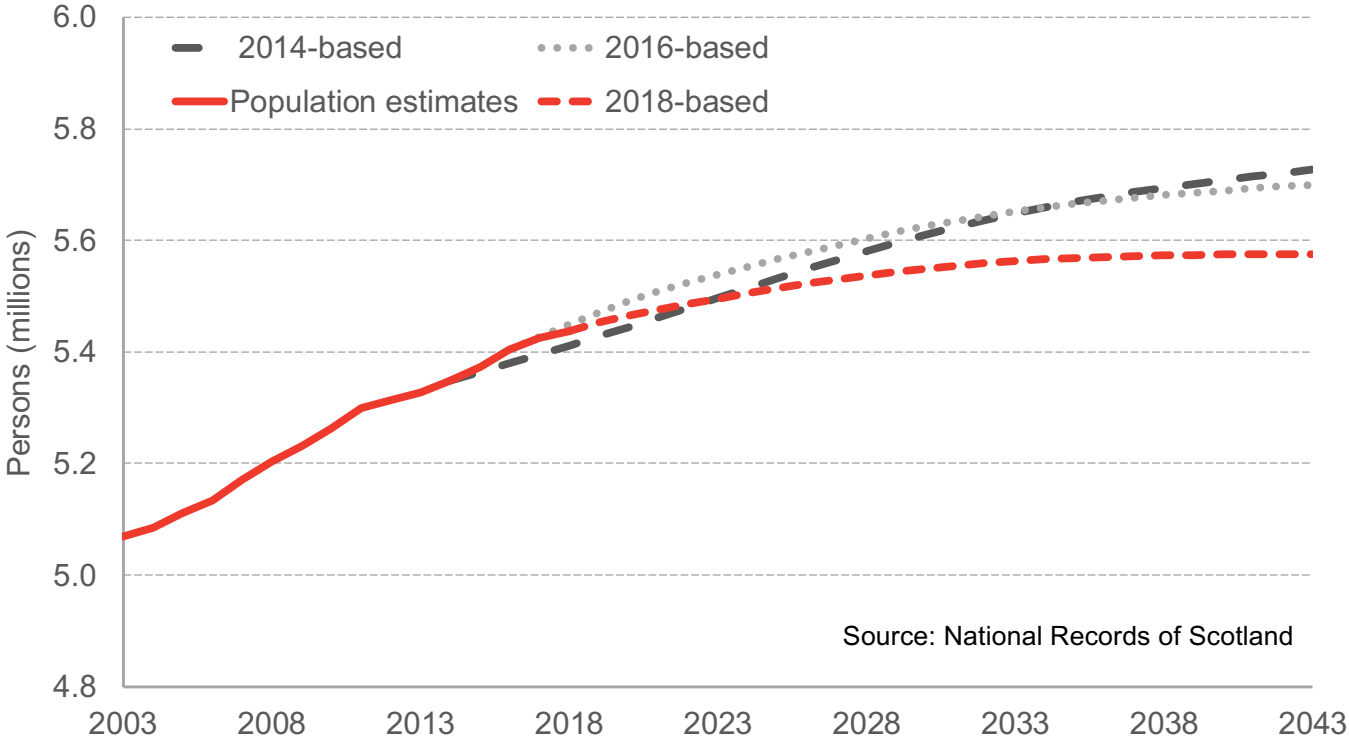

Scotland's population: the outlook

Professor Graeme Roy
26 November 2019



A growing population.....

