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# The Economics of Ageing in Croatia

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## RESEARCH RESULTS AND FINDINGS

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University of Zagreb  
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RESEARCH RESULTS  
AND FINDINGS

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# 01

## Introduction

Demographic ageing is a major social and economic challenge for European societies. Croatia is not an exception in that respect.

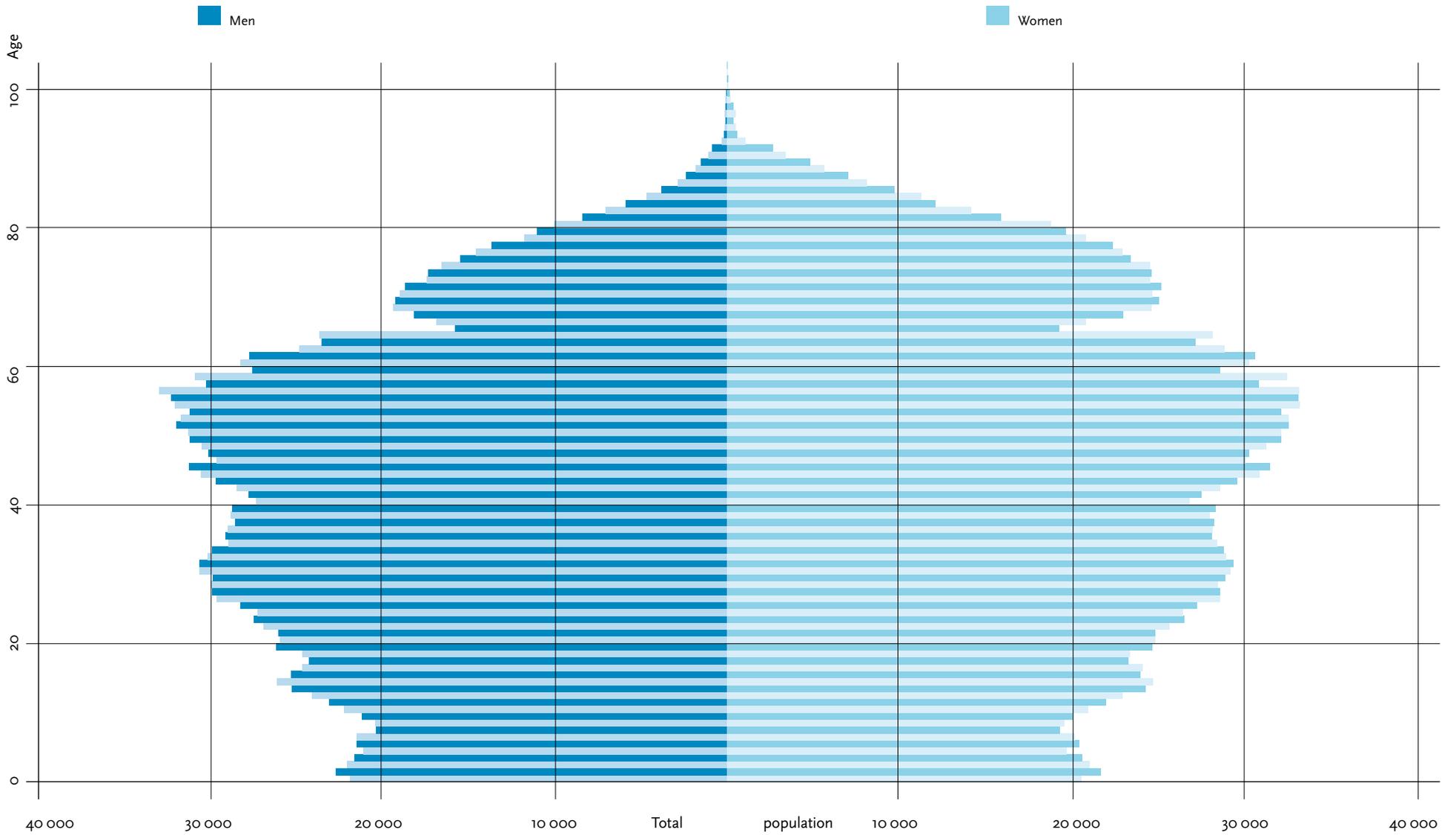
The 2011 Census has revealed the age structure of the Croatian population as very old, ranking it among the top 10 oldest countries in the world.

