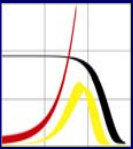


National Transfer Accounts

Germany

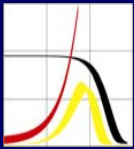
Fanny A. Kluge
MaxNetAging Research School
Max Planck Institute for Demographic Research
✉ Kluge@demogr.mpg.de



Germany Intro



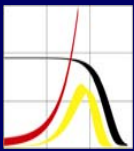
1. 82 million inhabitants
2. TFR 1.3
3. GDP 2003: 2163.80 bn
4. Compensation employees: 1132.08 bn
5. Private consumption: 1247.00 bn
6. Unemployment rate 2003: 9.3%
7. Long-term unemployment: 4.6 %



Germany



- Female employment rates: 58.9%
- Employment rates persons aged 55-64: 40%
- Private intergenerational transfers amount to approx. 7.5% of GDP (Lüth 2001)
- Total health expenditure amounts to approx. 10% of GDP
- Pensions amount to 60% of social security expenditure (11.6% of GDP)
- Education 4.3% of GDP
- Retirement income: 80% transfers (Börsch-Supan)



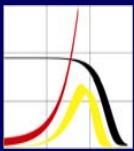
The Flow Account Identity



$$\underbrace{C(a) - Y^l(a)}_{\text{Lifecycle_Deficit}} = \underbrace{Y^a(a) - S(a)}_{\text{Asset-based-Reallocations}} + \underbrace{\tau^+(a) - \tau^-(a)}_{\text{Net_Transfers}}$$

$\underbrace{\hspace{15em}}_{\text{Age_Reallocations}}$

Worked on: Lifecycle Deficit and Public Transfers



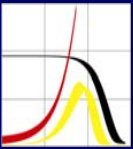
Data



Official Statistics for Economic Performance (FSO)-
National Accounts, Government budget (seperately
for public health, education, pensions, etc.), Ministry
of Health, Ministry of Education(if columns do
not total, share is used.)

Income and Expenditure survey (EVS) for household
income, spending on education and health care,
housing, durables, other consumption and labour
income

Population estimates from Destatis (FSO), 1890-
2050



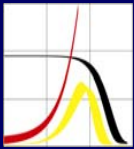
EVS



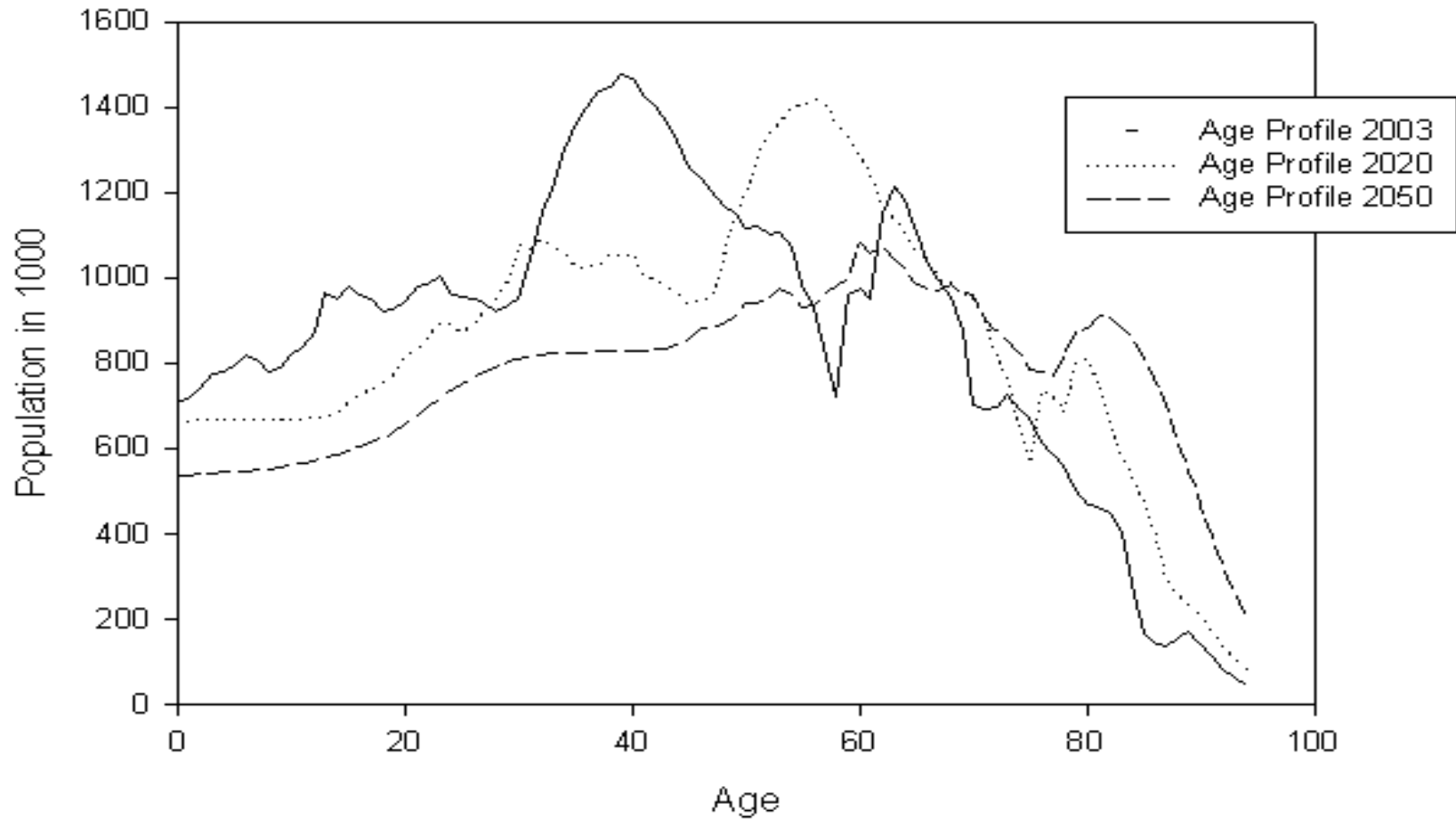
EVS: Conducted every 5 years by the FSO

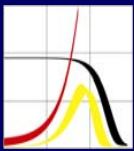
**Detailed account of income by source,
consumption by type, saving flows, asset
stocks by portfolio category**

**Representative for hh with monthly net
income less than 18.000 Euro (excludes
0.2%), persons with no permanent residence
as well as the institutionalized population (4%
aged 65+, 9.3% aged 80+)**



