

The objective of this project is to improve the understanding of the relationship between material conditions and wellbeing in old age through comparative interdisciplinary research, taking advantage of the similarities and differences between Germany and Poland. The project builds on the variation in the socio-economic and welfare policy context between Germany and Poland over time and takes advantage of within country regional variation with regard to the age structure of the population and the level of socio-economic conditions. Our research shall aim to provide sound scientific evidence to support the policy processes in both countries with potential broader policy conclusions. Such support is particularly important at the time of rapid ageing of the population in most of the developed world, which represents a significant risk to the long term stability of economic development and constitutes a major challenge to policy.

The main focus of the project are different types of risks faced by individuals with regard to their material conditions in old age. These conditions change for a number of reasons, which we classify into two broad categories. The first channel are changes in the level of needs which lead to additional necessary expenditures, such as expenses related to poor health or care needs. The second channel is concerned with the development in the level of material resources available to individuals, and in particular the level of income or the values of assets, with a special role played by housing wealth. In our project we associate different types of risks with these two classes of factors and with the corresponding mechanisms which might insure against these risks. Depending on the institutional and cultural contexts as well as on regional conditions, these mechanisms differ significantly which we would expect to have important influence on how individuals behave prior to changes (i.e. prior to the realisation of these risks), as well as on the consequences of specific developments on people's material situation and wellbeing.

We will analyse the available insurance mechanisms and their implications for individual wellbeing. For the purpose of the project we shall create a unique linked dataset combining individual level longitudinal information from the international Survey of Health, Ageing and Retirement in Europe (SHARE) with detailed regional data for Germany and Poland. Such data will facilitate the analysis of mechanisms underlying the studied relationships taking advantage of significant institutional changes and differences between the two countries as well as the high level of regional socio-economic variation within each of them. In particular the project will address the following four issues:

- 1) the difference between Germany and Poland in the degree to which better material conditions translate into higher level of wellbeing;
- 2) the role of regional level factors for the degree of insurance of risks in the dimension of material needs and for wellbeing outcomes;
- 3) the importance of the value of housing for individual perception of material conditions and wellbeing;
- 4) the implications of regional economic and population trends on the housing market, the related material risks in old age and individual wellbeing outcomes.

We expect the results to make a significant contribution to improve the understanding of determinants of wellbeing in old age and we hope, that through detailed analysis of international and regional variation in insurance mechanisms of risks to material conditions the project will help identify effective policy interventions.