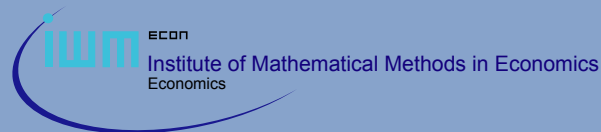


The Public Reallocation of Resources across Age: A Comparison of Austria and Sweden

European Centre Vienna, November 15th 2012

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FOR DEMOGRAPHY AND
GLOBAL HUMAN CAPITAL

Structure of the talk

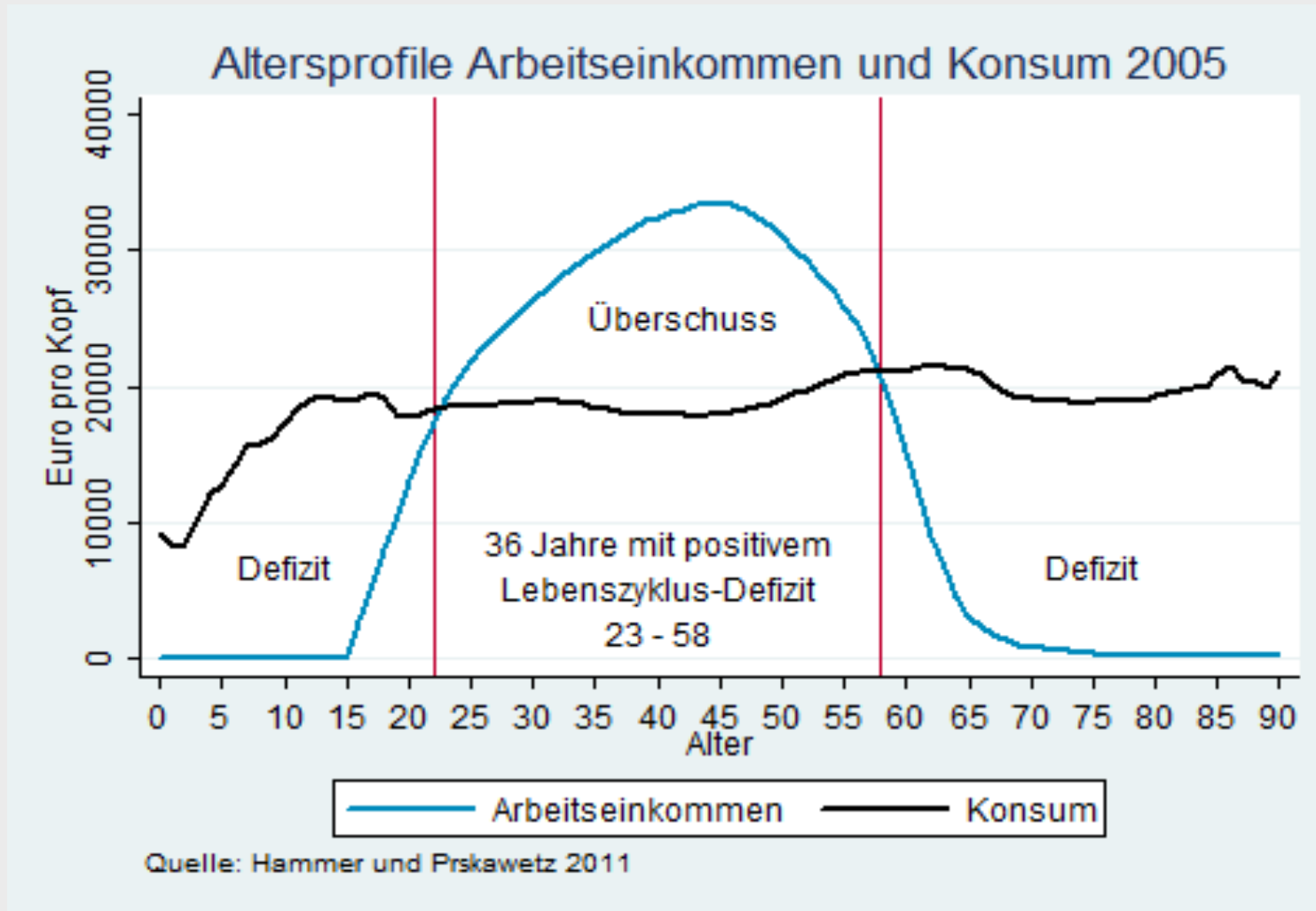
1. NTA Austria

Austria vs. Sweden

2. Age reallocation of public transfers

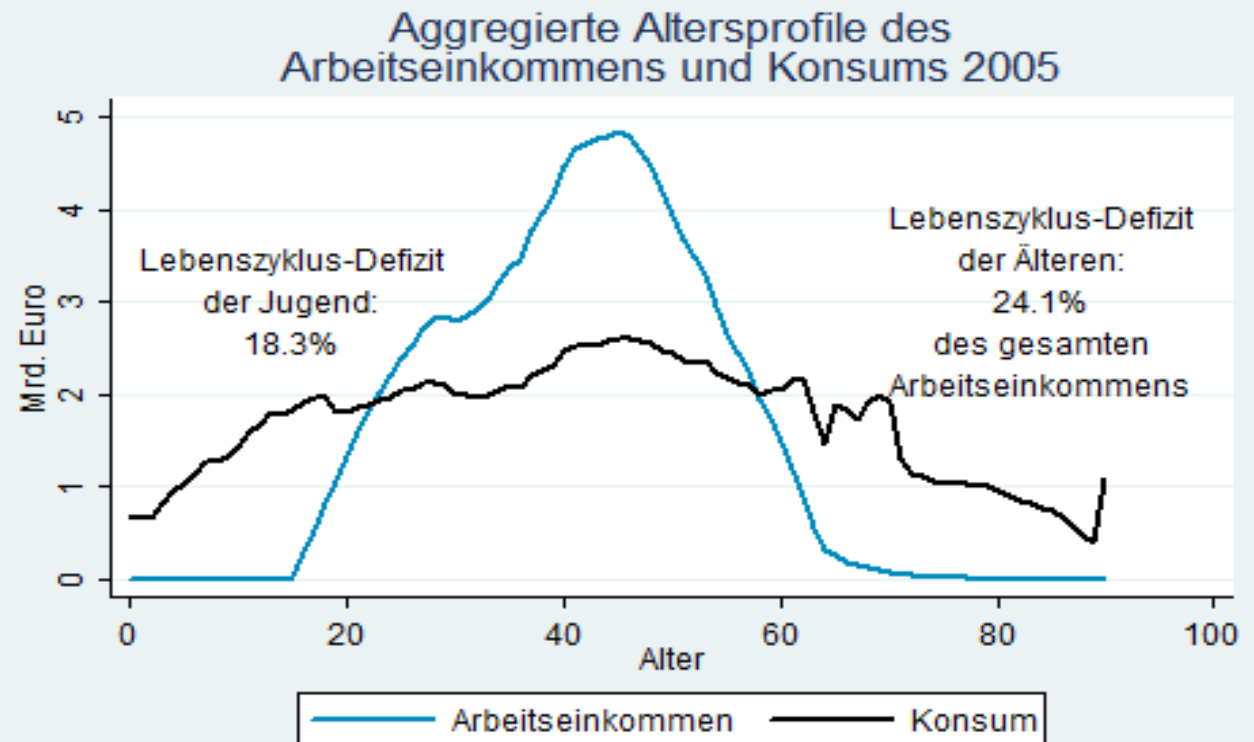
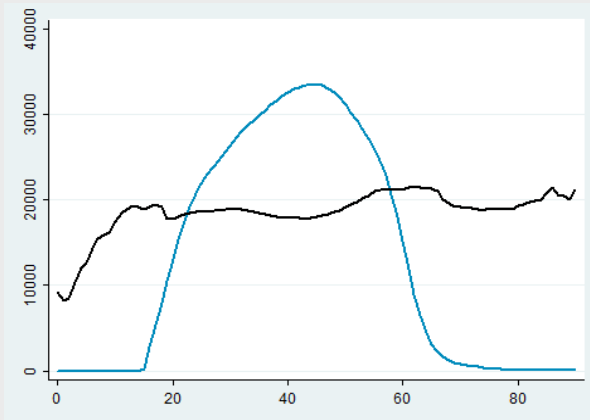
3. Dependency Ratios

