

Italian Youth Unemployment Leads to Poverty in Retirement

Emily Hayes (February 13, 2015)



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According to a recent report by [Censis](#) [2], high levels of unemployment and underemployment among today's youth will lead to poverty in their old age. Continuing economic recession hit Italy especially hard. Young Italians are struggling to save for the future and contribute to their pension plans because of this. They can't look forward to a comfortable retirement, because they will most likely be just as impoverished.

Young adults are having enough trouble trying to begin a career, let alone save for the future. Only 35% of Italians are concerned about their income in their old age, and only 43% worried about illness. 41% are concerned about long-term care. Even now, 2.5 million seniors are living in places



that do not meet their needs, such as not being able to walk. Getting older means paying for more, such as pensions, health care, and nursing homes.

Out of workers ages 25 to 34, 40% earn a monthly net salary of under 1,000 euros. Only 3.4 million young people feel secure in the labor market with contracts that guarantee a reasonable pension.

Another 890,000 young people aged 24-35 are barely living on less formal contracts and are even more likely to be impoverished in their old age.

Even worse off are the 2.3 million youth under 34, the highest level in Europe, who are unemployed and not at school studying. About 4 in 10 people under 25 are not in the workforce. Conditions only get worse as underemployment and unemployment continue. Another cause of this problem is the contributory plan system where young workers put money into their retirement funds sporadically, which does not build up.

Monthly additions will be useless if young workers stay unemployed. Young people who can't contribute in their early working life will have suffering retirement incomes.

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