This research provides a large array of information on Finnish pensioners’ perceived economic welfare and complements data based on objective indicators such as income and consumption expenditure. Areas of specific interest include how type of pension benefit, income and perceived health are associated with the adequacy of income for usual expenses; the spending of any money that is left over; and areas of spending where pensioners have had difficulty making ends meet and where they have been forced to cut back. The research is based on a survey conducted in autumn 2017 among old-age, disability and partial disability pension recipients aged 55–85. The response rate was high at 73%.

Around half of pensioners reported financial strain

Less than half of the respondents (45%) reported difficulty (some difficulty, difficulty, great difficulty) paying usual expenses. Just under half (49%) had difficulty meeting necessary expenses (food, housing, medicines, health care, transport and communications). Furthermore, over half (53%) said they had had to cut back on spending because of lack of funds. One-third (33%) said they had no money left after paying for necessities.

One-fifth of pensioners had had to cut back on necessities

Some one-fifth of pensioners were financially more strained. One-fifth (21%) said they had had difficulty (difficult or very difficult) meeting some necessary expense, and the same
A proportion (20%) had been forced to cut back on spending on food, medicines, health care or transport. The essentials where the respondents most typically reported difficulty were health care and medicines: 12% of pensioners had had to cut back on spending on these for financial reasons.

**Less than one in ten reported more serious financial difficulty**
Nine per cent of pensioners said they had had difficulty (difficult or very difficult) meeting two or more necessary expenses. The same proportion (9%) reported that they had had to cut back on at least two essentials, i.e. food, medicines, health care or transport. One in 20 pensioners (5%) said they had had great difficulty meeting basic expenditure needs.

**One-third used savings to meet necessary expenses**
Just under half of the respondents (47%) had resorted to other sources to finance necessity expenses. The most common such source was personal savings (32%). One in ten had taken out a loan. The use of other sources was very rare. For example, just 2% of pensioners said they had resorted to social assistance.

**Low income and health problems associated with poorer perceived economic welfare**
Low income earners and people with poor perceived health were financially strained more often than others. Poor health presumably drives up health expenditure, leaving people with less money for other spending. This was also reflected in the analysis of spending by type of pension benefit in that perceived economic welfare was clearly poorer among disability pension recipients than other pensioners. Likewise, people who lived alone reported poorer perceived economic welfare than those who lived with others, which largely has to do with their higher costs of living. Our results therefore confirm earlier findings: perceived economic welfare is weakest among low income earners, disability pension recipients, people living alone and people with poor self-reported health.

**Some pensioners comfortable in financial terms**
At the same time as around half of all pensioners said they experienced financial strain, half reported that they were at least reasonably comfortable in financial terms, based on the items queried. Two-thirds said they had money left over after they had paid their necessity expenses, and 40% said they put money aside in savings. Being comfortable in financial terms is associated with average or higher than average income. The importance of income is also reflected in the finding that people who lived together with others reported better perceived economic welfare than those who lived alone. Good health is also associated with positive perceived economic welfare.