



# Population Aging in Latin America and the Caribbean: A New Era

9 June 2012, Calgary

Ageing in Development Panel by the  
Canadian Development Economics Study  
Group (CDESG)  
Canadian Economics Association



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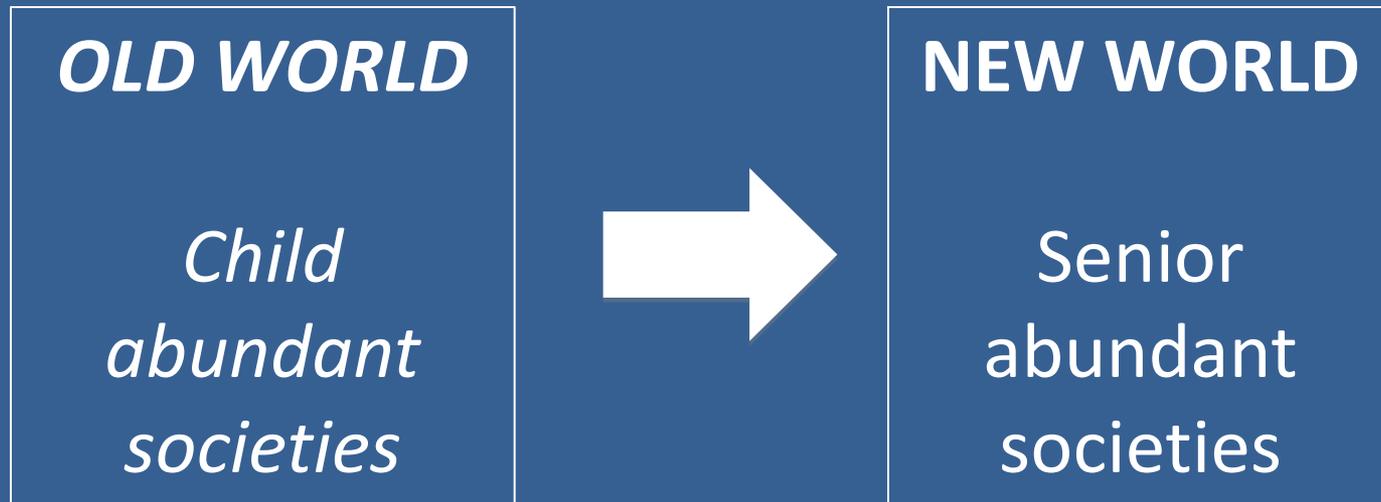
**Tim Miller**

Population Affairs Officer

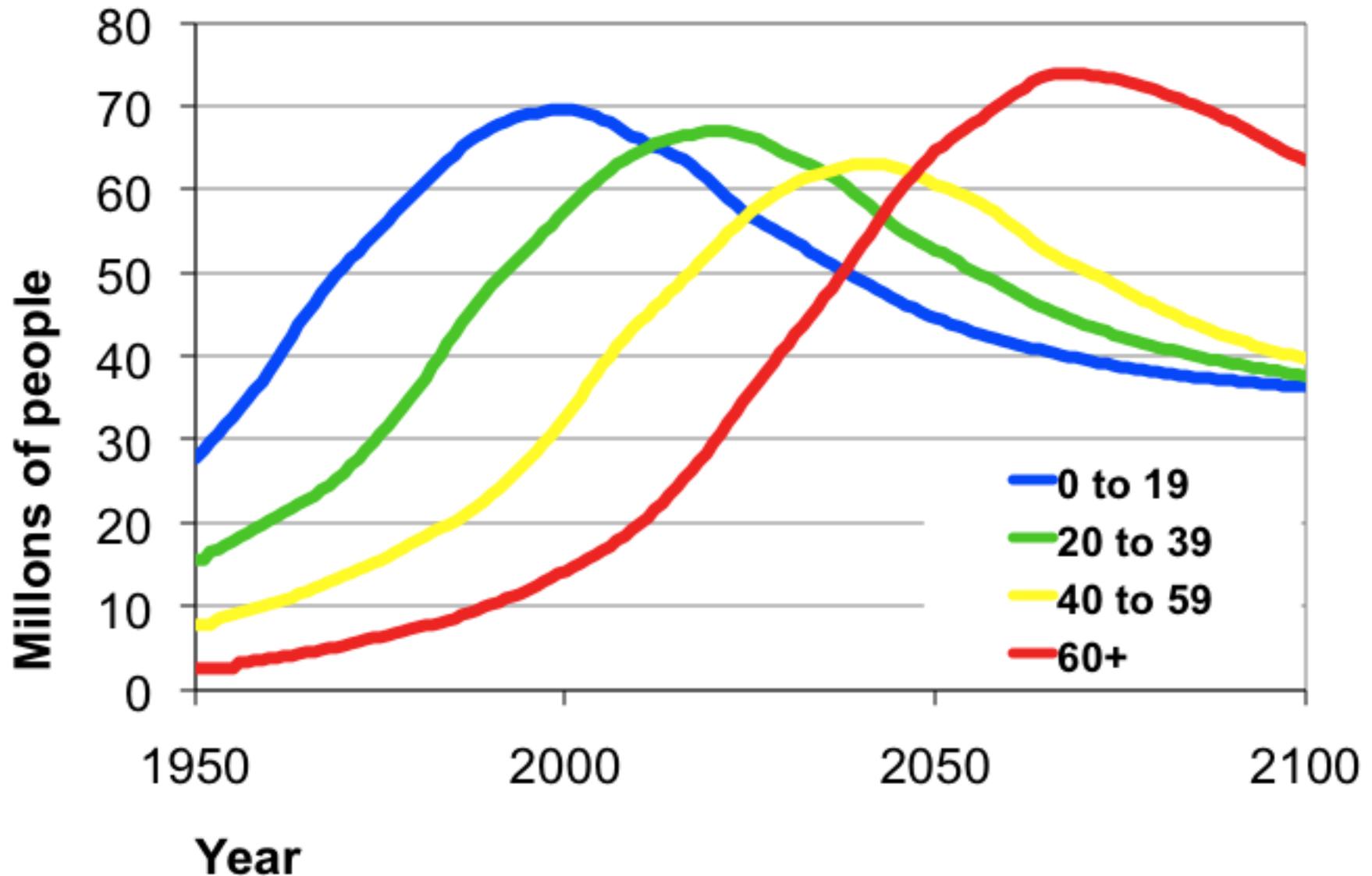
Economic Commission  
for Latin America and the Caribbean