1. NTA Austria



1. NTA Austria

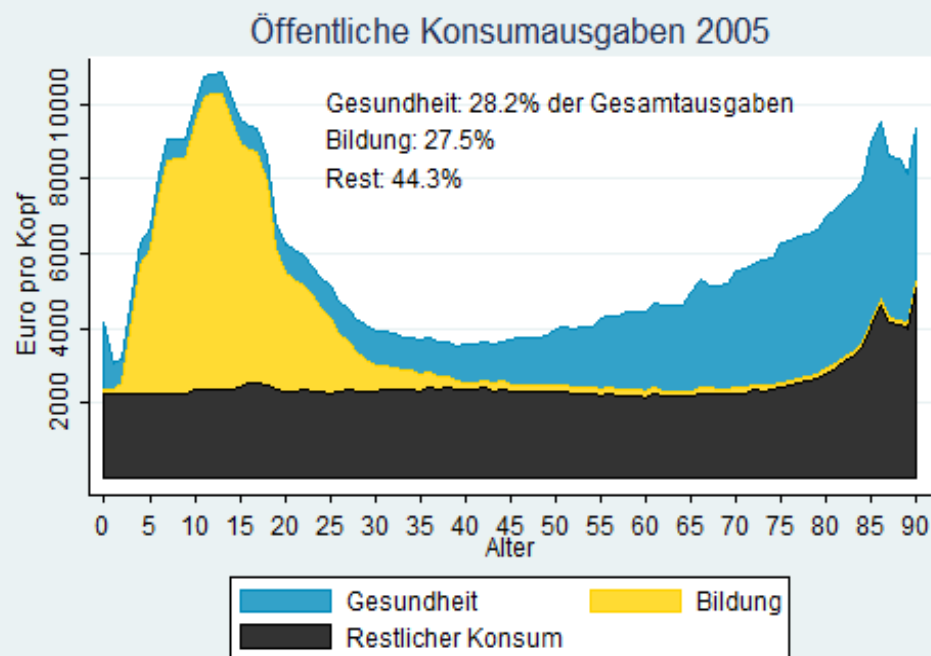
Aggregate age profiles of income and consumption



