

# **The unequal impact of the crisis by age: An analysis based on National Transfer Accounts**

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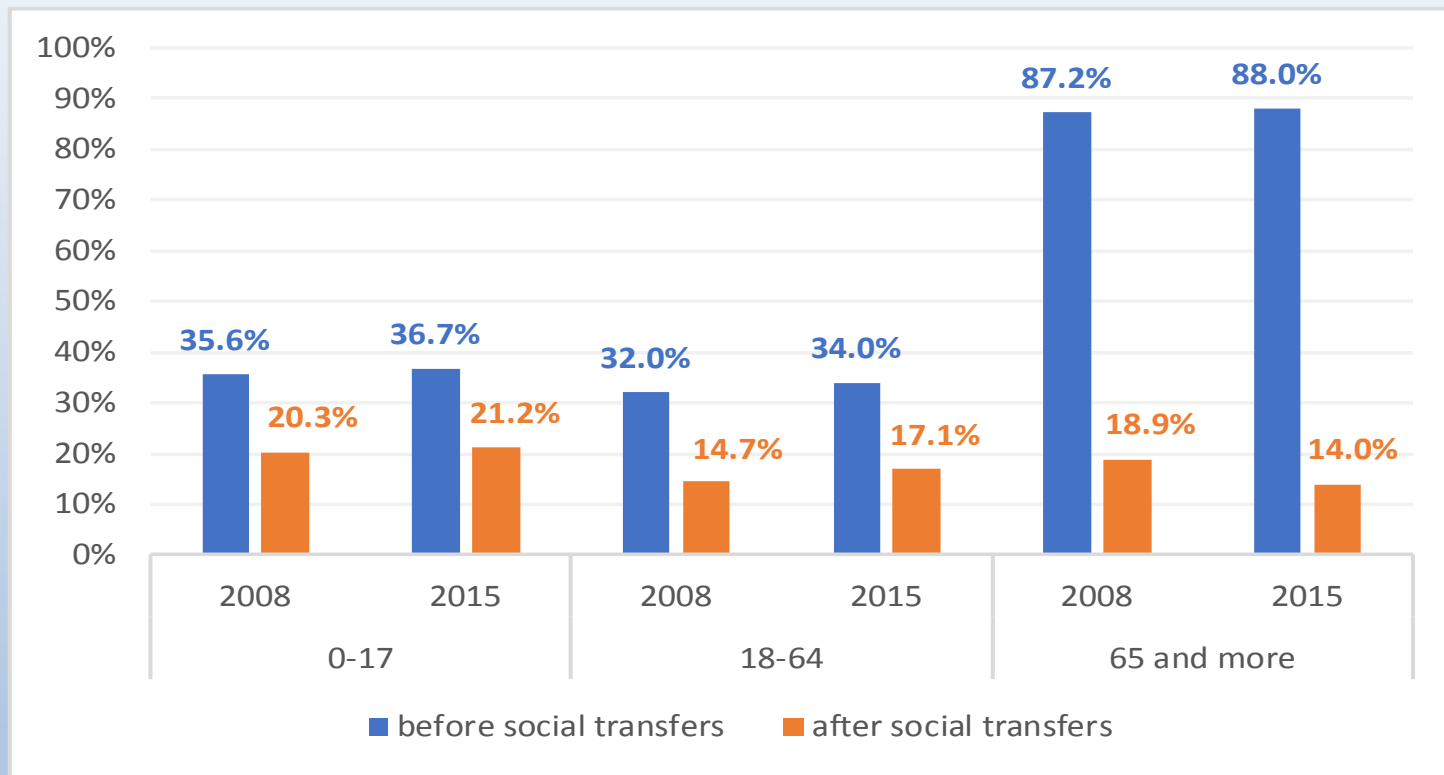
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## Some facts:

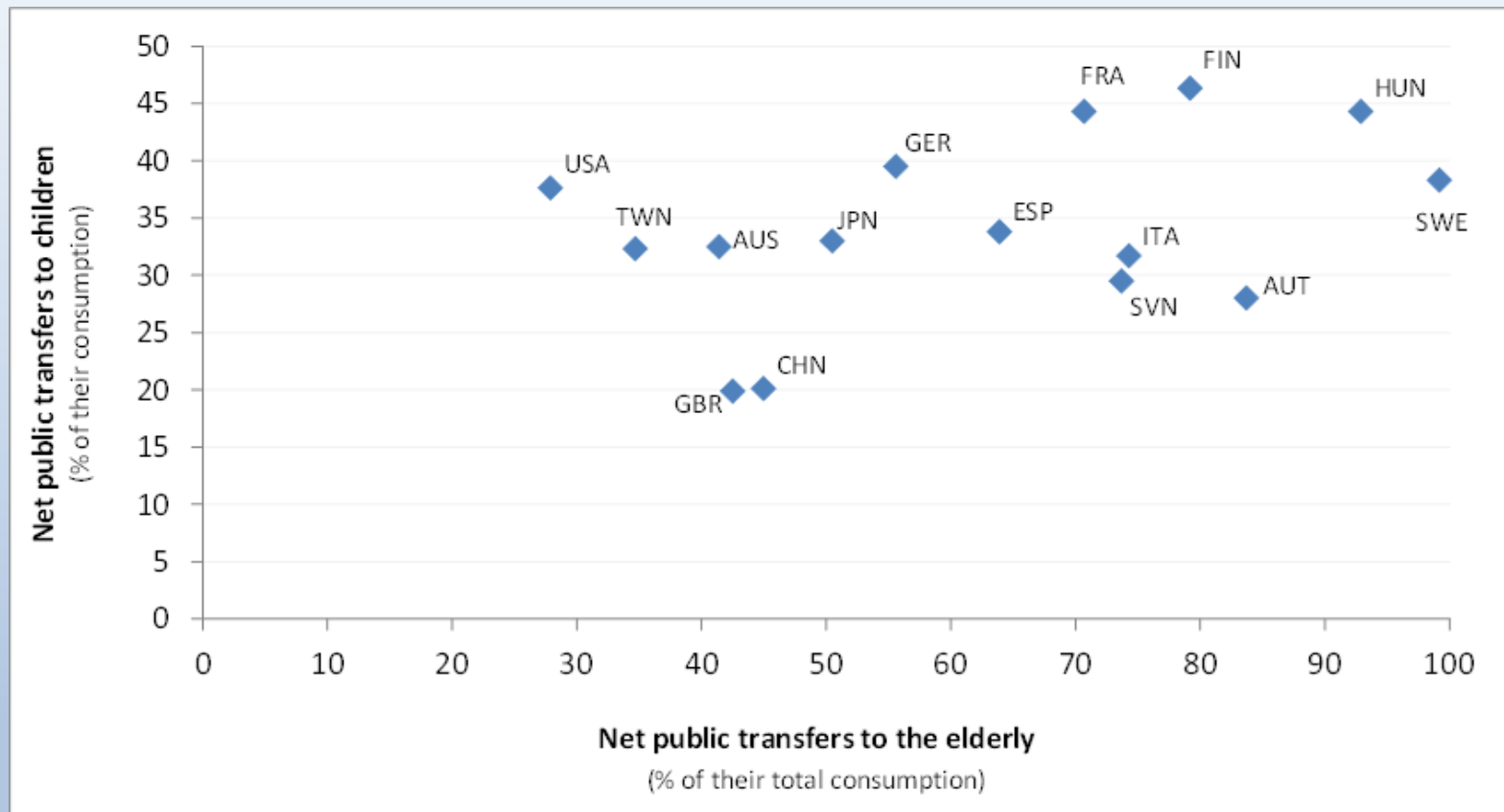
- The risk of poverty for children is, in general, higher than for other age groups
- The welfare state protects basically the elderly, but not (to the same extent) the children
- The situation has worsen with the crisis in a significant number of countries

