

# How has the Covid-19 epidemic affected workers aged 50+ in the Baltic Sea Region in terms of financial and mental strain?

An analysis of findings from the Eurofound survey 'Living, working and COVID-19'.

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FOR SUSTAINABLE WORKING LIFE



## SUMMARY

The impacts of the Covid-19 epidemic on workers are multi-faceted and besides complex health concerns have also involved economic strain, forced or voluntary isolation, changed working conditions with need for distance work for many and uncertainty regarding the future. Here we look at older workers aged 50+ in the Baltic Sea Region (BSR) and the economic and mental strains during the Covid-19 epidemic. We discern great differences between BSR countries and provide some policy implications based on our analysis.

## Introduction

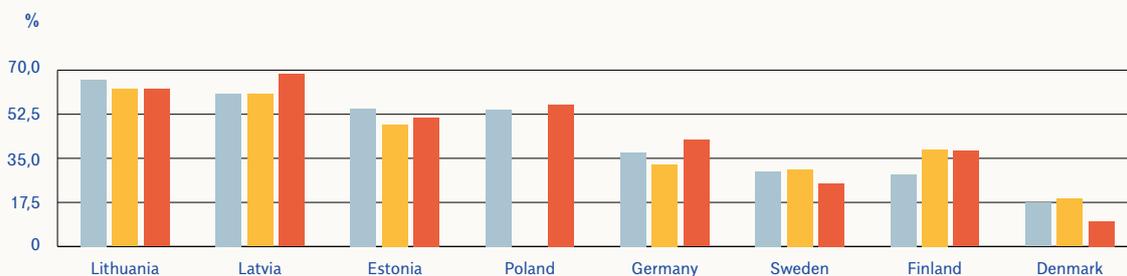
One of the highest risk groups for Covid-19 is older people, why specific focus on older workers and an analysis of how they have been impacted during the epidemic is merited. Here, we limit our study to workers aged 50+ in countries in the BSR. We base our analysis on the results from the “Living, working and COVID-19” survey, which was conducted by Eurofound. This survey was first launched in April 2020, when most EU member states – including several in the BSR – were in the middle of Covid-19 lockdown. To date (June 2022), five rounds have been completed. The survey’s goal is to “capture the experience of living and working through the pandemic” and “help policymakers to bring about equal recovery from the crisis”<sup>1</sup>. Eurofound data also allows to track the experience of workers aged 50+ and, more generally, citizens during that period. Unfortunately, the geographical coverage is sometimes spotty due to small samples and refusals. However, there are certain general conclusions we can draw. Here, we will start with looking at the financial strains, followed by an analysis of the impact on mental well-being.

## Financial strain of older workers during the Covid-19 pandemic

### Subjective assessment of the economic situation

The Covid-19 pandemic, especially its initial phase, is associated with severe deterioration in business and consumer sentiment. In all eight countries in the BSR – we call them B8<sup>2</sup> – households’ optimism tumbled and, in some cases, reached all-time lows. While the subsequent months brought a rebound in their assessment of the situation, the recovery has often been described as uneven. The Eurofound data shows that the share of B8 citizens who report having difficulties making ends meet varies considerably from country to country. In Denmark, for instance, at no point during the pandemic did it exceed 20% for the age group 50+, as illustrated in figure 1. In Estonia, Latvia, Lithuania and Poland, however, more than half of 50+ respondents indicated on having at least some difficulties making ends meet. The remaining countries fall somewhere in the middle, with Germany remaining the median of the B8 countries and Sweden ranking somewhat worse than Denmark. In both Sweden and Denmark, the number of 50+ citizens experiencing financial difficulties appears to have been falling over the three waves of the survey.

