VIRTUAL MEETING OF THE SOCIAL SECURITY SUB-COMMITTEE ON THURSDAY APRIL 15, 2021 FROM 10.30-13.30 CEST

# Comparison between the Eurostat European population projections of 2021 Ageing Report (base year 2019) and 2018 Ageing Report (base year 2015)

**15th of April 2021**

Speaker:

Assoc. prof. David Bogataj

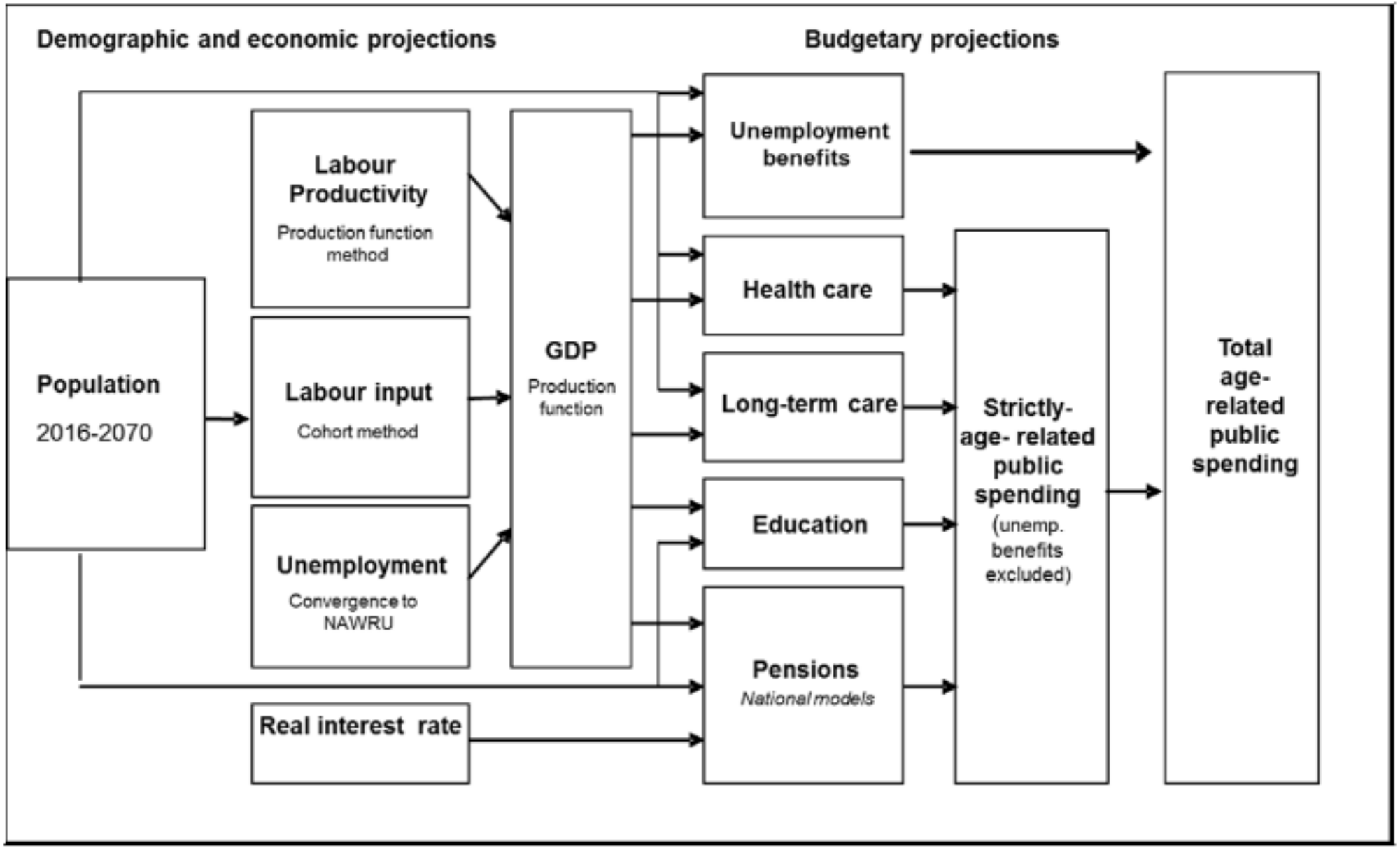
# Ageing Report published each 3 years
# 2009, 2012, 2015, 2018, 2021

**Projections of public age-related expenditures**

- **Pensions**
- **Health care**
- **Long-term care**
- **Education**
- **Unemployment benefits**

