

# Sustainability of the pension system Spain

## In data

PENSION EXPENDITURE SPAIN 2021

11.5%

of GDP  
7.4% in 2007

DEPENDENCY RATIO SPAIN 2050\*

78.4%

vs. 52.7% in OECD and 55.4% in EU-27

SOCIAL SECURITY RESERVE FUND BALANCE 2021

2,138

million € from € 66,815 million in 2011

GLOBAL PENSION INDEX 2022 SPAIN POSITION

26<sup>th</sup>

41<sup>st</sup> in sustainability pillar

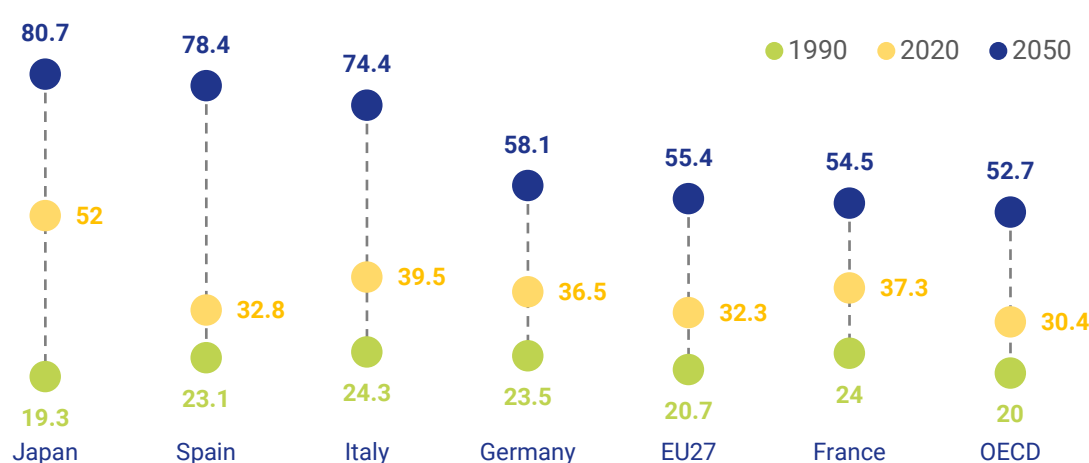
\* No. persons 65+ per 100 persons of working age (20-64 years). Forecast

## Ageing conditions the sustainability of the system

IN 2050 SPAIN WILL BE THE SECOND COUNTRY IN THE OECD, AFTER JAPAN, WITH THE HIGHEST DEPENDENCY RATIO \*, WHICH WILL BE 78.4%, 25.7 PP HIGHER THAN THE OECD AVERAGE

The dependency ratio in Spain will increase by 45.6 pp between 2020 and 2050, more than double the growth in the OECD average

% y-o-y change



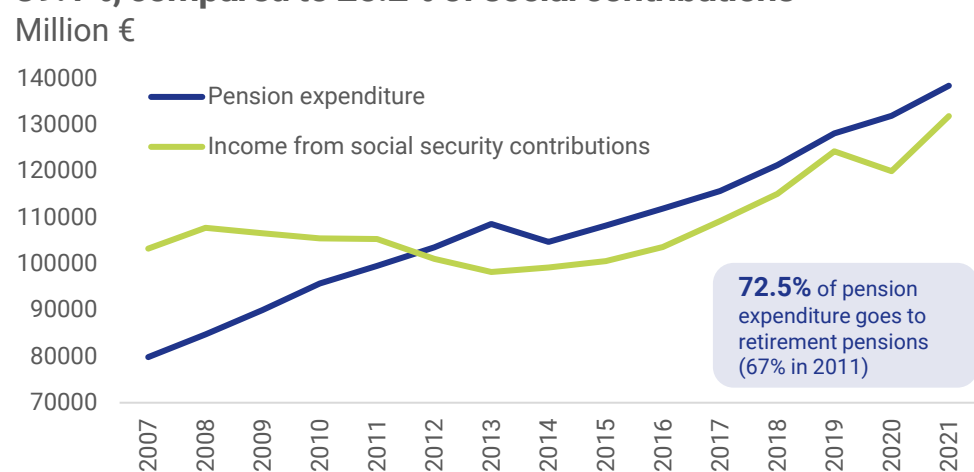
Life expectancy after retirement Years

Country	Female	Male
Spain	27.7	23
France	27.1	23.5
Italy	26.2	22.1
EU27	24	19.4
OECD average	23.8	19.5
Japan	23.5	17.8
Germany	23.1	20.1

