

Italy

Perceptions on protection

Surveying workers to build
new agile solutions





Setting the scene

New technologies, globalization and demographic shifts are driving wholesale changes in today's workforce. The traditional career model is eroding, self-employment and 'gig' working is becoming more commonplace and mobility across industries and geographies is increasing. Workers have more flexibility in how they work but less security in their employment and income. The need to continuously hone and develop new skills is increasing. Meanwhile, traditional social protection systems are yet adapt to the evolving realities of work.

Together, this means that responsibility for financial choices about insurance, savings, and pensions are increasingly falling on workers themselves.

But we believe that workers cannot – and should not – shoulder this responsibility for themselves. No one stakeholder – employers, government or insurers, can do so. Protecting workers in this new environment needs a collaborative approach.

Zurich and the Smith School of Enterprise and the Environment at the University of Oxford believe the solution to this problem is to create agile workforce protection: flexible insurance and associated worker protection which is provided by multiple stakeholders and tailored to individual career trajectories, addressing various transition points in working lives.

As a first step, we need detailed empirical research that helps us better understand how people understand the changing world of work and might respond over the longer term.

This publication shows the findings of a large online survey of the working-age population in 15 countries across Europe, Asia Pacific, North America, and Latin America, with around 16,500 respondents.

The study broke down workers into categories of age, gender and job category (manual vs knowledge based work). It then investigated the themes of: status in the labor market, anxiety around the effect of technology, willingness to flex to improve their situation, financial planning and knowledge of/ownership of income interruption-related insurance.

Top-line global results include:

- Women are more vulnerable to the changing world of work. Manual workers are also vulnerable.
- The youngest and oldest tiers of the workforce are the ones most affected by labor market changes so far.
- Having a comfortable retirement emerges is the top global financial worry.
- Younger millennials show strong signs of financial conservatism – but have yet to buy protection.
- Intergenerational attitudes towards technology's effects on national labour markets are remarkably consistent.
- Job instability is as likely to be voluntary as involuntary.

Crucially, the survey highlights the importance of country context – even those in the same region or with similar social protection systems. To understand the challenges and possible action areas on agile protection on a meaningful level, a case-by-case consideration is therefore needed per country.

This is what we have aimed to achieve by producing profiles for each of the surveyed countries.

To view and download the full report, [click here](#) or scan the QR code below:





Italy

As elsewhere, greater flexibility has come to Italian labor markets in the past five years. In particular, the prevalence of temporary contracts is relatively high. Changes in employment contracts have been met with strong trade union resistance, mainly affecting younger, higher-skilled workers in big cities.

'Smart working' – freelancing, project-based tasks, and remote work – has become more prevalent. This process is expected to accelerate in the next five years. Given that such non-traditional workers in Italy are much less likely to have access to social protection than traditional (whether part-time or full-time) employees, they face greater risks of protection gaps.

Under-employment is an issue, having doubled since before the global financial crisis; Italy now has the highest share of under-employed workers in the OECD. At the same time demand for adult education is low, at about 20 percent of workers per year, and as elsewhere there is a sizable gap in participation between high- and low-skilled workers.

Savings instruments come in two forms: offering either a minimum rate of return or a cash return. Minimum rate of return products have dominated the market for years, but this is now changing: given low interest rates, these products are transitioning to offer a cash return, with risk transferred entirely to the customer. Although unit-linked products' risk lies with customers, there are benefits to holding them: they are exempt from income tax as well as inheritance tax, and given that capital gains tax can be postponed, they are considered a good solution for long-term savings.

Demand for pension products is low: of 22 million eligible workers, only 10 percent have a private pension. From the insurer's perspective, this is a very stable business, with on average 20 years' coverage.

There are opportunities for long-term pension products tailored to internationally mobile workers. Provided they remain within the EU, they can maintain a relationship with the same insurance company even if they move across national borders.

Coverage from protection products (income protection, disability, long-term care) is needed more than product innovation. A broad welfare state was developed post-World War II, but people don't realize the extent to which state welfare coverage is decreasing (e.g., due to reforms made in August 2018). In other words, their perception of the welfare state is not aligned with the reality that Italy is becoming more like Germany, France, or the UK.



Survey highlights

Labor market status

Just over a third (35 percent) of Italians have a managerial role at work. There is a gender gap here, with 29 percent of women and 38 percent of men supervising others.

12 percent of Italians have more than one job. There are no significant age differences here (highest: 15 percent of younger millennials; lowest: 11 percent of Generation X)

71 percent of Italian workers have a full-time job. This is clearly different for manual-creatives, of whom two-thirds (66 percent) work full time.