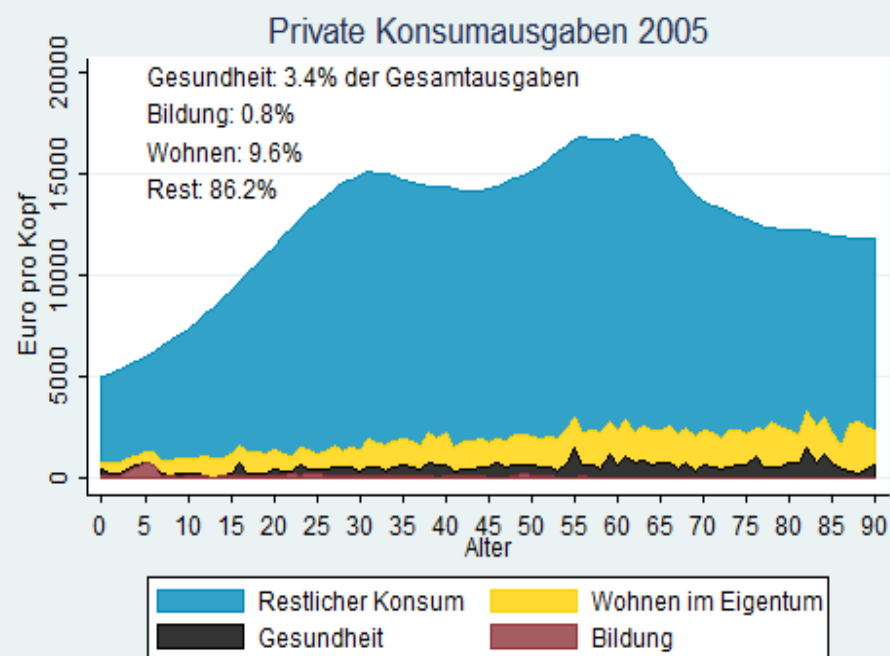
Quelle: Hammer und Prskawetz 2011

1. NTA Austria

Public and private consumption expenditures, 2005



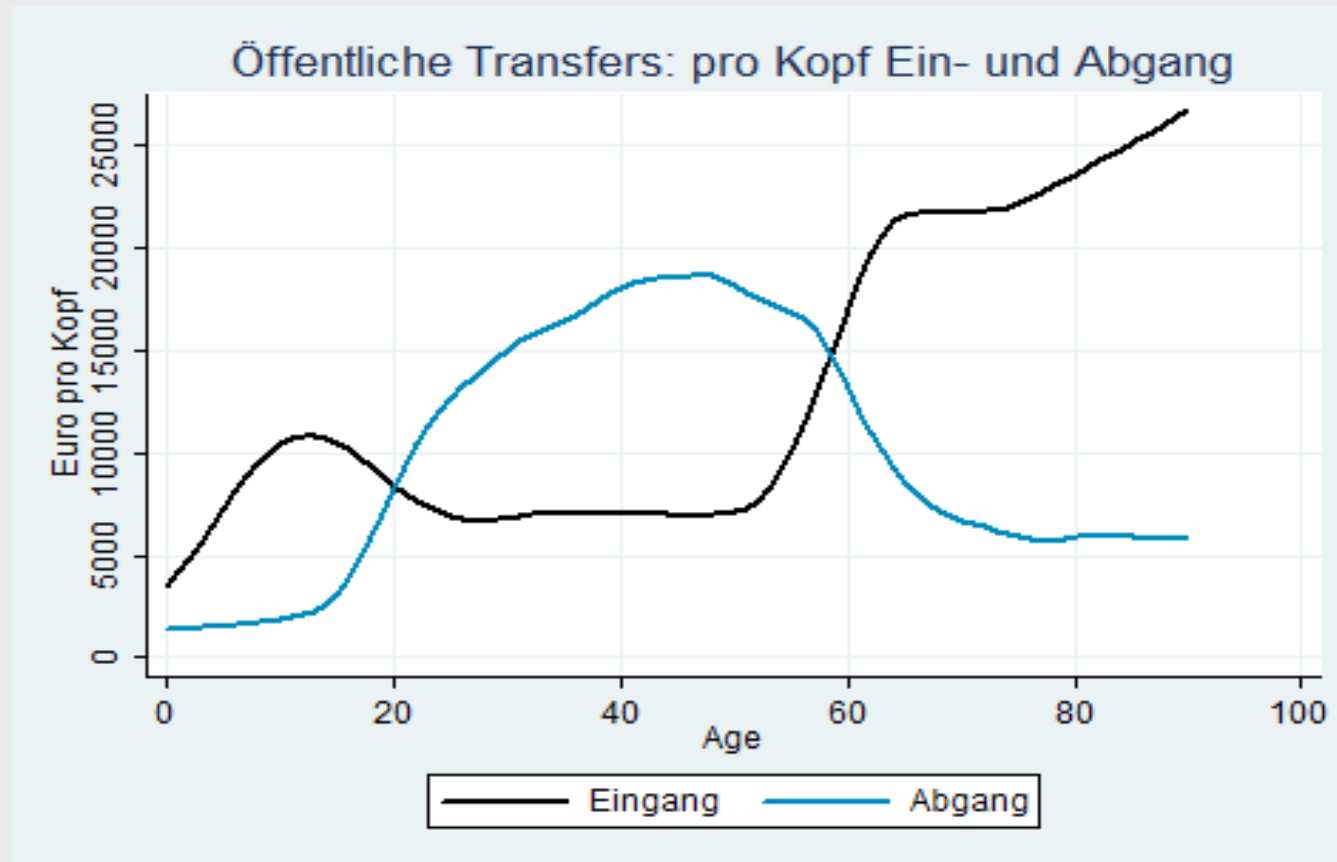
Quelle: Hammer und Prskawetz 2011



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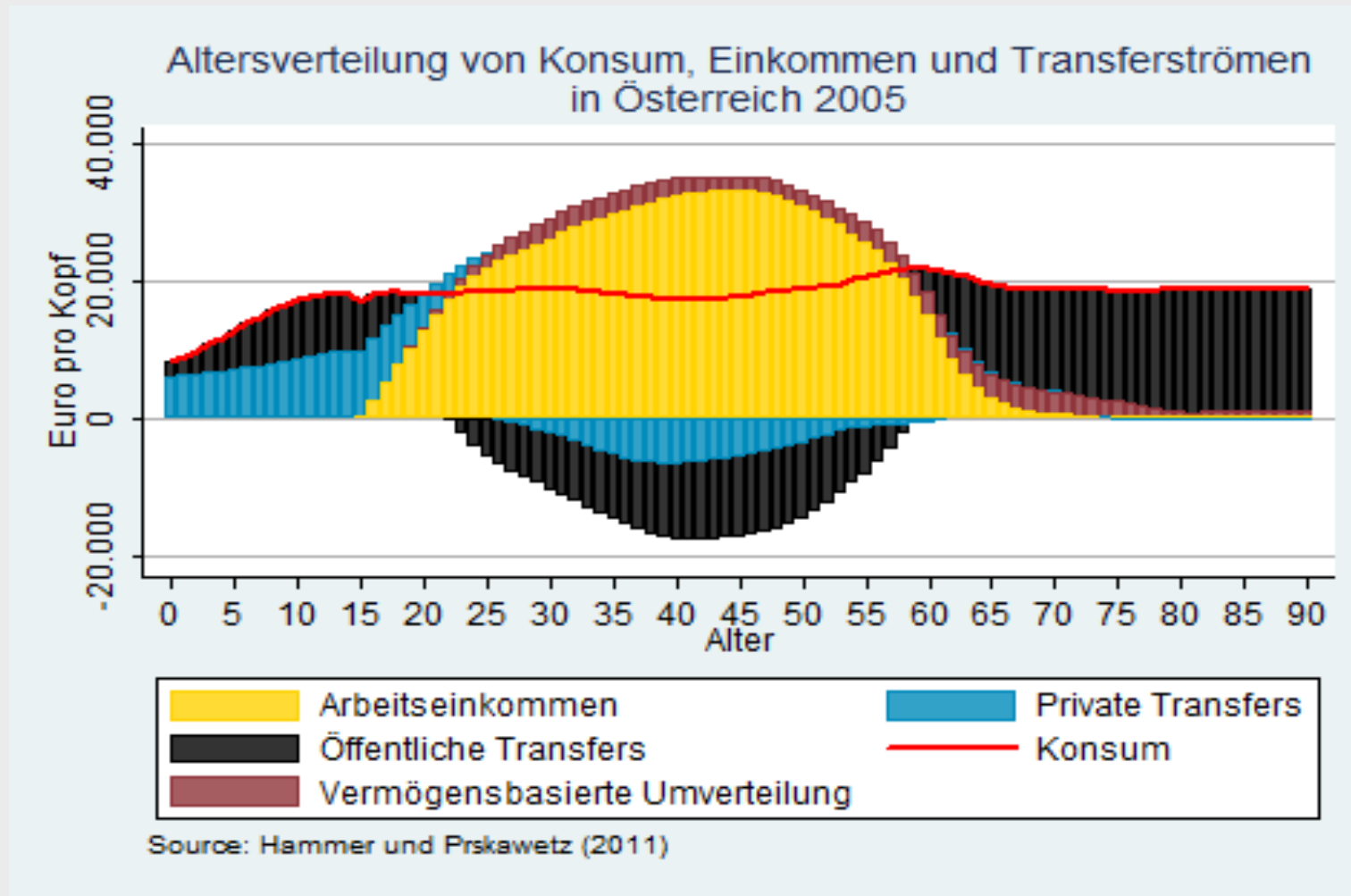
1. NTA Austria

