UNIVERSITÉ DE GENÈVE

CENTRE FOR THE INTERDISCIPLINARY STUDY OF GERONTOLOGY AND VULNERABILITY

Poverty among the Swiss elderly 1979-2011
Three decades of progress - but not for everyone

Background

Better than ever!
Over the last three decades living conditions for the Swiss elderly have greatly improved across many areas. Regarding economic resources, the establishment of an old age pension-system now guarantees material security once people stop working. In many ways, being retired in Switzerland might never have been better.

... but not for everyone
Not everybody seems to benefit from this progress. Some studies suggest that some groups of the elderly tend to be disadvantaged and are more prone to live in difficult financial circumstances: Women, migrants, or the oldest cohorts.
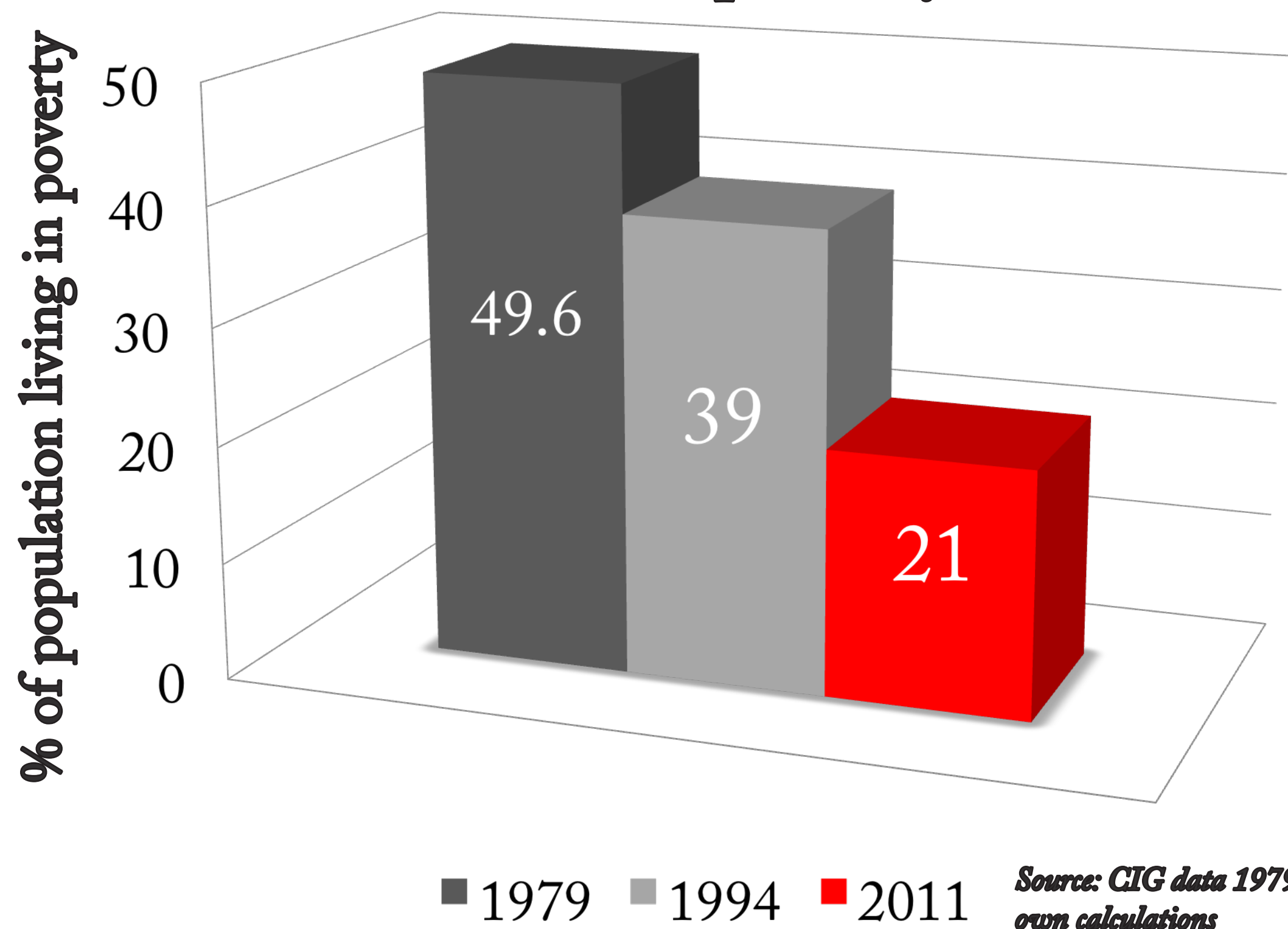
Research questions

Against this background of persisting inequalities despite overall improvements we focus on the dimension of economic resources. Specifically, we look at *poverty*. Using data from three waves of a large survey among people aged 65 and older in Switzerland (see Ludwig et al., 2014) we ask three questions:

1. **Evolution**: What *trends* can be observed for poverty in old age between 1979-2011?
2. **Factors:** What are the main *predictors* for poverty over the same period?
3. **Life-course:** Using data on people's biographies, collected in 2011: What relationship is there between *life-events* (death of a partner, divorce), *work-biographies* and poverty?