Almost a quarter (23 percent) say they work over 40 hours a week. Knowledge-based creatives are the most likely to work overtime (30 percent).

Anxiety

Italians are notable techno-pessimists. Only 16 percent think that technology has made the job situation better in the past 15 years. Three-fifths (60 percent) think it has made things worse, and about a quarter (24 percent) have a neutral outlook.

There is a notable gender gap here, with only one in 10 women (10 percent) saying technology has made the situation better compared with two in 10 men (20 percent).

Just over half of Italians report having enough money for retirement as their biggest financial worry – far and away the greatest worry for our Italian respondents (followed at a distant second by ‘burdening my family and friends if something happens to me’ at 21 percent). This concern rises across age cohorts: 36 percent of younger millennials say it is their biggest worry, compared with 42 percent of those in their 30s, 51 percent of Generation Xers, and two-thirds (66 percent) of baby boomers.

Almost two-fifths (39 percent) of Italians are worried that technology will replace them in their job in the next five years. This is not clearly different across occupational groups.

Flexibility

14 percent of Italian workers say they would leave their current job voluntarily in the next year to go freelance. There is no significant gender gap here, but women are slightly more adventurous: 16 percent plan to go freelance compared with 13 percent of men.

22 percent of Italians plan to leave their job voluntarily within the next year. There is a large age gap here: more than a third of the youngest age cohort (37 percent) have such plans, compared with just 17 percent of baby boomers.

About two-thirds (65 percent) of Italian workers say they would give up an evening of leisure time per week for six months to retrain or gain skills. Manual workers are a bit less willing (about 61 percent) while knowledge-creatives are more willing than average (70 percent).



Survey highlights

Protection

Knowledge of term life insurance in Italy is comparable to the global average, and has a similar gender gap, with 29 percent of women and 39 percent of men saying they have good knowledge of this product.

For income protection the numbers are also similar, and there is a similar gender gap (10 percent of women compared to 19 percent of men).

Just under half (48 percent) of Italian workers say they saved some income in the past year, below the global average of 61 percent. 62 percent of younger millennials saved, in line with the global average for their cohort. Those over 40 were less able to save (43%) than the Italian average.

Only a quarter (26 percent) of Italian workers expect their financial prospects for the coming year to improve. This does not differ strongly across job cohorts.

Insurance ownership

24 percent of Italians own either term life, income protection, or both types of insurance. 20 percent of Italians own term life insurance; 7 percent have income protection.

There is a gender gap, with 20 percent of Italian women owning either type of insurance compared with 27 percent of men.

Younger millennials are clearly less likely to have insurance (16 percent) while baby boomers are most likely (27 percent).

There is no significant difference in ownership across occupational types (lowest: 23 percent of manual-routine workers, highest: 27 percent of knowledge-creatives)

27 percent of primary wage earners have insurance compared to 20 percent of others.



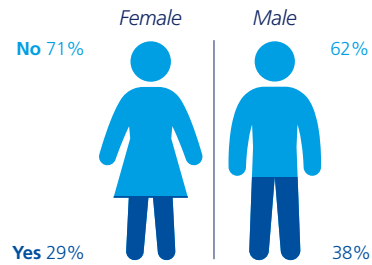
PERCEPTIONS ON PROTECTION | SURVEYING WORKERS TO BUILD NEW AGILE SOLUTIONS
ITALY



