



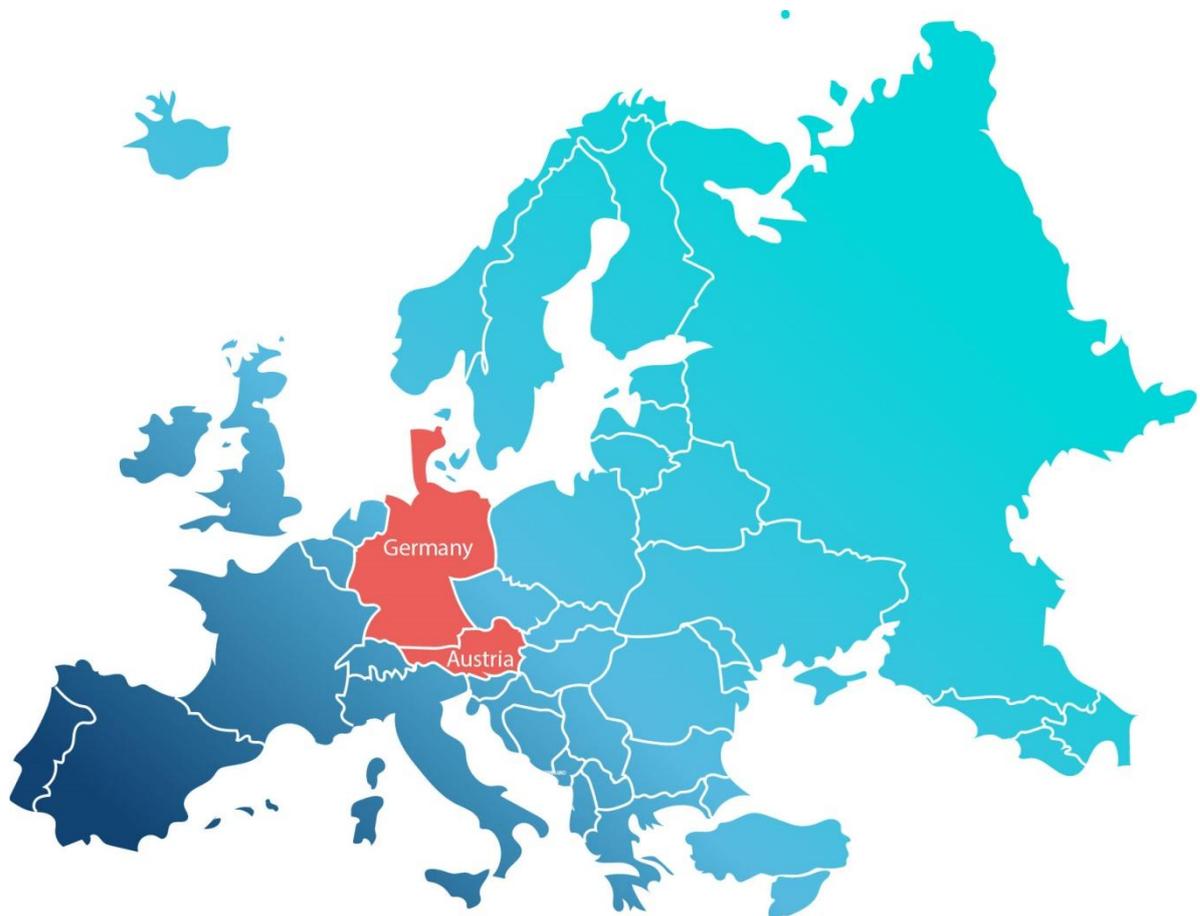
**IntegrAGE project**

**D1.4.1 Analysis template for country personas**

# **„COUNTRY PERSONA“**

## **CLUSTER A**

**Germany, Austria**



## 1. DEMOGRAPHIC TRENDS (cc.2-3 pages)

### Aging Dynamics<sup>1</sup>

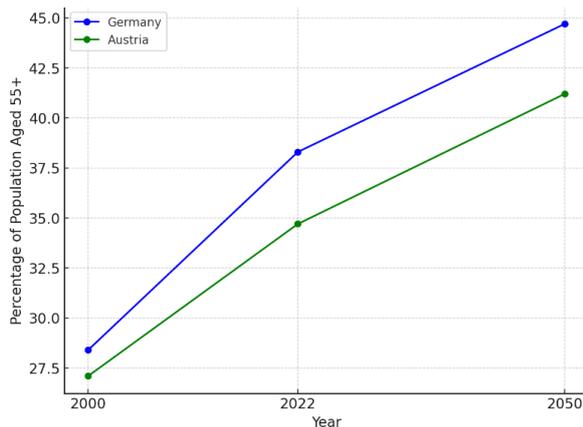
Germany and Austria are facing significant demographic shifts characterized by rapidly aging populations and declining birth rates. These trends are reshaping the labor market and creating both challenges and opportunities for older workers.

