

# Ageing... and the economy

Unretirement, costs and policy questions

# The Great Unretirement (1)

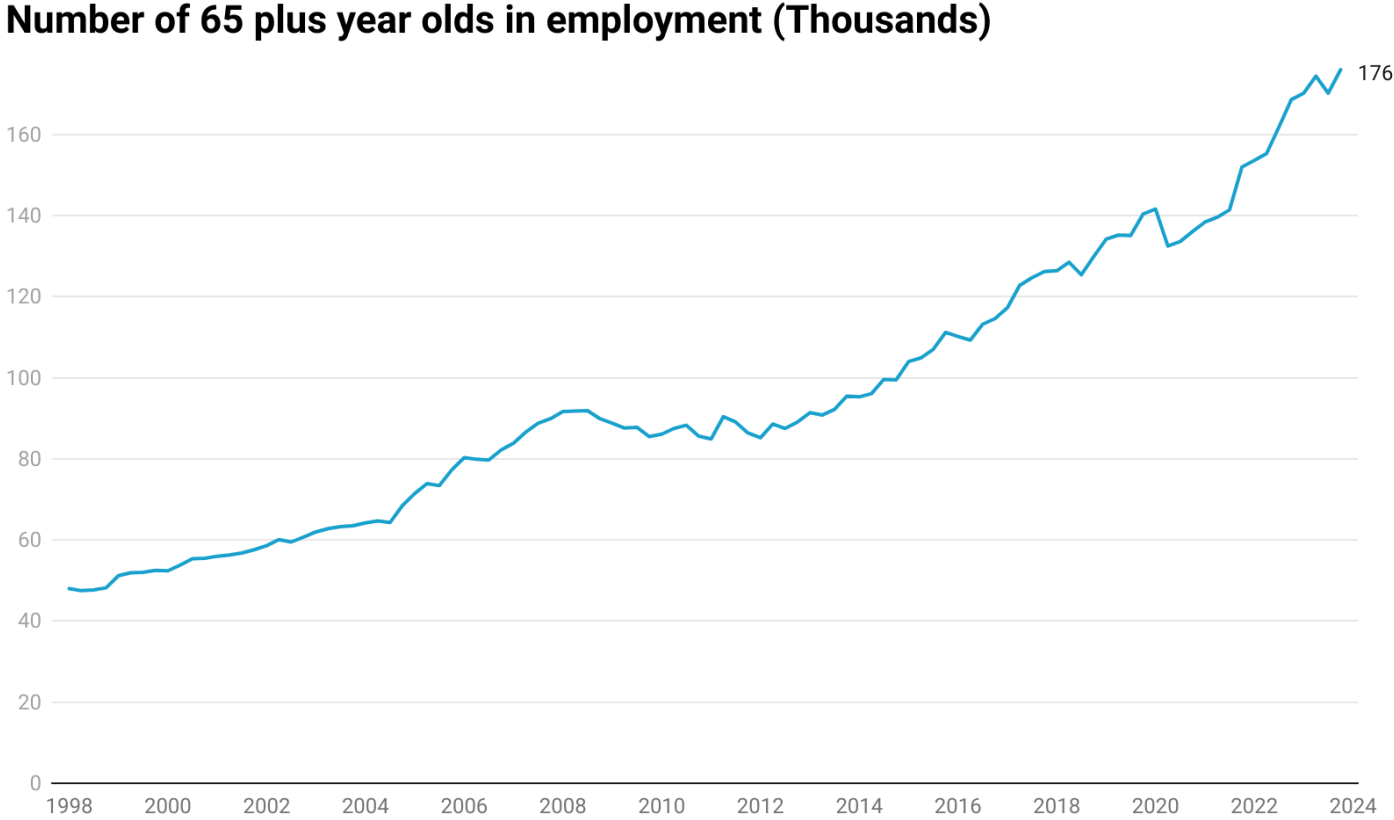
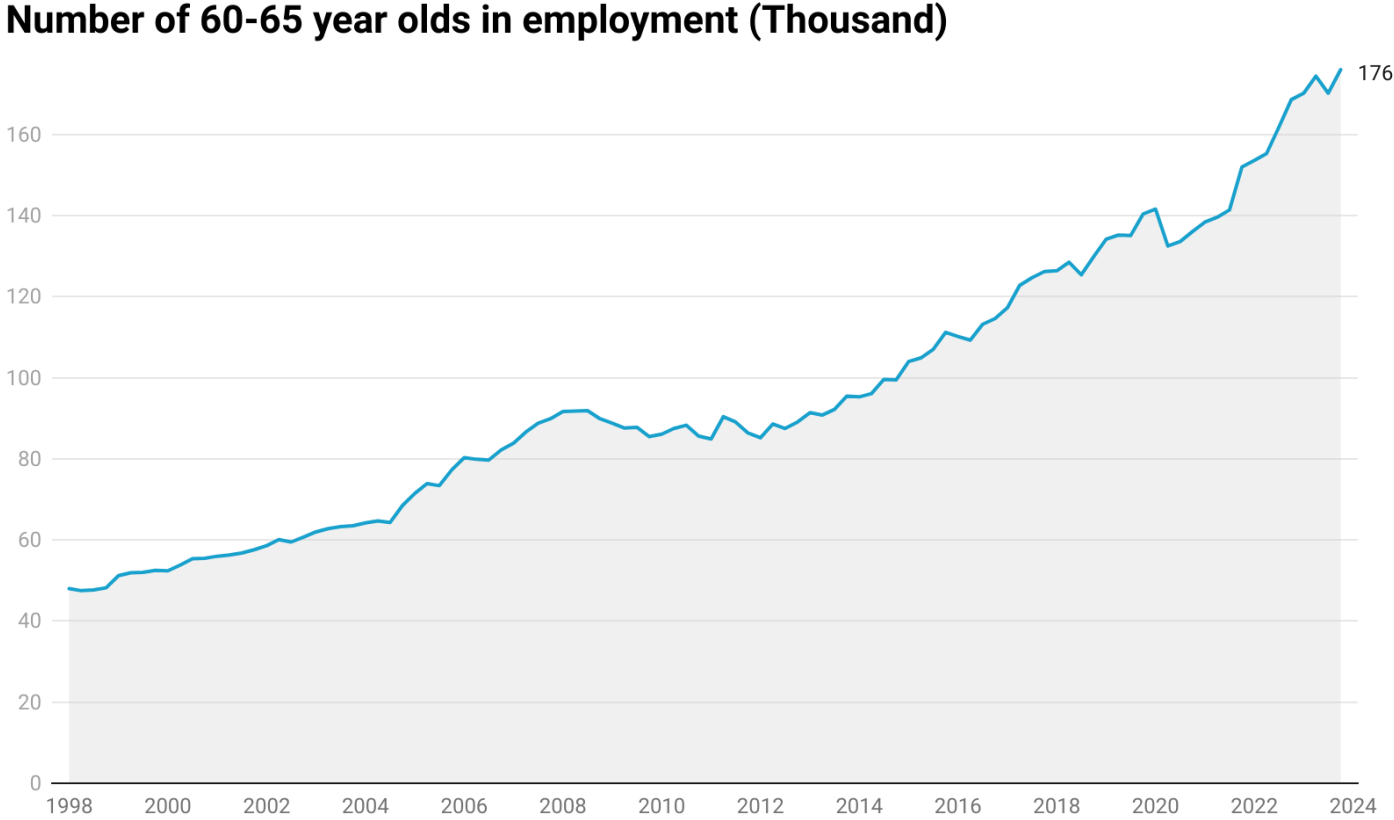


