

ISSUES BY THE NUMBERS

AN UNBALANCED AGE

Effects of youth unemployment on an aging society

How much is fair to ask from today's younger people to help support their elders? If the high rate of unemployment among young adults continues to follow them across their work lives, permanently depressing their earnings, those with lessened prospects for income will be asked to support an ever-growing number of retirees.

UNEMPLOYMENT CAN DEPRESS FUTURE EARNINGS

The National Longitudinal Survey of Youth found that, among individuals aged 27 to 31, those who had experienced a six-week or longer stint of unemployment have significantly lower earnings than those who had not.



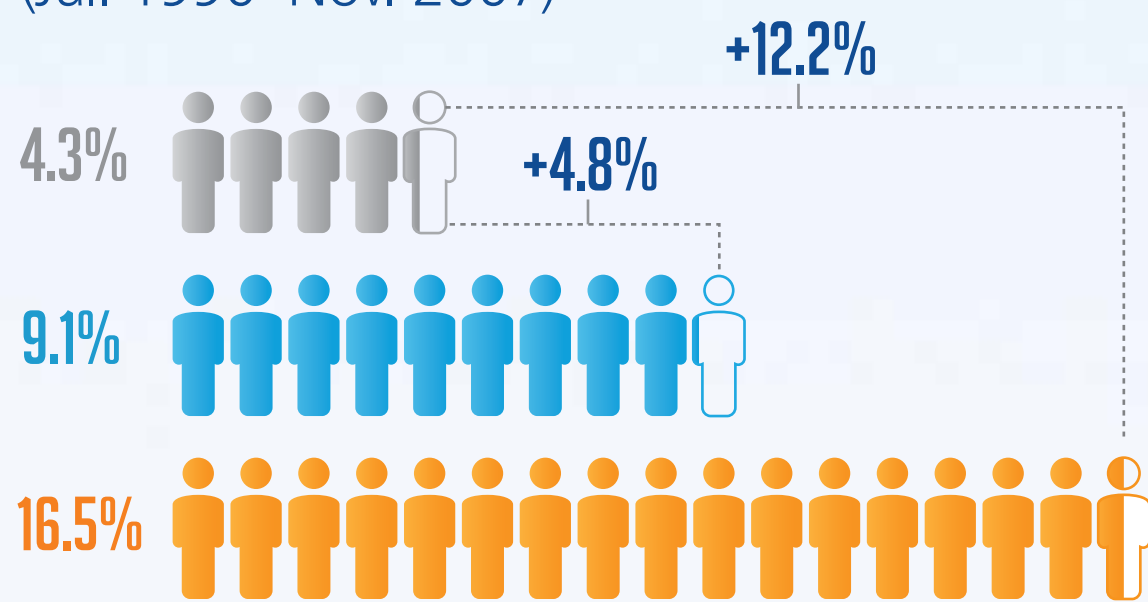
\$402 TO \$487