The proportion of people aged 55 and older is growing steadily in both countries:

- In Germany, 38.3% of the population was 55+ in 2022, up from 28.4% in 2000.
- Austria had 34.7% of its population in the 55+ age group in 2022, compared to 27.1% in 2000.

This aging trend is expected to continue, with estimates showing:

- Germany's 55+ population reaching 44.7% by 2050.
- Austria's 55+ population increasing to 41.2% by 2050.



### Life Expectancy and Working-Age<sup>2</sup>

Life expectancy at birth has been steadily increasing, as the life conditions in both countries are very high and health systems are public and high-quality:

- Germany: 80.5 years in 2021, in comparison to 78.1 years in 2000.
- Austria: 82.1 years in 2024.

This increased longevity means people are living and potentially they could work longer, however, there is also a decline in the working-age population. Both countries showcase shrinking tendencies.

<sup>1</sup> <https://data.who.int/countries/276>, <https://www.worldometers.info/demographics/austria-demographics/>.

<sup>2</sup> <https://www.age-platform.eu/barometer-2023/austria/>,  
[https://www.statistik.at/fileadmin/publications/austria\\_data\\_figures\\_facts.pdf](https://www.statistik.at/fileadmin/publications/austria_data_figures_facts.pdf).

- Germany's average working-age population is between 20 and 64 years, and it is projected to decrease by 35% by 2050.
- Austria's working-age population (15-64 years) made up 66.4% of the total population in 2021, but this share is also expected to decline.

## **GENERAL Challenges and Opportunities**

The aging populations of Austria and Germany faces significant socio-economic challenges, when trying to ensure workforce sustainability. Recent research and statistical evidence highlight several critical areas that will require strategic intervention at company-level and policy measures at government level.

### **1. Labor Force Participation and (un)employment**

The employment landscape for older workers (aged 55-64) reveals that there is a big bridge between potential and actual workforce participation. Germany's relatively robust employment rate of 71.8% for this age group (Bundesagentur für Arbeit, 2023) contrasts with Austria's more concerning 56.4%, which falls significantly below the European average (Statistik Austria, 2023). This divergence reflects different policy approaches and labor market structures between the two nations.

The challenge of long-term unemployment among older workers is particularly acute. German labor market data indicates that workers aged 55-64 experience substantially longer unemployment periods compared to the general population (Deutsche Rentenversicherung, 2023). Similarly, Austria's high long-term unemployment rate of 49.3% among older workers suggests structural barriers to re-employment (AMS Österreich, 2023).

### **2. Technological Adaptation and Skills Development**

The digital transformation of the workplace presents a significant challenge for older workforce integration. Both countries face what Böhm et al. (2022) term a "digital skills gap," particularly pronounced among workers over 55. This phenomenon is due to the rapid technological advancement and the increasing prevalence of Industry 4.0 technologies and job positions.

### **3. Systemic and Organizational Discrimination**

Age discrimination, though legally prohibited, continues to manifest in subtle forms affecting hiring practices and career advancement opportunities (Schmidt & Weber, 2023). This discrimination often correlates with health-related concerns and work-life balance issues.

The pension systems in both countries faces pressure from demographic shifts. The German Pension Insurance (2023) reports that the ratio contributions-beneficiaries continues to decline, for which structural reforms are needed. Austria's pension system faces similar challenges, with expenditures reaching 13.8% of GDP (OECD, 2023).

### **4. Knowledge Management and Intergenerational Learning**

A critical challenge lies in maintaining institutional knowledge as experienced workers retire. Research by Meyer and Schmidt (2023) indicates that organizations losing senior employees without adequate knowledge transfer mechanisms risk significant operational disruptions and loss of competitive advantage.

### Policy Implications

In general, the situation demands comprehensive policy responses to offer targeted training programs focusing on digital skills, incentive structures for both employers and older workers and systematic knowledge transfer mechanisms.

Both countries have measures in place, but their effectiveness requires continuous evaluation and adjustment. The German "Perspective 50plus" program and Austria's "JobOffensiv 55+" represent significant policy initiatives, though their long-term impact remains to be fully assessed.

