

---

## SOCIAL NEEDS IN SPAIN

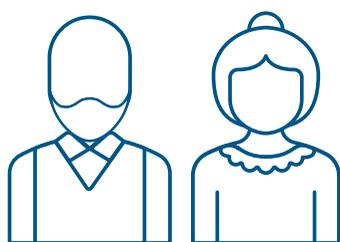
---

# Analysis of social needs of senior citizens

Report

# 6.3

May 2020



---

## Credits

---

### **"la Caixa" Social Observatory**

**Publisher: "la Caixa" Banking Foundation, 2019**  
Plaza Weyler 3  
07001, Palma

ISBN 978-84-9900-250-7

**Data processing and visualisation, graphic design and layout**  
Andrés Fernández Torcida

[www.andresft.com](http://www.andresft.com)

The "la Caixa" Banking Foundation does not necessarily share the opinion of the authors of this publication.

[observatoriosociallacaixa.org](http://observatoriosociallacaixa.org)

## Research and report writing

- Luis Ayala Cañón (Universidad Rey Juan Carlos y EQUALITAS)
- Olga Cantó Sánchez (Universidad de Alcalá y EQUALITAS)
- Rosa Martínez López (Universidad Rey Juan Carlos y EQUALITAS)
- Carolina Navarro Ruiz (UNED y EQUALITAS)
- Marina Romaguera de la Cruz (Universidad de Alcalá y EQUALITAS)

**Report 6 on social needs by population group focuses on five different social segments: children, young adults, senior citizens, women and immigrants. The bibliography that appears in each of the reports is the bibliography for all the groups.**

---

# Table of contents

---

## 4 Executive summary

## 5 SENIOR CITIZENS

### 5 The situation in Spain

- 8 Financial and material wellbeing
- 10 Housing
- 10 Health and lifestyle habits

### 11 The situation in Europe

## 14 Public policies

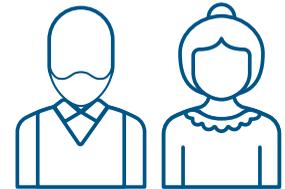
## 17 Bibliography



# Executive summary

## Senior citizens

- Senior citizens now suffer from appreciably lower levels of financial vulnerability in comparison with the Spanish population on average. There are also fewer housing-related problems among this group.
- Spain is the EU country where the difference in the effect of the financial benefits system to combat poverty among the population as a whole and among senior citizens is greatest, with the latter enjoying a clear advantage.



# SENIOR CITIZENS

## THE SITUATION IN SPAIN



Senior citizens make up one of the age groups traditionally most closely associated with problems related to financial and social vulnerability. In the descriptions of socioeconomic profiles of poverty, for example, it has been common until relatively recently to characterise this collective as historically being subject to a greater risk of poverty than the Spanish population on average. In the last two decades, however, various processes have taken place that have altered the welfare status of senior citizens,

such as the extension of social protection systems and greater stability in their incomes, the reduced impact of the economic crisis due to the less fluctuating nature of contributory pensions and benefits, and the very process of ageing itself, which has meant that increasingly included within the statistical definition of the category of senior citizens – people aged over 65 – are people with high levels of economic activity.

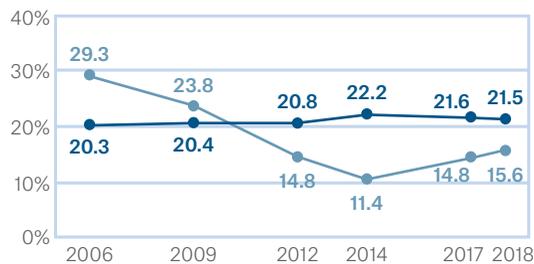
## Indicators that measure social need among people aged over 65 in Spain



● Senior citizens ● Total population

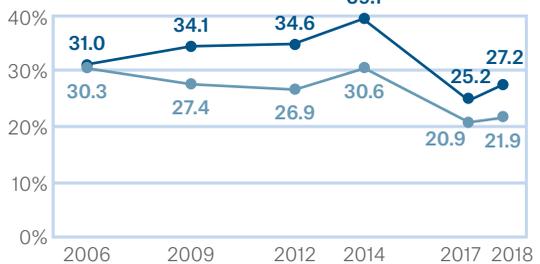
### Risk of monetary poverty:

Percentage of people whose disposable income within the family is below the poverty threshold.



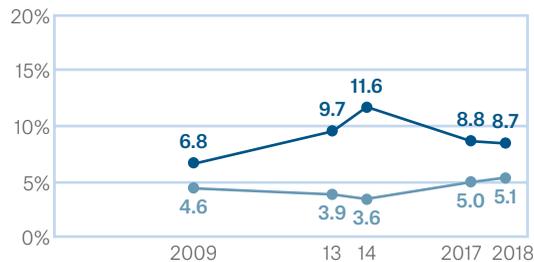
### Difficulty getting by till the end of the month:

Percentage of people that live in households that state they find it difficult or extremely difficult to get by till the end of the month.