Ageing Report published each 3 years 2009, 2012, 2015, 2018, 2021

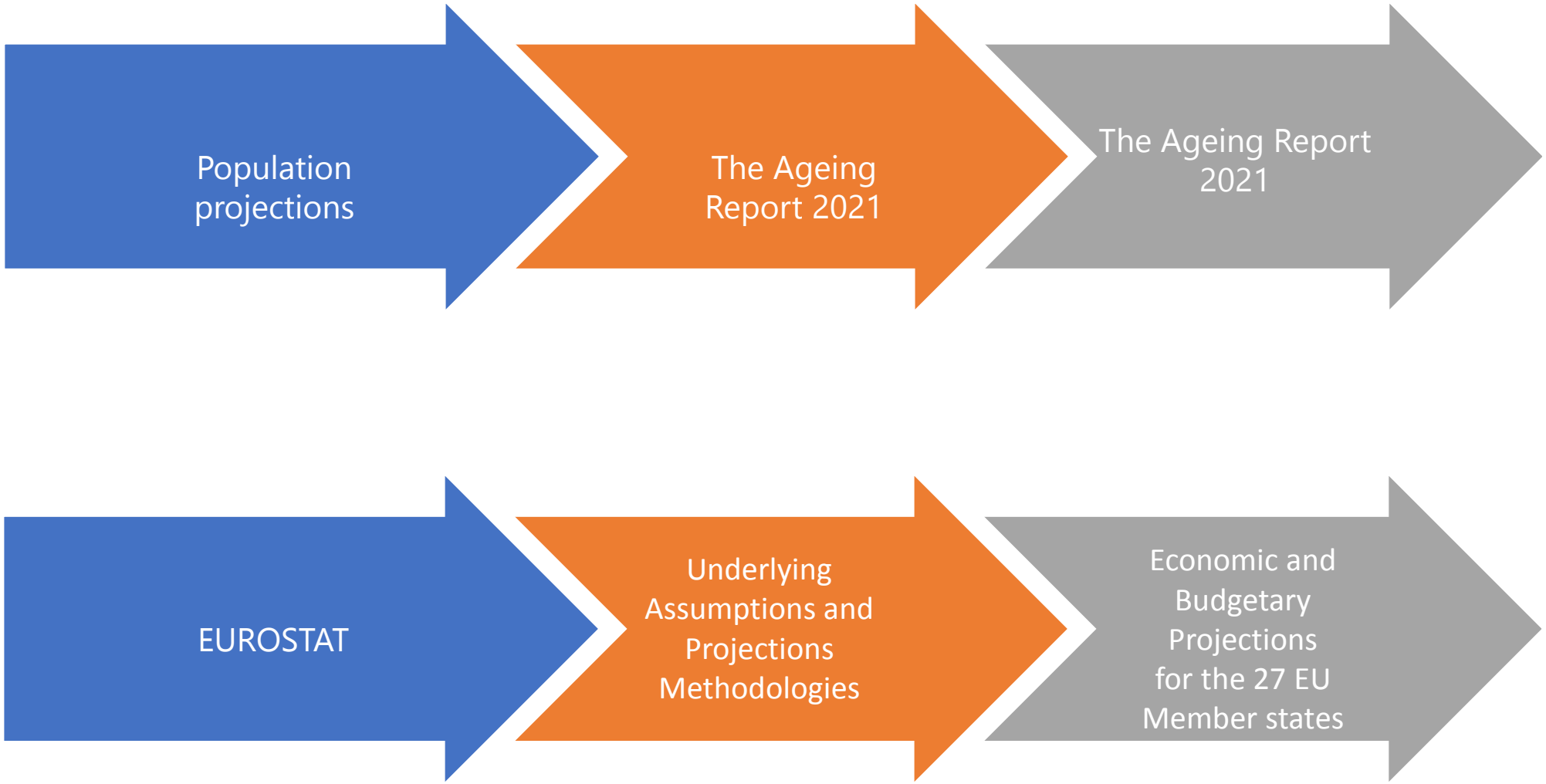
Graph 1: **Overview of the 2018 long-term projection exercise**




