



EUROPEAN CENTRAL BANK

EUROSYSTEM

Benoît Cœuré

Member of the Executive Board

Generation Euro – What Europe can do for you

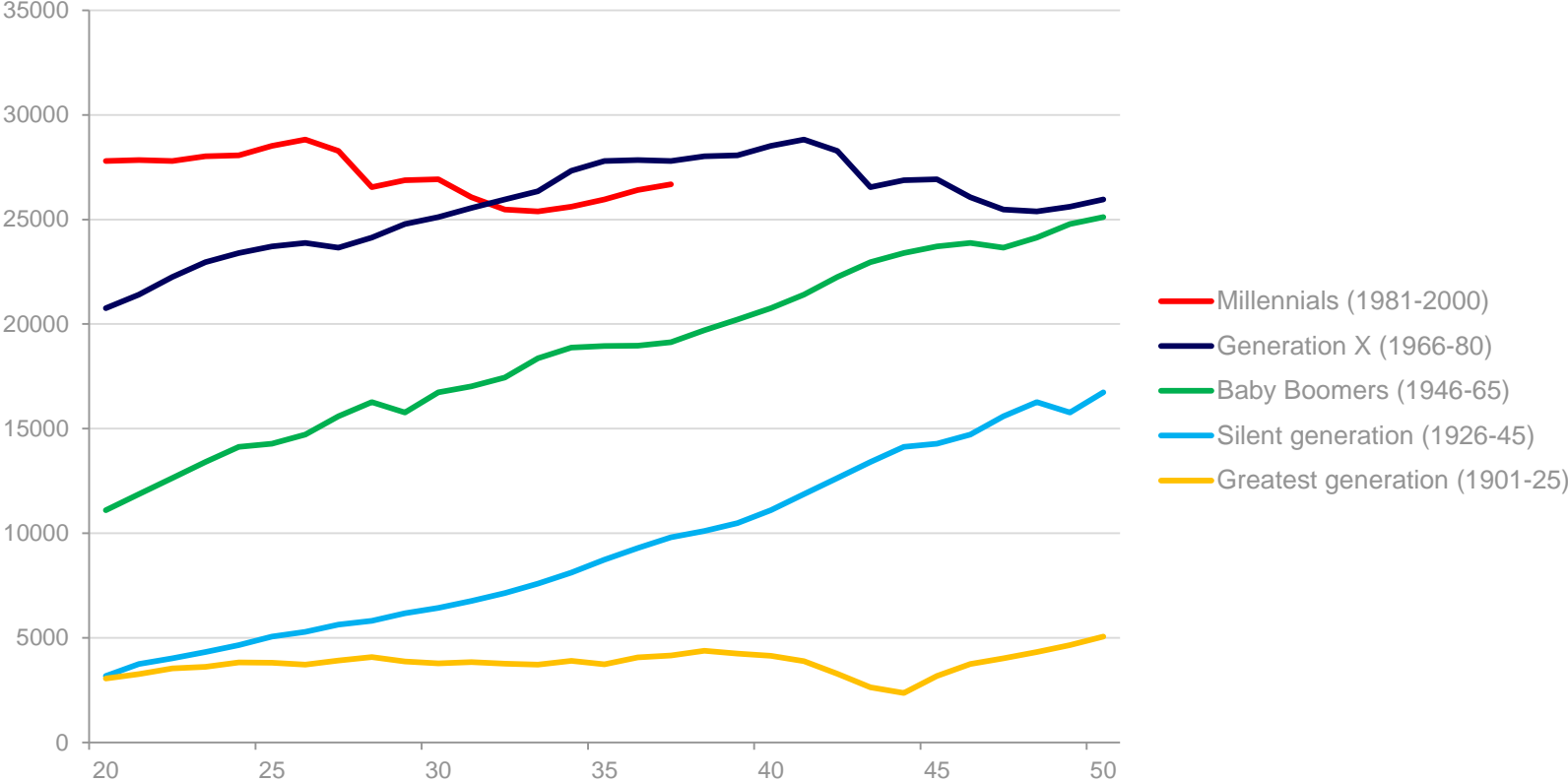
Bocconi University,

13 March 2019

Every generation has enjoyed higher living standards

Real GDP per capita in Italy

Horizontal axis: age; vertical axis: euro

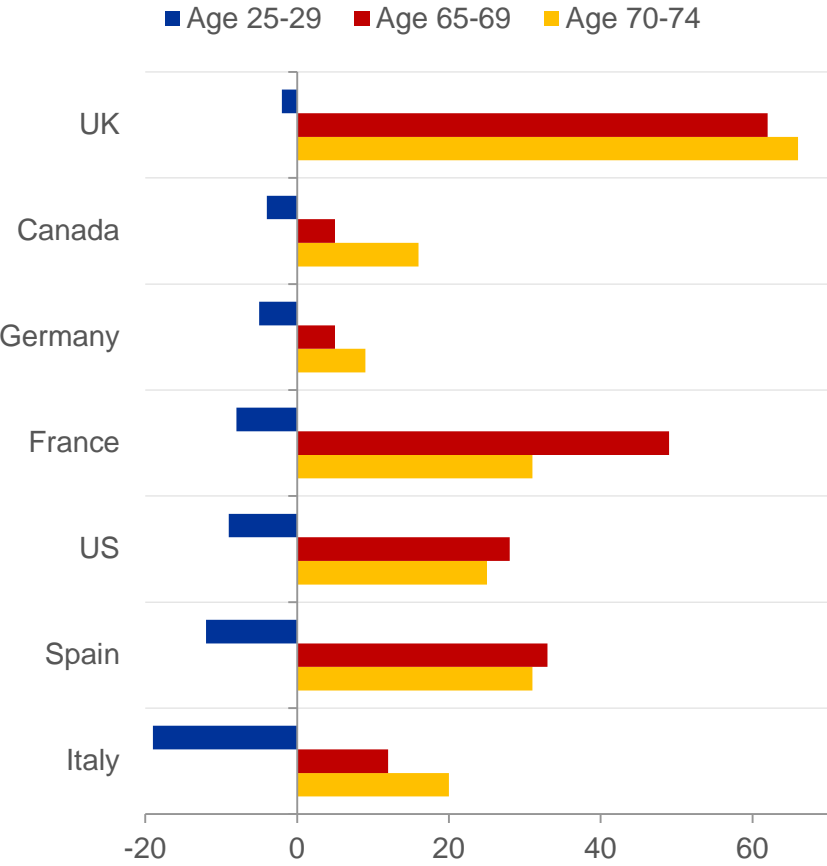


Source: Haver and ECB calculations.

Notes: There are no precise dates for when generations start or end. See, for example, Dimock, M. (2019), "Defining generations: Where Millennials end and Generation Z begins", Pew Research Center. The chart shows how income levels for each generation have evolved from the age of 20 onwards and is based on the start year for each generation, e.g. for the "greatest generation" the chart shows real GDP per capita from 1921 onwards. For the millennials the chart starts in 2001 and the latest data point is 2018.

Household disposable income growth

(percentage growth in household disposable income above or below national average growth rate, by age of head of household or spouse)