lower average weekly earnings

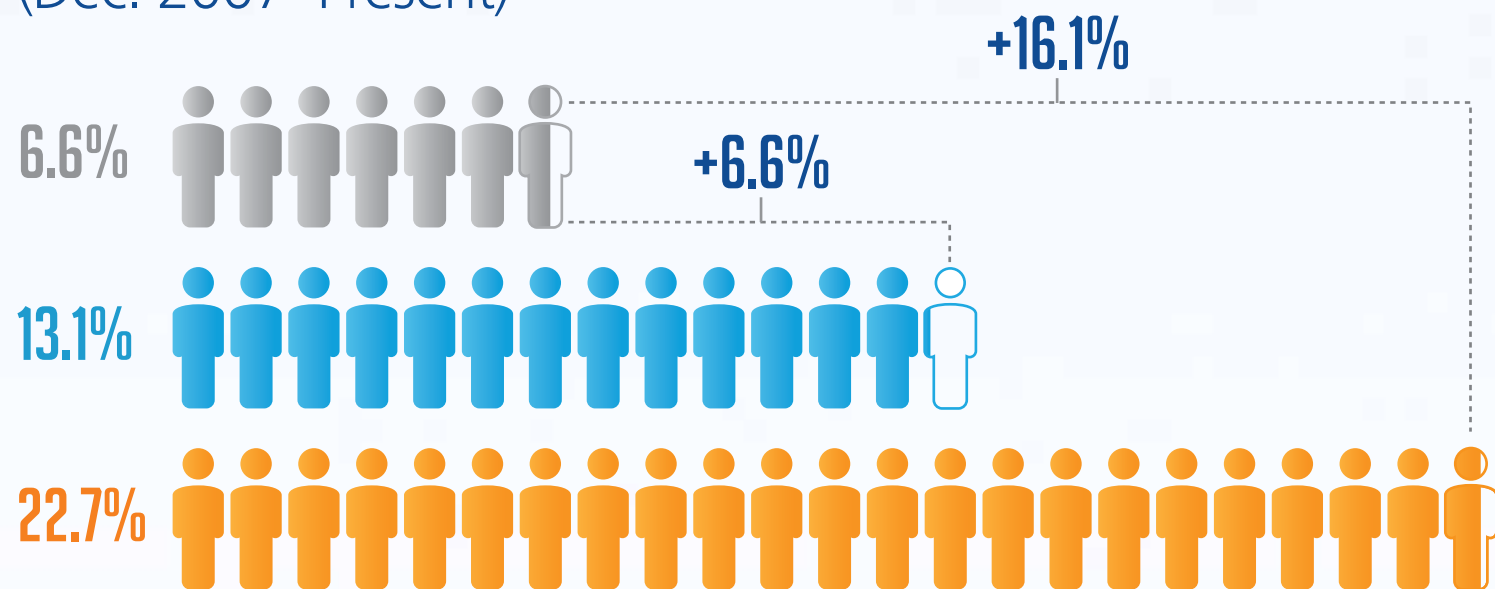
UNEMPLOYMENT GAP BETWEEN AGE GROUPS

The differences in unemployment rates between younger vs. older Americans have grown since the current business cycle began.

Average unemployment rate prior two cycles (Jul. 1990–Nov. 2007)



Average unemployment rate current cycle (Dec. 2007–Present)

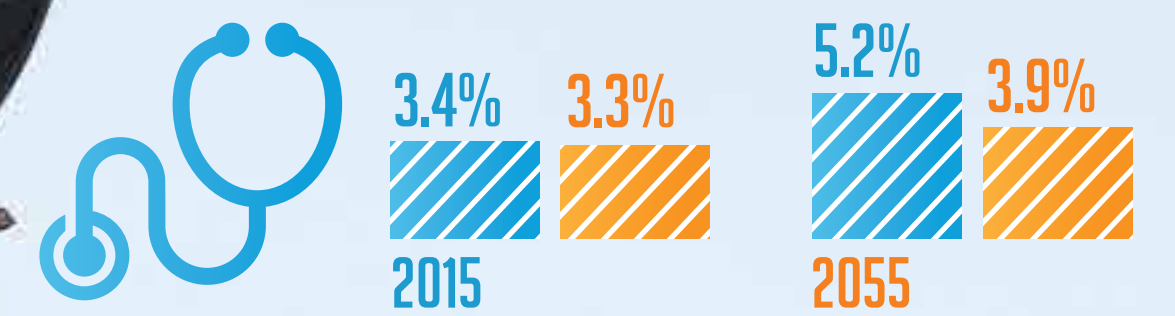


● 25+ YEARS ● 20-24 YEARS ● 16-19 YEARS Numbers may not add up due to rounding.

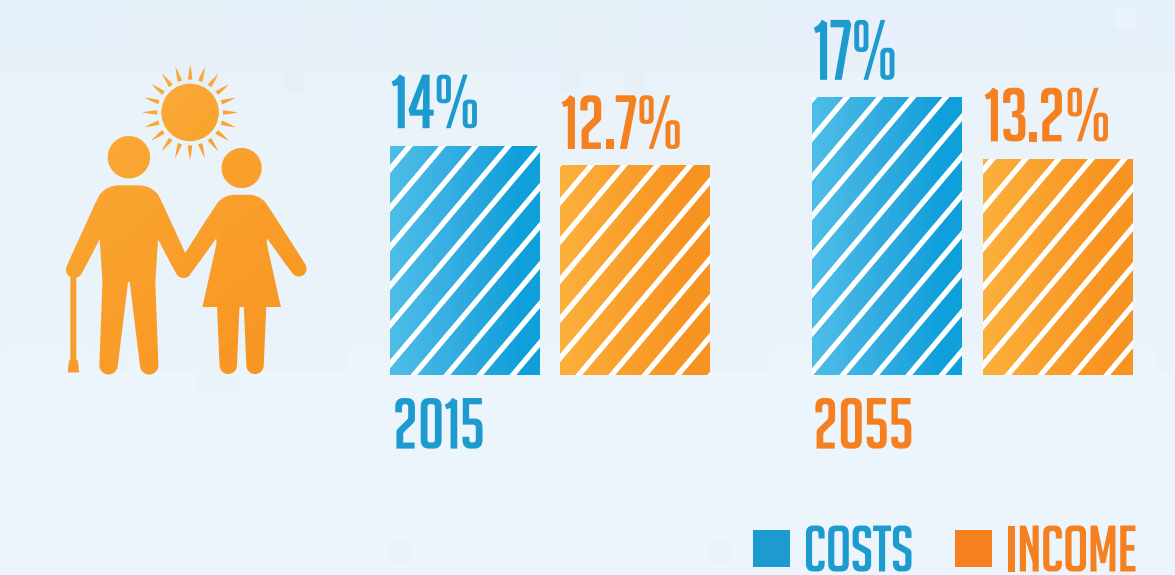
FUTURE PROJECTIONS

Beginning in 2030, Medicare will not have sufficient funds to make full payments, and the Old Age and Survivors Insurance and Disability Insurance (OASDI) Trust Funds will be unable to make full payments by 2033.