Age Profiles



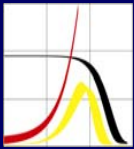


Public Consumption

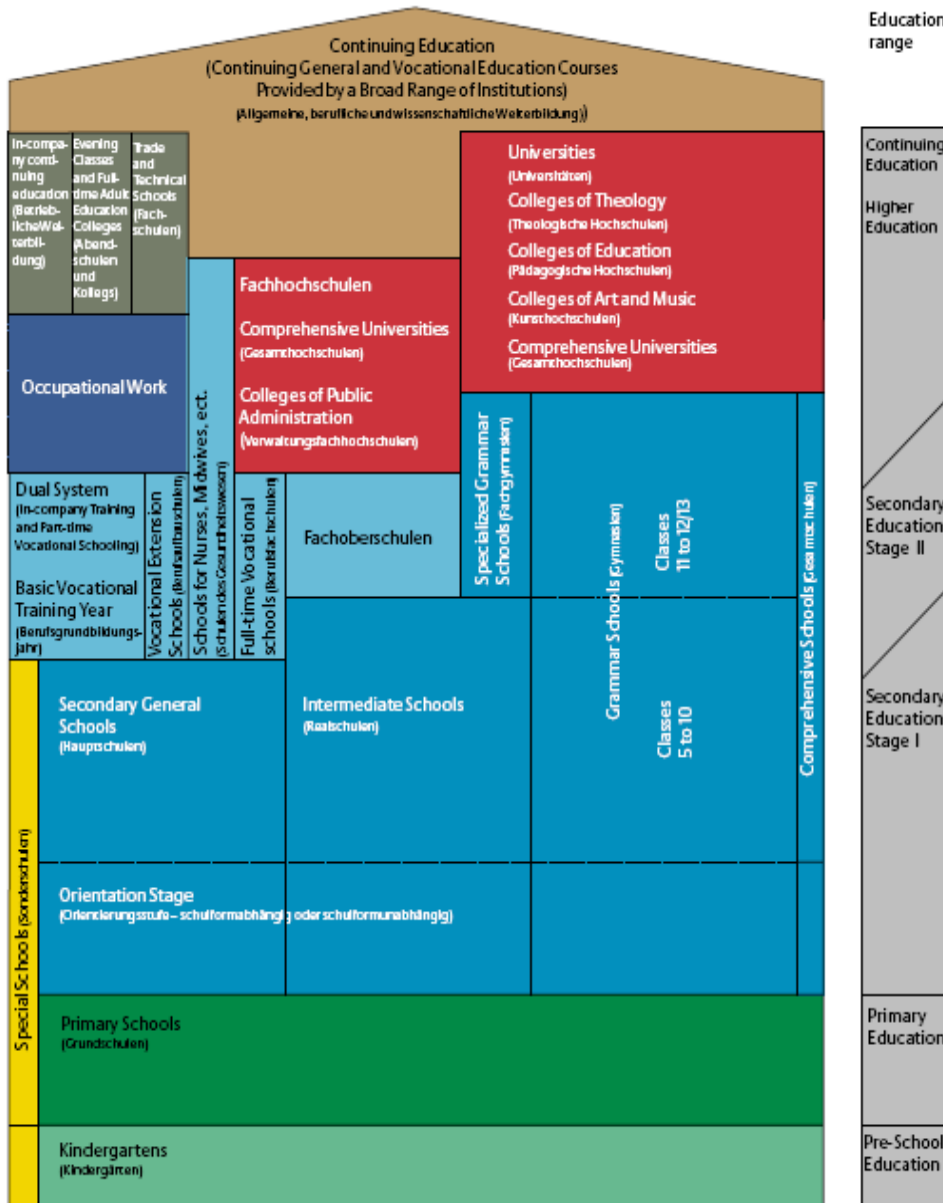


Total Outlays by Function of Gov't 2003

Total Outlays	1 049.21 bn. €
General public services	135.93 bn. €
Defense	25.19 bn. €
Public Order and Safety	36.28 bn. €
Economic Affairs	84.35 bn. €
Environmental Protection	11.17 bn. €
Housing and Community Amenities	23.56 bn. €
Health	139.75 bn. €
Recreation, Culture, Religion	14.50 bn. €
Education	93.17 bn. €
Social Protection	485.31 bn. €



Education System



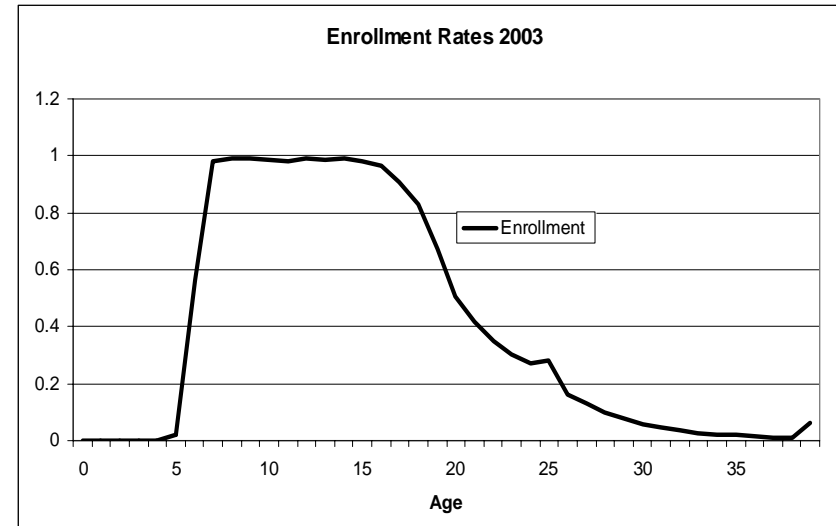
Education is matter of the German Länder

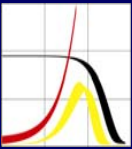
→ 16 different systems

Gymnasium: € 5400 p.a.

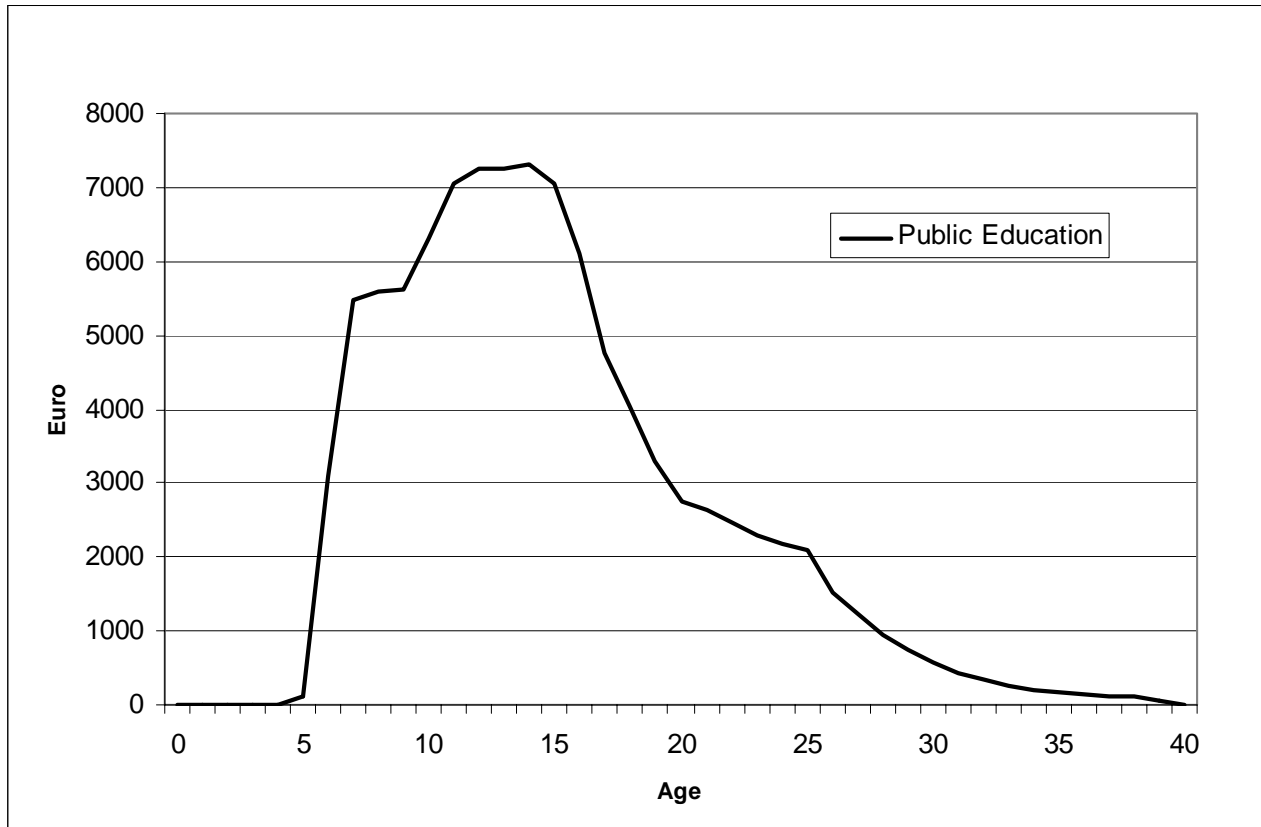
Hauptschule: € 5300 p.a.

Berufsschule: € 3200, etc.



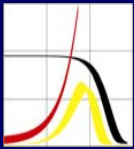


Public Education



Macro
Control:
93,17 bn. €

Per capita public education consumption, 2003, based on school statistics provided by the FSO, adjusted to macro controls (FSO)