Croatia is ranked  
among the top

# 10

oldest countries  
in the world

FIG. 1  
Age sex pyramid:  
Croatia, 2011  
SOURCE:  
CBS, 2011 Census



# 42

is the median age of Croatia's population

## SOME DEMOGRAPHIC INDICATORS OF AGEING:

- The median age of Croatia's population is 42 years (40 for men, 43.5 for women primarily because women, on average, live longer). On average, men prevail in younger age groups as newborn boys outnumber girls by 5 percent.
- The ageing index (the ratio between the population aged 65+ and the population aged under 15) has been higher than 100 since the 2000s. In other words, there are more than 100,000 citizens aged 65+ in Croatia relative to children under 15. A decrease in the ageing index below 100 is not likely or expected.
- Despite the fact that Croatia's population has been shrinking over the years, the population aged 65+ has been increasing constantly.
- If current trends continue and immigration does not increase, by around 2030 Croatia's population will have fallen below 4 million. At the same time, the number of elderly people (aged 65+) will have reached one million (an increase of around 250,000 people). Within this one million of population aged 65+, more than 250,000 will be the "oldest" old population (aged 80+).
- Life expectancy of Croatia's population is increasing as a rising number of persons now prevail in old age groups. Despite that fact, life expectancy in Croatia in 2011 was lower than the average of EU countries by around 3 years (see Table 1). If compared to the countries with the highest life expectancy, Croatia's life expectancy is lower by 6 years, which represents a significant difference in terms of median values.
- Men aged 50 can expect good health for around 60 percent of the remaining years of life. Women of the same age can expect around half of their remaining years in good health. In the 65+ group, just over one third of women and around one half of all men can expect good health in their remaining years.

TABLE 1  
Life expectancy and healthy life expectancy (in brackets) in Croatia in 2011 at a given age.

Age	50	65	75
Men	26,4 (15,4)	15,0 (7,3)	8,9
Women	31,7 (16,3)	18,5 (7,0)	10,8

## ECONOMIC ASPECTS OF AGEING:

- Demographic ageing is accompanied by a rising number of retired persons. The ratio of worker per retiree decreased from 2.7 in 1989 to 1.17 in 2011.
- In the past ten years, the annual net increase of retirees has been around 10,000. If current trends continue, the ratio of workers per retirees might drop to one as early as in 10 years. Current pension expenditure has increased from around 5 percent to 11 percent of GDP in the past twenty years. In 2011, pension expenditure was HRK 35 billion.
- The employment rate of elderly workers in Croatia - aged from 55 to 64 - was 36.7 percent in mid 2012 (27.5 percent for women and 47 percent for men). This is far below 48.9 percent in EU-27 and projected 50 percent employment rate for that age group in EU countries. Croatians, on average, exit the labour force at the age of 60.6, while the citizens of EU-27 countries retire at 61.6.
- The increase in the number of elderly people also affects the healthcare system. The main problem is the increase in healthcare expenditure and lack of finance caused by the shrinking number of workers.
- Croatia allocates around 8 percent of its GDP to health-care. In 2011, around HRK 18 billion was spent from the compulsory health insurance fund, mostly on hospital treatment and medicines.
- Risk of poverty is especially present in Croatia: one in three women and one in five men aged 65+ are at risk of poverty. The risk of poverty is smaller in the population aged 50 to 64: one in five persons of both sexes are at risk in that age group.

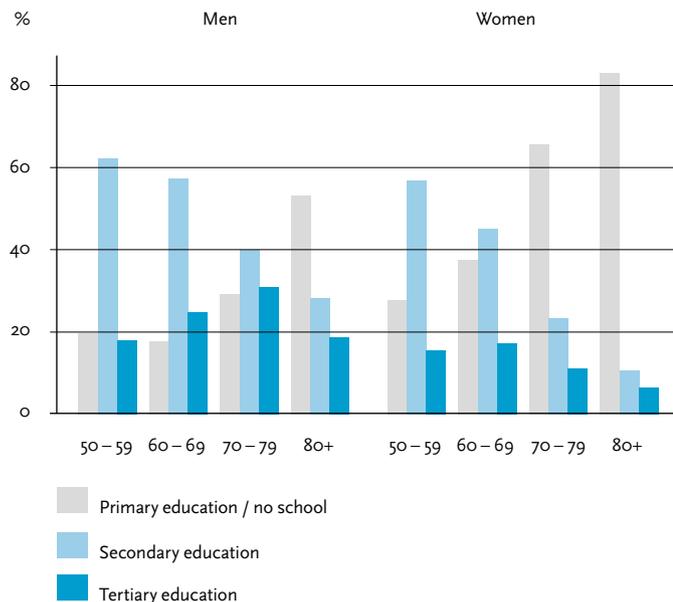
# 02 Socio-demographic characteristics of the population aged 50+

The age structure of 50+ population in Croatia shows that there are more women (57 percent) than men (43 percent).

