Working age shift Worksheet

A  Before you read, discuss
Share experiences and discuss the questions below.

1) Do your age group have larger or smaller families than the previous generation?
2) Are the older population living longer than in previous generations?
3) At what ages do most people start and stop working and earning?

B  Comprehension

1) Reading a graph.

This graph covers the years from 1985 – 2060 in the countries of the European Union. The graph is based on historical and current data, and predictions about future trends. The blue line shows the size of the working population. The red line shows the size of the non-working, non-earning pensioner population.

1) The size of the pensioner population is ...
   a] decreasing.
   b] remaining steady.
   c] increasing.

2) The size of the earning population from 20-64 is ...
   a] increasing steadily.
   b] has been decreasing since 1985.
   c] increased until 2012 but then started a steady decline.

3) Do you think these statistics and predictions are accurate?
2) Read the headline and sub headings and answer the questions.
1) *Demography* is ...
   a) the study of democracy in different regions.
   b) the study of population changes.
   c) the study of economic geography.
2) *Dwindle* means ...
   a) get older.
   b) retire.
   c) reduce in number.
3) **Read the first paragraph. Choose the best option.**
   1. What are the predictions about Europe’s economic future?
      a) a rapid recovery from the recession.
      b) an immediate fall in GDP followed by a slow and gradual recovery.
      c) a continuous fall in GDP in steps of 0.2%.
   2. What will produce a threat to longer term growth prospects?
      a) an unwelcome demographic trend.
      b) a rapid increase in the birth rate.
      c) an increase in deaths between 20 and 64.
4) **Read the second paragraph. Which of these statements are true?**
   1) Europe’s statisticians consider working age as being from 20 to 64.  
      T/F
   2) There were 308.2 million people of working age in 2012.  
      T/F
   3) In 2060, there will only be 265 million working age people.  
      T/F
   4) Older people will also shrink and fall.  
      T/F
   5) In 2010, 28% of the population were dependent on the taxes of working age people.  
      T/F
   6) By 2060, 58% of the population will be dependent.  
      T/F
   7) With the expected inflow of over a million young immigrants, these statistics will be even worse.  
      T/F
   8) It may be necessary to raise the retirement age, so that people work for longer.  
      T/F
4) **Read the third paragraph. Which of these statements are true?**
   1) European growth is driven by increased productivity and numbers in employment.  
      T/F
   2) These factors may contribute to some growth until 2020.  
      T/F
   3) After 2020, less growth is expected.  
      T/F
   4) The writer does not think the European Commission’s projection of annual 1.4% growth for the next 50 years is over optimistic.  
      T/F
5) **Read the last paragraph. Answer the questions.**
   1) Why does the European Commission expect that yearly age-related expenditure will increase 4% over GDP?
   2) Why does the writer suggest that there will be no end to austerity?
C  Vocabulary

Look carefully at the words in italics. Choose the correct options to complete the sentences.

1) If a trend has turned the corner, it has ...
   a) completely reversed.
   b) changed in some way.
   c) continued without change.

2) If the outlook is dire, it is ...
   a) very bad.
   b) very good.
   c) neither good nor bad.

3) If long-term growth prospects are dulled, they are ...
   a) improved.
   b) made worse.
   c) stronger.

4) Birth rates reach a peak when ...
   a) many babies are born.
   b) taller babies are born.
   c) fewer babies are born.

5) If the population is shrinking, it is ...
   a) reducing in number.
   b) becoming more mixed.
   c) increasing in number.

6) People who are in dependency are ...
   a) too old to work.
   b) receiving state money to support themselves.
   c) paying very high rates of tax.

7) If a negative trend is tempered, it is ...
   a) slightly reduced.
   b) made worse.
   c) making people angry.

8) If there is a net inflow of migrants, ...
   a) larger numbers are leaving a country, than entering it.
   b) larger numbers are entering a country, than leaving it.
   c) nets are used to prevent migrants from entering a country.

9) If an ageing population casts a pall over economic growth, it ...
   a) increases the likelihood of growth.
   b) decreases the likelihood of growth.
   c) makes growth impossible.
10) If something feels *interminable*, it feels that ...
   a) it will never end.
   b) it has just begun.
   c) it will end soon.

**D Follow-up discussion**

Discuss the following options:

With a reducing working population trying to support a rising dependent population of older people, what should a government do?

   a) Encourage people to continue working into their 70s?
   b) Encourage younger people to start working and paying tax?
   c) Reduce healthcare for the elderly so that they do not live so long?
   d) Reduce all healthcare for everyone so that average life expectancy is reduced?
   e) Encourage large numbers of younger migrants to come so the average age of the population is reduced?
   f) Increase taxes to pay for the large elderly population?

Discuss the implications of each policy. Which policies might be adopted?
European demography

Working-age shift

Growth will suffer as workers dwindle

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THE new-year message from investors and policymakers is the same: Europe has turned the corner. Even so, this year’s economic outlook remains dire. A forecast from the IMF on January 23rd envisages GDP falling by 0.2% in the 17-strong euro area and growing by just 0.2% in the wider 27-strong European Union (EU). But even if a sturdier recovery does eventually get under way, Europe’s longer-term growth prospects will be dulled by an unwelcome new demographic trend.

This year the EU as a whole starts on a long journey—one already begun by the euro area in 2012. The EU’s working-age population (aged 20-64, as Europe’s statisticians define it) starts falling in 2013, from last year’s peak of 308.2m, and will drop over the next 50 years to 265m in 2060 (see chart). The working-age population may be shrinking but the number of older people will carry on rising. That will raise the old-age dependency ratio from 28% in 2010 to 58% in 2060. These demographic shifts, which may be tempered by people working longer, reflect an earlier transition from post-war baby boom to baby bust. They would be even bigger but for an assumed net inflow of over 1m (mostly young) migrants a year.
Europe’s ageing population will cast a pall over growth, which is driven by rising employment as well as higher labour productivity. Higher participation rates in the workforce and lower jobless rates may allow employment to grow a bit until the early 2020s; thereafter it is expected to decline. Based on what may well be an optimistic assumption about potential labour-productivity gains, the European Commission last year projected economic growth of just 1.4% a year in the EU over the next half-century.

Adverse demography will hurt European public finances. The commission expects a rise in annual age-related public spending in the EU of four percentage points of GDP over the next 50 years. Austerity already feels interminable, and there is no end in sight.
Teacher’s Notes & Key

Although the basic idea in this article is relatively easy to understand, the language is sometimes complex and colloquial. The statistical language may be difficult but students should be encouraged to refer back to the graph to get clarification. Although the topic is not directly related to business, both employees and businesses are tax payers and therefore the topic is highly relevant. Although the statistics refer only to countries in the European Union, in many countries, the ageing population is an increasing burden on working tax payers.

A  Open answers.

B  1) 1a, 2b, 3 Open, 2) 1b, 2c, 3) 1b, 2a, 4) 1T, 2T, 3T, 4F, 5T, 6T, 7F, 8T, 4) 1T, 2T, 3T, 4F, 5) Open answers.

C  1b, 2a, 3b, 4a, 5a, 6b, 7a, 8b, 9b, 10a

D  Open answers