



Measuring Old age burdens using National Transfer Accounts (NTAs)

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Background

Prskawetz & Sambt (2014)

Hammer et al. (2014)

Lee et al. (2014)

Lee & Mason (various years)

Spijker & McInnes (2014)

Sanderson & Scherbov (2013, various years)

Shoven, Lutz earlier and others

National Transfer Accounts project

Our perspective / starting point

Public finances and ageing

“..we are getting older, but we are in better health..”

“..lot more people will be very old ..”

“..measured prospectively we are still young..”

“..immigrants are young and will make up for it”

“.. 70 is the new 50 .. “ (except they do not work)

“.. we just need to work a few more years ..”

Effect of these statements difficult to assess without detailed knowledge of public transfer for different age group

=> National Transfer Accounts

Questions addressed

**Development in old age dependency ratio:
health transfers linked to mortality (health?)
“the old” weighted by transfers/costs**

**Effect of longer working life on old age dependency ratio
Shifting behaviour at age 55 by mortality**

(Effect of migration on transfers)

National Transfer Accounts

Age specific:

Public transfers (in and out)

- divided into broad groups (i.e. health, pension)

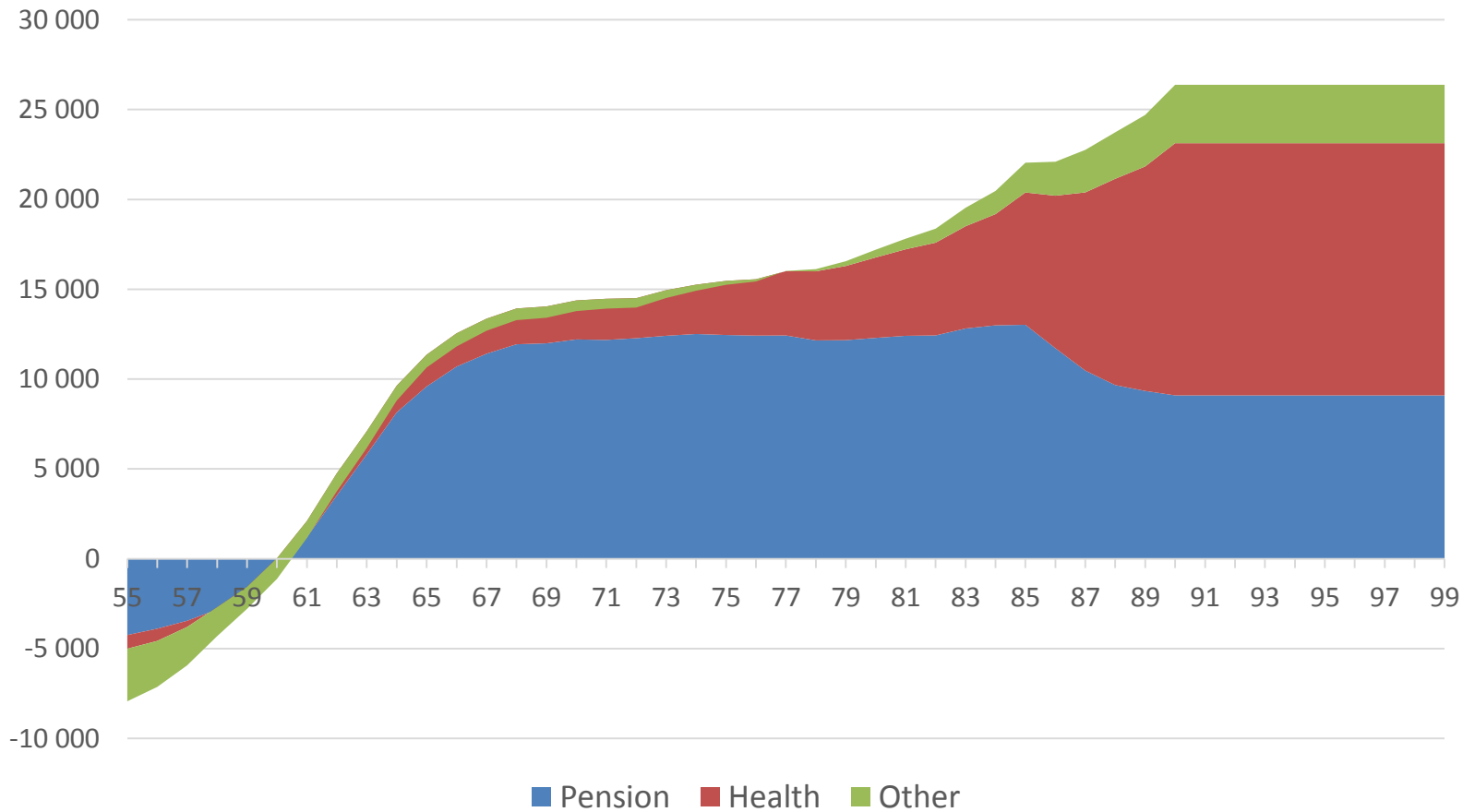
Consumption pattern

Detail the situation in a specific year:

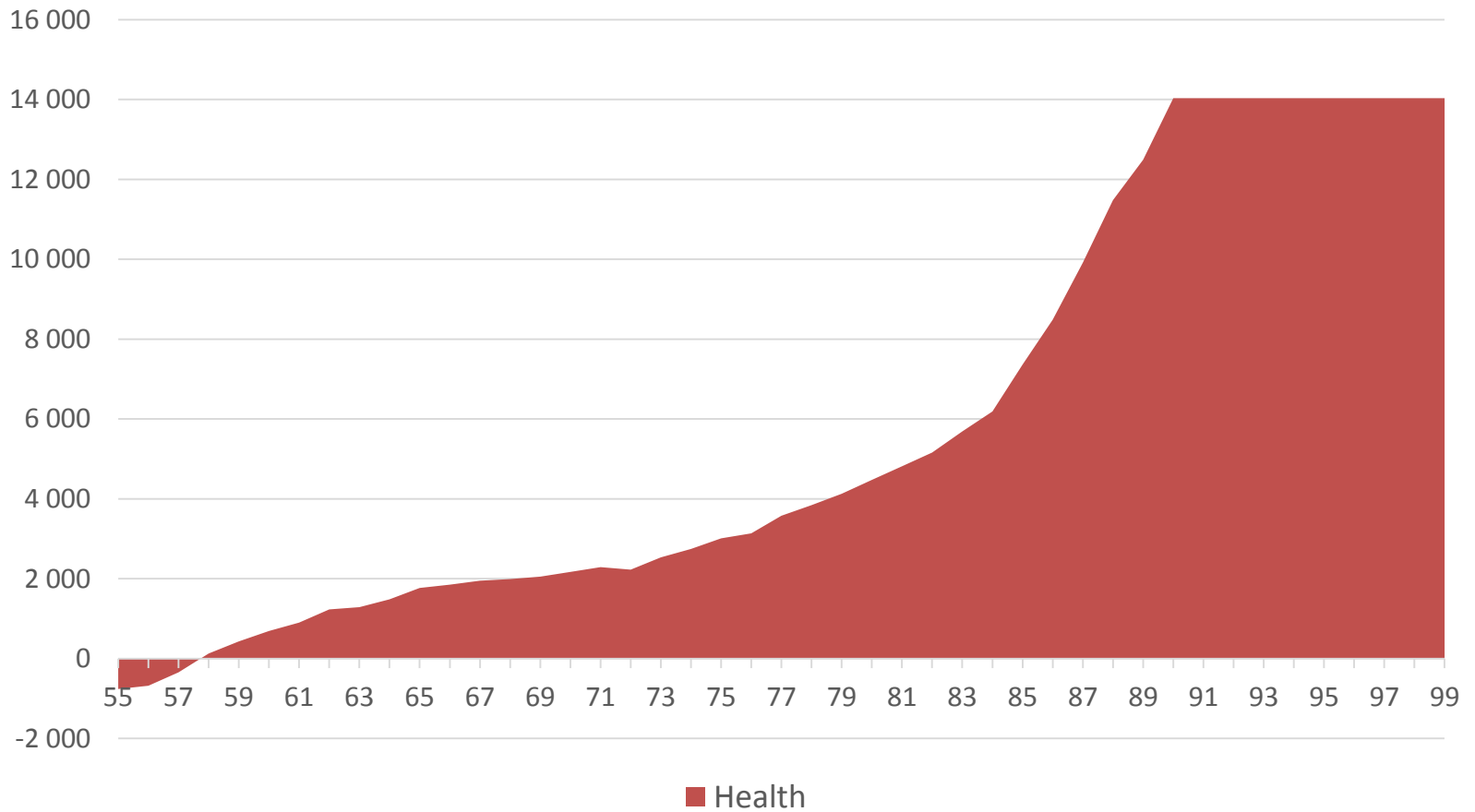
Static in nature (no behavioural elements)

Business cycle dependent

Germany: Age specific Net public transfers, 2003



Germany: Age specific health transfers, 2003



Health transfers and dependency ratio

Development in old age dependency ratio:

health transfers linked to mortality (health?)