In particular, 37 in 100 individuals aged 50+ are in their fifties, 29 are in their sixties, 23 are in their seventies and 11 are in the 80+ group. The last group includes more than twice as many women than men.

The 50+ population contains predominantly the individuals who have completed some kind of secondary education (45 percent). One in six people have high or higher education. In the 75+ group, two in three Croatian citizens have completed primary school or less, which is especially present in the population of women (three in four in that age group).

FIG. 2 Education by age and sex



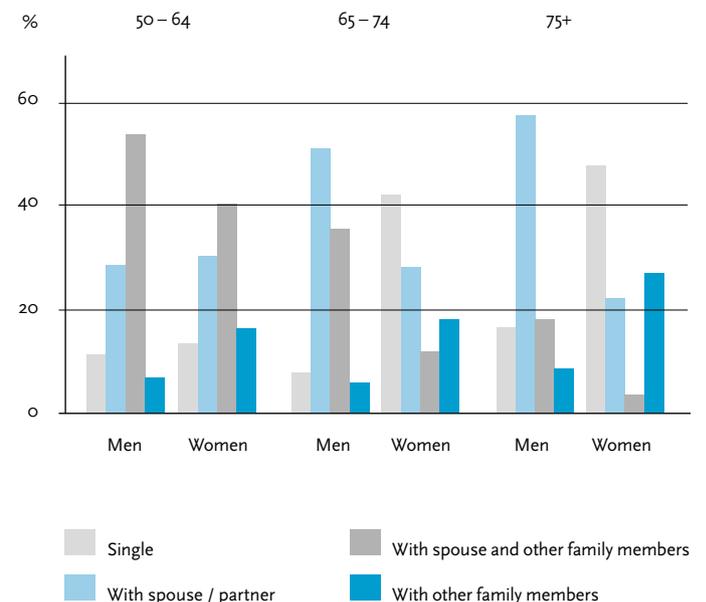
5% have never been married

Slightly over 5 percent of the 50+ population have never been married (men and women equally). Around 70 percent of them are married and live with their spouse, while one in five are widowed. Men live shorter than women, and this is proved by the fact that in the 75+ group only one in six men are widowed, contrasted with two in three widowed women.

Around one in five Croatian citizens aged 50+ live alone. Single life in old age is more common among women (one in three women and one in ten men live alone). The percentage of population living alone is the highest among the oldest age groups (around 40 percent of the population aged 75+ in Croatia live alone). Nearly half of women in the oldest age groups live alone.

Most respondents have two living children (44 percent), while 12 percent do not have any living children (biological or adopted). Even though the group with the lowest degrees of education has most children on average, this group also includes the majority of those people who do not have any children (15 percent).

FIG. 3 Living arrangements by age and sex



# 03

## Health and healthcare

One in two respondents in the 50+ group have been diagnosed with at least two chronic diseases in their life. The percentage of women in the 50+ group with two or more chronic diseases is significantly higher in the 65+ age group.

FIG. 4  
Number of chronic diseases by age and sex

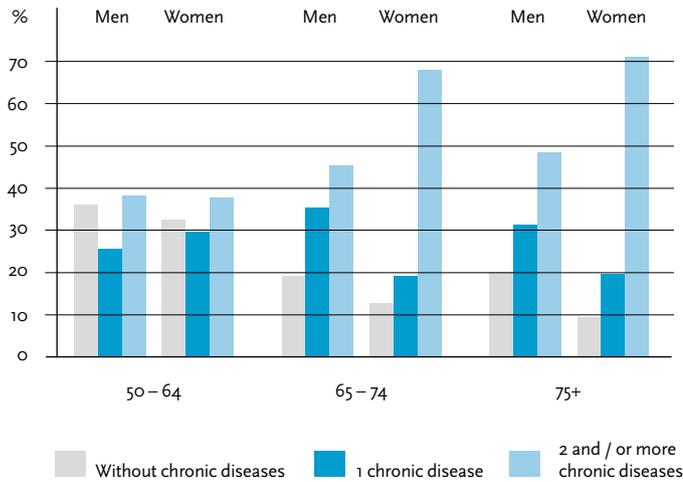
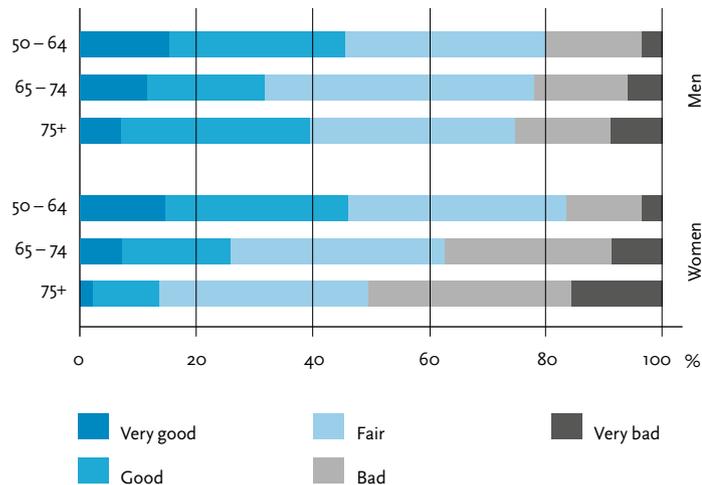