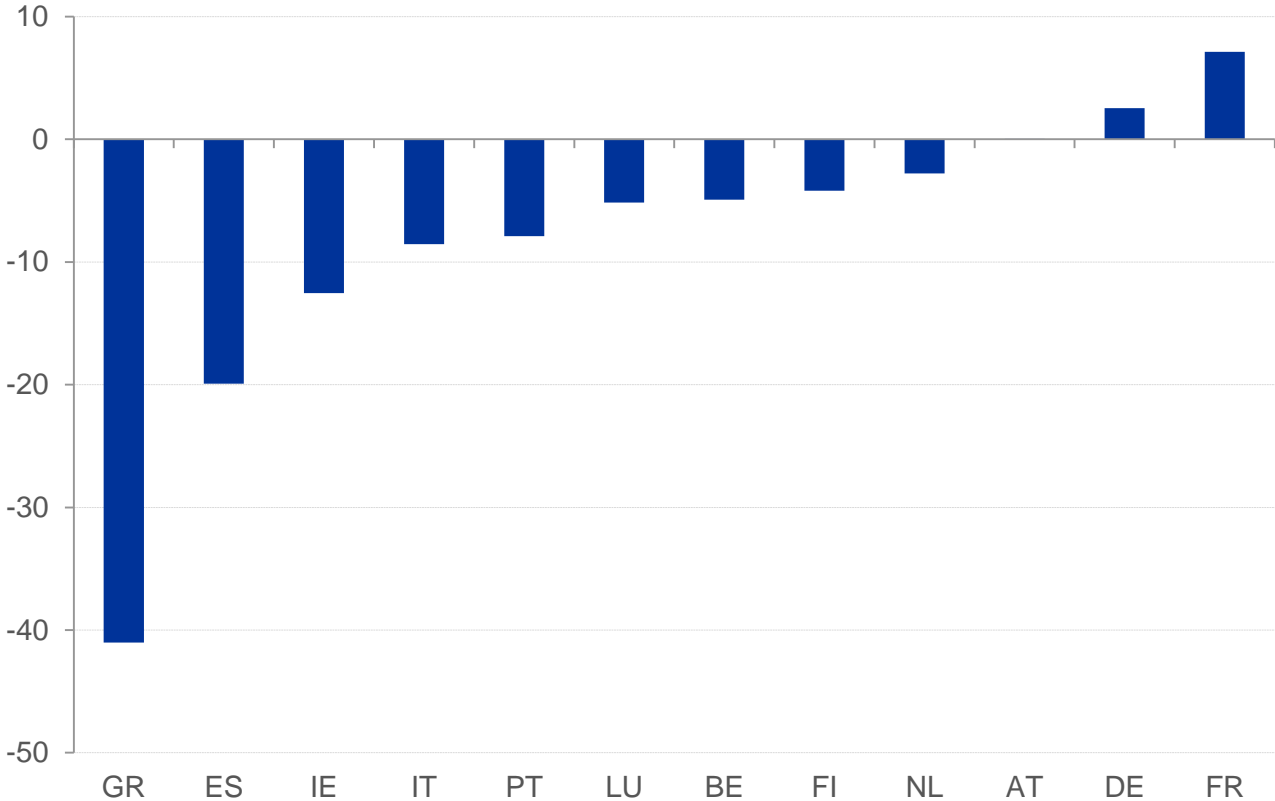


Source: Luxembourg Income Study Database.
Note: Start years: 1978 (France, Germany), 1979 (UK, US), 1980 (Spain), 1986 (Italy), 1987 (Canada). End year: 2010.

Real incomes of the young fell in many euro area Member States since the crisis

Real median equivalised net income in selected euro area Member States

(percentage change 2017 vs 2009; HICP deflated; ages 16-24)

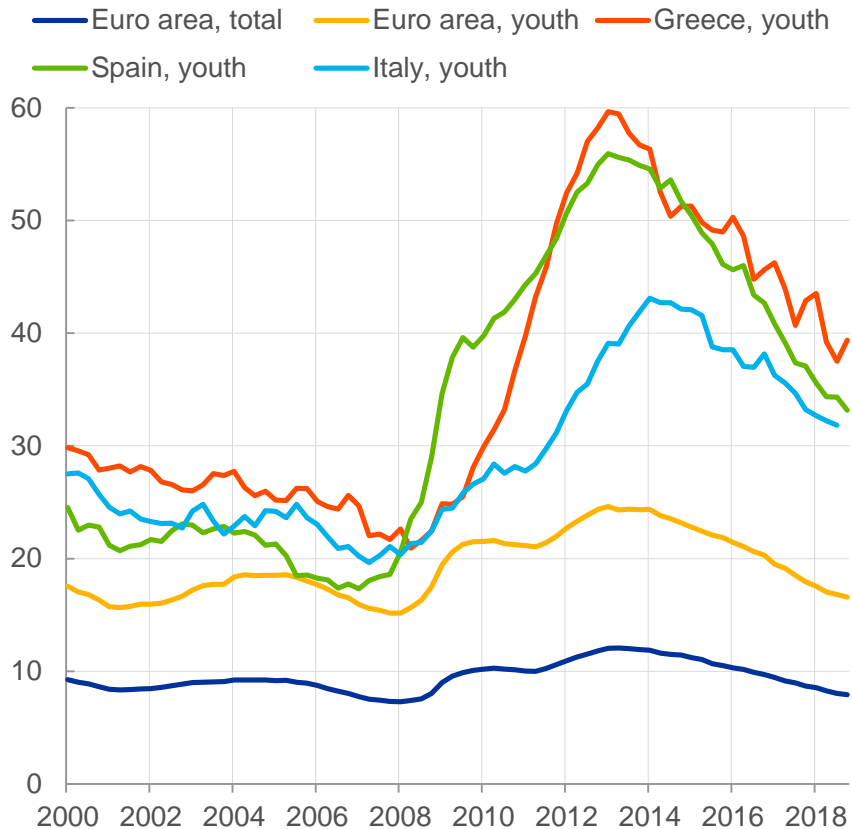


Source: EU SILC and ECB calculations. Coverage reflects the 12 EU Member States that introduced euro coins and banknotes in 2002.