**Figure 1. Percentage of respondents reporting difficulty making ends meet, by country and age group 50+**



Notes: includes the following answers “with great difficulty”, “with difficulty” and “with some difficulty”. Source: Eurofound

● 2020 Apr/May ● 2020 Jun/Jul ● 2021 Feb/Mar

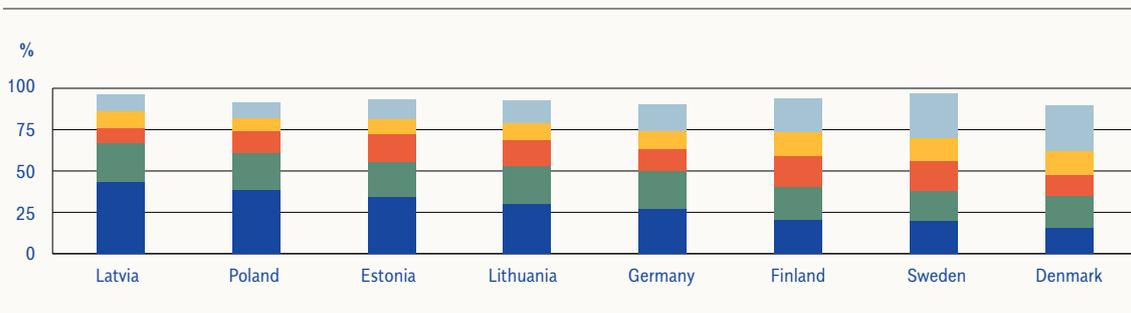
1 <https://www.eurofound.europa.eu/data/covid-19>

2 Countries included in B8: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden.

### Financial security – savings level and fear of losing one's home differ between B8 countries

Economically speaking, there are two dimensions to the problem faced by households during the Covid-19 pandemic: loss of income and ability to make up for it with accumulated savings. From the Eurofound survey, we learn that 40% of Poles and Latvians over 50 do not possess any savings, while the similar share of Danes, Finns and Swedes is roughly 20%. (See figure 2.) Conversely, the number of 50+ citizens of Poland, Lithuania, Latvia and Estonia whose savings are expected to last for 12 or more months is at most 15% and as little as 10% in the case of Poland.

**Figure 2. How long will households be able to maintain the same standard of living using savings? By country and age group 50+**

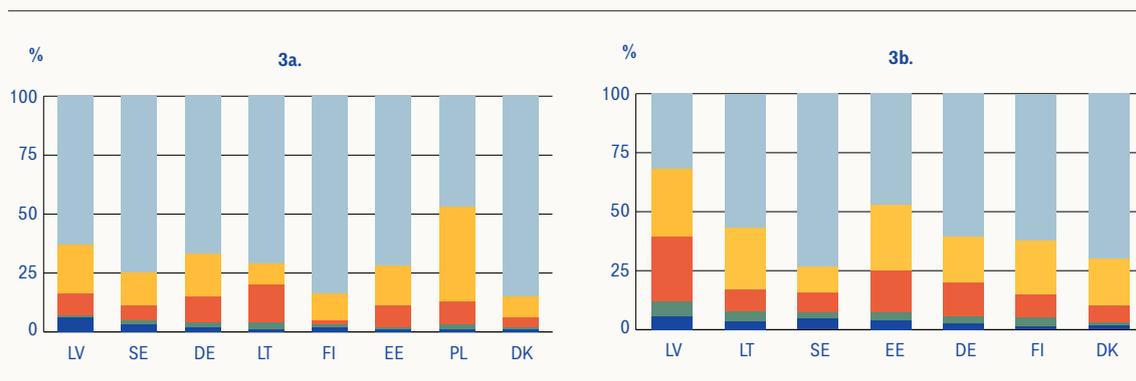


Source: Eurofound

● No savings ● 0-3 months ● 3-6 months ● 6-12 months ● 12+ months

In other words, 50+ households in B8 countries considered their savings insufficient to provide economic security. This perception extends to other areas and aspects of life, as well. For instance, some respondents considered losing their home to be well within the realm of possibility. Again, we find a similar pattern for the B8 countries, as illustrated in figure 3. More than 80% of Finns and Danes consider losing their homes "very unlikely". Conversely, even those indifferent ("neither likely, nor unlikely") are barely noticeable in these countries. On the other hand, a hair below 50% of Poles aged 50 or more considered losing their home to be "very unlikely", which is probably the lowest level of housing security recorded in the region. The proportion is somewhat higher in Lithuania and Latvia, but there the number of 50+ citizens who are convinced of losing their accommodation is the highest in the region. Taken at face value, the Latvian figures imply that every 15th citizen above the age of 50 (6%) considers losing his or her home as baseline scenario.