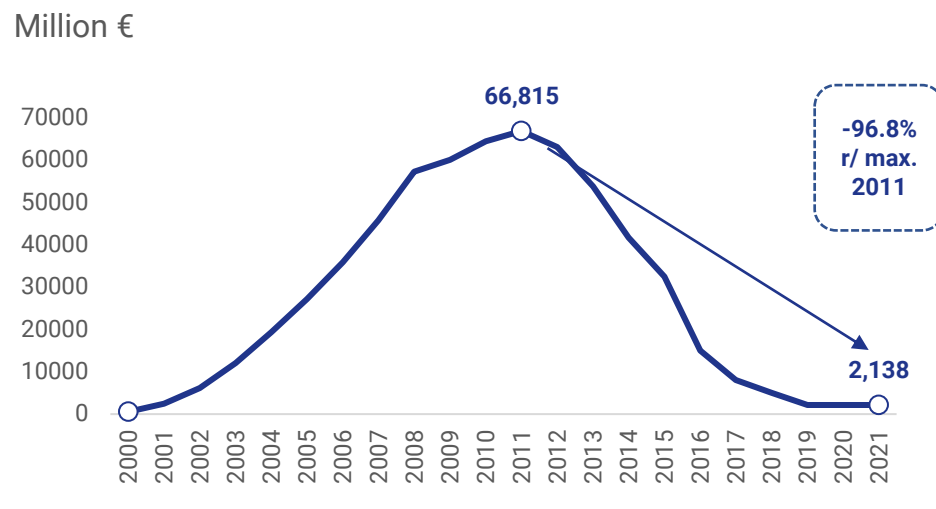
## More than a decade of Social Security deficits

SINCE 2011 THE SYSTEM HAS RECORDED A DEFICIT IN ITS NON-FINANCIAL BALANCE, MAINLY DUE TO AN INCREASE IN EXPENDITURE ON CONTRIBUTORY PENSIONS THAT IS MUCH HIGHER THAN THE INCREASE IN REVENUE FROM SOCIAL CONTRIBUTIONS

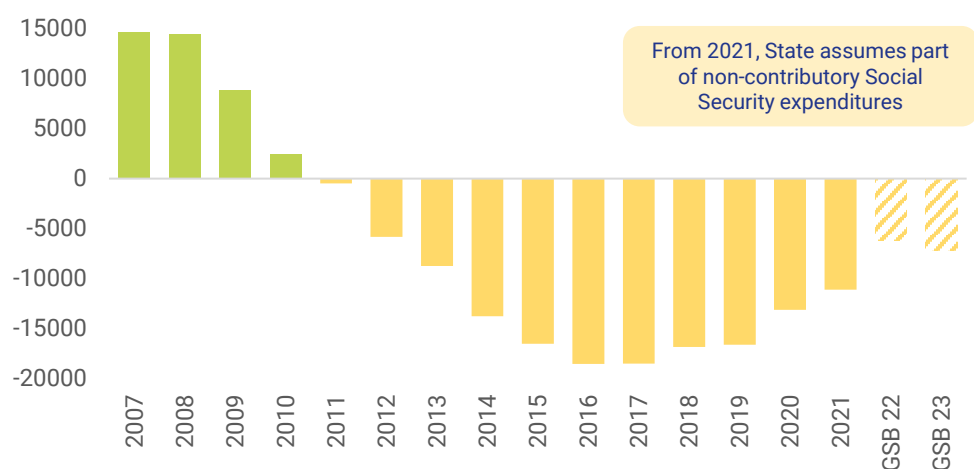
Pension expenditure increased between 2011 and 2021 by 39.1%, compared to 25.2% of social contributions



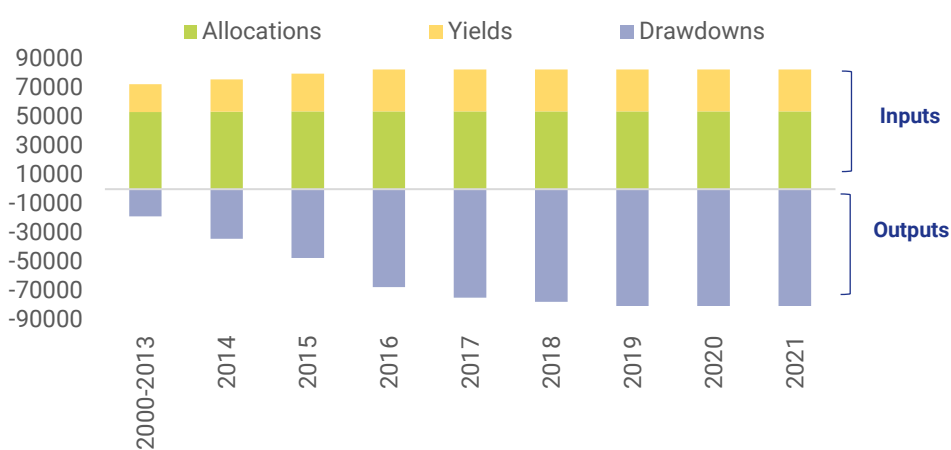
Pension reserve fund at a minimum



Non-financial balance of Social Security



Fund drawdowns at their highest since 2019



## Global Pension Index 2022– Mercer & CFA Institute

SPAIN RANKS 26<sup>TH</sup> OUT OF 44 COUNTRIES (65% OF THE WORLD'S POPULATION), WITH A POOR RESULT IN THE SUSTAINABILITY PILLAR (41<sup>ST</sup> POSITION)

- Top 10 better systems
- Iceland
  - Netherlands
  - Denmark
  - Israel
  - Finland
  - Australia
  - Norway
  - Sweden
  - Singapore
  - UK

