



Social Security Benefits Around the World, 1970-2000

PRB

INFORM
EMPOWER
ADVANCE

Prepared by The Population Reference
Bureau for the NIA P-30 Coordinating
Center at the Michigan Center on the
Demography of Aging, University of
Michigan



Countries Included

- **AFRICA: Gabon, Mauritius*, South Africa**
- **AMERICAS: Argentina, Brazil, Chile, Costa Rica, Mexico, Panama, United States, Canada, Uruguay**
- **ASIA: Japan, Hong Kong*, Malaysia, Rep. of Korea*, Singapore**
- **EUROPE: Austria, Belgium, Cyprus*, Denmark, Finland, France, Germany*, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom**
- **MIDDLE EAST: Saudi Arabia**
- **OCEANIA: Australia, New Zealand**

*Data only available for some years



Comparing Social Security Benefits (1970-2000)

- Preview Results:
 - More adequate social security income benefit levels
 - Higher benefit levels in richer countries?
 - Replacement rates suggest U.S. benefits less generous
 - Pension system variety

- Key Concepts
 - Replacement Rate
 - Defined Benefit and Defined Contribution

Countries with the 10 Highest Replacement Rates

■ 1970

#	Country	Total Rate (%)	From Defined Benefit (%)	From Defined Contribution (%)	Real GDP per Cap. (Current PPP, \$)
1	Greece	114	114	0	2,873
2	Uruguay	100	100	0	1,764
3	Japan	87	87	0	3,516
4	Luxembourg	83	83	0	6,571
5	Argentina	82	82	0	2,838
6	Austria	77	77	0	3,753
7	Brazil	75	75	0	1,222
8	Italy	74	74	0	3,378
9	Chile	70	70	0	1,855
9	Portugal	70	70	0	1,840
9	Costa Rica	70	70	0	1,660

Countries with the 10 Highest Replacement Rates

■ 2000

#	Country	Total Rate (%)	From Defined Benefit (%)	From Defined Contribution (%)	Real GDP per Cap. (Current PPP, \$)
1	Singapore	119	0	119	30,988
2	Brazil	100	100	0	7,456
2	Panama	100	100	0	5,947
4	Luxembourg	98	98	0	54,109
5	Mexico	94	94	0	9,020
6	Argentina	92	89	3	11,172
7	Costa Rica	88	87	1	8,803
8	Greece	86	86	0	17,737
8	Spain	86	86	0	21,345
10	Austria	80	80	0	27,575
10	Italy	80	80	0	23,572



