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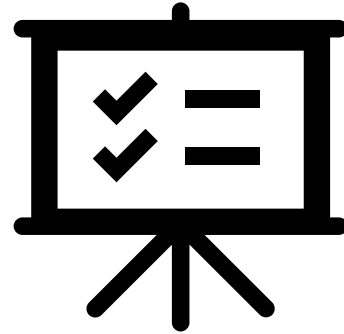
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The Impact of the COVID-19 Pandemic on the Financial Situation of Older Adults: Insights from SHARE Data

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Objectives

- 1) Examining the **changes in the financial situation of households** aged 50+ during the COVID-19 pandemic.
- 2) Understanding the relationship between the financial situation of households aged 50+, **country policies, economic conditions and age.**



Impact of the COVID-19 Pandemic

UK employment

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UK sheds nearly 750,000 jobs during coronavirus crisis

Large numbers of workers at risk of falling into unemployment as government begins to wind down furlough scheme

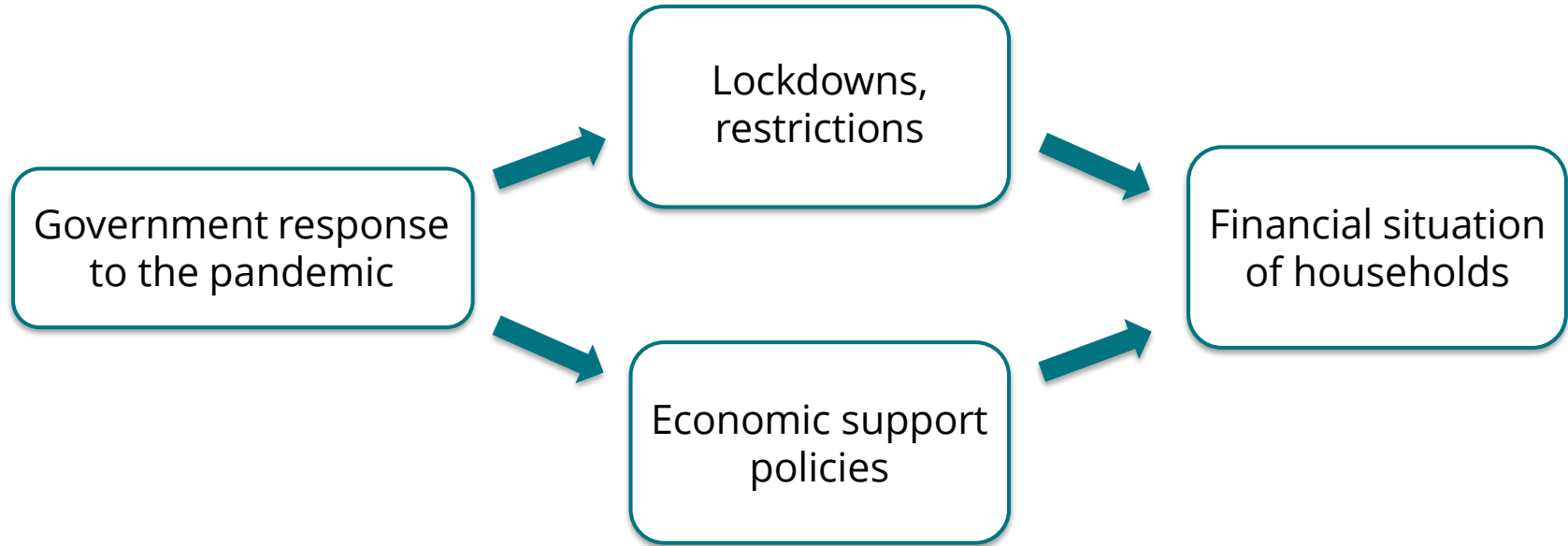
Source: *Financial Times*

Coronavirus: 'World faces worst recession since Great Depression'