***Source:*** Commission services, EPC.

# Budgetary projections process

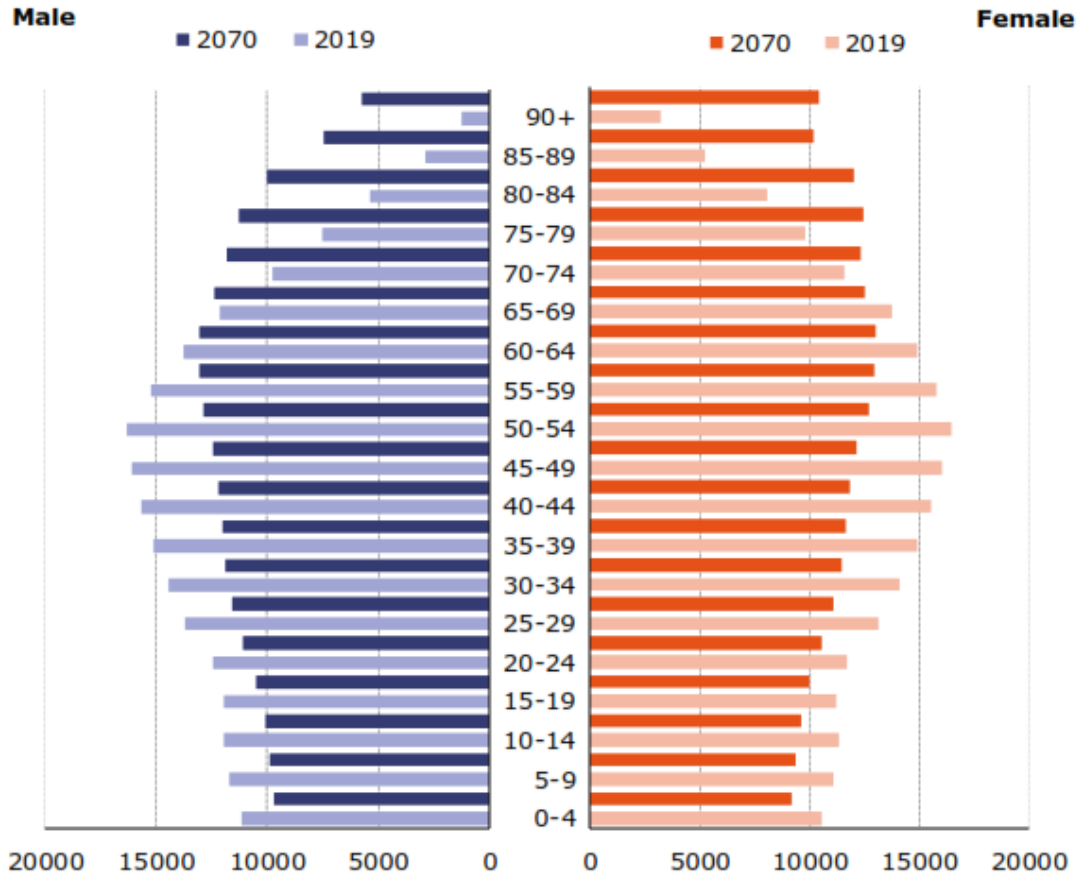
Ageing report



# Population projections of EU 27 working age (15-64) population projections 2019-2100

EUROSTAT

Graph 2: EU – Population by age groups and gender, 2019 and 2070 (thousands)




Source: European Commission, EPC.

# Ageing Report published each 3 years 2009, 2012, 2015, 2018, 2021

- The report is prepared each 3 years as part of the mandate of **The Directorate-General for the Economic and Financial Affairs (ECOFIN)**
- Council gave to the **Economic Policy Committee (EPC)** in 2018 mandate to update and
- further deepen its **common exercise of age-related expenditure projections**, **on the basis of a new population projection by Eurostat**.

# Ageing Report published each 3 years 2009, 2012, 2015, 2018, 2021

The **Ageing report** is **Joint Report** prepared each 3 years by

- the **European Commission** (**The Directorate-General for Economic and Financial Affairs -** DG ECFIN) and
- the **Economic Policy Committee** (Age Working Group - AWG)

- **Based on European population projections prepared each 3 years by EUROSTAT**

# Ageing Report published each 3 years 2009, 2012, 2015, 2018, 2021

**The Directorate-General for Economic and Financial Affairs is the Commission department responsible for:**

- **EU policies promoting economic growth and recovery,**
- **higher employment,**
- **stable public finances and**
- **financial stability.**

- **The Directorate-General is in charge of helping the European economy emerge from the coronavirus crisis more resilient and better prepared for the green and digital transitions.**

# Ageing Report 2021

**Economic Policy Committee (EPC)**

- **Working Group on Ageing Populations and Sustainability**
- **The ageing of the population is becoming a growing challenge to the sustainability of public finances in the EU Member States.**
- **Increase of the ratio between the number of retirees and the number of workers will amplify expenditure on public pensions and health and long-term care and thus puts a burden on maintaining a sound balance between future public expenditure and tax revenues.**

# Ageing Report 2021

- Life expectancy has been increasing in most developed countries for very long periods. Since 1960, there have been significant gains in life expectancy at birth in all EU Member States.
- The average life expectancy at birth increased by more than ten years between 1960 and 2018 in the EU;
- from 66.8 years in 1960 to 77.3 years in 2018 for males, and
- from 72.2 years to 83 years for females.
- The gap between the average female and the average male life expectancies at birth rose from 5.4 years in 1960 to 7 years in 1980 and remained at that level until 2000, with diverging experience in different EU member states

# Ageing Report 2021 – increase in life expectancy 2000-2018

- **developments across Member States.**

**Since 2000, the increase in life expectancy has been:**

- **3.5 years for females and**
- **4.7 years for males,**
- **resulting in a narrowing of the gender longevity gap to 5.8 years in 2018.**

# Ageing Report 2021 – increase in life expectancy 2020-2070

- **In the EU, life expectancy at birth for males is expected to increase by 7.4 years over the projection period,**
- **from 78.7 in 2019 to 86.1 in 2070.**

- **Female life expectancy at birth would rise by 6.1 years,**
- **from 84.2 in 2019 to 90.3 in 2070, leading to a further convergence between genders.**
- **The largest increases in life expectancies at birth, for both males and females, are projected to take place in the Member States that currently have the lowest life expectancies.**

# Ageing Report 2021 – increase in life expectancy 2000-2018

- **developments across Member States.**

**Since 2000, the increase in life expectancy has been:**

- **3.5 years for females and**
- **4.7 years for males,**
- **resulting in a narrowing of the gender longevity gap to 5.8 years in 2018.**

