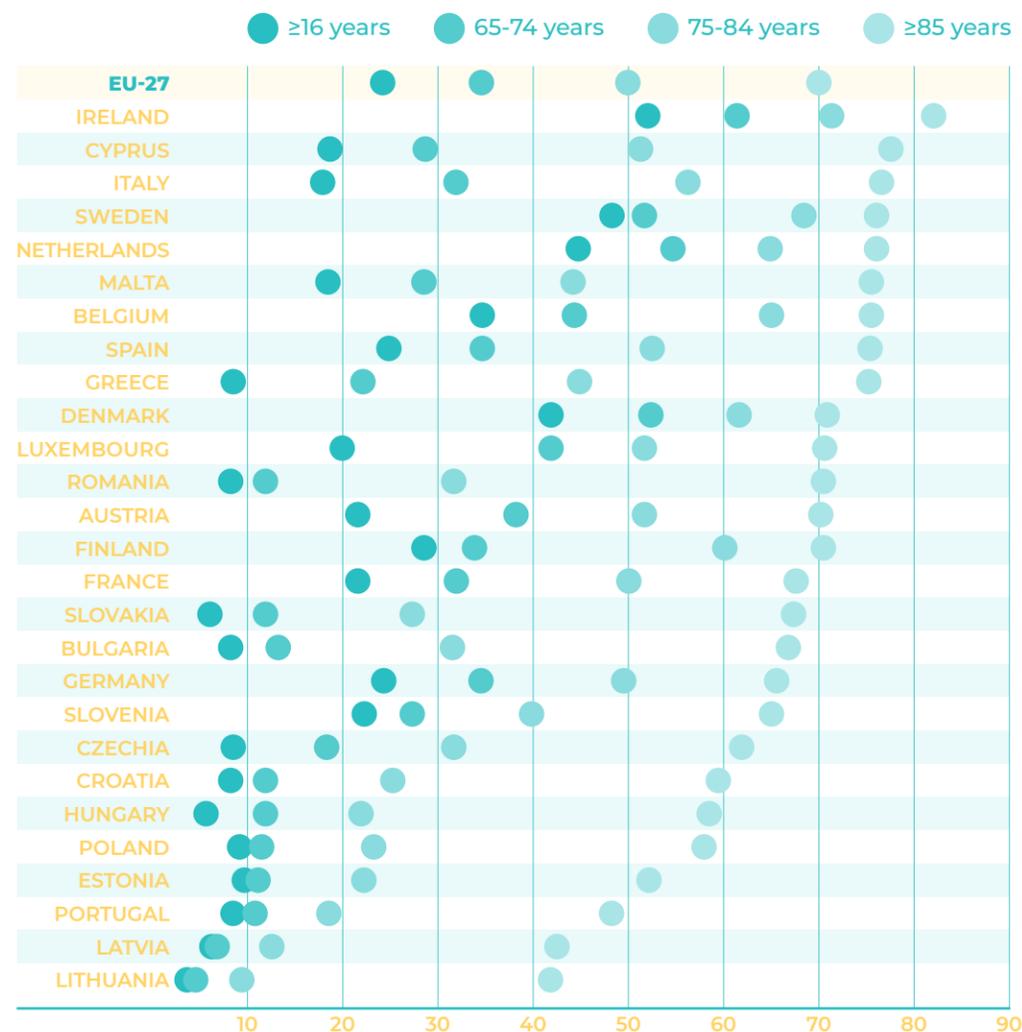


Demography and ageing



Self-perceived health, by age class 2017

Connection to EU-SPI

The connection of **EU-SPI** to the ageing process is complex. One example is self-perceived health (Foundation of Wellbeing subindex, Health and Wellness), we know that older people tend to have worse health conditions. On EU-28 average 70 percent of adults said that they perceive their health status good or very good. In the age group between 65 and 74 year this is 50 percent, between 75 and 84 years around 34 percent and even less above 85 years.

More old people therefore would mean worse health status (and lower **EU-SPI** values) in the future. But we cannot predict the effects of future health industry reforms or innovations increasing the efficiency of medical processes.



Demographical challenges in Europe

Policies targeting the process of ageing

Countries need to adapt to the ageing process. In general, the suggestions can be grouped in three broad categories:

- most policy recommendations are about how to replace the lost labour force
- increase the productivity, as potentially a smaller labour force should be capable to produce the same amount of goods and services
- public finance reforms to deal with the fiscal consequences

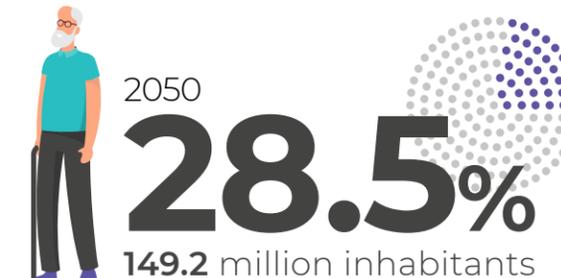
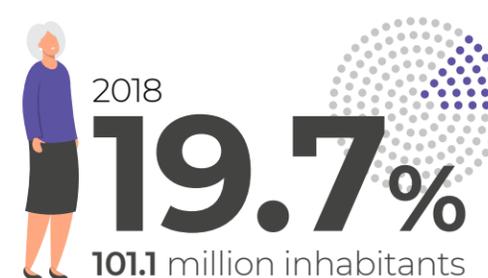
Consequences

The process of ageing has widespread consequences for society; however, thoughts are given almost exclusively to economic implications of ageing. The economic consequences depend on how old age dependency ratio will behave in the future. If it keeps rising (as it is projected), then a smaller available workforce has to take care of the older generations, which can:

- put a downward pressure on economic growth;
- reduce labour supply;
- lead to higher (age-related) social costs (pensions, healthcare and long-term care systems risk becoming financially unsustainable);
- impact on the sustainability of government finances.

Measuring

The most common way to measure ageing is the measurement of the **percent of population aged above 65 years old** (defined as old people).



Another measure which is important for the consequences is the ratio of working age population (15 to 64 years) to people over 65, which is called the **old age dependency ratio**.

This is important in cases when pensions and health-care expenditures are mostly covered by taxes paid by the active population.