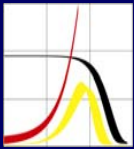


Health Care System

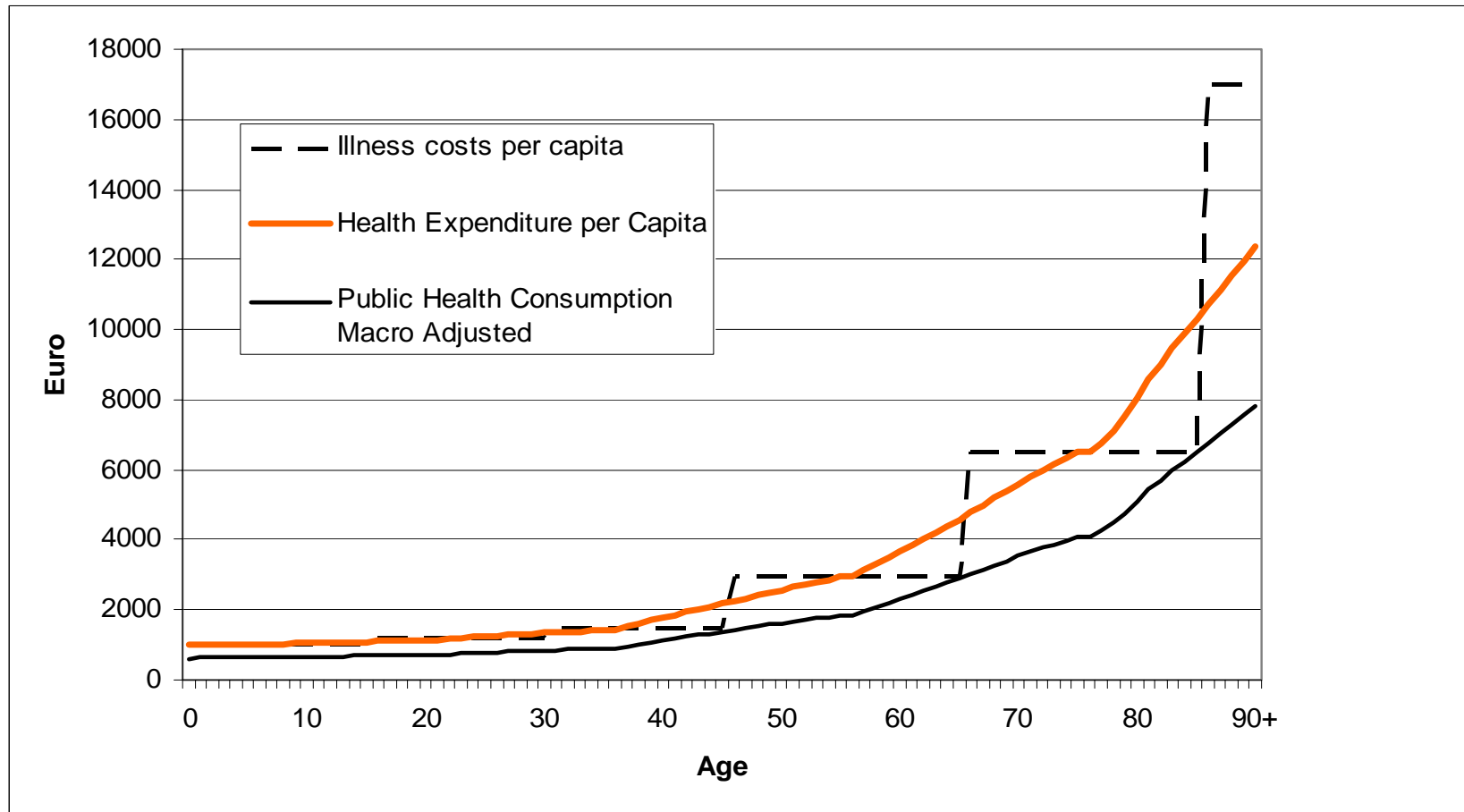


Health insurance coverage nationwide

- Over 200 different public insurances
- Contribution rate ~14%, paid equally by employer and employee
- 88% of all inhabitants are insured on statutory health insurance (GKV)
- Almost 12% insured in private insurance schemes

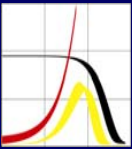


Public Health

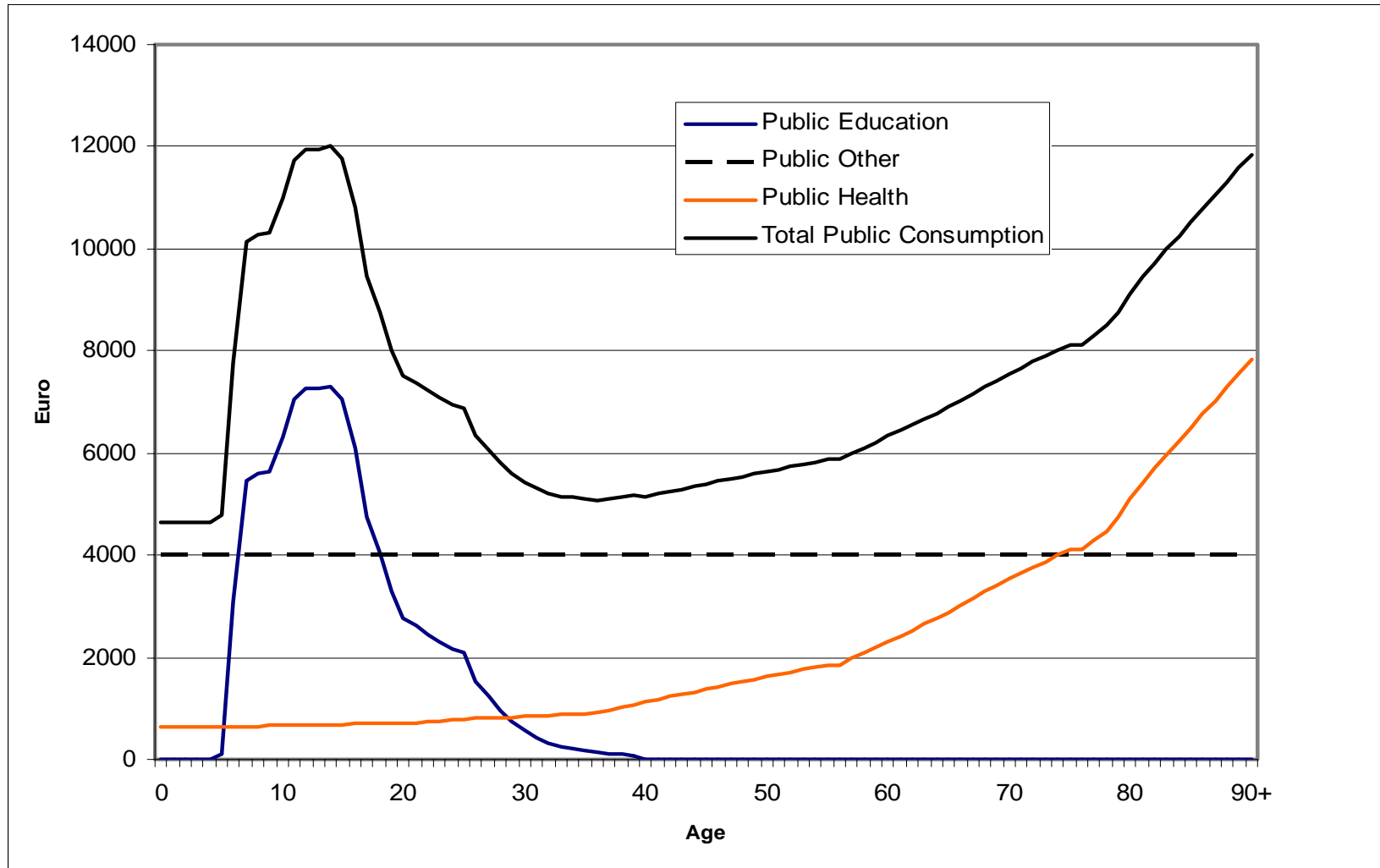


Macro Control 139.75 bn. € (FSO)

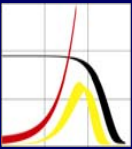
Profile: Costs Disease (Gesundheitsberichterstattung des Bundes)



Public Consumption



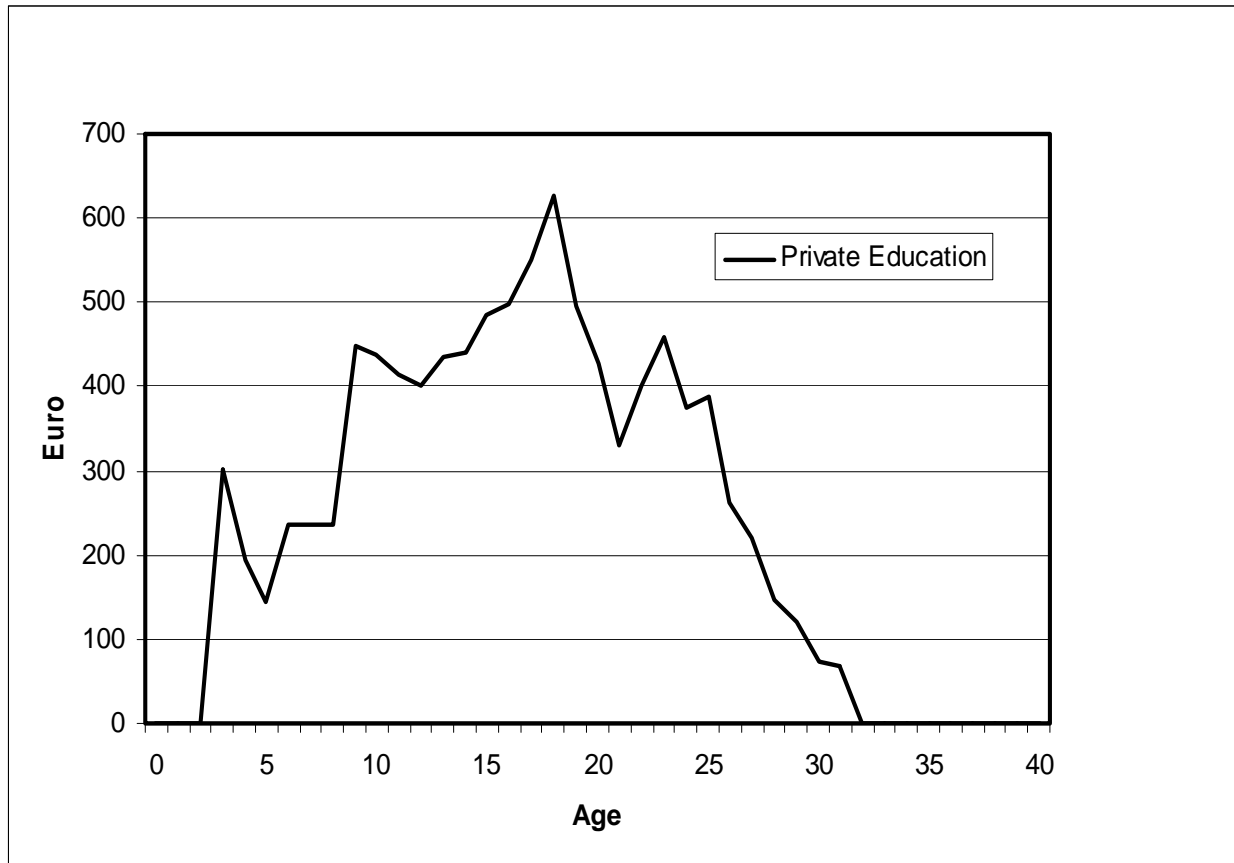
Per capita values, 2003, based on administrative records