Chart: 2018 Population projections for Scotland: 2043

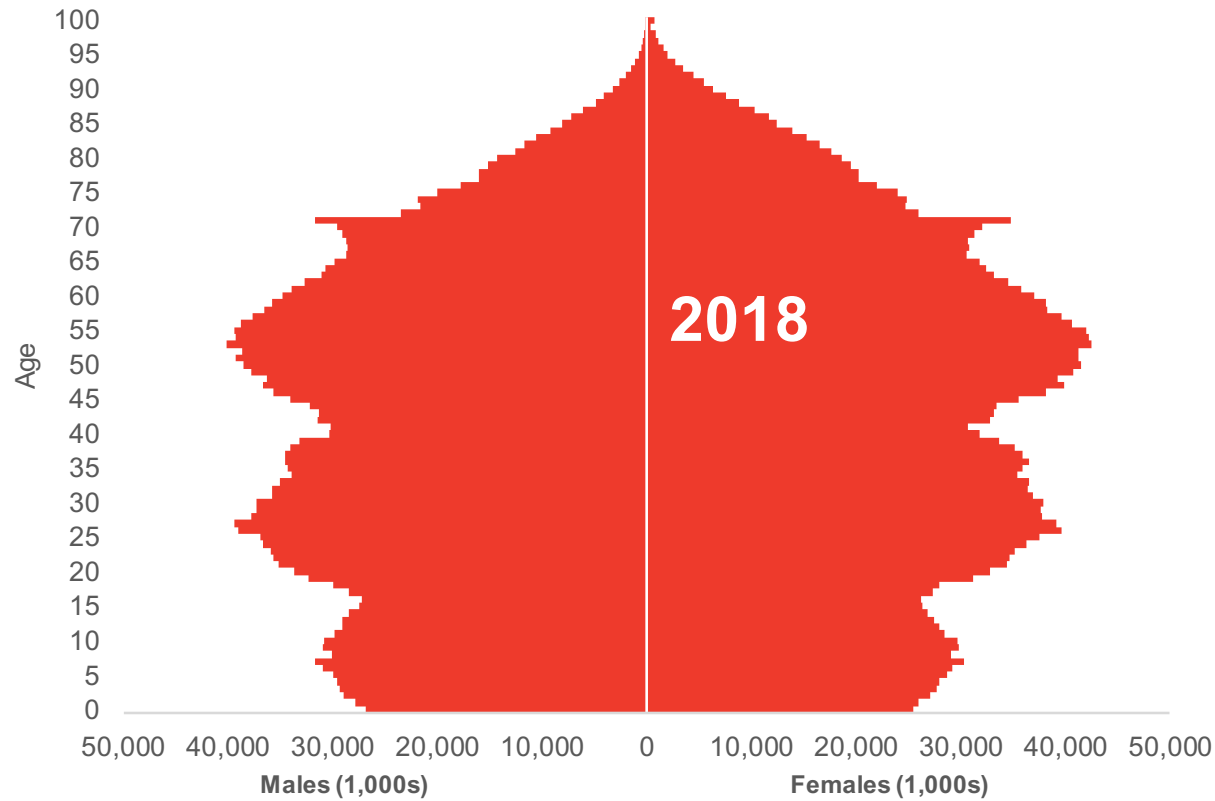


Source: National Records of Scotland

Source: National Records of Scotland

.....but also an ageing one

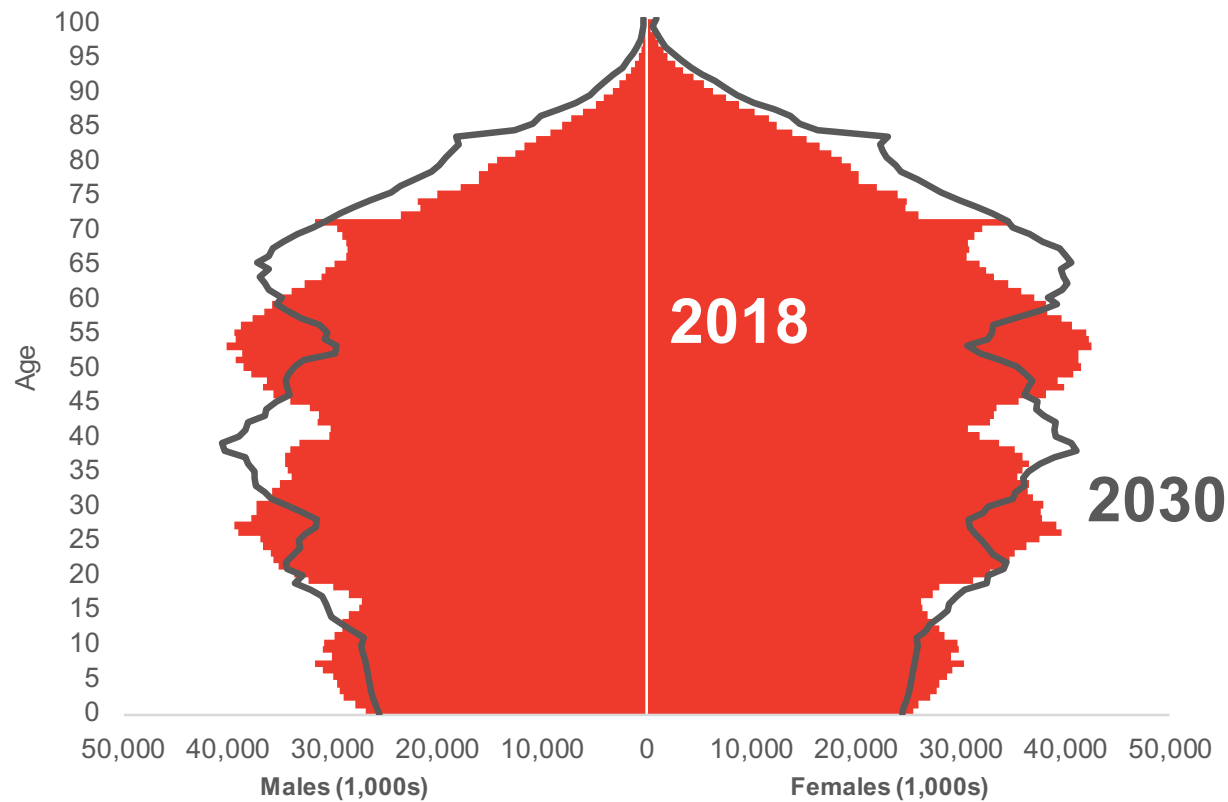
Chart: Age profile for Scotland



