

Attitudes towards means-tested social benefits and reasons for non-take-up in Germany. A new question module for the Innovation Sample of the German Socioeconomic Panel (SOEP-IS)

Research Note

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Background and Motivation

There is an ongoing debate about poverty in Germany. In particular, it is expected that old-age poverty and with it the number of old people relying on means-tested social assistance will increase in the future (Haan et al. 2017). Therefore, the question how individuals deal with means-tested systems is gaining relevance. Our research project focusses on the social assistance for the long-term unemployed (“Grundsicherung für Arbeitssuchende”), which is regulated in Book II of the Social Code (SGB II), but also on old-age basic income support and basic income support for the reduction in earning capacity (“Grundsicherung im Alter und bei Erwerbsminderung”), contained in SGB XII.

Previous research has shown that far more people are entitled to these benefits than actually receive them (Becker und Hauser 2003, Becker 2012, Bruckmeier / Wiemers 2016). Various quantitative studies simulate the proportion of non-take-up in Germany and conclude that these rates are between 30 % and 70 % (Bruckmeier 2016, Bruckmeier / Wiemers 2016, Harnisch 2019). It can be stated that the findings for Germany are comparable to other countries (Dubois / Ludwinek 2015). The results of a recently published study – conducted by Buslei et al. (2019) and funded by the Research Network on Old-Age Provision (FNA) – confirm these findings of high non-take-up rates for Germany. During the period of 2010-2015 more than 60 % of all eligible retired households did not take up social assistance – despite considerable political effort to increase accessibility (e.g. simpler application forms, no recourse is made to children etc.). The study of Buslei et al. (2019) also identifies socio-demographic characteristics that increase the likelihood of non-take-up. Their findings can serve as a starting point for considering possible reasons for non-take-up. Certain aspects of this phenomenon still remain vague and highly speculative.

The reasons for non-take-up are complex and can be found at both the institutional level, e.g. how the process of claiming benefits is organised, and on the subjective level (Oorschot 1995, Mechelen / Janssens 2017). Although previous research has put a lot of effort in explaining why people do not claim their benefits, the relevance of different factors and their interaction remain puzzling. Little is known especially about the subjective perspective. One major problem for studying the reasons of non-take-up is the lack of adequate data. There is

currently a lack of surveys that combine a comprehensive set of indicators necessary to set up reliable microsimulations to identify eligible households who are not claiming benefits with indicators that deal explicitly with possible reasons for non-take-up. As far as we know, for Germany there is only one older study using the low-income panel (NIEP), which combines both elements (Becker und Hauser 2003). However, the NIEP was discontinued in 2002 and therefore allows only for an analysis of the old system of social assistance before the implementation of the “Hartz” reforms in 2005. The study of Becker and Hauser (2003) shows that a lack of knowledge about the entitlements, a general lack of information regarding social benefits, cost-benefit considerations, the concern that assets are lost or relatives (e.g. children) have to pay have been identified as significant barriers to take up benefits (see also: Mika 2006). Other studies looking in more detail at the causes for non-take-up usually lack data from microsimulations about eligibility. For example, Baumberg (2016) analyses the stigmatising effect of social benefits as an important reason for non-take-up (also: Friedrichsen / Schmacker 2019, Gurr / Unger / Jungbauer-Gans 2018, Becker / Gulyas 2016). So together with several experts from Germany we are currently developing a question module for the innovation sample of the German Socio-Economic Panel (GSOEP). The module is based on previous research, and our goal is to find out, what people with low incomes think of means-tested social benefits and for what reasons they do not apply for them even if they are entitled to them. This new question module will be used both for further research and for policy advice. On the one hand it should improve the overall data situation and on the other hand a better understanding of the reasons for non-take-up can help to take appropriate social policy measures. The developed question module will be presented at the Expert workshop ‘non-take-up and coverage’ of social benefits which takes place in March 2020 in Brussels and is organised in the context of the InGRID-2 project, funded by the European Commission. Discussing methodological challenges as well as other options of implementation together with scientists and practitioners within the framework of an international workshop will certainly broaden our perspective and will help us to improve our survey questions.