Public transfers, 2005



1. NTA Austria

Age Reallocation of Income, Consumption and Transfers



Austria vs. Sweden

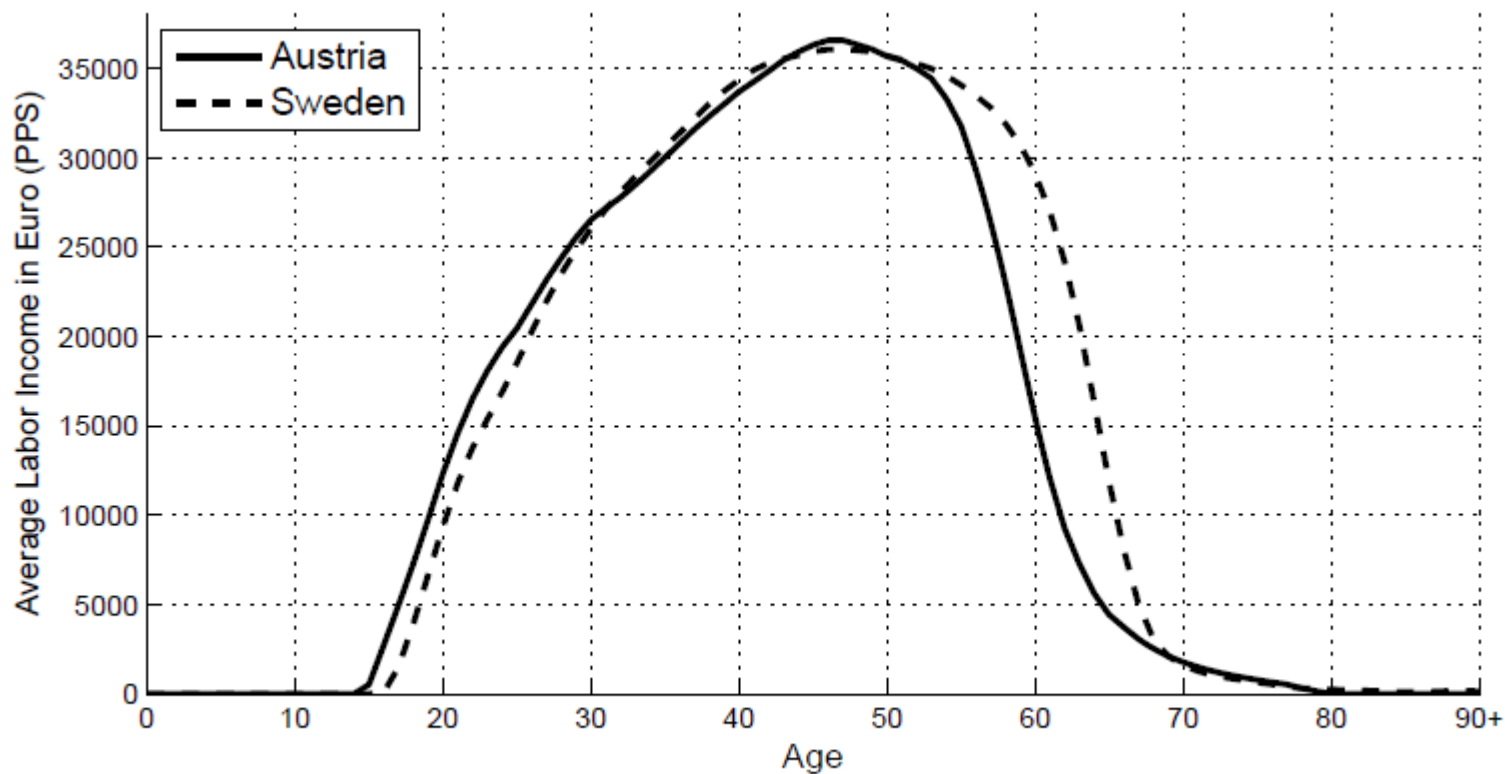
2. Age reallocation of public transfers

	Austria	Sweden
PPP adjusted GDP per capita (2010)	€ 30,891	€ 30,433
Government expenditures as % of GDP	52,5 %	52,3 %
Revenues as % of GDP	48,1 %	52,5 %

HOWEVER differences in economic life cycle !

2. Age reallocation of public transfers

age-group averages of labor income 2010



Sources: www.ntaccounts.org; Own calculations.

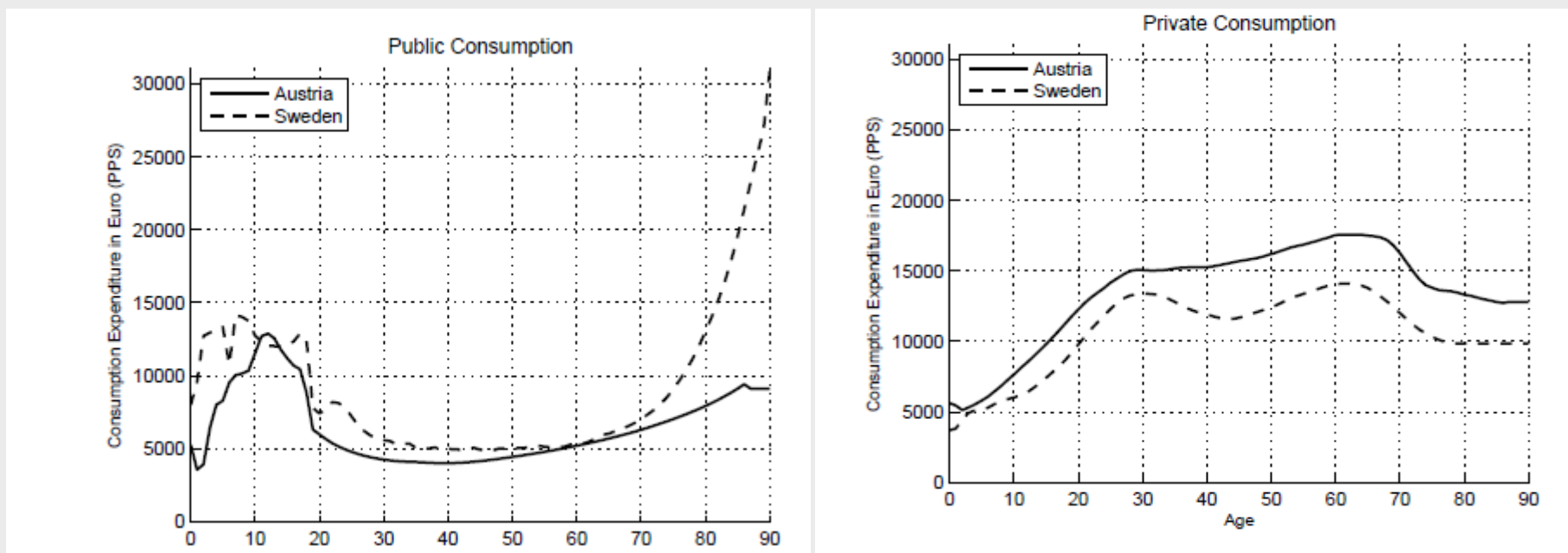
2. Age reallocation of public transfers

labor force participation rates by age 2010 (OECD)

Age	Sweden		Austria	
	Women	Men	Women	Men
15-24	51.2	51.7	54.1	63.6
25-54	87.5	93.6	82.8	92.5
55-59	82.0	88.3	52.3	73.3
60-64	58.8	70.8	14.8	30.7
65+	7.7	16.7	3.6	7.7




