

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Homeownership among the poor

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The economic vulnerability of the elderly in a cross-national perspective
Conclusions

- In half of the countries the elderly at the median have 80% or more of the overall median income (in the rest 60-70%)
- Single women are the worse off in terms of income and at highest risk of poverty
- Homeownership prevalent asset among the elderly (70-90%)
- Home good source of emergency fund for the elderly
Conclusions and Future Research

- Homeownership also gives an indication of the differences in exposure to the capital market and the effect of the economic crisis
- Explore differences in well-being using imputed rent
- Examine well-being using an extended income measure which accounts for e.g. for public provision of health care (in-kind transfers)