Contact: [Tim.Miller@eclac.org](mailto:Tim.Miller@eclac.org)

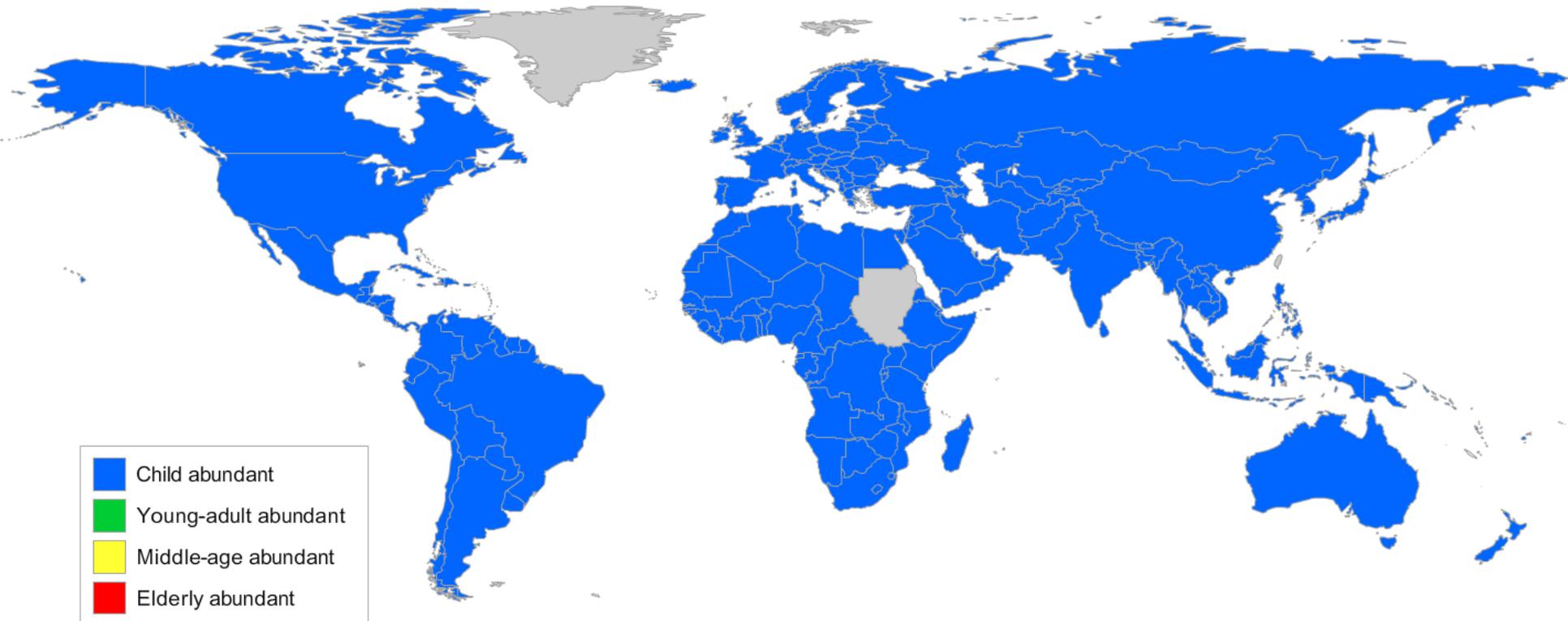
# Entering a new era



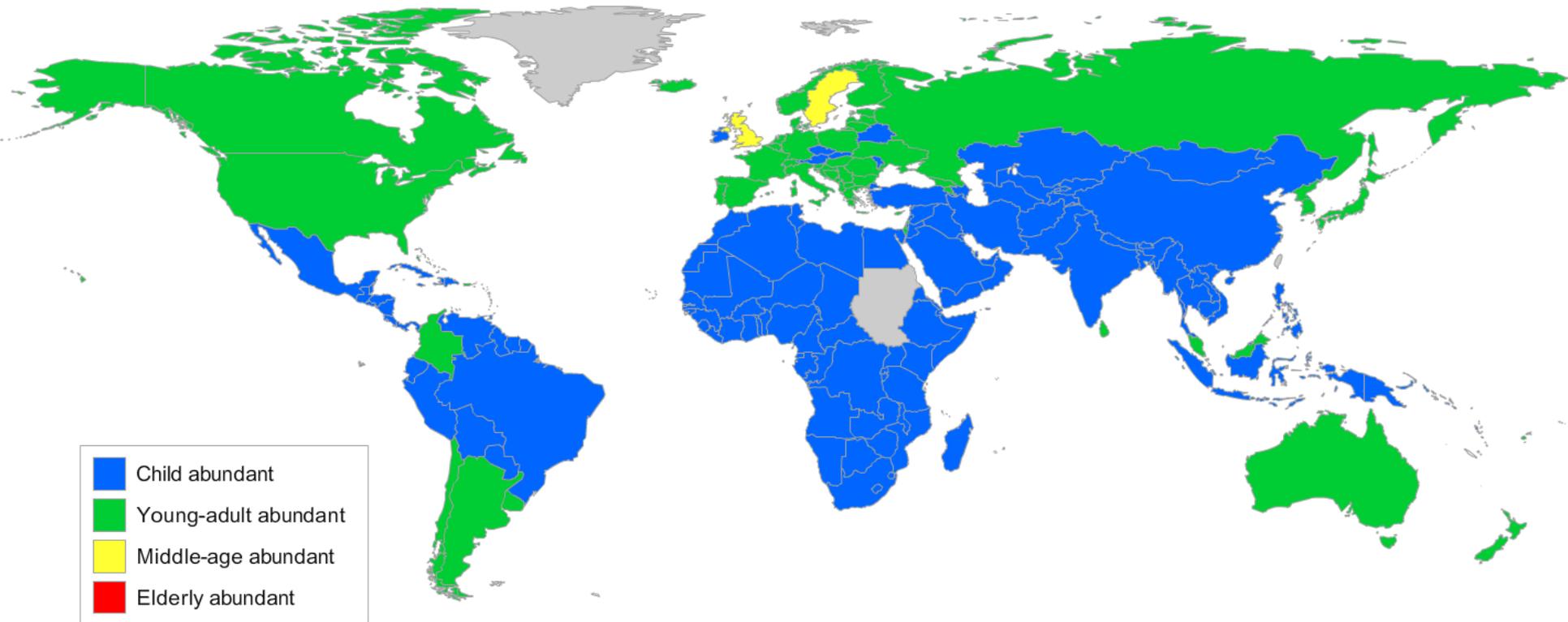