Source: National Records of Scotland

.....but also an ageing one

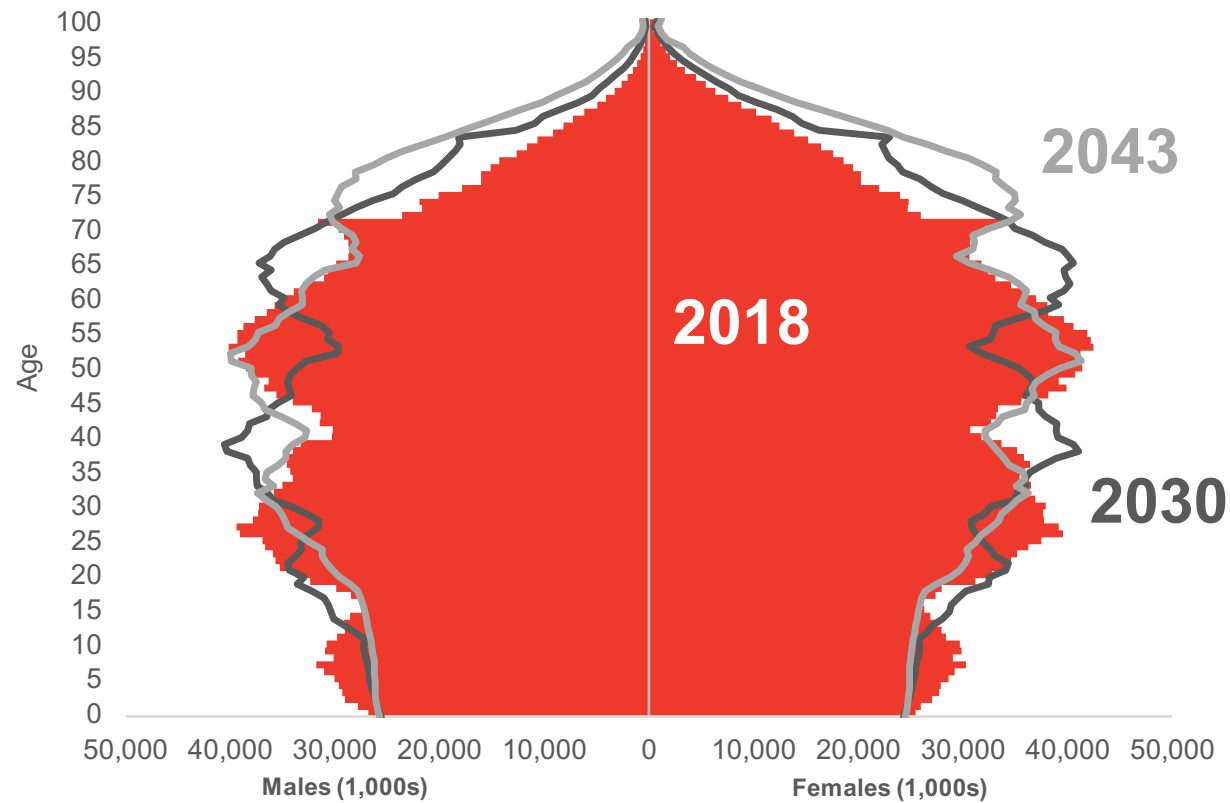
Chart: Age profile for Scotland



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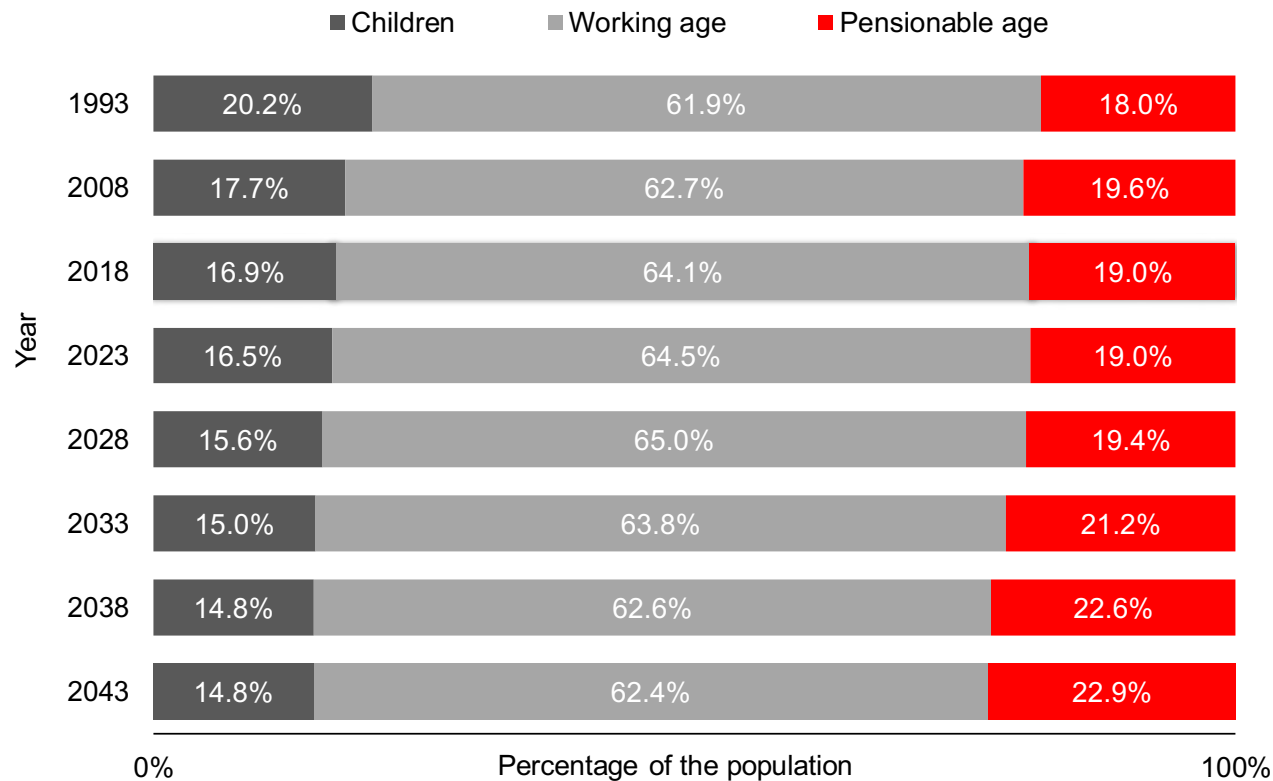
Chart: Age profile for Scotland



