

# Conference on the Green paper on Pensions:

## Key data

Brussels, 29 October 2010

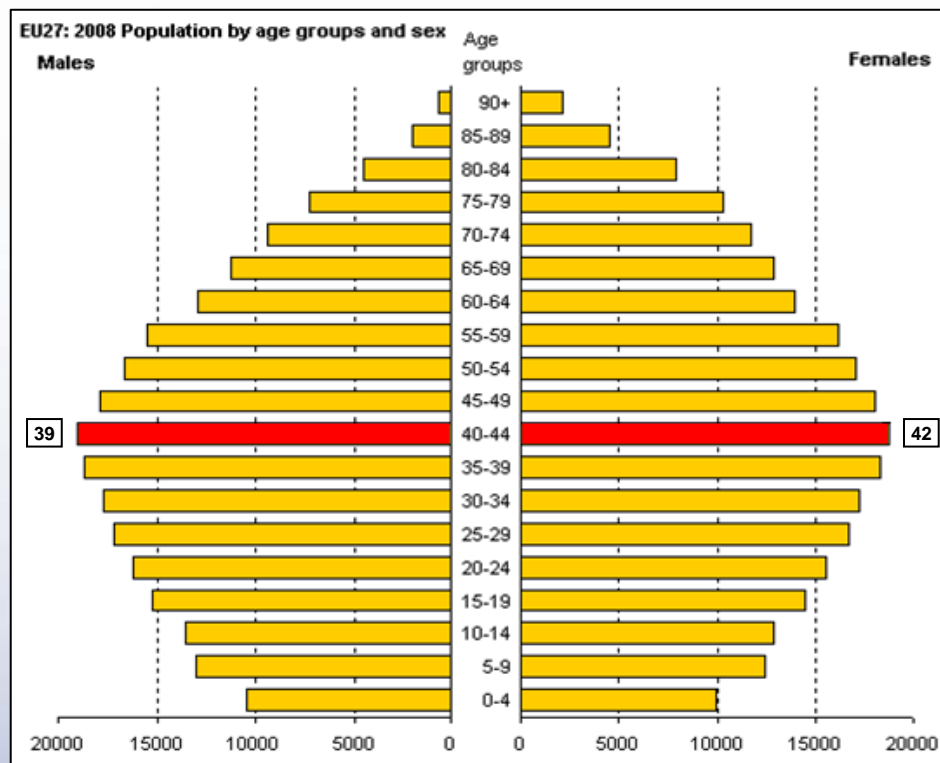


# Population projections: EUROPOP2008

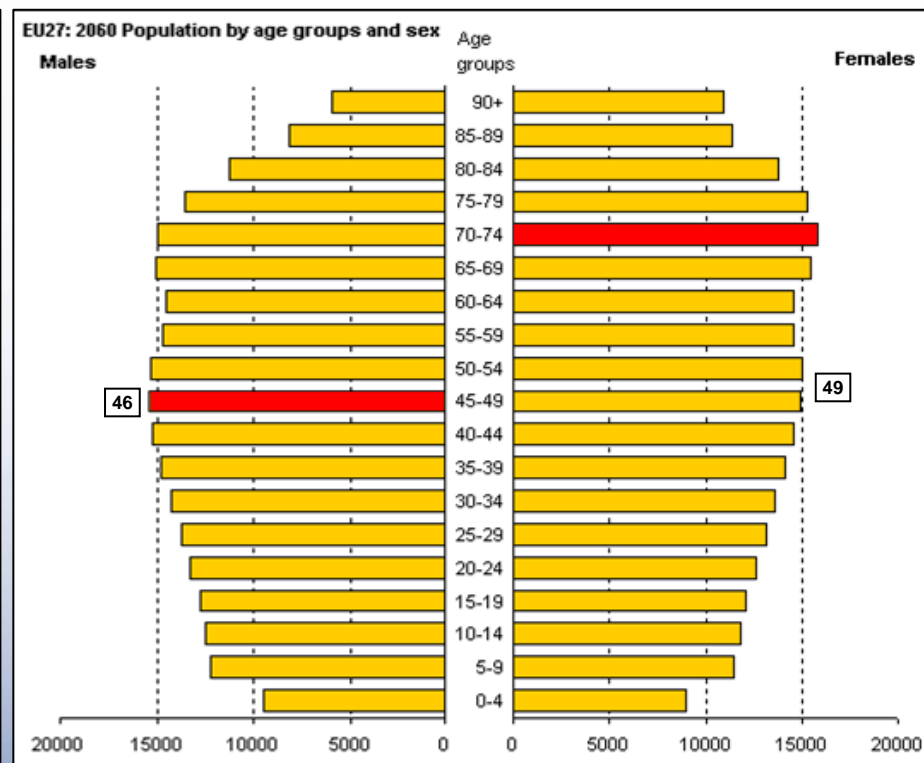
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## European Union