# Ageing Report 2021 – increase in life expectancy 2000-2018

- **In 2019, male life expectancy at birth was the lowest in Bulgaria, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia,**
- **ranging between 70 and 75 years.**
- **In these countries, male life expectancy would increase by 9-12 years by 2070**

# Ageing Report 2021 – increase in life expectancy 2000-2018

**Because of high historical volatility over time and between countries, assumptions on migration are methodologically the most difficult when preparing demographic projections.**

- **On the basis of the latest projections, annual net migration inflows into the EU are expected to decrease from about 1.3 million people in 2019 (0.3% of the population)**
- **to around 1 million people (0.2%) during most of the projection period.**

# Ageing Report 2021 – net migration flows

- **net migration flows to the EU and the euro area during the last six decades.**
- **From 1960 through the mid-1980s, net migration was mostly positive with annual net inflows averaging around 118 000,**
- **though certain years saw large net outflows.**
- **Since 1985, annual net migration into the EU has been consistently positive. Despite high volatility, it rose significantly: annual net entries averaged 622 000 people**

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# Ageing Report 2021 – net migration flows

**Net migration flows to the EU and the euro area during the last six decades:**

- **1990-1999 and around 1.1 million in**
- **2000-2008. Following a slowdown to around 500 000 people in**
- **2009-2011 in the wake of the global economic crisis, net migration started to rise**
- **again, peaking at more than 1.5 million in 2013, because of record inflows in Italy due to the statistical adjustment linked to the post-2011 census corrections (+966 000).**
- **In 2015, several Member States countries saw large inflows**
-

# Ageing Report 2021 – net migration flows

**Net migration flows to the EU and the euro area during the last six decades:**

- **In 2015, several Member States countries saw large inflows**
- **because of instability in North Africa and the Middle East, and in 2018, net inflows surpassed 1 million people.**

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- **because of instability in North Africa and the Middle East, and in 2018, net inflows surpassed 1 million people.**

# Ageing Report 2021 – net migration flows

**Net migration flows per country (10) between 1960 and 2018 are shown in Table I.1.5, in absolute terms and relative to the population size.**

**Over this period, Germany, Spain, France, Italy and Sweden recorded the largest total net inflows in absolute terms. When relating migration flows to the 1960 population, the largest overall inflows were in Luxembourg (+75%), Sweden (+23%), Cyprus (+21%), Norway (+20%), Spain (+19%), Austria (+19%) and Germany (+19%). At the opposite end are Romania, Poland, Bulgaria, Portugal and Lithuania, which saw the largest outflows in absolute terms.**

# Ageing Report 2021 – net migration flows

**Relative to population size, net outflows were the largest in Lithuania (-19%), Romania (-17%), Bulgaria (-14%) and Portugal (-9%). Between 2000 and 2018, net migration was negative on average in Lithuania (with annual outflows representing 0.8% of the 2000 population), Latvia (-0.6%), Romania (-0.5%), Bulgaria (-0.3%), Estonia (-0.1%) and Croatia (-0.1%), with very small outflows in Slovakia and Poland. In the latter two countries, as well as in Estonia, net migration has been positive and rising for several years**

# Ageing Report 2021 – net migration flows

**For the EU as a whole, annual net inflows are expected to decrease from about 1.3 million people in 2019 (0.3% of the EU population) to around 1 million as of the mid 2020s (0.2% of the EU population).**

**Total net migration in the period up to 2070 would amount to 52.6 million people, equivalent to almost 12% of the 2019 population.**

**Net migration would broadly converge to a level of about 0.2% of population across Member States.**

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# Ageing Report 2021 – net migration flows

**The countries with the highest cumulative net migration as a share of population are expected to be:**

- **Malta, Luxembourg, Norway, Sweden and Spain, with cumulative inflows of at least 20% of the 2019 population over the projection period.**
- **While net migration is assumed to turn positive in all countries during the projection period, cumulative net migration in 2019-2070 would nevertheless be negative for Latvia, Lithuania and Romania, the only countries with net migration outflows after 2035.**

# Ageing Report 2021 – methodology -net migration flows

**The models used by Eurostat to produce immigration and emigration projections, which combine into net migration, take account:**

- **of past migration trends,**
- **the most recent data,**
- **underlying demo graphic factors**
- **as well as assumptions about future developments in migration flows.**

# Ageing Report 2021 – methodology -net migration flows

**The models used by Eurostat to produce immigration and emigration projections, which combine into net migration, take account:**

**The models are built around a nowcast component,**

- **a trend extrapolation and**
- **a long-term convergence module.**

**In the case of the immigration model, also a working- age population feedback mechanism is applied.**

# Ageing Report 2021 – methodology -net migration flows

**The nowcast components determine the emigration and immigration figures for base year 2019.**

**They are based on the latest empirical evidence as provided by the national statistical institutes.**

**For the EUROPOP2019 exercise, finalised in April 2020, all countries transmitted nowcast data for emigration and immigration for 2019, with the exceptions of Belgium, Estonia, Greece, France, Romania and Portugal (though Portugal provided the immigration nowcast).**