# Brazil's Population by 4 Age Groups



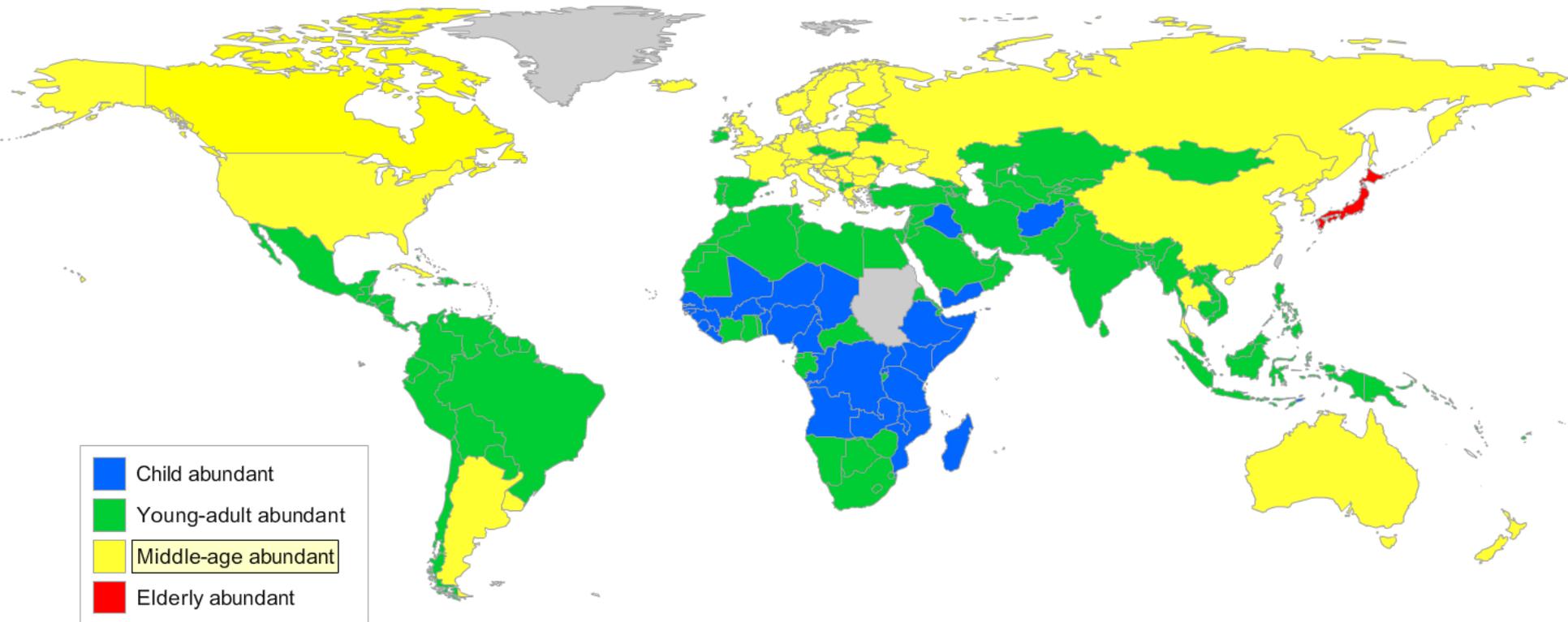
# 1950



# 1980

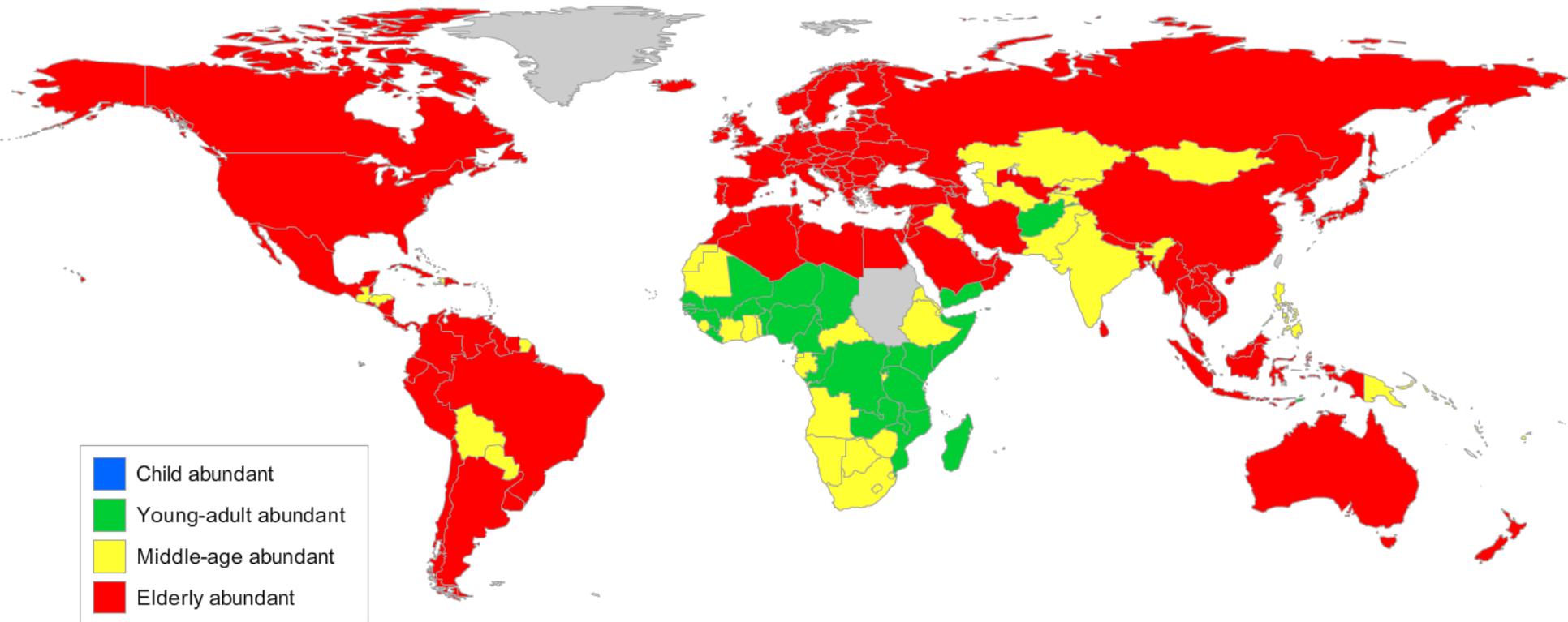