2008



2060



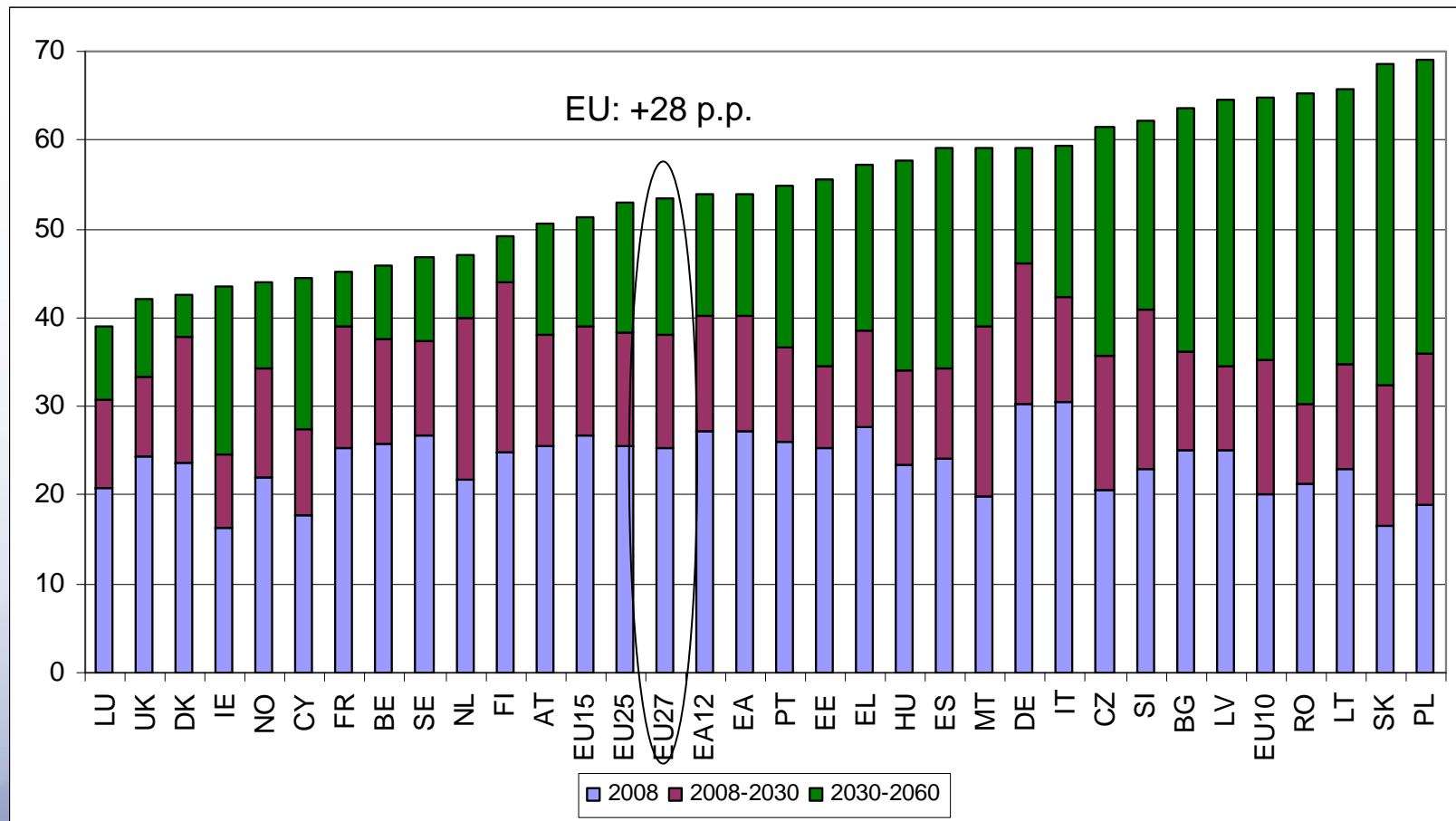
x Median age



# Population projections: EUROPOP2008

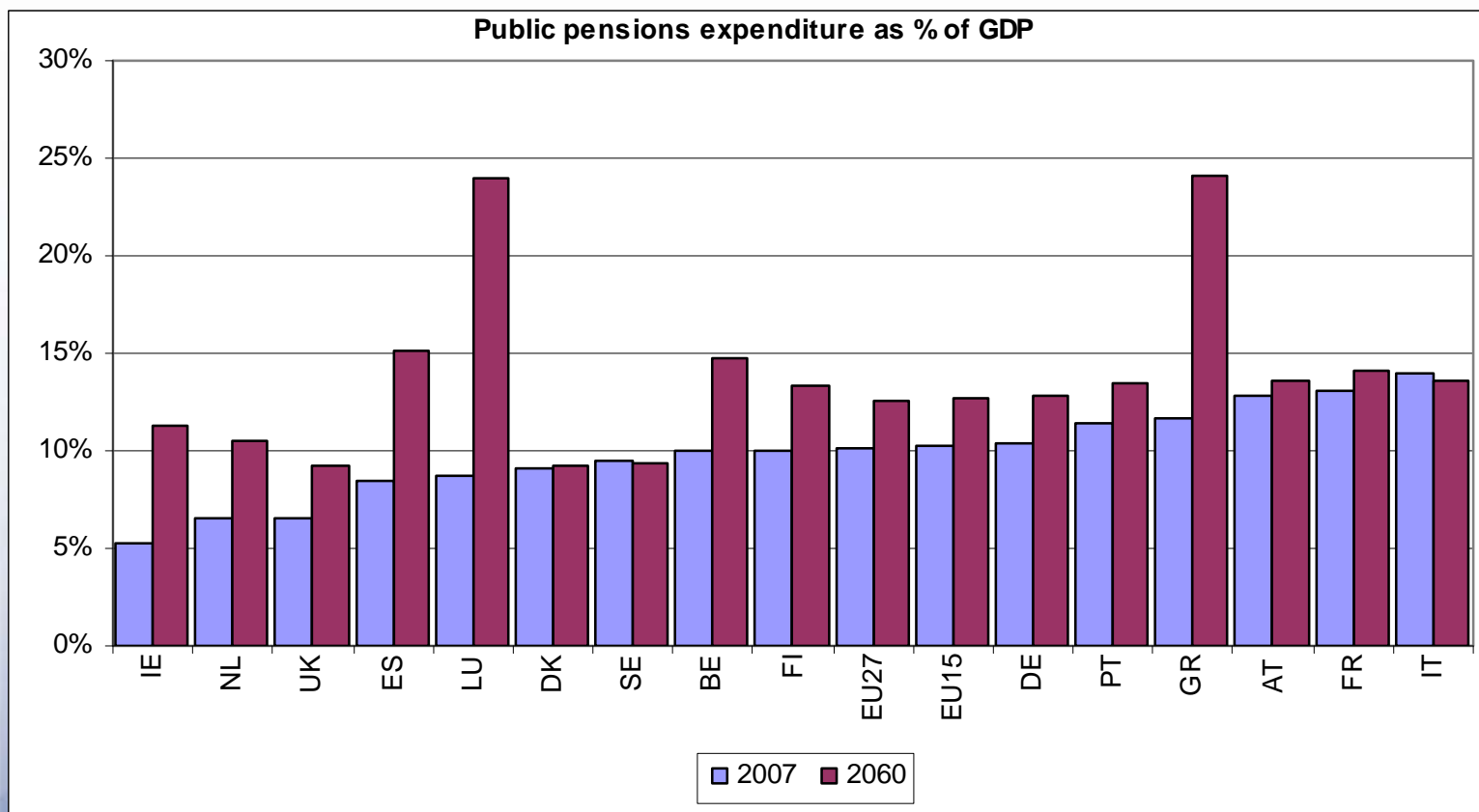
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## Old-age dependency ratio (65+ / 15-64)



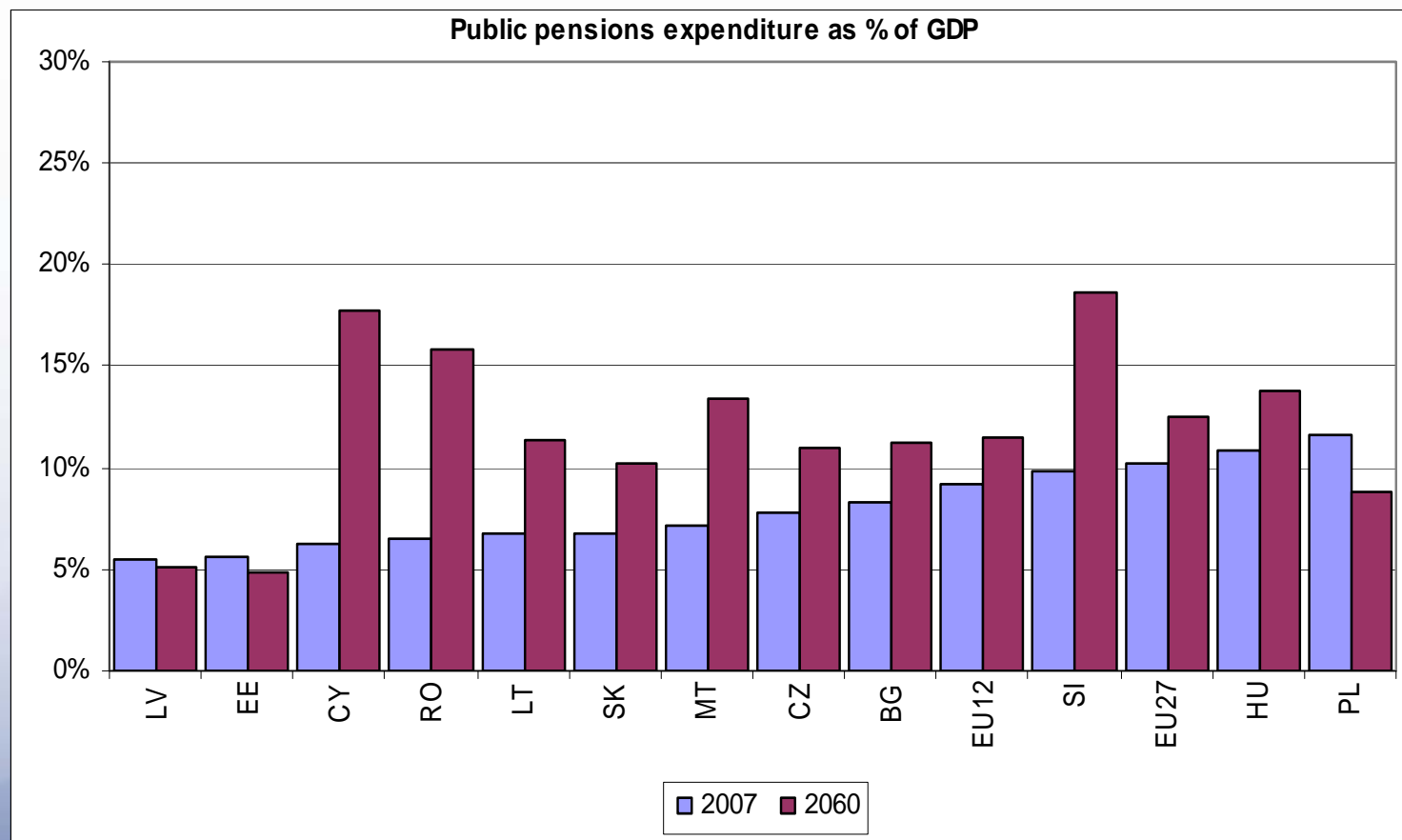
# Pension expenditure 2007 and 2060, % of GDP