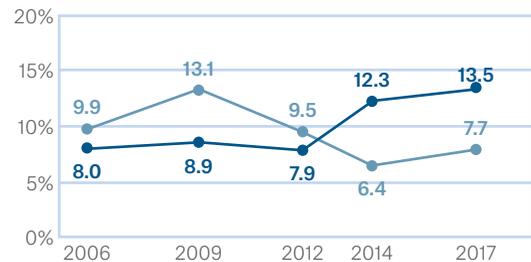
### Consistent poverty:

Percentage of people whose households suffer simultaneously from a risk of financial poverty and material deprivation.



### Chronic poverty:

Percentage of people who were living in households at risk of poverty for three or more consecutive years.



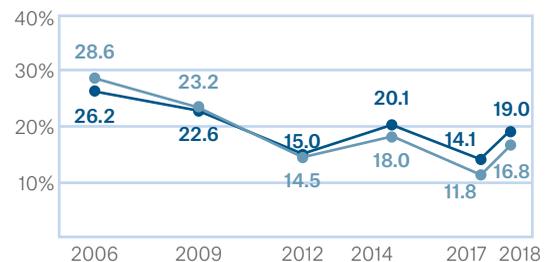
### Excessive housing costs:

Percentage of people whose housing costs exceed 30% of the household's disposable income.



### Poor housing conditions:

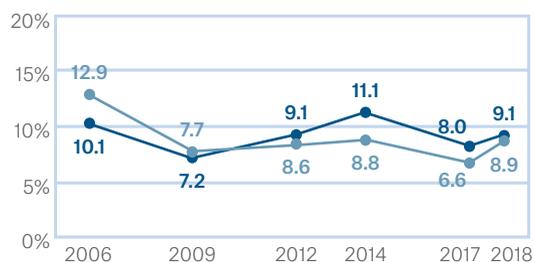
Percentage of people living in homes that suffer from one of the following problems: leaks, damp or rot, poor natural lighting, no indoor bath or shower, or no toilet.



● Senior citizens ● Total population

### Poor thermal comfort:

Percentage of people in households unable to afford to keep their home warm in the winter months.



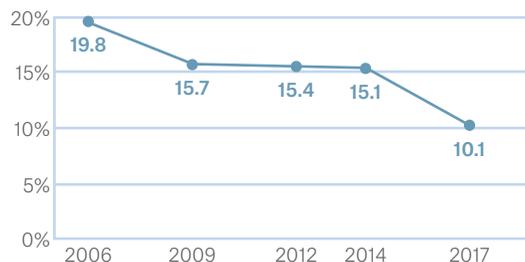
### The chronically ill:

Percentage of adults who have been diagnosed by a doctor as suffering from one of the main diseases or chronic health problems in the previous twelve months.



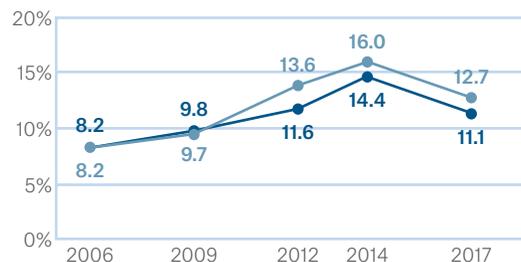
### Severely limited senior citizens:

Percentage of senior citizens with health problems that have resulted in severe limitations affecting their activities of daily living in the last six months.



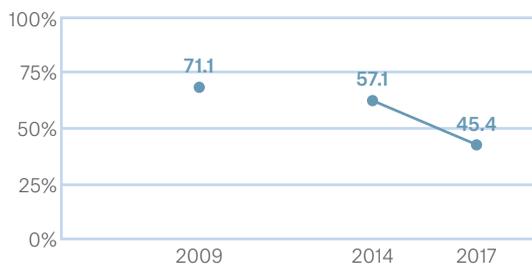
### Catastrophic health spending:

Percentage of senior citizens in the first income quintile whose health-related spending exceeds 40% of their ability to pay.



### Shortfall in the provision of care for dependent senior citizens:

Percentage of senior citizens with an estimated need for care who are not receiving care from the System for Autonomy and Dependency Care.



### Decision not to take prescribed medication for financial reasons:

Percentage of adults who for financial reasons stopped taking medication prescribed by a doctor in the public health system in the previous year.



**Source:**

Compiled in-house using data from the EU-SILC, Active Population Survey and the National Health Survey/European Health Interview Survey.

## Financial and material wellbeing

Of the various aspects that make up the map of social needs, it is the issue related to financial and material welfare that has been subject to the most significant changes in the case of senior citizens. The data for the last 15 years reveal an inversion of the traditional portrait in which senior citizens are at greater risk of poverty than the rest of the population. This increased risk, still present at the start of the economic crisis, gradually declined to the point where it became the reverse, with a wider gap that is now to senior citizens' advantage. The reason for this dramatic shift in the poverty risk differential can only be attributed to the stability in the incomes of this age group, which is very dependent on the public pensions system, in contrast with the marked fall in the incomes of the rest of the population due to the high unemployment at the peaks of the crisis and to the general downturn in economic activity.

