



## Demographic Change : Population Growth

### An Ocean Apart: European and U.S. Demographics Compared

**While many European populations are set to drop significantly by 2050, the population of the United States is expected to grow. We asked demographer Carl Haub why the population forecasts for two highly developed regions are so different.**



Carl Haub is a senior demographer at the Population Reference Bureau in Washington DC (Photo: PRB)

#### **What are the main differences between European and U.S. demographics?**

The significant difference between the United States and many European countries - as well as Japan, South Korea, and Taiwan - is the birth rate. Women in the U.S. average about 2.1 children per woman, while in Europe overall, the figure is about 1.5.

Of course, throughout Europe, it's not all equal. France, where the figure is around two, is one of the exceptions to the rule. So you could compare some countries of Europe not only to the U.S., but also to France. In both of those countries, they made the adjustment many years ago - especially in the case of France - to support two-earner families, support parents with children with various types of child payments, tax credits, or provision for daycare. That has not necessarily been done so well in other countries.

#### **Is policy the only reason why fertility levels are so different?**

The high birthrate of the U.S. tends to hide a very important point - immigration. In the U.S., about half of population growth today is due to Hispanics, which is quite a significant percentage. The majority population in the U.S., which today we call by a rather complicated term - white non-Hispanics - are around 66 percent of the population, but they contribute a relatively small proportion of population growth today.

Since the Hispanics are so young, they have about nine times the number of births versus deaths. Whereas among the white non-Hispanics, it's quite a bit like Europe in that the deaths now are getting to be almost equal to the number of births. So, to the next mid-century, we're not going to see a great deal of growth in the white non-Hispanic population. But also that the U.S. does support families quite well is

borne out by the fact that white non-Hispanic women in the U.S. don't have low fertility. They average about 1.9, which puts them just about at the level of France. But Hispanics average about three children.



#### **Population Growth Worldwide (click to enlarge map)**

A map depicting population growth and decline in 2007 (Graphic: Allianz)

#### **Are immigrants having a similar effect on European populations?**

Spain recently reported a slight rise in the birthrate, but in fact, all of that was due to foreign women. I looked closely at the numbers, and although it doesn't say it exactly in the press release, births among Spanish women actually declined. Also in the UK, there's been a growing proportion of births to non-British women, so there's a lot of that going on in Europe as well, but maybe not as dramatic as in the U.S.

#### **How has policy affected the trajectory of European and U.S. demographics?**

I certainly think the enlargement of Europe, countries' reaction to the Schengen Agreement, and immigration within Europe has started to change European demography tremendously. There was an article recently in the newspaper describing Ireland as a "rainbow country." So, in some sense, Europe is beginning to look a little more like the U.S.

The U.S. had its own monumental demographic event in 1965, when the new immigration laws were passed. They had the effect of opening up the country to the rest of the world, whereas previously U.S. laws had pretty much favored the traditional sending countries, mainly Europe. At the time, that change was not seen as significant as it really turned out to be. Without it, the U.S. today would probably not have the level of immigration from those "non-traditional" places like Asia and Latin America.

#### **What will be the geopolitical implications of low fertility in Europe?**

First of all, it's never happened in history. The only thing that caused such tremendous depopulation over a long period of time was something like the Plague, but that affected all age groups. This is very, very different. If low fertility is sustained, it will take the population pyramid and turn it upside down. You end up with a third of the population above the age of 65, and that's something no country has ever had to deal with before.

The implications are so many. It's not just pensions; it's markets. If you retire in Germany in ten years, to whom do you sell your house to if you want to move? And the strain on national budgets would be such that if there was a need, for example, for some concerted military effort, would

they be able to do that? Probably not.

### **Are the U.S. and Europe preparing differently for demographic change?**

The U.S. definitely has its own problems. We've already raised our retirement age a bit. For me, it's not 65 to get full benefits; it's 66. For younger people, it's going to be higher. And that was done without a lot of complaint, whereas in France, you know what happens when they try to raise the retirement age.

The other thing is that they talk about immigration as a cure-all for this. I'm not so sure of that. Immigration to Germany has slowed down a bit because there are fewer jobs available for immigrants. Will European countries be able to provide jobs for immigrants if they come? There's a limit to the number of third-tier jobs that people are going to be willing to take.

### **Where are the demographic problems in Europe that the world can learn from?**

The dynamics are quite different from place to place. In Italy, for example, one reason for the low birthrate is that it's not very acceptable to have a child outside of marriage. You have cases of men living with their parents until their late twenties - the so-called "mama's boys." They don't get married until they're in their early thirties. I was told you can't get a lease on an apartment unless you have a full-time job, and many companies only want to hire people on a part-time or consulting basis. It makes it hard for young people to set up a household outside of the family home. They have to get rid of these somewhat artificial constraints.

And when you talk about Europe, you have to talk about eastern Europe. The collapse there has been larger than in the West. Eastern European countries before the breakup of the Soviet Union used to average two children per woman or more. The bottom just fell out, because after years of dependence on Moscow, all of the sudden they were thrown out on their own.

### **What about Germany?**

Germany is a good laboratory. What if all of the sudden, overnight, Germany makes full-time daycare available? What if there is a campaign to change attitudes so that everybody wants to help raise children? What would happen?

On a Eurobarometer survey, Germany and Austria are two countries that stand out for their very low figures on the ideal number of children. Most countries of the world, including Japan, always say two children or more. Germany and Austria are low on that score.

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Wolfgang Lutz in Vienna calls it the low-fertility trap. The expectations for youth change. When they come out of school, they want to travel, they don't necessarily want to start pushing baby carriages about. Maybe the Elterngeld is helping people who really wanted to have kids all along, but it's not pulling people into the family market who don't really want it anyway.

editor: Valdis Wish

publishing date: July 18, 2008

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