2. Age reallocation of public transfers

age-group averages of public and private consumption 2010



2. Age reallocation of public transfers

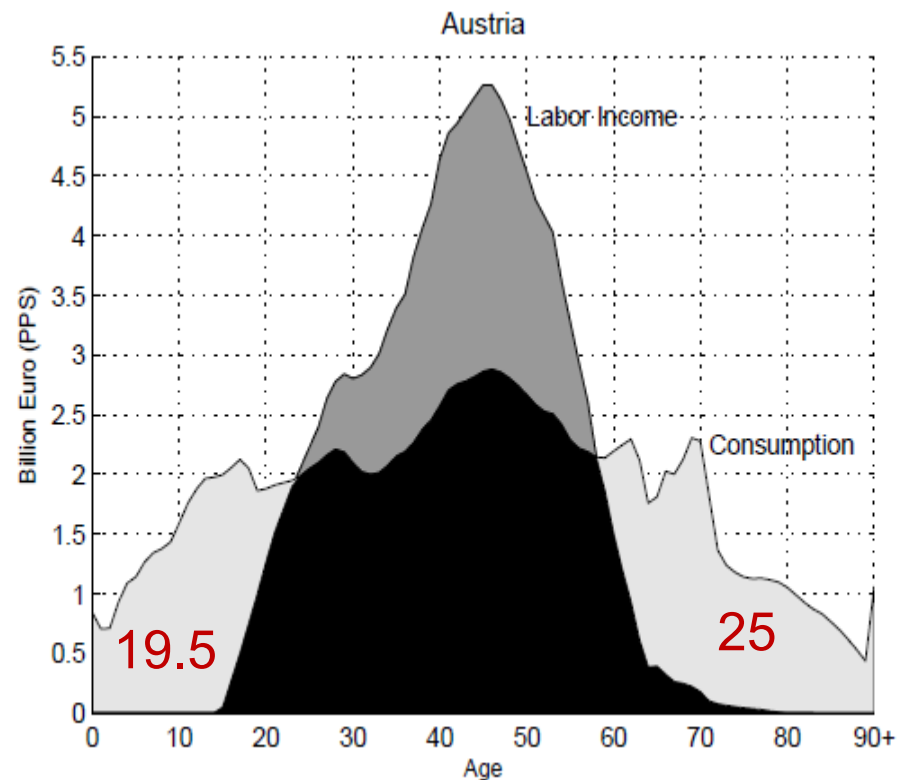
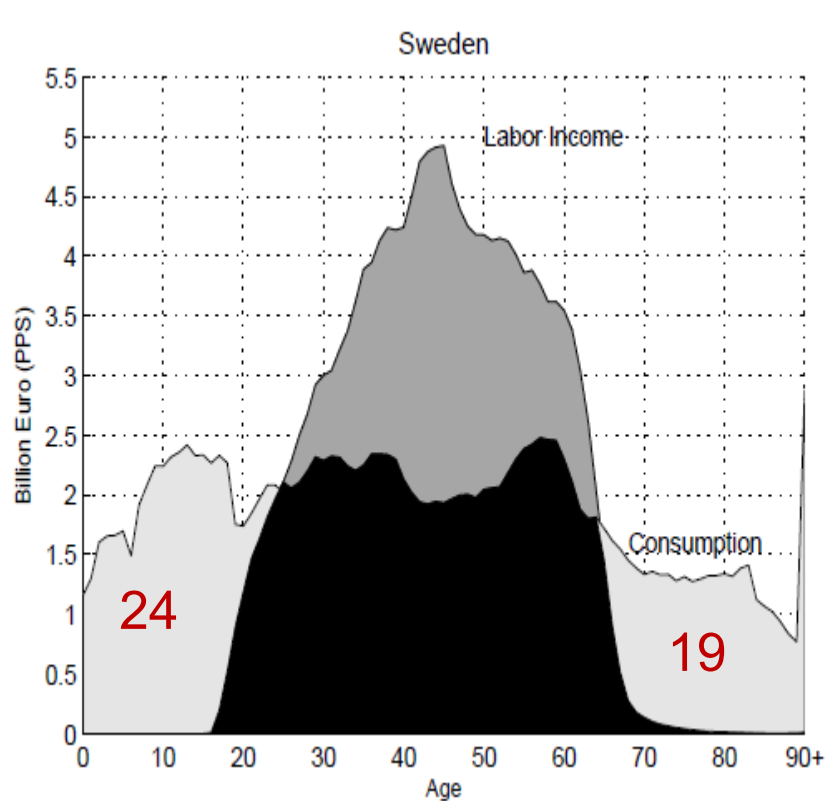
public consumption 2010

	Sweden		Austria	
	Euro (PPS)	% of Total Cons.	Euro (PPS)	% of Total Cons.
Public Consumption	8,138	42.8	5,977	30.1
 Health	2,039	10.7	1,681	8.5
 Education	1,934	10.2	1,536	7.7
Pre-Primary and Primary	1,195	6.3	399	2.0
Secondary Education	419	2.2	775	3.9
Tertiary Education	258	1.4	160	0.8
Education Other	62	0.3	202	1.0
 Social Protection	1,773	9.3	416	2.1
Other	2,391	12.6	2,344	11.8

Source: Eurostat, General government expenditure by function (COFOG)

2. Age reallocation of public transfers

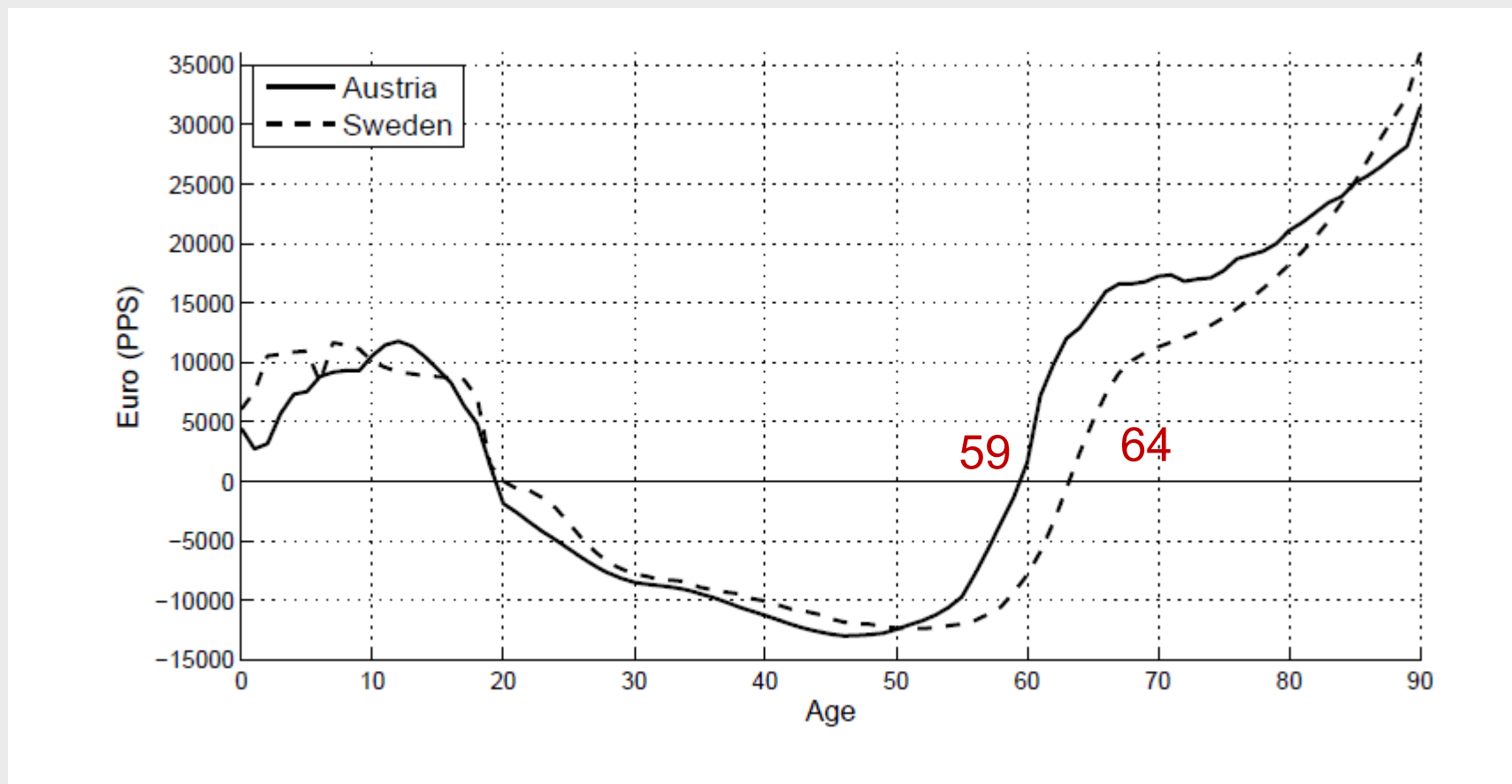
aggregate labor income and consumption 2010