4



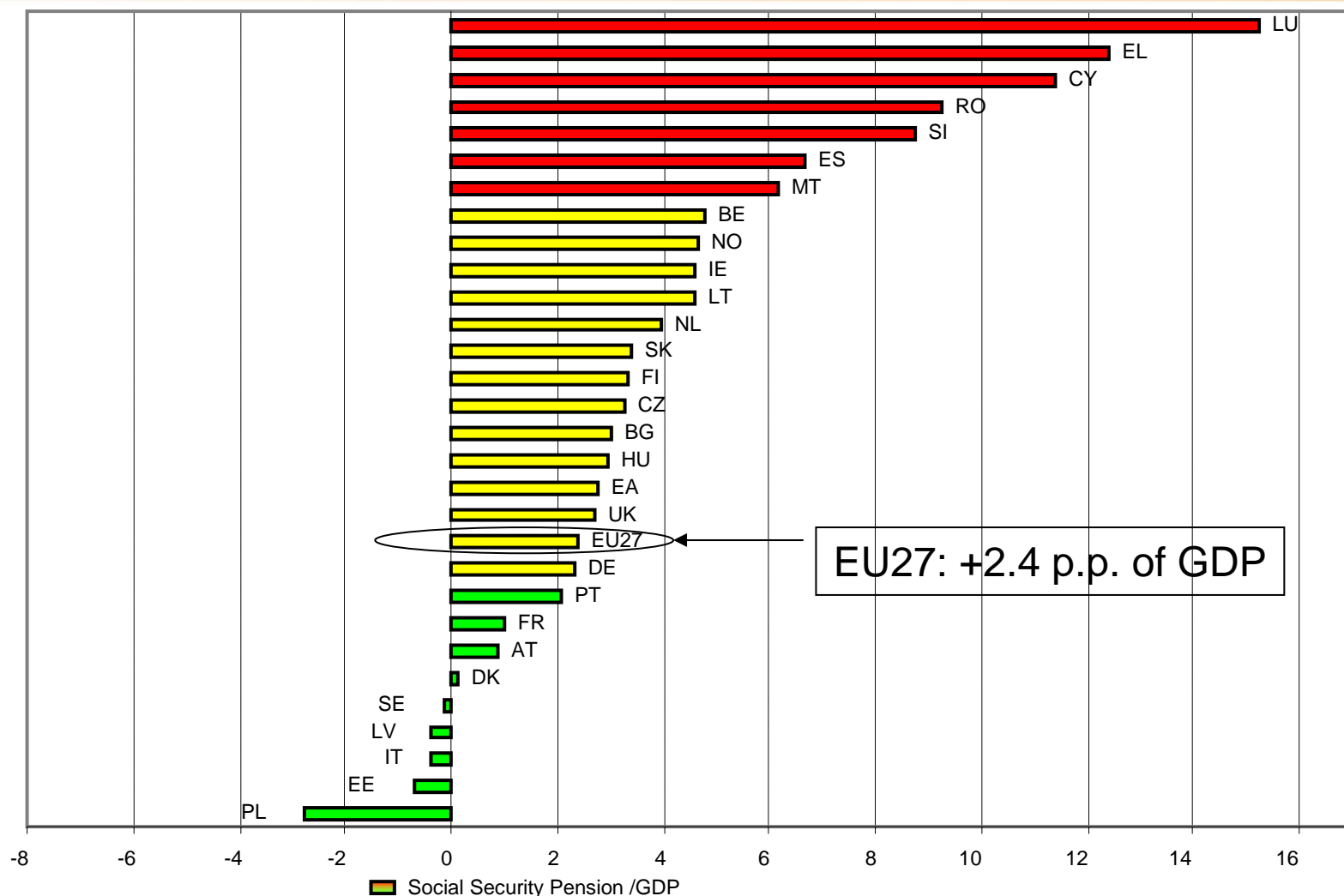
# Pension expenditure 2007 and 2060, % of GDP

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# Projected changes in public pension expenditure (2007-2060 in percentage points)

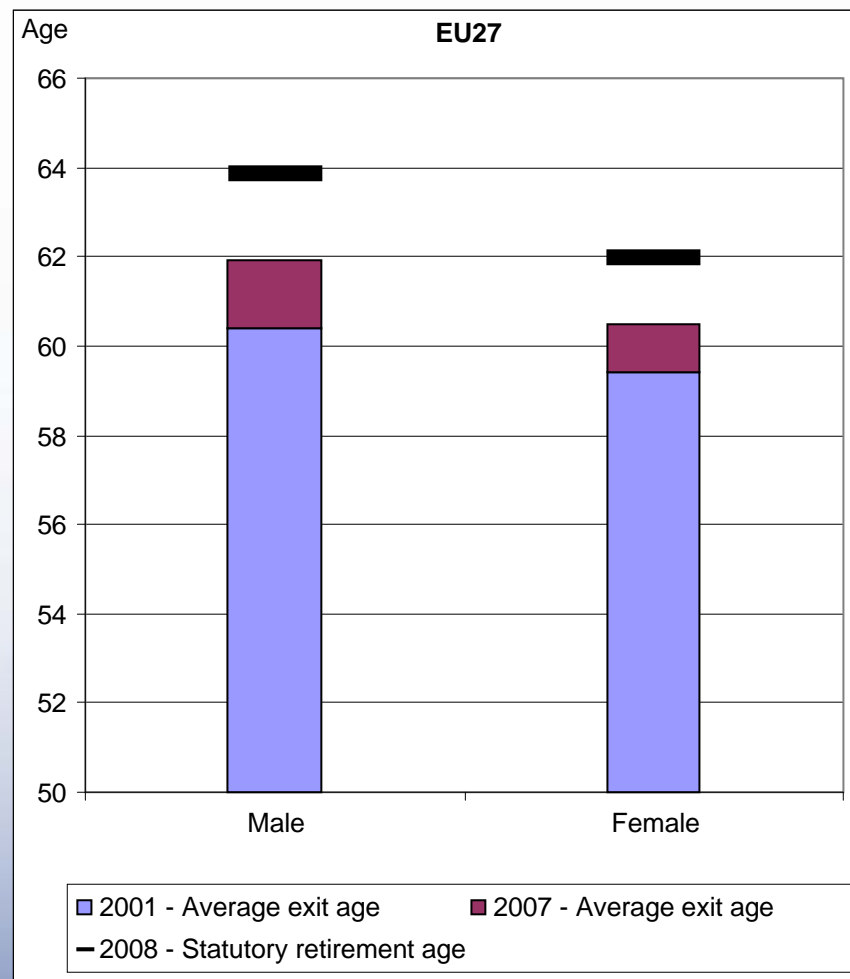
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# Retirement age: effective and statutory

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- Exit age lower than statutory retirement age
- Prevalence of alternative exit pathways present
  - Early pensions
  - Other government spending schemes (unempl. benefit, disability, 'pre-pension, ...)
  - Private savings?