Source: National Records of Scotland

With squeeze most acute on 'working age'

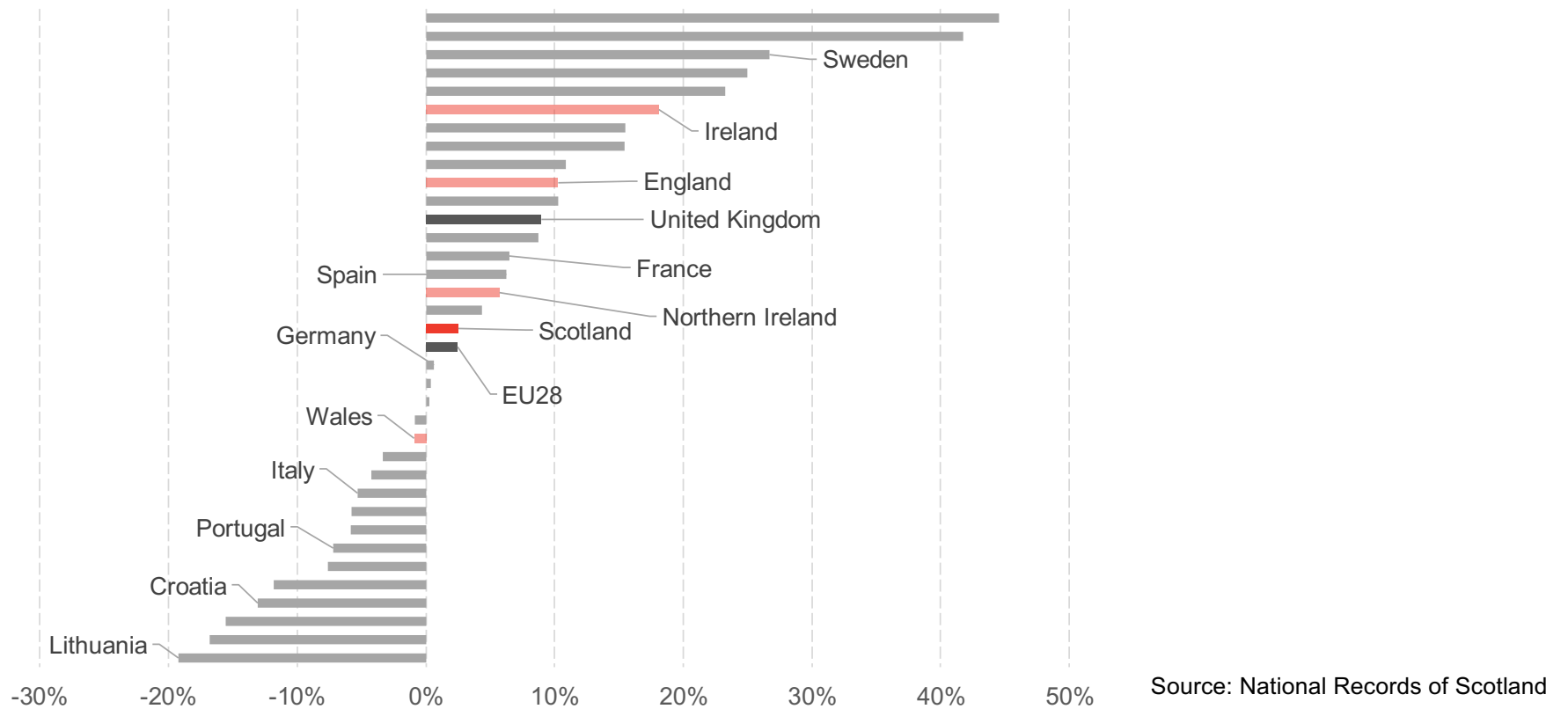
Chart: 2018 Population projections for Scotland: 2043



