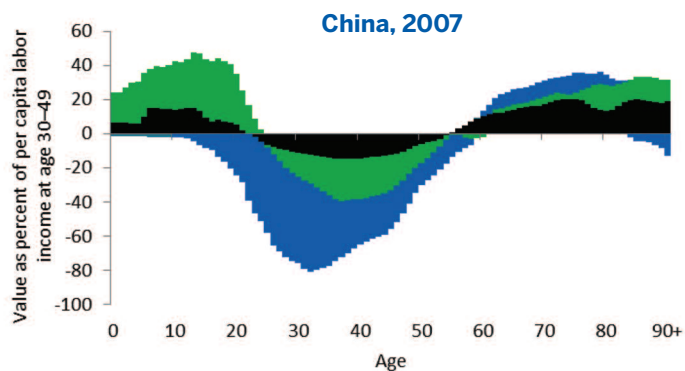
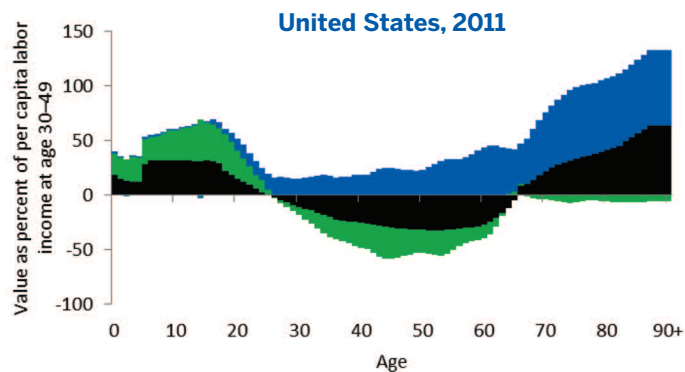


Per capita public and private transfers and asset-based resource flows by age in the United States (2011) and China (2007)



■ Public transfers ■ Private transfers ■ Asset-based reallocations

Children and the elderly consume more than they produce through their work effort. This example of NTA analysis shows how they rely on a variety of mechanisms and institutions to meet their material needs, including transfers from governments and families, personal savings, and loans.

Countries such as China and the United States differ widely in the level of resources that are provided to children and the elderly and the way these resources are mobilized. To compare between countries, resources are measured as a percentage of per capita labor income at age 30–49.

In both countries, children rely on public and private transfers—resources provided by governments and by their families. Public transfers rise sharply when children start school.

Net public and private transfers are negative at ages when more is given than received. Net “asset-based reallocations” are negative when saving exceeds asset income, as we see for prime-age adults in China where saving rates are very high. By contrast, Americans rely on assets (including the flow of support from owner-occupied housing) during much of their lives. Saving rates in the United States are positive but are exceeded by asset income.

In both countries, the elderly rely on public transfers and on asset income, although the amounts are much greater in the United States. Elderly Chinese also rely on family transfers, while the elderly in the United States are providing modest transfers to younger family members.



Support for NTA has been provided by the United States National Institute on Aging; the International Development Research Centre (IDRC) of Canada; the William and Flora Hewlett Foundation; the Bill & Melinda Gates Foundation through the Gates Institute for Population and Reproductive Health at the Bloomberg School of Public Health; the United Nations Population Fund (UNFPA); the United Nations Population Division; the Asian Development Bank; the World Bank; the John D. and Catherine T. MacArthur Foundation; the European Union's Seventh Framework Programme for Research, Technological Development, and Demonstration; and the Japanese government's Academic Frontier Project for Private Universities.

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National Transfer Accounts: Understanding the generational economy



The National Transfer Accounts (NTA) project focuses on the economic impact of changes in population age structure. By providing estimates of income, consumption, saving, and both public and private transfers for specific age groups, NTA adds an important dimension to measures of Gross Domestic Product (GDP) and other widely used economic indicators.

One of the unique features of NTA is the development of a unified framework for studying generational economic issues in widely varying cultural, social, political, economic, and demographic contexts. NTA teams all over the world are compiling data and developing new approaches to help answer important policy questions:

- How do young and old people, who consume more than they produce, support themselves—do they rely on their families, on taxpayers through government programs, on assets accumulated during their working years or inherited, or by going into debt?
- What are the policy implications of demographic change for the education and healthcare for children?
- Given the growing number of old people, are public pension and healthcare programs sustainable? And what about family support systems?
- How can countries best take full advantage of the demographic dividend?
- Will rapid growth of elderly populations slow economic growth?
- What are the likely impacts of population aging on generational equity?

Since the project was initiated in 2004, NTA has:

- Established a global network of researchers studying the generational economy
- Developed basic methods for measuring, analyzing, and interpreting the macroeconomic aspects of population age structure
- Constructed National Transfer Accounts for countries at widely varying stages of economic development and in different regions of the world
- Worked with national statistical agencies to incorporate National Transfer Accounts into their basic systems of national accounts
- Worked with government ministries, including planning ministries, finance ministries, and central banks, to improve analysis of the effects of population dynamics on national economies

- Provided important advice to international agencies, including the World Bank, the International Monetary Fund, the United Nations, and regional development banks
- Conducted dozens of training workshops and disseminated research findings to broad policy audiences through articles, books and book chapters, presentations, and the *NTA Bulletin*

NTA research teams are active in Africa, Asia and the Pacific, Europe, and the Americas. As of 2016, NTA analysis covers more than 75 percent of the world by population and almost 90 percent of the world by Gross Domestic Product. Project coordinators are Ronald D. Lee at the Center for the Economics and Demography of Aging, University of California at Berkeley, and Andrew Mason at the East-West Center and the Department of Economics, University of Hawai'i at Mānoa.

In 2016, NTA members are engaged in four major new initiatives:

- The Counting Women's Work project, supported by the William and Flora Hewlett Foundation and the International Development Research Centre of Canada, is constructing accounts separately for males and females and developing methods to measure the production and consumption of unpaid care and housework services. Contact: Gretchen Donehower (gretchen@demog.berkeley.edu)

- The AGENTA project, initiated in 2014 with support from the European Union, aims to explain the past and forecast the future of taxes and public transfers and services in light of demographic change in Europe. Emphasis is on the potential for public policy reform. Contact: Alexia Fürnkranz-Prskawetz (afp@econ.tuwien.ac.at)
- A regional project on the demographic dividend in West and Central Africa is based at the Centre de Recherche en Economie et Finance Appliquées de Thiès (CREFAT) in Senegal and supported by the United Nations Population Fund (UNFPA) through the Sahel Women Empowerment and Demographic Dividend (SWEDD) project. The goal is to help national teams in West and Central Africa construct accounts using the NTA model. Currently, 13 countries in the region have completed at least the first stages of their accounts. Contact: Latif Dramani (latif.dramani@gmail.com)
- The current NTA project in Asia, supported by the Asia Pacific Regional Office of UNFPA, helps draw out the policy implications of population dynamics in the region by improving the availability and quality of NTA data and strengthening the links between data analysis and policy response. Contact: Sang-Hyop Lee (leesang@hawaii.edu)