Youth unemployment remains structurally high

Total unemployment and youth unemployment

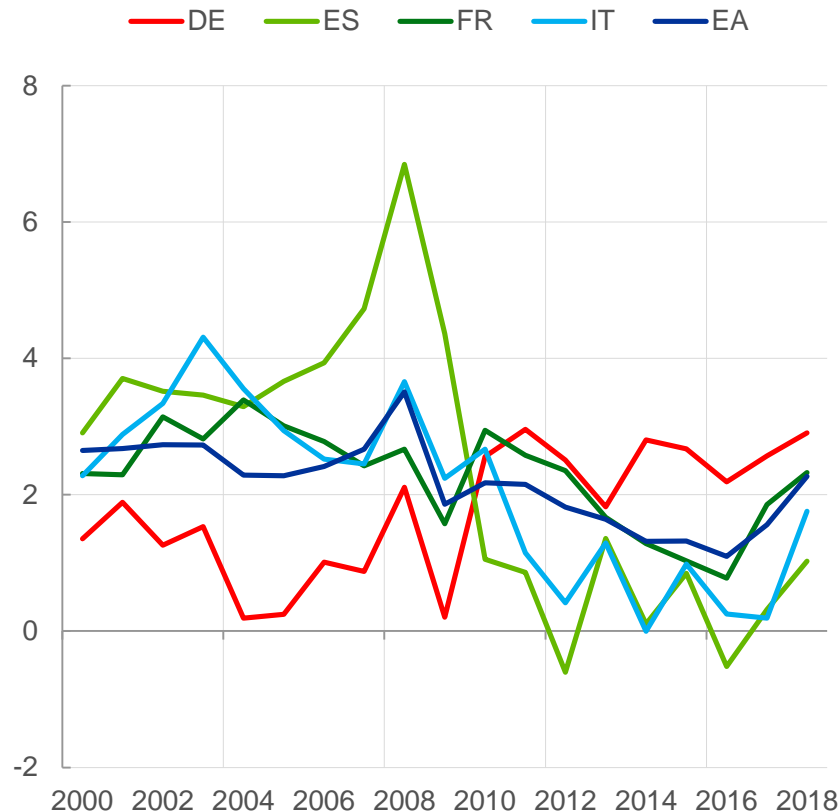
Percentages, youth unemployment: under 25 years



Source: Eurostat.