Source: National Records of Scotland

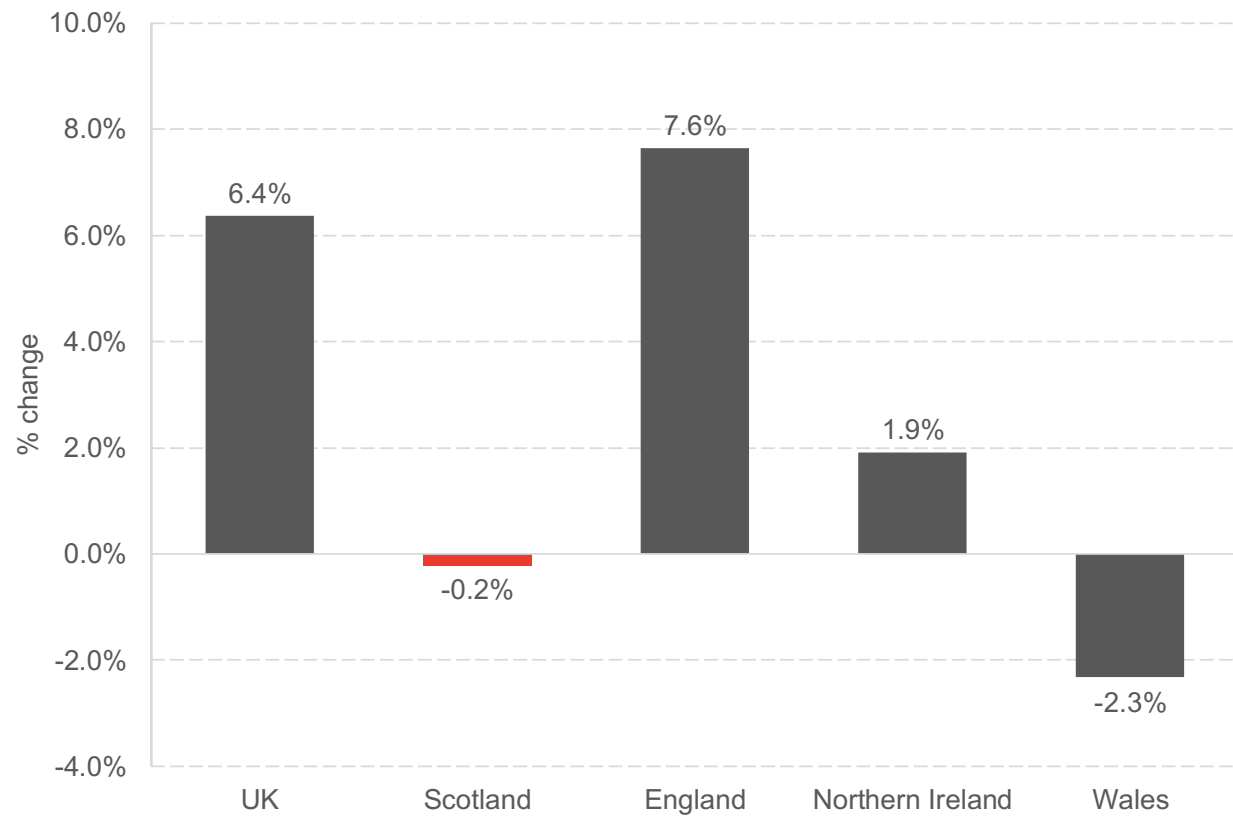
How does Scotland compare in EU?

Chart: Projected change in population by EU country: 2018 to 2043



How does Scotland compare to rUK?

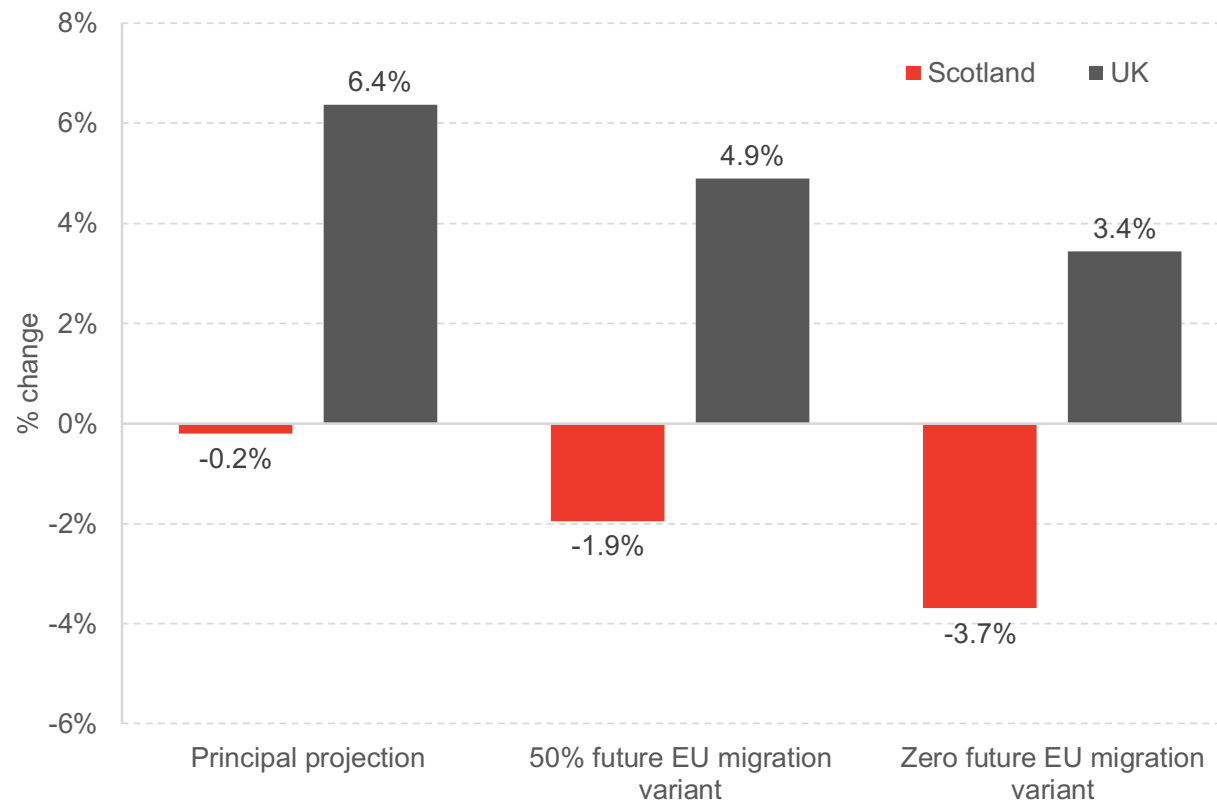
Chart: Change in working age population by UK nation: 2018 to 2043