# 2010

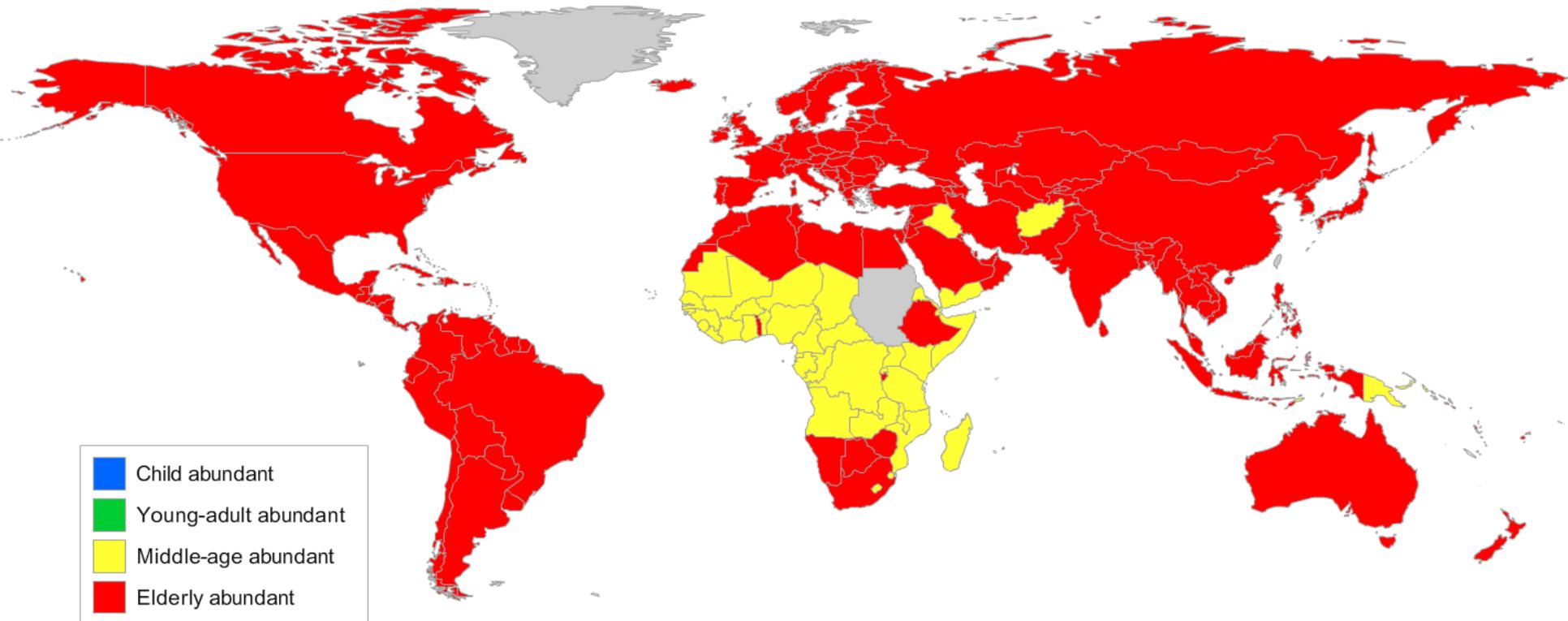




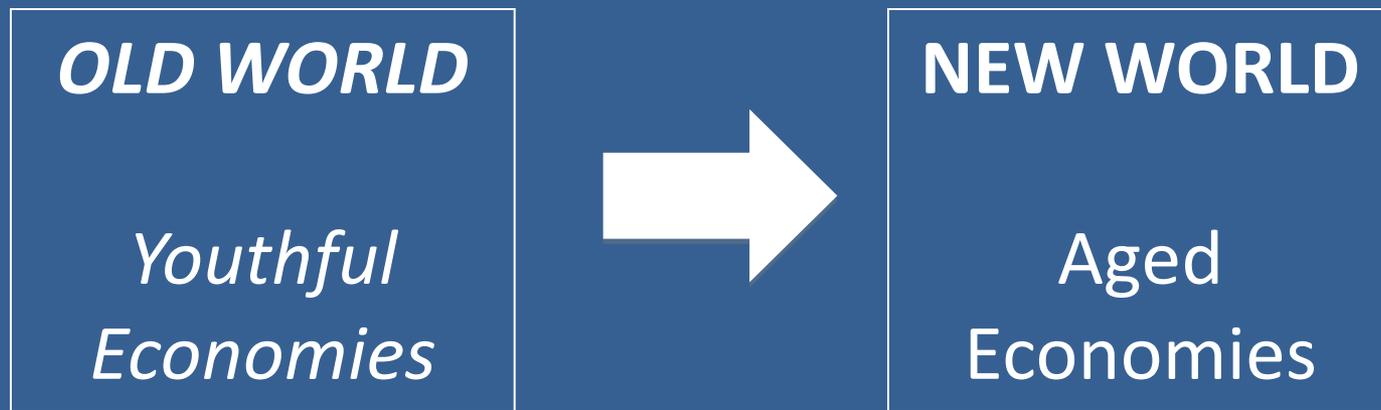
# 2070



# 2100



# Entering a new era