# Ageing or retirement problem?

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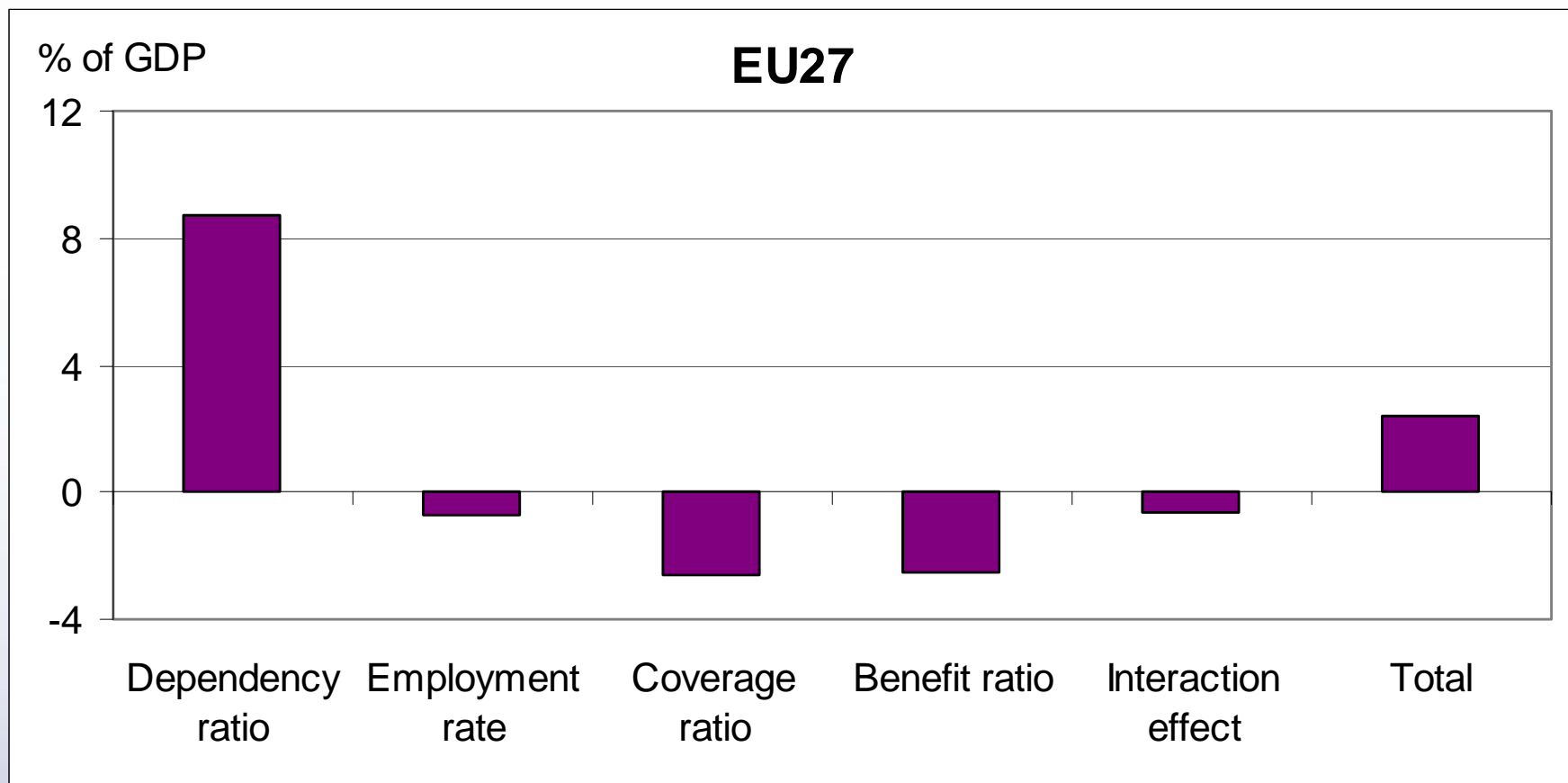
EU27				
	Men		Women	
	2008	2060	2008	2060
Employment rate of older workers	54.5	64.2	36.6	55.7
Average exit age	62.2	63.8	61.3	63.3
Life expectancy at the time of withdrawal	13.9	20.7	20.8	25.7
% of adult life spent in retirement	23%	30%	31%	35%
Requested exit postponement, in years (to keep % life spent in retirement constant)		4.9		2.8





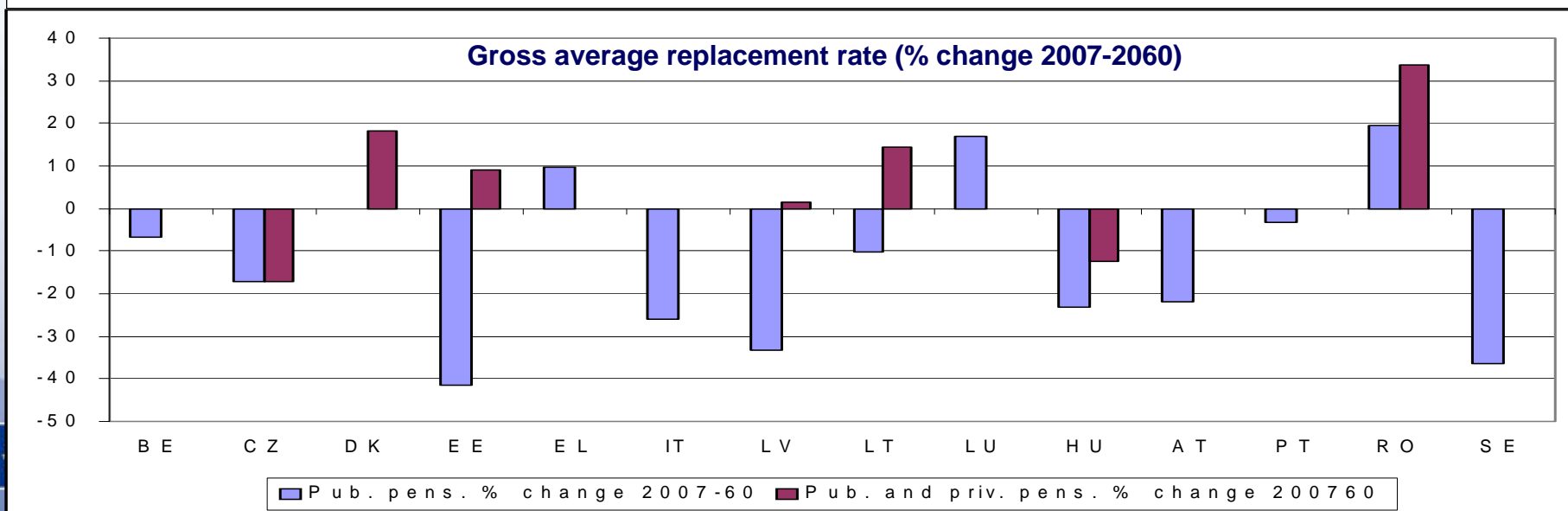
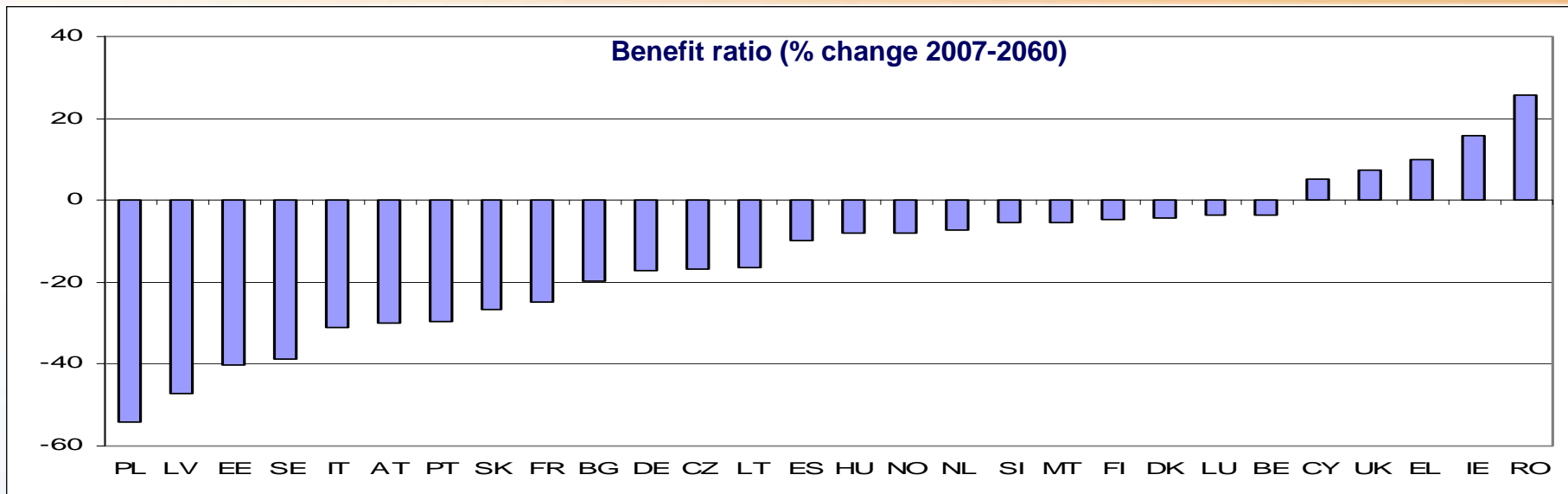
# Factors contributing to public pension expenditure changes (% of GDP)