## Population at risk-of-poverty in the EU before and after social transfers

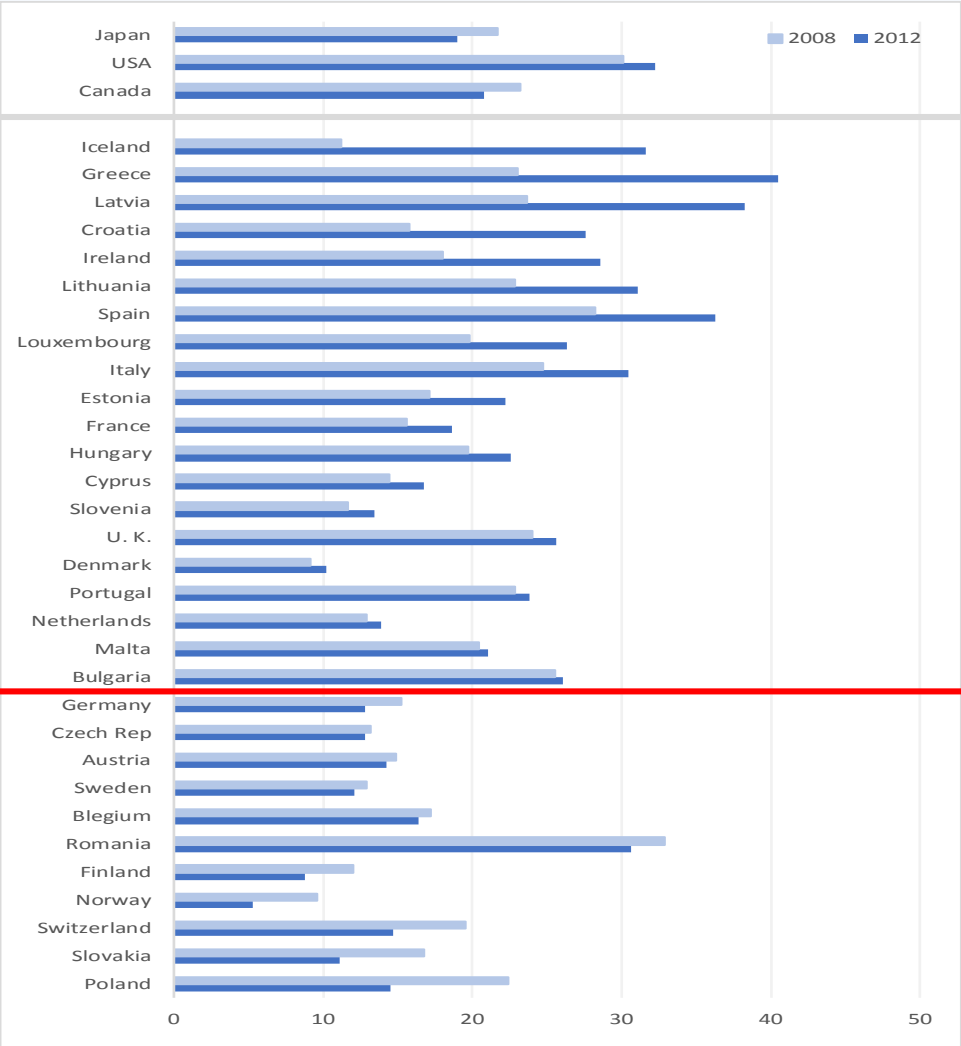


Source: Eurostat, 2016

## Net public transfers to the children and to the elderly in NTA countries (% of their own consumption)

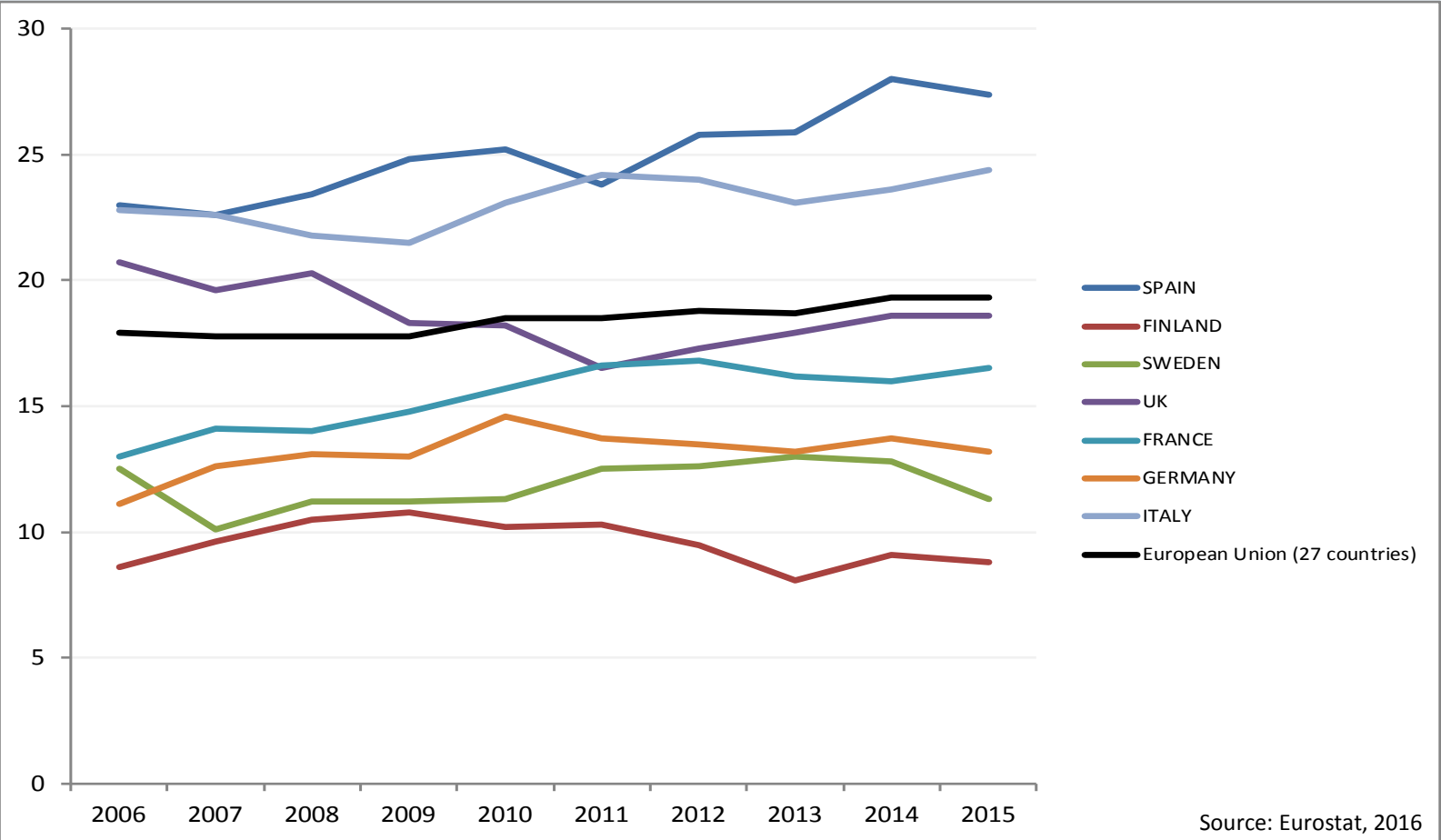


# Change in child (0-18) poverty rate and social exclusion



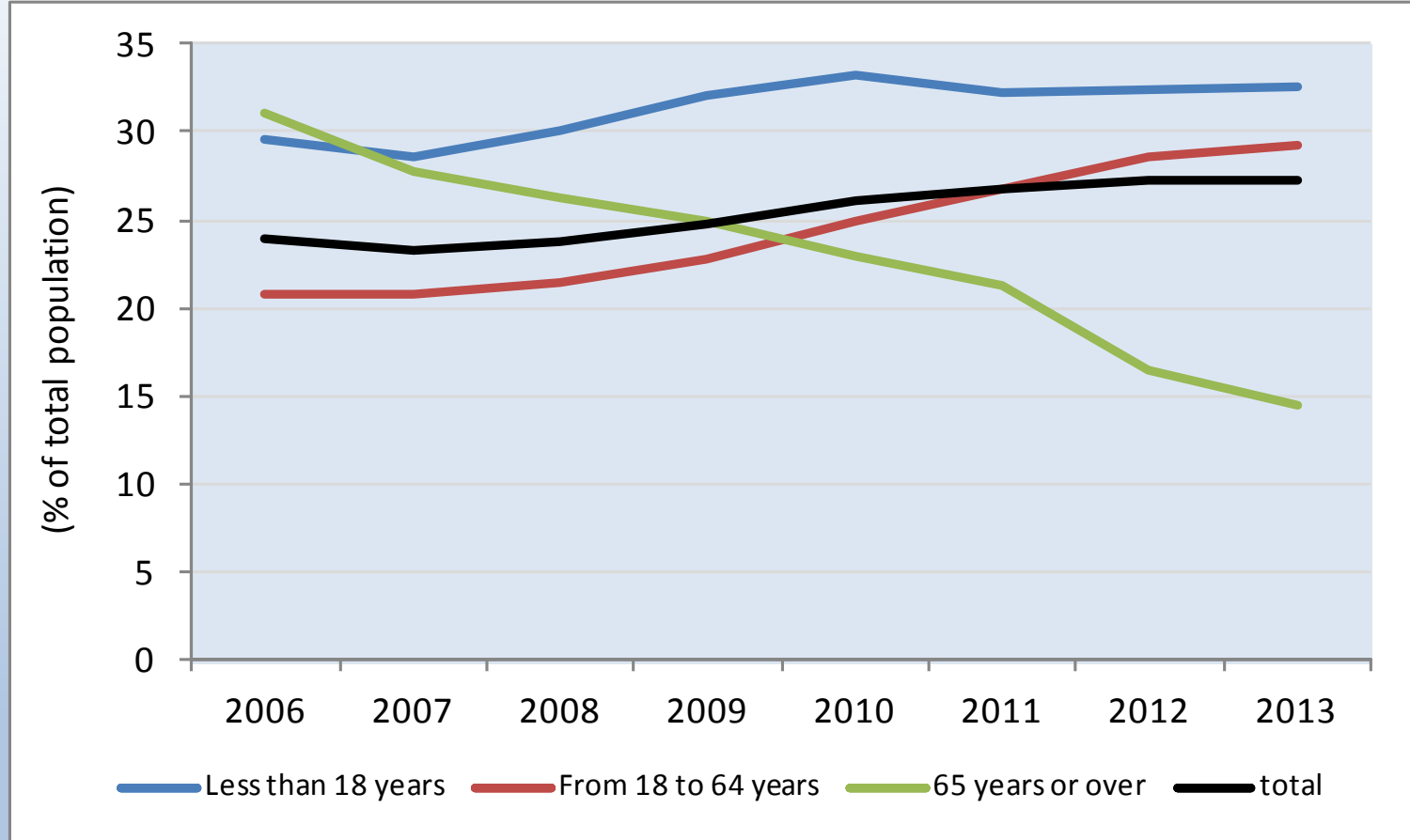
In 20 out of 31 European countries child poverty has increased with the crisis

