Planning and preparation for well-being in older age in the context of ageing societies and welfare state retrenchment

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Introduction

- Demographic shift
- Challenges of ageing societies put pressure on the welfare system
- Reforms in Switzerland do not manage to keep pace with the developments and leave many questions open
- major challenges beyond financial sustainability:
  - long-term care
  - arising gap between the potential supply of labour and the needs of the ageing society
  - medical issues
- Insecurity among the young and old, possibly loss of trust; individuals required to shoulder more responsibility

Definition planning and preparation (P&P)

- **Planning:**
  - how people think about, decide (or not) and sequence possible activities to achieve desired conditions or avoid undesired ones.
- **Preparation:**
  - activities pursued to prevent or reduce anticipated threats and their future consequences, or
  - to maintain present or achieve desired conditions in future (Jacobs-Lawson, 2004) within a given context.
- **Anticipatory preventive action** is distinguished from preparation-relevant action
  - **Preparation-relevant action** refers to present day actions and behaviours for leisure, pleasure or another reason that also impact positively on the future, e.g. a healthy lifestyle today with consequences in the future (Lang, 2022:68).
- Our focus: **Anticipatory preventive action**

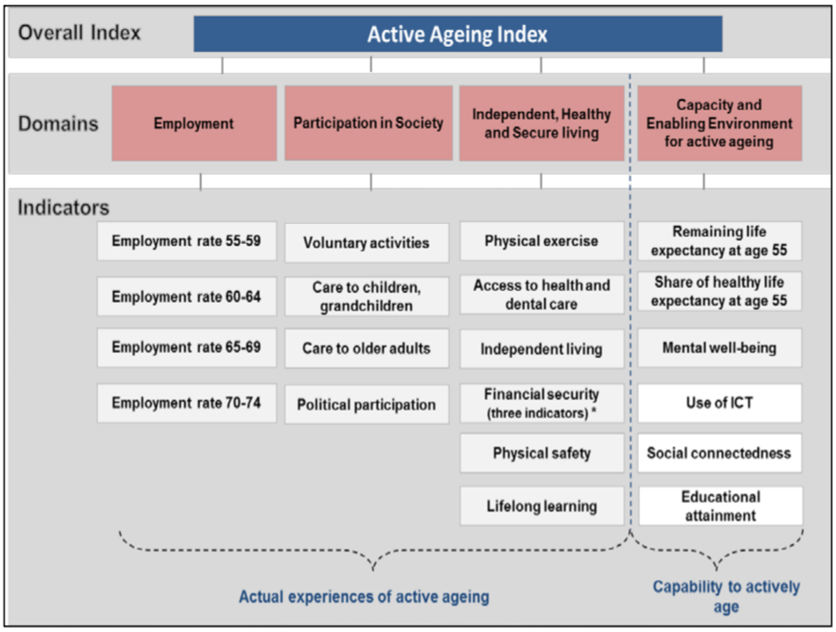
Endeavors to manage the challenges of ageing societies

- Active Ageing:
  - 'active ageing' is 'the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age' (WHO, 2002:12)
- **Active Ageing Index (UNECE)**
  - a 'new tool for policy makers (…) to devise evidence-informed strategies' (European Centre Vienna, 2013: preface) with a broad unterstanding
  - In practice: Tendency to focus on employment and 'individualistic and productivist interpretations' (Preston et al., 2019)

AAI-Index

The situation of older adults across four domains

Figure 1.1: The domains and indicators of the aggregated Index, AAI



Source: European Centre Vienna (2013:8)

Planning and preparation of individuals gaining traction financially and beyond 1

AAI-Index implies domains for individual planning and preparation for older age

- **Domain ’Employment**’ in older age, also in pre-retirement
- **Domain ‘Participation in society’** political, voluntary and care work
  -> contribution to society
- **Domain ‘Independent, healthy and secure living**’ physical excercise, access to health and dental care
  -> not being a burden to society
- **Domain ‘Capacity and enabling environment for active ageing’:** Conditions for (healthy) life expectancy at age 55; mental well-being; use of ICT; social connectedness; educational attainment
  -> requirements in a changing society

Planning and preparation of individuals gaining traction financially and beyond 2

Active Ageing Index mirrors societal images of ageing

- Being active, productive, integrated, contributing substantially to society –> no burden
- Being responsible for remaining employable, and for physical and mental ageing
- Domains are distinguished but not the timing of the planning

- What about the individual wishes of this ageing population according to their circumstances (social position, health, care responsibilities, etc.)?
- What about work-life balance and other interests, e.g., leisure time?
- What about health risks, worries and concerns of ageing, and the perspective of the reduction of life-time?
- What about the societal views on ageing (ageism)?