Compensation per employee

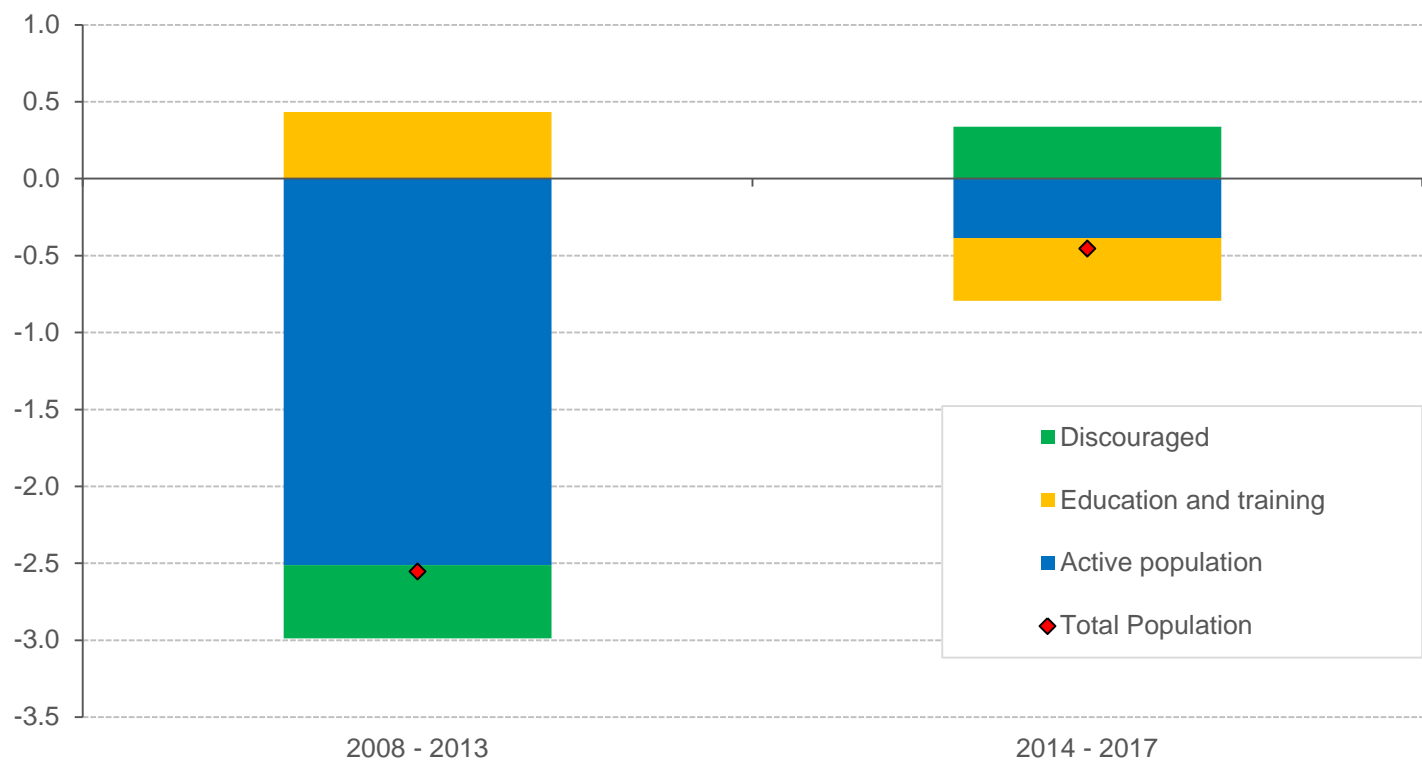
Annual percentage change



Source: DG ECFIN AMECO database.