## 2. RETIREMENT PATTERNS

The retirement systems of Germany and Austria have distinct approaches to managing their aging populations, with some differences in retirement age policies and pension structures:

- Germany's progressive increase in retirement age reflects demographic pressures, with the standard age rising to 67 by 2031 (Federal Ministry of Labor and Social Affairs, 2024).
- Austria maintains a gender-differentiated system, with women's retirement age (currently 60) gradually increasing to match men's (65) by 2033.

### Pension Systems<sup>3</sup>

	Austria	Germany
<b>Three Pillar System</b>	<ol style="list-style-type: none"> <li>1. Public pensions (covers nearly 100% of the elderl)</li> <li>2. Occupational pensions (supplementary role)</li> <li>3. Private pensions (supplementary role)</li> </ol>	<ol style="list-style-type: none"> <li>1. Statutory pension insurance (Compulsory for employees and self-employed)</li> <li>2. Occupational pensions (voluntary)</li> <li>3. Private pensions („Riester“ pensions are government-subsidized)</li> </ol>
<b>Benefits</b>	<p>The statutory pension aims to provide about 48% of average net income.</p> <p>The average monthly pension is about €1,400</p>	<p>Austria's public pension system generally provides higher replacement rates</p> <p>The average monthly pension is about €1,500</p>
<b>Acces to</b>	15 years of contributions are	A minimum of 5 years of contributions is

<b>Pension</b>	generally required.	required for statutory pension eligibility.
<b>Periods of childcare, military service, unemployment</b>	Eligible for pension	Eligible for pension

### Common Challenges on Retirement

#### C1 - Demographic Pressure:

Both countries face aging populations and declining birth rates, putting strain on labour markets and pension systems. It is increasingly difficult to maintain confidence in pension systems amid reforms.

#### C2 - Adequacy of Benefits:

Ensuring sufficient pension levels, especially for low-income earners and those with interrupted careers. Which correlates with Gender Pension Gap, as women often receive lower pensions due to career interruptions and part-time work.

## 4. SOCIO-ECONOMIC SITUATION

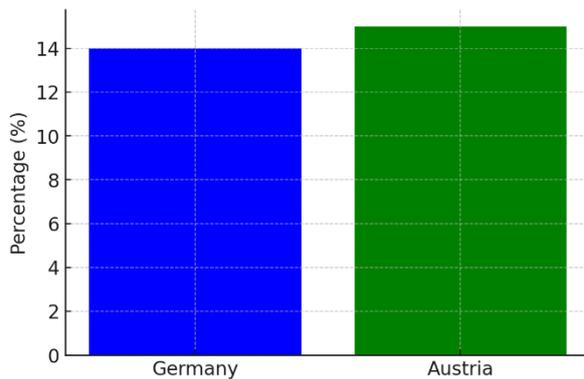
Country	Income	Living Costs
<b>Austria</b>	Average gross monthly wage for workers aged 55-64 is around €3,700.	Average monthly rent for a one bedroom apartment in a city center is €800
<b>Germany</b>	Average gross monthly wage for workers aged 55-64 is approximately €3,900	Average monthly rent for a one-bedroom apartment in a city center is €750
<b>Both</b>	Many older workers supplement their income through part-time work, freelancing, or rental income from property investments.	Housing is typically the largest expense.  Utilities add another costs: €200-250 per month  Food and other basic necessities: €300-400 per month for a single person.

Both Germany and Austria showcase robust social systems supporting older adults, with slight variations. Austria shows a more generous pension system, in comparison with working wages during productive life, which are higher in Germany.

The rent is the highest expense in both countries, so the situation is harder for those living on rent. The necessity for supplementary income in both countries indicates that, while the basic needs are widely covered in most cases, other means might be present to ensure comfortable retirement living.

### Poverty<sup>4</sup>:

The at-risk-of-poverty rate for people aged 55+ is around 14% in Germany and 15% in Austria. This rate has been slowly increasing over the past decade, particularly affecting women and those with interrupted work histories or in low-wage sectors.



### Common Socio-Economic Challenges

#### C3 - Increasing housing costs:

Housing costs consume a big percentage of salaries and there is an increasing need for supplementary income sources (part-time employment, passive assets, etc.). Current pension levels (€1,400-1,500) might not cover all costs, if living on rent.

#### C4 – Career difficulties hindered by unfair wages:

There is wage stagnation in later career stages and difficulties for older employees in securing new employment at comparable salary levels. Difficulty in reintegrating unemployed older workers into the labor market, with hiring rates for older workers generally much lower than for other age groups.