Medicare costs vs. income



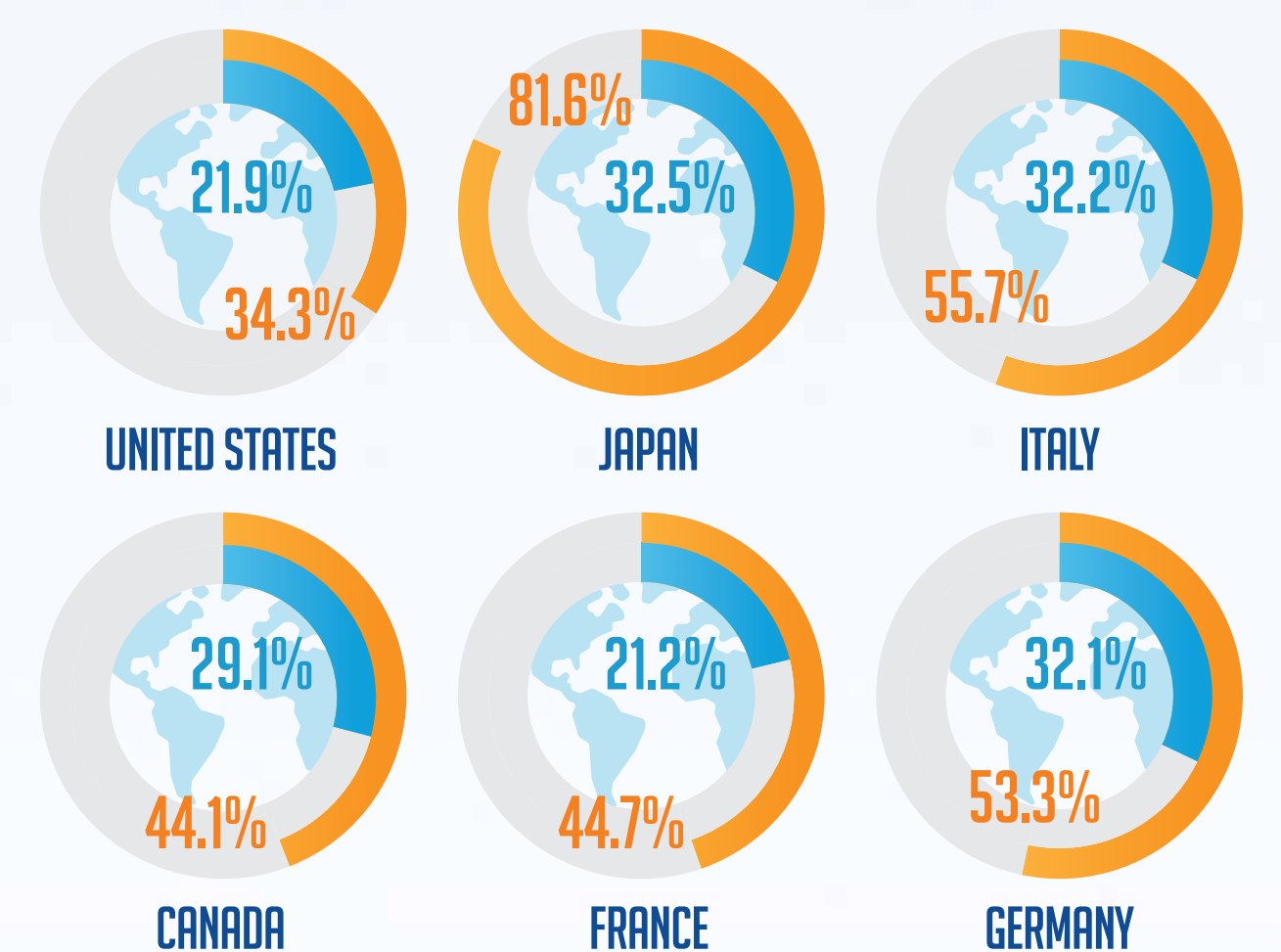
OASDI costs vs. income



A TRANSATLANTIC CONUNDRUM

The aging of the population is a transatlantic phenomenon, affecting not only the United States but also Canada and most of the countries in the European Union.

Retiree dependency ratio



Number of retirees per 100 working-age population. ● 2015 ● 2050

Source: Bureau of Labor Statistics, Current Population Survey; Bureau of Labor Statistics, National Longitudinal Survey of Youth; Annual Report of the Trustees of the Social Security and Medicare Trust Funds; Census Bureau, International Database

Graphic: Deloitte University Press | dupress.com
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