FIG. 5  
Self-assessment of health by age and sex



The results further show that 27 in 100 individuals in the 50+ age group report a bad and very bad health condition. In addition, 50 percent of the 80+ population report bad or very bad health.

Poor health conditions are associated with the disadvantaged financial situation of the household. In households which have trouble making ends meet, half of the respondents report bad or very bad health. Only five in 100 individuals in such households are in very good health, as opposed to 34 in the households which do not experience any financial difficulties.

FIG. 6  
Self-assessment of health and financial situation in the household

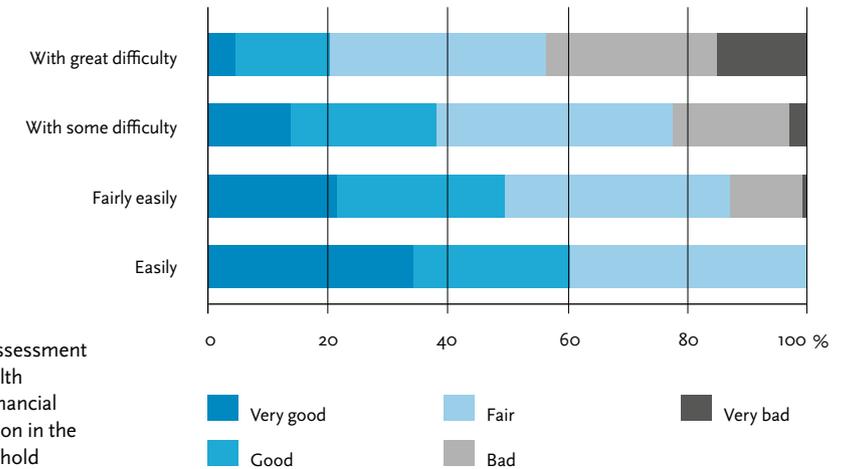
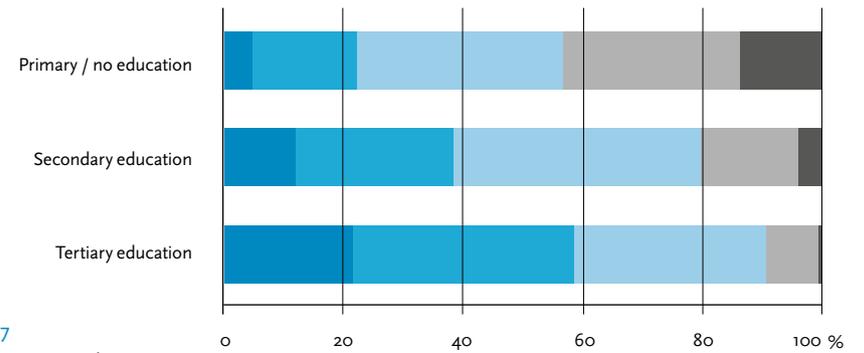


FIG. 7  
Self-assessment of health by education



Poor health-related habits are a problem in any society, including Croatia. For instance, 45 percent of the population 50+ are overweight while 27 percent suffer from obesity, men slightly more than women. One in three women aged 50+ have normal body weight compared to one in five men.

As for smoking, 27 in 100 men and 20 in 100 women smoke. In the total number of ex-smokers, one half quit smoking before they turned 45. One in four men and one in fifteen women consume alcoholic drinks on a daily basis. In the population aged 50+, two thirds undertake moderate physical activity several times a week.

Around 30 percent of men and 40 percent of women do not engage in any sport or physical activity. Almost one in six men and one in five women aged 50+ report difficulties in the performance of everyday activities due to health problems. In the old age group (75+), one in two men and three quarters of women report difficulties in performing everyday activities due to health-related problems.

Only one in 10 employees aged 50 to 64 assess their health condition as bad or very bad, as opposed to one in three retired persons of that age.