Cumulative change in euro area young labour force

In millions, age 15-24



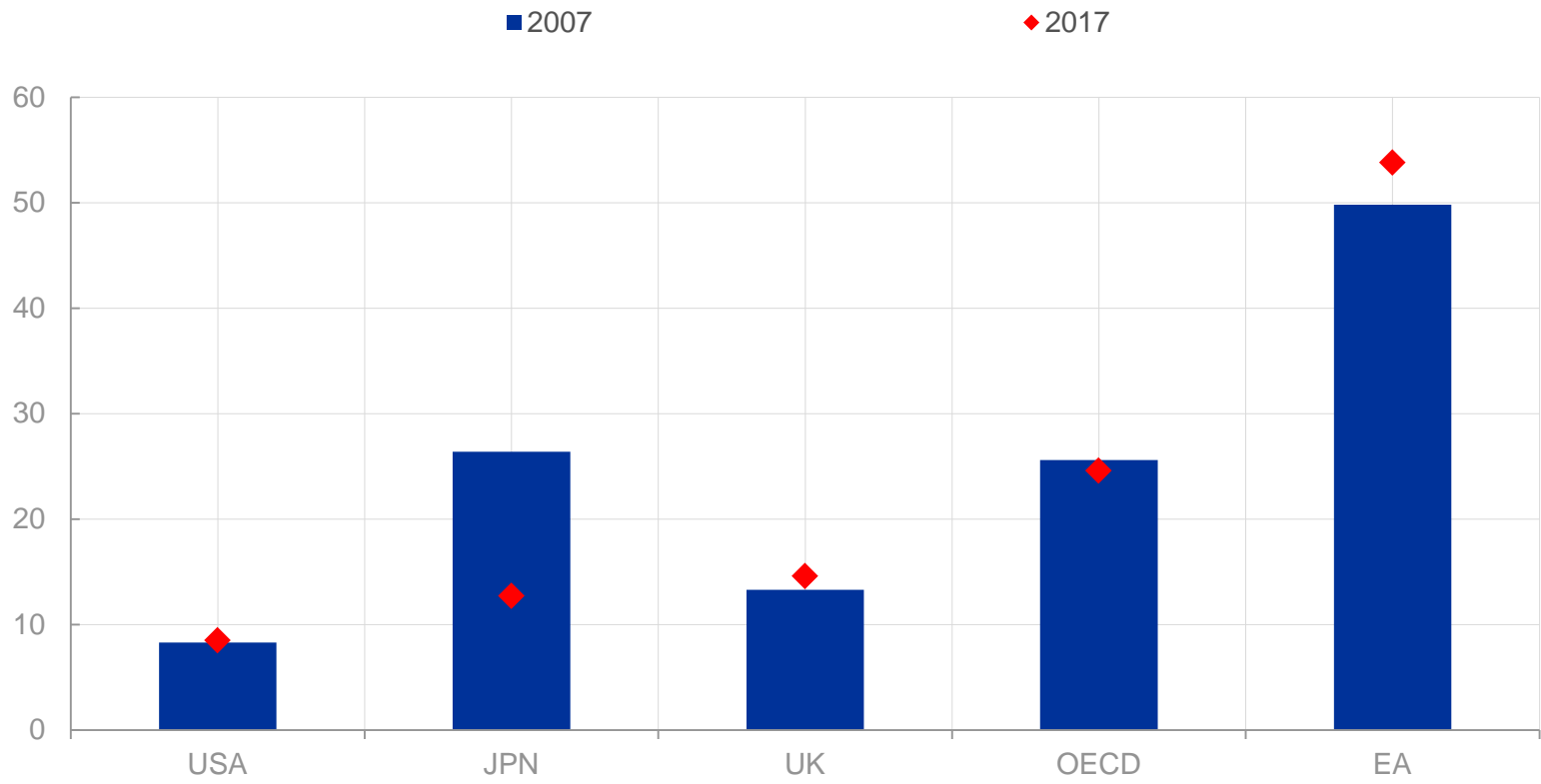
Source: Eurostat.

Notes: Discouraged are defined as individuals not in employment, education or training. Individuals in education and training are obtained by subtracting