**For these countries, 2019 figures were produced using the models' other components.**

# Ageing Report 2021 – methodology -emigration assumptions

- **Emigration values for 2020-2023 are obtained by linear interpolation between the nowcast emigration value for the base year (2019) and the midterm year (2024),**
- **when emigration is assumed to return to its 2000-2018 average.**
- **The latter is 'winsorized' by replacing the maximum and minimum values by the second highest and second lowest values, respectively, in order to correct for extreme values that might bias the average.**
- **Next, the midterm value is linearly interpolated with the ultimate emigration distribution derived from the aggregation of all emigration events in the EU. To this end, the country profiles converge towards a common probabilities profile, progressi- vely removing national peculiarities.**

# Ageing Report 2021 – methodology -immigration assumptions

**The immigration assumptions are the sum of three components. First, the immigration from other EU Member States, which is generated from the corresponding**

- **sex- specific and**
- **age-specific**

**emigration probabilities.**

**This way, labour migration and post-retirement migration flows can be distinguished.**

# Ageing Report 2021 – methodology -immigration assumptions

**Second, there is:**

**the non-EU immigration before applying the working-age feedback mechanism.**

**These assumptions are derived from the latest observed data.**

**As non-EU immigration is available only for 2013-2018, values for earlier years are estimated by applying the average share of non-EU immigration in the total inflow in 2013-2018 to past total immigration. Adding the immigration nowcast provides an immigration time series covering 20 years, i.e. 2000-2019.**

# Ageing Report 2021 – methodology -immigration assumptions

**Given the high volatility and general unpredicta- bility of immigration, the assumptions for non-EU migration are based on the average value of the available time series. To confine the profound impact in some countries of the 2015 refugee crisis and the economic crisis, the immigration time series are winsorised. Immigration for the first projection years is computed by linear interpolation between the nowcast for 2019 and 2024, when the average of the winsorised 2000-2019 time series is assumed to be reached.**

# Ageing Report 2021 – methodology -immigration assumptions

**The 2024 immigration figure is then converted in immigration per capita and starts converging towards a common value, namely total non-EU immigration per capita for the EU as a whole in 2024.**

**This means that, making abstraction of the working-age feedback mechanism discussed below, the inflow into the EU is kept constant as of 2024. This inflow is nevertheless redistributed across countries in function of a partial convergence towards equal attractiveness between countries for non-EU immigrants.**

# Ageing Report 2021 – methodology -immigration assumptions

**Third, there is the potential additional non-EU immigration generated by the working-age feedback mechanism. For all years in which the size of the population aged between 15 and 64 is projected to shrink, a 'feedback' correction factor is triggered, assuming an additional non-EU immigra- tion flow in the same year. This extra immigration is assumed to be 10% of the decline in the working- age population, distributed by age and sex in accordance with the country-specific immigration pattern for the applicable year.**

# Ageing Report 2021 – Methodological changes

**The methodology to determine net migration projections is fundamentally different from that of the population projections underlying the 2018 Ageing Report.**

**Whereas these directly projected net migration, EUROPOP2019 provides separate flows for emigration and immigration as migration data has improved. The new migration model ensures consistency for intra-EU flows and takes better into account sex differentials. It works on immigration levels and emigration probabilities.**

# Ageing Report 2021 – population projection

**The EU population is projected to decline from 447 million people in 2019 to 424 million in 2070.**

**During this period, Member States' population will age dramatically given the dynamics in fertility, life expectancy and migration. The median age would rise by five years over the next decades.**

# Ageing Report 2021 – baseline demographic projections

**According to the baseline demographic projections, the EU population would reach a peak during the next decade.**

**It would rise from about 447 million people in 2019 to a little over 449 million people in 2026.**

**Thereafter, the population would start to shrink,**

- **falling back to 424 million in 2070.**

**This is a decline by 5% compared to the base year level,**

- **most of which would take place in the second half of the projection period.**

**The overall downward trend comprises rather heterogeneous developments at the country level.**

# Ageing Report 2021 –

**For 11 Member States and Norway the total population would increase between 2019 and 2070, while 16 Member States would see the number of inhabitants shrink. Compared to the base year, the sharpest declines are expected in Latvia, Lithuania, Romania, Bulgaria and Croatia,**

# Ageing Report 2021 –

**For 11 Member States and Norway the total population would increase between 2019 and 2070,**

**while 16 Member States would see the number of inhabitants shrink. Compared to the base year, the sharpest declines are expected in Latvia, Lithuania, Romania, Bulgaria and Croatia,**

**with a fall of between 26% and 38%.**

**Declines by around 20% are projected in Greece, Poland and Portugal. In these countries, the population is expected to dwindle steadily throughout the projection period.**

# Ageing Report 2021 –

**Among the countries with rising population between 2019 and 2070, Cyprus, Luxembourg, Sweden, Ireland and Malta would see their inhabitants increase by between 25% and 41%, mainly in the first part of the projection period.**

**In the cases of Belgium, Spain, France, the Netherlands and Austria, the initial population increase would be mitigated in the second half of the projection horizon.**

# Ageing Report 2021 –

**In 2019, Germany (83.1 million people) was the Member State with the largest population, followed by France (67.1 million), Italy (60.3 million), Spain (47.1 million) and Poland (38 million). In 2070, this order would remain the same despite the depopulation in Germany, Italy and Poland, and population growth in France.**