# People at risk of poverty in Europe (households with children)



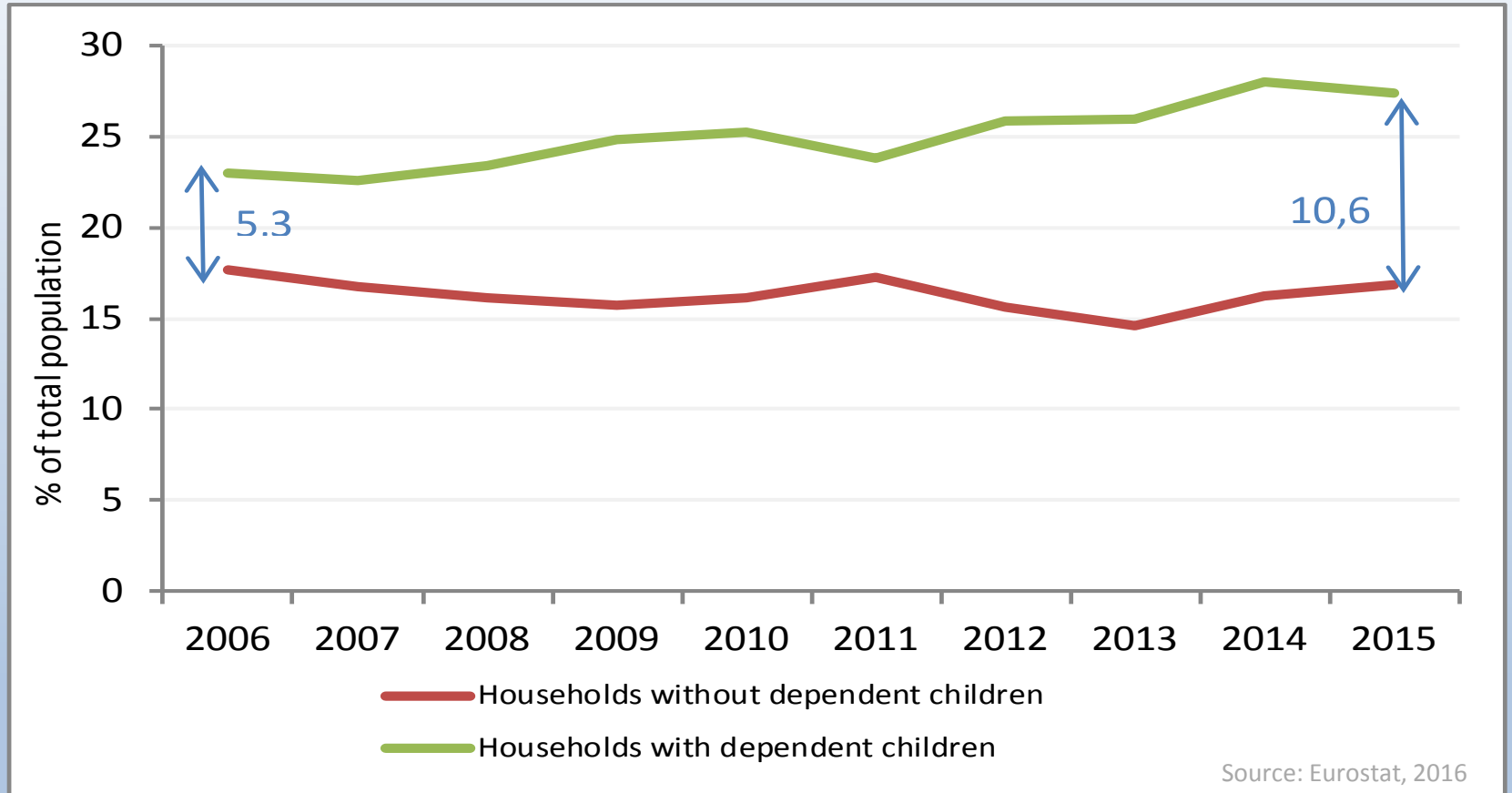
Source: Eurostat, 2016

## People at risk of poverty or social exclusion by age in Spain



Source: Eurostat, 2016

## People at risk of poverty by type of household in Spain



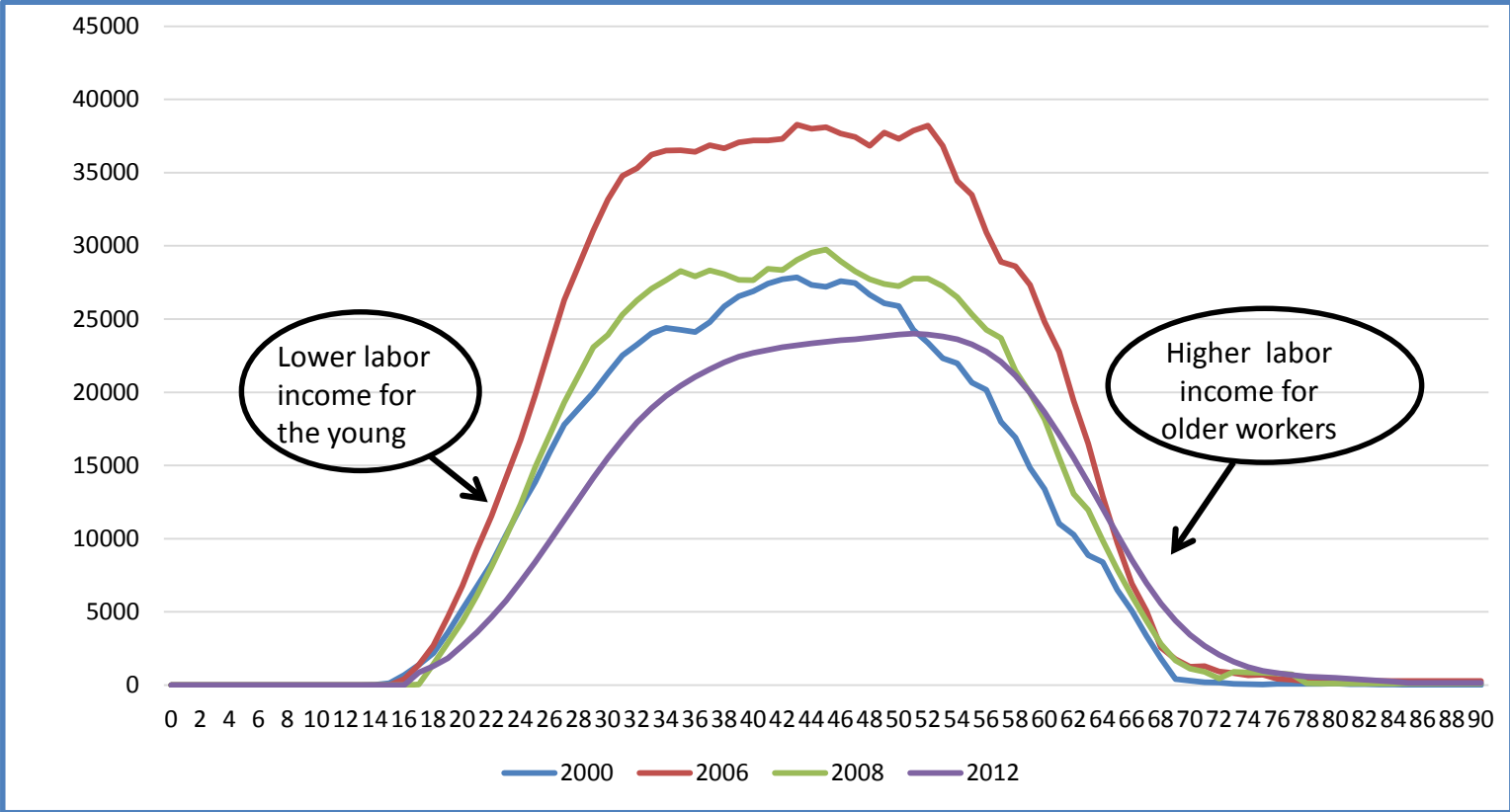