aggregate life cycle deficit as percent of total income

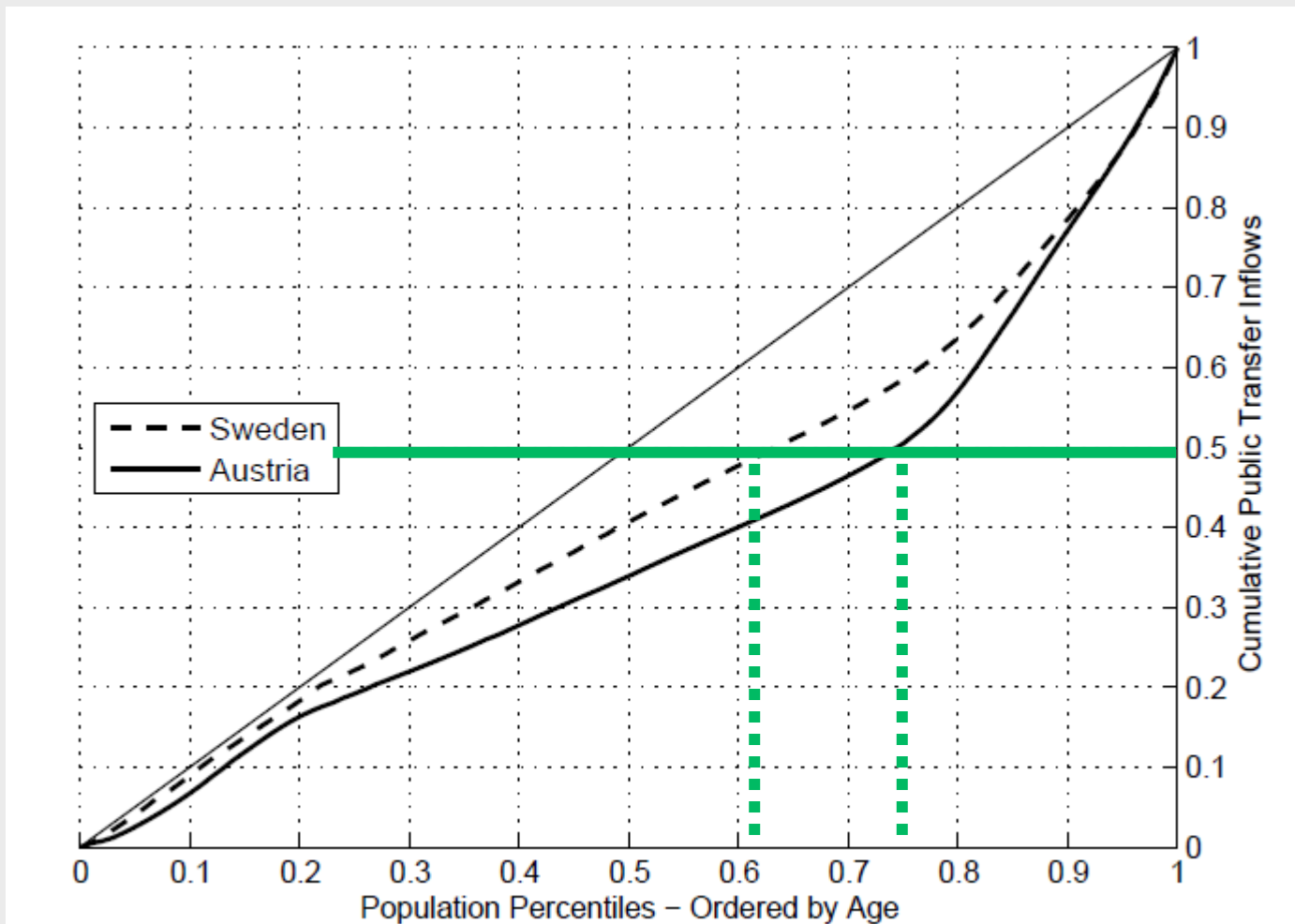
2. Age reallocation of public transfers

public net transfers 2010

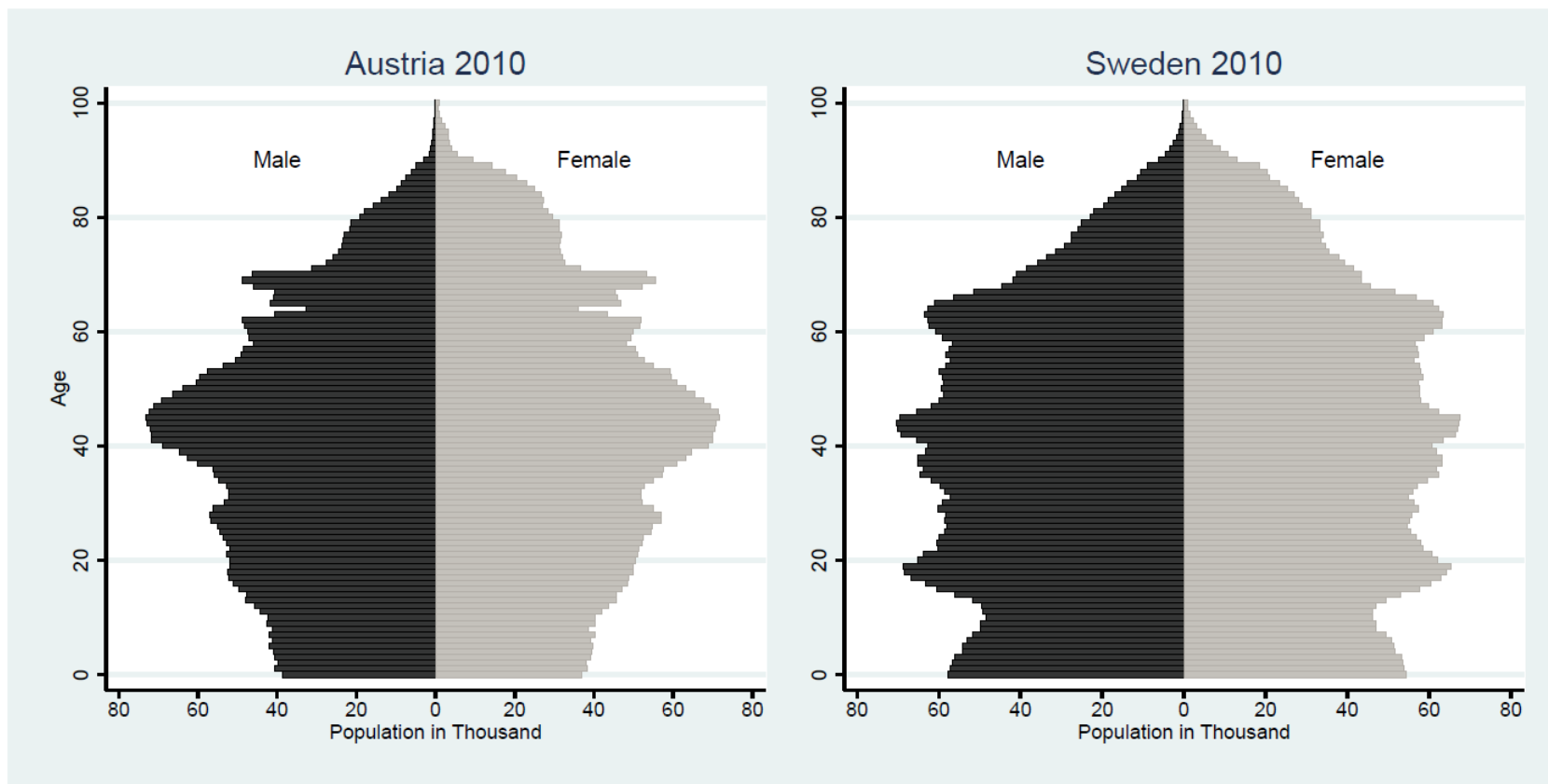


2. Age reallocation of public transfers

Cumulative distribution of public transfer benefits 2010

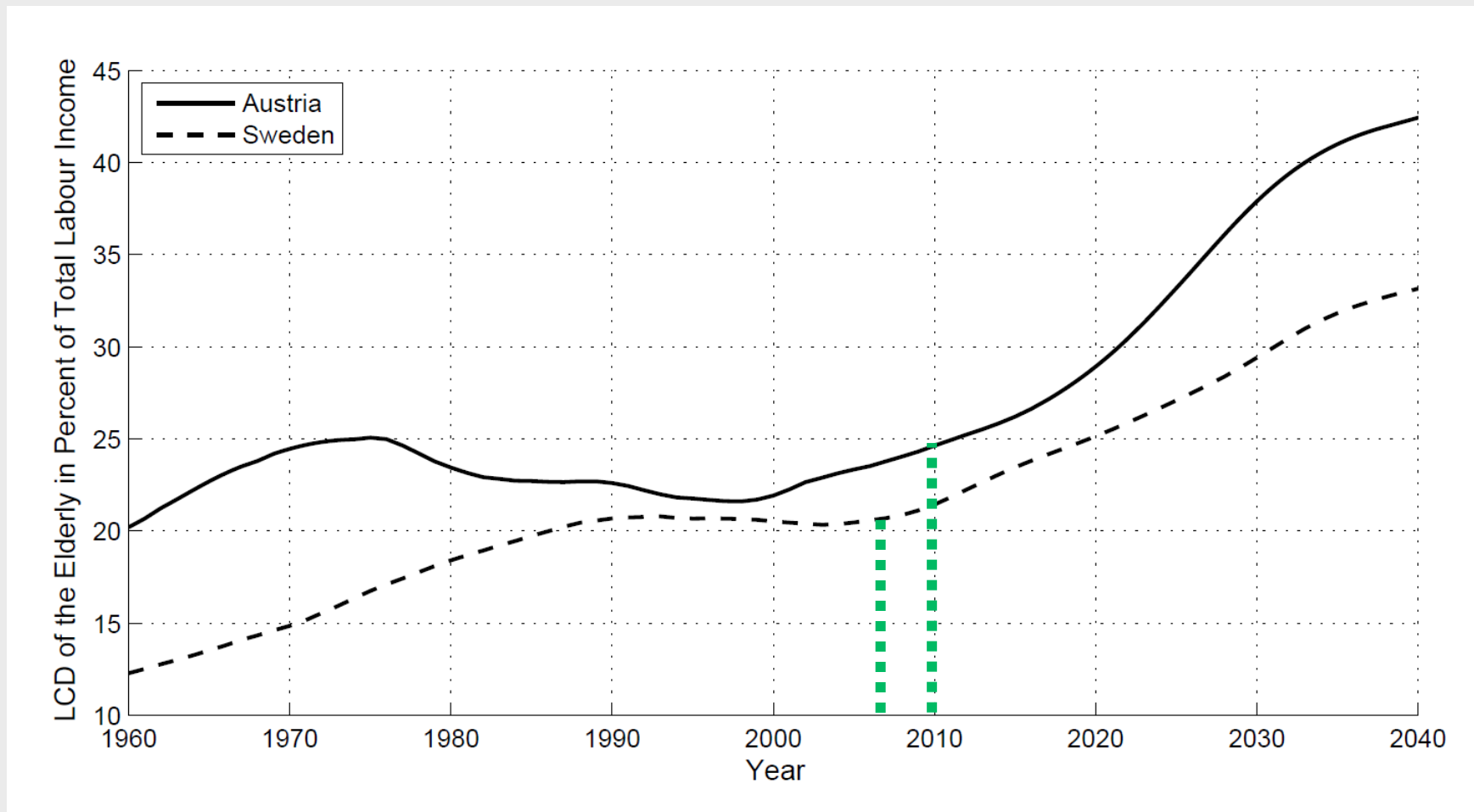


3. Dependency Ratios



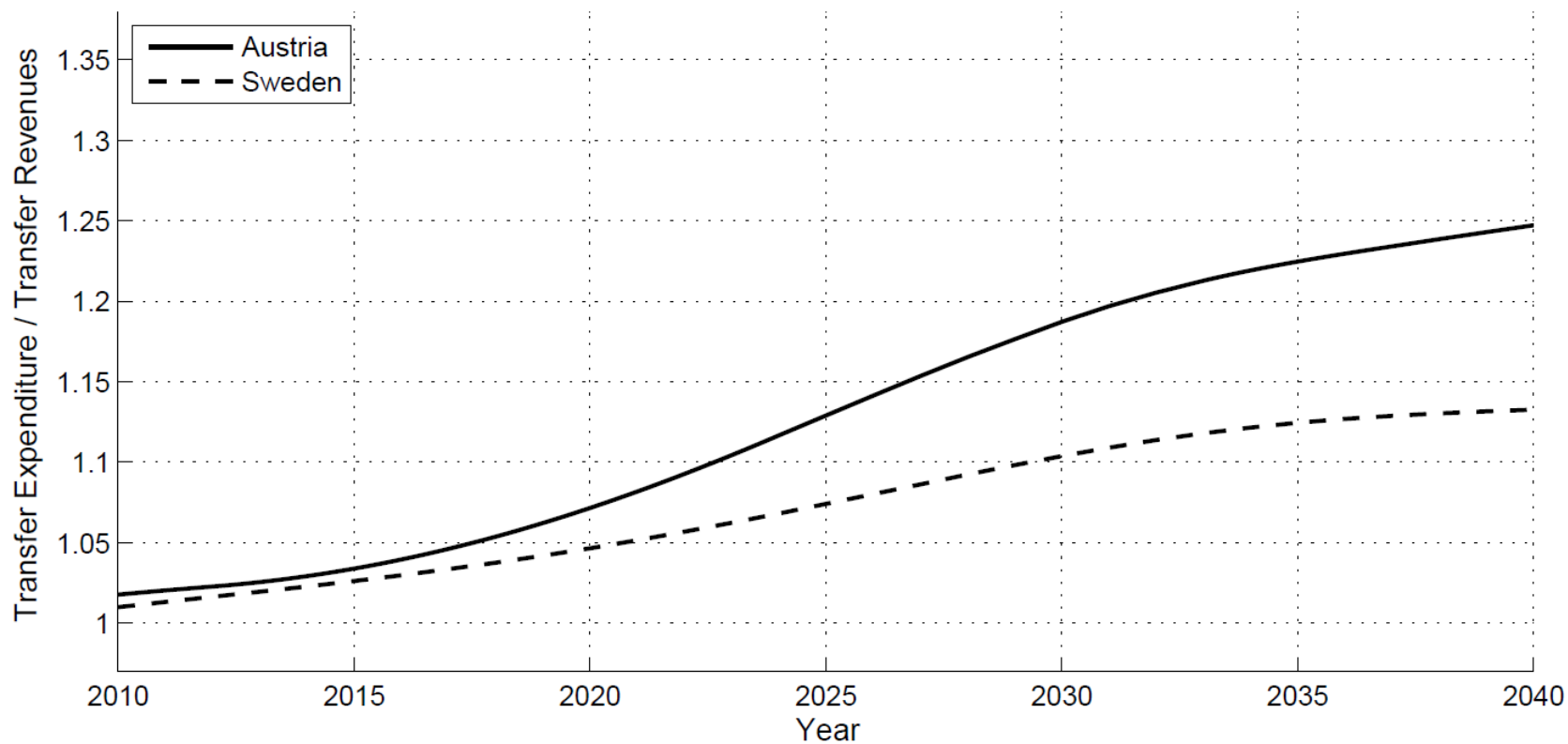