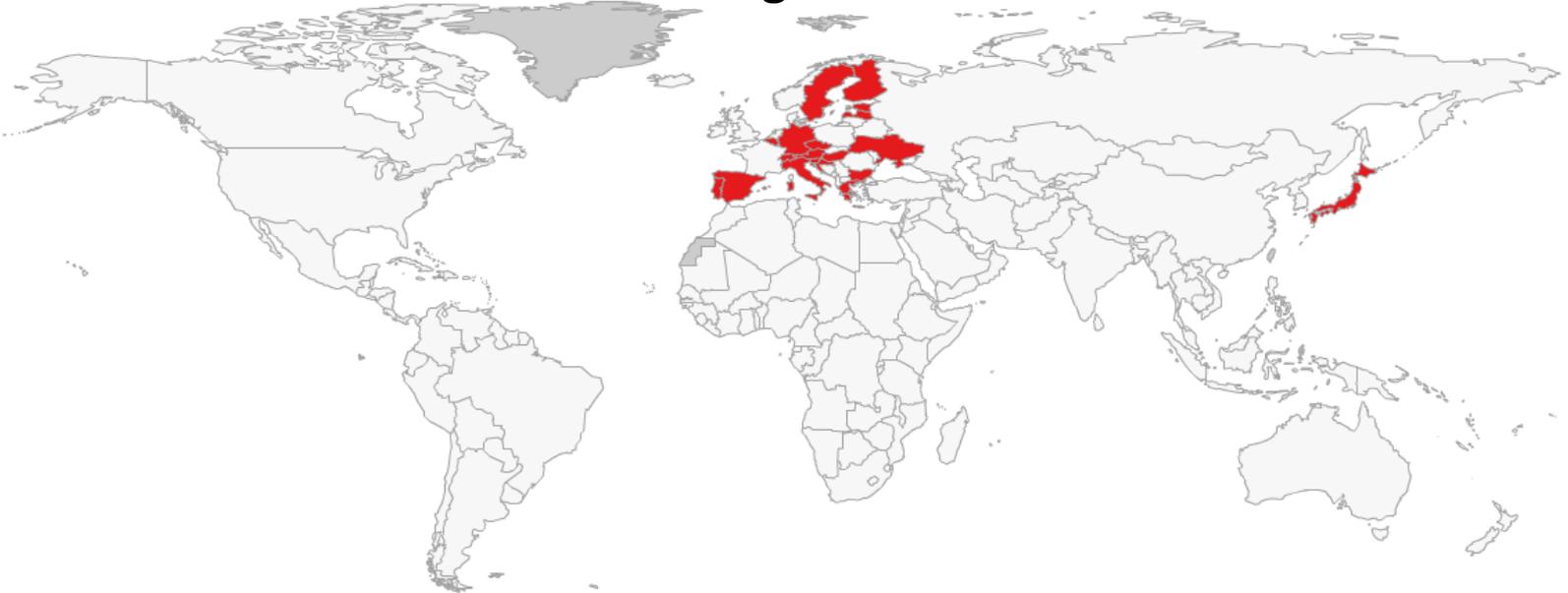
Definition: An AGED ECONOMY is one in which consumption by older persons exceeds consumption by children and youth.