## Our contribution:

- Using NTA to explore the unequal impact of the crisis by age in Spain.
- Estimating NTA for 2012 and comparing results to previous available years (2000, 2006 and 2008).

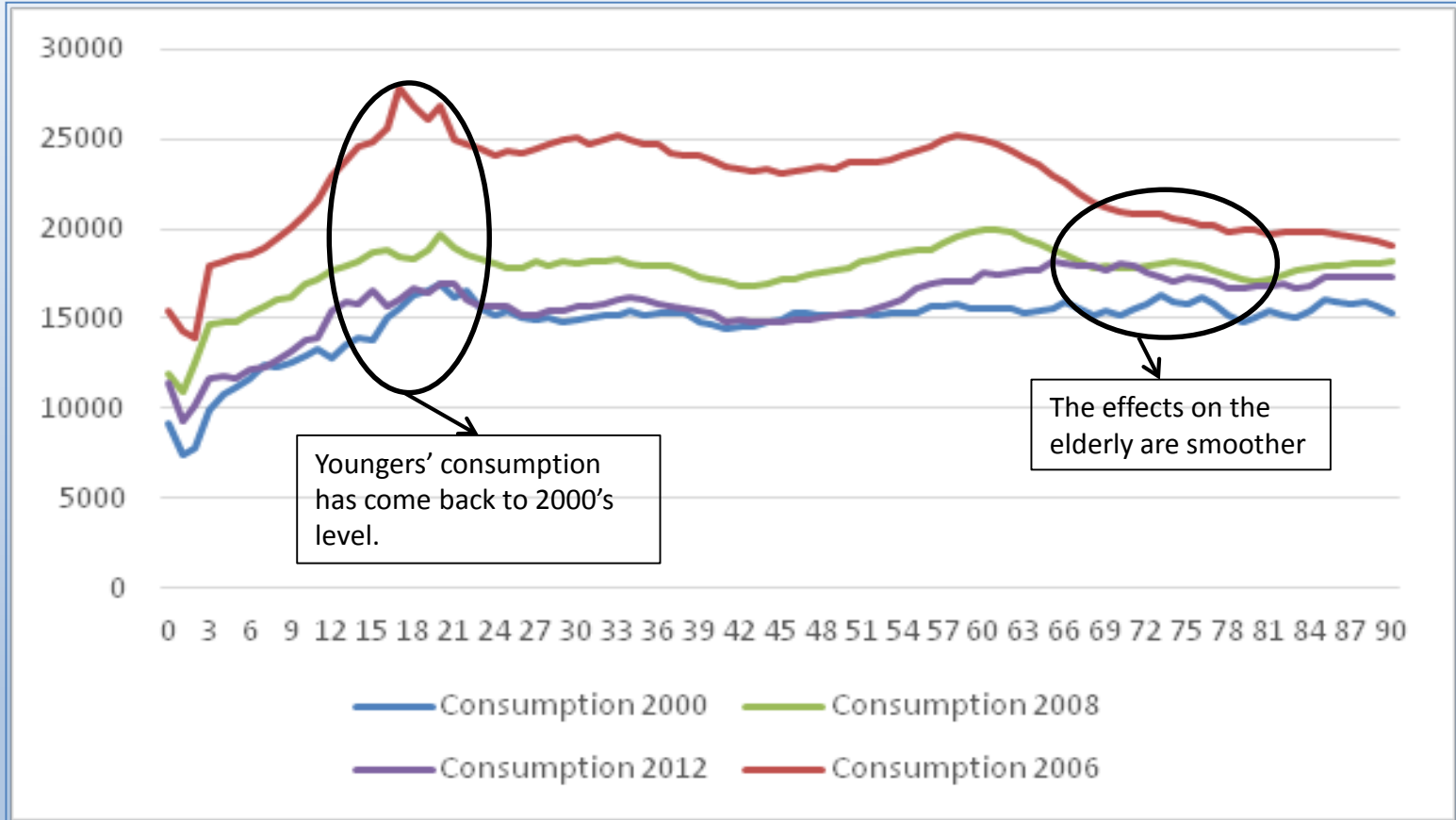
# Per capita labor income profile

(in constant euros of 2012 per year)