Private Education

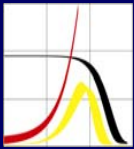


0.7% of private consumption

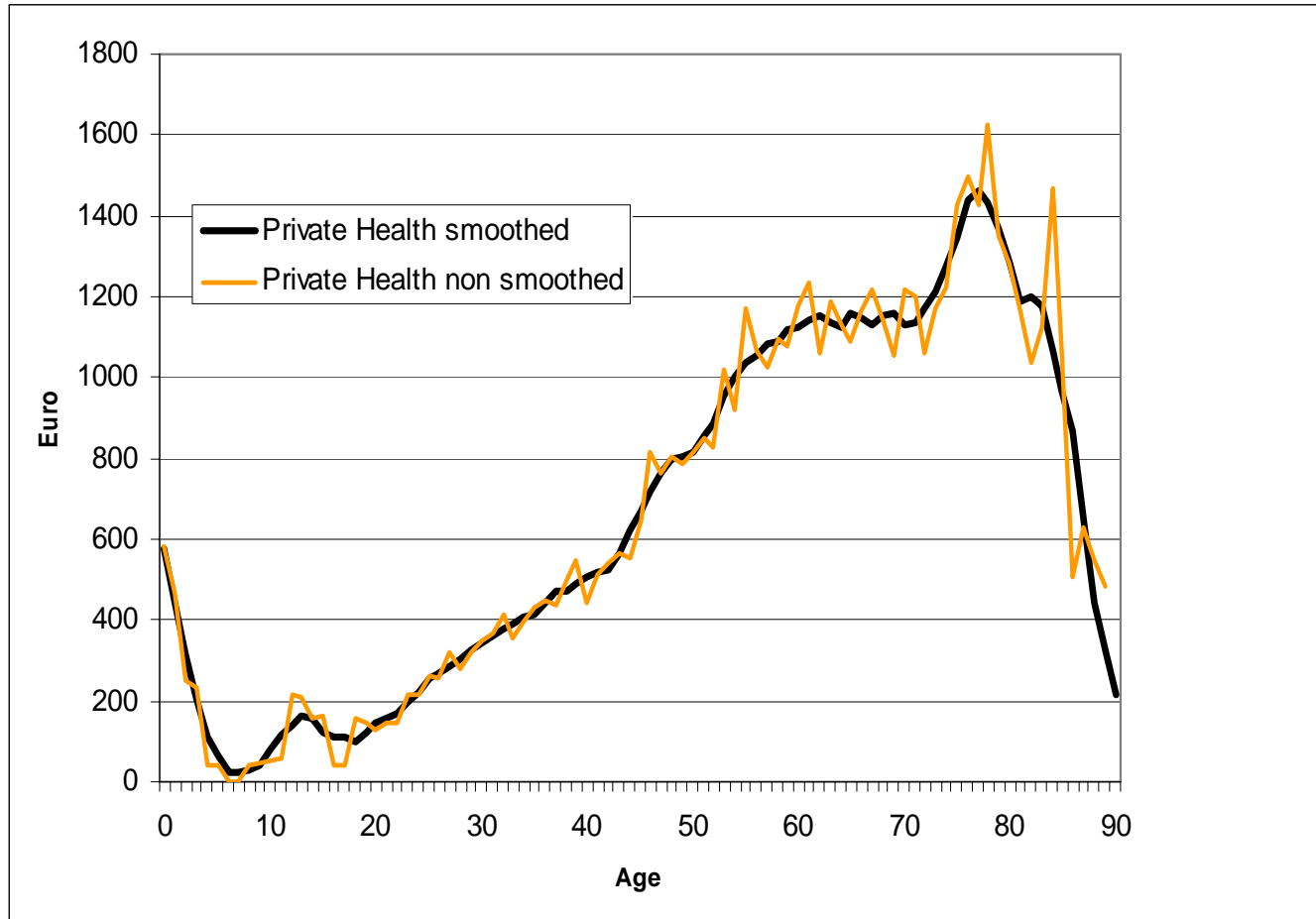


Includes household education expenditure but no childcare (Kinderbetreuung), only university fees, private lessons, extra courses