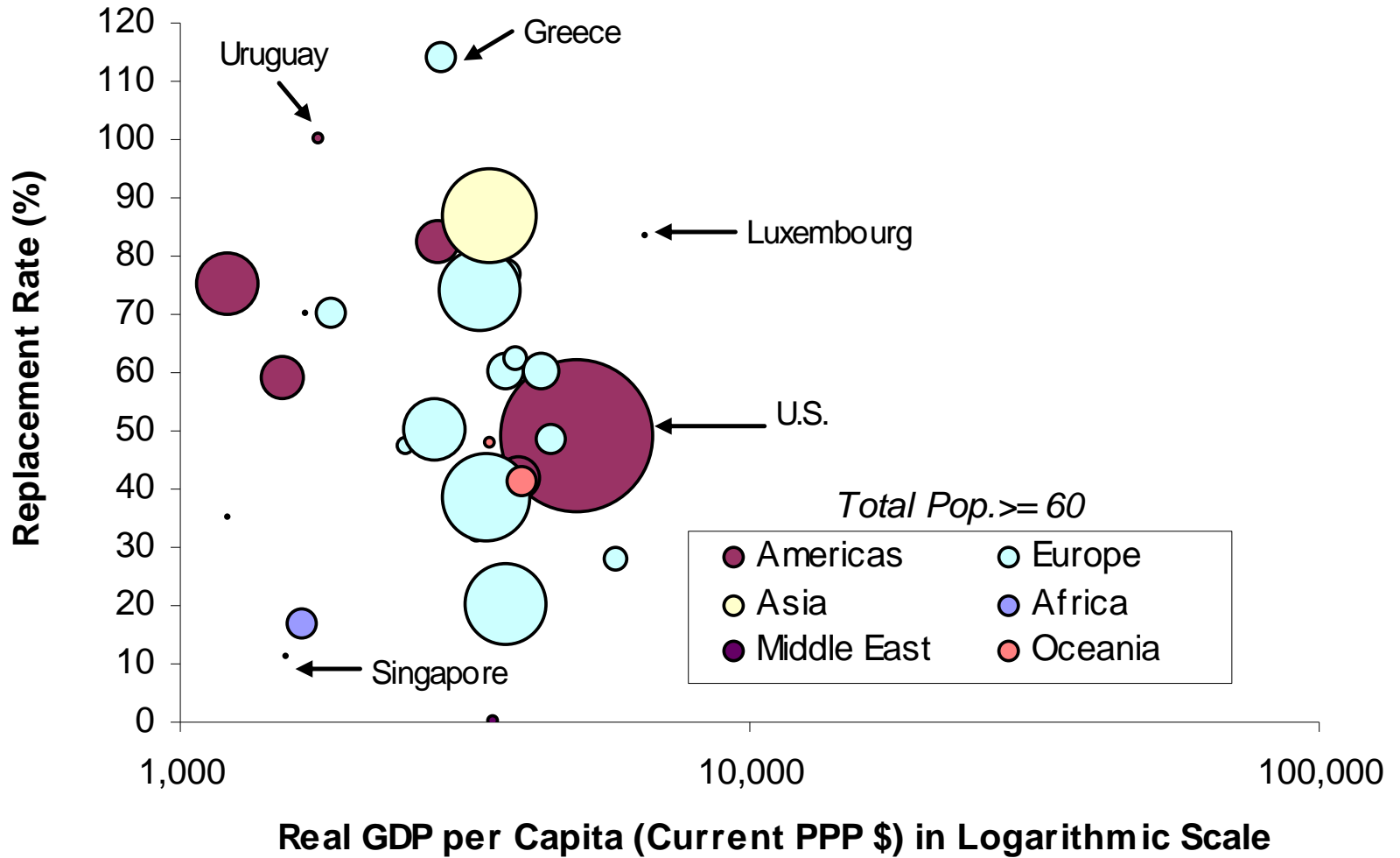
Bubble Charts

- Y-AXIS – Replacement Rates
- X-AXIS – Real Gross Domestic Product Per Capita
 - In Purchasing Power Parity Dollars
 - On a logarithmic scale
- Size of Bubbles – Total Population Age 60 or Older

