



HUNGARIAN **DEMOGRAPHIC**
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A family of support ratios

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The problem

Changes in the age structure of society affect various inter-age flows differently.

Such effects cannot be captured by a single indicator.

The quest for the best indicator is a quest for the best indicator family.

Support ratio:

effective number of inflow people / effective number of outflow people

Effective: weighted with some inflow or outflow

Inflow: social security contribution; tax; labour income; unpaid household labour

Outflow: pension; transfer take up, public service used; consumption

A family of support ratios:

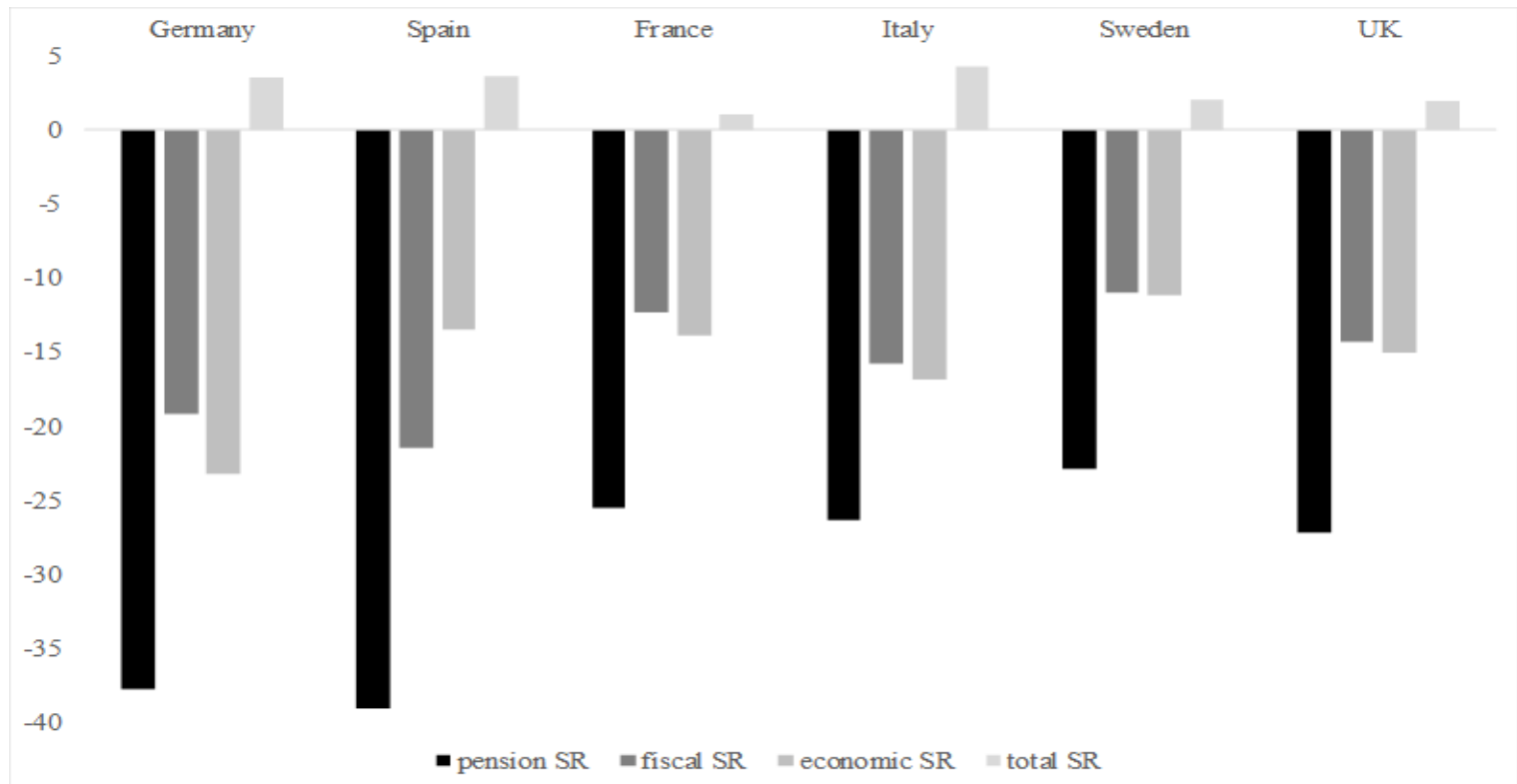
Pension SR: only contributions and pensions

Fiscal SR (Miller 2011): general government

General SR (Lee and Sambt 2014): public and private transfers

Economic SR (Cutler et al 1990): labour income and consumption

Total SR (Gál and Vargha (2015): incl. household economy



Changes in various support ratios if per capita age profiles of the public sector and the economy in 2010 are applied to the expected 2060 age distribution in selected European populations (%)

Source: Authors' calculation based on data of Eurostat (population projection), Istenič et al (2017) (public and private transfers), Vargha et al (2016) (household time transfers).

Note: SR: support ratio; see descriptions in the text.

Thank you!

Gál RI, Monostori J (forthcoming): Economic Sustainability and Intergenerational Fairness: A New Taxonomy of Indicators. *Intergenerational Justice Review*.

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