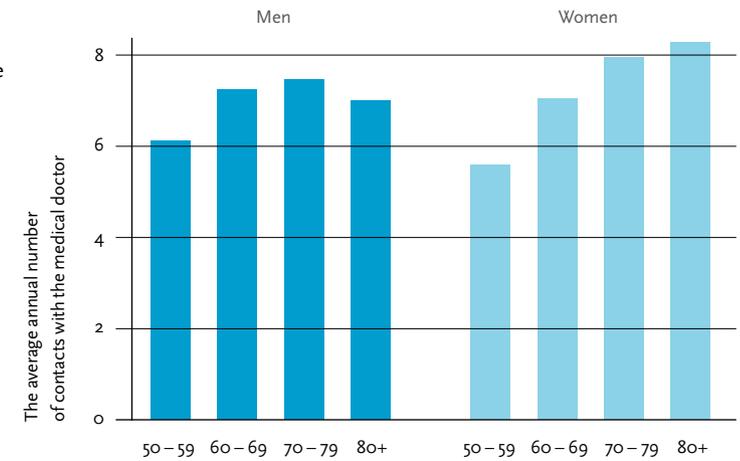
Around one in two persons aged 50+ are diagnosed with high blood pressure or hypertension, while one in five have high blood cholesterol. Women aged 50+ have 50 percent higher chances to get a malignant disease than men. The most common medicines taken by the population aged 50+ include hypertension medicines, pain medication, and medication for high cholesterol and blood sugar.

As for mental health, sleeping problems are quite common in the population aged 50+: half of the female population and one in three men have sleeping problems. Slightly more than 1/5 of the respondents have or have had symptoms of depression and 40 percent feel tired when they perform everyday activities.

45%  
are overweight

27%  
suffer from obesity

FIG. 8  
Number of  
contacts with the  
medical doctor  
by age and sex



The average annual number of contacts with the medical doctor is higher in women, especially after the age of 70. More than 40 percent of the population aged 50+ contact a medical specialist at least once a year. The most common specialist consultations (around 25 percent) include those related to cardiac, pulmonary and gastroenterological diseases (equally among men and women). Urologists come second in terms of contacts of the male population with medical specialists, followed by rheumatologists or psychiatrists. In women, contacts with rheumatologists and psychiatrists come second, followed by contacts with ophthalmologists. One in eight persons aged 50+ are hospitalized at least once a year.

Around 12 percent of respondents aged 50+ use some form of private health insurance services, mostly specialist and dental services. In addition to compulsory health insurance, nearly 90 percent of the population aged 50+ have additional health insurance. Less than 10 percent of the population aged 50+ have additional health insurance which allows for a higher standard of health services.

# 04

## Population aged 50+ on the labour market and in retirement

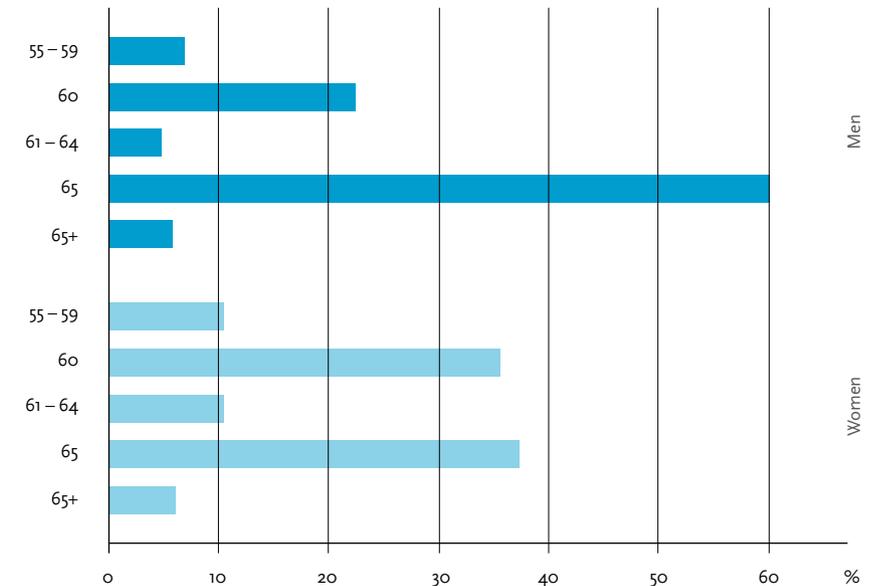
Participation rates of elderly workers in the labour force in Croatia are among the lowest in Europe. Even though it may not seem so today, Croatia will lack labour force in the future, and the employment rate of elderly workers (aged 55 to 64 years) will have to increase from today's low levels. At present, less than half of the population in that age group is employed.