from the total population aged 15-24 those that are employed and those that are discouraged.

Many young Europeans work on temporary contracts

Share of temporary workers aged 15 to 24

Percent of total employees



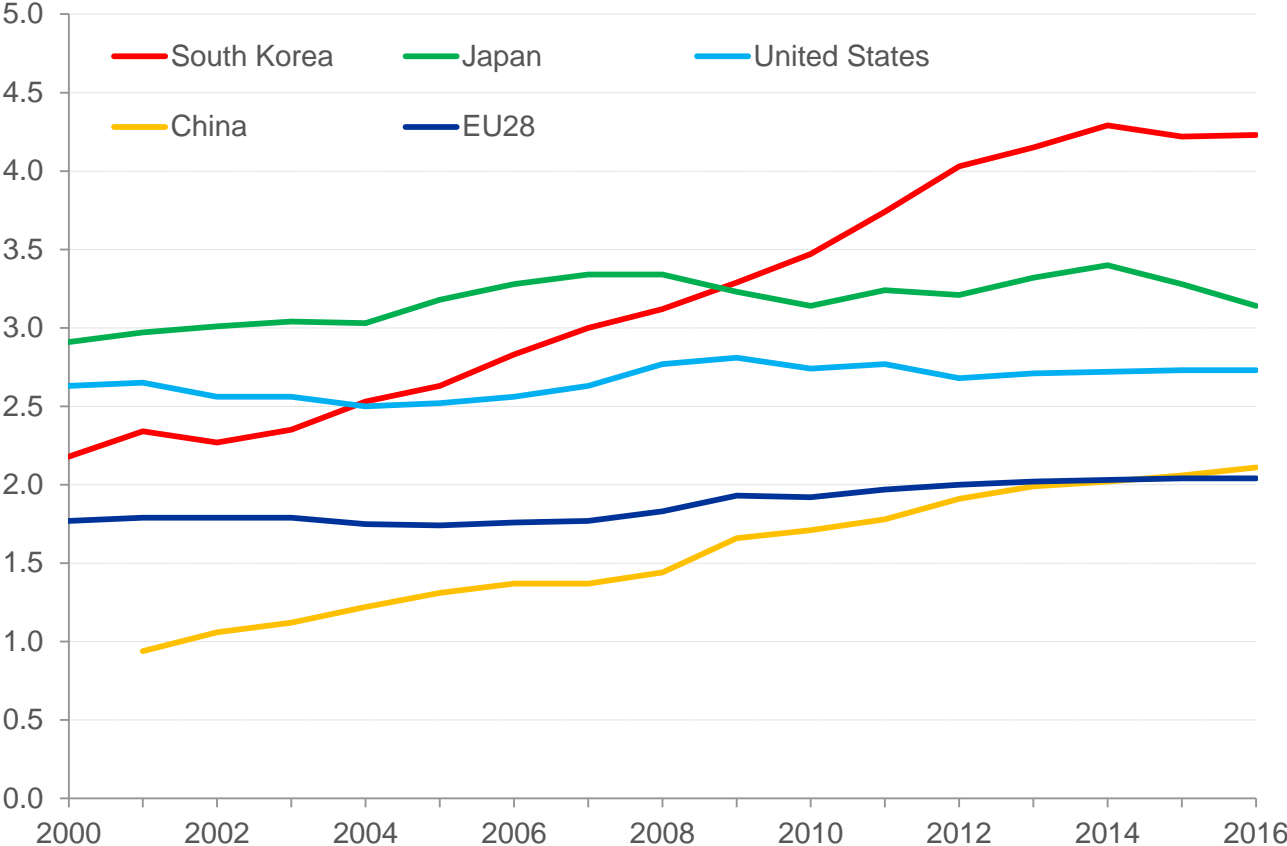
Source: OECD and Eurostat.