Per capita values, 2003, based on EVS

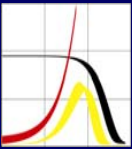


Private Health

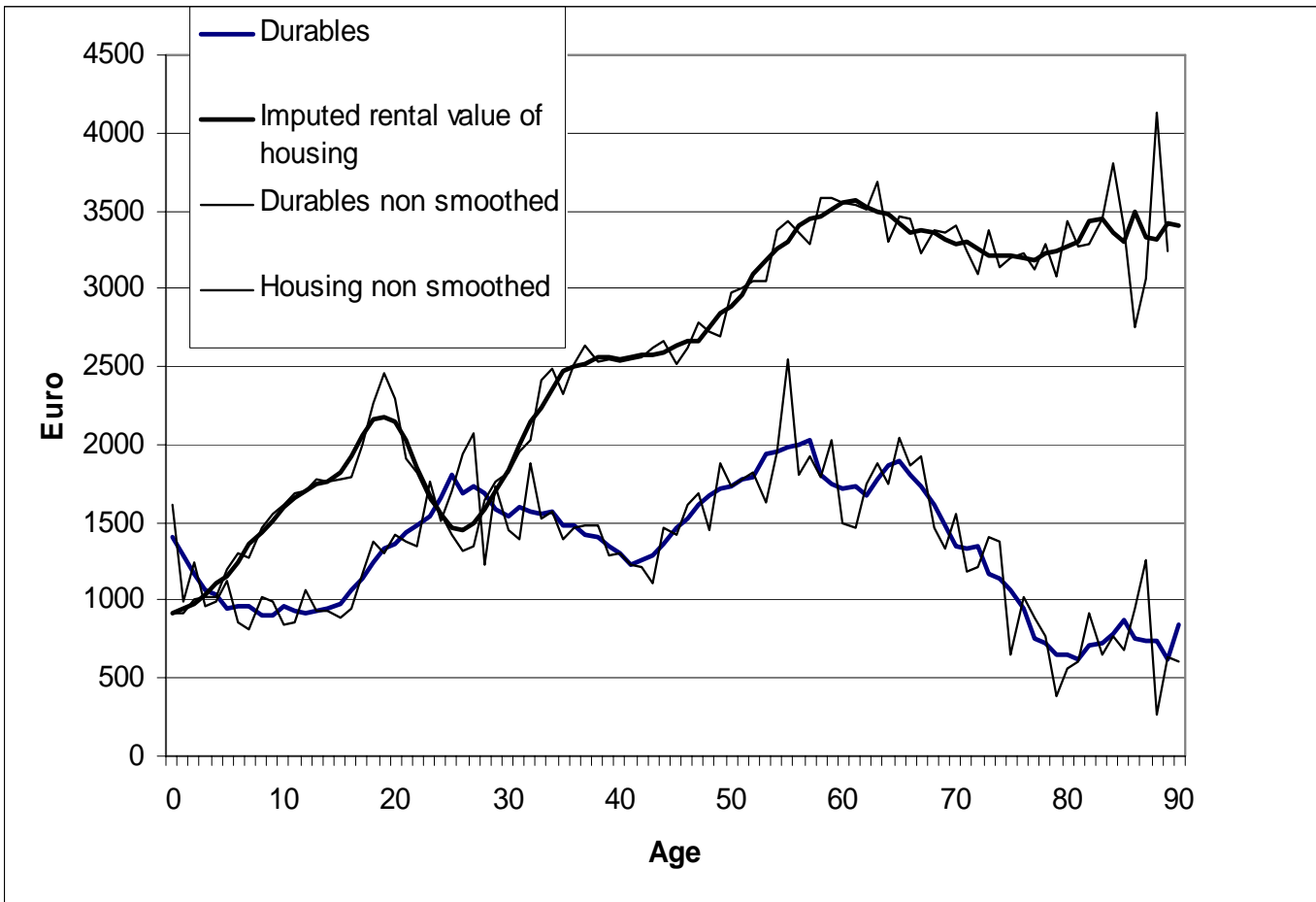


4% of hh
consumption,
includes
pharmaceuticals,
dentist, hospital
extra costs

Per capita values, 2003, based on EVS



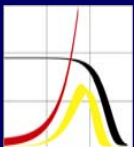
Durables and Housing



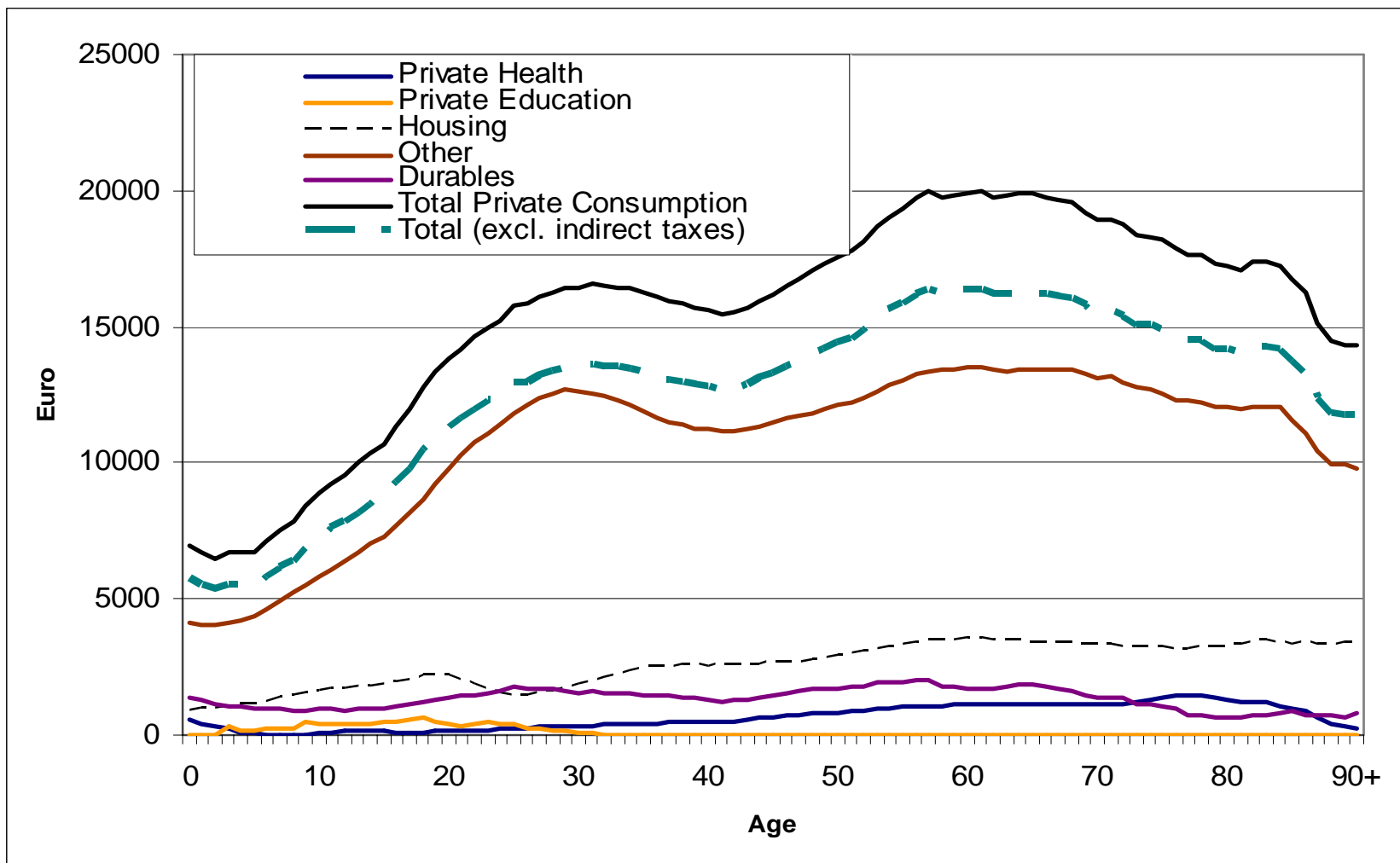
Per capita values, 2003, based on EVS

Durables:
furniture, fridge,
washing
machine, car

Housing:
Only owner
occupied
housing (40%
in Germany)