**Figure 3. Probabilities assessment: losing accommodation (3a.) and losing job (3b.) by citizens aged 50+ by countries**



Source: Eurofound, wave 2021 Feb/Mar

Note: In the right panel Poland omitted due to insufficient sample.

Question 3a: 'How likely or unlikely do you think it is that you will need to leave your accommodation within the next 3 months because you can no longer afford it?'

Question 3b: 'How likely or unlikely do you think it is that you might lose your job in the next 3 months?'

● Very likely ● Rather likely ● Neither likely nor unlikely ● Rather unlikely ● Very unlikely

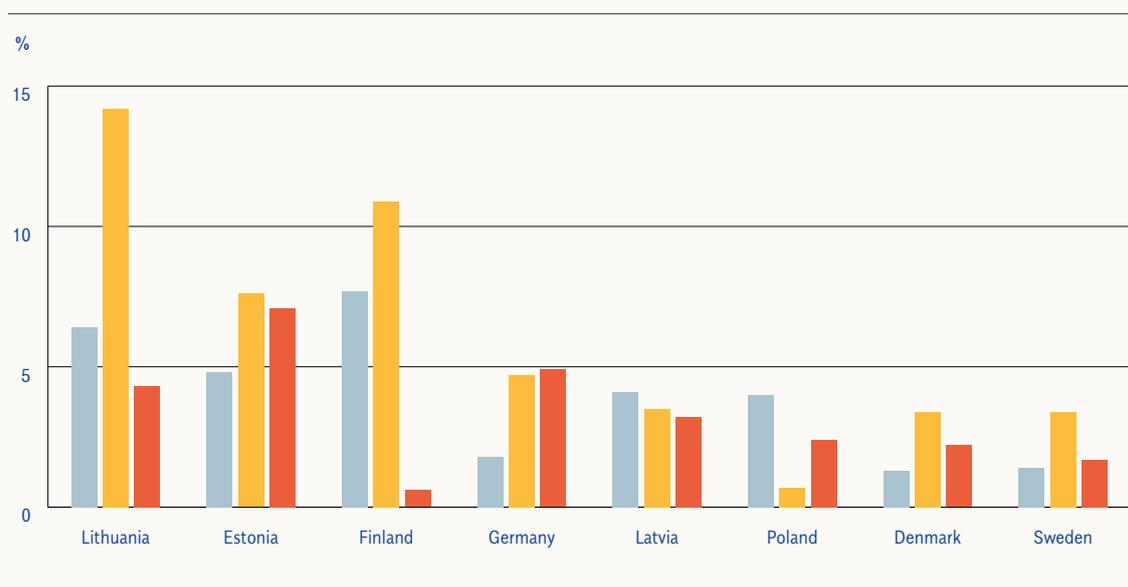
### Perceptions of job security also differ in the B8 countries

As illustrated in figure 3, workers aged 50 and above in countries in the BSR have shown high fears regarding job availability and the risk of losing one's job during the Covid-19 epidemic. Unfortunately, data for Poland on this question is not available, but the remaining BSS are telling a similar story. The share of 50+ citizens considering losing their job as "very likely" or "rather likely" was limited, ranging from 3% in Denmark to 12% at maximum in the case of Latvia. However, the share of 50+ citizens who had virtual certainty of retaining their jobs varied wildly across the region, from 30% in Latvia, 50% in Estonia to 72% in Sweden.

### Policy support during the pandemic

The Covid-19 pandemic and pandemic-related containment measures caused one of the biggest contractions in economic output on record. The speed and severity of the recession spurred governments around the globe to launch a multitude of support programmes of various types and goals. A possible reason for varying levels of economic security among the 50+ in the BSR is the extent to which these support measures reached this group. Indeed, according to the Eurofound data, the popularity of different types of policies varies considerably between countries, but also within countries in the BSR. Overall, an overwhelming majority of citizens did not turn to these support measures. The most common types of support received by citizens during the Covid-19 epidemic were: unemployment benefits; deferrals, reductions or cancellation of tax, mortgage, loan or debt payments; and wage support. (See figure 4) On average, 4% of B8 citizens received it. The cross-country differences in the BSR are, however, significant. For example, 14% of Lithuanians and 11% of Finns aged 50 or more admitted to receiving unemployment benefits during the pandemic period, while virtually no Pole from that group (0.5%) was granted such a benefit. When it comes to wage support, its overall popularity was relatively lower, but still substantial in Estonia and Germany. In the latter country this type of support was also the most popular of all.