Research results: Why should individuals plan?

Research shows varied links between planning and preparation and well-being

- Positive connection between planning and financial well-being (Hershey, 2008; Topa, 2018)
- Reduction in anxiety or depression, enhancement of health and well-being (Kornadt et al., 2014; Sörensen, 2012)
- Link of sense of being in control (clear interests, priorities and goals), reduction in deceptions, and more realistic views on ageing and adjustment to it (Adams, 2011; Donaldson, 2010; Preston, 2018; Métrailler, 2018:49)

Barriers to planning

- Many people do not plan and prepare (from age 45 onwards to older age, Preston, 2018)
- Uneven distribution of risks among the population linked to opportunities and stratification
- Willingness to plan and preparedness for later life are associated with many factors
  - confident and concrete future perspectives (Adams, 2011; Donaldson, 2010)
  - future self-views and cultural and societal notions of ageing (Kornadt, 2014)
  - socio-economic position (income and education, Apouey, 2018)
  - structural (and cultural) opportunities (Kornadt, 2019; Park, 2020)
  - socio-demographic variables (Jacobs-Lawson, 2004)
  - individual experiences across the life course (Moen, 2005)
  - individual traits (Kornadt, 2015; Park, 2020)
  - the stage of life; reduction in life-time (Hasmanová Marhánková 2024)

Societal images and self-views of older age

- **Societal images of older age vary** according to
  - cultural and structural context, welfare model
  - Socio-economic groups
- They are **internalized in self-views**
- **Results from longitudinal studies convey that self-views predict planning and have future consequences on**
  - well-being
  - health
  - longevity

(Ishikawa, 2023; Levy 2002, 2009; Sargent-Cox, 2014; Schmidt-Hertha, 2012)

The welfare model as structure and context

The welfare model structures

- The **welfare mix** and **the distribution of responsibility** between the state, family/households, the market, the third sector
- Social inequalities
- The life course and roles with participation in society
- Impacts on well-being (the highest level of well-being is found in models with high levels of affluence, significant welfare provisions and redistribution measures)

In this context

- people **imagine their lives**, evaluate their opportunities and plan & prepare in different life domains.
- **shape their ideas of people's roles at specific ages** (societal images) (Warburton, 2011) and
- situate themselves with respect to social roles and images with self-views

Concepts 1. How does planning and preparation for ageing work?

Societal and individual levels, and **objective and subjective** levels of ageing are intertwined.

Concepts

(1) Preparation for age-related changes in different domains (Kornadt et al., 2014)

- **increase in intensity with age** and
- **vary according to domain**,
- and planning at a present for a future stage in life (Lang, 2024).

(2) Ageing-related preparation (Sörensen, 2021)

- the **continuum of thoughts and activities about how to age well**
- begin with the awareness of age-related changes, the anticipation of ageing, and specification of end-of-life wishes.

Concepts 3. How does planning and preparation for ageing work?

(3) Reflexive planning for later life (Denton, 2004)
- throughout the life course;
- it **continues and includes adaptation to changing circumstances and importance of domains**

- Resources are mobilized
  - **public protection**: state institutions to reduce social risks
  - **self-insurance:** investment in individual financial protection
  - **Our focus:**
    self-protection: non-financial aspects of the risks of ageing: social relations, housing, care, leisure, etc.

Studies with domains for individual planning and preparation for older age

- One study for counceling
  - Taylor (2003): Retirement planning and preparation
- **Three studies with surveys**
  - Schellenberg (2005): data from Statistic Canada (2002): Preparing for retirement. Analysis of the general social survey
  - Kornath & Rothermund (2014): Preparation for old age in different life domains. Dimensions and age differences
  - Lang (2021): Perceived personal deadlines for late-life preparation across adulthood
- **Two studies validitating measures for retirement in different domains**
  - Rafalski et al. (2017): Assessing the Process of Retirement: a Cross-Cultural Review of Available Measures
  - Seidl et al (2020): Process of Retirement Planning Scale: Psychometric Properties of the Complete and Short Spanish Versions

Domains for individual planning and preparation for older age

- Domains vary by research questionnaire and study.
- Key domains include finances, health, social relationships.