Data & Method

The aim of our research initiative is to complement the survey data of the German Socioeconomic Panel (GSOEP), which is a large representative panel survey of households and their members in Germany (Goebel et al., 2019). It has been conducted since 1984. GSOEP is widely used in microsimulation models. Specifically, we propose a supplement to the SOEP Innovation Sample (SOEP-IS), with a particular set of questions regarding subjective reasons for non-take-up. The SOEP-IS is a subsample of GSOEP with approximately 5.000 respondents. It contains all items that are relevant to apply to existing microsimulation models and there are other important variables included as well (e.g. information on benefits received). The following key-variables are included in the survey on a yearly basis:

- Current social security benefits (amount of benefits for social assistance, basic income support, unemployment benefit II)

- Social security benefits in previous year (amount of benefits for social assistance, basic income support, unemployment benefit II)
- Amount of housing allowance
- Childcare supplement
- Experiences with social security benefits in the past
- Biographical information (e.g. duration of unemployment)
- Satisfaction (life, income, economic situation)
- Household income (different components)
- Household expenses (e.g. housing costs)

To reveal relevant reasons for non-take-up a short question module will be added to the survey. Not all respondents are relevant for the module. Since our questionnaire focuses on non-take-up only those households should be included that are likely to be eligible for means-tested welfare benefits. Table 1 contains different methods to identify the group of interest in SOEP-IS. The SOEP-IS wave of 2017 covers about 4.000 households. Of those households 189 receive the means-tested basic income (see Table 1). To identify potentially eligible households, we have decided to use a method established in the NIEP survey. Households will be included in the sample if the income is below the sum of housing costs plus 140 % of the standardized benefits defined by social law (currently 432 € for single households). By using this restriction criteria, about 800 respondents will be included in the sample. This is the column with the heading “standard benefit + housing costs” in Table 1. The beta-error, which is also listed in Table 1, measures the fraction of recipients that are not covered by the sample definition compared to all recipients. For example, there are 162 households in the age group under 65 years who report receiving social benefits. But with our definition 29 of them are not part of the sample. While these 29 cases can be included in the sample straightforward, the calculation of a beta error ($29/162=17.9\%$) shows the quality of the sample selection criteria. We also calculated variations of the restriction criteria. A much broader definition of the sample size would be a general threshold of the household income. In this model especially the sample size of the retired households would be inflated. The different models suggest, that a pragmatic choice between efficiency and sample size will be necessary.

Table 1: Different criteria to sample (potentially) eligible households

Age group		Number of Households with	Sample of (potentially) eligible households...			
			means-tested benefits (SGBII/SGBXII)	standard benefit + housing costs	standard benefit + housing costs + 50 €	standard benefit + housing costs (fixed: 359 €)	Less than 40 % of household income
Age < 65	N	2758	162	563	626	453	834
	Percentage		5,87	20,41	22,70	16,42	30,24
	„Beta“-Error (%)			17,90	16,05	26,54	14,81
Age 65+	N	1314	27	255	312	200	641
	Percentage		2,05	19,41	23,74	15,22	48,78
	„Beta“-Error (%)			14,81	14,81	18,52	3,70
All		4072	189	818	938	653	1475

Note: The beta-error measures the fraction of recipients that are not covered by the sample definition compared to all recipients.

Source: own calculations

Focus of the questionnaire

By taking existing findings of the non-take-up literature into account, our questionnaire focuses on reasons of non-take-up and subjective attitudes towards means-tested benefits. Three major questions will be addressed:

1. What are the common attitudes in society towards means-tested services and the uptake of these services?
2. How would people behave in case of need?
3. Which reasons may prevent the respondents from claiming benefits?

