

Abstract for the stream social assistance

Poor and proud?

Empirical analyses on determinants and consequences of non-take-up of Finnish social assistance

Non-take-up of social benefits is an important issue. Take-up levels are particularly low for social assistance benefits. Although the issue of non-take-up has recently received increasing attention, it is still largely neglected topic. Subsequent research focuses mainly on evaluating the extent of non-take-up. How non-take-up is associated with the socio-economic wellbeing is less observed. Utmost important is to achieve better understanding of the factors that contribute to the non-take-up. This way design of benefits may be improved.

The aim of this paper is to analyse functioning of a last safety net benefit (*toimeentulotuki*) in Finland. It seeks to provide up-to-date estimates on the size of non-take-up and to assess determinants and consequences of non-take-up. The article uses survey data compiled in the beginning of 2010. Survey includes a broad set of questions dealing with material standards and economic resources. The extent of non-take-up is estimated by imputing eligibility on the basis of monthly income, assets and households information. The respondents were also asked to assess by themselves whether or not they were entitled to social assistance. Combining two indicators, more comprehensive measure is obtained. The article provides analyses on the magnitude and socioeconomic distribution of non-take-up. Besides drawing descriptive analyses regression models is used to estimate the probability of non-take-up. A number of factors (e.g. age, presence of children) are tested. Primary interest is to determine the effect of stigma. Stigma is measured as attitudes towards social assistance reciprocity. Consequences of non take-up are examined by assessing the relationship between financial hardship and non-use.

Preliminary results show that take-up of social assistance is still a wide phenomena in Finland. A majority of non-take-up households are also facing financial hardship. Stigma-effect is high, negative attitudes towards social assistance is associated with the non-take-up.

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