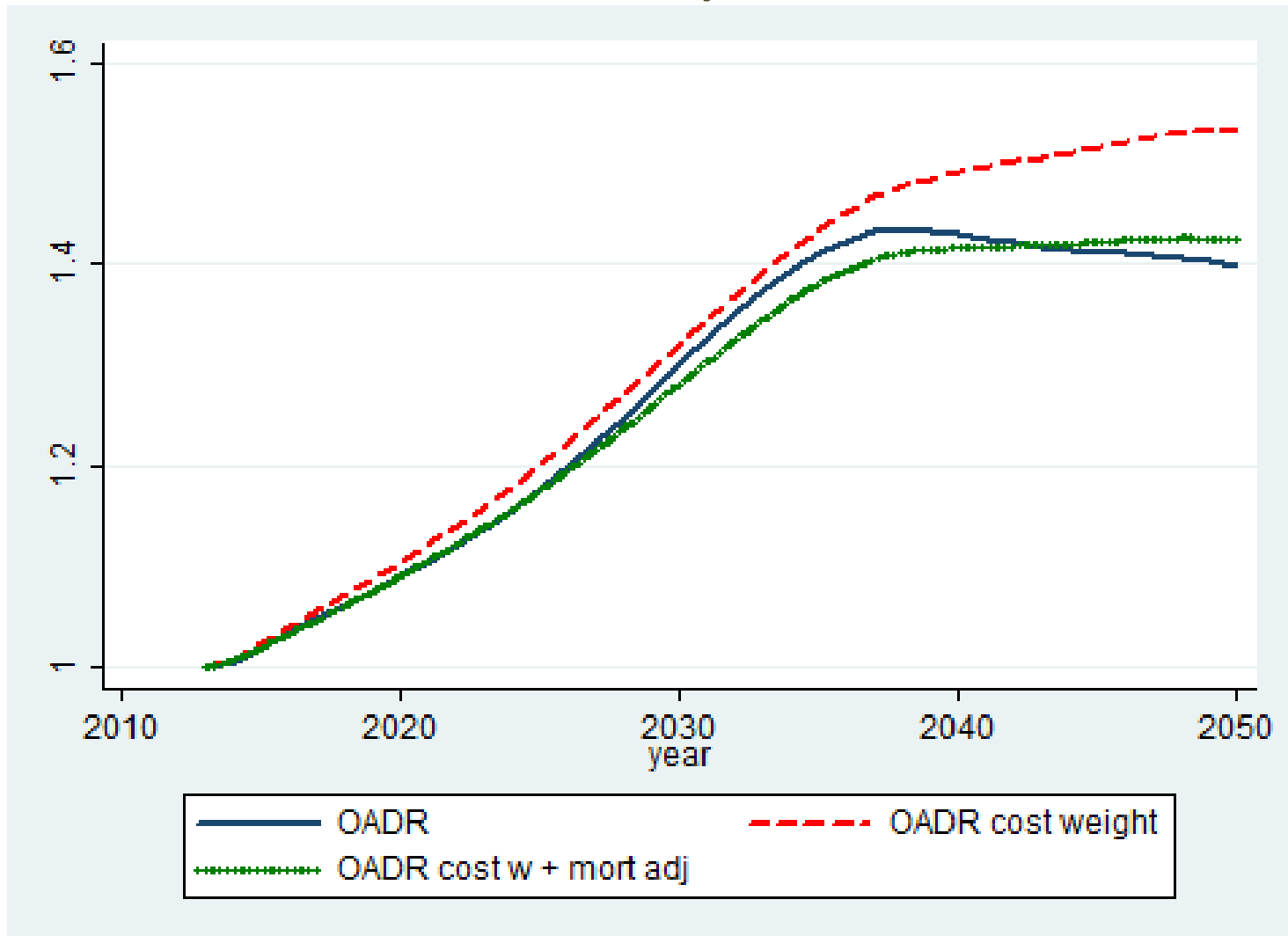
“old” weighted transfers/costs

Baseline: 65+ / 20-64

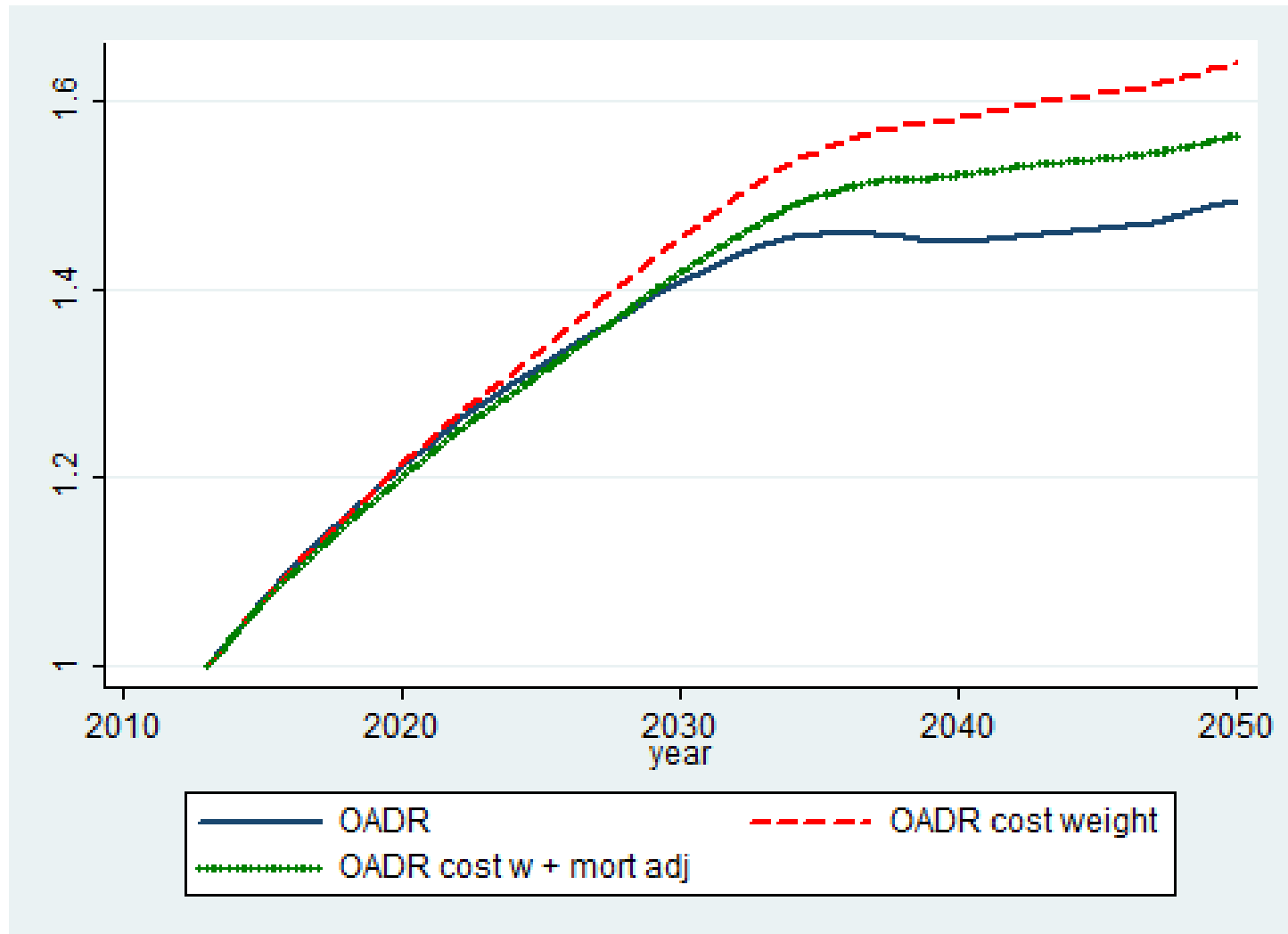
Compositional effect: 65+ (weighted by health transfers) / 20-64