The traditional way of measuring poverty using relative criteria – setting the threshold as a percentage of the average income of the population – has helped to raise awareness of the fall in poverty among senior citizens. Their incomes have, in fact, risen at almost the same rate as prices due to the fact that no major changes have been made to the system for uprating pensions. However, it is important to note that there has been a continual rise in the average pension as a consequence of the gradual entry into the system of workers with more complete employment histories and entitlement to a full pension, which is compatible with the presence of very low pensions. In more recent years, however, this self-same income stability has increased the relative risk of poverty among senior citizens, given that their incomes have changed more gradually than those of the rest of the population, which rose as economic growth and employment picked up.

In keeping with this, there are no major variations either in one of the central characteristic features of the vulnerability of Spanish households, the difficulties they state they face in getting by to the end of the month. In the case of senior citizens, unlike society on average, there were no significant changes to this problem during the economic crisis and it has reduced notably with the recovery, though not at such a fast pace as among the rest of the population.

The reduced risks of poverty and of general financial difficulties are also allied with a lower incidence of the more severe forms of poverty, such as those connected with consistent poverty or problems of financial poverty and material deprivation at the same time in the same household. During the period of the greatest deterioration of the economy (2013), the percentage of senior citizens affected by this situation (3.9%) was a third of the proportion in the total population (9.7%). Even so, the rise in financial poverty among senior citizens during the most recent phase due to the reasons given and the improvement of other groups mean that the gap has narrowed, prompting doubts as to the real capacity of the system that ensures incomes in old age to provide coverage for this type of risk.

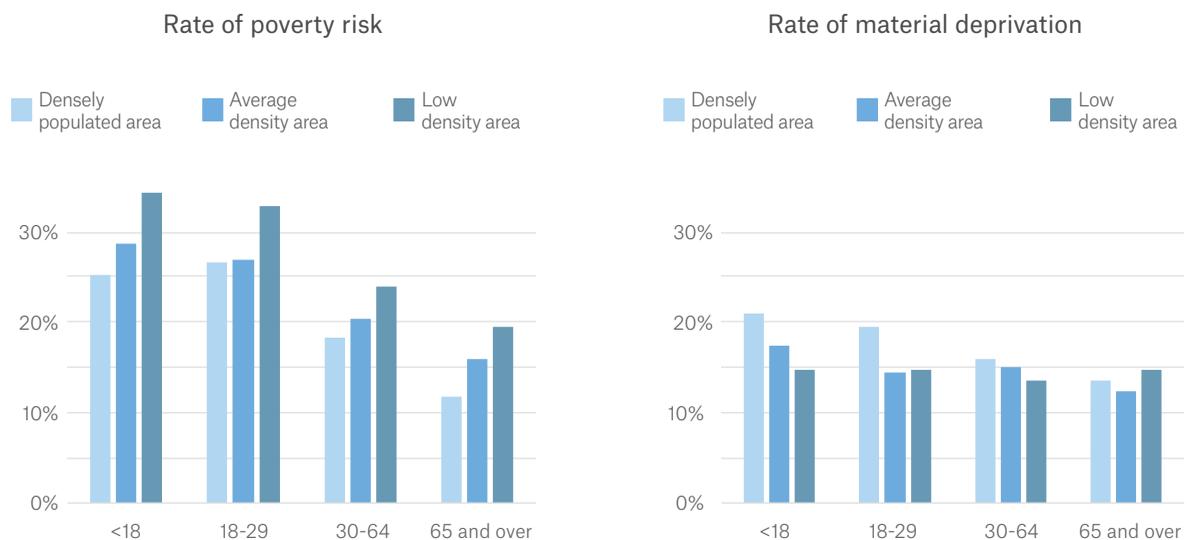
More positive are the results related to the chronic nature of poverty, one of the indicators that reflect most starkly the fact that social needs linked to the sufficiency of household income are not being met. Unlike among Spanish society, the risk of chronic poverty among senior citizens is today lower than it was in the middle of the last decade, though a certain rise can be seen once again during the economic recovery phase, linked to the aforementioned unlikelihood that the incomes of this demographic group will be able to continue at a pace similar to those of other income recipients during periods of growth

## THE ECONOMIC AND MATERIAL WELFARE OF SENIOR CITIZENS IN 'EMPTY SPAIN'

One of the most common clichés in the interpretation of the social needs of senior citizens is that the financial poverty of those who live in rural environments is compensated for by better living conditions than those of senior citizens who live in urban areas. The material deprivation data refute such an assessment, however,

by revealing that the material deprivation problems this collective face are also greater in rural areas than in more densely populated areas, though the differences are reduced when the welfare indicator considers solely the relative level of income.