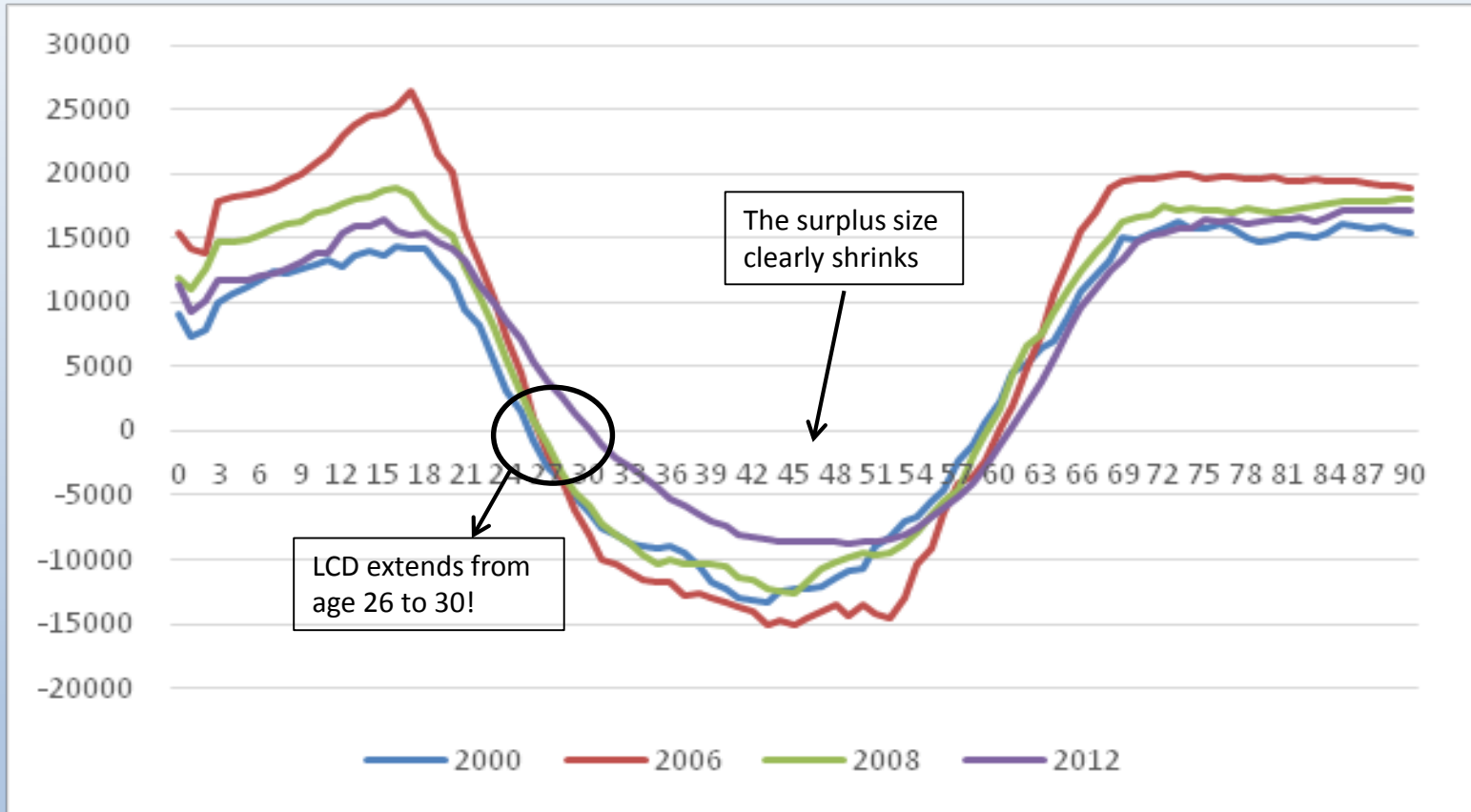
# Per capita consumption profile

(in constant euros of 2012 per year)

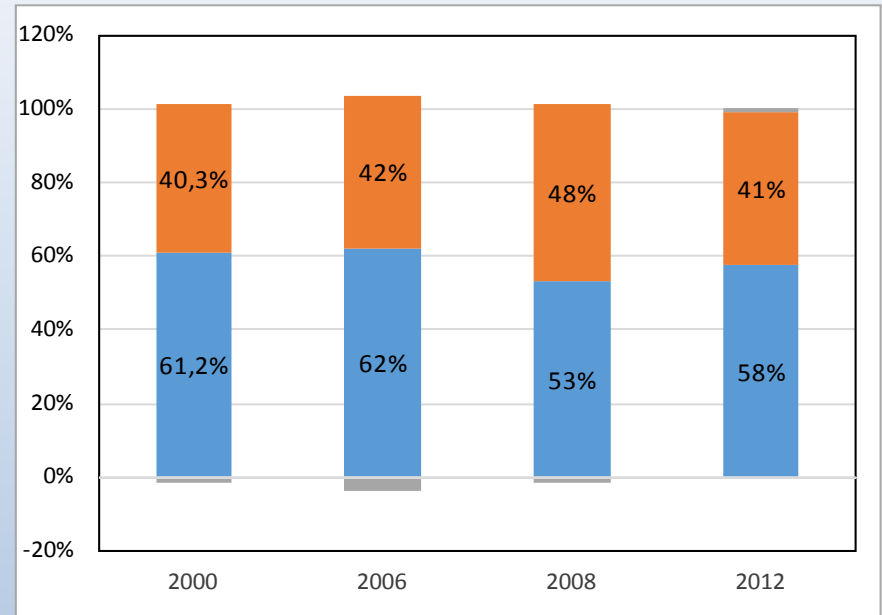
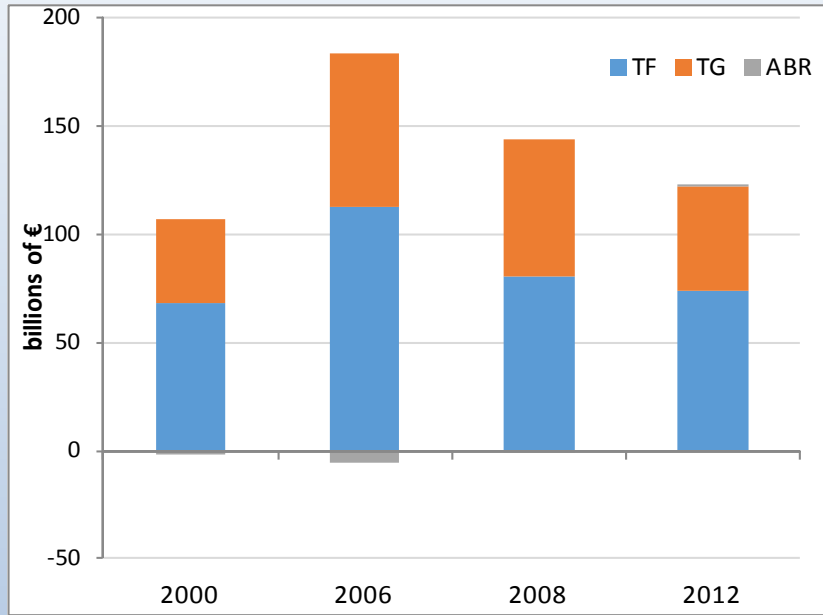


# Per capita Lifecycle Deficit profile

(in constant euros of 2012 per year)



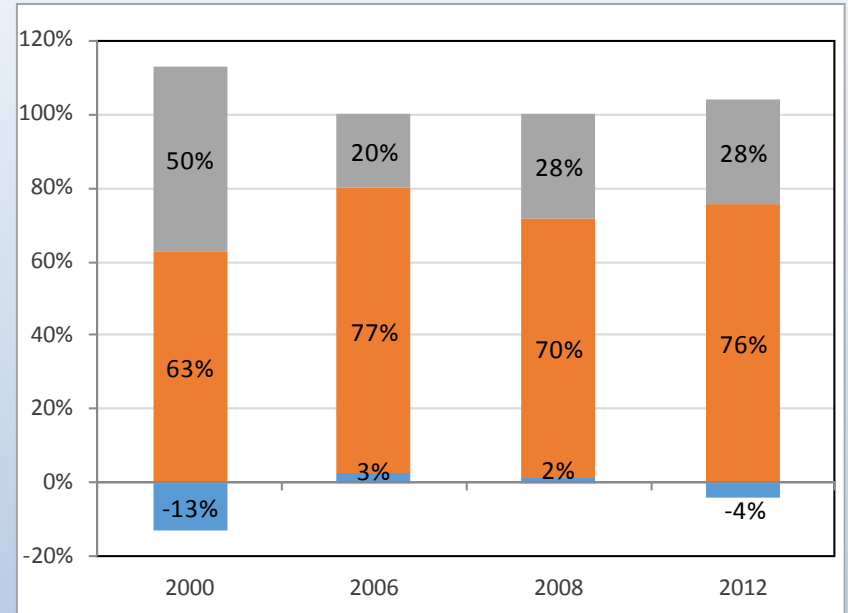
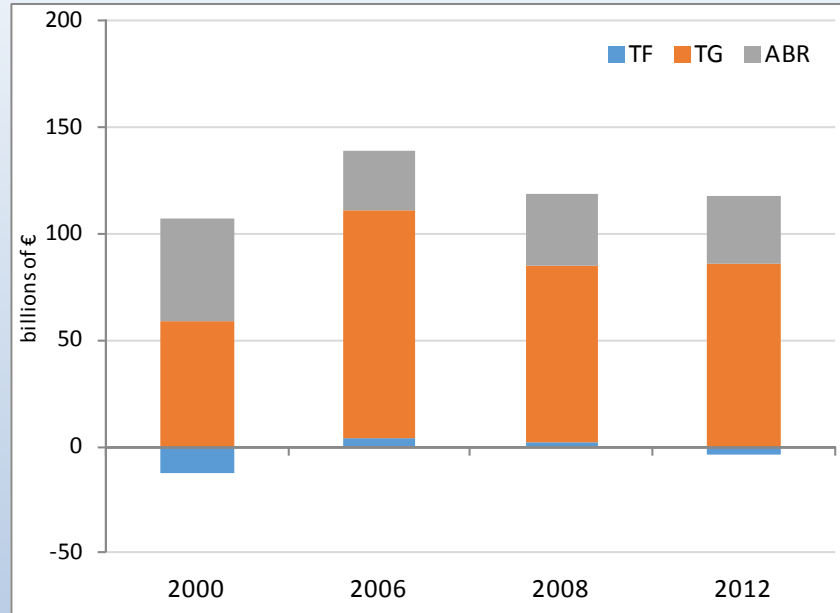
## Financing aggregated Lifecycle Deficit of children (0-19)



Public transfers to the children have significantly decreased with the crisis.