Other domains
- Attitudes towards retirement
- Work and employment (pre-, during and post-retirement)
- Health: emergencies and exceptional circumstances; mental and physical fitness
- Psycho-social planning (gathering information)
- Living environment, housing
- Leisure, appearance
- Requiring care
- Legal issues, end of life and death

Indicators according to domain, with different intentions

- Schellenberg (2005): (health): **4 domains** (focus on retirement), **four indicators**
- Kornadt & Rothermund (2014): **9 domains with 4 indicators each**
  - Thoughts and preoccupation with domain topic
  - Gathering and
  - Exchanging information
  - Worry about ageing in the domain
- Seidl et al. (2020): **4 domains with 4 indicators each** (focus on retirement)
  - Goal setting
  - Decisions
  - Preparedness to manage the challenges in the domain
- Lang et al. (2021): **5 domains** seeking **earliest and latest point to start P&P** (focus on timing in domains)

Indicators for Switzerland according to domain

- No specific survey
- Information from literature and existing surveys available
- Main focus of **perception (of necessity) of planning and having done some planning in the past in non-financial areas**; yet few indicators available, yet interesting information on self-insurance-planning

Indicators:

- **Responsibility** for the availability of sufficient financial resources (welfare state, employer, oneself) (Raiffeisen Barometer, 2021, 2025)
- **Receiving pension benefits** from the various pension pillars (BFS, 2019)
- **Doing sports and motivation for doing so** (Sport Schweiz) (Lamprecht et al., 2022)
- Digital participation in educational programs (old age for older age) (Seifert/Martin, 2024)
- **Discussions on end-of-life preferences,** completing advance directives regarding medical treatments (Share 2019/20), Delegating decisions of medical treatments (Börsch-Supan, 2022, Share wave 8 – drop off 2019/20)

Self-insurance: Investment in individual financial protection 1

Financial accumulation over the life course for old age is pre-structured by the Swiss pension system and its three pillars

1st pillar: Old-age and survivors' insurance (OASI) provides minimum existence and supplementary benefits (SB) for people with an insufficient pension; redistributive between generations

2nd pillar: consists of the occupational benefits insurance system (OP) with its mandatory and extra-mandatory tiers to maintain the living standards of the benefit recipients

3rd pillar: voluntary pillar of private pensions that offers tax-preferential savings opportunities (3a); Individual savings and investments (3b) for old age or other things **-> self-insurance**

Self-insurance: investment in individual financial protection 2

- Institutional financial planning varies by income and education.
  - Contributions to **the 2nd pillar:**
    - Data: the Swiss Earnings Structure Survey (ESS), employed over age 25.
    - **Results:** 50% pay voluntarily into this pillar (even below the mandatory threshold); no differences of income and sex; contribution is mandatory above the threshold (Bühler and Siegentaler, 2021)
  - Impact of income, age, and employment status on use of **voluntary 3rd pillar.**
    - **Data**: Tax data
    - **Results:** only 16.8% of the lowest income category (below 60'000 CHF) contributes; only 20.7% contribute the maximal possible amount. (Seiler et al., 2021)
    - **Data:** Raiffeisen survey
    - **Results:** Recently more people younger that 30 are contributing to the voluntary 3rd pillar (Raiffeisen, 2025)

    -> more self-insurance

Self-protection: Indicators for Switzerland according to domain

- Health outcome and health behaviours are influenced by socio-economic status.
  - Variation by by socio-economic position
    - Use of medical and dental facilities varies (Devaux 2015)
    - Risk behaviour (risky alcohol consumption, tobacco, physical activity and eating habits (Boes et al., 2016)
    - Subjective evaluation of good health is lower in population aged >55 with lower income (Höglinger et al., 2019)