**In all Member States, the share in the overall population of the age cohorts above 65 years is expected to rise by 2070, from 20% in 2019 to 30% in 2070 for the EU. Increases range from six pps in Sweden to 16 pps in Poland, where people aged 65 or more would represent**

**34% of the population in 2070. Shares in Greece, Croatia, Italy, Latvia and Poland would be similar, with one in three persons being at least 65 years old at the end of the projection period.**

# Ageing Report 2021 –

**80+ age group would rise from 6% in 2019 to 13% in 2070. The projected increase is the highest in Poland, and Slovakia.**

**The population share of the age group 0-19 would shrink in all Member States during the projection horizon, aside from Germany where it would increase slightly. The share in the EU population of this youngest group would decrease from 20% in 2019 to 18% in 2070. The dwindling – also in absolute numbers for most countries – of the 0-19 age group is the sharpest in Ireland and Finland.**

# Ageing Report 2021 –

**Finally, the population at working age (20-64 year olds), would shrink in all Member States relative to the overall population. Whereas in 2019, people at working age represented 59% of the EU population, this share would fall to 51% in 2070. The decrease exceeds 10 pps in Lithuania, Luxembourg, Malta, Poland and Slovakia.**

**The drivers of these trends are manifold. First, the increasing share of the population in the higher age cohorts is due to the combination of the numerous cohorts born in the 1950s and 1960s and continuing gains in life expectancy. Second, the size of the groups aged 25-59 (the bulk of the working-age population) shrinks significantly between 2019 and 2070 due to fertility rates below the natural replacement rate and shrinking cohorts of women in childbearing ages. Finally, net migration flows would not suffice to offset the trends towards an ageing population.**

# Ageing Report 2021 –

**The strong upward shift in the age distribution over the next decades is shown in Graph I.1.2. While in 2019, the largest cohort for both males and females was that of people aged 50-54, in**

**2070 the 55-59 and 60-64 age brackets would be the largest cohorts. Overall, the median age will rise from 43.7 year in 2019 to 48.8 year in 2070, most of which occurs by around 2040. For men it goes from 42.2 to 47.3, for women from 45.2 to 50.3.**

# Ageing Report 2021 –

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- **2070 the 55-59 and 60-64 age brackets would be the largest cohorts. Overall, the median age will rise from 43.7 year in 2019 to 48.8 year in 2070, most of which occurs by around 2040. For men it goes from 42.2 to 47.3, for women from 45.2 to 50.3.**

# Ageing Report 2021 – The old-age dependency ratio (OADR)

**Because of the demographic shift from younger to older age groups, demographic dependency ratios are expected to increase significantly in all countries.**

**The old-age dependency ratio (OADR), i.e. people aged at least 65 relative to those aged 20-64) expresses the presumed number of pensioners in terms of the theoretical number of contributors. It provides a gauge of how demographic ageing alters the beneficiary-contributor balance. The OADR is projected to increase from 34% in 2019 to 59% in 2070 for the EU as a whole. This increase would predominantly take place during**

# Ageing Report 2021 –

**In 2070, the EU would count 15.2 million people less than assumed in the 2018 Ageing Report. This is due to lower projections for people aged less than 65 years, with the upward revision in net migration insufficient to offset the downward revision in the average fertility rate. As a result, the new demographic projections entail a larger increase in the old-age dependency ratio between 2019 and 2070.**

# Ageing Report 2021 –

- **This section compares the latest Eurostat demographic projections, EUROPOP2019, with those underlying the 2018 Ageing Report, ESSPOP2015.**
- **In the base year 2019, the EU population counted 762 000 fewer people than anticipated in the 2015- based demographic projections. This difference was mainly due to France, Germany and Italy, reflecting how net migration in 2016-2018 was smaller than expected under ESSPOP2015.**

# Ageing Report 2021 –

- **Developments for broad age groups (0-19, 20-64 and above 65), show that the average revision is driven by the 0-19 and 20-64 age brackets, which in 2070 would on average be 11% and 3% smaller, respectively, than projected in ESSPOP2015.**
- **The 2070 projection for people below 20 was revised down by at least 20% of the previous number in the cases of Luxembourg, Spain, Finland, Latvia, Romania and Belgium. Upward revisions for this age group are limited to six Member States, led by Cyprus and Portugal.**

# Ageing Report 2021 –

- **For the working-age population (20-64 year- olds), downward revisions surpass 20% of the previous projection only for Luxembourg (-23%). Malta has by far the largest upward revision for this age bracket (+42%), with most other revisions below 10%.**
- **Downward revisions for the population cohort above 65 year are mostly small, surpassing10% only for Denmark, Austria, Cyprus and Luxembourg. Conversely, upward revisions exceed 10% of the previous projection for Spain, Lithuania, Ireland and, notably, Malta.**

