

# A Preliminary Look at the Changing Patterns of Intergenerational Transfers and Life-Cycle Consumption in Finland 1990-2006

The 41<sup>st</sup> EWC Summer Seminar on Population,  
The 7<sup>th</sup> National Transfer Accounts Conference  
6 – 19 June 2010

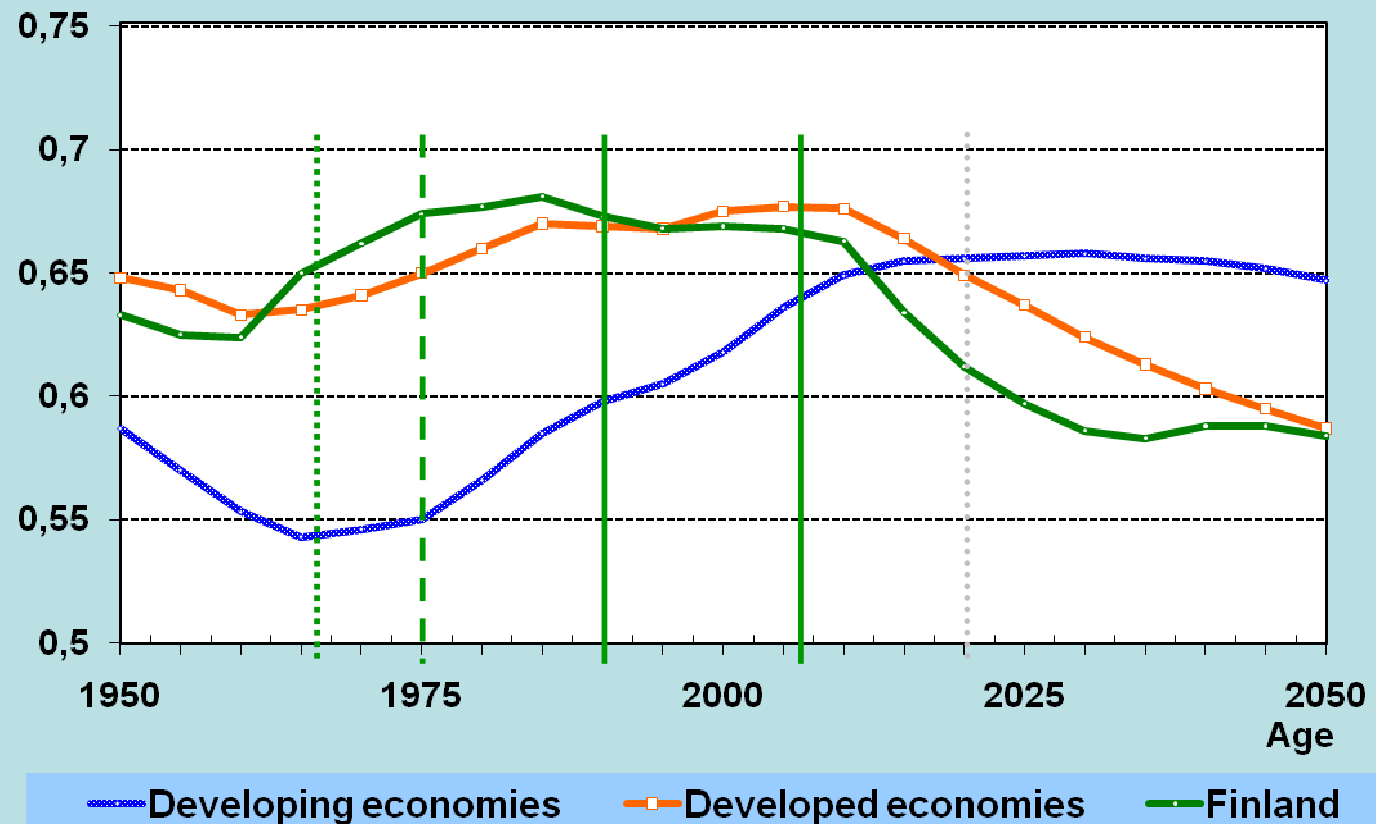
East-West Center, Honolulu, Hawaii

Marja Riihelä, Government Institute for Economic Research  
Risto Vaittinen, Finnish Centre for Pensions  
Reijo Vanne, Finnish Pension Alliance