## 5. LEVEL OF AGE MANAGEMENT

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<sup>4</sup> Statistik Austria and Eurostat, 2023

## **National Strategies and Key Documents**

In both countries, national strategies addressing the needs of aging populations emphasize inclusion, participation, and economic sustainability.

Germany has implemented the Federal Plan for Senior Citizens "Ageing and the Future" since 2012. This policy outlines key elements for the participation of older individuals in various aspects of life, including employment, social integration, and health care.<sup>5</sup>

Similarly, Austria has developed a Federal Plan for Senior Citizens, also called "Ageing and the Future," which has been in effect since 2012. This plan covers 14 areas of action, including the participation of older people in the labor market, social security, and active aging.<sup>6</sup>

## **Programs to Support Employment of Older Workers**

In Germany, the "Perspective 50plus" program seeks to reintegrate older workers aged 50-64 into the labor market, while the "WeGebAU" initiative focuses on further training for low-skilled and older workers.<sup>7</sup>

Austria has introduced similar measure: The "50+ Employment Initiative", which provides financial incentives for employers to hire workers over 50 who have been unemployed for more than 90 days.<sup>8</sup>

## **Work Environment Adaptations and Flexible Working Conditions**

Germany's "New Quality of Work" (INQA) initiative provides counseling services to small and medium-sized enterprises (SMEs) on workplace adaptations and improving working conditions for older workers (INQA, 2023).

Germany's "Flexi Pension Act"<sup>9</sup> facilitates a gradual transition into retirement, allowing older employees to work reduced hours without significantly compromising their pension benefits. Austria's partial retirement schemes serve a similar purpose, providing older workers with the option to scale back their working hours as they approach retirement.

## **Common Challenges on the Level of Age Management**

### **C5 – Uneven reach of the target group:**

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<sup>5</sup> Federal Ministry for Family Affairs, Senior Citizens, Women, and Youth, 2012

<sup>6</sup> Austrian Federal Ministry of Social Affairs, Health, Care and Consumer Protection, 2012

<sup>7</sup> Federal Employment Agency, 2023

<sup>8</sup> Public Employment Service Austria, 2023

<sup>9</sup> German Federal Ministry of Labor and Social Affairs, 2018

There are lower participation rates in lifelong learning and training programs among older workers compared to younger age groups and it is difficult that training programs reach older workers from lowest levels of education. Most programs for older employees do not usually address the gender gap.

## 6. LABOR MARKET CONDITIONS

The employment landscape for older workers in Austria and Germany exhibits distinct patterns and challenges. Recent data reveals significant disparities in labor market participation and integration of workers aged 55 and above, highlighting both progress and persistent obstacles in both nations.

### Employment and Unemployment Dynamics

Germany demonstrates relatively robust employment figures, with a 72% employment rate for workers aged 55-64<sup>10</sup>, significantly outperforming Austria's 56.4%<sup>11</sup>.

However, both countries experience a pronounced decline in employment rates post-60, reflecting deeply embedded early retirement cultures and institutional frameworks. The unemployment situation presents a nuanced picture: Germany's comparatively low 3.4% unemployment rate for older workers contrasts markedly with Austria's 8.5% (OECD, 2023).

### Educational and Sectoral Patterns<sup>12</sup>

The sectoral distribution of older workers reveals significant concentration in traditional industries and public sector employment, while emerging sectors, particularly in technology and service industries, show underrepresentation of this demographic group.

- ↑ Strong representation in public administration, education, and healthcare
- ↓ Limited presence in IT, hospitality, and retail sectors
- ↓ Persistent skills mismatches, particularly in digital competencies

### Career Development and Structural Challenges:

- ↑ Government-subsidized training programs

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<sup>10</sup> Bundesagentur für Arbeit, 2024

<sup>11</sup> Statistik Austria, 2023

<sup>12</sup> [Labour market information: Austria - European Union \(europa.eu\)](https://europa.eu/labour-market-information/austria)

↑ Flexible work arrangements

↑ Digital literacy initiatives

### **Common Challenges on the Labour Market Conditions**

#### **C6 – Reduced networking opportunities:**

Older workers face risks of workplace isolation, especially with remote work and this correlates with the challenge of maintaining professional relevance. Digital skills gap in an increasingly technology-driven workplace can lead to a reduction of opportunities at market level.