BY GENDER

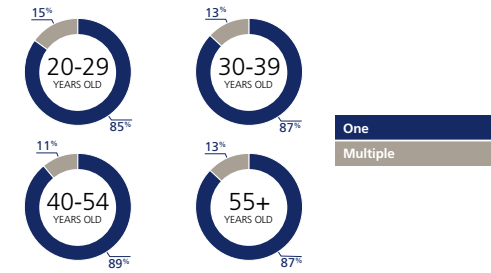
Labour market status

Supervise others



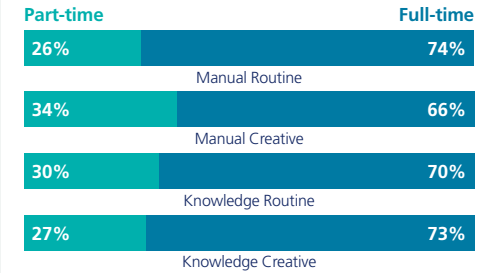
BY AGE

Number of jobs



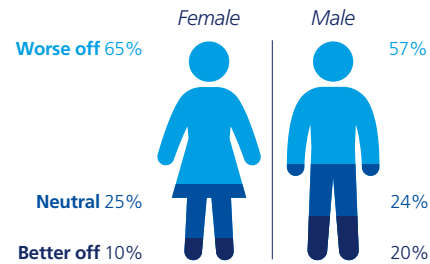
BY TASK TYPE

Hours worked

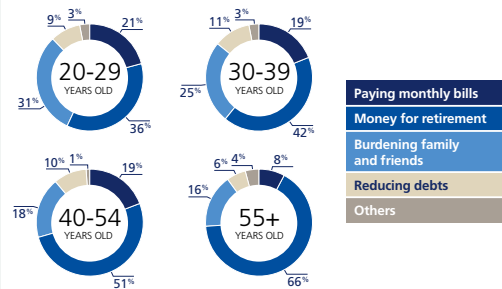


Anxiety

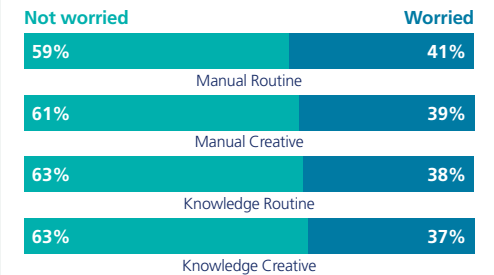
Technology impact on life



Biggest financial concern

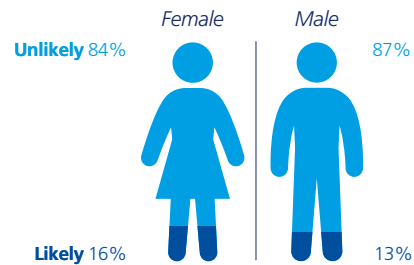


Worried about losing job due to technology

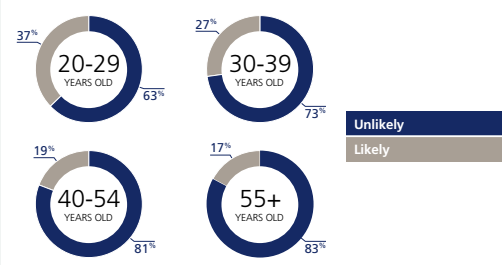


Flexibility

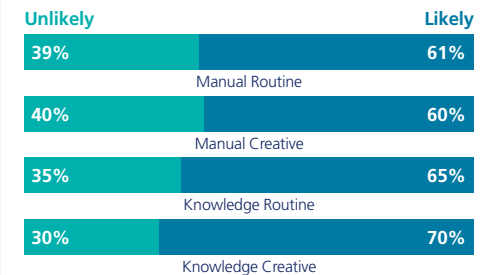
Likelihood of becoming a freelance



Likelihood of leaving job voluntarily

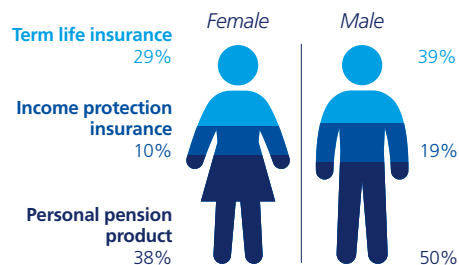


Likelihood of taking further training on the job

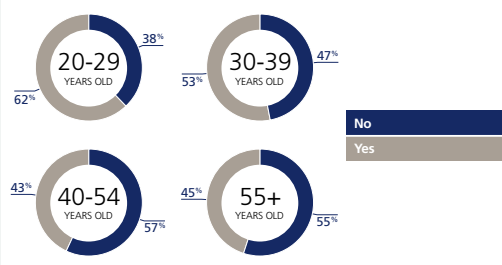


Protection

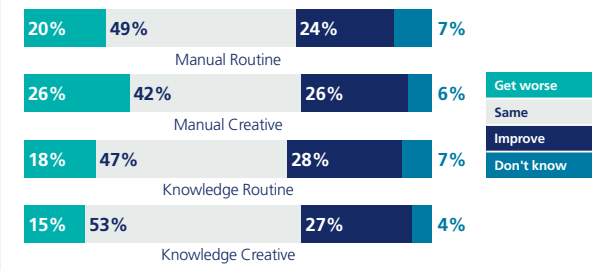
Insurance knowledge



Saved income in 2018



Future financial expectations

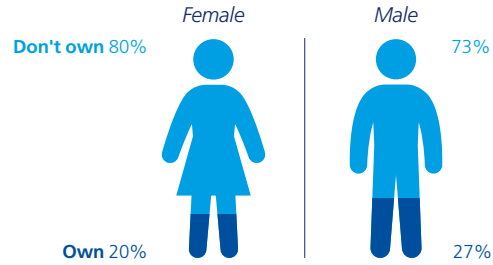




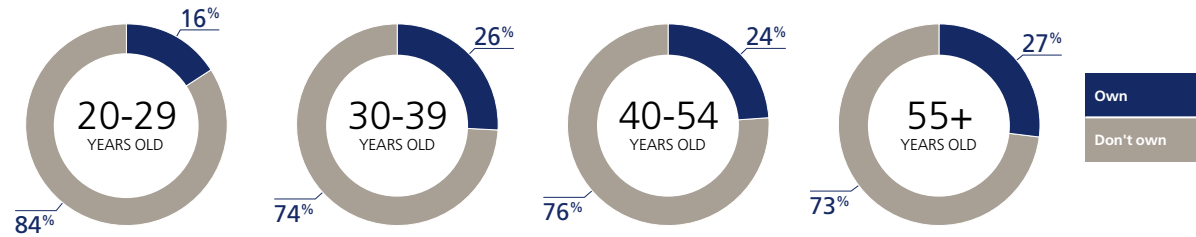
PERCEPTIONS ON PROTECTION | SURVEYING WORKERS TO BUILD NEW AGILE SOLUTIONS
ITALY

INSURANCE OWNERSHIP – INCOME PROTECTION AND/OR TERM LIFE INSURANCE

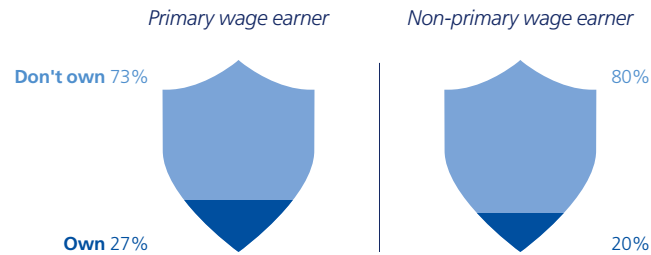
Ownership by gender



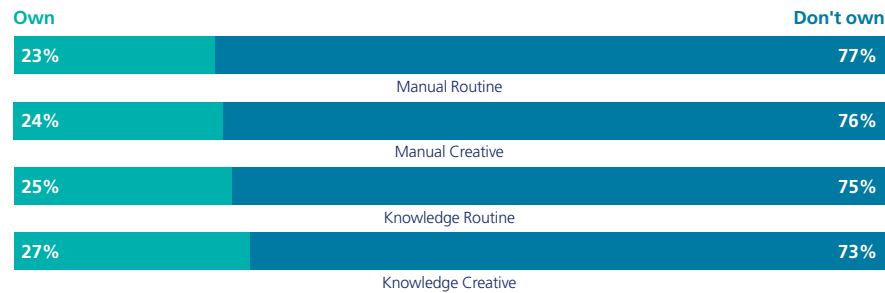
Ownership by age



Ownership by primary wage earner



Ownership by task type



Disclaimer and cautionary statement

This publication has been prepared by Zurich Insurance Company Ltd in collaboration with Smith School of Enterprise and the Environment, University of Oxford and the opinions expressed therein are those of Zurich Insurance Company Ltd as of the date of writing and are subject to change without notice.

