

## Macro Roundup Article

**Headline:** [Ageing Populations 'Already Hitting' Governments' Credit Ratings](#)

**Article Link:** <https://www.ft.com/content/f434c586-db1f-4d81-8b29-989db5c78f72>

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Publication	Financial Times
Publication Date	May 17, 2023

**Tweet:** Rating agencies are reporting that demographics are impacting governments credit ratings globally. S&P; has forecast that, in the absence of policy reforms, half of the world's largest economies will be downgraded to junk by 2060, up from 1/3 today. @FT

**Summary:** Marko Mrsnik, lead sovereign analyst at S&P Global Ratings, added that, according to an S&P stress test, a single percentage point increase in borrowing costs would increase debt to gross domestic product ratios for Japan, Italy, the UK and the US by around 40-60 percentage points by 2060. It estimated that, in the absence of reforms to ageing-related fiscal policies, the typical government would run a deficit of 9.1% of GDP by 2060, a huge increase from 2.4% in 2025. S&P also forecast that pension costs would rise by an average of 4.5 percentage points of GDP by 2060, reaching 9.5%, albeit with a large variation among countries. The rating agency projected that, between 2022 and 2060, healthcare spending would rise by 2.7 percentage points of GDP for the median country.

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**Topics:** Financial Markets, Fiscal Deficits, Fiscal Policy, GDP, News article

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