Chart: IRISH TIMES GRAPHICS • Source: CSO • Created with Datawrapper

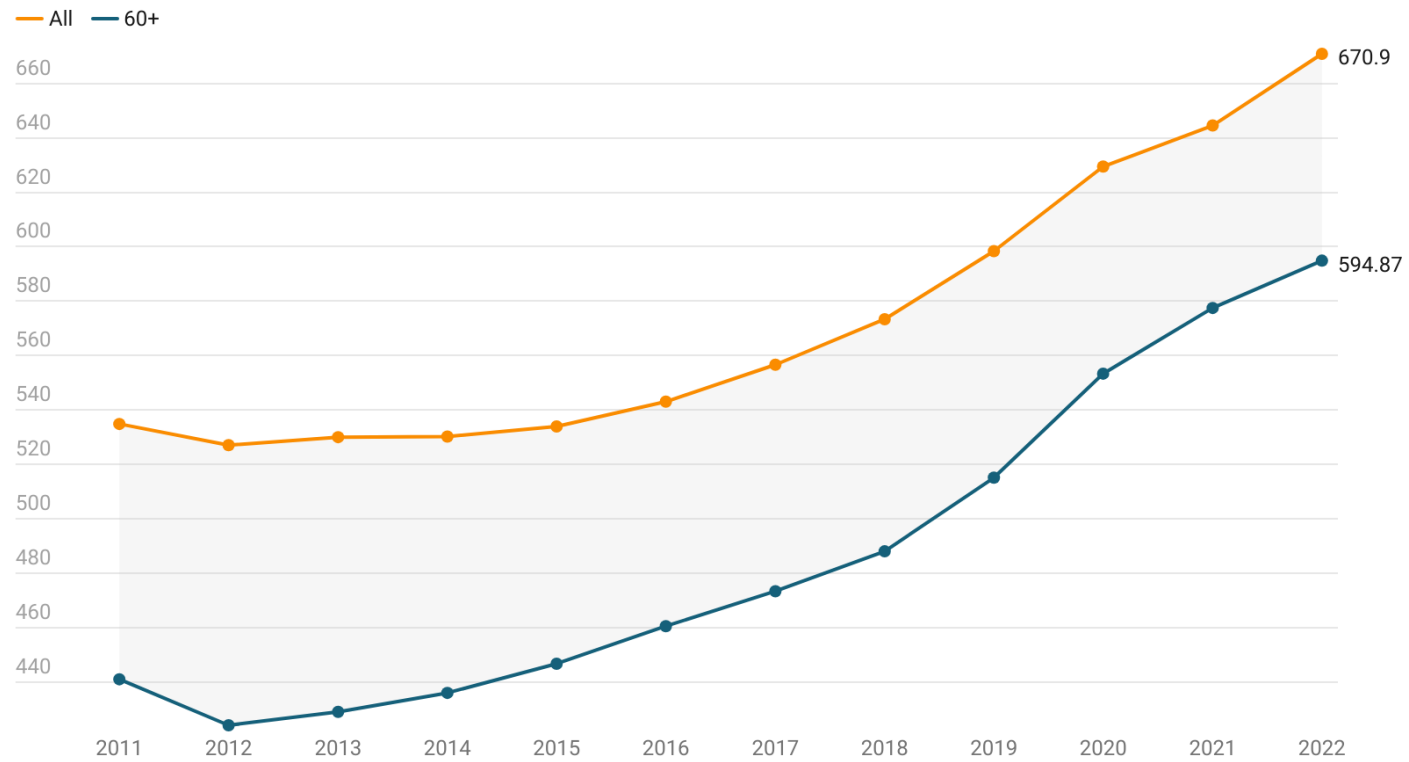
# The Great Unretirement (2)



Source: CSO • Created with Datawrapper

# Closing the earning gap ( a bit !)

Median weekly earnings (€)



Source: CSO • Created with Datawrapper

Why? Glass half full or half empty?



# Why?

- Longer and healthier lives
- A desire to stay involved in society/the workforce for longer
- Financial impact of the crash – and the cost of living crisis ?
- A better lifestyle?
- Labour shortages?

# The financial cost of an ageing population

- Despite more older people working, number of workers to those over 65 to fall from 4:1 now to 2:1 by 2050
- Coming down the tracks over the next decade – by 2035 in line with EU average
- Key factors – fertility rates/ ageing/migration
- Costs from healthcare/ pensions and lower income tax - €32 bn over next decade
- IFAC have pointed out that annual costs will soon equal recent “mega” budgets

# The tricky policy issues

- Part of the looming debate on trade-offs – delayed by corporate tax surge
- Big questions on sustainability of State pensions – higher PRSI? Is age debate over ?
- Wider issue of how to pay for an ageing population
- ... in the context of supporting a lot more older people
- How should older people contribute – will anyone touch Commission on Tax recommendations?
- The serious risk of doing nothing.... The curse of short-termism