# OLD WORLD

**1980: No Aged Economies in the World**

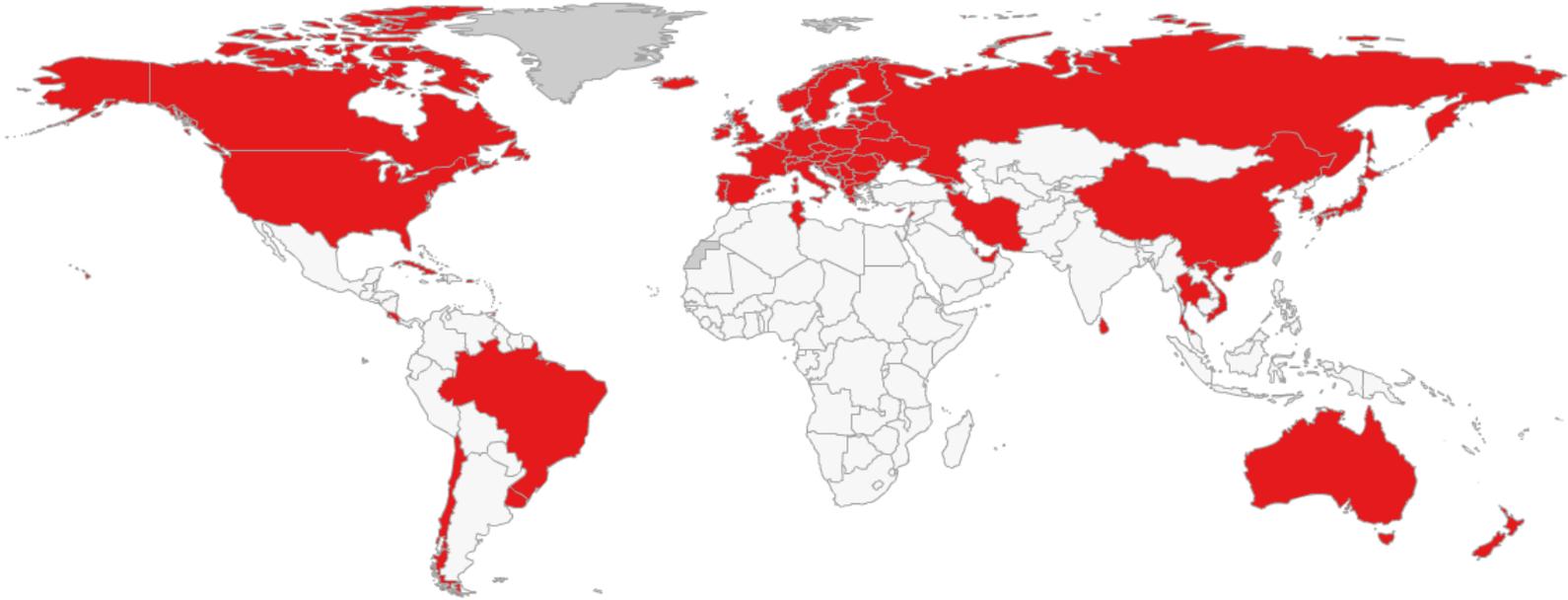


**2010: 23 Aged Economies**



# NEW WORLD

**2040: 89 Aged Economies**



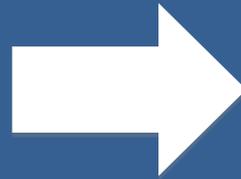
**2070: 155 Aged Economies**



# Entering a new era

## ***OLD WORLD***

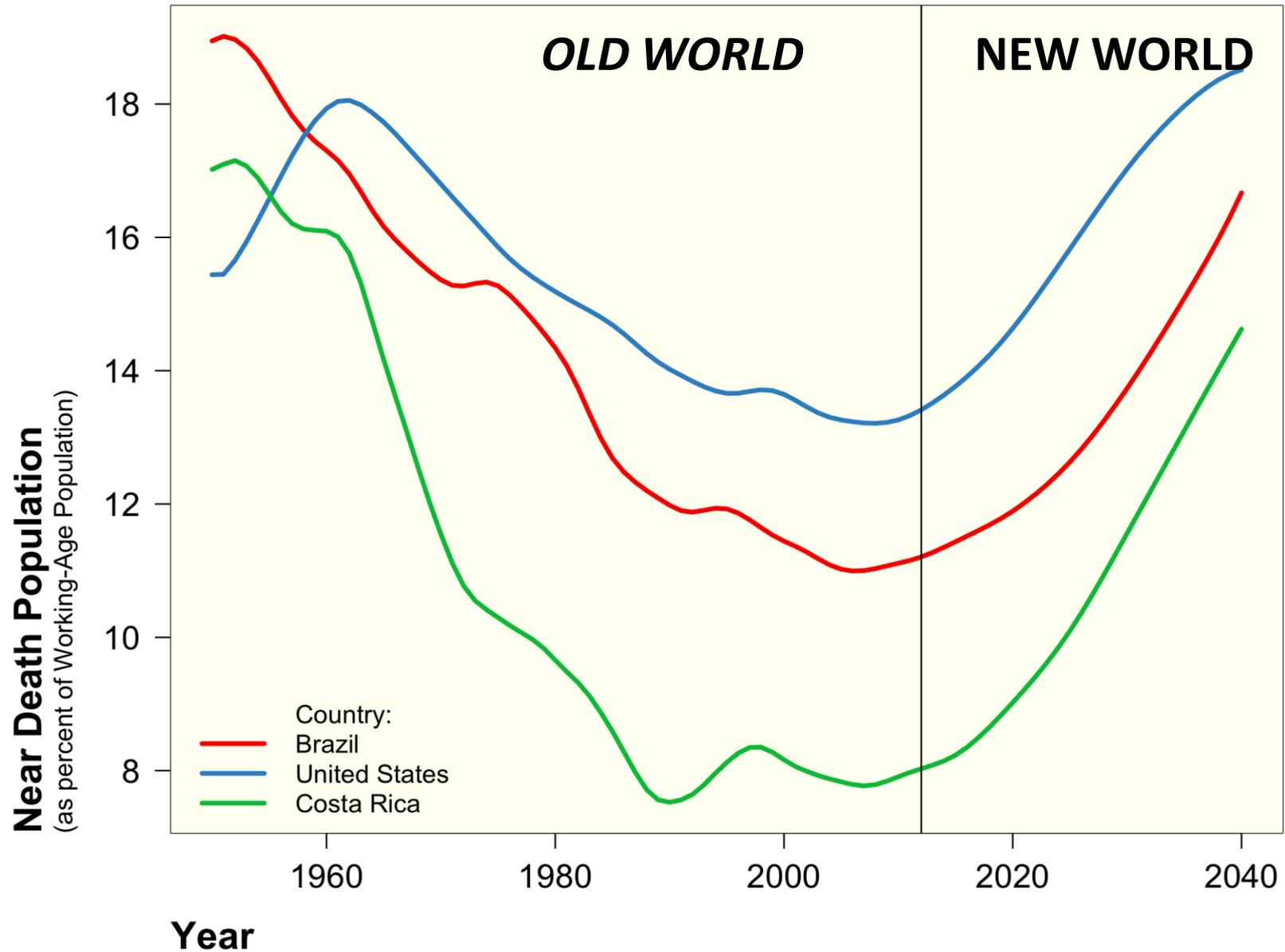
*Declining  
demographic  
pressures on  
health care  
systems*



## **NEW WORLD**

Increasing  
demographic  
pressures on  
health care  
systems

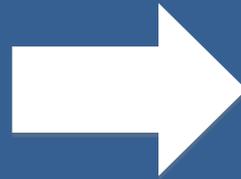
# Demographic pressures on health systems at lowest level in decades.