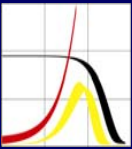


Private Consumption

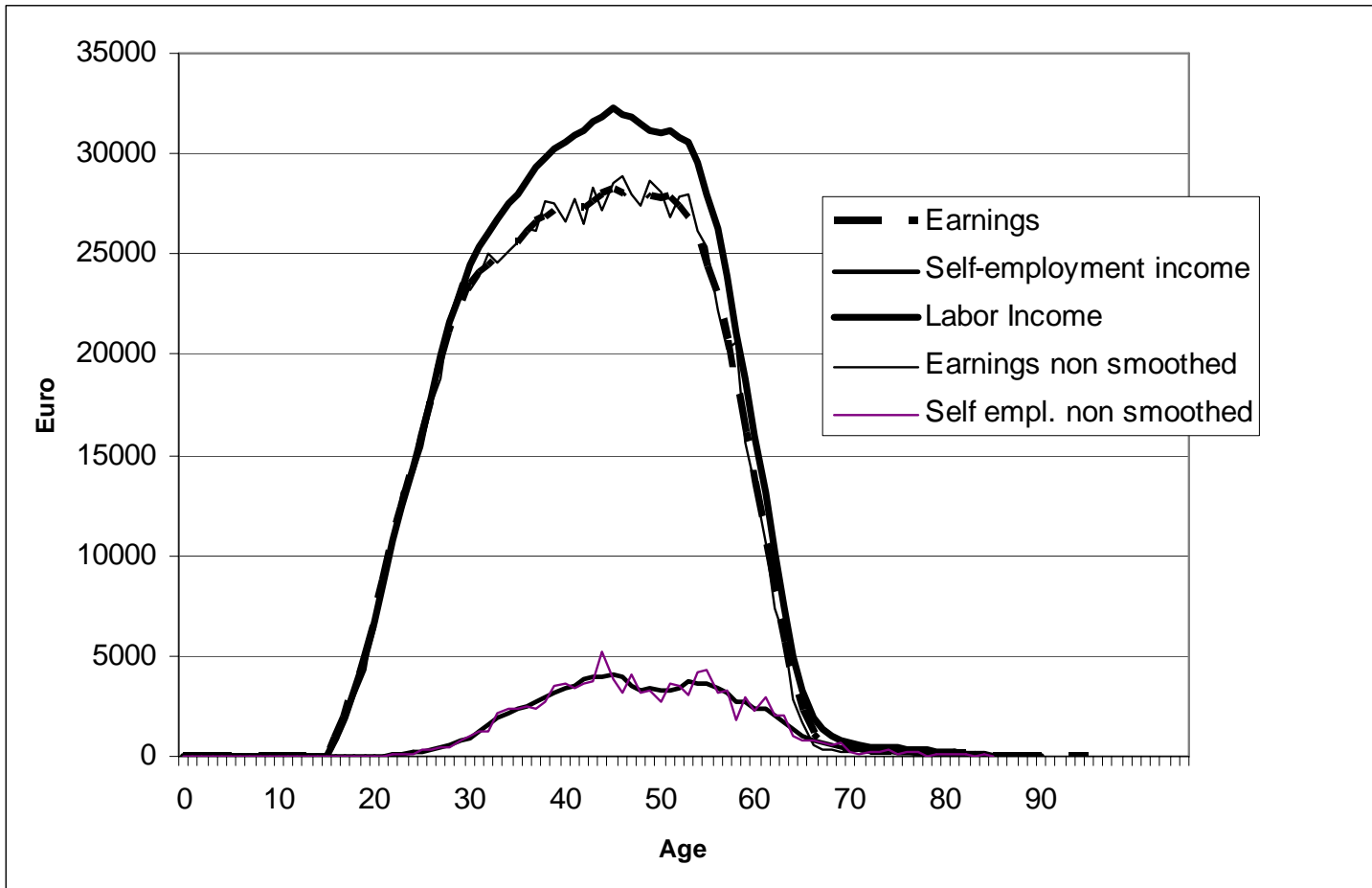


Per capita values, 2003, based on EVS

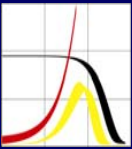
Indirect taxes: 231992 million Euro



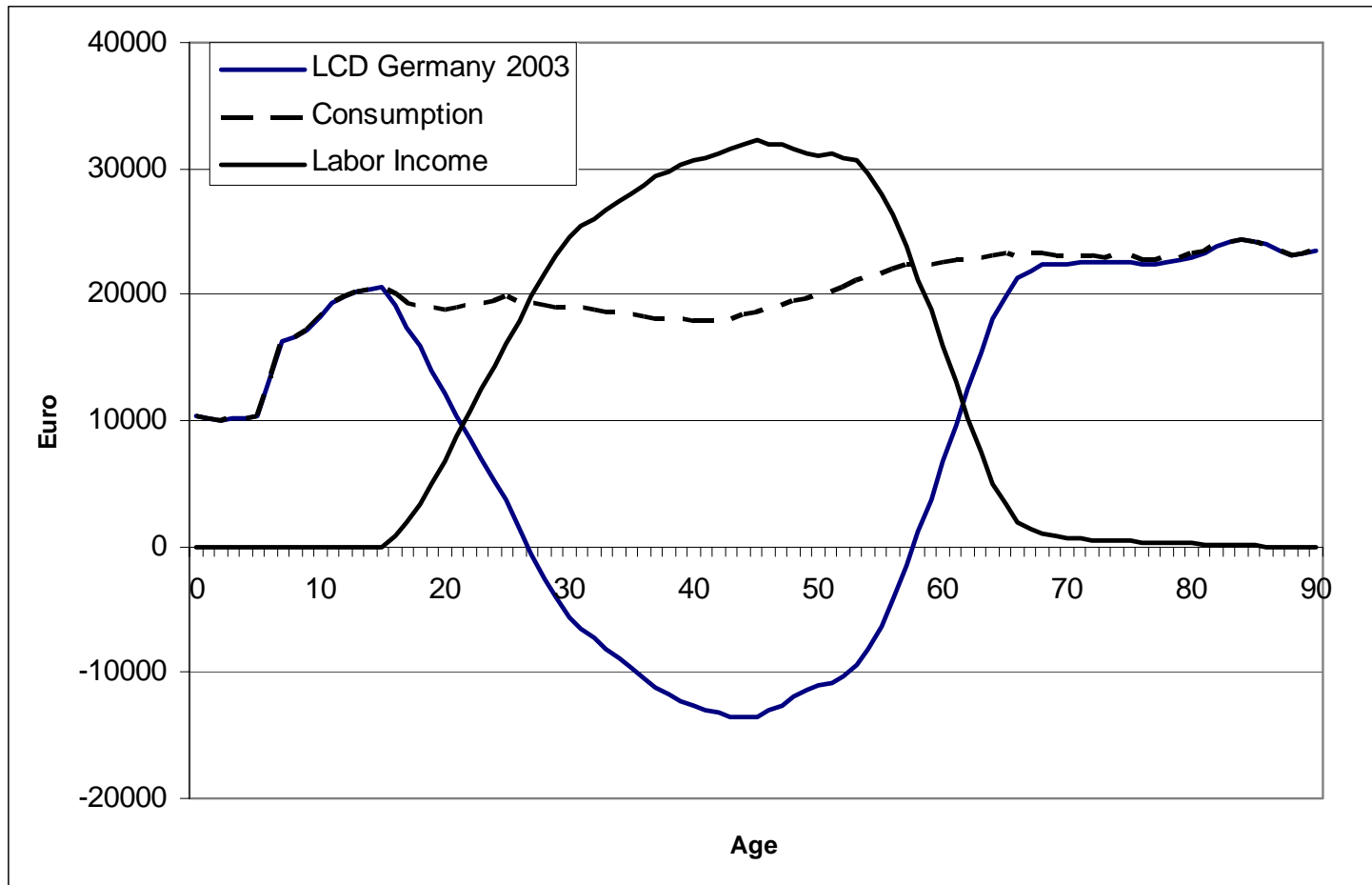
Labor Income

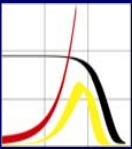


Per capita values, 2003, based on EVS
Compensation of employees: 1132.08 bn
Income self-employed: 2/3 of 192.47bn



Lifecycle Deficit

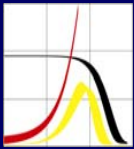




Normalized LCD



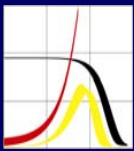
Normalized to labor income age 30-49



Welfare State



- Generous benefits for all inhabitants
- Children: 154 Euro each child/month
- Maternity leave
- Unemployment benefits (now 345 Euro/month + rent)
- Pensions, long-term care
- Pensions (19.5%), Health (14%), Long-term care (1.7%), Unemployment (6.5%)



Social Security

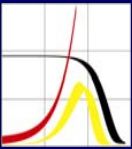


Decomposing Social Protection (€ 485.31 bn.)

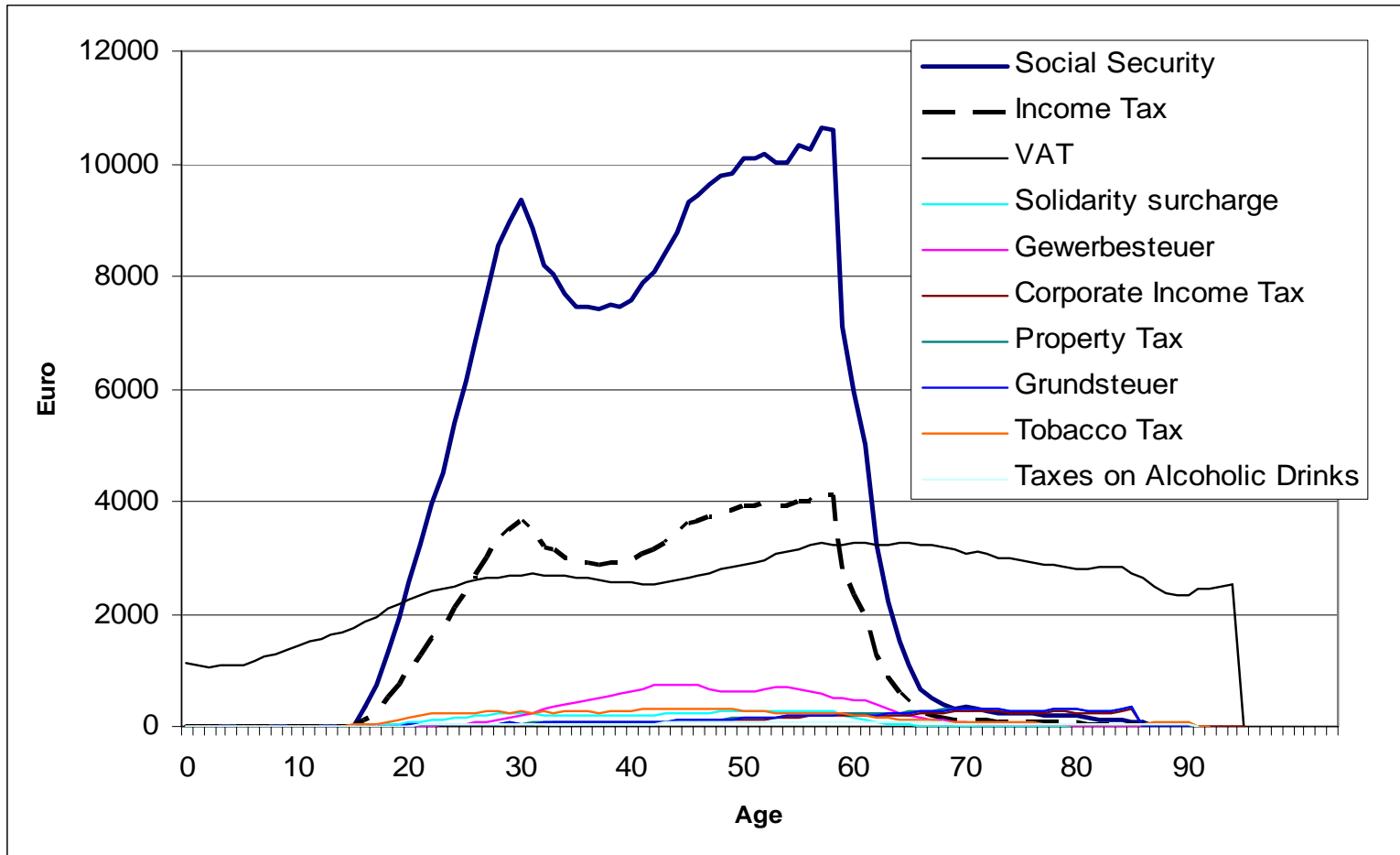
Cash Transfers: 393.86 bn (91.45 Other Soc.Sec.)