Figure 2. Poverty and material deprivation by population density and age, 2017.



**Source:** Compiled in-house using data from the National Statistics Institute (2018 Living Conditions Survey).

## Housing

One of the most important determining factors that explain the differences in the level of senior citizens' social needs is access to housing. In meeting these needs, two crucial circumstances come into conflict: the greater level of home ownership than among other age groups and countries, but also senior citizens' traditional problem of maintaining them in satisfactory condition. The data of the Living Conditions Survey reflect that senior citizens face few problems to do with excessive housing costs, with fewer than one in ten suffering this situation. However, these same data show that unlike among the rest of the population, excessive housing cost problems have been gradually increasing in recent times among the older generations.

The same has not occurred in relation to poor housing conditions, which, with the occasional interruption, have shown a clear tendency to improve in the last decade, affecting approximately one in ten senior citizens. One positive fact is that the problems of keeping the home warm in winter months, the consequences of which have a more severe impact on senior citizens' health than among other age groups, are fewer than those faced by the rest of the population and, moreover, they are on the decline.

## Health and lifestyle habits

With regard to health problems, it should be noted that the life expectancy of senior citizens has increased over the last two decades: after France, Spain has the second longest life expectancy among this group, with 19.1 years for men and 23.1 years for women aged 65 according to the National Statistics Institute. At the same time, however, the percentage of senior citizens diagnosed with a chronic illness has also risen. This is the situation of almost 70% of people aged over 65. In contrast, among the total population, among whom chronic health problems have remained relatively stable, they affect fewer than one in three people.

The high incidence of chronic illnesses among senior citizens in Spain does not, however, mean that most cases lead to incapacity. The people in this age group who have severe limitations amount to 10% of the total, a figure that is virtually half that of a decade ago. As detailed in the Health Report in this collection, there is still a high percentage of senior citizens with needs for care not met by the System for Autonomy and Dependency Care. Even though there has been a considerable improvement in the meeting of needs in the last decade, one out of every two dependent senior citizens – around 15% of the senior citizens have limitations of a sufficient degree to require the attention of the system, something that is true of 33% of people aged over 80 – does not receive this care. In many cases, they are people who have not applied to be evaluated as dependent, but others have and their assessment has not yet been completed.

One last positive fact is the reduced proportion of people who have had to stop taking medication for financial reasons. Even so, among one segment of senior citizens, healthcare spending has a severe impact on their consumption capacity. Almost 13% of senior citizens in the first income quintile have to spend more than 40% of their income on this type of expenditure.

# THE SITUATION IN EUROPE



**Figure 3. Spain's position in a ranking of senior citizens' social needs in the EU-28.**

Position in the European ranking (green = better, red = worse)

First quartile    Second quartile    Third quartile    Fourth quartile



	Senior citizens			Total		
	Spain	European Union	2017 Position	Spain	European Union	2017 Position
<b>Risk of monetary poverty:</b> Percentage of people whose disposable income within the family is below the poverty threshold.	14.8	15.0	13	21.6	16.9	24
<b>Consistent poverty:</b> Percentage of people whose households suffer simultaneously from a risk of financial poverty and material deprivation.	5.6	5.6	17	8.8	7.0	21
<b>Excessive housing costs:</b> Percentage of people whose housing costs exceed 30% of the household's disposable income.	8.2	19.4	4	22.6	24.2	16
<b>Poor housing conditions:</b> Percentage of people whose homes suffer from one of nine possible problems.	12.5	18.8	8	14.1	19.0	4
<b>Severely limited senior citizens:</b> Percentage of senior citizens with health problems that have resulted in severe limitations affecting their activities of daily living in the last six months.	10.1	16.4	5			

**Source:**  
Compiled in-house using data from the EU-SILC and the EU-Labour Force Survey.

People aged over 65 as a percentage of the total population in Spain is very similar to the proportion in the EU (19.2% and 19.8% respectively), although in our country elderly people (aged 80 or over) represent a slightly larger stratum of the population than across the EU. While the proportion of senior citizens is very similar, there are a number of major differences in the way these people meet their social needs, with indicators in Spain that are better than the European average.

One of the most important pieces of data to emerge from this comparative analysis is that, unlike what happens among the population as a whole, the poverty situations found among senior citizens are similar in magnitude to those on average in EU countries. It should also be noted, however, that the poverty rate among this age group is higher in Spain than in other lower income European countries. This relative position is made all the worse, moreover, when the risk of financial poverty is measured by adding the likelihood that there is a problem of material deprivation in the same household. The rates of consistent poverty among senior citizens are higher only in countries in eastern Europe and in Portugal and Greece.

In the remaining selected indicators, the comparative analysis reflects a positive situation for senior citizens in Spain. The percentage of people in this age group with excessive housing cost problems is less than half of the average in the EU, with Spain one of the countries where this indicator is lowest. As in the other two indicators mentioned, this relative situation is better than that of the population as a whole.

