

Title: Social equity release in Ecuador: opportunities and challenges?

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Background: With the decline of mortality in infancy but also in adulthood and older age, South America is expected to complete its demographic transition – become an older society – faster than Europe and the USA. Sociocultural disruption is expected to take place as a consequence of this profound demographic change, including upheavals of family structure and solidarity bonds which in turn can lead to increasing solitude and poverty in older age. Urban areas are especially affected by such afflictions due to greater and increasing population density and weaker social links.

Equity release, also sometimes referred to as reversed mortgage is one of many innovations with the potential to mitigate disruptions associated with the demographic transition. Equity release is a financial arrangement which provides the owner of a house with funds derived from the value of their property while enabling them to continue living in it. While for profit equity release has shown certain harmful consequences on vulnerable people, research has started on the possibility for social not-for-profit equity release integrated within collaborative networks, including local social partners and local governments. Benefits of social equity release may include improved quality of life, declining poverty and delayed institutionalisation.

Research questions: Are there opportunities in Ecuador for an equity release social enterprise and if so, what are the required changes to adapt to Ecuadorian socio-cultural and political realities?

Objectives: This research, currently at the design level, aims to answer whether Ecuador is a timely candidate for social equity release; and namely aims to answer the following questions: does a population living according to the required modality exist? Could the Ecuadorian socio-cultural environment, including people, networks and local governments endorse and adopt social equity release?

Methods: A mixed methods approach will be used to answer these research questions and will include review of the academic and non-academic literature, qualitative interviews and focus groups with the relevant populations as well as discussions with collaborative networks and local governments.

Expected findings: Though in small numbers it is expected that older homeowners with little income living by themselves do exist, and are expected to grow in numbers. It is expected that

social link and intergenerational solidarity are very strong thereby leaving few people in need, although we expect to find that such occurrences are more common in urban areas and growing as well. We also expect to find some level of cultural opposition to the intervention of third parties in ownership of housing, but in collaboration with collaborative networks as well as local governments, such barriers may be lifted.

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