# Work in progress

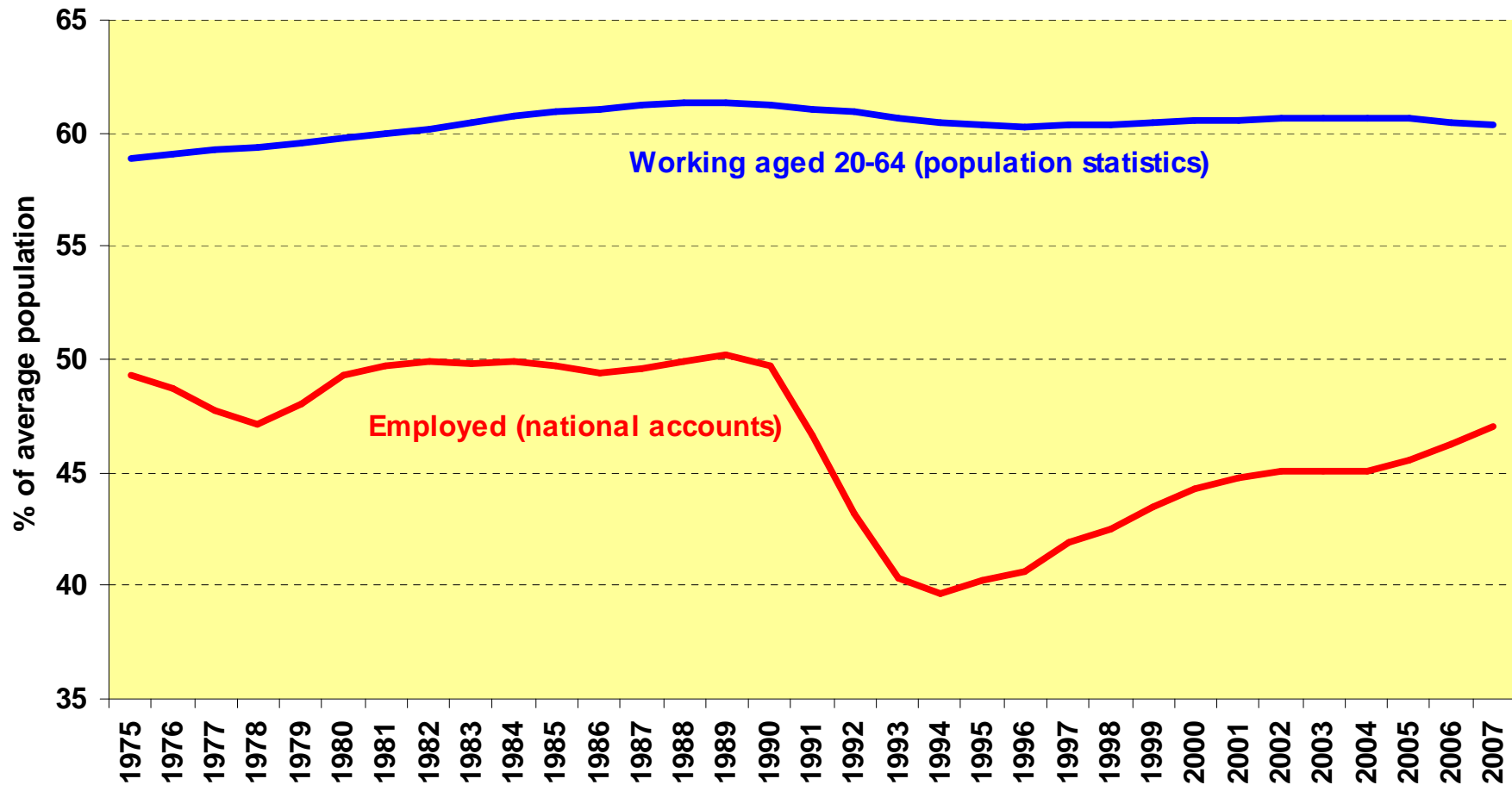
- Final phase
  - NTAs 1966 – 2006...2010
  - Annually?
- 1<sup>st</sup> phase (= paper under preparation)
  - NTAs annually 1990 – 2006
- Here
  - Aggregate LCD annually 1975 - 2007
  - LCD by age annually 1990 – 2006
    - Annual income distribution data, incl. public money transfers in and out
    - Household surveys 1990, 1995, 2001 and 2006, missing years by weighting
  - LCD finance not yet
- Questions
  - Are there business cycle effects?
  - Are there structural changes?