Also to do with housing, homes that senior citizens live in offer better conditions and facilities than in other European countries, with this problem being a third less significant than the EU average. Nevertheless, in relative terms, this position is worse than that of the population as a whole, which, despite recording a higher indicator than senior citizens, is appreciably lower than that of various countries in the EU.

Lastly, the percentage of senior citizens with severe limitations in Spain is also better than that of most

European countries. In all countries, population ageing presupposes rising demand for long-term care, though senior citizens' state of health has an impact on the evolution of this. Even though the recorded tendency is positive over recent times, and the reduction seen in Spain exceeds that observed across Europe, it should be noted that the figures are based on a single question that has a certain subjective element to it, as a consequence of which this improvement should be viewed with caution.

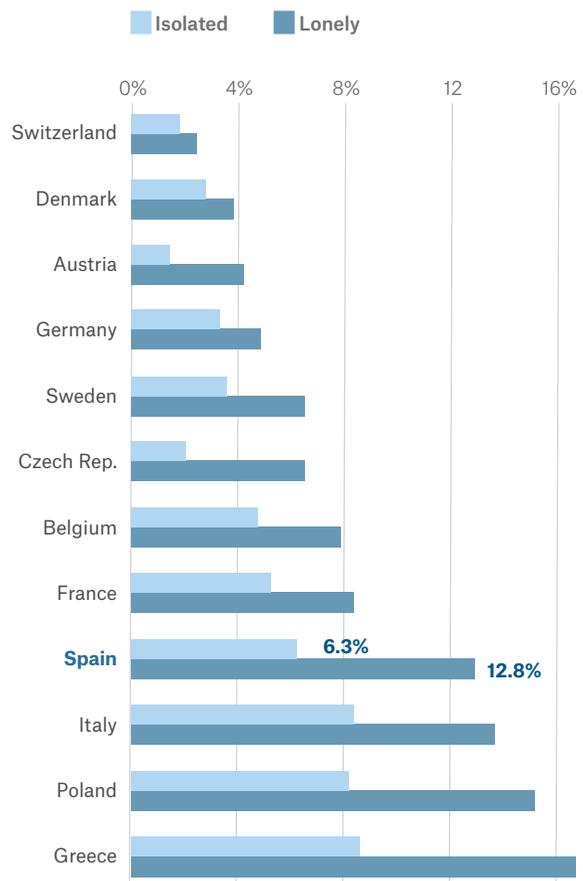
There is no European statistic that makes it possible to analyse how the degree to which this social need is met is changing in different countries. However, the OECD offers comparable data for 18 Western countries (OECD, 2017). According to their data, the percentage of senior citizens receiving long-term care in Spain rose between 2005 and 2015 but it nevertheless remains lower than the OECD average (8.5% and 13% respectively). Moreover, a higher proportion of senior citizens are cared for in their own homes. In part this reflects people's preferences, but also limitations associated with the lack of sufficient places in residential homes and day centres.

## SENIOR CITIZENS AND LONELINESS

The usual aspects that measure senior citizens' social needs pay little attention to the relational aspect. There are few databases with information about senior citizens' perceptions of the affective and personal support in their daily lives. The National Health Survey explicitly asks the extent to which they receive love and affection. In their answers, 3.1% of senior citizens state that they receive less than they would like, a percentage only slightly higher than that of everyone over the age of 15 (2.9%).

European information on similar issues is very limited, and there is no data for all countries that can be compared. Of the twelve countries that do have information (through the SHARE [Survey of Health, Ageing and Retirement in Europe]), Spain is among the 30% or so of countries where there is a greater incidence of problems to do with isolation and loneliness.

Figure 4. Percentage of people aged over 65 who feel isolated or lonely, 2017.



Source: Compiled in-house using data from the SHARE.

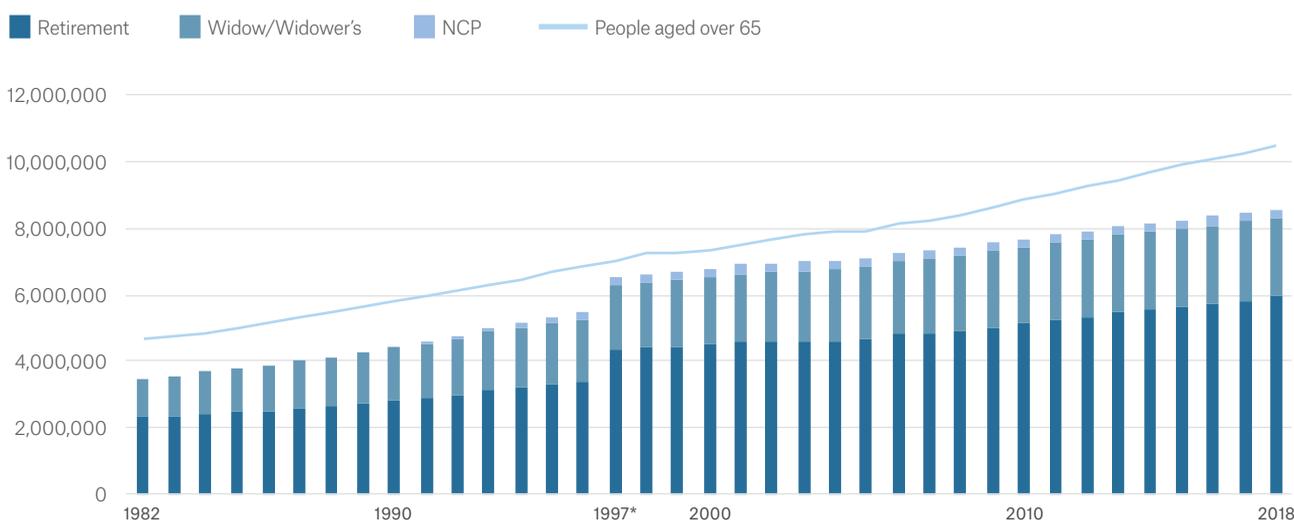
# PUBLIC POLICIES:



In all countries, the main factor that determines senior citizens' financial circumstances is the pension system and its ability to meet their needs, both in terms of the population that receive pensions and the amount paid in relation to the income of the rest of the population. Senior citizens may also have other forms of income such as from work or savings. In practice, however, it is a reality that most senior citizens quit the labour market at retirement age or even before. In all European countries, pensions are the main

source of income for this collective, though there are some differences between countries and at different moments in time. Moreover, income from capital, which is normally only recorded in a limited manner in databases on households, generally represents only a small percentage of senior citizens' total income.

**Figure 5. Change in the number of pensions and people aged over 65.**



**Note:**  
 In accordance with art. 7 of Royal Decree 1647/1997, permanent incapacity benefits are converted into retirement pensions when beneficiaries reach the age of 65.  
 NCP: Non-contributory pensions

**Source:**  
 Compiled in-house using data from the Ministry of Labour, Migrations and Social Security and the National Statistics Institute.

Pensions are, therefore, the main factor governing the degree to which the social needs of senior citizens in Spain are met. One key factor is the connection between the number of people aged over 65 (until recently the legal retirement age) and the number of people in this group who receive pensions. As the population has aged, the number of pensioners has increased. However, the peaks in the growth of the system have coincided with institutional changes that have made its expansion possible, such as the inclusion among beneficiaries of people with minimum retirement periods or taking early retirement as part of industrial restructuring processes. Also notable is the fact that, unlike what occurred in the 1990s, in recent times the gap between the number of senior citizens and the number of people receiving pensions has gradually grown.

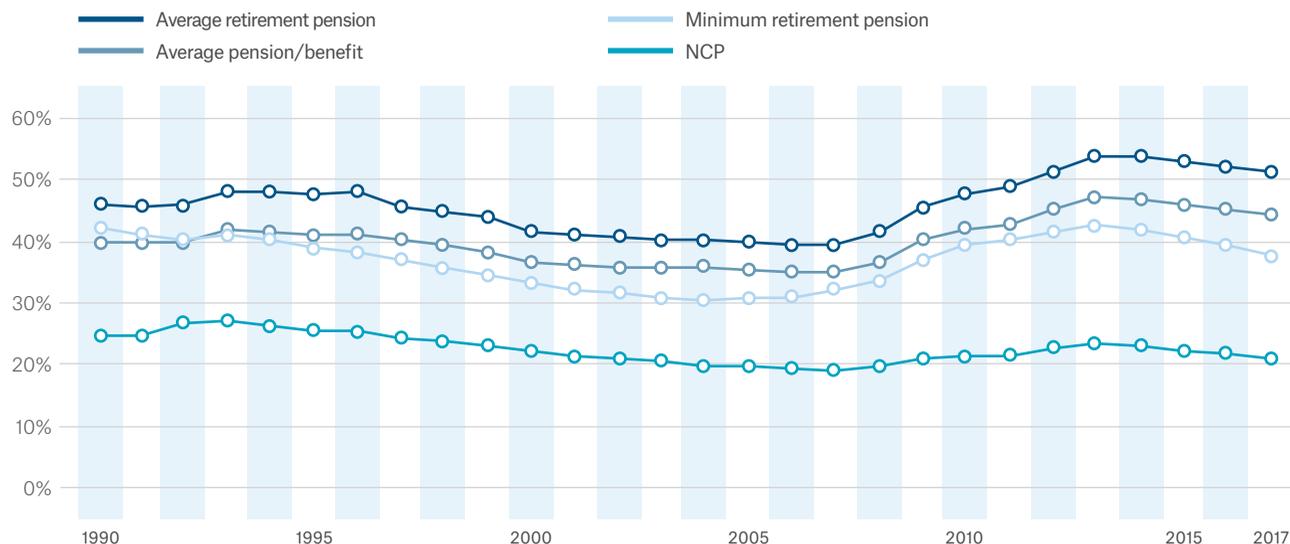
Turning now to the issue of the relative generosity of pensions and benefits, the central question is the extent to which pensions have kept up with the rate of the rise in average income in Spanish society. It is to be expected that during periods of economic growth, the gap would widen, since the rise in the pension amount payable does not depend on factors of a cyclical nature, and that the opposite would occur in recessions, given the stability of pensions and the presumable fall in the incomes of the rest of the population.