# Entering a new era

## ***OLD WORLD***

*Stable or declining demographic pressures on government budgets*



## **NEW WORLD**

Increasing demographic pressures on government budgets

# Budget Projections for 10 Latin American Countries

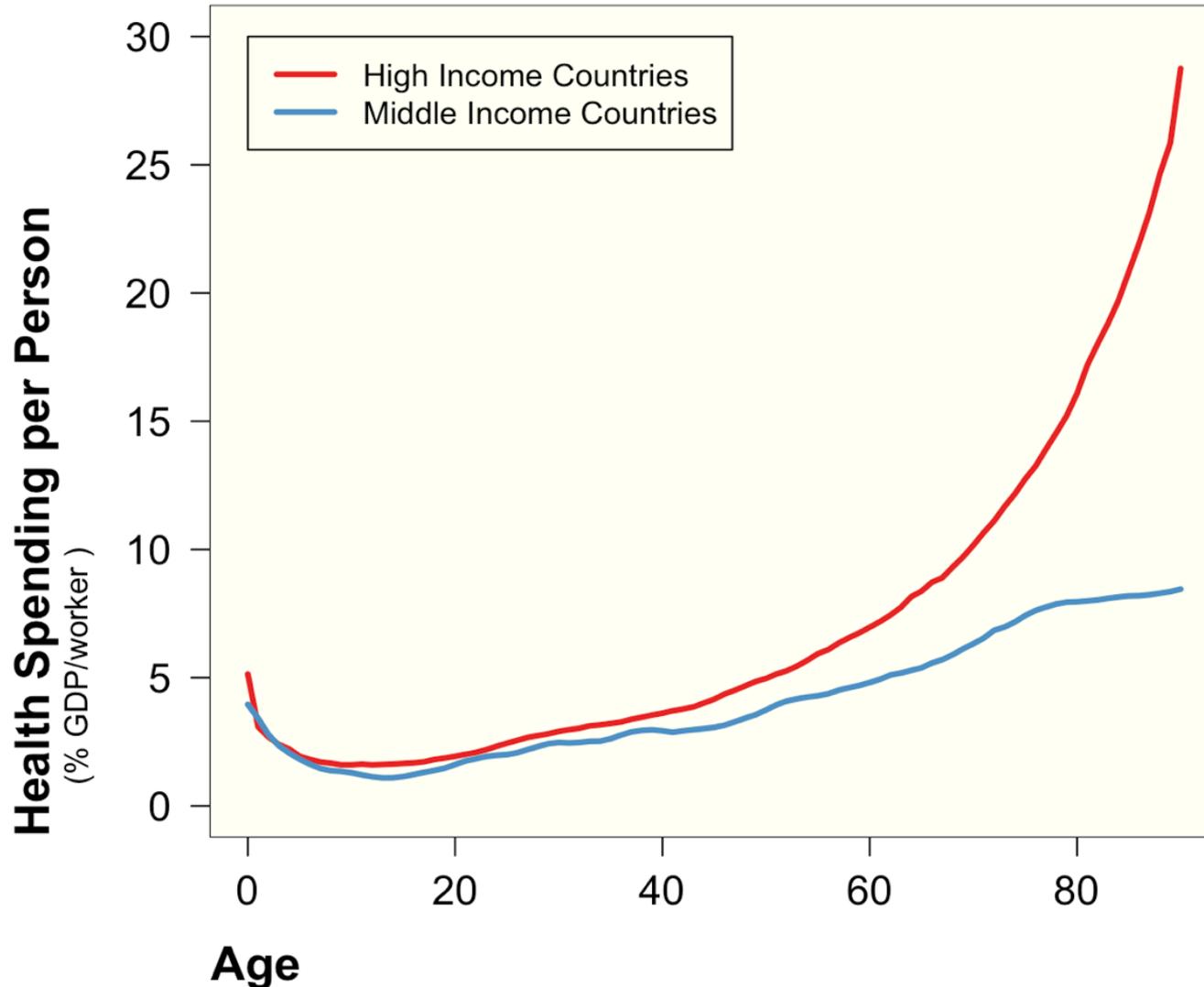
- Public Spending on Education, Health, and Pensions as Share of GDP =

Age-specific benefits \* Population by age

$$\text{Sum over } x \{ b(x,t) * P(x,t)/P(20-64,t) \}$$

- Age-specific benefits
  - Taken from NTA dataset.
  - Standardized across countries using GDP/worker.
  - Assumed to move toward OECD levels as GDP/worker approached OECD levels.