© 14 April 2020

Source: *BBC*

Government measures



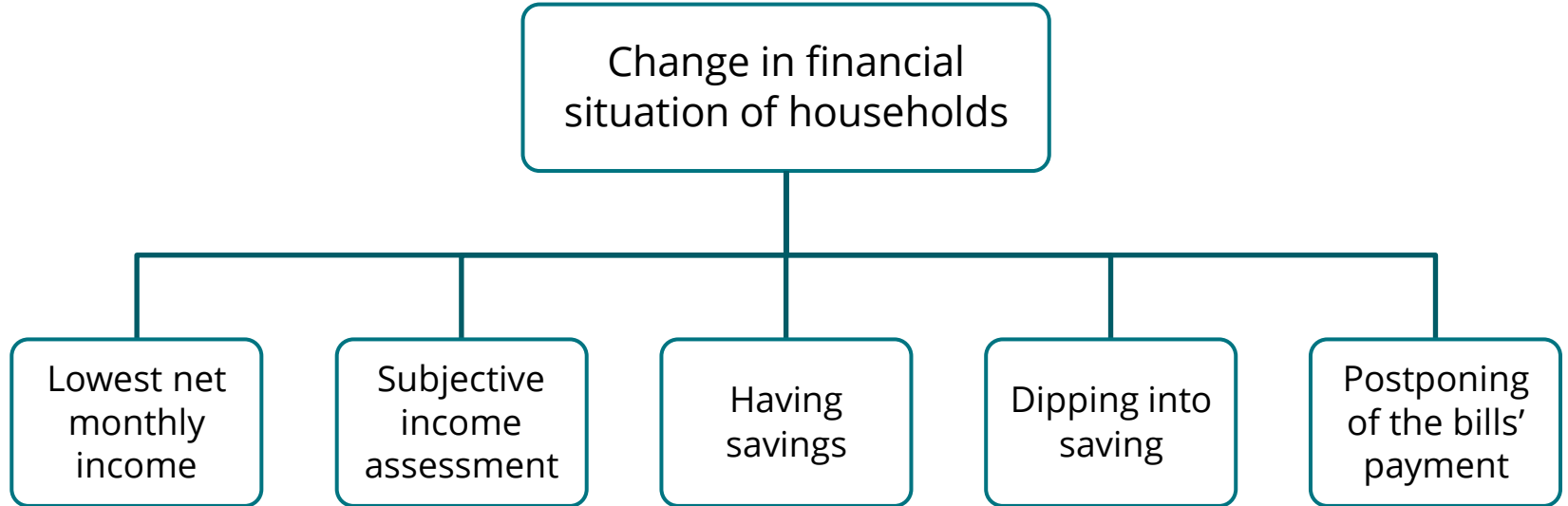
- jobs protection
- financial assistance
- debt relief

Data and methodology



- **Data source:** SHARE Corona 1 (Summer 2020) and Corona 2 (Summer 2021) Telephone Surveys
- **Analyzed countries:** Poland, Czechia, Sweden, Germany, France, Spain and Greece
- **Country characteristics:** Changes in unemployment rate, GDP, Stringency Index, Economic Support Index (Oxford Covid-19 Government Response Tracker)
- **Individual characteristics:** sex, age, household size, educational attainment, economic status, receiving financial aid during the pandemic
- **Outcome variable:** composite indicator of financial situation of people aged 50+ in the second phase of the pandemic and its change during the pandemic

Composite indicator



Difference between 2nd and 1st wave of the pandemic

Results

Changes in Financial Situation Across Countries

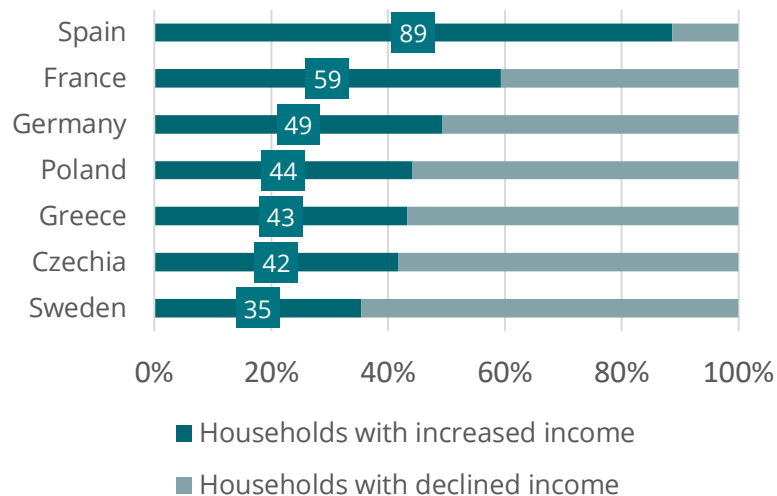
In most countries (excl. Spain) the financial situation worsened in comparison to the first wave of the pandemic → composite indicator less than 0.5

Countries	Synthetic indicators	
	Second wave of the pandemic	Changes during the pandemic
Poland	0.732	0.493
Czechia	0.758	0.459
Sweden	0.758	0.416
Germany	0.714	0.449
France	0.683	0.451
Spain	0.745	0.584
Greece	0.503	0.466

Source: Own analysis based on SHARE; synthetic indicators on scale 0-1.