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# Substantial reductions in the benefit ratio and the gross average replacement rates in several Member States

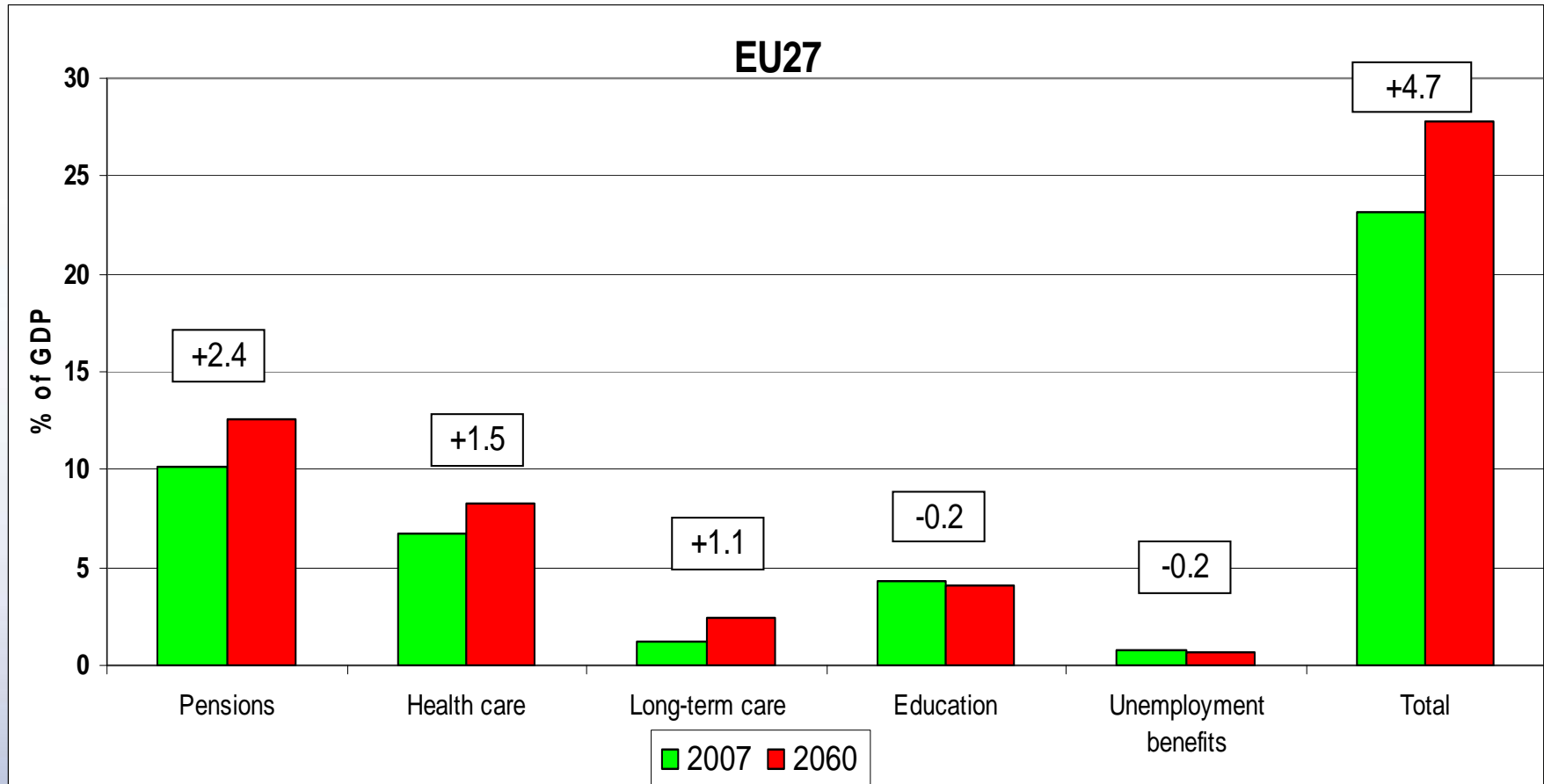
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# The Cost of Ageing, EU27, components

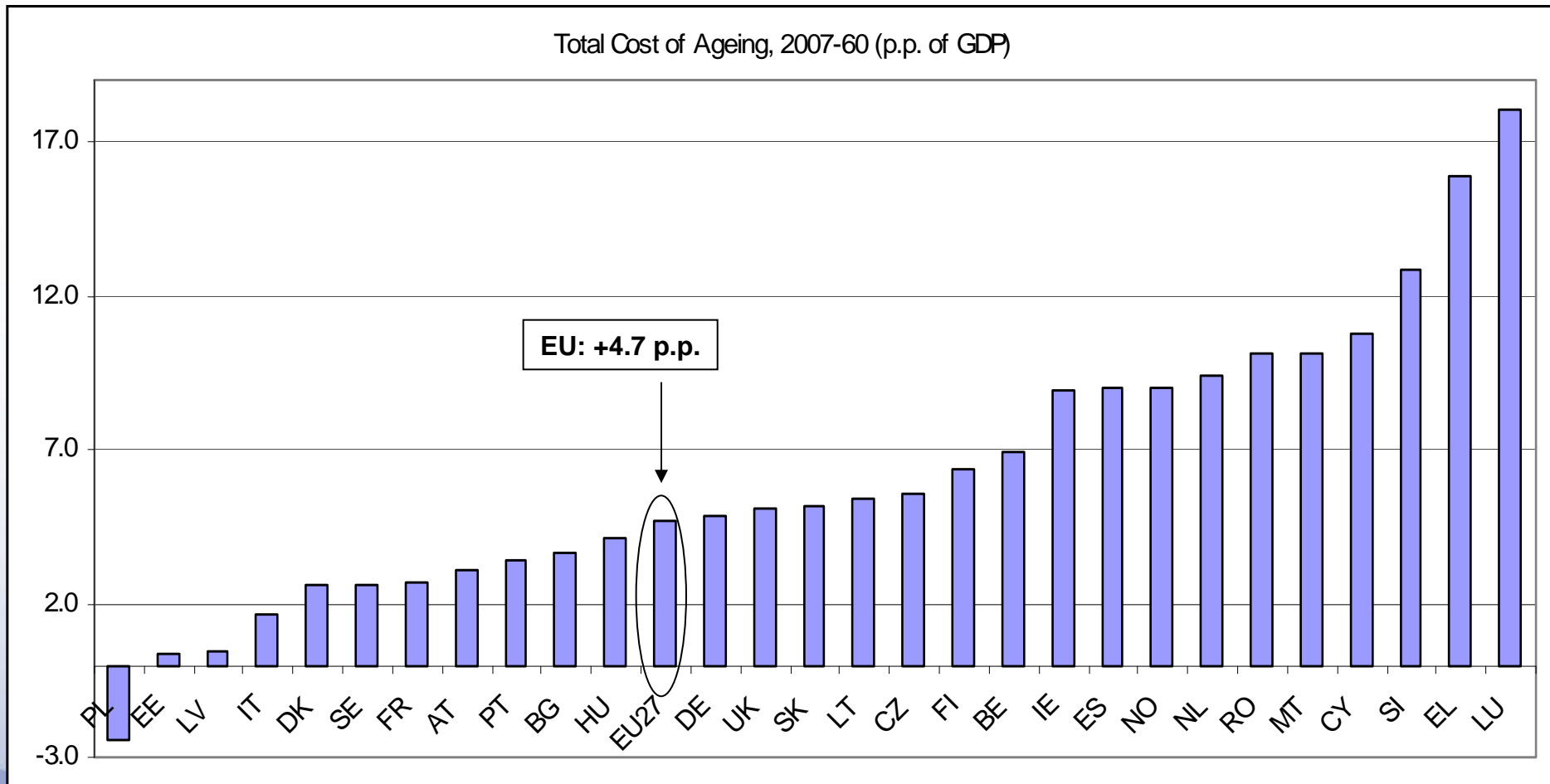
(change in percentage points)