As shown by figure 6, the relationship between the two variables is not only determined in Spain by factors of an economic nature, although these are important in any changes. The minimum retirement pension, for example, began to grow faster than monthly GDP per capita when the boom prior to the economic crisis had not yet come to an end. This was due to the decision to increase the sums paid. With the downturn in economic activity and the continuation of the crisis, pensions grew much faster than the economy, with this process reversed in the final phase of economic recovery.

In the case of non-contributory pensions, the financial protection of last resort for senior citizens unable to access the contributory pension system, this process has been much more pronounced, with a value in relation to per capita GDP now much lower than at the start of the economic crisis. If we broaden the timeframe of the analysis, we find that this relationship is today lower than when the system was set up in the early 1990s. In other words, non-contributory pensions have declined in purchasing power since they were created.

A final indicator that shows the capacity of monetary pensions and benefits to meet social needs is the effect they have on the incidence of poverty among senior citizens. In all countries without exception, as a result of the way this effect is measured – by comparing the poverty that would exist without these pensions and benefits with the poverty that really exists – the impact of monetary pensions and benefits is higher in the case of senior citizens. Spain in particular stands out, as it is the country in the EU where the difference between the effect of this set of pensions and benefits for the entire population and for senior citizens is greatest, with a clear advantage of favour of senior citizens. This effect is due almost exclusively to pensions.

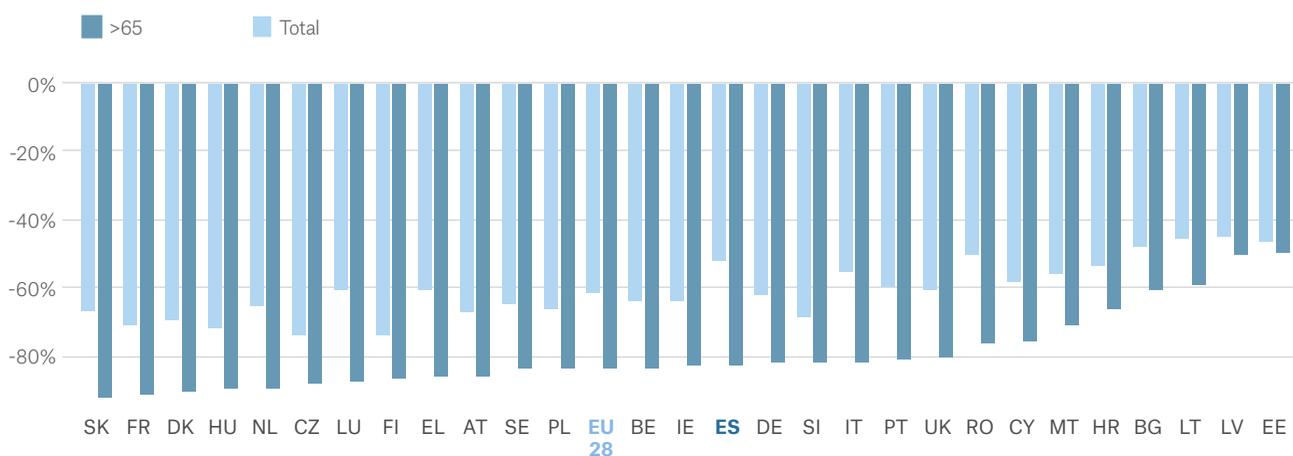
**Figure 6. The change in pensions with the economy.**  
Amount of pensions as a percentage of monthly GDP per capita.



**Note:**  
Average pension/benefit: average of pensions and benefits paid on the grounds of incapacity, retirement, widow/widowerhood and orphanhood and to families.

**Source:**  
Compiled in-house using data from the Ministry of Labour, Migrations and Social Security and the National Statistics Institute.

**Figure 7. Impact of social pensions/benefits on reducing poverty.**



**Source:**  
Compiled in-house using data from the EU-SILC (Eurostat).

## BIBLIOGRAPHY

AYALA, L., MARTÍNEZ, R. and SASTRE, M. (2006), *Familia, infancia y privación social*, Madrid, Fundación FOESSA.

AYALA, L. and CANTÓ, O. (2018), "The driving forces of rising inequality in Spain: Is there more to it than a deep worsening of low income households living standards?", in *Inequality and Inclusive Growth in Rich Countries: Shared Challenges and Contrasting Fortunes*, Brian Nolan (ed.), Oxford University Press, 2018, chapter X, Oxford.

