

European Ageing Report 2009

A recent European economic report has shown that the recession may prove to be a huge setback in countries' struggle to tackle the challenges of an ageing population. Countries have already put millions of euros into their failing economies in a bid to stabilise the system and promote growth. Consequently countries that had previously made good progress reducing their deficits are simply returning to square one. This will not help in preparing the system for the implications of an older population.

People are living longer, in 50 years time the population will be older but only slightly larger. The median age is expected to rise to 48 as birth rates are low and migration is slowing. This means an increase in costs for pensions, healthcare costs and long-term care for the elderly.

Figures in the report indicate that by 2060, spending will rise by an average of 4.7% of GDP and as this is only the average increase, other European countries will face much greater increases in spending. The report is not entirely pessimistic, claiming "There is still a window of opportunity." Indeed it is widely agreed that the next few years, before the baby boomers retire in large numbers, are crucial in preparing for an increasingly older population but action needs to be taken now.

For more information, please visit http://ec.europa.eu/news/economy/090429_1_en.htm

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