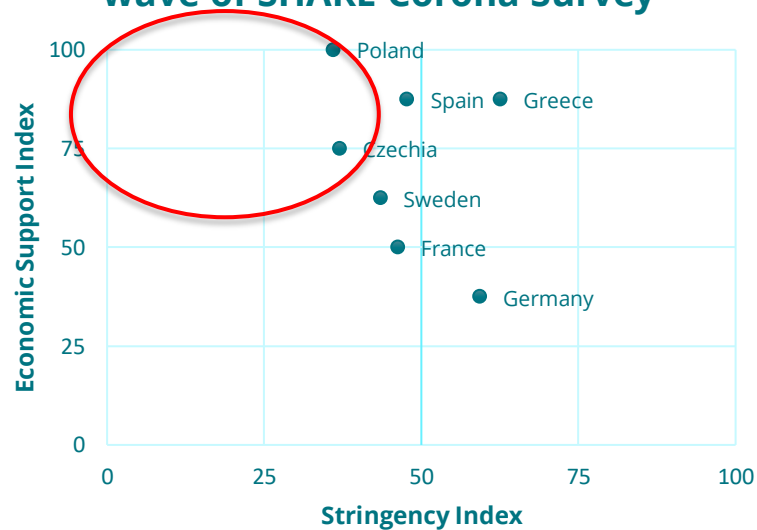
Impact of Country Policies and Economic Conditions

Changes in income during the pandemic



Source: Own analysis based on SHARE.

Country policies during second wave of SHARE Corona Survey



Source: Own calculations based on Oxford Covid-19 Government Response Tracker.

Individual Characteristics vs. Country Characteristics

European Journal of Ageing (2022) 19:883–902
<https://doi.org/10.1007/s10433-021-00662-2>

ORIGINAL INVESTIGATION



Economic stress of people 50 + in European countries in the Covid-19 pandemic—do country policies matter?