This survey has revealed 43 percent employment rate of male workers, and 28 percent employment rate for women in the total number of the population aged 50 to 64. The highest employment rates correlate with higher education and better health.

Croatia is a country with a low retiree-to-worker ratio. The first results show that in the total number of retirees from our sample 43 percent are entitled to old age pension, 23 percent are early retirees and 17 percent are retired due to disability.

The employed population shows a strong wish for early retirement. More than 40 percent of the employed persons want early retirement (men slightly more than women). A little less than 40 percent fear that their health might influence their work ability before the legally prescribed age of retirement. Desire for early retirement is discerned much more in the population with little formal education (57 percent of the population with primary education and without it, 47 percent of those with secondary education and 29 percent of those with college or university degree) and in the population reporting poor health.

FIG. 9  
Expected age of retirement by sex



only

# 6%

expect retirement after 65

Most men (60 percent) expect retirement at 65, and only 6 percent expect retirement after 65. As for women, the percentages of women who want to retire at 65 and at 60 are more or less the same (37 or 36 percent respectively – see Fig. 9). Similarly, only 6 percent of women expect to be retired after 65.

Employed respondents are pessimistic about government plans to decrease pension payments before their retirement. More than half respondents believe that there is at least 70 percent probability that the government will decrease pensions before their retirement. Most respondents think that there is more than 60 percent probability that the government will increase retirement age in the future.

## Social contacts, intergenerational relations and transfers

Croatia has few research findings and studies on intergenerational family relations and transfers. The importance of family in Croatia is often emphasised, but families with elderly members are rarely in the focus of public attention.

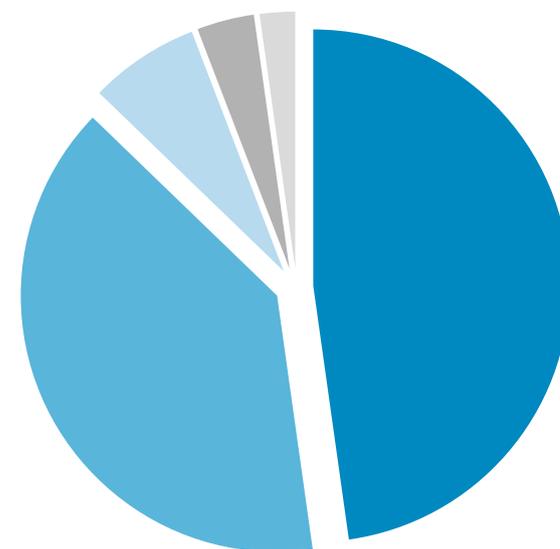
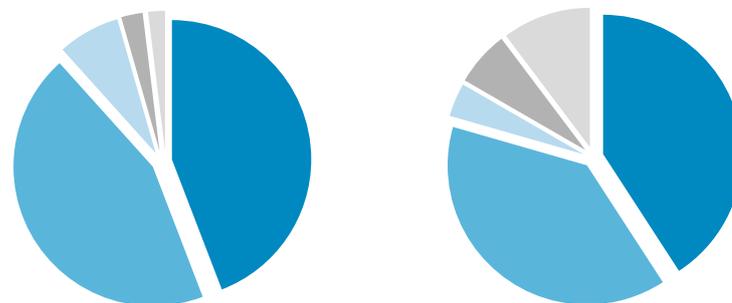
More than 40 percent of respondents in the 50+ age group whose parents are still alive have daily contacts with them. Slightly more contacts are made with mothers than fathers. Less than 5 percent of fathers, and 20 percent of mothers live with the respondents in the same household. Most respondents live relatively close to their parents.

Daily contacts of respondents with their children are a little more frequent. One in two respondents have contacts with their children every day, especially when it comes to the individuals who have one or two children. Moreover, 24 percent of firstborn children live with the respondents in the same household, and 7 percent live in the same building or house. This percentage increases with each child born. For instance, 30 percent of second born children live with their parents and a little more than 45 percent of third-born children and children born later live with their parents. Overall, most respondents live relatively close to at least one child. Moreover, 43 percent of respondents

FIG. 10 A  
Frequency of contacts  
with mother (%)

FIG. 10 B  
Frequency of contacts  
with father (%)

FIG. 10 C  
Frequency of contacts  
with the most frequently  
contacted child  
(%)



Over  
**40%**  
of respondents  
whose parents are  
still alive have daily  
contacts with  
them



who have grandchildren take care of them. Grandmothers take care of grandchildren more often, which is partly due to higher employment rates of men and their shorter life expectancy but also due to normative expectations for women's roles in traditional environments.