**Figure 4. Prevalence of support measures among the 50+ by countries (%)**



Source: Eurofound, wave 2021 Feb/Mar

- Deferral, reduction or cancellation of tax bill, mortgage, loan or debt payments
- Unemployment benefit
- Wage support (Supplement or replacement while still in employment or short-time working schemes)

### Policy implications

Our analysis of data from the Eurofound survey indicates substantial cross-country differences in the BSR in terms of financial strain among citizens aged 50 and above. This calls for a detailed investigation of the sources of these inequalities:

- In part this appears to be related to the overall level of development (national per capita income) and wealth (including financial and pension assets) accumulated by older citizens. While it is very difficult to reduce cross-country differences in short term, public policies must be focused on supporting overall economic and income growth, as well as targeting within-country and intergenerational inequalities.
- 50+ workers are typically more vulnerable in times of economic stress and susceptible to unemployment or loss of income from different reasons. To avoid financial strain, targeted public support aimed at providing job security and supplementary income in times of need must be designed.
- If applicable, it is important to assess to what extent ownership structures or mortgage popularity contribute to the perception of housing insecurity in certain BSR countries.

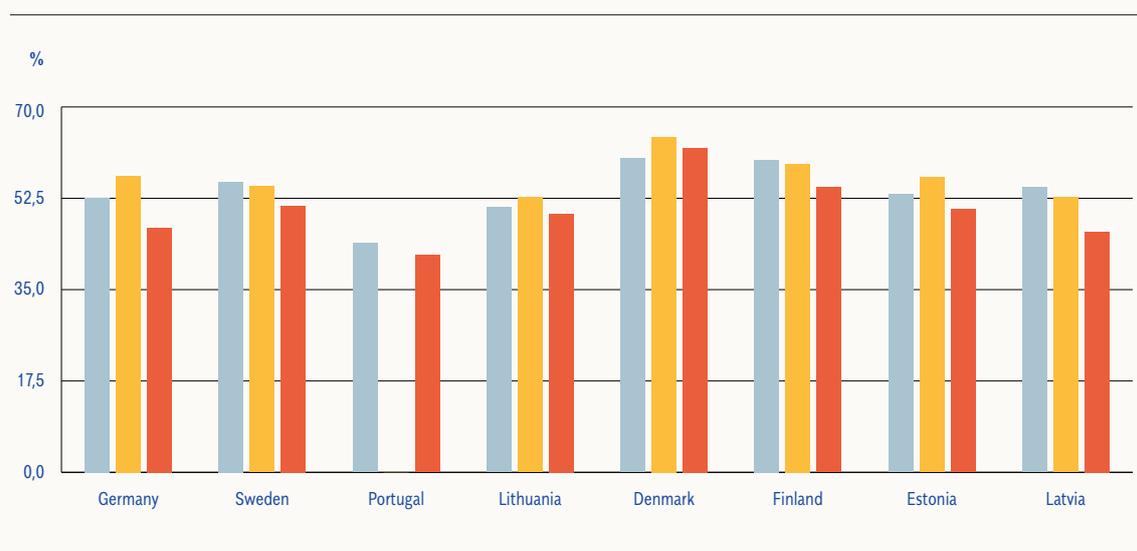
## Work-life balance and mental strain during COVID-19

The Covid-19 pandemic is widely believed to be a major factor influencing mental health. The combination of economic strain, health concerns, forced or voluntary isolation and uncertainty regarding the future has every potential to negatively affect one's well-being. There are also concerns that work from home arrangements have worsened work-life balance for some and increased the load imposed by work on many citizens. In some ways, the workers aged 50+ might be at heightened risk.

### General mental strain

As the pandemic continued, new variants of the Covid-19 virus emerged, and containment measures became less temporary. It is therefore of little surprise that mental health deteriorated somewhat over the period. One illustration of this is the Five Well-Being Index (WHO-5) developed by the World Health Organisation, which is a short self-reported measure of current mental well-being, also used the Eurofound survey we analyse. As illustrated in figure 5, the WHO-5 score was lower in Feb/Mar 2021 than in Apr/May 2020 in almost all countries in the BSR. The only exception is Denmark, which is also the country where 50+ citizens are consistently showing the best scores of this indicator in the entire region. On the other side of the spectrum are 50+ respondents from Poland. Not only is mental strain likely the highest there, but the gap to other countries is also the widest.