# Ratio of working age to total population



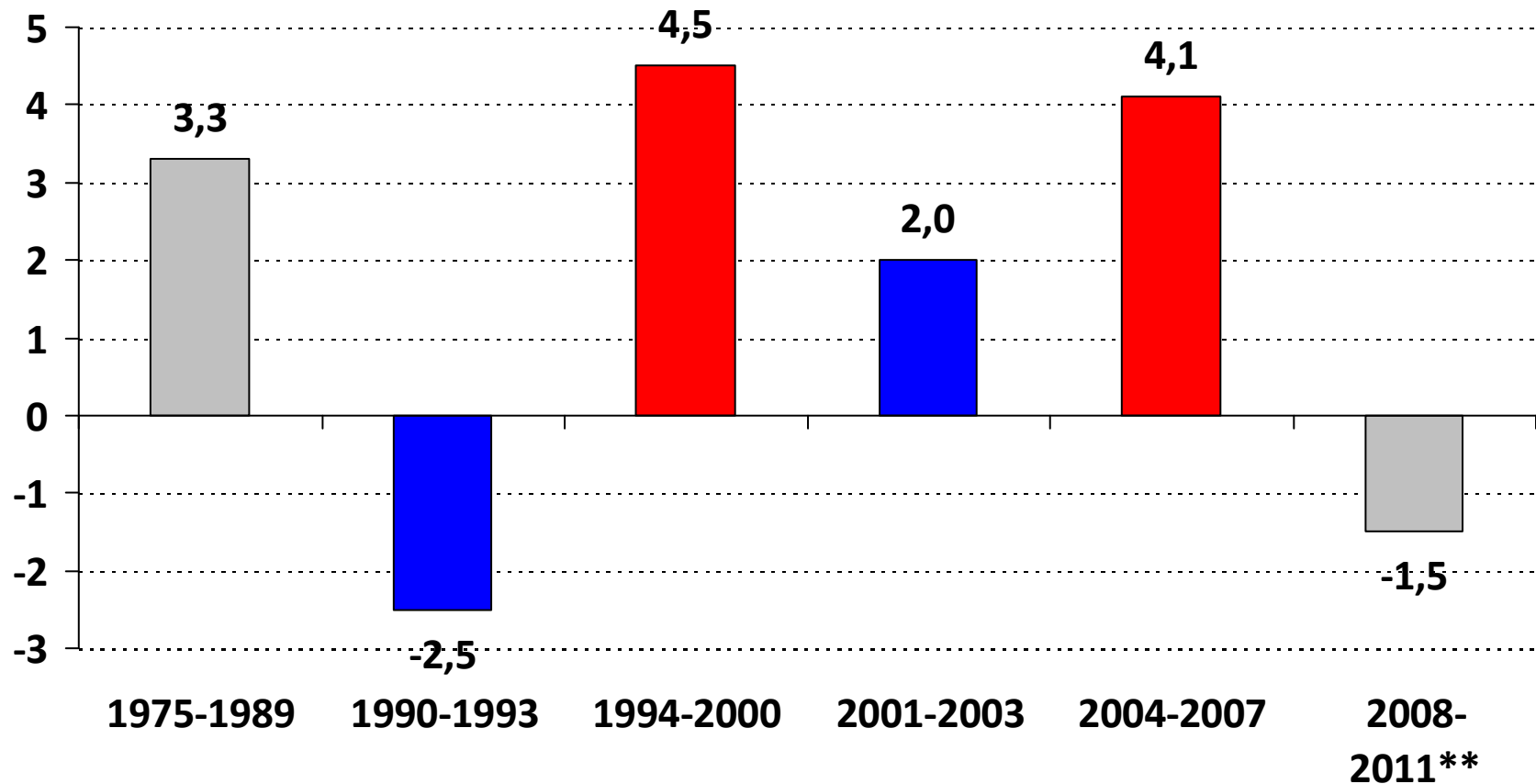
Source: UN

# Population share of working aged and employed persons in 1975-2007