Note: Data for the United States refer to contingent workers. The blue bar for the United States refers to 2005.

Spending on research and development has stagnated in the EU

Research and development spending

Total economy spending as % of GDP

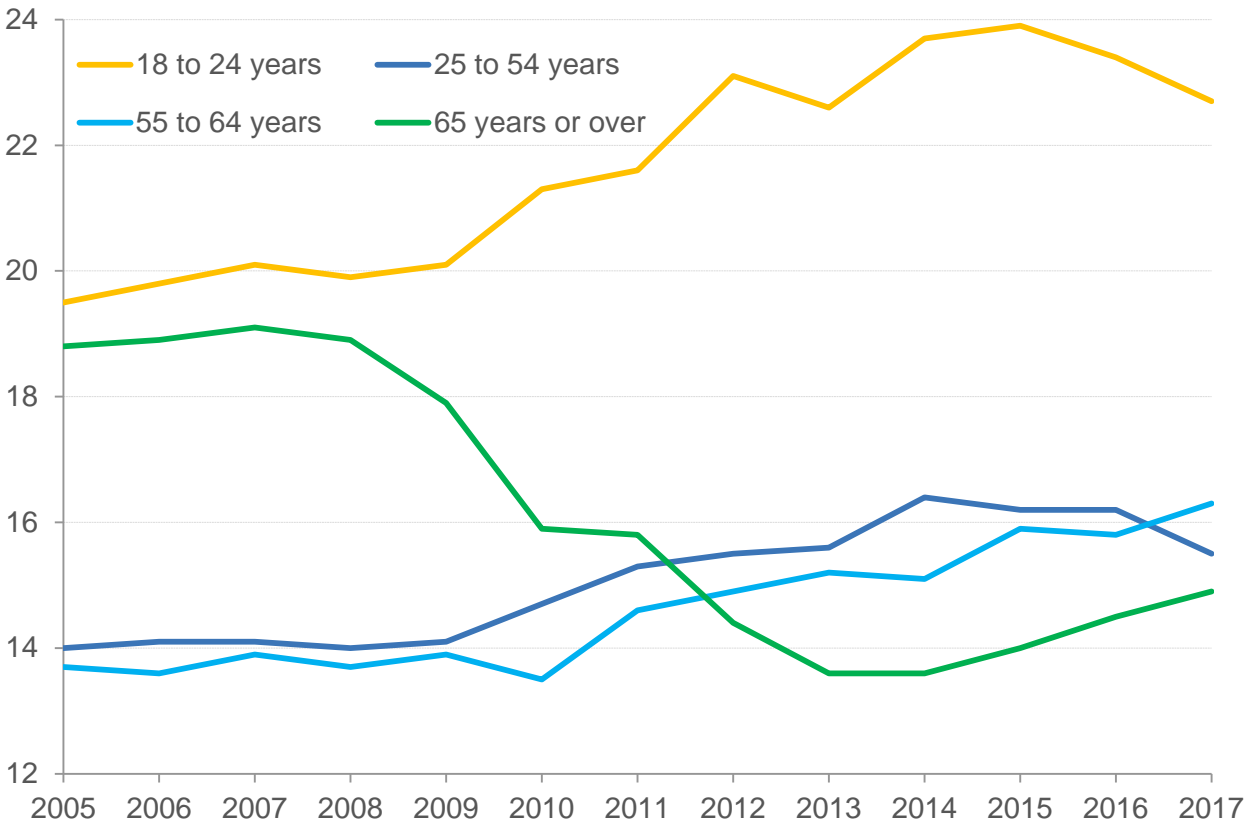


Source: Eurostat

The risk of youth poverty is high in the EU

Risk-of-Poverty in the EU27

Share of population

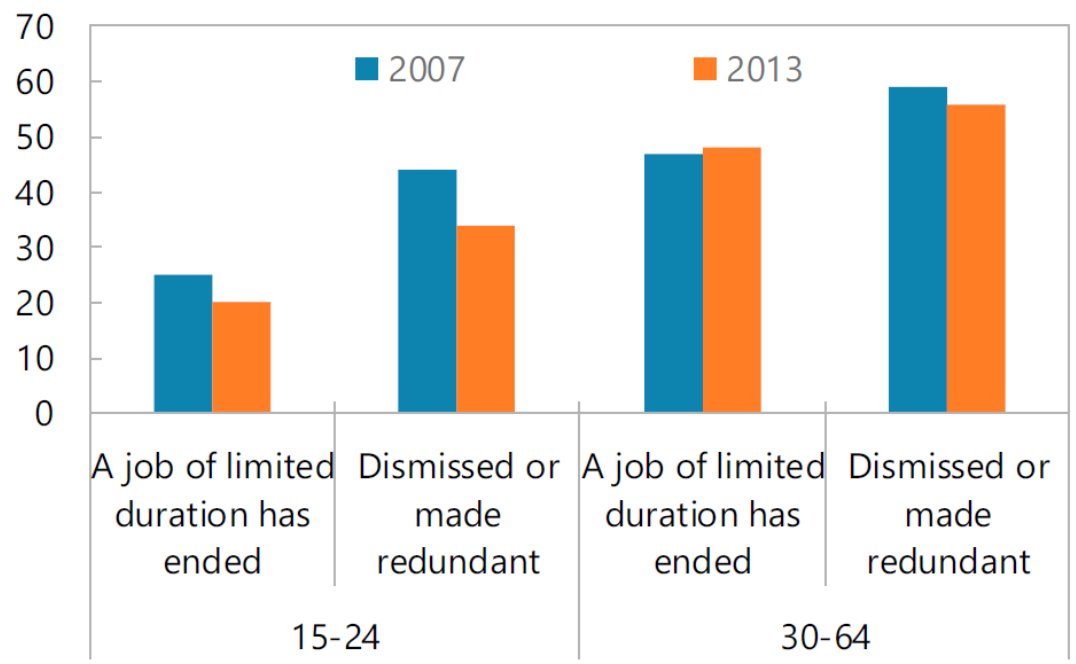


Source: Eurostat.

Note: The Eurostat definition for the at-risk-of-poverty rate refers to the share of people with equivalized disposable income (after taxes and social transfers) below the at-risk-of-poverty threshold, which is set at 60 percent of the national median equivalized disposable income. Data refer to EU27 for coverage reasons.

Beneficiaries of unemployment benefits in the EU by age group and type of contract

Percent of unemployed



Source: Janine Leschke (2015).

- Youth unemployment in the euro area fell from 25% in the peak to 17% today
- Share of young people neither in employment nor in education below pre-crisis level
- Under the EU's youth guarantee, since 2014 each year more than 3.5 million young people have found support

Thank you for your attention