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# The Cost of Ageing, EU Member States, variety in the EU (change in percentage points)

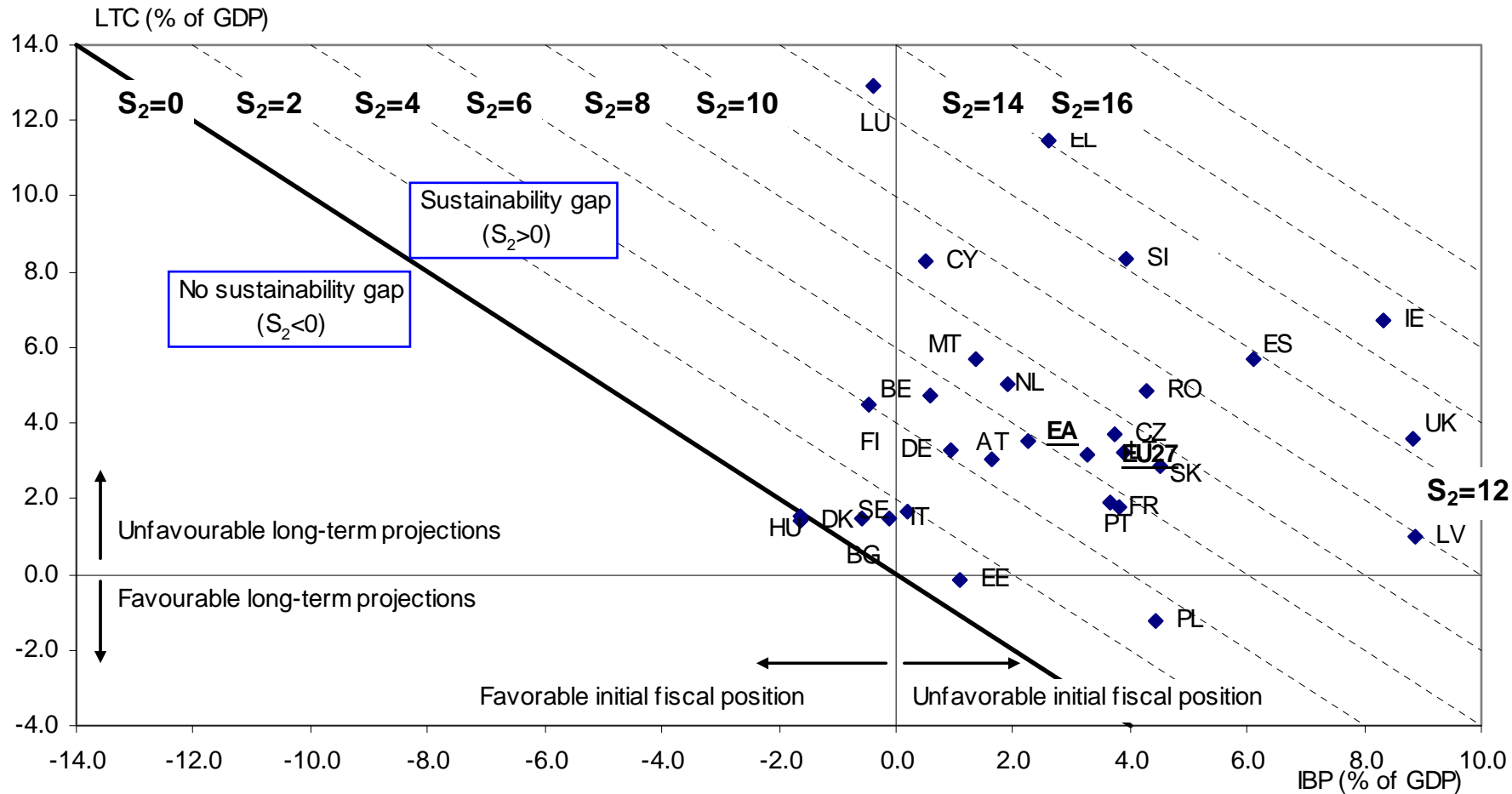
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# S2 Sustainability indicator decomposed