AYLLÓN, S. (2009), "Poverty and living arrangements among youth in Spain, 1980-2005", *Demographic Research*, 20: 403-434.

AYLLÓN, S. (2017), "Growing up in Poverty: Children and the Great Recession in Spain", in *Children of Austerity: The Impact of the Great Recession on Child Poverty in Rich Countries*, ed. B. Cantillon, Y. Chzhen, S. Handa and B. Nolan, UNICEF and Oxford University Press, pp. 219-242.

BÁRCENA-MARTÍN, E. and MORO-EGIDO, A.I. (2013), "Gender and Poverty Risk in Europe", *Feminist Economics*, 19(2): 69-99.

CANTÓ, O. (2013), "Los efectos redistributivos de las políticas públicas de carácter monetario: un análisis de microsimulación con EUROMOD", chapter IV in *1er Informe sobre la desigualdad en España 2013*, Fundación Alternativas.

CANTÓ, O. (2014), "La contribución de las prestaciones sociales a la redistribución", in chapter II "Distribución de la Renta, Condiciones de Vida y Políticas Redistributivas", VII Informe sobre exclusión y desarrollo social en España 2014, V. Renes (coord.), Fundación FOESSA - Cáritas, Madrid.

CANTÓ, O. (2019), "Desigualdad, Redistribución y Políticas Públicas: ¿Hay una brecha generacional?", Cuadernos del ICE.

CANTÓ, O., AYALA, L., ADIEGO, M., LEVY, H. and PANIAGUA, M.M. (2014), "Going regional: the effecti-

veness of different tax-benefit policies in combating child poverty in Spain", in Dekkers, G., M. Keegan and C. O'Donoghue, (eds.), *New pathways in microsimulation*, Surrey, Ashgate: 183-202.

CANTÓ, O. and AYALA, L. (2014), *Políticas públicas para reducir la pobreza infantil en España: Análisis de impacto*, Madrid, UNICEF.

CEBRIÁN, I. and MORENO, G. (2008), "La situación de las mujeres en el mercado de trabajo español: desajustes y retos", *Economía industrial*, 367: 121-137.

European Commission (2016), *Strategic engagement to gender equality 2016-2019*, Luxemburg, 2016.

European Commission (2018a), "Youth Wiki national description: Youth policies in Spain".

European Commission (2018b), "Youth Guarantee country by country: Spain".

European Commission (2018c), *Report on equality between women and men in the EU*, Luxembourg, 2018.

DEL RÍO, C. and ALONSO-VILLAR, O. (2014), "Mujeres ante el empleo (y el desempleo) en el Mercado laboral español, 1996-2013", *AREAS, Revista Internacional de Ciencias Sociales*, nº 33 (Desigualdades de género en España: continuidades y cambios).

European Union (2018), *Special Eurobarometer 469. Integration of immigrants in the European Union*. <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm>.

GARCÍA-PÉREZ, J.I. and MUÑOZ-BULLÓN, F. (2011), "Transitions into permanent employment in Spain: an empirical analysis for young workers", *British Journal of Industrial Relations*, 49, 1: 103-143.

GAUTHIER, A. (2007), "The impact of family policies on fertility in industrialized countries: a review of the literature", *Population Research and Policy Review*, 2007, vol. 26, issue 3, 323-346.

GONZÁLEZ, L. (2011), "The effects of a universal child benefit", Economics Working Papers 1281, Department of Economics and Business, Universitat Pompeu Fabra.

GRADÍN, C., DEL RÍO, C. and CANTÓ, O (2010), "Gender wage discrimination and poverty in the EU", Feminist Economics, vol. 16(2): 73-109.

HERRERO, C., SOLER, A. and VILLAR, A. (2013), "Desarrollo y pobreza en España y sus comunidades autónomas: el impacto de la crisis", Papeles de Economía Española, 138: 98-113.

HUDDLESTON, T., BILGILI, O., JOKI, A., and VANKOVA, Z. D. (2015), Migrant Integration Policy Index, Barcelona (CIDOB) & Brussels (MPG).

LEVY, H., MATGASANIS, M. and SUTHERLAND, H. (2013), "Towards a European Union child basic income? Within and between country effects", International Journal of Microsimulation, 6, 1: 63-85.

MAGNUSON, K. and VOTRUBA-DRZAL, E. (2009), "Enduring Influences of Childhood Poverty", in Changing Poverty, Changing Policies, eds. M. Cancian and S. Danziger (New York: Russell Sage Foundation).

OECD (2017), Health at a Glance. Paris: OECD.

SCHIRLE, T. (2015), "The effect of universal child benefits on labour supply", Canadian Journal of Economics, vol. 48(2): 437-463.

UNICEF (2018), Annual Report 2017, United Nations.

VILLAR, A. (2014), "No es país para jóvenes", Panorama Social, 20: 53-70.

**Social  
Observatory  
of "la Caixa"**



**"la Caixa" Foundation**