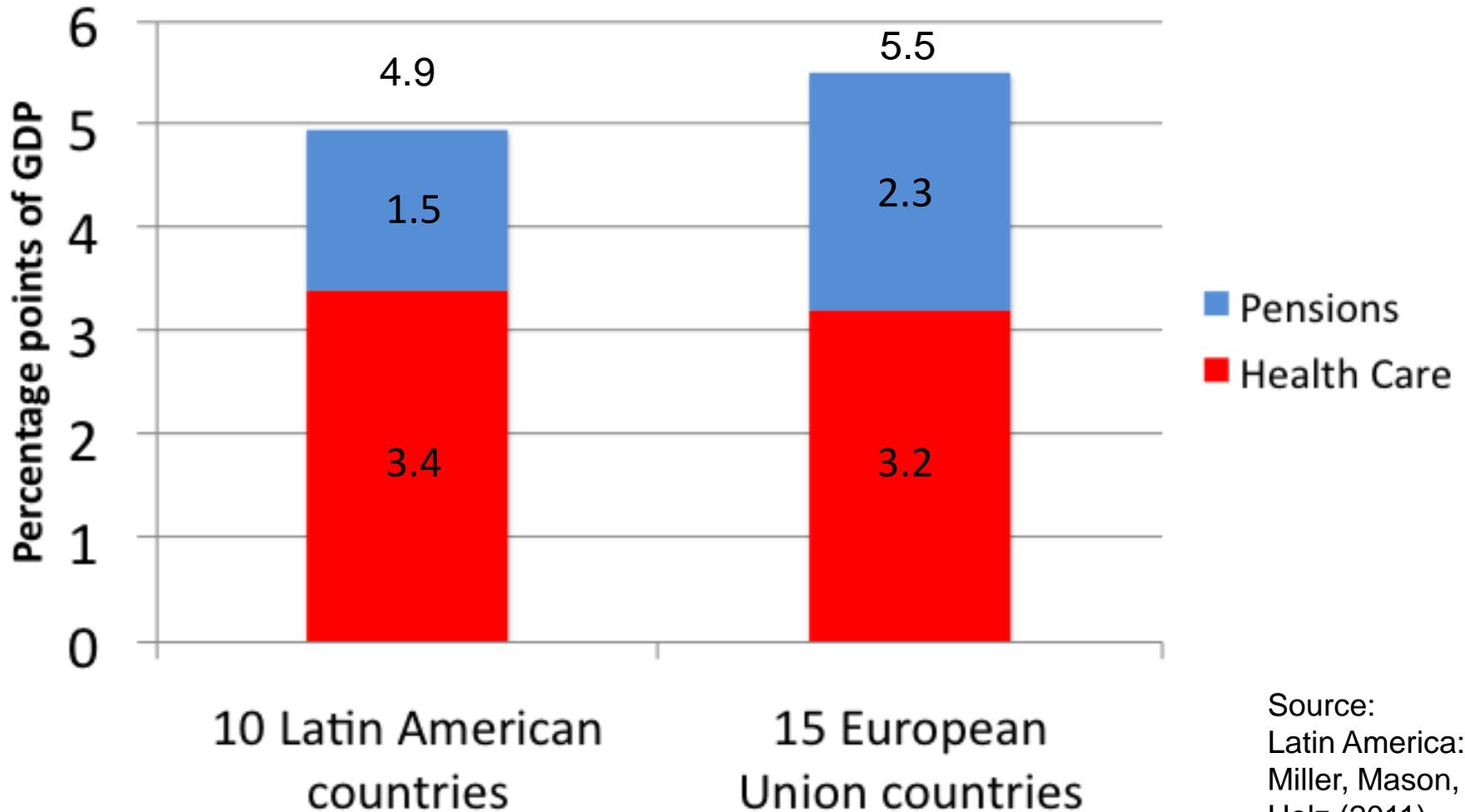
As countries become wealthier,  
growing use of health care services among older persons.



Source:  
Author's  
calculation  
based on NTA  
database

# More fiscal pressure from health care than pensions in Latin America and in European Union.

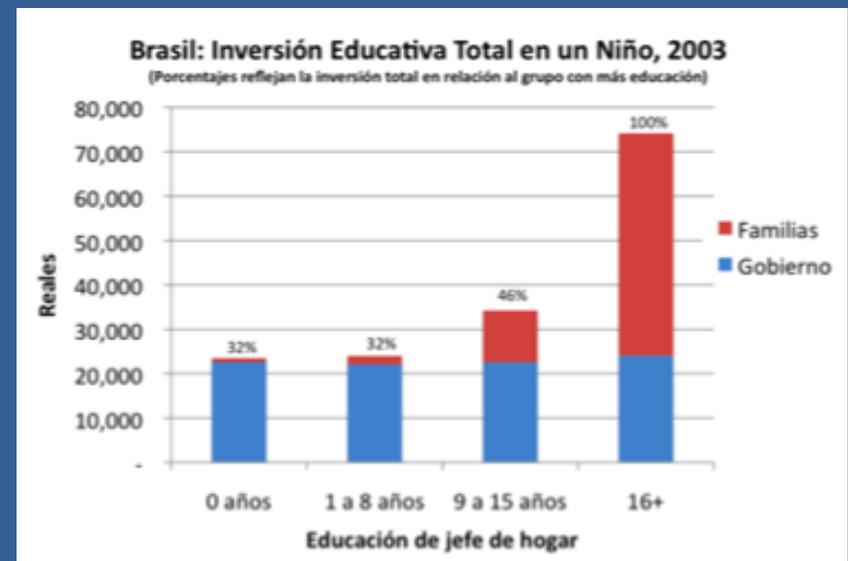
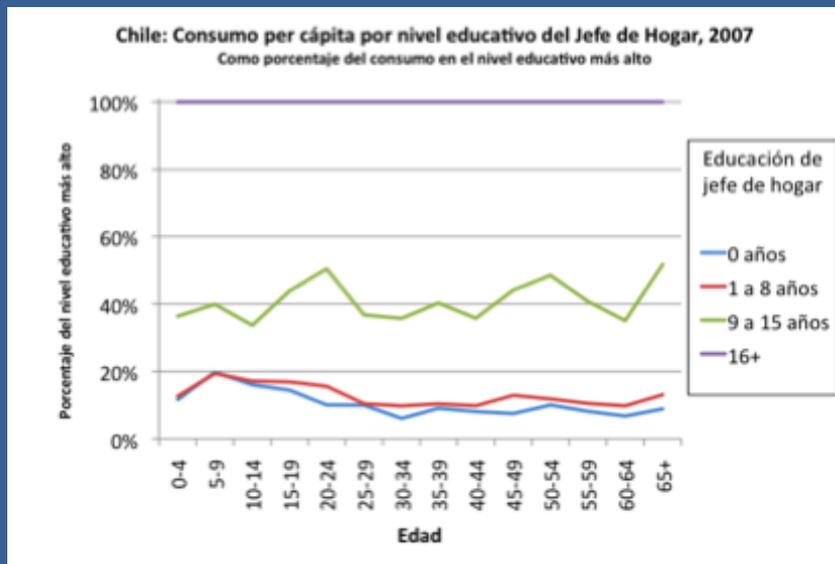
Increase in public spending on health care and pensions between 2005 and 2050.



Source:  
Latin America:  
Miller, Mason, &  
Holz (2011)

# Continuing work in our region ...

National Transfer Accounts by Socio-economic Status.  
To measure the proximate determinants of inequality.





# Thanks!



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