## 2009 Sustainability Report

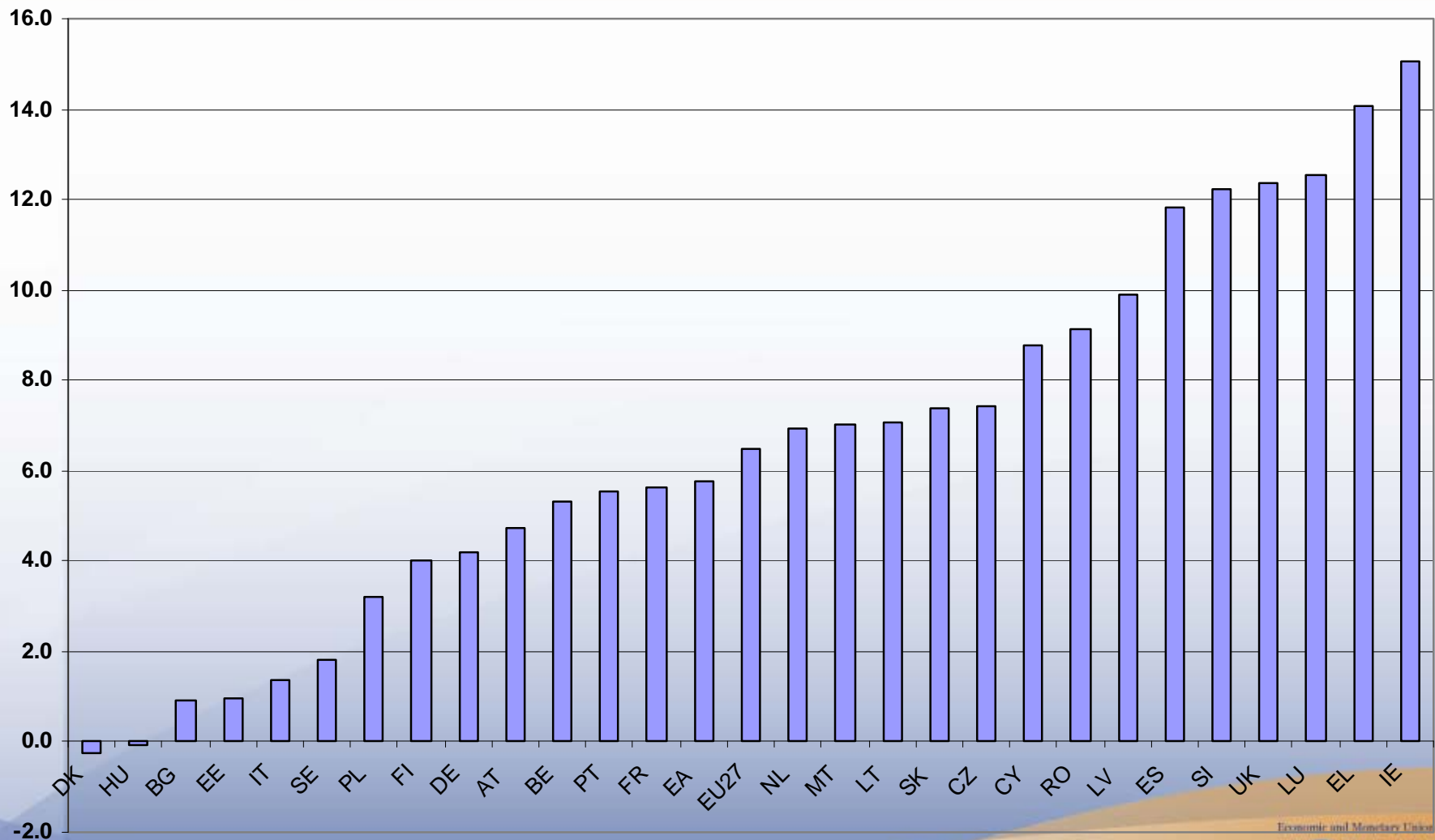
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# Large sustainability gaps in the EU

## 2009 Sustainability Report

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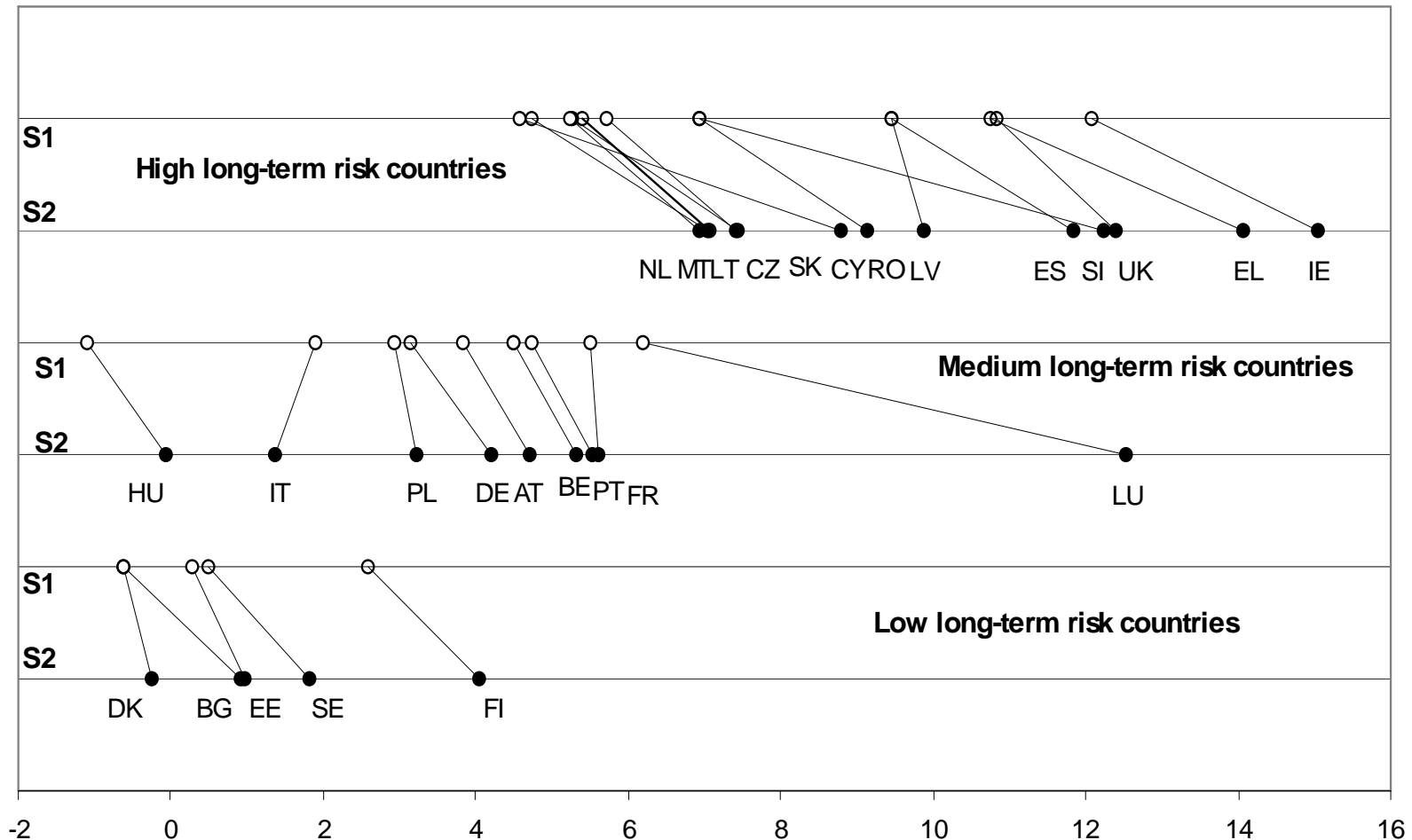