This publication has been produced solely for informational purposes. The analysis contained and opinions expressed herein are based on numerous assumptions. Different assumptions could result in materially different conclusions. All information contained in this publication has been compiled and obtained from sources believed to be reliable and credible but no representation or warranty, express or implied, is made by Zurich Insurance Company Ltd, its shareholder or any of its subsidiaries (the 'Zurich Group') or the University of Oxford as to their accuracy or completeness.

This publication is not intended to be legal, underwriting, financial, investment or any other type of professional advice. Persons requiring advice should consult an independent adviser. The Zurich Group and the University of Oxford disclaim any and all liability whatsoever resulting from the use of or reliance upon this publication. Certain statements in this publication are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans, developments or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, developments and plans and objectives to differ materially from those expressed or implied in the forward-looking statements.

The subject matter of this publication is also not tied to any specific insurance product nor will it ensure coverage under any insurance policy. This publication may not be reproduced either in whole, or in part, without prior written permission of Zurich Insurance Company Ltd, Mythenquai 2, 8002 Zurich, Switzerland. Zurich Insurance Company Ltd, Smith School of Enterprise and the Environment, University of Oxford and Epiphany Research expressly prohibits the distribution of this publication by or to third parties for any reason. Neither the Zurich Group nor the University of Oxford accept liability for any loss arising from the use or distribution of this presentation. This publication is for distribution only under such circumstances as may be permitted by applicable law and regulations. This publication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

www.zurich.com