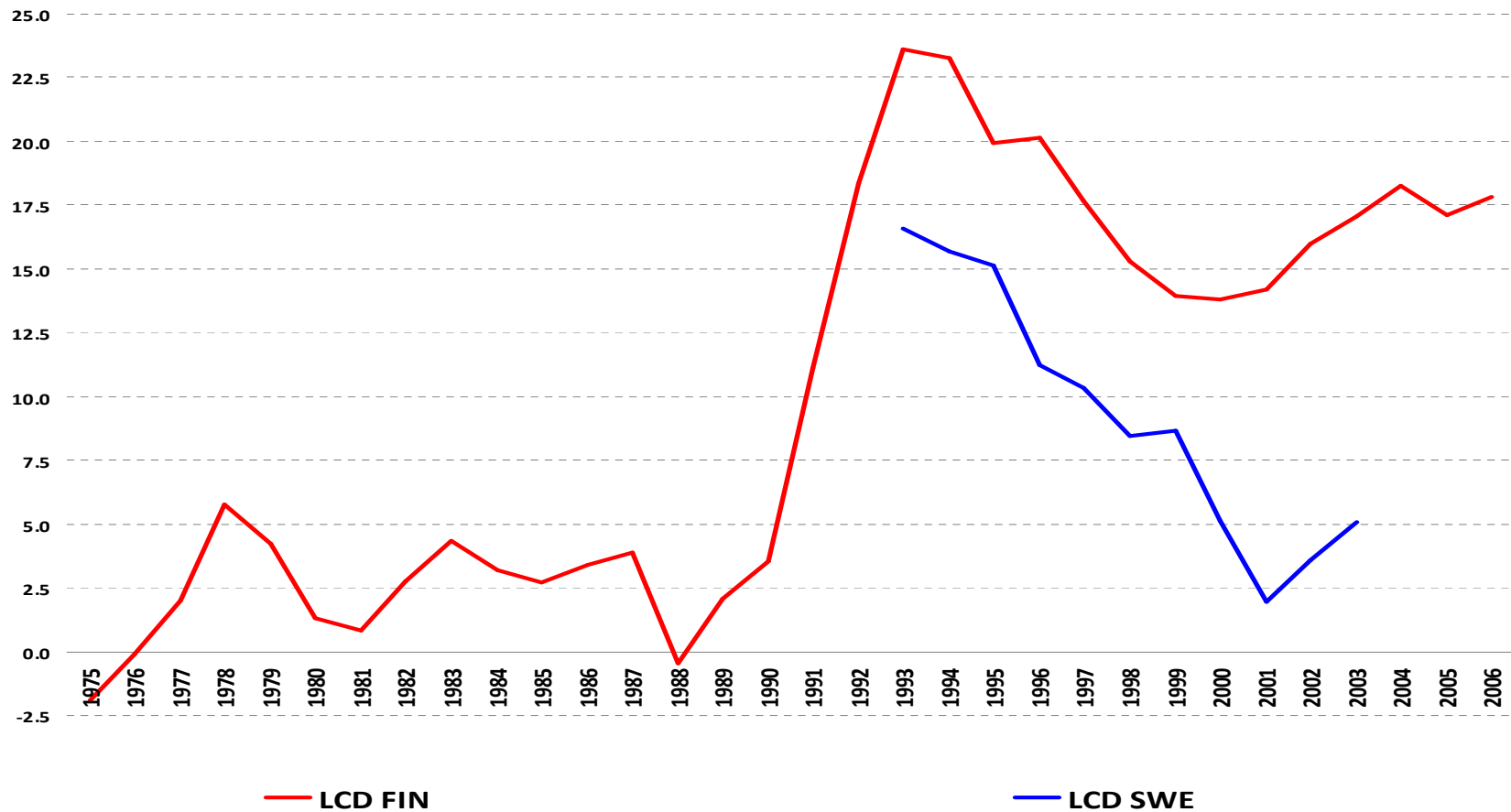
Source: Statistics Finland

# Real growth rate in Finland in 1975 - 2007



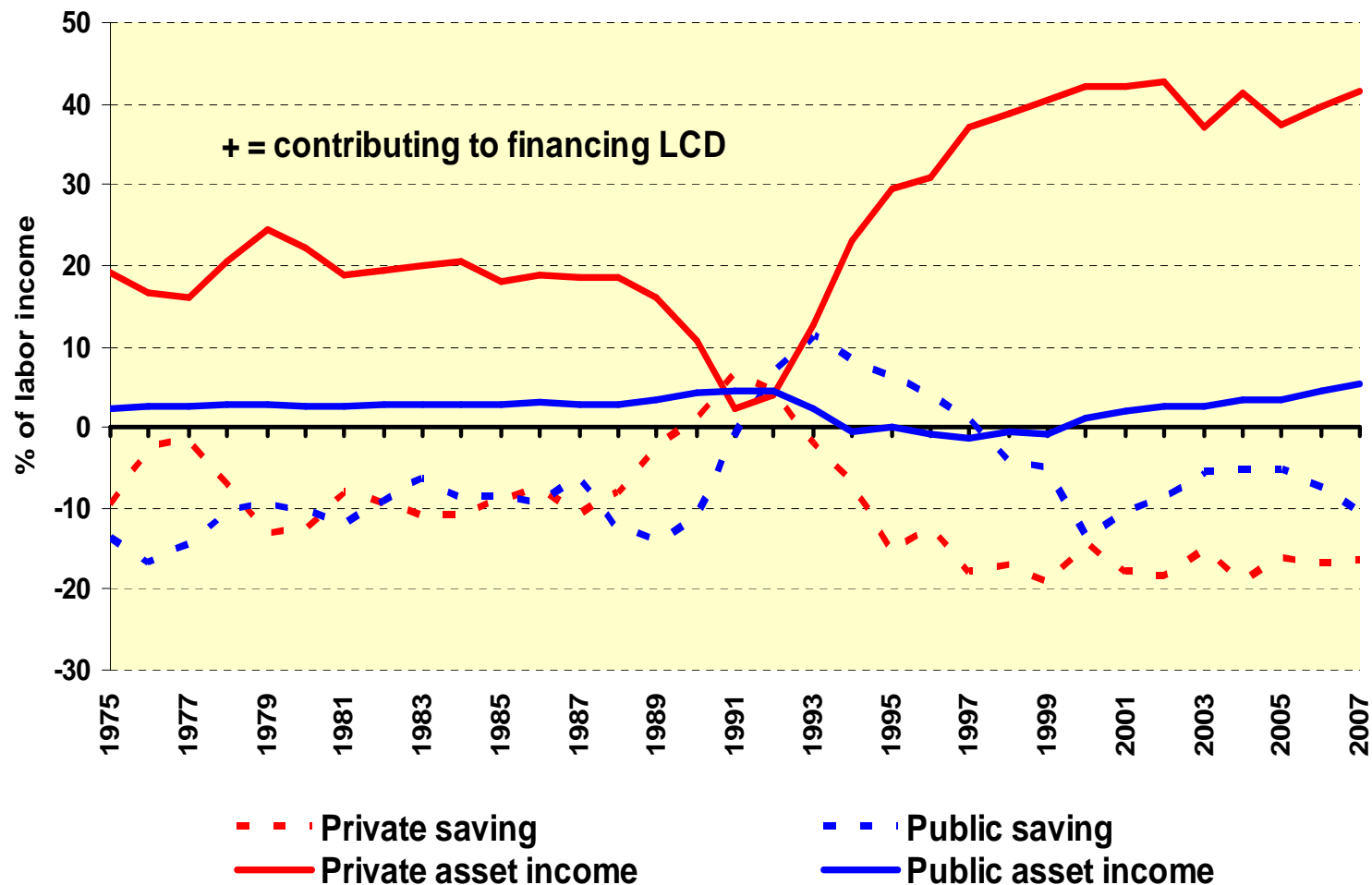
Source: Statistics Finland