Source: National Records of Scotland

Outlook for working age: EU migration

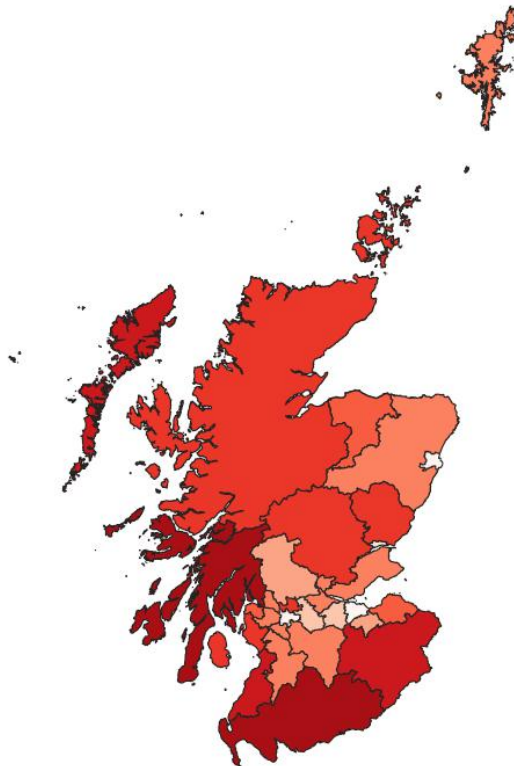
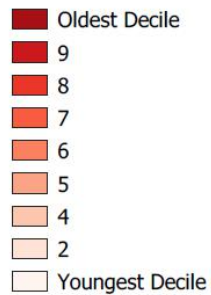
Chart: Change in working age population different migration from EU 2018 to 2043



Source: National Records of Scotland

Regional variations

Chart X: Average age by local authority



5 Oldest

Dumfries and Galloway	48.9
Argyll and Bute	48.9
Na h-Eileanan Siar	48.5
Scottish Borders	48.4
South Ayrshire	48.2

...

Scotland average

42.0

...

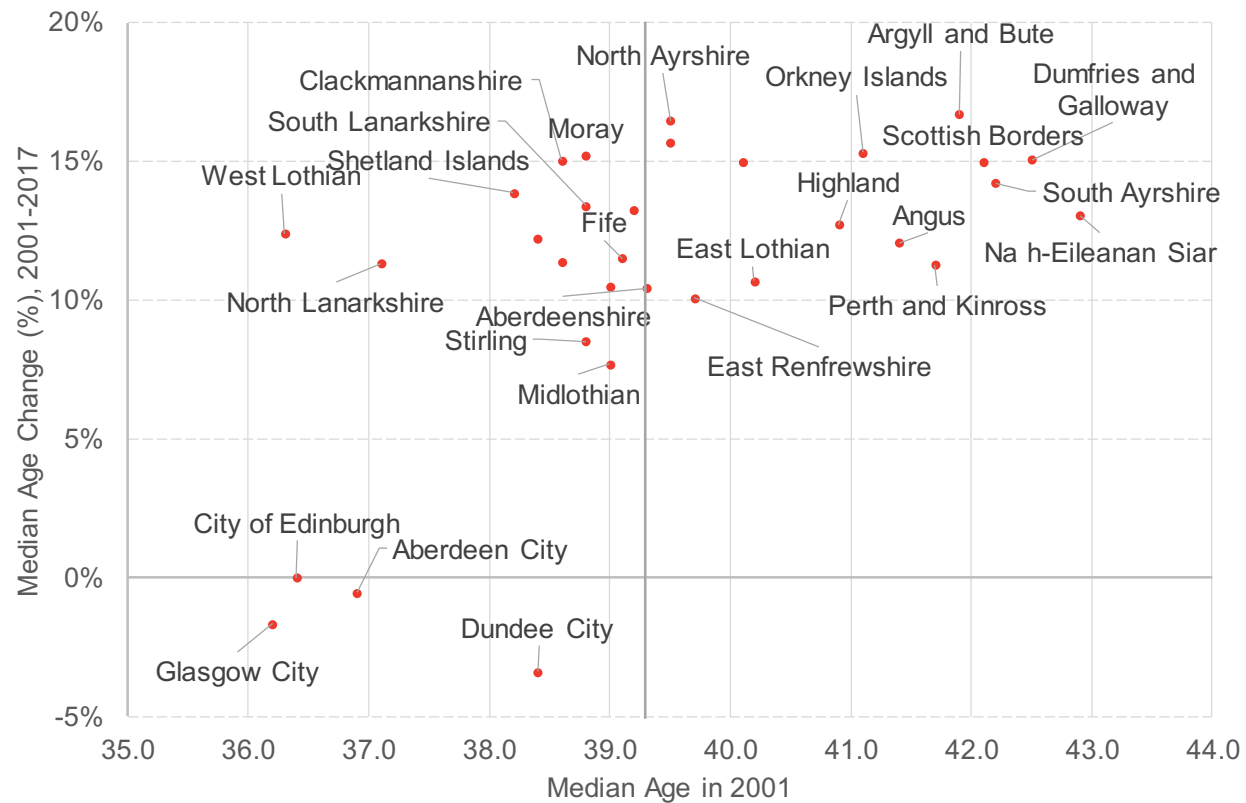
5 Youngest

West Lothian	40.8
Dundee City	37.1
Aberdeen City	36.7
City of Edinburgh	36.4
Glasgow City	35.6

Source: National Records of Scotland

Older areas getting older.....