Healthy ageing effect: Shifting cost by mortality (RLE)

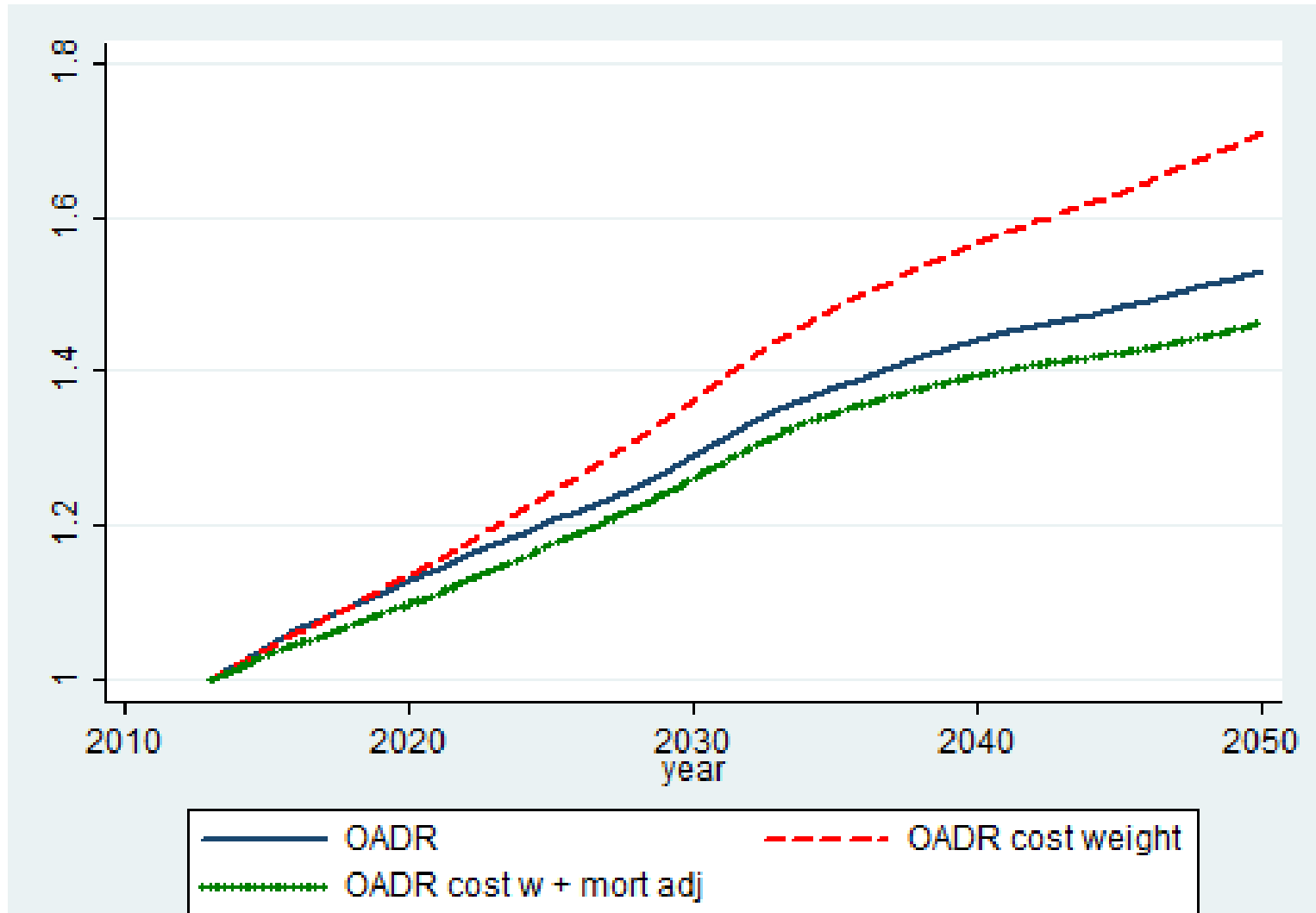
Germany



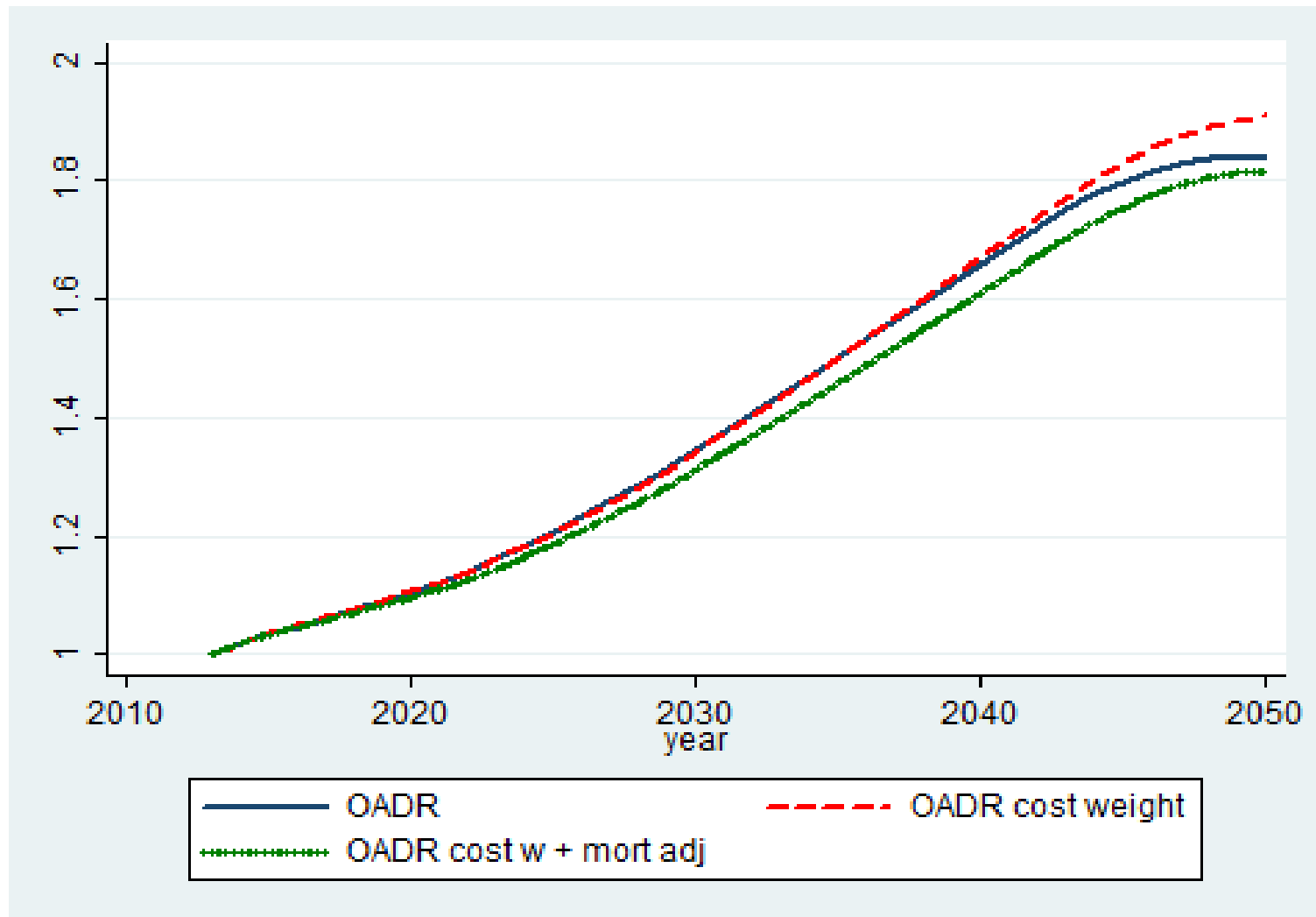
Finland



Sweden



Spain



Effect of longer working lives

Shifting behaviour at age 55 by mortality:

Labour market & pension

Health care

Employment rate in DE 2003 for 55 YO approx 68%

More indicative exercise

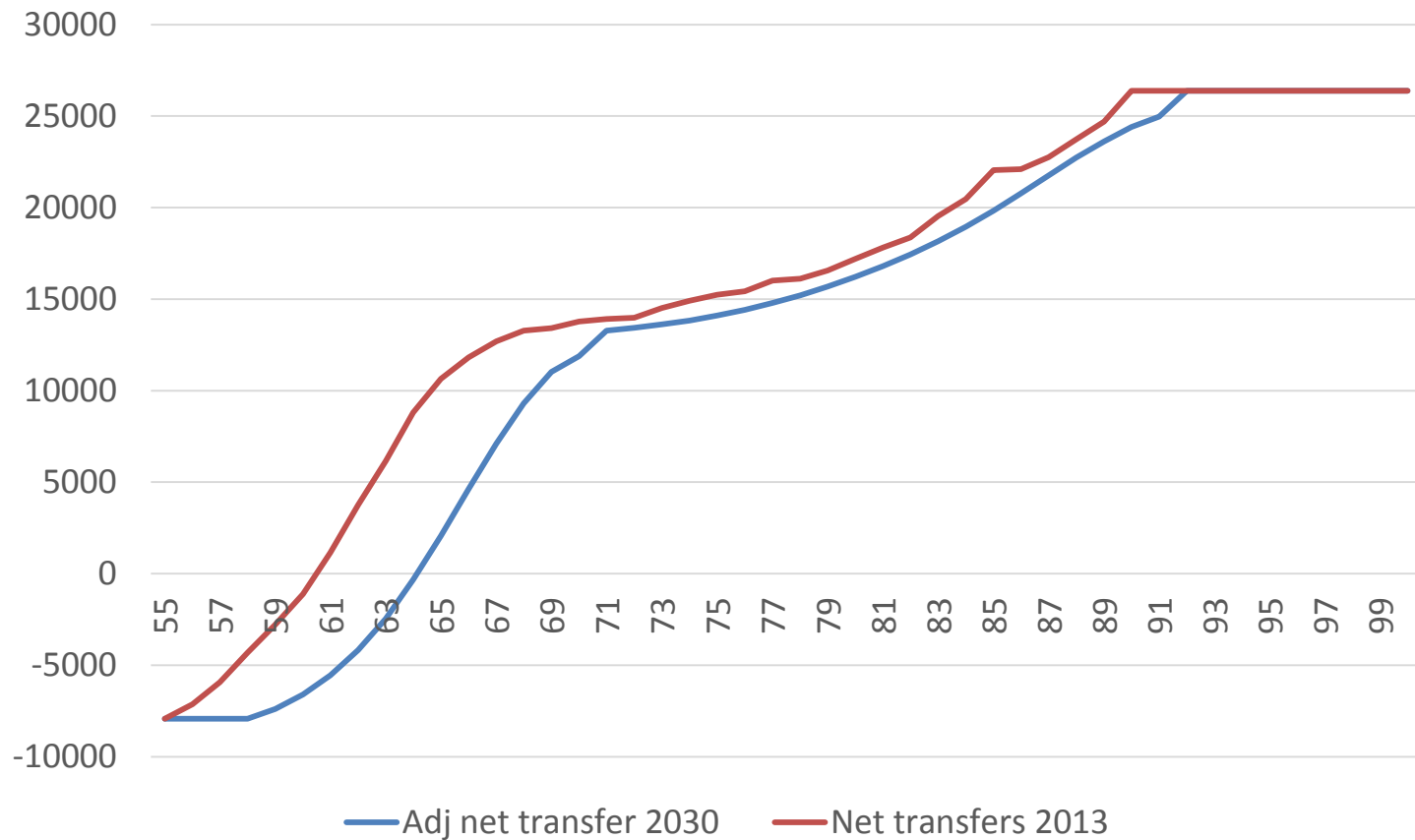
Other behaviours may change

Evaluation:

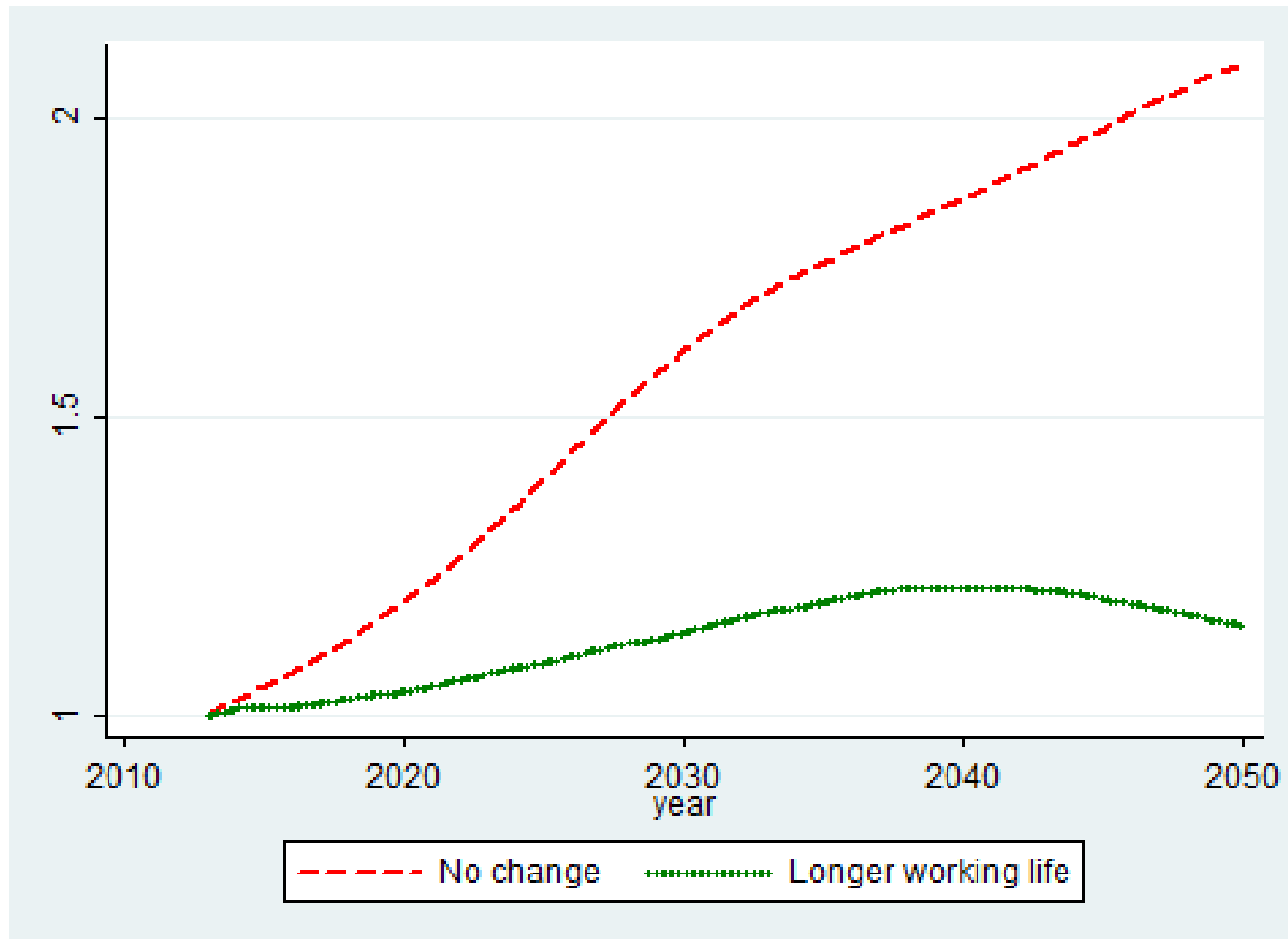
change in net public transfer to “old” / transfers working age population