# Aggregate LCD as percentage of aggregate labor income in Finland 1975 – 2007 and a comparison to Sweden

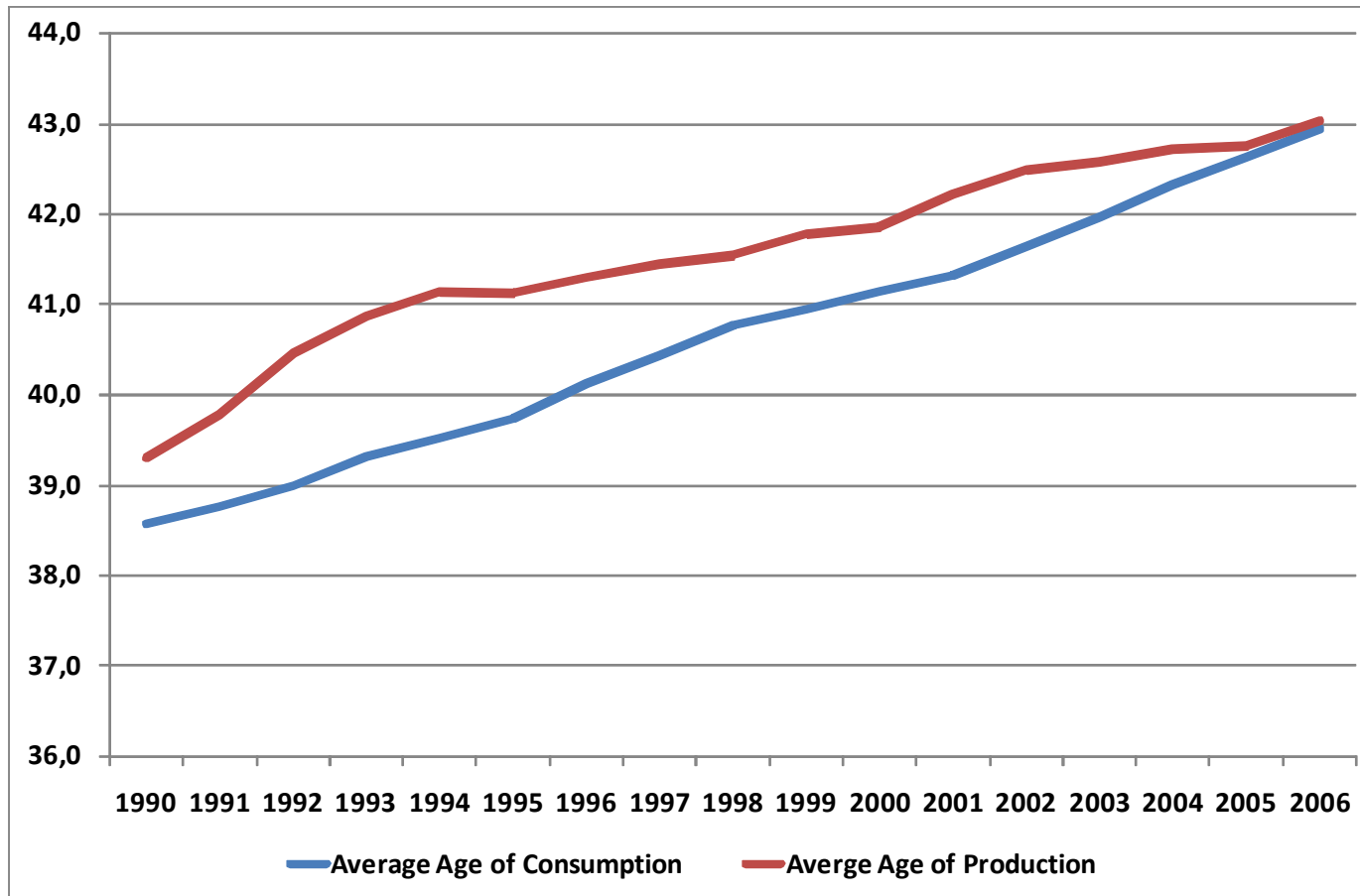