Self-protection: Self-reported behaviour in sports and motivation

1. The main difference in the overall **probability of doing sports** is between **income groups** / education

Motivation

2. Not much variation for **physical prevention**
3. slightly higher motivation for **cognitive/ mental prevention** for lower income groups

Sport as preparation for ageing
In percent

T8.2

	Proportion of people doing sports			Motivation for doing sports (people over the age of 64 who do sports)	
	age group: –49 Jahre	age group: 50–64	age group: 65+	physical prevention	cognitive / mental prevention
Income group (household)					
low (up to CHF 5000.– / month)	1 77	72	71	92	3 60
middle (CHF 5001 to 9000.– / month)	86	85	88	89	55
upper (more than CHF 9000.– / month)	94	93	86	89	48
Level of education					
primary and lower secondary level	67	52	59	92	58
upper secondary level	84	82	81	90	53
tertiary level	92	92	84	91	61
Sex					
male	88	83	81	86	55
female	84	84	77	95	59

Notes:
Authors' calculations based on Sport Schweiz 2020 data (Lamprecht et al., 2022); all statistics weighted; N = 3474; the motivation includes persons who selected the two highest categories in a 5-point Likert scale.

Source: Lamprecht and al. 2022

Self-protection:

- **Most preparation** is found in the item 'having discussed end-of-life wishes'

Age-related changes do not seem to be monocausal (caused by differences in income) but dependent on the **salience of the domain at a certain age**

Preparations for emergencies and end of life
In percent

T8.3

	Having discussed end-of-life wishes	Completed an advance directive	Appointed someone to make medical decisions
Age group			
50–59	61	29	31
60–69	65	33	36
70–79	63	46	48
80–89	67	60	54
90+	70	60	41
Household able to make ends meet			
with great or some difficulty	60	31	31
fairly easily	59	41	39
easily	69	46	48
Level of education			
primary and lower secondary level	62	43	40
upper secondary level	66	42	43
tertiary level	62	42	44
Sex			
male	59	38	40
female	69	45	45

Note:
Authors' calculations with SHARE wave 8 – drop off (2019/20) [without ISCED 0 and ISCED 6 due to the low number of cases]; all statistics weighted; N = 1815–1840

Source: SHARE

Conclusion: Research results linking of P&P to well-being

Importance of welfare model
- For well-being
- For societal images of roles in society -> internalized individually -> effects on individual well-being

Benefits of P&P for Ageing
- Planning for ageing enhances control, reduces anxiety, and improves well-being.

Complex Outcomes of P&P
- There are barriers to planning
- Not all planning leads to positive results; some might increase distress

Domains of P&P
- Financial, health, and social relationship planning are key domains affecting well-being. Leisure, housing, care, end-of-life and dying are further domains.

Influencing Factors
- Social inequalities, cultural context, socio-demographic, societal views, self views
- Interaction between the macro (societal) and the micro (individual, socially embedded) level of planning and preparation.

Conclusion 2

Planning and preparation on societal and individual level gaining track

- Demographic changes put welfare systems under pressure
- Societal images point towards 'individualistic and productivist interpretations' (Preston et al., 2019)
- Planning and preparation for ageing is becoming important for individuals
- P&P take place separately in domains at specific times, in given contexts with given socioeconomic circumstance for a later life stage
- Domains and indicators are available on the societal and individual level
- However, no specific survey in Switzerland available for planning and preparation

Conclusion 3: Switzerland

Favorable conditions in Switzerland

e.g. high ranking in GDP per capita, healthy population with high participation in volunteer work and association, high level of happiness (9th rank in 2021-2023 and 14th for people aged 60+ in the World Happiness Report), stable living conditions and comparatively generous welfare system

Social inequalities

remain, and they impact individual planning and preparations, yet not in a mono-causal way. Domains are important.

Change in anticipatory preparatory action

visible among the youngest (e.g. increase in using the third voluntary pillar) -> take over more personal responsibility? change in trust in the system?

Interaction between welfare state and individual planning and preparation

Reliable and systematic data basis are necessary to analyze

- how welfare state and individual planning and preparation interact with each other,
- to what extent individual and collective preparation can reinforce or substitute for each other, and
- what influence this has on future well-being
- Therefore, we need a reliable and systematic data basis. This does not yet exist in Switzerland for the individual level.

Thank you for your attention