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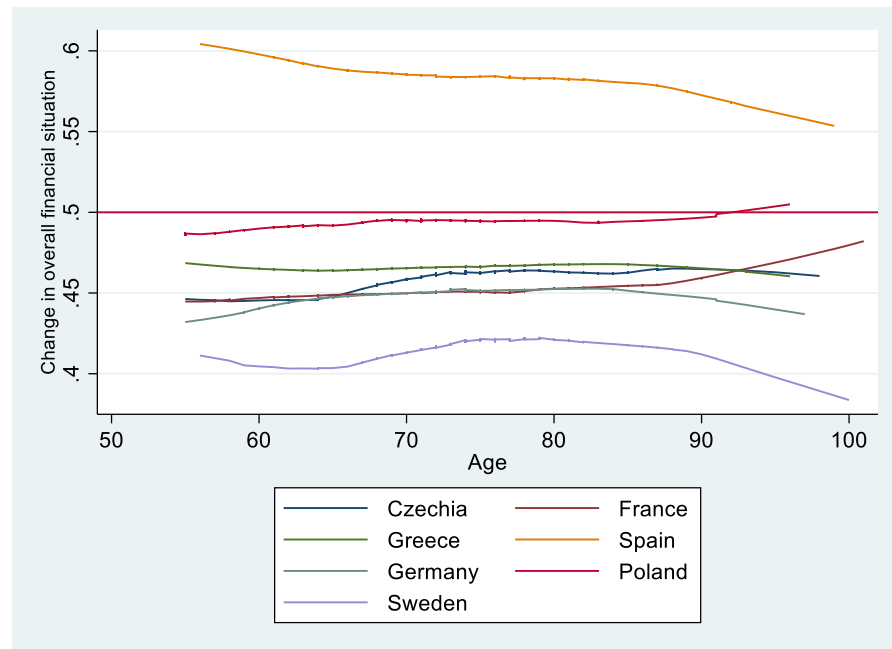
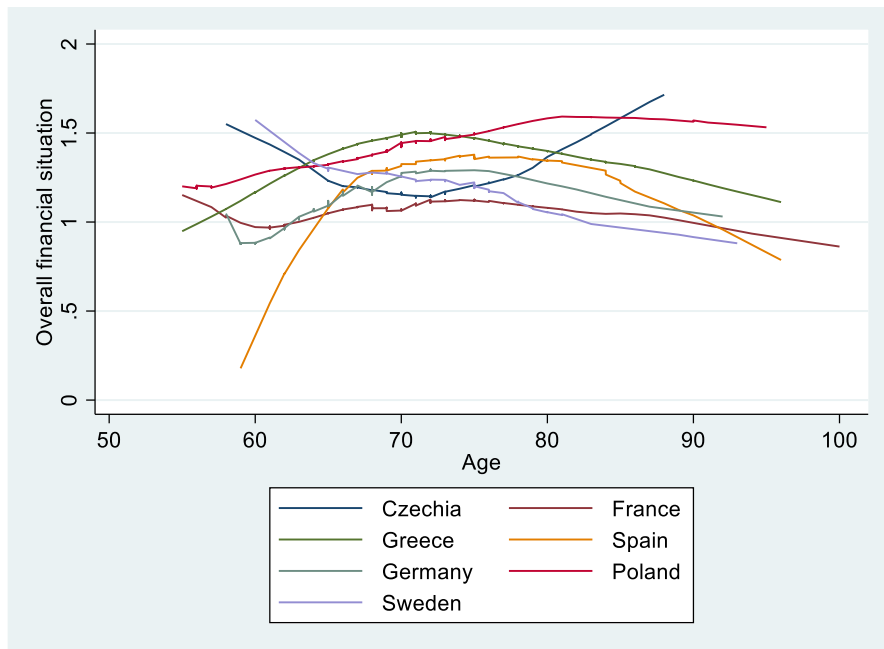
“Overall, individual characteristics explain more observed variance than country ones, particularly in the case of models explaining the chances to receive financial support or difficulties to make ends meet” (Chłoń-Domińczak, Holzer-Żelazewska, 2022, p.18)

Individual characteristics: sex, age, household size, educational attainment, economic status

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Relationship between Age and Financial Circumstances



Source: Own analysis based on SHARE; kernel regression used.

Conclusions

Insights from the Study



What can we get from SHARE Corona Survey?

- the patterns of changes in the overall financial situation of households with people aged 50+ during the pandemic
- the importance of individual and country characteristics in explaining changes in material situation
- the complexity of relationships between government policies, support measures, and the financial situation of households with people aged 50+

Implications for Government Interventions

- The analysis of SHARE data may inform governments about potential interventions
- Example of Spain
 - government support programs or a recovery in the job market may have contributed to the financial well-being of older households in Spain
- Why did it not work in other countries?
 - the importance of protective and targeted actions to mitigate the negative impact of the pandemic on older households

Conclusion

In most analyzed countries income of older households has decreased during the pandemic, however in terms of their subjective assessment of material situation no significant change was observed.

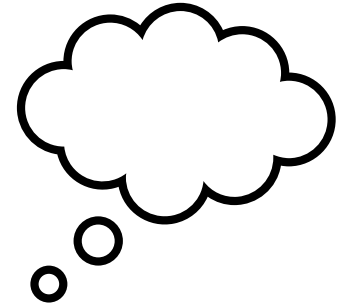
Significant differences in the financial situation of households of people 50+ may result from country's response to the pandemic and overall development level.

However, policies on its own do not explain the differences between situation of older people in countries → see Poland and Czechia (deterioration of financial situation despite high Economic Support Index and relatively low Stringency Index).

Limitations and future research

- We observe changes of financial situation only in short run → What will be the long-term effects of the pandemic?
- Further analysis should consider other factors that can affect income and savings of individuals over 50 → pension system reforms, inflation, age-based discrimination, availability of social services and healthcare, changes in tax systems
- Those factors may explain some part of between-country variability of financial situation among 50+ individuals

Q&A and Contact Information



- Do you have any questions?
- Contact
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A group of people's hands are clasped together in a circle on a wooden desk. In the background, there are two laptops, a smartphone displaying the time 10:24, and a power strip with several outlets. The scene is lit with warm, natural light. A teal-colored graphic overlay is present at the bottom of the image.

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Thank you for your attention!