In order to translate the research questions into items and variables the studies mentioned above are taken into account. A special focus lies on the NIEP running from 1998 to 2002, because it includes well-tested items and allows to make tentative intertemporal comparisons. However, we have to change the items slightly as they refer to the old system of social benefits (see above). The questionnaire is designed to ask the same questions regardless whether the respondents themselves receive social welfare benefits or not. A major advantage of such a design is that comparisons between recipients and non-take-up households are possible. Therefore it will be possible to measure the impact on different obstacles to claim benefits in more detail. In line with our research questions the questionnaire covers the following topics:

(1) Questions regarding common attitudes towards means-tested welfare services aim at revealing the basic legitimacy of those receiving benefits (deservingness) under certain conditions (conditionality) (Oorschot 2000). The introduction and the question itself are as follows: “People have different opinions about means-tested benefits (like social assistance or basic income benefits). Can you tell me for each of the following statements, how much do you agree or disagree with it?” Answers to the statements will show who, from the respondents’ point of view, deserves to get such benefits (see Table 2).

Table 2: Variable Set 1 – Attitudes towards means-tested welfare services

	Disagree strongly			Agree strongly	
	1	2	3	4	5
The state has the duty to support people in difficult living situations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Many benefits are received by people that contribute little to society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State support should be given when neediness is no fault of their own	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Only those who have made great efforts in their lives should receive state support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
One should not make use of state support, since everyone is responsible for himself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(2) The question about the (potential) behaviour in case of need will reveal the self-image of the respondents with regard to the entitlements. So we want to ask them: “If you are thinking of claiming means-tested benefits, which of the following statements comes closest to your own point of view?”. And the question is, are they convinced that they are legally entitled to these benefits and would therefore in any case claim them? Or are they e.g. ashamed of being dependent on financial aid and would probably rather not do anything (see Table 3)?

Table 3: Variable Set 2 – behaviour in case of need

<input type="checkbox"/>	If I am legally entitled to means-tested benefits, I will, of course, claim them
<input type="checkbox"/>	Before I claim benefits, I will first check whether there are other options
<input type="checkbox"/>	As long as I get along, I am not interested in whether I could get anything in addition ¹

Note: ¹not applicable to respondents receiving social benefits

(3) Finally, reasons will be identified that can prevent people from taking up means-tested benefits. We will focus on different aspects like ignorance / misjudgements, personal / social shame, worries / fears, dislikes against official procedures or cost-benefit considerations.

Table 4: Variable Set 3 – reasons for non-take-up

	Disagree strongly			Agree strongly	
	1	2	3	4	5
It is difficult to find someone who can help you with the application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have difficulties in making applications or filling in forms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'm not comfortable claiming welfare benefits at the authorities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel ashamed to receive benefits such as social assistance or basic income support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I'll definitely keep this a secret from family and friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I do not want my children to pay for me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am afraid of losing my apartment/house and having to move	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I do not want to have to pay anything back later	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When you apply for social benefits, you are treated with less respect	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I do not want to reveal my personal circumstances to strangers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The effort to get information and make an application is far too much for the little money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In case of financial shortages family / friends support me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The question we would like to ask in this context is as follows: “And what do you consider to be reasons that prevent you personally from claiming means-tested benefits such as social assistance or basic income support?”. The statements will be formulated in the same way for recipients and people with non-take-up in order to allow for comparisons. One last consideration is whether it is a good idea to add an open-ended question on what could make it easier for people to take advantage of benefits to which they are entitled, such as social assistance or basic income support. This question could provide information that we as researchers have not yet thought of. On the one hand, a qualitative content analysis could be then conducted to identify important categories for further questionnaires. But on the other hand, this is very time consuming both for data collection and for data analysis without knowing whether the findings will be useful.

Prospects

By implementing the question module, research in the field of stigmatisation, inequality and the wider field of social policy can be carried out. The project is developed jointly by the Research Network on Old-Age Provision (Forschungsnetzwerk Alterssicherung, FNA) of the German Federal Pension Insurance and leading researchers in the field of non-take-up in Germany. The project is highly relevant for the development and implementation of new instruments in social policy. Considering the increasing relevance of social assistance in old age, the question module can provide important information about possible reservations and misjudgements regarding means-tested benefits in the population. It can also provide directions for possible actions to reduce the non-take-up of means-tested benefits. The data obtained can be combined with microsimulation models or with qualitative approaches. Our research network intends to support researchers using the data of the module and to accompany policy processes regarding non-take-up.

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