Chart: Change in working age population by UK nation: 2018 to 2043



Source: National Records of Scotland & Fraser of Allander calculations








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Implications for the economy



Low migration scenario: impact on economy

 GDP	-1.9%
 GDP per head	-2.2%
 Employment	-1.6%
 Household consumption	-1.0%
 Scottish Government spending	-0.7%

Long-term effects on Scotland's population of 'low migration' scenario

NB: All changes relative to baseline



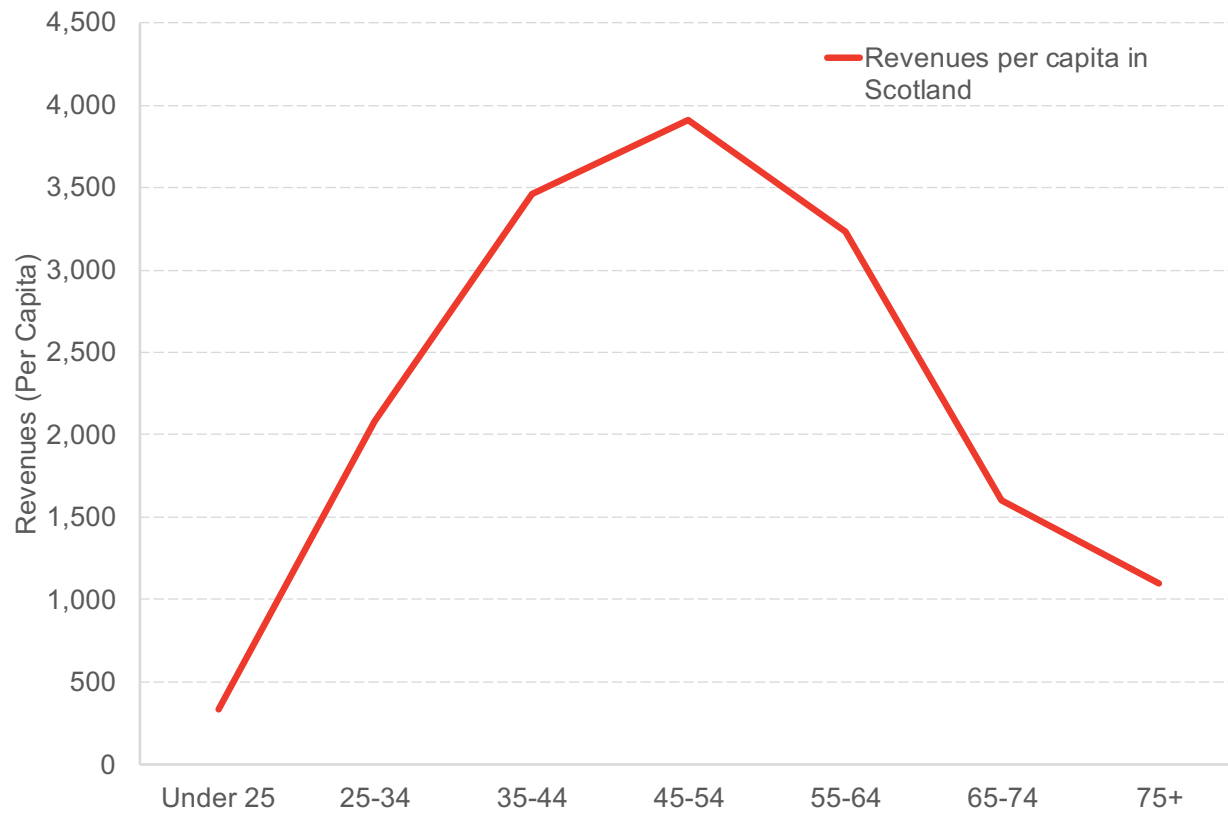
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Implications for the public finances



Tax paid varies by age.....