Sources: Statistics Finland, own calculations, NTA database

# Private and public Re-allocations

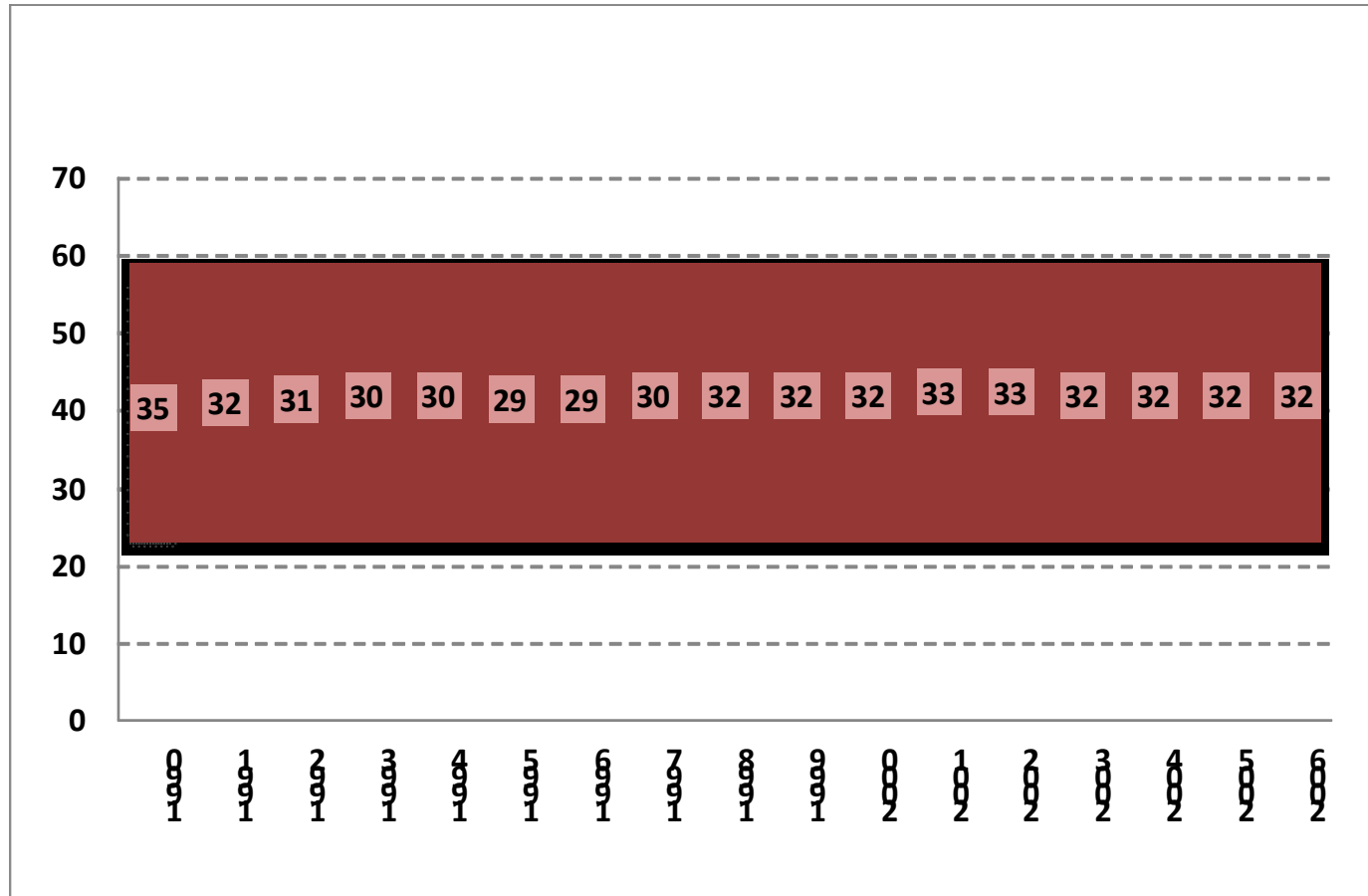


# Average Age of Consumption and Production