# Overall assessment of long-term fiscal sustainability risks in the EU Member States

## 2009 Sustainability Report

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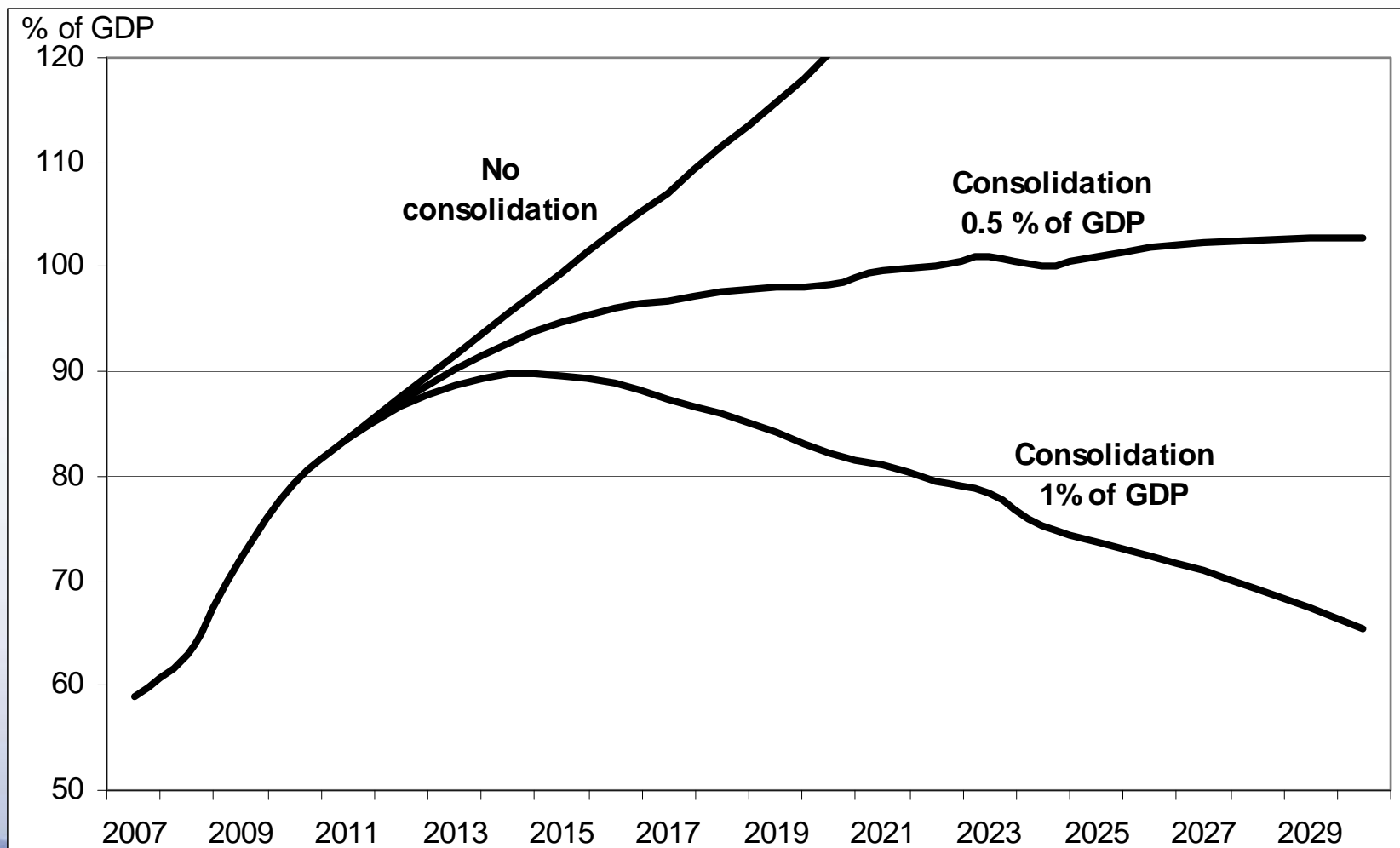
### Assessment



# Medium-term debt projections under alternative assumptions (% of GDP)

2009 Sustainability Report

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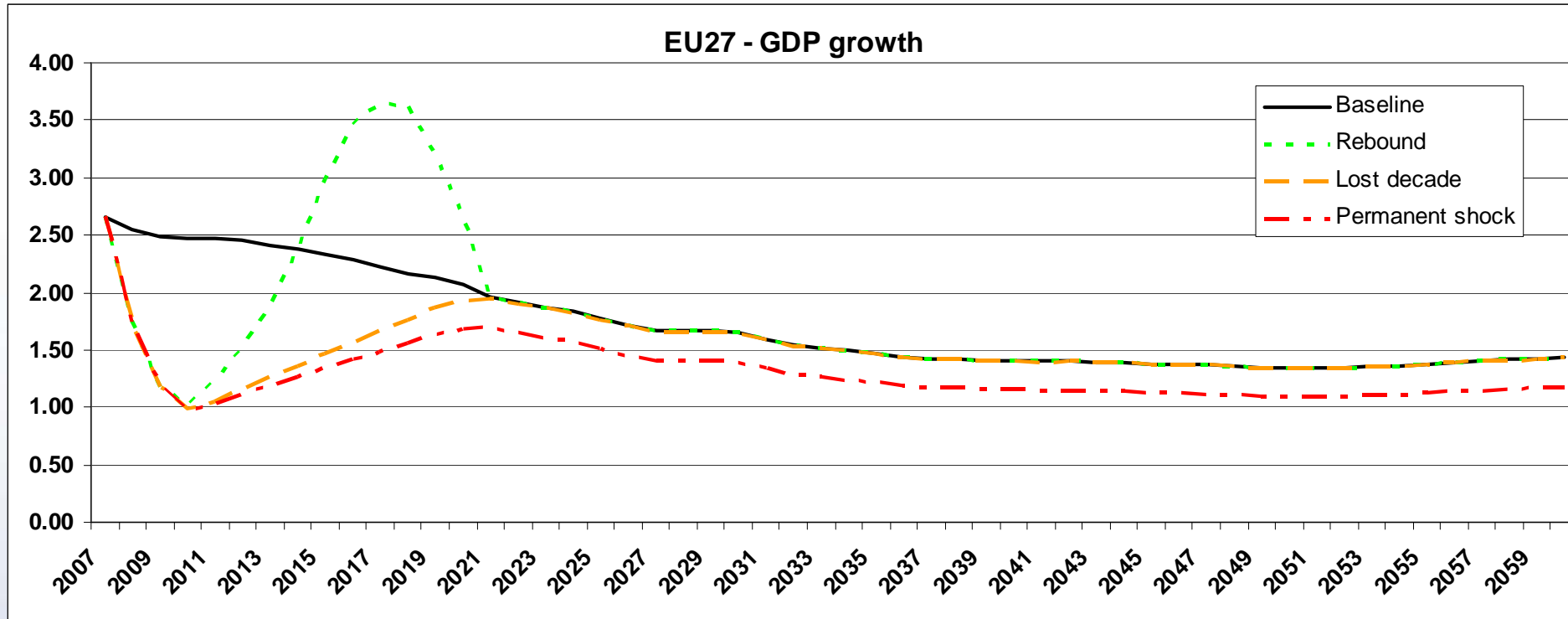


# Crisis scenarios (1)

## potential GDP growth under different shocks

(European Commission Spring 2009 forecast)

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EU27, GDP per capita, diff. from baseline (in %)					
	2010	2015	2020	2040	2060
Rebound	-4	-6	0	0	0
Lost decade	-4	-9	-11	-11	-11
Permanent shock	-4	-9	-12	-16	-20



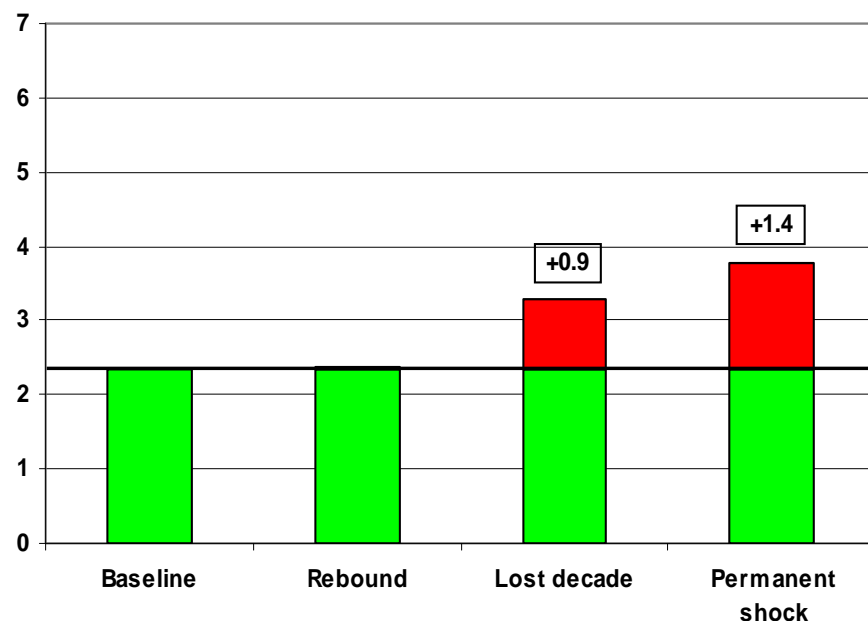
# Crisis scenarios (2)

## pension & total expenditure under different shocks

(European Commission Spring 2009 forecast)

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EU27, Pension expenditure, change in p.p of GDP, 2007-2060



EU27, Cost of Ageing, change in p.p of GDP, 2007-2060