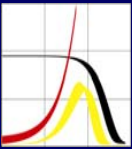
- Pensions	238.79 m	(61.0%)
- Accident insurance	12.19 m	(3.1%)
- Long Term Care	17.46 m	(4.4%)
- Unemployment	43.35 m	(11%)
- Child Allowance	28.88 m	(7.3%)
- Sozialhilfe	25.590 m	(6.5%)
- Asylum	1.440 m	(0.4%)
- Jugendhilfe	20.612 m	(5.2%)
- Wohngeld	4.859 m	(1.2%)
- Kriegsopferversorgung	649 m	(0.2%)

Note: Columns do total because of rounding!

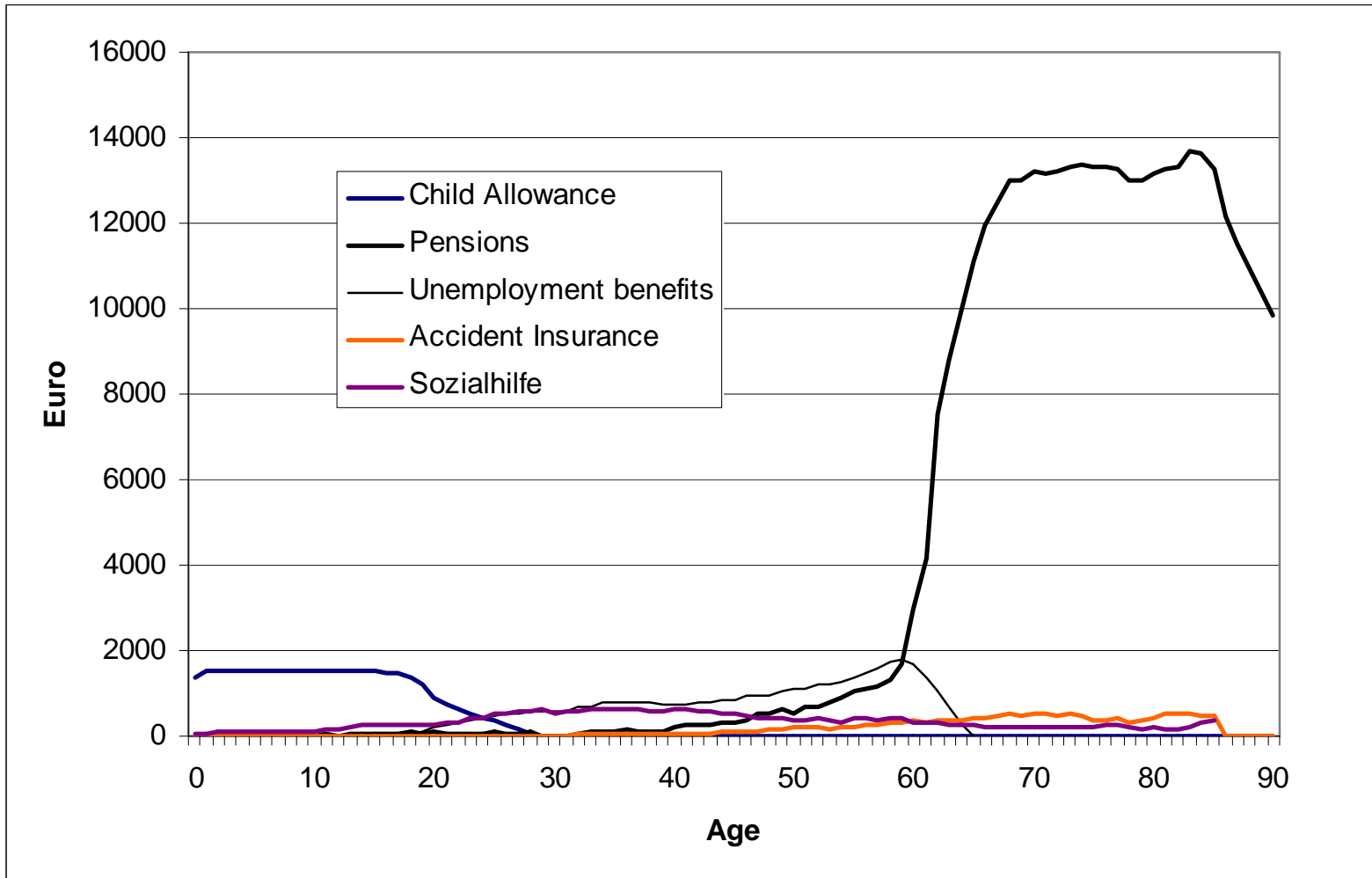


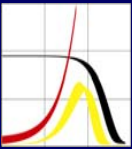
Transfer Outflows





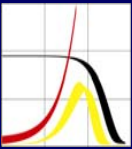
Cash Inflows



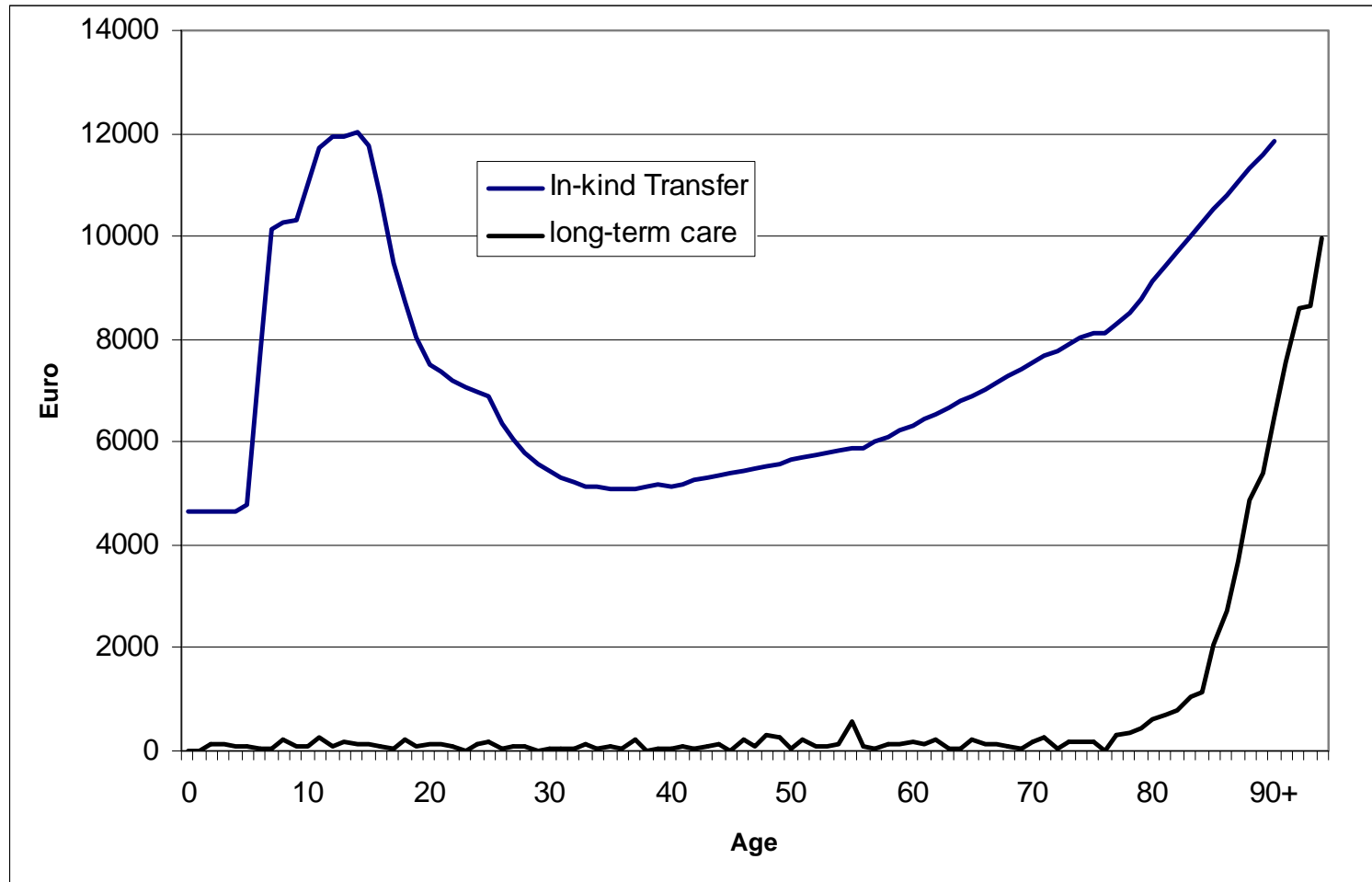


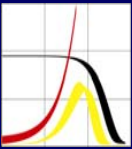
- What to do with other social security?
- Cash transfers allocated (393.86 bn Euro)
- Total Social Protection 485.31

- Outflows: 878.050 (Taxes+Soc Contrib)
- Inflows: 1049.21
- What to do with government sales etc?