3. Dependency Ratios

Economic Old-Age Dependency Ratio: LCD of Elderly 1960-2040



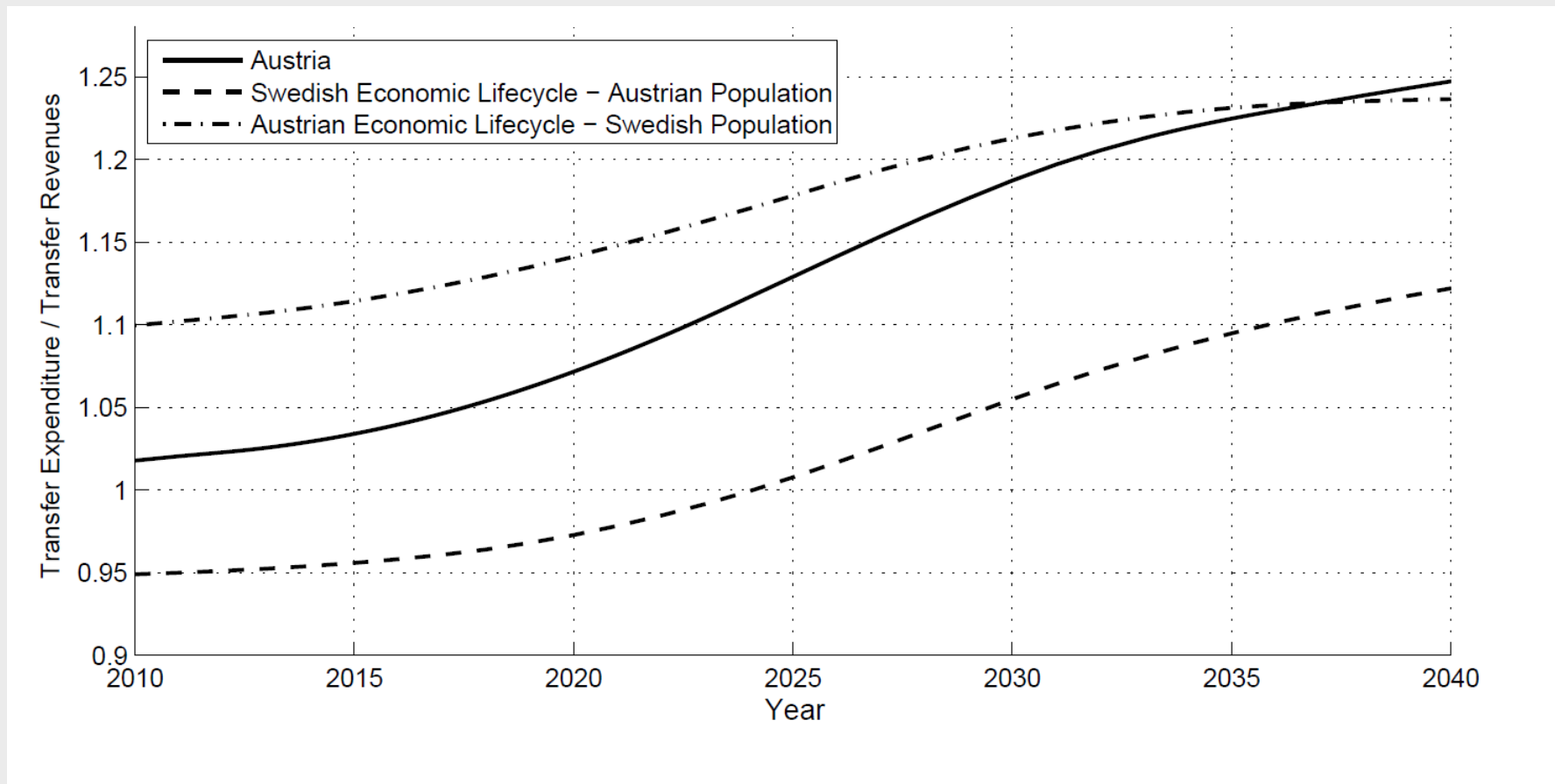
3. Dependency Ratios

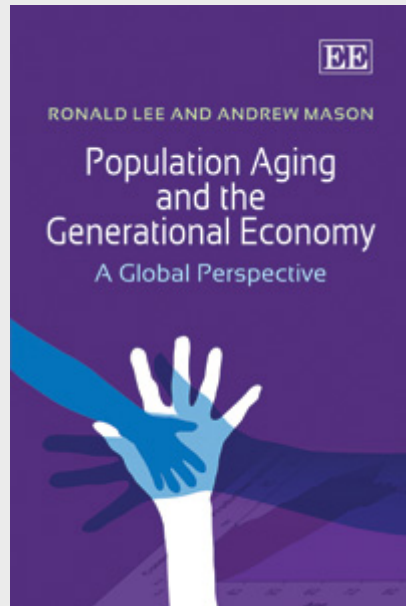
Public Dependency Ratio



3. Dependency Ratios

Public Dependency Ratio





“Over coming decades, changes in population age structure will have profound implications for the macroeconomy, influencing **economic growth, generational equity, human capital, saving and investment, and the sustainability of public and private transfer systems.** How the future unfolds will depend on key actors in the generational economy: governments, families, financial institutions, and others. This path-breaking book provides a comprehensive analysis of the macroeconomic effects of changes in population age structure across the globe.”

THANK YOU