## **7. HEALTH CARE**

Germany and Austria share many similarities in their health care systems, providing high-quality medical services with good accessibility for their populations. Both countries have a **mix of public and private health insurance options**, with the majority of citizens covered by public health.

### **Access to Health Care**

In both Germany and Austria, access to health care is generally excellent. The health systems provide comprehensive coverage and low waiting times for most medical services. In Austria, residents report the lowest levels of unmet medical needs across the EU, indicating exceptional accessibility. Germany also boasts high accessibility, with very few people reporting unmet medical needs.

Both countries have a dense network of hospitals and medical practices, ensuring that medical care is readily available in urban and rural areas alike. However, there are some regional disparities, particularly in rural areas where specialist care may be less accessible.

### **Quality of Care**

The quality of medical care in both Germany and Austria is high. Both countries have well-equipped hospitals and medical facilities, and their health professionals are highly trained. They also benefit from advanced medical technologies and treatments. However, there are ongoing efforts to improve care coordination and reduce fragmentation between different levels of care, particularly in Germany.

### **Health Insurance**

Germany	Austria
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Public health insurance (Gesetzliche Krankenversicherung) covers about 90% of the population.	Nearly the entire population is covered by social health insurance.
It is available for income earners, self-employed individuals, and civil servants.	Private health insurance exists as a supplement to public insurance, often used for additional services or improved hospital accommodations.
Public insurance contributions are income-based, with employers covering half the cost for employees.	

For the 55+ workforce, these health care systems provide a strong foundation for maintaining health and productivity. However, there may be a need for more targeted preventive care and occupational health services to address the specific needs of older workers.

### **Common Challenges on Health**

#### C7 – Preventive care and specialized health-services:

The general population have more illnesses and needs as they age, so it is not only important that the health system is widespread and public, but the system needs to be functional, effective and specialized. In Austria, for example, there has been some requests for a better coordination between hospital and outpatient care. Additionally, public health could raise awareness more actively about lifestyle-related health issues (e.g., smoking, alcohol consumption).

## **8. WELL-BEING**

The well-being patterns of older employees in Austria and Germany reflect a combination of physical, mental, and social health factors influenced by national policies, workplace practices, and personal circumstances. Both countries have recognized the importance of creating supportive environments for older employees, ensuring that their well-being is maintained as they age and continue to participate in the workforce.

<b>Physical</b>	<p>In Germany and Austria, the physical well-being of workers aged 55+ presents a mixed picture.</p> <p>Nearly half (49.2%) of adults aged 50-59 in Germany have two or more chronic health conditions, with this percentage increasing with age. By the age of 80, the prevalence of multimorbidity becomes even more significant.</p>
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	<p>Physical activity levels among older workers vary, but there's a growing awareness of the importance of maintaining an active lifestyle.</p> <p>Both countries have initiatives promoting workplace health programs, encouraging regular exercise and proper nutrition.</p>
<b>Mental</b>	<p>Mental health is a growing concern for the 55+ workforce in both countries.</p> <p>Access to mental health services is generally good in both countries, with comprehensive healthcare systems. However, there's still room for improvement in addressing mental health stigma in the workplace and providing tailored support for older workers.</p>
<b>Social</b>	<p>The quality of social networks for 55+ workers in Germany and Austria is generally strong, supported by a culture that values community engagement. Many older workers participate in social clubs, volunteer organizations, and community activities.</p> <p>Support systems within the workplace are evolving, with an increasing number of companies recognizing the value of intergenerational teams and mentorship programs.</p> <p>However, there's still a need for more structured support to fully leverage the experience of older workers.</p>
<b>Economic</b>	<p>The economic well-being of 55+ workers in Germany and Austria is relatively stable, supported by robust social security systems and labor laws.</p> <p>The employment rate of 55 to 64-year-olds in Germany rose from 62% in 2012 to 72% in 2021, indicating improved job market conditions for older workers.</p> <p>In Austria, the employment rate for the same age group (55-64) was 56.4% in 2022, which is below the EU average. Long-term unemployment remains a concern, particularly in Austria where the long-term unemployment rate among 55-64-year-olds is 49.3%. However, initiatives like the "50+ Employment Initiative" are aimed at improving this situation.</p> <p>Both countries offer partial retirement options, allowing older workers to reduce their working hours with minimal financial losses. This flexibility contributes to income and employment stability.</p> <p>Economic policies in both countries are increasingly focusing on retaining older workers in the labor market. For instance, Austria is gradually equalizing the retirement age for men and women, and both countries offer incentives for working beyond the statutory retirement age.</p>