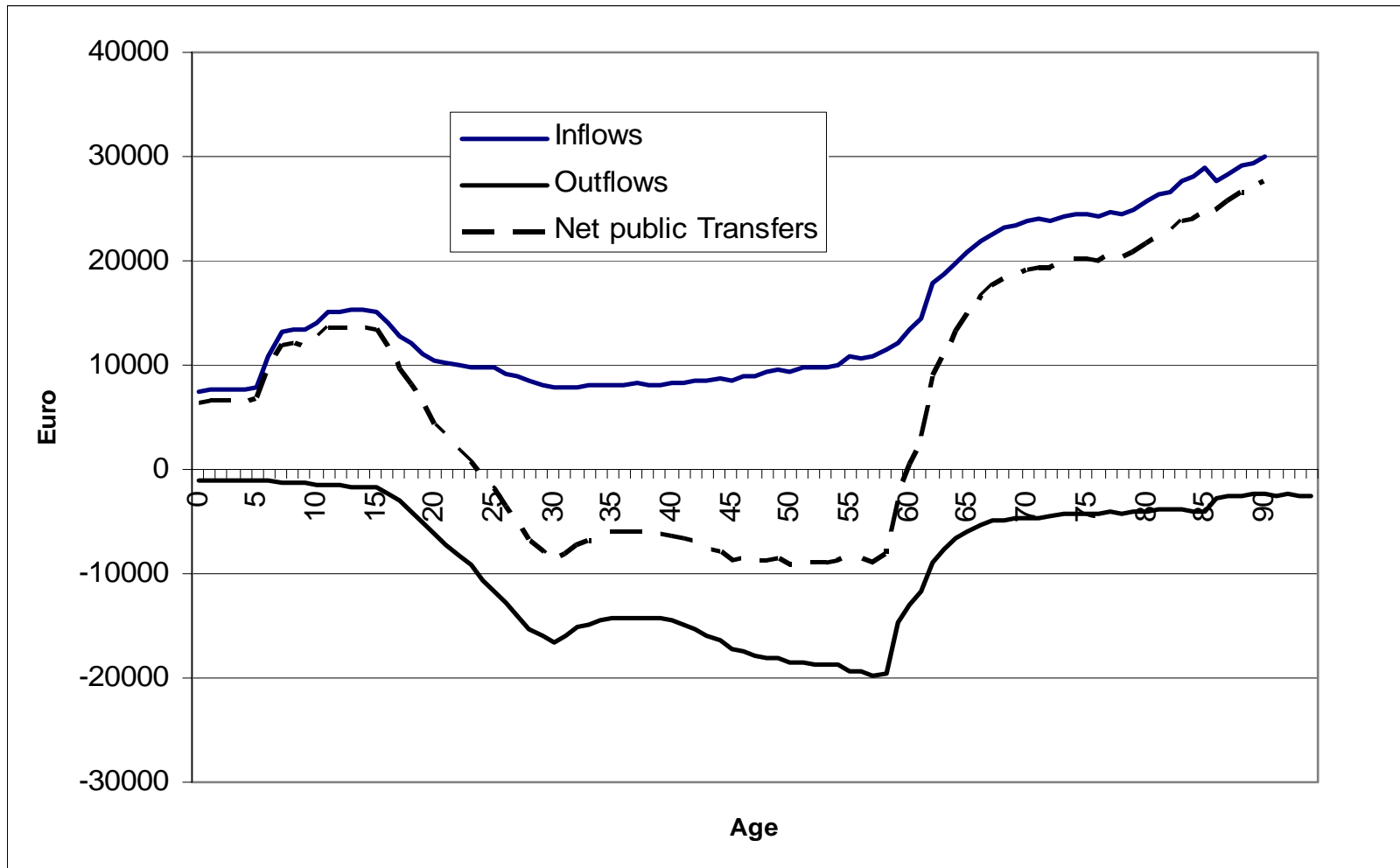


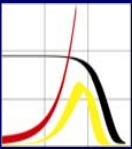
In-kind Inflows



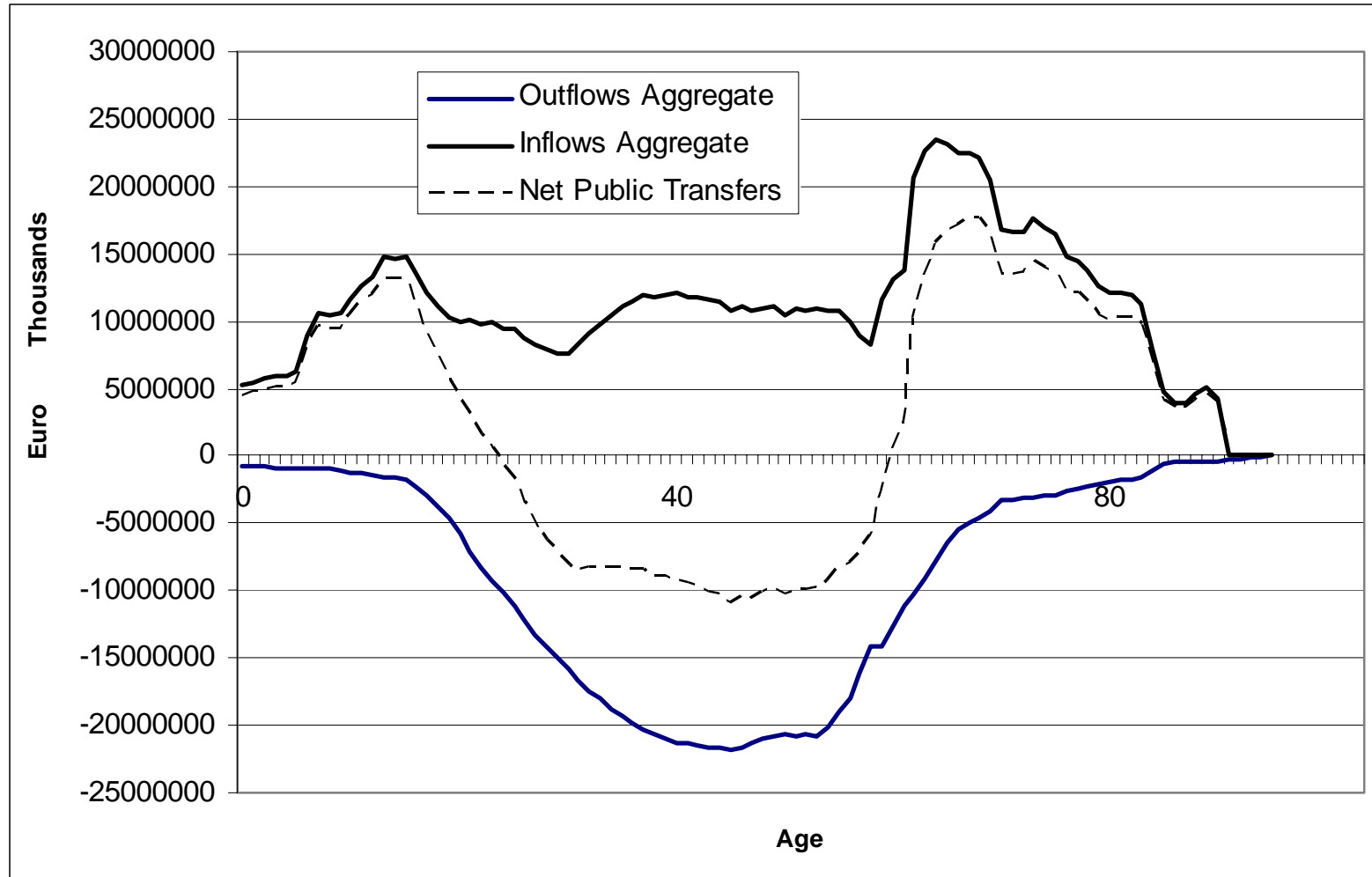


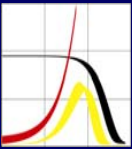
Net Transfers





Aggregate Values





Thank you for your attention!



Contact details:

Fanny Annemarie Kluge

Kluge@demogr.mpg.de

+49 381 2081 210