# Ageing Report 2021 – Old age dependency ratio (OADR)

- **Changes result in a higher projected increase in the old-age dependency ratio for 18 Member States and Norway. For the EU as a whole, the OADR would increase by an additional two pps as compared to the 2018**
- **Ageing Report's demographic projections. The largest upward revisions are for Spain (+12 pps), Ireland and Lithuania (+8 pps), France (+7 pps), Malta (+6 pps) and Finland (+5 pps).**
- **Projections for Cyprus (-15 pps), Germany (-7 pps) and Portugal (-6 pps) show smaller increases in the OADR than assumed in the 2018 Ageing Report.**

# The Ageing Report 2021

| Main demographic and macroeconomic assumptions | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Demographic projections - EUROPOP2019 (EUROSTAT)** | Ch 19-70 | 2019 | 2030 | 2040 | 2050 | 2060 | 2070 |
| Fertility rate | 0.1 | 1.52 | 1.55 | 1.59 | 1.61 | 1.63 | 1.65 |
| Life expectancy at birth | | | | | | | |
| males | 7.4 | 78.7 | 80.4 | 82.0 | 83.5 | 84.8 | 86.1 |
| females | 6.1 | 84.2 | 85.6 | 86.9 | 88.2 | 89.3 | 90.3 |
| Life expectancy at 65 | | | | | | | |
| males | 5.1 | 18.4 | 19.5 | 20.6 | 21.6 | 22.6 | 23.5 |
| females | 4.8 | 22.0 | 23.0 | 24.1 | 25.1 | 25.9 | 26.8 |
| Net migration (thousand) | -280.7 | 1317.5 | 960.0 | 980.8 | 1001.3 | 1020.4 | 1036.8 |
| Net migration as % of population | -0.1 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Population (million) | -23.2 | 447.2 | 449.1 | 446.6 | 440.8 | 432.0 | 424.0 |
| Young population (0-19) as % of total population | -1.9 | 20.3 | 19.2 | 18.4 | 18.5 | 18.5 | 18.5 |
| Prime-age population (25-54) as % of total population | -6.6 | 40.4 | 37.2 | 35.6 | 34.6 | 34.3 | 33.9 |
| Working-age population (20-64) as % of total population | -8.0 | 59.3 | 56.5 | 53.9 | 52.0 | 51.2 | 51.2 |
| Elderly population (65 and over) as % of total population | 9.9 | 20.4 | 24.4 | 27.7 | 29.6 | 30.3 | 30.3 |
| Very elderly population (80 and over) as % of total population | 7.3 | 5.9 | 7.3 | 9.3 | 11.4 | 12.6 | 13.2 |
| Very elderly population (80 and over) as % of elderly population | 14.7 | 28.8 | 29.9 | 33.6 | 38.6 | 41.5 | 43.5 |
| Very elderly population (80 and over) as % of working age population | 15.8 | 9.9 | 12.9 | 17.3 | 21.9 | 24.6 | 25.7 |

# The Ageing Report 2021 – macroeconomic assumptions

| **Macroeconomic assumptions*** | AVG 19-70 | 2019 | 2030 | 2040 | 2050 | 2060 | 2070 |
|---|---|---|---|---|---|---|---|
| Potential GDP (growth rate) | 1.3 | 1.6 | 1.1 | 1.4 | 1.4 | 1.4 | 1.4 |
| Employment (growth rate) | -0.2 | 0.7 | -0.3 | -0.3 | -0.3 | -0.2 | -0.2 |
| Labour input: hours worked (growth rate) | -0.2 | 0.6 | -0.3 | -0.4 | -0.4 | -0.2 | -0.2 |
| Labour productivity per hour (growth rate) | 1.6 | 1.0 | 1.4 | 1.8 | 1.8 | 1.7 | 1.6 |
| TFP (growth rate) | 1.0 | 0.6 | 0.9 | 1.2 | 1.1 | 1.1 | 1.0 |
| Capital deepening (contribution to labour productivity growth) | 0.5 | 0.3 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 |
| Potential GDP per capita (growth rate) | 1.4 | 1.4 | 1.1 | 1.5 | 1.6 | 1.7 | 1.6 |
| Potential GDP per worker (growth rate) | 1.5 | 0.9 | 1.4 | 1.8 | 1.7 | 1.6 | 1.6 |