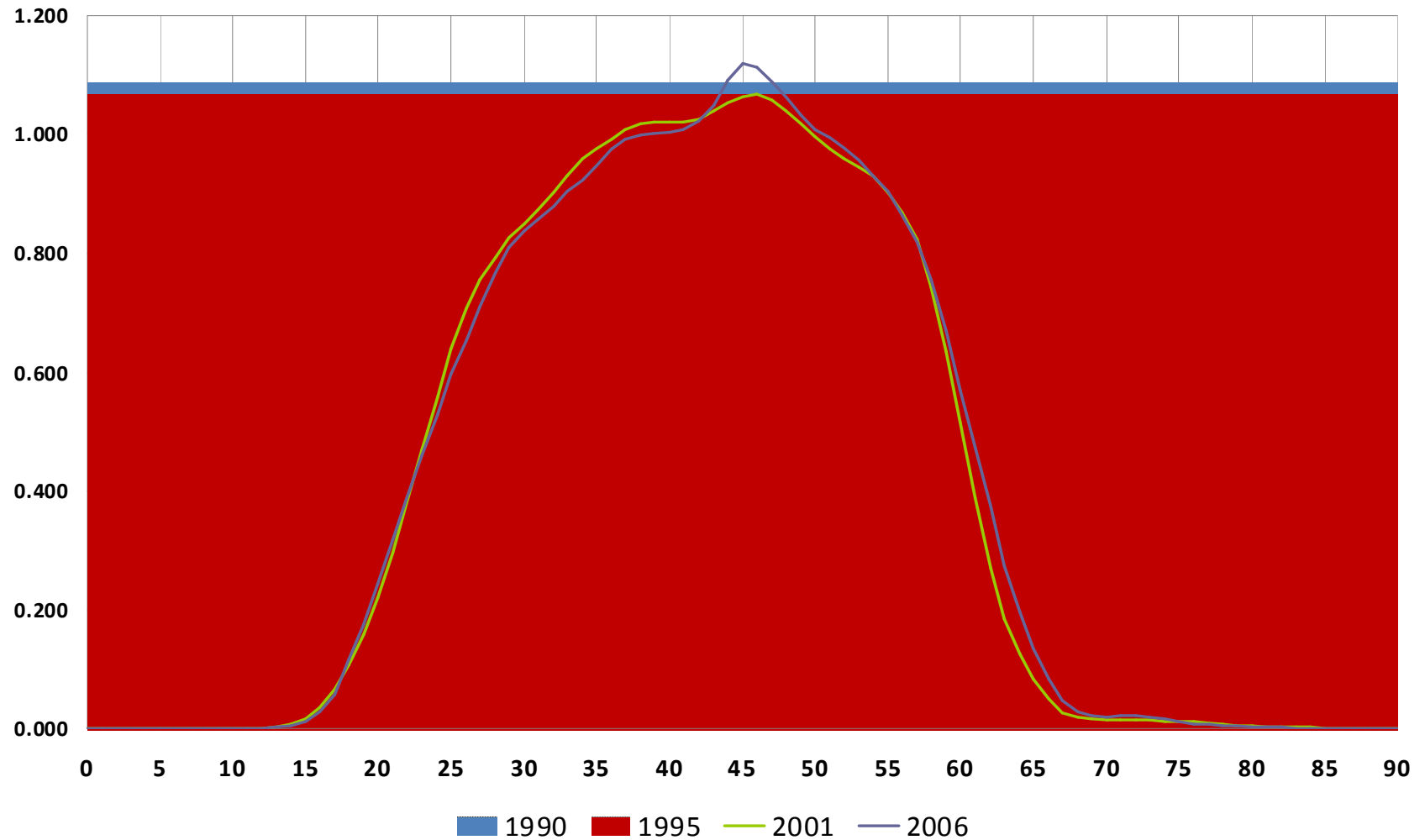




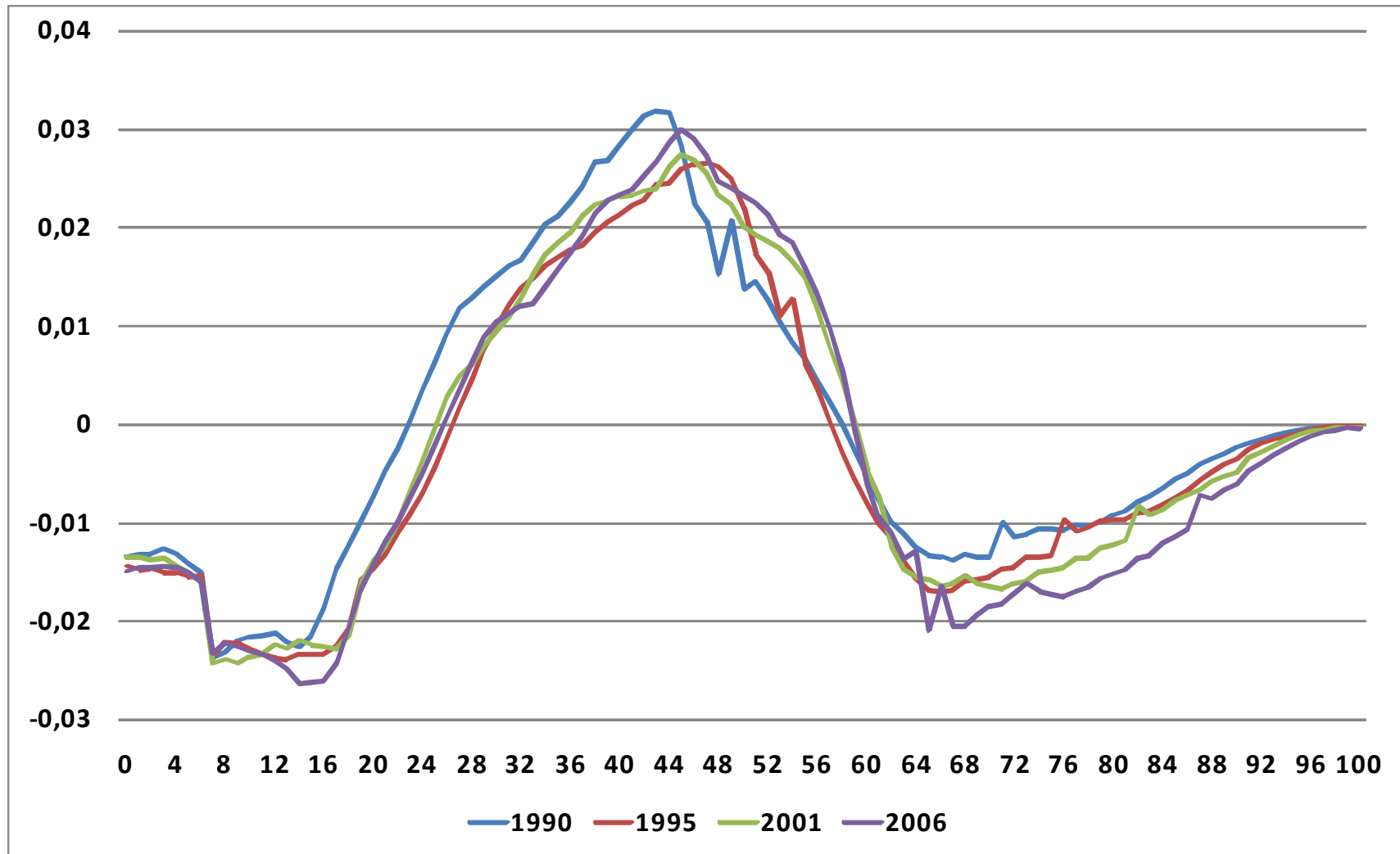
# Length of Life Cycle Surplus Period in 1990 -2006



# Normalized $[y_i(x)/y_i(30-49)]$ Per Capita Wages by Age in Finland



# Changing Pattern of LCS by Age as share of total labor income



# Pieces of per capita LCDs for cohorts as share of normalized labor income