I	IV
II	III

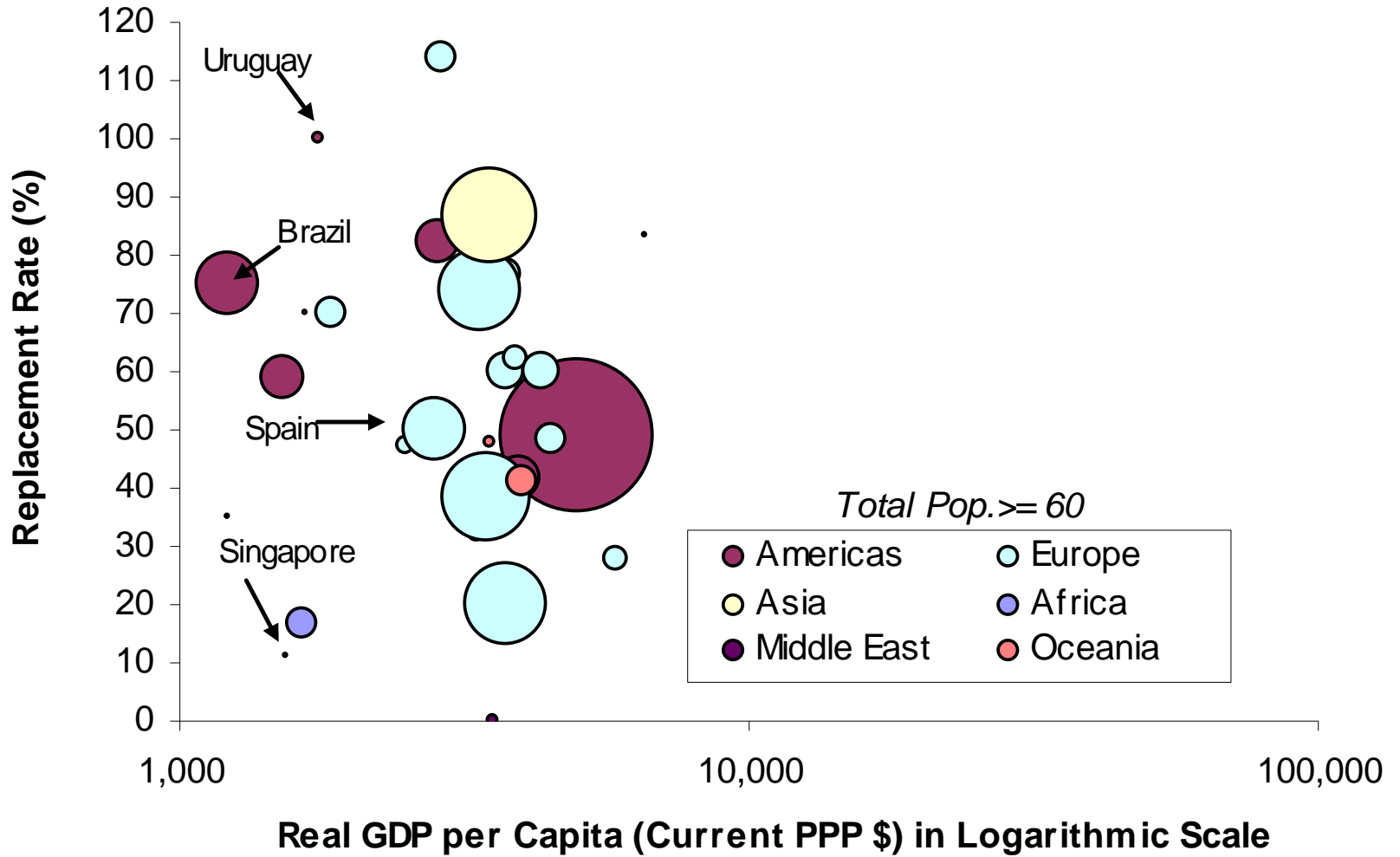


1970



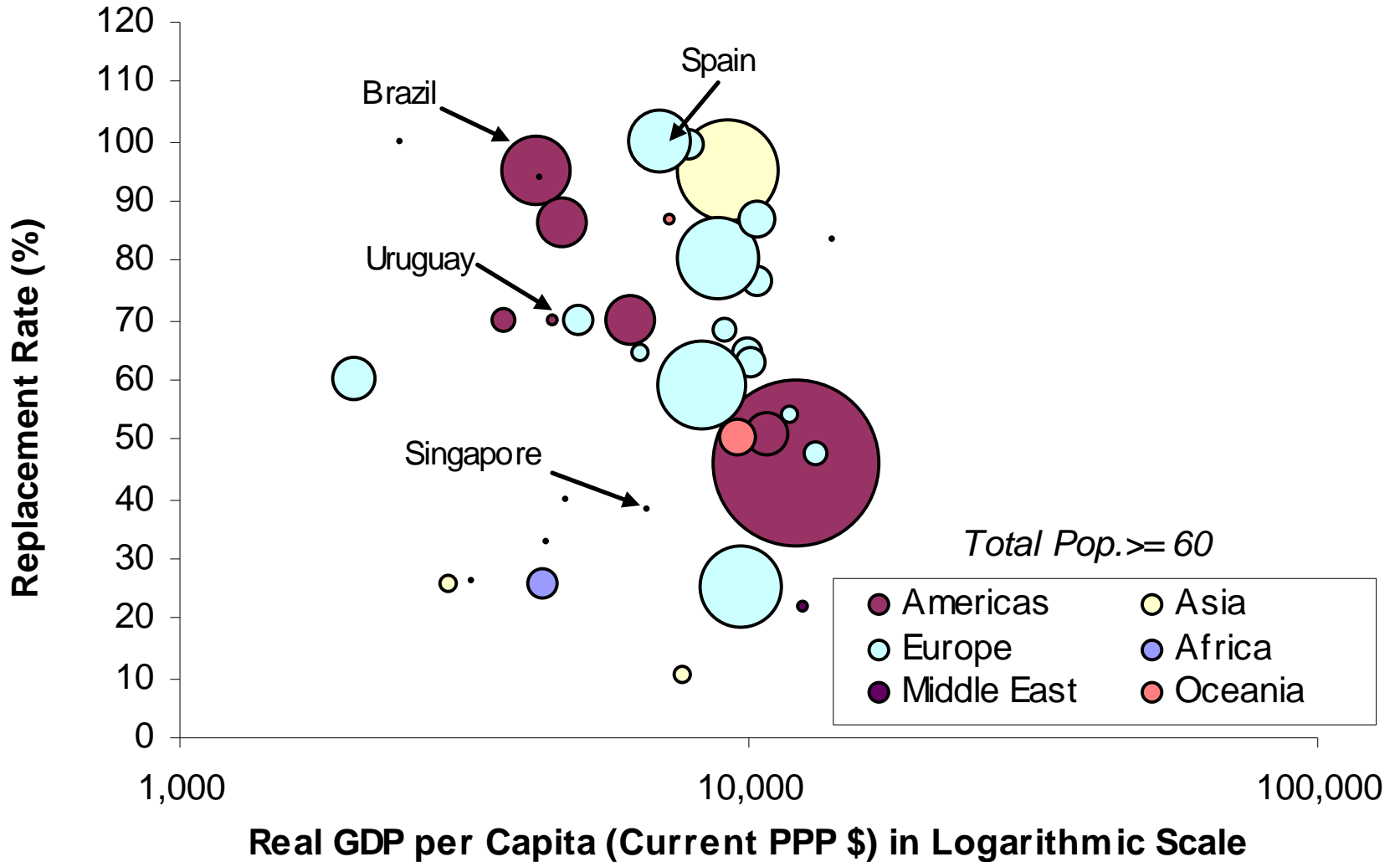


1970



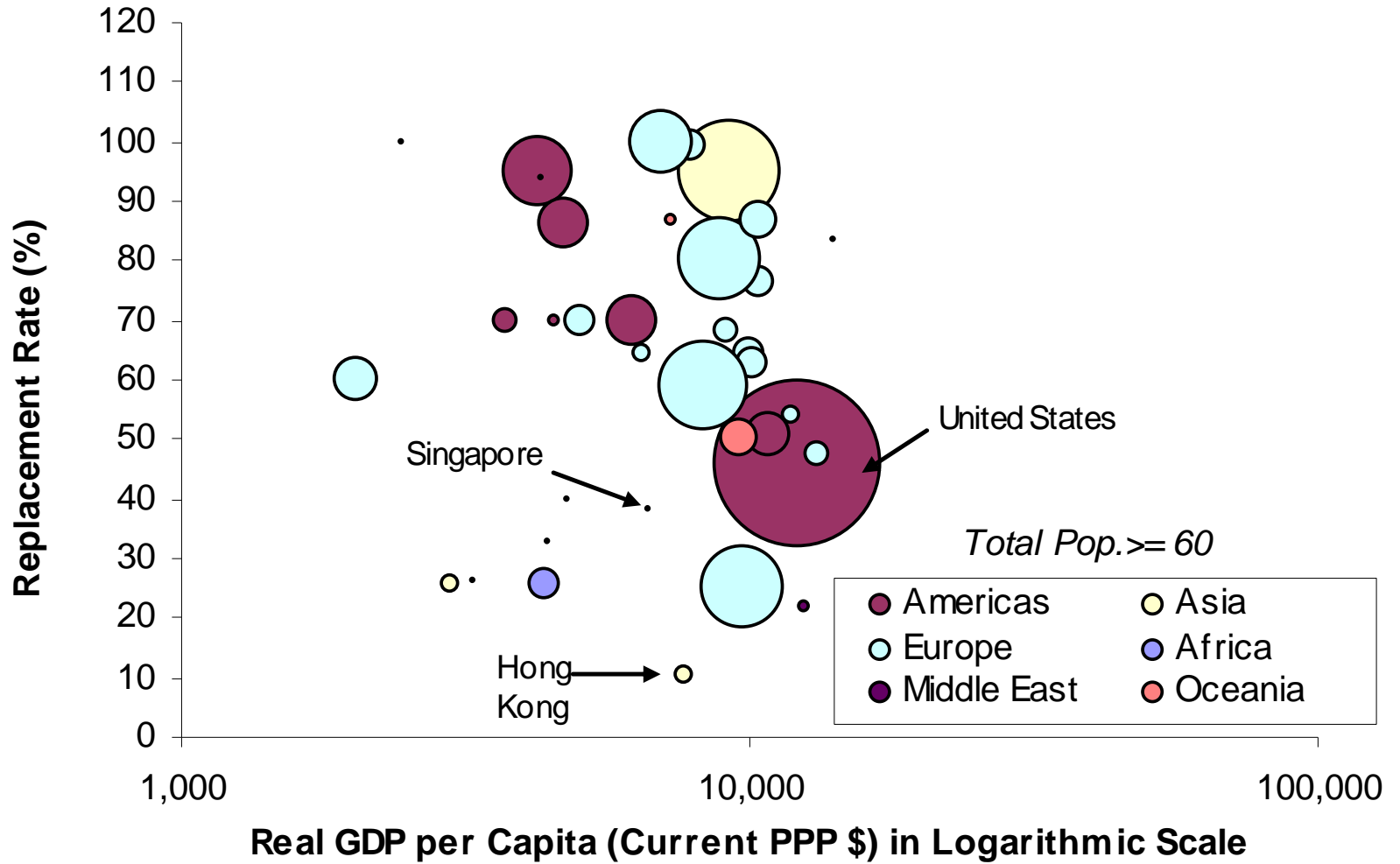


1980



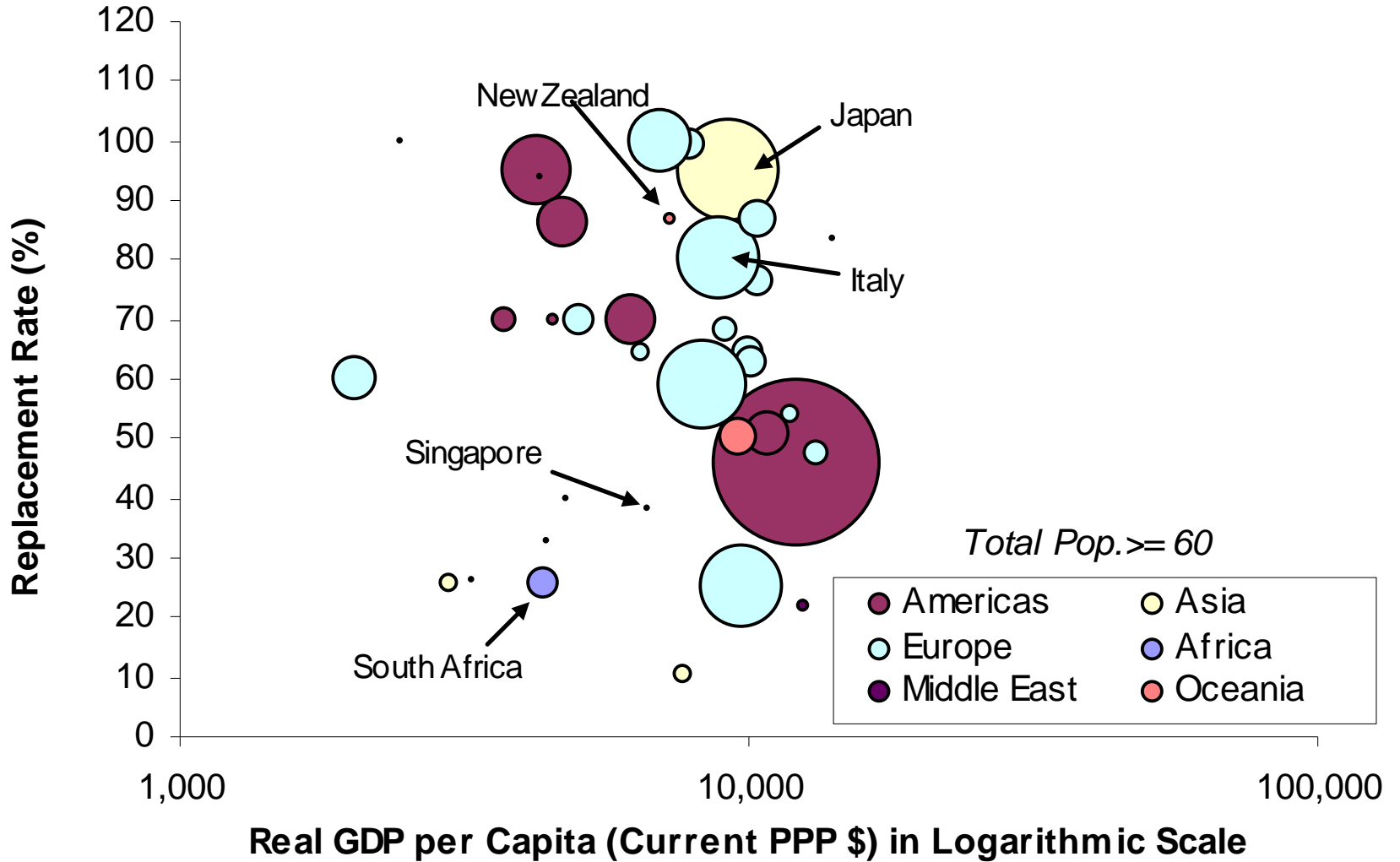


1980



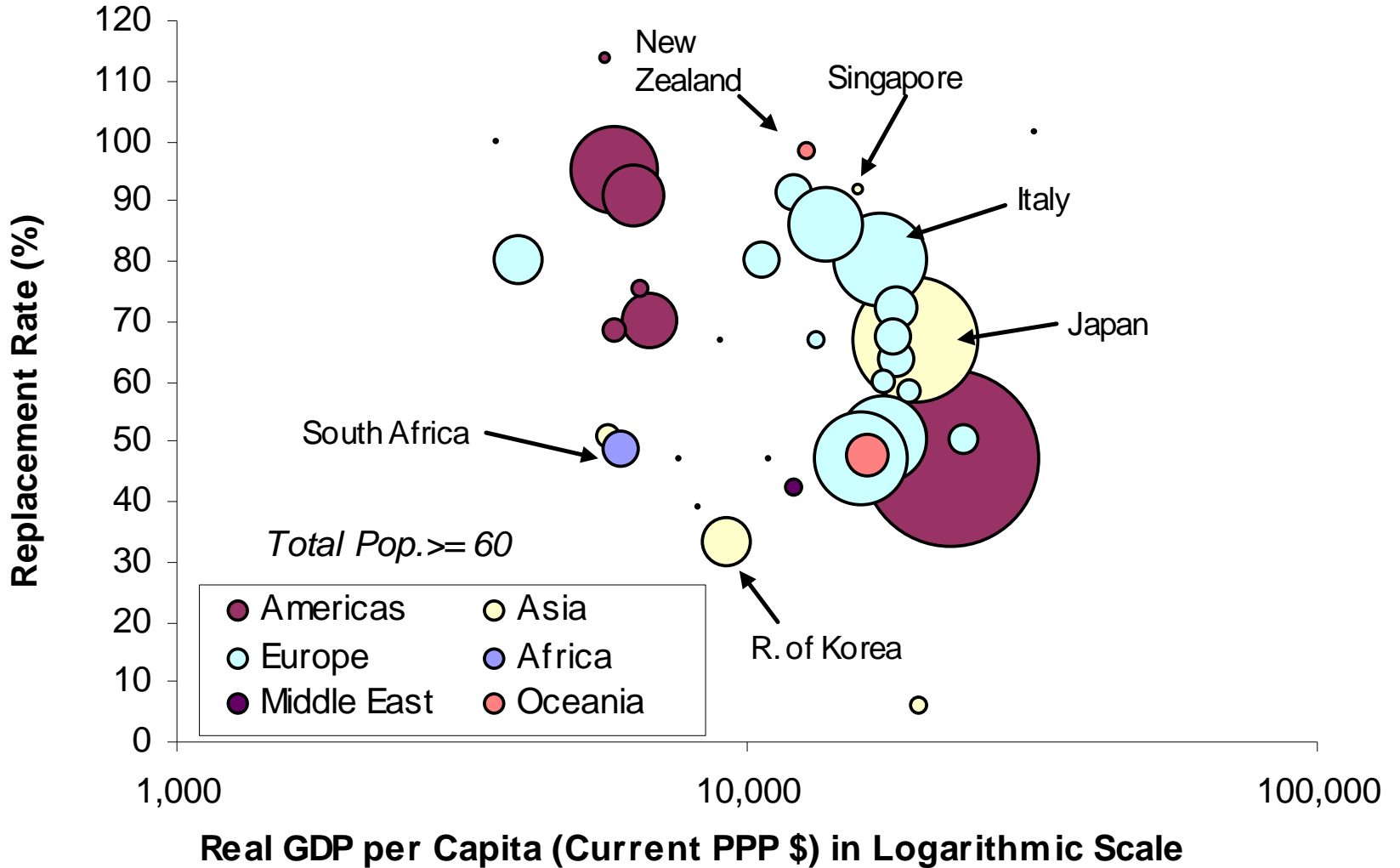


1980



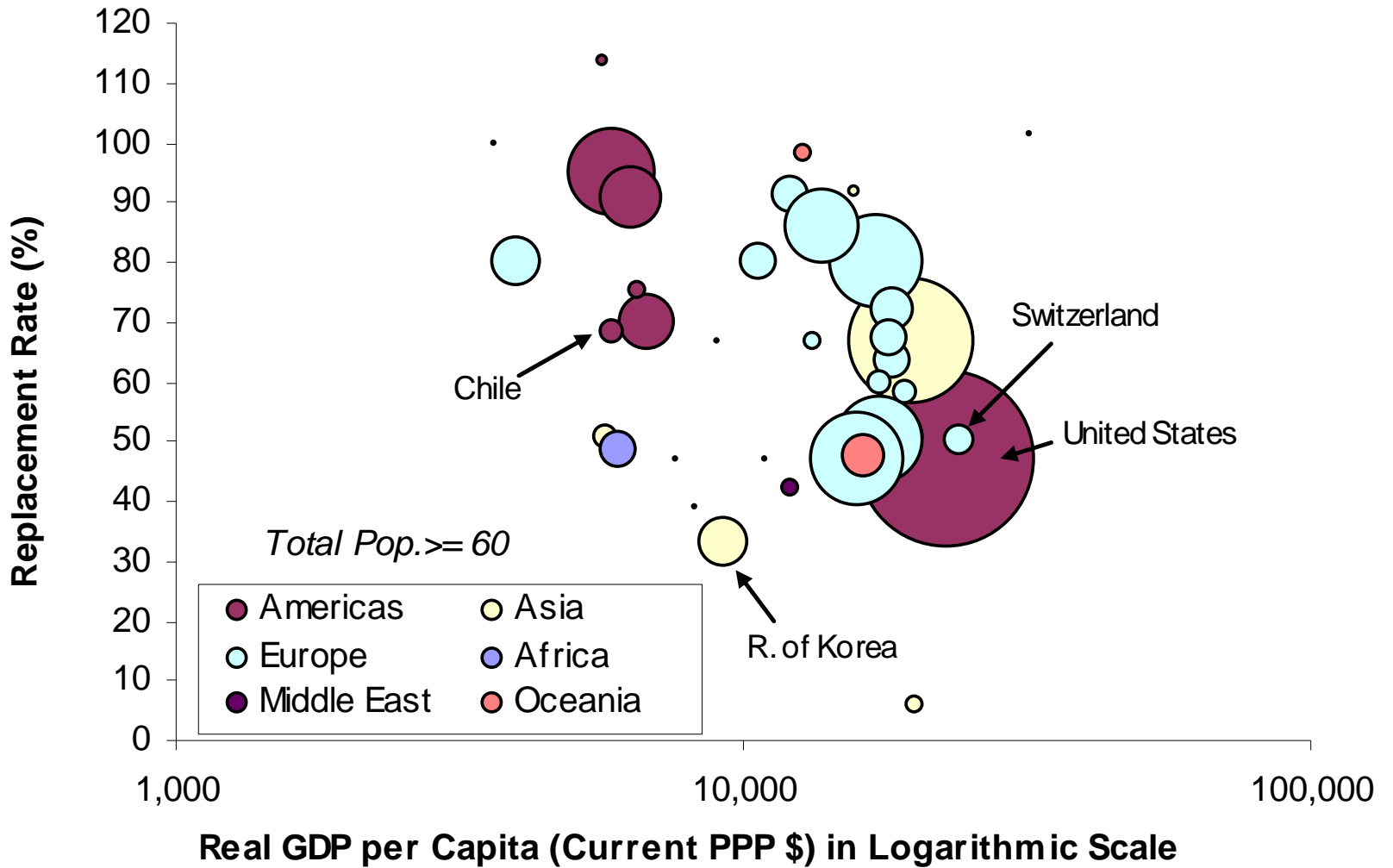


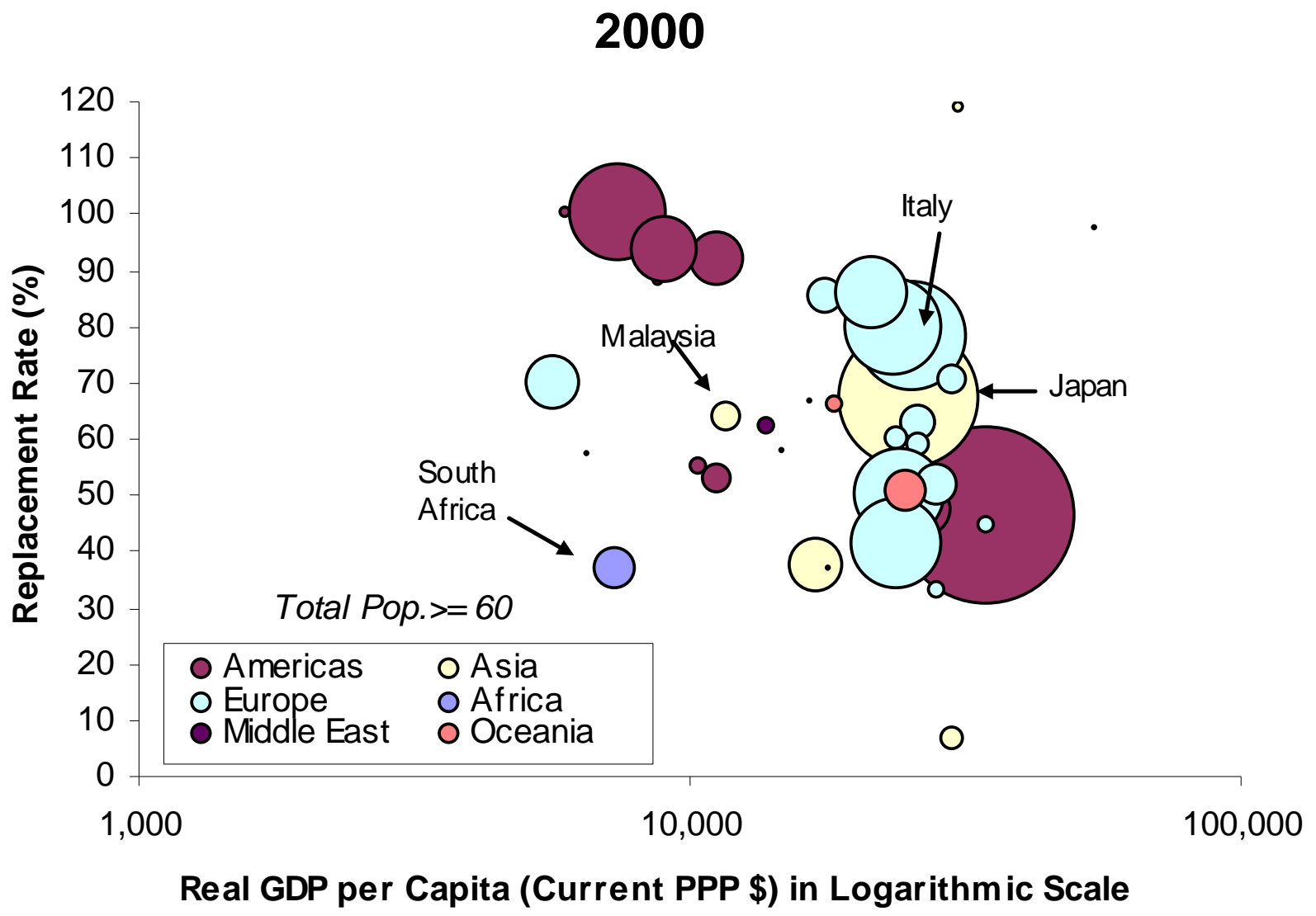
1990

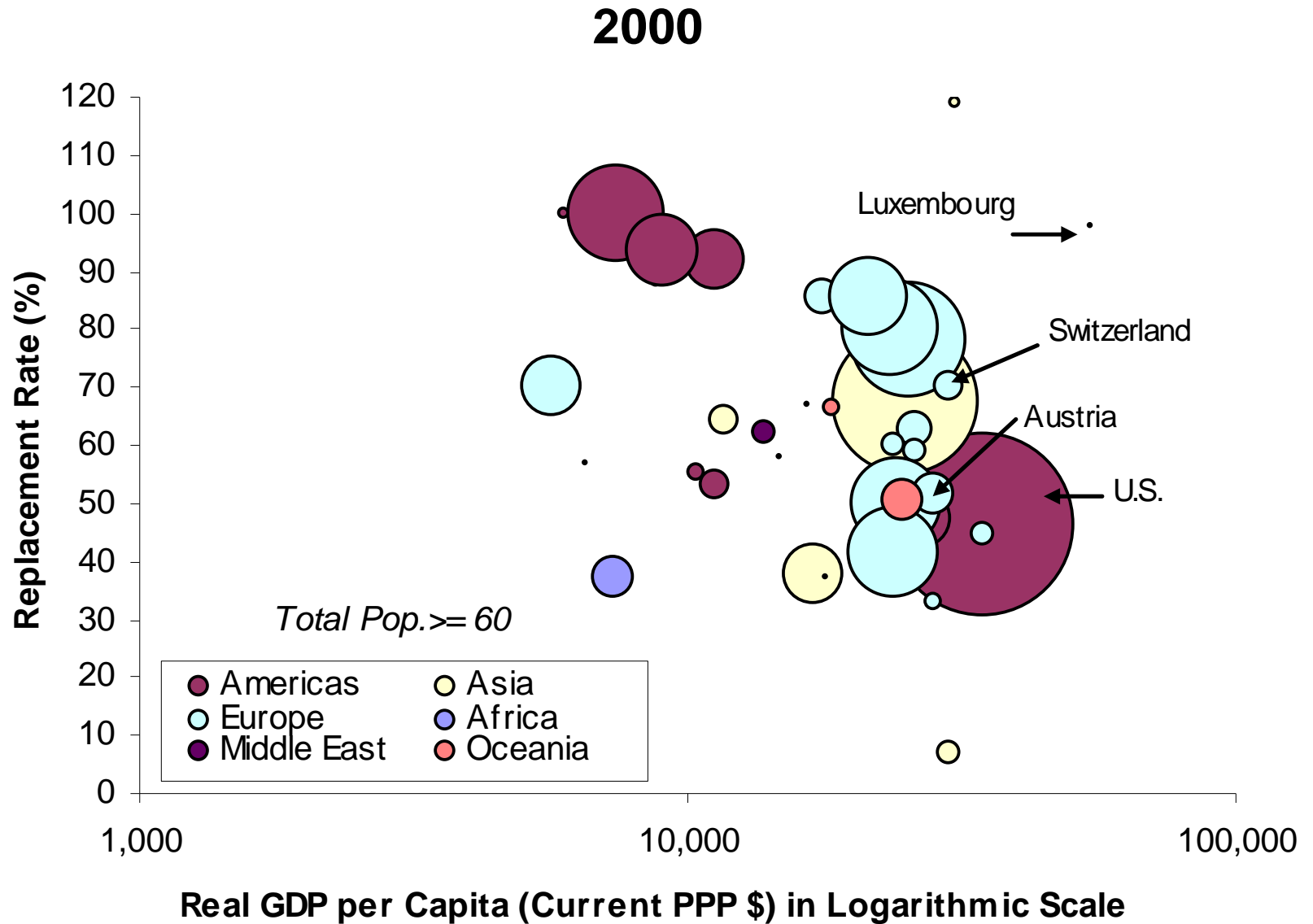




1990