**Figure 5. WHO-5 score among 50+ citizens of B8 countries during the Covid19 pandemic**



Notes: WHO-5 is a composite indicator; values below 50 are indicative of depression risk

Source: Eurofound

● Very likely ● Rather likely ● Neither likely nor unlikely

## Work-life balance

The Eurofound survey offers ample opportunities to assess how B8 citizens are reconciling work and family responsibilities. Our analysis shows both surprising and unsurprising elements. The Eurofound survey includes five distinct questions related to work-life balance: (1) whether the respondent is worrying about work in his/her free time; (2) whether he/she is too tired after work to take up family /household responsibilities; (3) whether work prevented him / her from giving adequate time to family; (4) whether it is difficult to concentrate at work because of family responsibilities; (5) whether someone worked in her/his free time. Using the abovementioned questions, we constructed a simple scorecard measuring how well work-life balance is maintained in the 50+ group in the B8 countries. See figure 6.

**Figure 6. Work-life balance – a scorecard for B8 countries, by age group 50+**

	DK	EE	FI	DE	LV	LT	PL	SE
Worrying about work	Green	Red	Light Green	Light Green	Light Green	Light Green	Red	Green
Too tired after work	Green	Red	Light Green	Light Green	Red	Light Green	Yellow	Light Green
Work prevented from giving time to family	Green	Light Green	Yellow	Light Green	Red	Light Green	Light Green	Light Green
Difficult to concentrate at work	Green	Red	Light Green	Red	Yellow	Light Green	Light Green	Light Green
Worked in free time	Light Green	Light Green	Red	Light Green	Yellow	Light Green	Red	Light Green

Notes: scale

lowest share: happening "always", "most of the time" or "sometimes"	Green	Light Green	Yellow	Light Green	Red	Light Green	Red	Light Green	highest share: happening "always", "most of the time" or "sometimes"
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Due to patchy data average values for the entire 2020–21 period were calculated for all countries. Due to limited data availability, there is comparable data from Sweden only for two detailed questions.

Source: Eurofound

The general pattern rhymes very well with observations from the previous chapter. Poland and Latvia are the two countries most consistently ranking lowest according to the criteria for work-life balance. Estonia also remains a country, where work-life balance problems are relatively common. Denmark, however, indicates the highest level of work balance across the questions. Answers from citizens in Germany, Finland and Lithuania indicate a relatively good work-life balance.

## Policy implications

- There are major cross-country differences in the level of mental strain and stress experienced by 50+ workers (by all citizens, for that matter).
- Work-life balance indicators do not allow us to distinguish fully between different sources of strain. For instance, unequal sharing of family commitments within the household can contribute to poorer work-life balance and associated mental strain as much as work overtime or work-related stress.
- The overall level of development, prevalent work arrangements and typical working time matter for work-life balance and for how severe the impact of COVID on work-life balance has been. However, it is worth studying to what extent pre-existing institutions and culture were relevant to the outcomes recorded during the pandemic.
- It is important to conduct an in-depth investigation on the reasons for which high mental health was maintained during COVID in the best performing B8 countries.
- The years-old goals of making flexible and part-time working arrangements more popular are still desirable. In general, however, counselling, public awareness campaigns and making mental health professionals more accessible to 50+ workers is a good idea. This is especially important in countries where the risk of depression is the highest (such as Poland).

This policy brief is part of a series of policy briefs written for the project **BSLF for Sustainable Working Life** (BSLF-SWL) which is funded by the European Social Fund and Swedish Institute. The project addresses the demographic challenge in the BSR – i.e. an ageing population, low fertility rates and a shrinking labour force – by focussing on the working population in the age group 55+ and efforts to prolong working life through Active Ageing and Lifelong Learning. The overarching aim of the project is to support the improvement of working conditions and lifelong learning provisions, systems and policies for the older labour force in order to promote active ageing and employability.

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or visit our website:

<https://bslf.eu/sustainable-working-life/>

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