Results

1. The evolution of poverty 1979-2011

% of population living in poverty

49.6 — 39 — 21

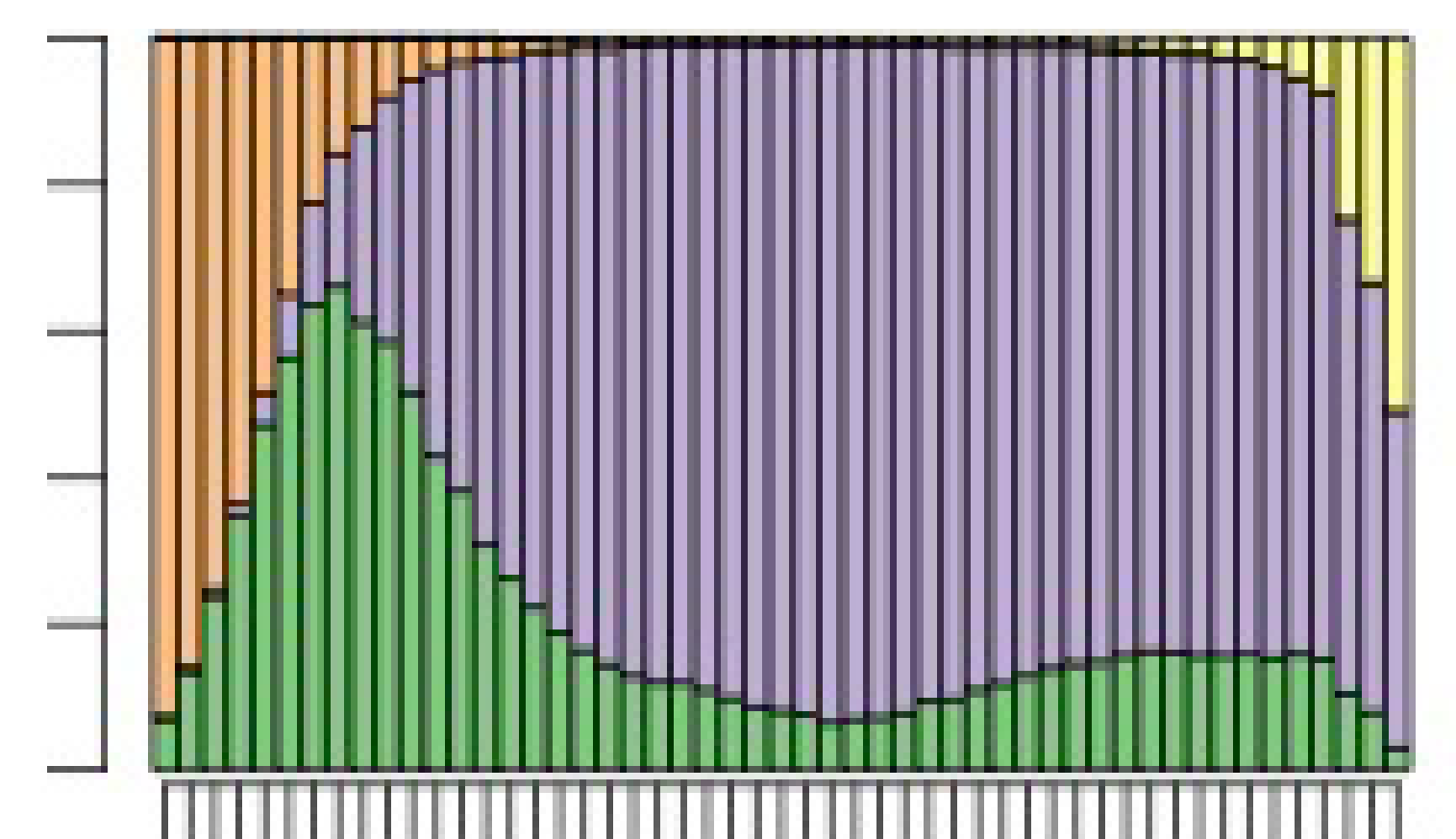■ 1979 ■ 1994 ■ 2011   *Source: CIG data 1979–2011, own calculations*

:2

21%

Over the last three decades poverty among the Swiss elderly has been more than halved - mainly the result of the installment of a solid pension system.

In 2011, 21% of elderly people still lived in poverty, even though the Swiss pension system is designed to guarantee all people a life *above* the poverty-line of 2400 sFr. per person and per month.

2. Factors affecting poverty 1979-2011

60% Between 1979-2011 the most constant factor affecting poverty was **education.** Those with little or no education were about 60% more likely to be poor in old age compared to those with an apprenticeship.

