



Policy Paper

Tackling old-age poverty

AGE Platform Europe

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www.age-platform.eu

AGE Platform Europe (AGE) and its members welcome the European Commission's commitment to introduce the **first-ever EU Anti-Poverty Strategy** and the commitment of the Executive Vice-President on People, Skills and Preparedness, Roxana Mînzatu, to "*develop an EU Anti-Poverty Strategy that will be effective in supporting those who are most disadvantaged in our society and in addressing social inequalities*¹."

As an active member of the EAPN-European Anti-Poverty Network, we endorse their call for a holistic and cross-cutting policy approach that recognises and addresses the interaction of the complex and multi-dimensional causes of poverty. In this policy paper, we support a rights-based approach to highlighting the **urgent challenges faced by older people at risk of poverty or already living in poverty**.

Summary of our recommendations

AGE calls on the European Commission to recognize **the impact of ageism** which is a major obstacle to recognising and addressing the causes of poverty among older people in Europe. In 2023, almost 20% of people aged 65 and over and 20.9% of people aged 50-64 were at risk of poverty or social exclusion. In seven Member States, more than 30% of people over 65 were at risk of poverty and social exclusion (Bulgaria, Estonia, Croatia, Latvia, Lithuania, Malta, Romania). Yet ageism perpetuates discrimination that exacerbates these economic difficulties and limits the implementation of appropriate solutions.

Older persons with other characteristics related to their gender, sexual orientation, disability, social origin or ethnicity may face additional barriers and challenges that further limit their access to economic and social resources. Older women for instance

¹ Written answers of the Executive Vice-President for People, Skills and Preparedness, Rowana Mînzatu to the European Parliament Questionnaire

are disproportionately affected and most at risk of poverty, with poverty rates up to [7.1 percentage points higher than men's for women over 75 years old](#). It is essential that the new Anti-Poverty Strategy adopts **an intersectional approach** taking into account the perspectives and lived experiences of older persons, as well as the complexity of disadvantages, prejudices and biases that people may experience, and which put them at increased risk of poverty.

AGE and its members are calling for the Anti-Poverty to be **based on a human rights approach**. The strategy must ensure well-being and dignity alongside the EU's objectives of economic growth and competitiveness, by enhancing financial security of people of all ages. The fight against poverty among older people through adequacy of pensions and old-age minimum income must not be a secondary issue, but a central commitment of the upcoming strategy and the EU's socio-economic policies.

Preventing the risk of poverty among older workers

Ageism and age discrimination have a major impact on older workers, going as far as denying their right to work² and putting them at significant risk of poverty. Age discrimination in labour markets is reflected in the lack of learning opportunities for older workers, in poor workplaces adaptations or in unsuitable working conditions. Lifelong learning, age-friendly workplaces, and flexible working conditions are essential to guarantee sustainable and quality working lives. Without these, older workers are more likely to see their working hours cut back, to be in precarious jobs or to be unemployed, sometimes for long periods. Inadequate labour protections, fluctuating and/or low incomes or limited access to employer-provided benefits, increase the risk of financial insecurity in-work but also in pension.

To mitigate the risk of poverty, the Anti-Poverty Strategy should promote decent work by guaranteeing fair wages, notably through the implementation of [the 2022 Adequate Wage directive](#) in all EU Member States. We are calling on the Strategy to reinforce the right to work at any age, to develop stable jobs, lifelong learning opportunities and

² [AGE Barometer 2023 on sustainable and quality working lives](#)

working conditions adapted to older workers through a person-centred approach. Such advances will not only reduce the risk of in-work poverty but will also facilitate people to build up sufficient savings for their retirement.

Finally, we are calling on paying specific attention to **older women who are particularly affected** by multiple and intersecting forms of discrimination in the labour market. The gender pay gap for people between 55 and 64 years old is the highest of all age groups (12.5 percentage points). Women are discriminated against because of their gender from an early age. This discrimination accumulates and intersects ageism in later life. The pay gap between men and women and the fact that women are more likely to provide family and informal care, i.e. contributing to a reduction of working hours, are just a few examples of the way discrimination against women manifests itself in the labour market, impacting their income and leading gradually to poverty.

Preventing the risk of poverty among pensioners

The transition from employment to retirement involves a change in the source of income, from salary to pension. Indeed, [pensions are valued at close to three fifths of the income received by people at the end of their working lives](#). This difference in income is also related to the fact that, in some cases, working people are granted bonuses or overtime work pay. But even though pensioners often face additional expenses, including higher health and long-term care costs, which put a strain on their budget, these are not taken into account in their pension income. The Anti-Poverty Strategy must encourage Member States implementation of [the 2023 Council recommendation on adequate minimum income ensuring active inclusion](#), including through a government minimum income covering “all person lacking sufficient resources”. The first step could be to **implement or extend a universal non-contributory pension scheme** to ensure all pensioners have a basic income, regardless of their employment history.

