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Vorwort: A wealthy older generation, but the young are in debt
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A wealthy older generation, but the young are in debt

THE 55 TO 75 AGE GROUP is the best-off financially in Switzerland. These are the findings of a study conducted by the Federal Social Insurance Office, which examined the economic circumstances of 1.5 million Swiss aged between 25 and 99. This is the first time that data on income and assets has been analysed on such a scale. It shows that the Swiss three-pillar system of old age, survivors' and disability insurance has proved successful, and only around six percent of the population are poor.

The study confirms that pensioners enjoy a high degree of financial security. In addition to retirement benefits from social insurance, a third of 65 to 69-year-olds still receive earned income of around CHF 10,000 per year. A significant proportion of them also have income from assets which, for the most part, peaks shortly before retirement. Almost one in five retired couples even has gross assets totalling more than a million Swiss francs.

The risk of becoming poor has therefore declined. The study shows that a fifth of families today with three or more children have limited financial resources. Two other risk groups are single women and single mothers. 40% of single mothers and a quarter of single women of employment age are exposed to a greater risk of poverty. The study also confirms that the average income of women of all ages is always lower than that of men.

People under forty living on disability insurance are also on the poverty line. While the financial situation of families and single parents generally improves as their children grow older, those living on disability insurance usually have no opportunity to improve their financial circumstances over time.

When the results of the study appeared in the press, many older people wrote readers' letters questioning this statistical increase in wealth of the older generation. They referred to cases of widows having to live on minimum old age and survivors' insurance benefits and a small pension. They also made it quite clear that they had always lived frugally, managing to put something away even on small incomes and with large families.


Heinz Eckert

Those who wrote the letters were certainly not wrong about this. The significant increase in private bankruptcy among young people shows that money is often managed negligently. Around a third of 18 to 24-year-olds are in debt. Mobile phone bills are often to blame. They also spend a small fortune on clothes, shoes and electronic entertainment goods. As they get older, they arrange leasing agreements for cars. If they then lose their jobs, they get into a financial mess which it takes these young people years to recover from, if they ever do.

Now that payment by instalments is termed "leasing", it no longer has a negative connotation, in fact quite the opposite. Grandparents' advice to only buy something when you can afford it is hardly ever heeded today.

HEINZ ECKERT, EDITOR-IN-CHIEF


Rhaetian Railway from "Switzerland's most wonderful means of transport" (on page 7)

Cover photo: The caricaturist "Chappatte" on the issue of banking confidentiality

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