3. The life course and poverty

This graph shows the state frequency plot for one cluster of the created typology of work trajectories. This typology was then used as a covariate in the regression analysis. Source: VLV data, own calculations

Life events (divorce, death of a partner, birth of children) or the work-biography had no or only a marginal impact on poverty. The strongest predictor remains education, even capturing the entirety of effects related to sex and age/cohorts.
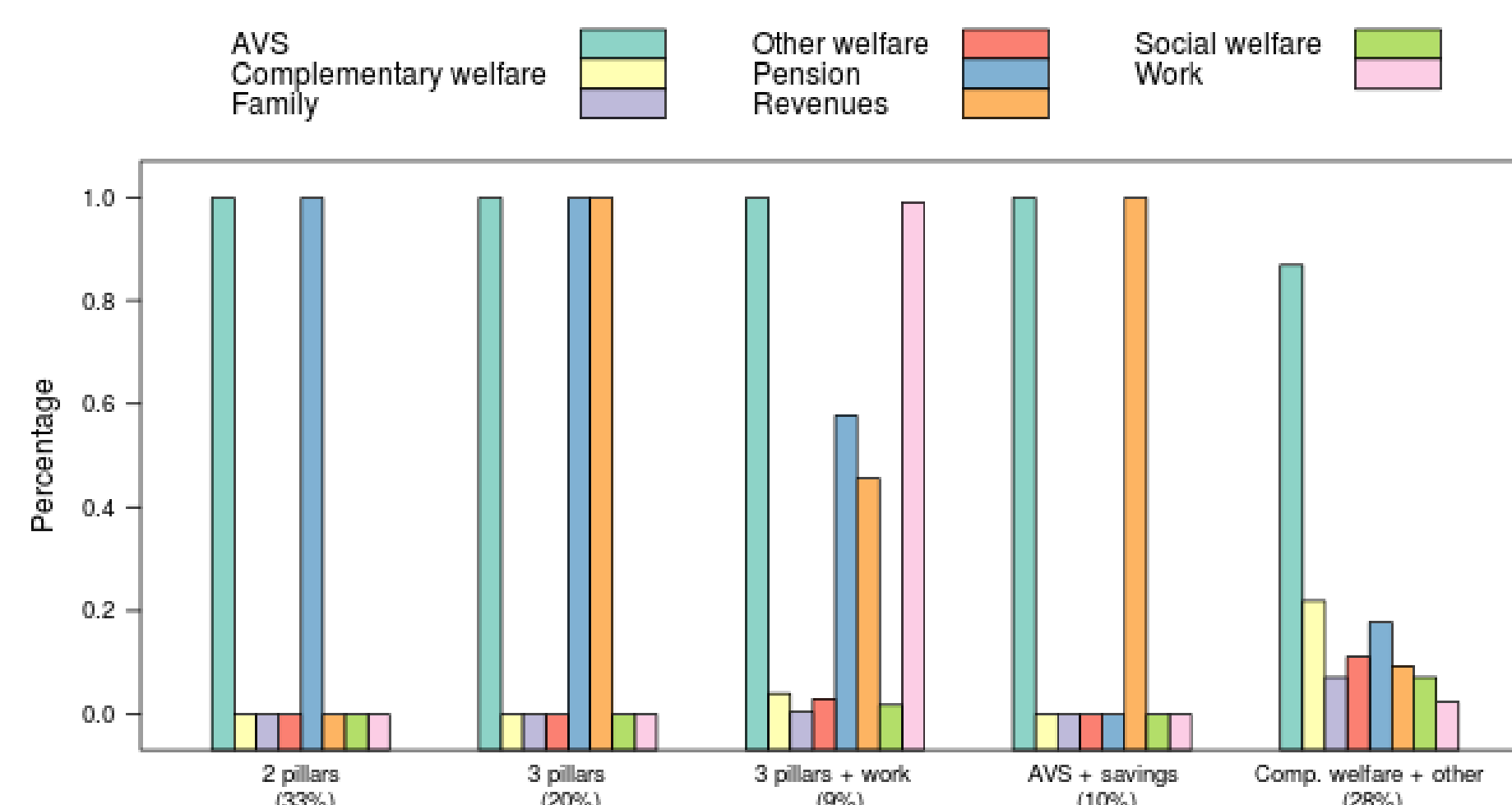
Conclusion and outlook

Education plays a key role for poverty in old age among today's elderly. Particularly people with little or no education are most susceptible to be poor. This pattern has remained almost unchanged over the last 30 years. It also seems largely independent from life events and life trajectories.

This figure shows the group-means for each of the clusters resulting from a cluster analysis on 8 types of income sources. Source: VLV data, own calculations.

Even though not the focus of our analyses, we found that the *type of income sources* on which people rely in old age shows very strong associations with poverty. We see large potential for further analyses focusing on this aspect.

References

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