In the past year, one in three households gave a financial gift or support to somebody within or outside the household in the value of at least HRK 1 000. Around 10 percent of such households received HRK 1 000 from somebody within or outside the household.

Individuals in the 50 to 64 age group are more inclined to give financial or material gifts/support to the persons within or outside the household than those aged 65+. Financial or material gifts/support are most commonly obtained by persons aged 75+

The most frequent reasons for giving gifts or support to household members or persons outside the household include meeting basic needs and major family events (birth, marriage etc.).

One fifth of respondents help family members or neighbours, around 7 percent take care of a sick or disabled person, 6 percent participate in religious organisations. Only 3 percent of respondents engage in voluntary or charity work.

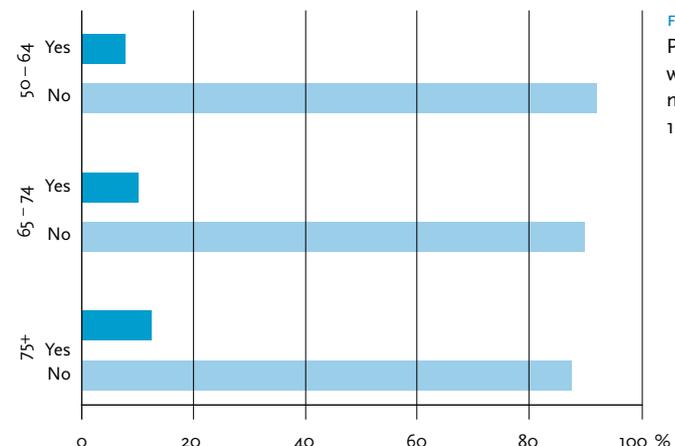


FIG. 11  
Percentage of respondents who received financial or material gift above HRK 1000 by age

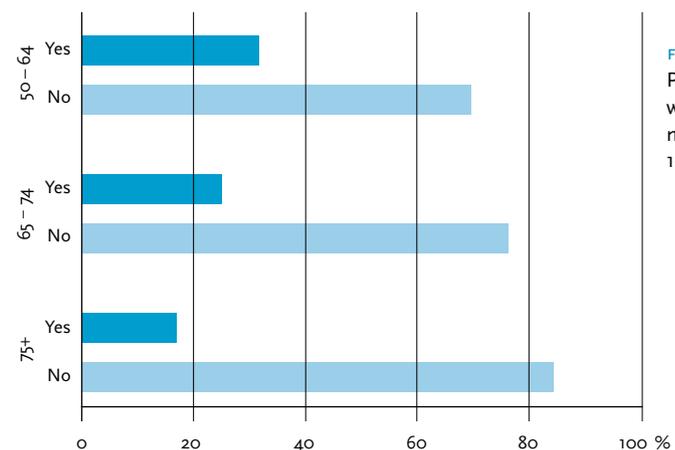


FIG. 12  
Percentage of respondents who gave financial or material gift above HRK 1000 by age

# 06

## Socio-economic status of the population aged 50+

Almost one in two single-person households aged 50+ have great difficulties making ends meet, mainly due to their monthly income. Households in which spouses/partners live with other household members (children, parents, grandchildren etc.) have the fewest financial difficulties.

Furthermore, 90 percent of 50+ households own the property in which they live, and slightly less than 30 percent own at least one more piece of property. Two thirds of households purchased or built the property in which they live with their own means. One in six households with persons aged 50+ inherited the property, while one in ten purchased or built it with the help of the family. Most persons aged 50+ currently live in two-room (34 percent) accommodation, then in three-room (31 percent) and four-room (16 percent) accommodation in their ownership.