Private transfers could not compensate that decrease.

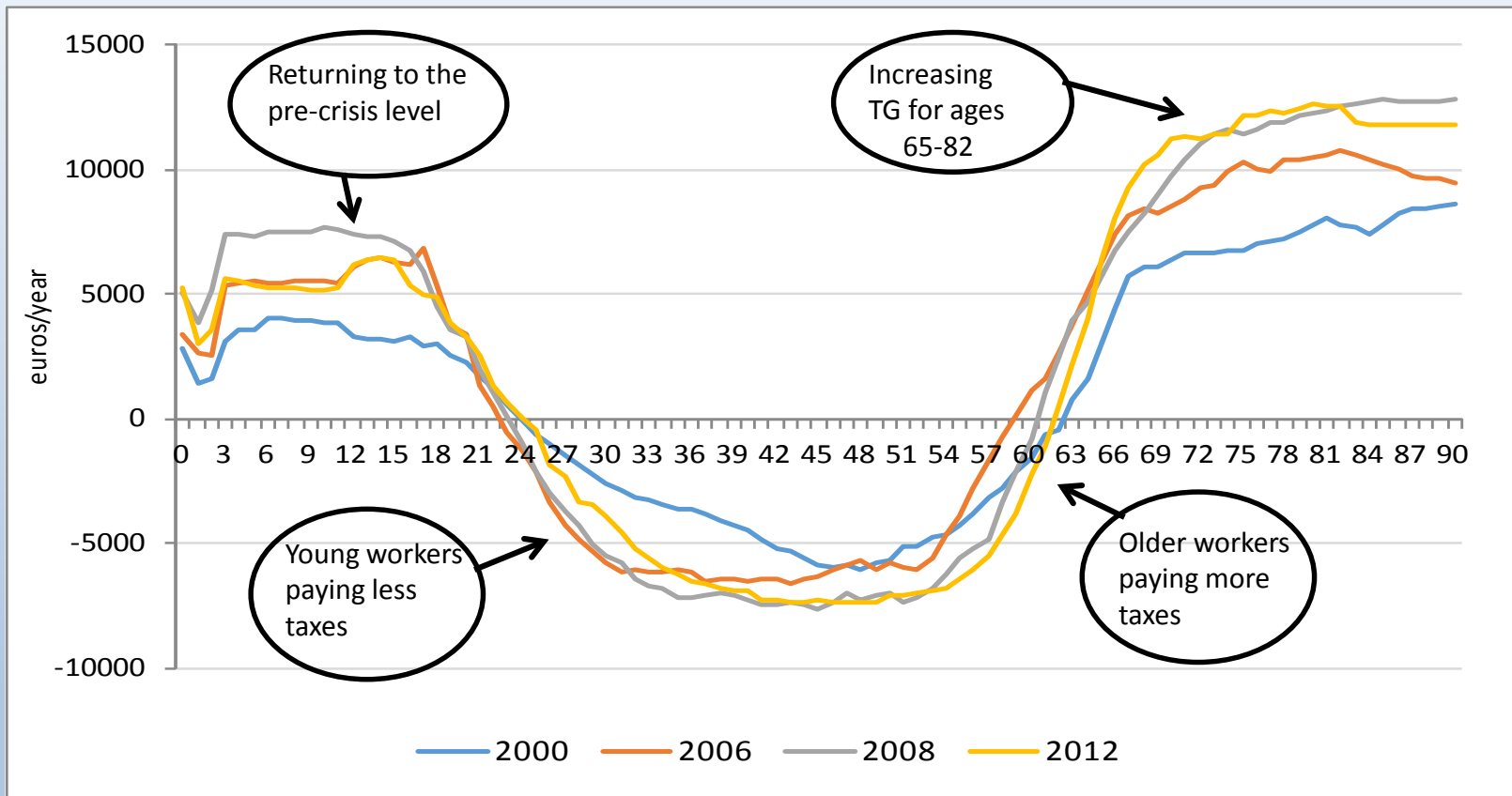
## Financing aggregated Lifecycle Deficit of the elderly (65+)



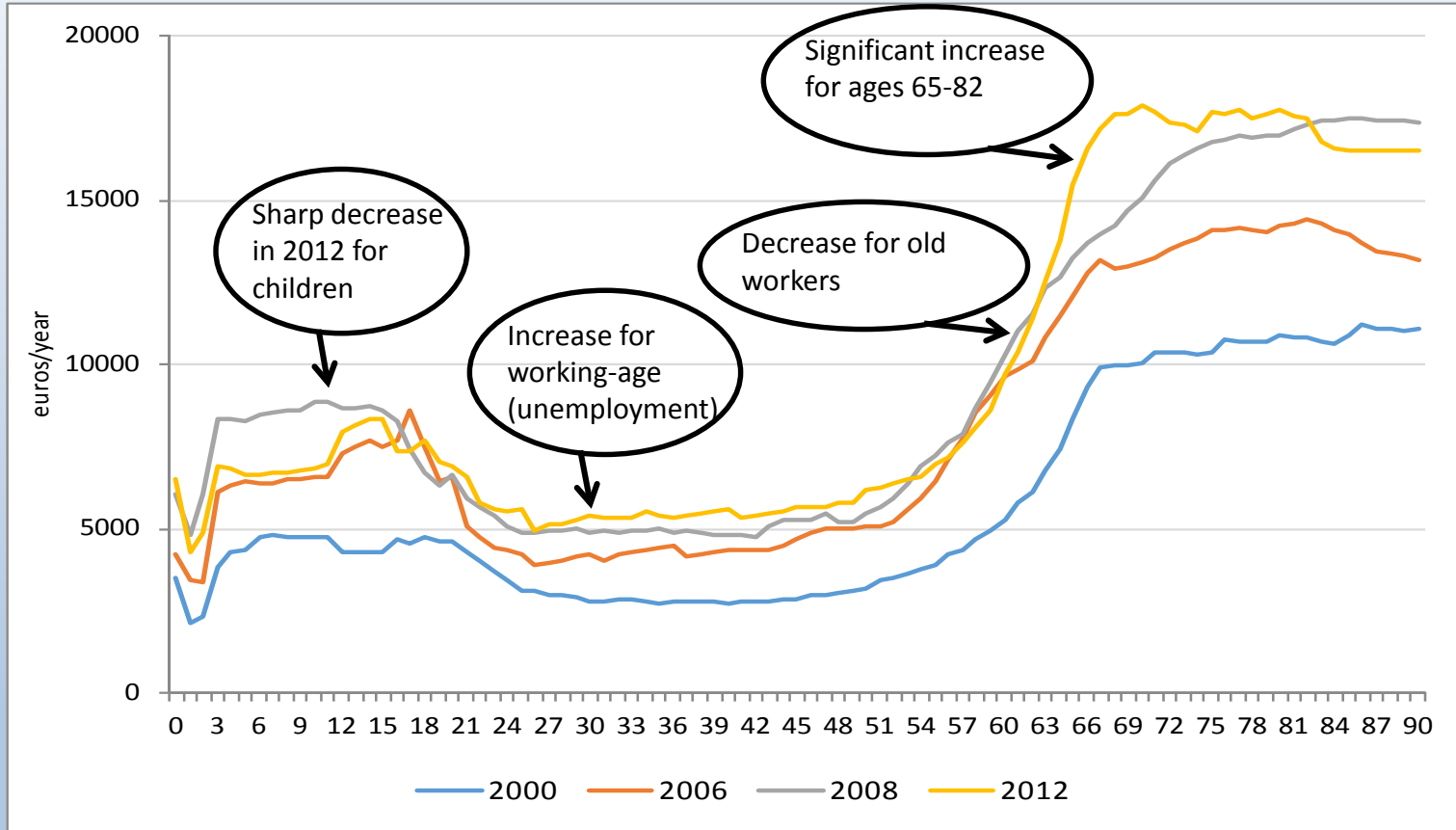
Public transfers significantly increased between 2000 and 2006, and practically remain the same with the crisis (2008-2012)

Private transfers are very small. Interestingly, they turn back to negative values in 2012.