Although non-contributory pensions should play a crucial role in protecting older people from poverty, they are often not keeping pace with wages and prices increases,

leading to decreasing pensioners' purchasing power over time and an increase in poverty and social exclusion among older people. Pension reforms in some Member States have reduced benefits for the most recent generations of pensioners, by increasing the retirement age or reducing the pensions. At the same time no or insufficient attention is paid to the early exit from the labour market due to the persisting ageism in employment. Specific safety nets are needed for those who cannot work for justified reasons and/or achieve pensionable age. The rising cost of living in regions where many pensioners live, partly due to gentrification, is driving pensioners out of these areas. If pensions do not keep pace with this increase, there is a risk that **the gap will widen between social inequalities but also between generations.**

To support pensioners, the Anti-Poverty strategy should encourage Member States to adopt **automatic indexation of pensions** supported by a revaluation index linked to goods and services appropriate to the consumption patterns of older persons e.g. cost of long-term care services for the oldest old which are labour-intensive and thus expensive (for more see the next chapter on access to services). The Strategy must insist on **strengthening the indexation mechanism for the lowest incomes** to avoid widening the gap between the richest and the poorest. In periods of high inflation, **additional instruments to support purchasing power**, such as temporary price controls on essential goods and services (food, energy, housing), should be introduced as automatically as possible,

National differences in pension schemes can also create financial difficulties for mobile workers. Yet **freedom of movement is a fundamental right of EU citizens that must be safeguarded at all ages.** At a time when mobility between Member States is becoming a reality for an increasing number of European workers, a **better coordination of social security systems that includes tax coordination** is becoming more pressing than ever. Today, while pensioners may be able to receive benefits across borders, they may be required to navigate multiple tax systems potentially leading to double taxation or confusion about which country has the right to tax their pension income. This situation is very disadvantageous, particularly when the Member State of residence finances the healthcare system mainly from its tax income and the other

Member State from which the pensioner receives his pension finances the healthcare service mainly through premiums and contributions.

In addition, a guarantee for greater **transparency of pension contributions** is necessary to ensure that individuals understand how their retirement savings are structured and managed. The Anti-Poverty Strategy must encourage Member States to raise awareness of the need to save throughout life, providing financial education focused on retirement planning and advising on the importance of supplementary pensions.

Significant disparities between men's and women's wages should be tackled as they also have an impact and are reflected in pensions, contributing to an increased risk of poverty among older women. In 2023, [the pension received by women over 65 in the EU is on average 25,4% lower than that of men](#). Due to career breaks and part-time work, women may not accumulate sufficient pension rights over the course of their working lives. As long as these inequalities persist and the autonomy of older women in the labour market is undermined, **survivor's pensions** will be essential to limit the risk of poverty for women who have not accumulated sufficient pension rights. In this respect, it is necessary to ensure that survivor benefits are extended to same-sex partners and chosen family structures. We need to ensure **a social security system that is gender-inclusive** and meets the specific realities of older persons with a better consideration of life course's diversity.

Ensuring affordable and accessible essential services

Access to **affordable and quality essential services** plays a crucial role in preventing poverty among older persons. In terms of health care, high medical costs can quickly deplete savings, while cuts in health services and long waiting times can force older persons to resort to expensive private care, which can put them in financial difficulty. The Anti-Poverty Strategy should support Member States to **introduce universal healthcare coverage** to ensure free or affordable access to essential services, including preventive care and mental health care. **Formal local support services must be**

strengthened, especially for those living in remote or isolated areas, where older populations are overrepresented. **Long-term care** is another critical factor, as many older persons require ongoing assistance, the cost of which can be prohibitive in the absence of an adequate public provision. Publicly funded home care programmes for older persons on low incomes should be encouraged to ease the financial burden and improve their general well-being.

Pensioners are also more **vulnerable to energy poverty**, not least because many live in energy inefficient homes, or are more likely to spend more time at home than working people and/or might require higher indoor temperatures as the metabolism tends to slow down with age. **Age limits in access to credit and credit schemes** impose barriers for older persons to make green transitions and necessary adaptations to deal with cold or extreme heat, or to move into more appropriate and safe housing. Member States must **abolish these age limits** and **adopt the long-awaited horizontal equality directive** to ban, among other grounds, age discrimination in all areas of social life.

The digital divide also exacerbates the difficulties of managing energy costs and accessing support programmes. The fact that many public services and financial tools are mainly available online increases these inequalities and limits the access of many older people to the information they need to improve their homes and adapt their lifestyles to rising prices. The Anti-Poverty Strategy should therefore prioritize **offline assistance and ensure access to information for all**. It must also make the green transition a central element in ensuring a **just transition** that does not increase inequalities and the risk of poverty. Renewable energy technologies must be accessible and affordable to all, and older people must be involved in drawing up disaster preparedness and climate adaptation plans for extreme weather events such as heat waves.

Finally, the participation of those directly affected by decision-making and policy development is essential. **The right to participate** must be at the heart of the Anti-Poverty Strategy, **guaranteeing opportunities for active ageing³, tailored to individual preferences and abilities**. This approach helps to reduce socio-economic

³ [AGE Manifesto Explainer Foster Participation and active ageing](#)

inequalities and effectively combat poverty. It includes developing transport networks and offering affordable social fares for the most disadvantaged. An inclusive and effective policy must recognise the value of the lived experience of people affected by poverty. Their involvement makes it possible to better understand the realities on the ground and to develop measures that are genuinely appropriate, while strengthening their autonomy and dignity.

You can stop the perpetuation of ageism!

Please read our [one-pager](#) on communicating on older persons in a non-stereotypical way.

About AGE Platform Europe

AGE Platform Europe is the largest European network of non-profit organizations of and for older people. We elevate older people's voice, bringing their experience and aspirations to the table to celebrate ageing and fight for equality at all ages.

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