Effect of longer working lives – transfer profiles

Germany

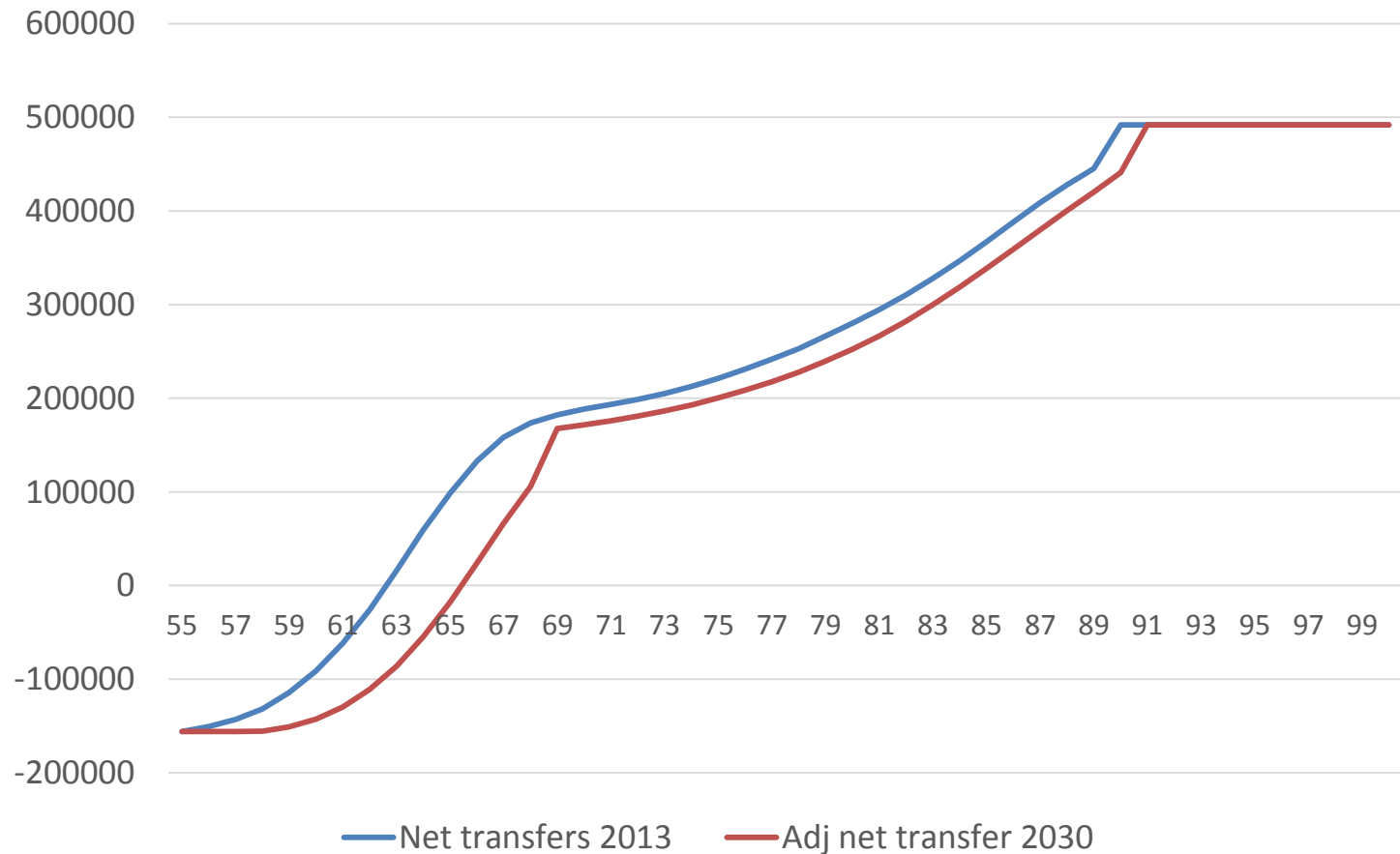


Effect of longer working lives – change in transfers (Germany)

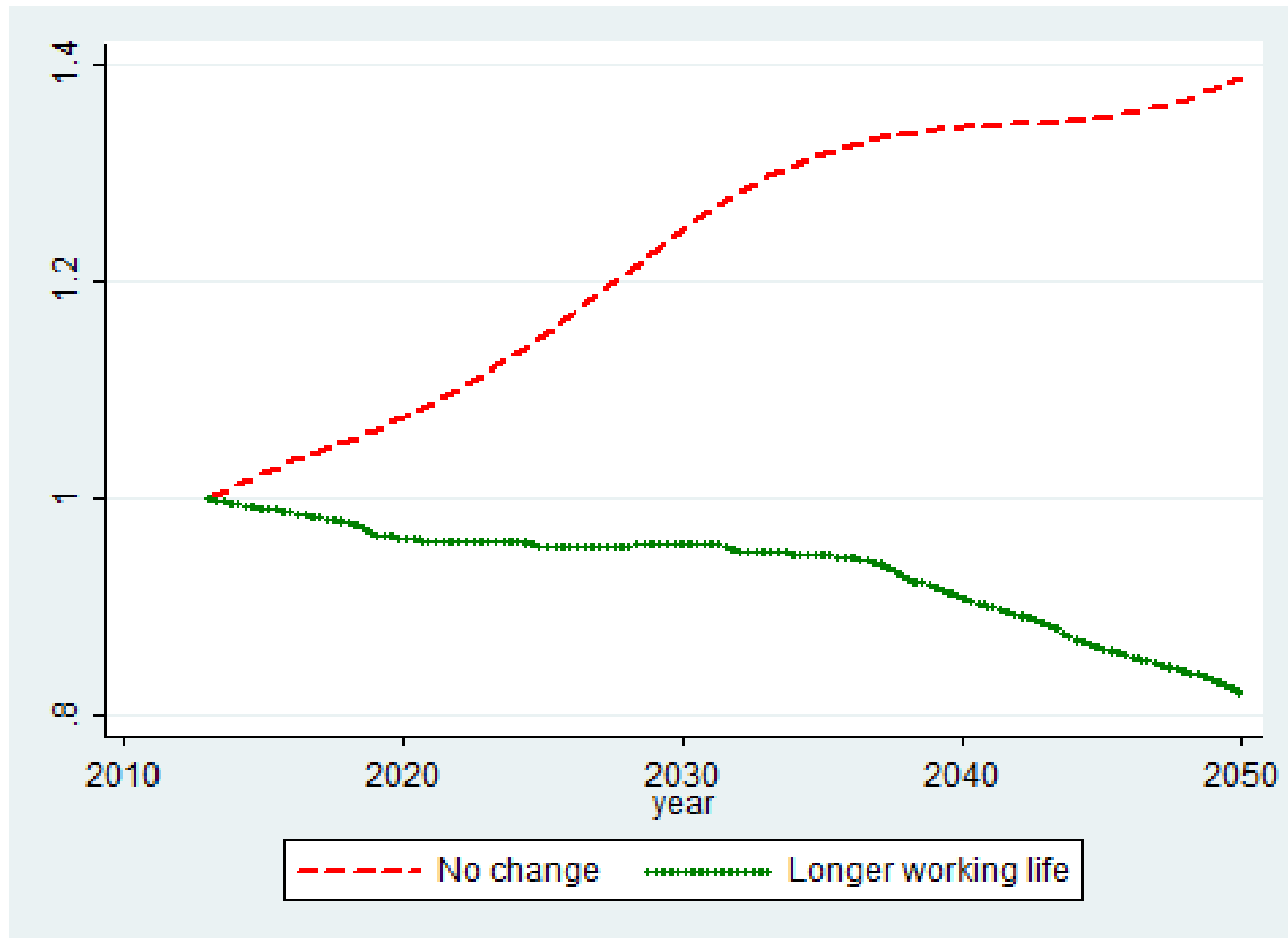


Effect of longer working lives – transfer profiles

Sweden



Effect of longer working lives – change in transfers (Sweden)





Thank you!

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