

NTA Spain

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Population 2004: 42.717.064

Life expectancy 2005-2010: 80.1

Female: 83.8

Male: 76.5

Total Fertility Rate 2003: 1.30

Países de la Unión Europea	1976	1981	1986	1991	1996	1999	2000	2001	2002
EU 15	1,92	1,77	1,59	1,53	1,44	1,45	1,50	1,49	1,50
EU 25							1,48	1,46	1,46
Alemania	1,51	1,53	1,41	1,33	1,32	1,36	1,38	1,35	1,31
Austria	1,67	1,67	1,45	1,49	1,42	1,32	1,36	1,33	1,40
Belgica	1,73	1,66	1,54	1,66	1,55	1,61	1,66	1,64	1,62
Chipre							1,64	1,57	1,49
Dinamarca	1,75	1,44	1,48	1,68	1,75	1,73	1,77	1,74	1,72
Eslovenia							1,26	1,21	1,21
España	2,80	2,04	1,56	1,33	1,16	1,20	1,24	1,25	1,26
Estonia							1,34	1,34	1,37
Finlandia	1,70	1,64	1,60	1,79	1,76	1,74	1,73	1,73	1,72
Francia	1,83	1,95	1,83	1,77	1,72	1,79	1,88	1,89	1,89
Grecia	2,35	2,09	1,60	1,38	1,30	1,30	1,29	1,25	1,25
Holanda	1,63	1,56	1,55	1,61	1,53	1,65	1,72	1,71	1,73
Hungria							1,32	1,31	1,30
Irlanda	3,31	3,09	2,46	2,09	1,88	1,89	1,90	1,94	1,97
Italia	2,10	1,59	1,34	1,31	1,21	1,19	1,24	1,25	1,26
Letonia							1,24	1,21	1,24
Lituania							1,39	1,30	1,24
Luxemburgo	1,48	1,55	1,43	1,60	1,76	1,73	1,76	1,66	1,63
Malta							1,72	1,72	1,46
Polonia							1,34	1,29	1,24
Portugal	2,58	2,13	1,66	1,57	1,43	1,49	1,55	1,45	1,47
Reino Unido	1,74	1,82	1,78	1,81	1,72	1,68	1,64	1,63	1,64
Republica Checa							1,14	1,14	1,17
Republica Eslovaca							1,30	1,20	1,19
Suecia	1,68	1,63	1,80	2,11	1,60	1,50	1,54	1,57	1,65

Fuente: New Cronos, EUROSTAT

European Countries	% 65 years-old and more
Italy	18.2
Greece	17.3
Sweden	17.2
Germany	17.1
Spain	17.1
Belgium	16.9
Portugal	16.5
France	16.2
United Kingdom	15.6
Austria	15.5
Estonia	15.5
Leetonia	15.5
Hungary	15.3
Finland	15.2
Denmark	14.8

Source: Eurostat, 2005

Percentage of broad age groups, Spain 2005

	1950	1975	2007	2025	2050
0-14	27.1	27.6	14.5	13.4	14.3
15-59	62	58	63.7	58	46.1
60+	10.9	14.4	21.7	28.6	39.7

Source: World Population
Ageing 2007

Social Security system in Spain

(Boldrin, Jimenez-Martin, Peracchi, 1997)

General Social Security scheme (70% of workers)

Special Social Security schemes (30% of workers): Self-employed, Agricultural workers, Domestic workers, Sailors, Coal miners.

Other small programs. Progressive elimination of these small programs.

Pure pay-as-you-go system financed partly by: contributions from earnings (about 2/3 in 1996) and transfers of Government budget (about 1/3 in 1996).

Mandatory retirement age in public sector: 65 years old.
65 years old is the common permitted age to retire.

General Scheme

Contributions

Fixed proportions of covered earnings between a floor and a ceiling that vary by professional category.

Tax rate: 28.3% of the salary in 1996, 23.6% employer and 4.7% employee.

Eligibility

At least 15 years of contribution, of which at least 2 within the last 8 years before retirement.

Benefit computation

The maximum benefit is after 35 years of contribution.

Pensions are subject to a ceiling and also exists a minimum pension.

Family considerations

Pensioner receives fixed annual allowance for each dependent child that is younger than 18 or disabled. Also, the minimum pension is increased by a fixed amount if the pensioner has a dependent spouse.

Survivors (dependent spouse, children less than 18, disabled and unmarried, other dependent relatives) may receive a fraction of the benefit base of the deceased if the latter was a pensioner or died before retirement after contributing for at least 500 days in the last 5 years.

Special Schemes

Mostly are self-employed and farmers (93% of the affiliated).

Tax rate for self-employers is the same (28.3%), but they can choose their covered earning between a floor and a ceiling legislated.

Receiving old-age pension is compatible with self-employed status

Tax rates for farmers: 18.75%.

Other Social Security programs, or Welfare programs

Disability pensions

Temporary illness or disability
Contributive disability pensions
Non-contributive disability pensions.

Unemployment benefits

Non-contributory old-age pension

Private pensions

National System of Health

Universal. Free for all the individuals, independent of their income or affiliation to Social Security.

There exists, also, Private Health Insurance programs.

Education

Compulsory education between 6 and 16 years-old: 6 of primary school and 4 of secondary education.

Public education is available for all children and there exists private schools, also.

DATA for Spain

Family's budget survey

There is a survey for 1980 and 1990.

Since 1998 there is a survey for every trimester. There is longitudinal information of the survey.

I am using data from 2004.

Information:

- ✓ Number of members in the household, age and sex of each one.
- ✓ Activity or economic situation for each members with more than 16 years-old.
- ✓ Education enrollment information (not level of education) for all members with more than 16 years-old.
- ✓ Consumption at household level.
 - Consumption for health, education and other consumption (alcohol, tobacco, housing and durable goods)
 - Consumption of drugs. (Illegal, they don't have taxes...)

- ✓ Transfers to other households

- ✓ Non-consumption: there is no information of social security tax at household level or other cash payment to the government.

- ✓ Information about self-consumption.

- ✓ Income: only household level and aggregated (not separated by wages, pensions, etc.). It only says which is the most important source of money.

There is no information about health situation.

Problem: Labor Income Profile

There is no information about labor income from the labor force survey for simple ages, only average wages by groups of age.

There is a Time Use Survey from 2002-2003.

Goals during the Seminar

- ✓ Estimate the Economic Lifecycle deficit
- ✓ Estimate the Private and Public consumption profile
- ✓ Try to estimate the Labor Income profile
- ✓ Calculate the 1st and 2nd dividend