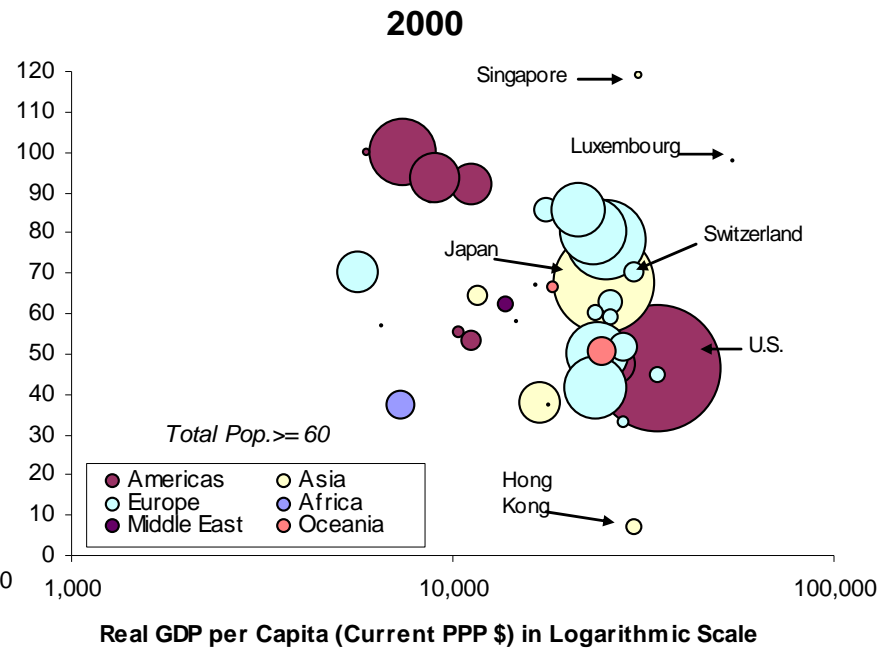
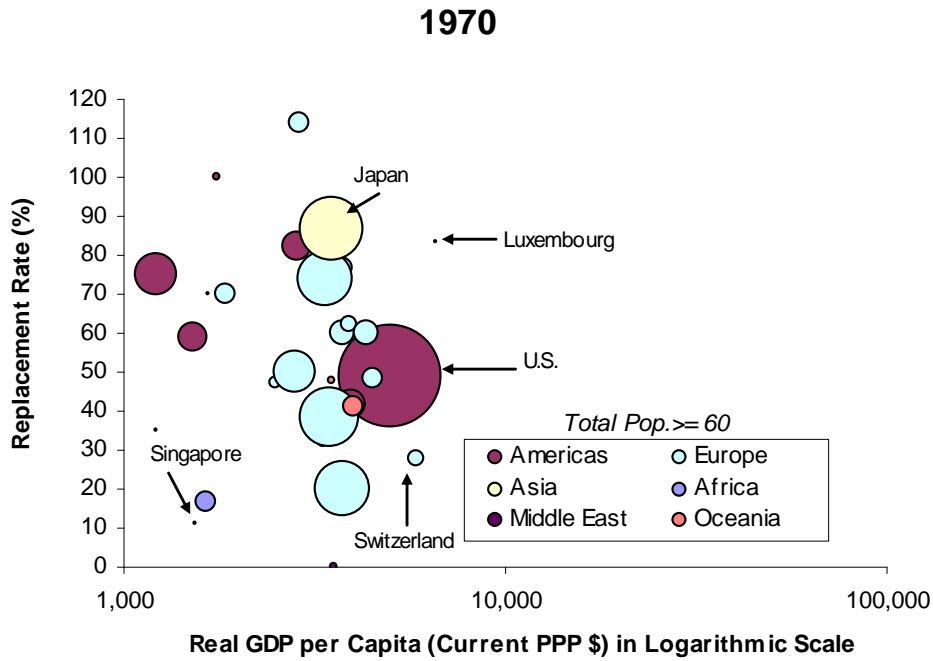








Change from 1970 to 2000





Conclusions

- Adequacy of Social Security Benefits
 - Outliers
- Replacement Rates and National Wealth?
- Benefits and Age of Eligibility



OTHER RESOURCES

- David Canning (data)
<http://www.hsph.harvard.edu/faculty/david-canning/data-sets/>
- David Wise
<http://www.hks.harvard.edu/about/faculty-staff-directory/david-wise>