Chart: Tax liabilities per capita by age in Scotland



Source: Fraser of Allander calculations

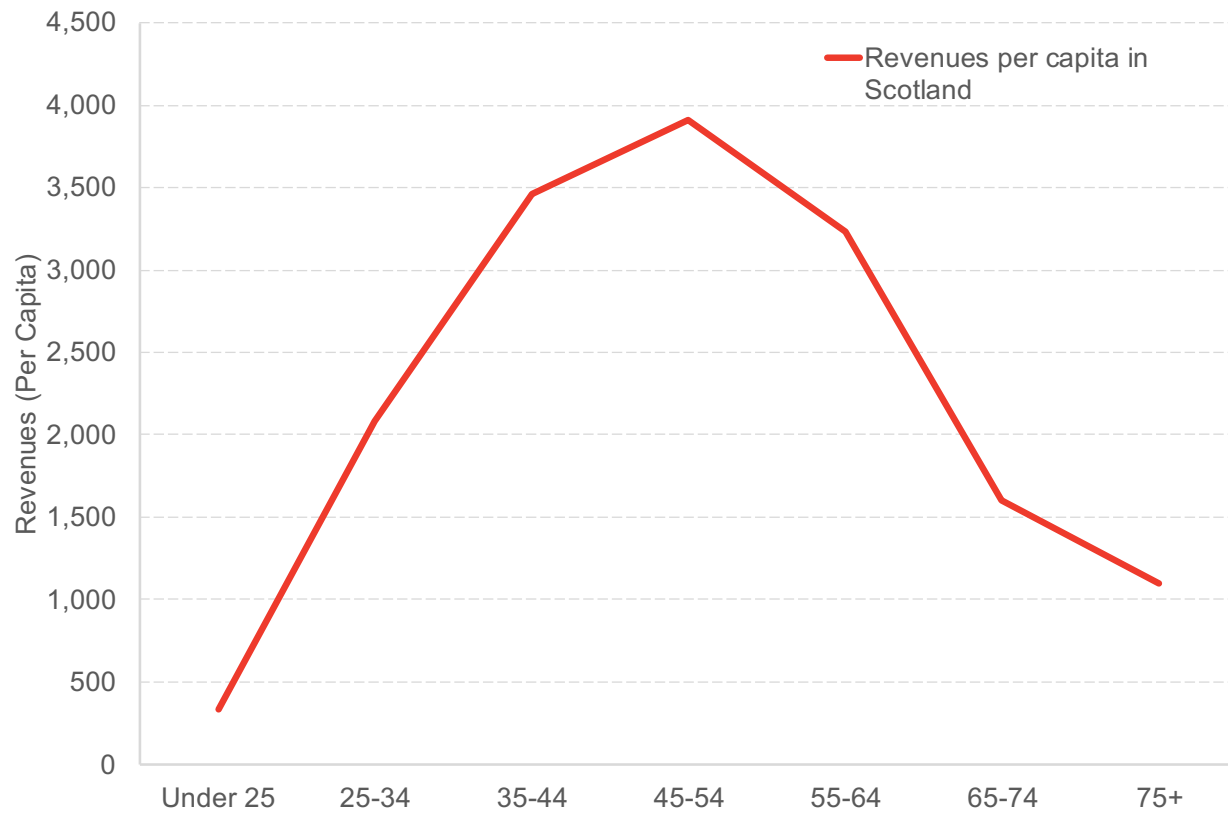
The Fiscal Framework



- BGA: counterfactual estimate of tax revenues foregone by UK Government
 - If Scottish revenues grow faster than BGA, Scottish budget is better off than without tax devolution.....and vice versa
-

Tax paid varies by age.....

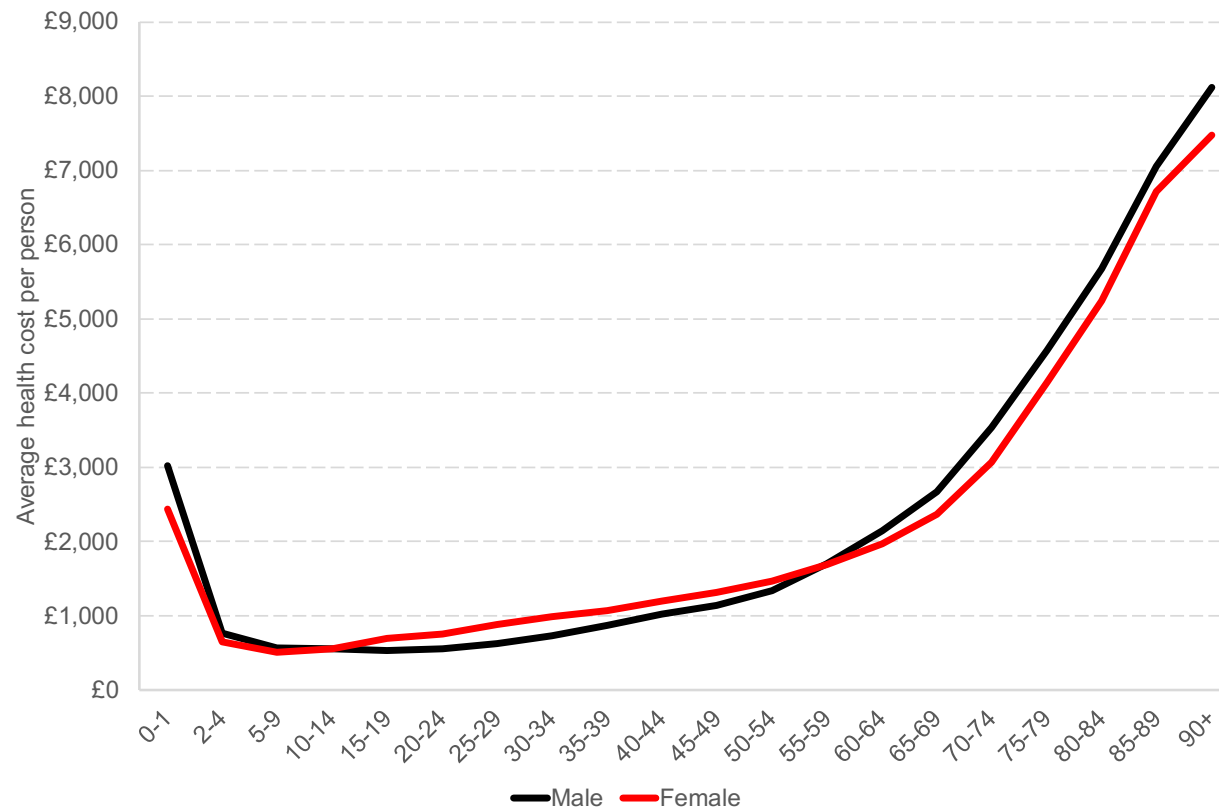
Chart: Tax liabilities per capita by age in Scotland



Source: Fraser of Allander calculations

Rising health costs.....

Chart: Average health costs by age



Source: Fraser of Allander calculations

Long-term spending pressures



37% of the Scottish Budget in 1999
~50% of the Scottish Budget by 2020



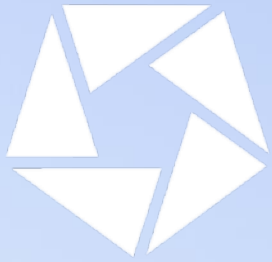
8% of GDP in 2017-18
15% of GDP by 2067-68



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Policy reflections: déjà vu!





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