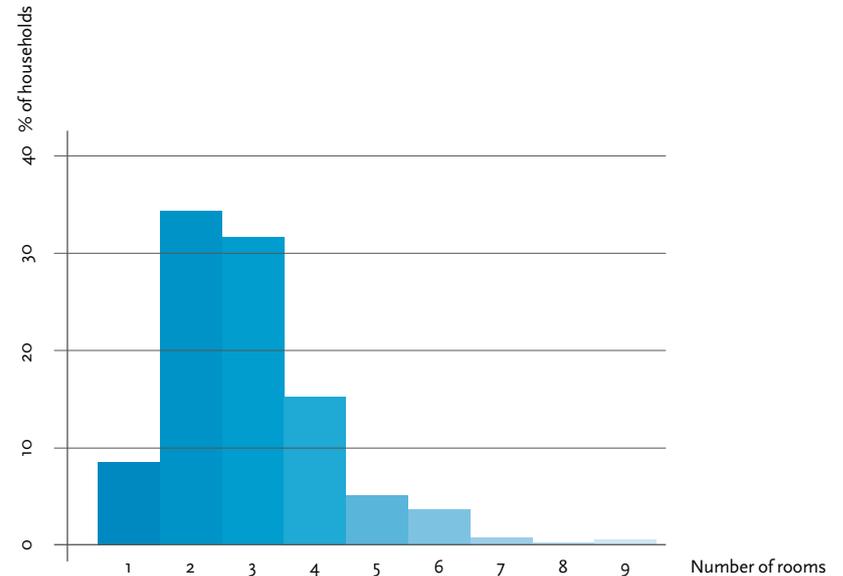
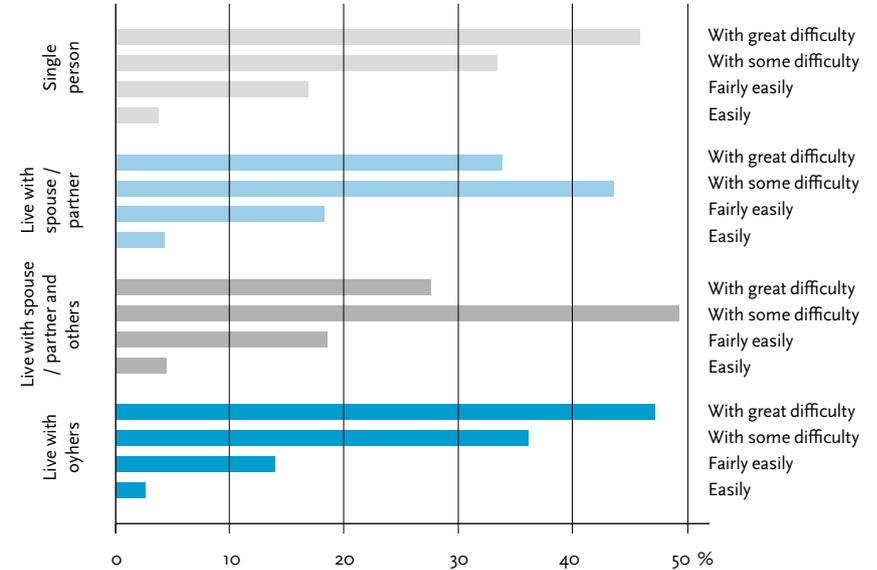
Around 45 percent of the population aged 50+ have some kind of savings, while 5 percent have life insurance. Only one in twenty persons aged 50+ own shares or bonds. Approximately half of the households inhabited by the persons aged 50+ have at least one car, while 7 percent have two or more cars.

# 90%

households own the property in which they live

FIG. 14  
Percentage of households by total number of individuals

FIG. 13  
Can the household make ends meet with their monthly income?



# 07

## On the research

The Economics of Ageing is a new survey in Croatia which will study social, economic and health expectations of people across Croatia throughout their ageing process. It was designed as a longitudinal survey conducted through interviews with the same respondents every two years. The survey will be conducted throughout a longer period of time because ageing is a dynamic and gradual process which cannot be researched thoroughly in one-time surveys.

### ON THE RELEVANCE OF THE TOPIC

The survey which studies the relationship between health, economic situation, social inclusion and support throughout people's ageing is a major research issue relevant to various policy makers. This survey has been initiated and conducted because we wanted to gather more data about individual experiences of people throughout the planning of retirement, retirement and postretirement period. It is equally important to mention that overall, the Croatian population is getting older as life expectancy is increasing. Satisfying different needs of the ageing population through different policies (healthcare, social, economic and other policies) is increasingly relevant to governments, policy makers and researchers.

### METHODOLOGY

Respondents for this survey were interviewed in randomly selected households in 221 settlements in Croatia. All individuals aged 50+ in the household were eligible for the interview, as well as their partners irrespective of their age. Each respondent had a long face-to-face interview with our interviewers who registered their answers on the PC. Most respondents (86 percent) filled in an additional short questionnaire which they returned to the interviewer or mailed to the agency shortly after the interview. A total of 1,190 respondents aged 50+ including their partners were interviewed in 855 households. The response rate of sampled households was 53 percent.

# 08

## Acknowledgment to respondents

Last, but not least, we wish to thank all the respondents who were kind enough to participate in this survey and who took the time for the interview.

Without you and your cooperation (hopefully your future cooperation as well) this survey would not have been possible.

Thank you once again! If you have any suggestions, questions or comments, please feel free to contact us on 098/271-054 (Ivan Čipin) and 099/219-0844 (Šime Smolić).

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