On the Threshold of Poverty - Dynamics of Social Assistance in the 1990s in Finland

The main purpose of this panel study was to investigate the benefit careers and life courses of the new recipients of social assistance from the first claim until 1998. In addition, the period prevalence of receiving social assistance over the years 1991-1996 and the role of social assistance in the social security system were studied.

Analysis was based on two random samples: a sample of new recipients of social assistance (10 088 persons) from the years 1990-1992, and a representative population sample (30 184 persons, over the age of 14) from the same period. Data was assembled from register files by Statistics Finland, and it contains information on e.g. work history, family situation, and incomes over the years 1987-1998.

The study shows that dynamic longitudinal approach disproves the popular stereotypes of social assistance. Period prevalence of receiving the benefit was higher than previously expected. Every fifth adult received social assistance at least once over the six-year period 1991-1996. In the youngest group, who was 21-24 years old at the end of the period, the prevalence was over fifty percent.

Long-term and continuous dependence on social assistance was more unusual than expected as well. As regards the cumulative number of months (net duration) recipients claimed the benefit, median value was only seven months during a seven-year period. However, the average time between the first and last claim (gross duration) was four years. By means of these indicators it was possible to classify four types of recipients: one-time visitors (15 %), other short-term (20 %), recurrent (50 %), and permanent long-term recipients (15 %).

A significant proportion of the recipients suffered many years from low incomes. Only some of them gained from the recovery in employment. At the end of follow-up period 15 percent of recipients suffered still from the accumulative social disadvantage of labour market exclusion, weak social integration and poverty. Divergent life-courses were closely linked to the age, education and area of residence of the recipients.

Avainsanat-Nyckelord-KeyWords
social assistance - recipients
poverty - unemployment
cumulative deprivation - social exclusion
longitudinal research

Säilytyspaikka-Förvaringsställe-Where deposited
Muita tietoja-Övriga uppgifter-Additional information