- Ronald Lee
<http://berkeley.edu/news/extras/experts/rlee.htm>

Data Sources and References

Data Sources

Table 3, "Social Security System Data" In David E. Bloom, David Canning, Gunther Fink, and Jocelyn Finlay, 2009. "The Effect of Social Security Reform on Male Retirement in High and Middle Income Countries," PGDA Working Papers 4809, Program on the Global Demography of Aging.

Alan Heston, Robert Summers and Bettina Aten, 2009. "Penn World Table Version 6.3." Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania.

UN Population Division, 2009. "2008 World Population Prospects: The 2008 Revision." (<http://esa.un.org/unpp/index.asp?panel=2>) .

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David E. Bloom, David Canning, Gunther Fink, and Jocelyn Finlay, 2009. "The Effect of Social Security Reform on Male Retirement in High and Middle Income Countries," PGDA Working Papers 4809, Program on the Global Demography of Aging.

David E. Bloom, David Canning, Richard K. Mansfield, & Michael Moore. 2007. "Demographic change, social security systems, and savings," *Journal of Monetary Economics*, Elsevier, vol. 54(1), pages 92-114.

Kevin Kinsella and Wan He, "An Aging World: 2008," *International Population Reports* P95/09-1 (June 2009).

Steven A. Nyce and Sylvester J. Schieber, *The Economic Implications of Aging Societies: The Costs of Living Happily Ever After* (Cambridge: Cambridge University Press, 2005).

OECD, 2009. "Pensions at a Glance 2009: Retirement-Income Systems in OECD Countries," (www.oecd.org/els/social/pensions/PAG).

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