# The Ageing Report 2021 –Labour force assumptions

| **Labour force assumptions** | Ch 19-70 | 2019 | 2030 | 2040 | 2050 | 2060 | 2070 |
|---|---|---|---|---|---|---|---|
| Working-age population (20-64) (in thousands) | -47,860 | 265,024 | 253,521 | 240,781 | 229,065 | 221,135 | 217,163 |
| Population growth (working-age: 20-64) | 0.0 | -0.2 | -0.5 | -0.5 | -0.4 | -0.2 | -0.2 |
| Labour force 20-64 (thousands) | -32,100 | 207,378 | 201,657 | 192,693 | 184,197 | 178,519 | 175,278 |
| Participation rate (20-64) | 2.5 | 78.2 | 79.5 | 80.0 | 80.4 | 80.7 | 80.7 |
| Participation rate (20-74) | 1.7 | 67.8 | 68.0 | 67.8 | 68.3 | 68.9 | 69.5 |
| youngest (20-24) | 1.7 | 60.3 | 60.9 | 61.8 | 61.9 | 61.8 | 62.0 |
| prime-age (25-54) | 0.8 | 85.9 | 86.4 | 86.5 | 86.7 | 86.7 | 86.7 |
| older (55-64) | 9.6 | 62.3 | 68.6 | 69.8 | 70.3 | 71.6 | 71.9 |
| very old (65-74) | 10.1 | 9.8 | 14.9 | 16.5 | 17.4 | 18.4 | 19.9 |
| Participation rate (20-64) - FEMALES | 4.4 | 72.2 | 74.7 | 75.6 | 76.1 | 76.6 | 76.6 |
| Participation rate (20-74) - FEMALES | 3.9 | 61.7 | 63.0 | 63.3 | 64.0 | 64.8 | 65.6 |
| youngest (20-24) | 2.2 | 55.8 | 56.6 | 57.6 | 57.9 | 57.7 | 58.0 |
| prime-age (25-54) | 2.2 | 80.2 | 81.5 | 81.9 | 82.3 | 82.4 | 82.4 |
| older (55-64) | 12.9 | 55.4 | 63.6 | 65.6 | 66.5 | 68.1 | 68.4 |
| very old (65-74) | 11.0 | 7.1 | 12.7 | 14.6 | 15.6 | 16.5 | 18.1 |
| Participation rate (20-64) - MALES | 0.5 | 84.2 | 84.3 | 84.4 | 84.6 | 84.7 | 84.7 |
| Participation rate (20-74) - MALES | -0.7 | 74.0 | 73.1 | 72.4 | 72.6 | 72.9 | 73.4 |
| youngest (20-24) | 1.4 | 64.5 | 64.9 | 65.7 | 65.8 | 65.6 | 65.9 |
| prime-age (25-54) | -0.7 | 91.6 | 91.1 | 90.8 | 91.0 | 90.9 | 90.9 |
| older (55-64) | 5.8 | 69.7 | 73.8 | 74.2 | 74.2 | 75.0 | 75.5 |
| very old (65-74) | 8.8 | 12.9 | 17.5 | 18.5 | 19.3 | 20.4 | 21.7 |

# The Ageing Report 2021 – Labour Force Assumptions

| **Labour force assumptions** | Ch 19-70 | 2019 | 2030 | 2040 | 2050 | 2060 | 2070 |
|---|---|---|---|---|---|---|---|
| Average effective exit age (TOTAL) (1) | 1.8 | 63.8 | 64.8 | 65.1 | 65.3 | 65.5 | 65.6 |
| Men | 1.8 | 64.0 | 65.0 | 65.3 | 65.5 | 65.7 | 65.8 |
| Women | 1.9 | 63.5 | 64.6 | 64.9 | 65.1 | 65.3 | 65.4 |
| Employment rate (20-64) | 3.1 | 73.1 | 74.0 | 75.0 | 75.9 | 76.3 | 76.2 |
| Employment rate (20-74) | 2.4 | 63.4 | 63.4 | 63.7 | 64.6 | 65.2 | 65.8 |
| Unemployment rate (20-64) | -1.0 | 6.6 | 7.0 | 6.3 | 5.6 | 5.5 | 5.5 |
| Unemployment rate (20-74) | -1.1 | 6.5 | 6.8 | 6.1 | 5.4 | 5.4 | 5.4 |
| Employment (20-64) (in millions) | -28.2 | 193.7 | 187.6 | 180.6 | 173.9 | 168.6 | 165.6 |
| Employment (20-74) (in millions) | -23.2 | 198.3 | 195.6 | 189.8 | 183.2 | 178.0 | 175.1 |
| share of youngest (20-24) | 0.4 | 6% | 7% | 7% | 6% | 7% | 7% |
| share of prime-age (25-54) | -6.0 | 73% | 69% | 68% | 68% | 68% | 67% |
| share of older (55-64) | 2.5 | 18% | 20% | 20% | 20% | 20% | 20% |
| share of very old (65-74) | 3.1 | 2% | 4% | 5% | 5% | 5% | 5% |

# The Ageing Report 2021 – dependency ratio

| **Dependency ratios** | Ch 19-70 | 2019 | 2030 | 2040 | 2050 | 2060 | 2070 |
|---|---|---|---|---|---|---|---|
| Share of older population (55-64) (2) | 1.3 | 22.7 | 24.4 | 24.3 | 23.9 | 23.2 | 24.0 |
| Old-age dependency ratio 20-64 (3) | 24.7 | 34.4 | 43.1 | 51.4 | 56.9 | 59.2 | 59.2 |
| Total dependency ratio (4) | 26.5 | 68.8 | 77.1 | 85.5 | 92.5 | 95.4 | 95.3 |
| Total economic dependency ratio (5) | 16.6 | 125.5 | 129.6 | 135.3 | 140.6 | 142.7 | 142.2 |
| Economic old-age dependency ratio (20-64) (6) | 27.0 | 44.7 | 53.9 | 63.3 | 69.5 | 71.9 | 71.7 |
| Economic old-age dependency ratio (20-74) (7) | 24.2 | 43.7 | 51.7 | 60.2 | 66.0 | 68.2 | 67.8 |

# Thank you for attention!

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