

«Financial Freedom Day»

Switzerland Works Until May 21 to Pay for Government and Mandatory Charges

Only as of today can people in Switzerland freely dispose of their income. Taxes, social insurance contributions and mandatory charges are claiming an ever-larger share of earnings, pushing the date further back year after year. That is the conclusion of Avenir Suisse's expanded fiscal burden analysis.

Every franc earned in Switzerland is subject to more than taxes alone. Each month, contributions for old-age pensions, unemployment insurance and occupational pensions are deducted directly from paychecks. Additional mandatory expenses include health insurance premiums, accident insurance and Serafe broadcasting fees. Individually, these costs may appear manageable; together, they add up to a substantial financial burden.

The expanded fiscal quota illustrates how strongly these mandatory charges limit households' financial freedom. It measures how much of the country's total economic output must be paid out compulsorily before citizens are free to use their income as they choose. According to new calculations by Avenir Suisse, that share now amounts to 38.5% of gross domestic product. In practical terms, nearly 40 centimes of every franc earned are no longer freely available.

«Financial Freedom Day» is meant to make that burden tangible. It marks the day in the calendar year until which the population works exclusively to cover taxes, social programs and mandatory charges. Only after that date does the first franc effectively remain in one's own pocket. The latest figures show that this year the date falls on May 21 – 141 days after the start of the year.

The date has steadily moved later over time. In 1940, Switzerland's «Financial Freedom Day» fell on February 4; today, it arrives three and a half months later. On average, the date shifts back by roughly one week every decade. As a result, Switzerland is no longer a uniquely low-burden country. Its «Financial Freedom Day» now comes only slightly earlier than in Germany or Sweden.

To be sure, a significant share of these charges serves important purposes, including financing public services and building retirement savings. But regardless of their purpose, the effect remains the same: government and mandatory systems are placing increasing limits on citizens' financial room to maneuver. Policymakers should keep that in mind before introducing new mandatory levies.

avenir essential: «Financial Freedom Day», by Michele Salvi and Philippe Güttinger, 1 page, available online from May 21, 2026, at 5:00 a.m. at www.avenir-suisse.ch.

Further information: Michele Salvi, +41 44 445 90 09, michele.salvi@avenir-suisse.ch