# Per capita profile of net public transfers (TG) in Spain

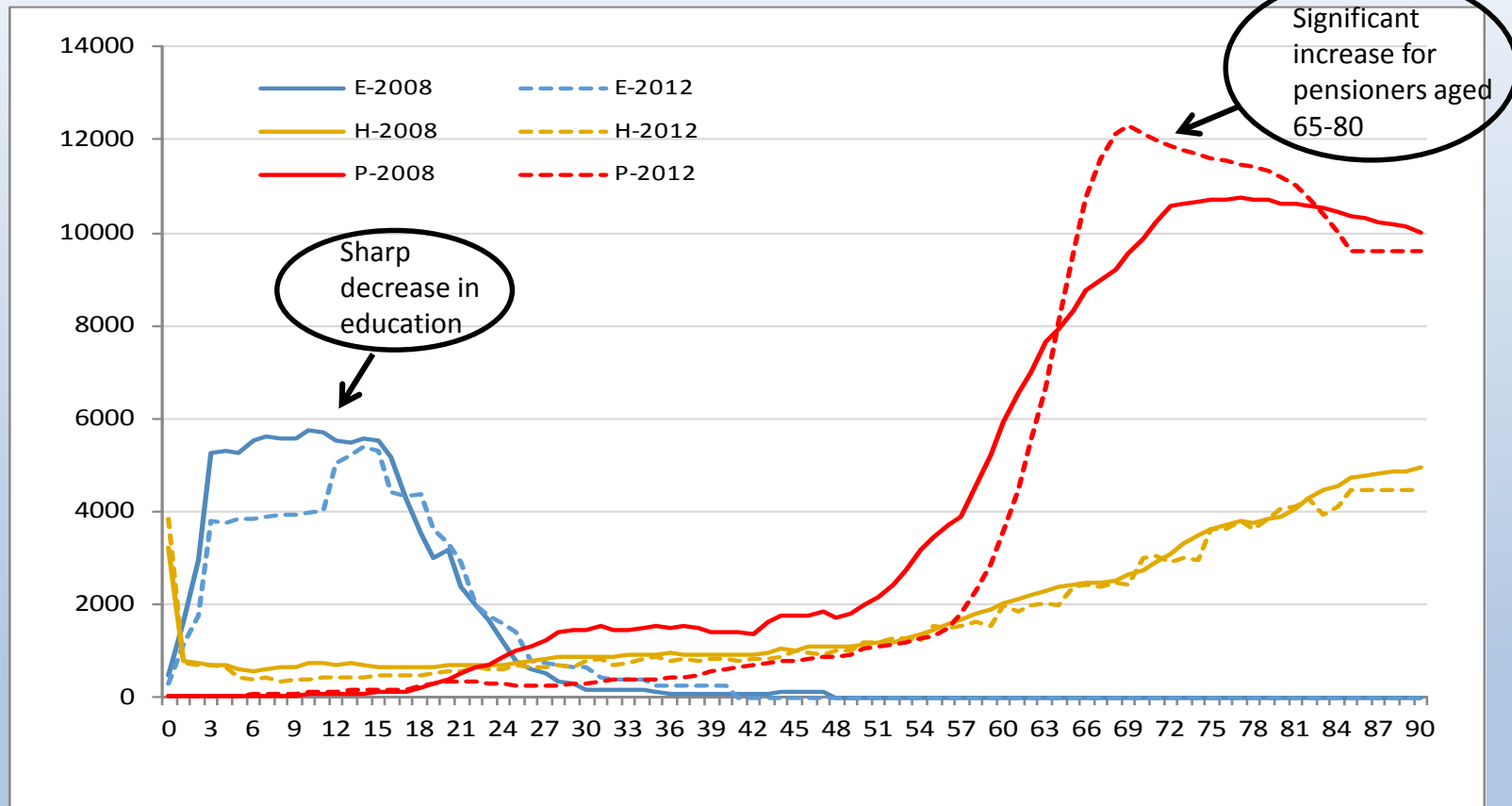


# Per capita profiles of public transfers inflows (transfers received)

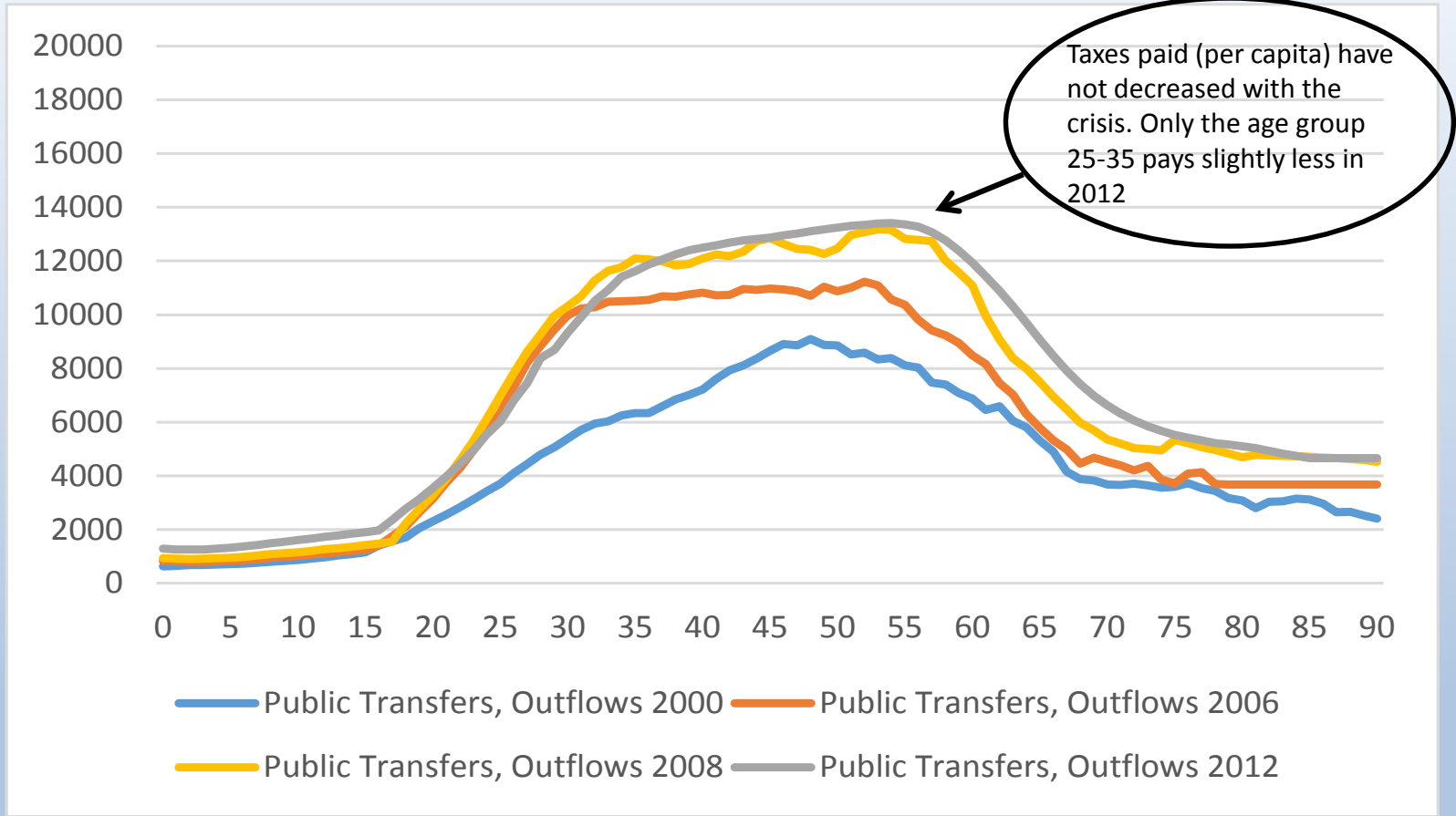




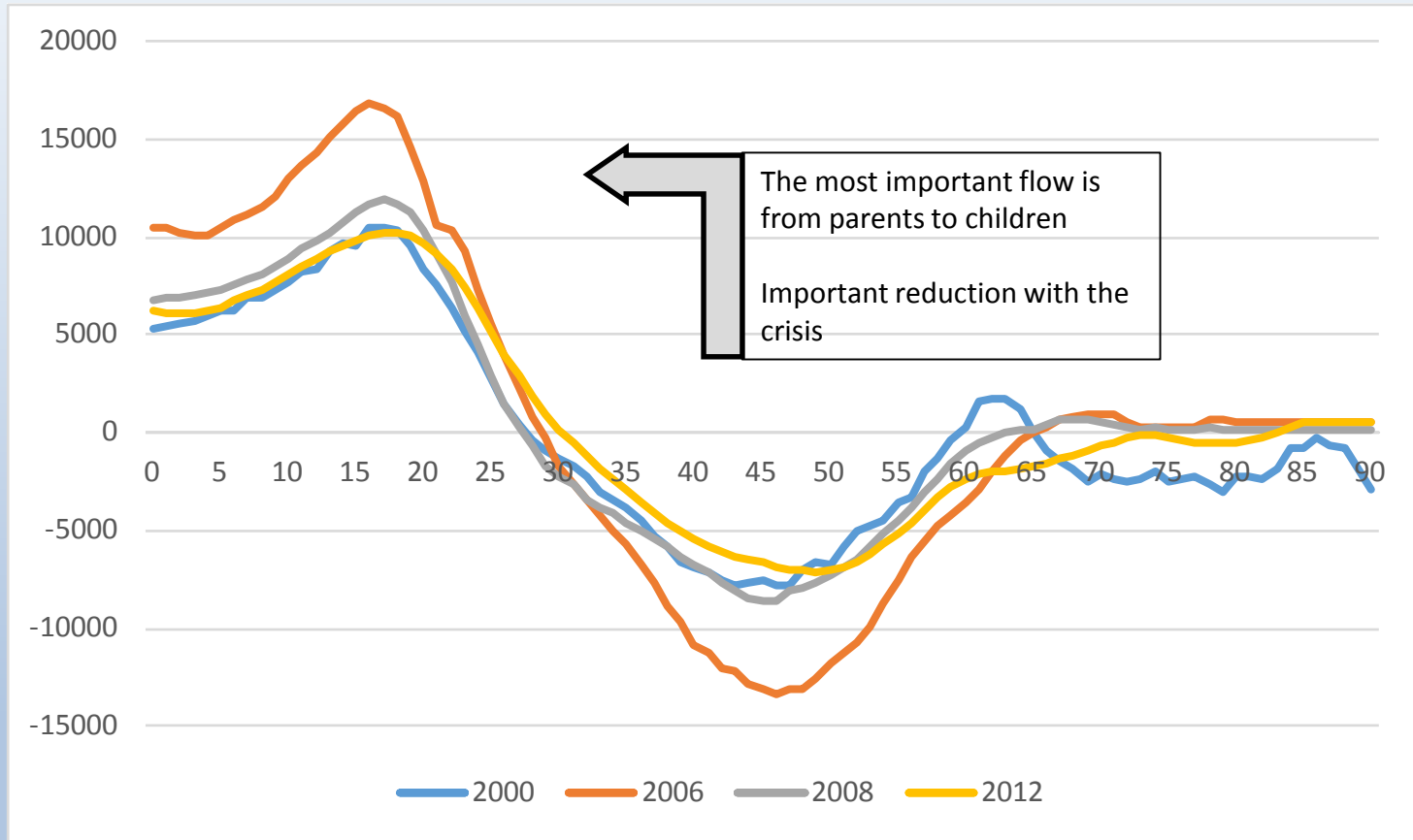
# Per capita profiles of public transfers inflows: education (E), health (H) and contributory pensions (P)



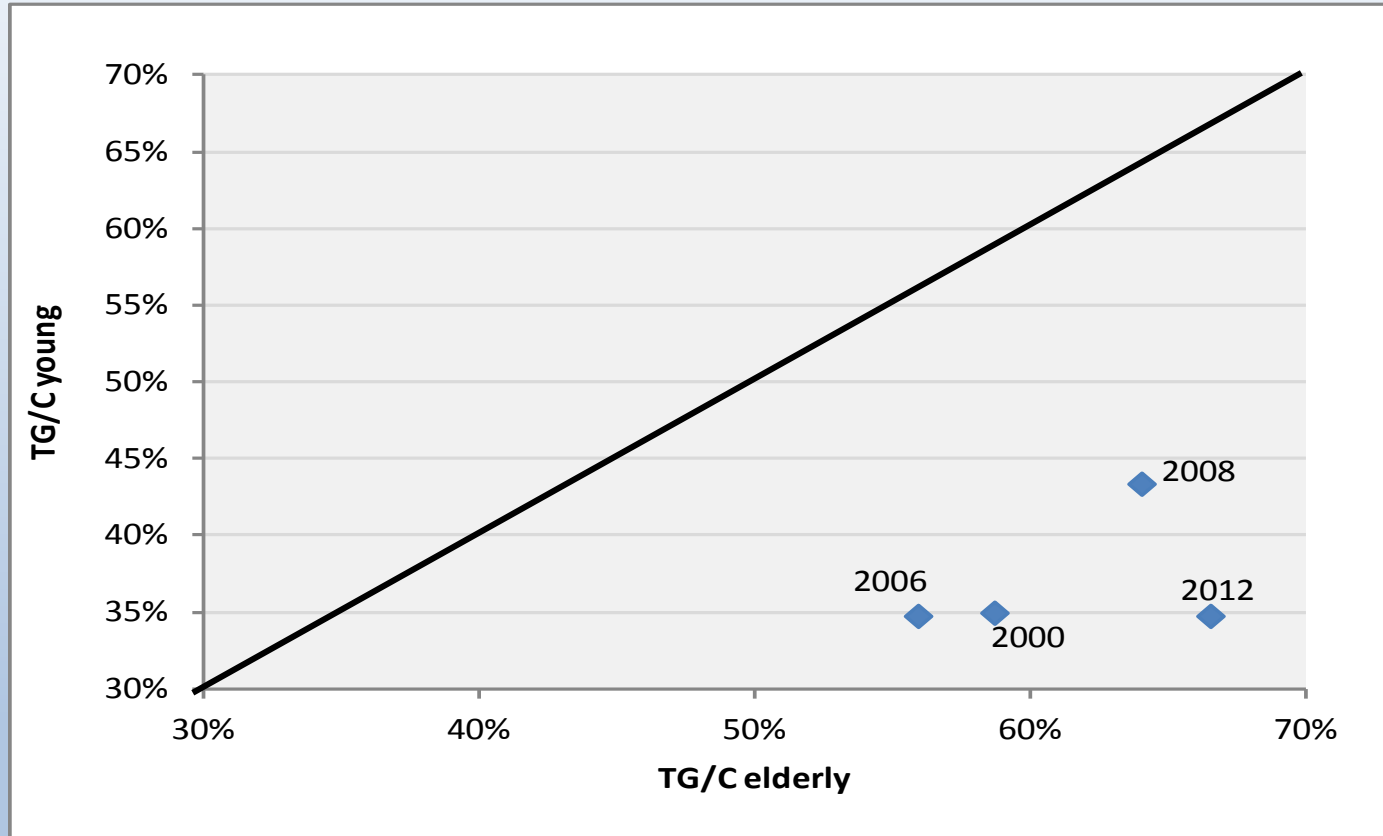
# Per capita profiles of public transfers outflows (taxes and contributions)



## Per capita profiles of net private transfers



## Net public transfers to the children and the elderly in Spain (in % of their own consumption)



## Main findings

- Children received much less public and private transfers during the crisis, so their consumption has significantly decreased
- Labor income has decreased specially for younger workers
- However, children pay similar taxes (or even higher) than before the crisis
- On the contrary, public transfers to the elderly have increased

Welfare state systems have proven to be a very effective tool in improving intergenerational redistribution and reducing inequalities...

Why high-income societies are highly averse to old-age poverty while they seem to accept child poverty quite naturally?



Ageing Europe – An Application of  
National Transfer Accounts for Explaining  
and Projecting Trends in Public Finances

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**Thank you**