



Federal Institute for
Research on Building,
Urban Affairs and
Spatial Development

within the Federal Office for
Building and Regional Planning



Trends in population, households and labour force

Germany grows older, shrinks and becomes more colourful. This is not new. What is new, however, is that demographic changes now affect virtually all regions. The regional planning forecast 2030 of BBSR shows the key trends: Which regions are shrinking particularly quickly, and which ones are growing contrary to general trends? How does the age structure of the population shift? What does this mean for labour and housing markets? This publication provides empirically founded answers to these questions. Key findings:

- ***Moving from growth to shrinkage – decline in many rural areas.***
- ***The population ages – biggest increases among those older than 80 years.***
- ***The population becomes more diverse.***
- ***Number of households will increase – trend to smaller households.***
- ***The total labour force will decline slightly.***

Regional Planning Forecast 2030

Preface

Regional and urban planning depends on medium and long-term forecasts – especially these days when business and society are undergoing very rapid changes, and the question arises as to what the changes will mean for future regional and settlement structures in the Federal Republic of Germany. More so than ever before, regional and urban development policies are confronted with an especially urgent need for action and identifying room for manoeuvring, as well as adjustments to previous strategies, concepts and instruments. The regional planning forecast of the BBSR (German Federal Institute for Research on Building, Urban Affairs and Spatial Development) can provide technical support in this regard.

The present results of the regional planning forecast 2030 illustrate, by way of a kind of early warning, the extent of the medium-term demographic adjustment requirements in Germany in terms of regional and urban planning policy. The requirements are the highest where shrinkage and rapid ageing of the population meet – especially in peripheral rural areas in East Germany.

But in West Germany, too, there are increasingly more regions where action is becoming more and more pressing. It remains to be hoped that the demographics strategy tabled by the federal government in 2012 will be implemented in a way that sufficiently takes into account those factors.

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It is my pleasure to be able to present the key findings of the regional planning forecast 2030 and I would like to express my wish that all readers gain valuable insights.



(Director and Professor Harald Herrmann)

Trends in population, households and working population

The regional planning forecast aims to point to and quantify long-term trends in population, households and those who are gainfully employed in regions across the federal territory.

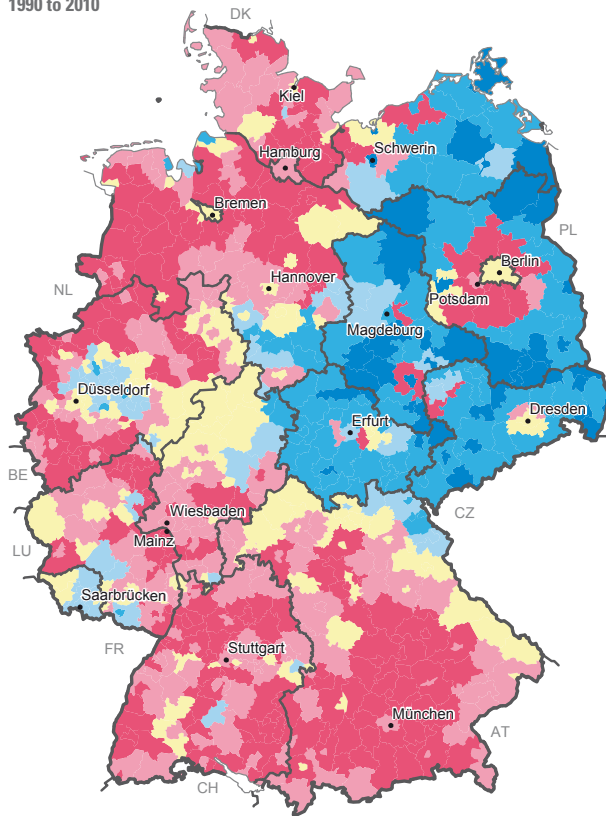
BBSR has published regular regional planning forecasts for over 30 years. Based on model computations, they determine trends with respect to the population, housing and the labour market. A regional planning forecast, however, is not to stoke fears about the future. Rather it is to help decision-makers to counter possible problems through preventive and shaping policies.

Moving from growth to shrinkage

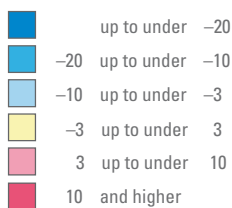
The current forecast, too, leaves no doubt: the population is shrinking in more and more cities and municipalities. In the 1990s especially, the population decrease was almost exclusively concentrated in the states of former East Germany. The demographic shift has meanwhile also

Figure 1

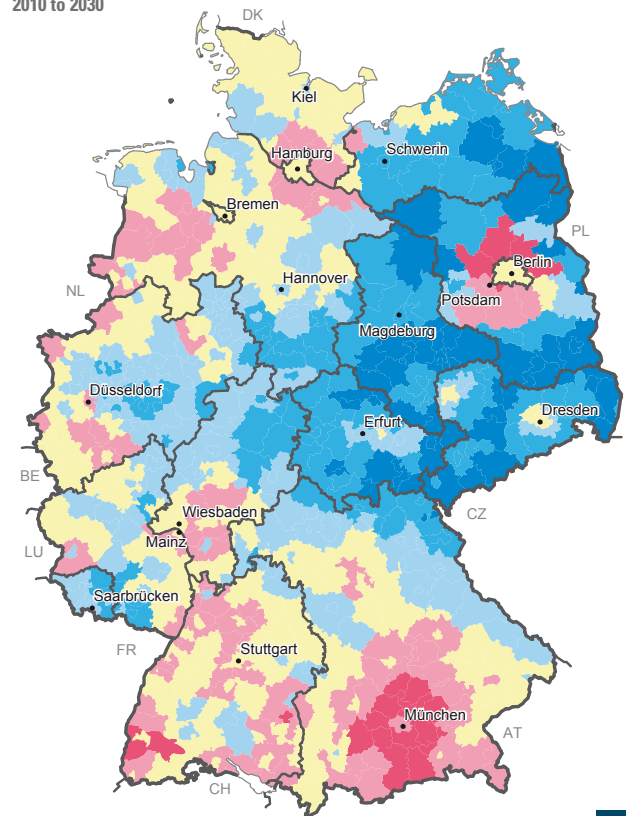
1990 to 2010



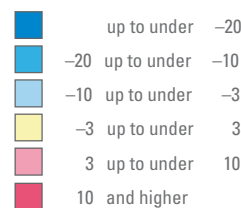
Change in population 1990 to 2010 in %



2010 to 2030



Change in population 2010 to 2030 in %



Data source: Ongoing spatial monitoring of BBSR, BBSR population forecast 2009 to 2030/ROP
Geometrical basis: BKG, forecasting 2010

reached the states of former West Germany. The regions affected by population decline include primarily the south of Lower Saxony and North Hesse, as well as Upper Franconia, the Bavarian Forest and, to provide an example from the West, the Ruhr area.

Growth and shrinkage have never been a matter of a pure city-country divide and will not become that either in future. However, the economically strongest agglomerations in the West, such as Munich, Stuttgart or Hamburg, are still more likely to be characterised by stable or even

increasing population numbers. But even some less densely populated areas, such as the Lake Constance region or the west of Lower Saxony, are still growing. The contrast is particularly stark in the east of Germany. Except for Berlin, it is mainly Leipzig and Dresden that are still among the few „islands of stability“ in the states of former East Germany. But the decline is even more pronounced in many rural areas, such as in Mecklenburg-Western Pomerania, Saxony-Anhalt and parts of Brandenburg. Here, the population is expected to decline by around 20% by 2030.

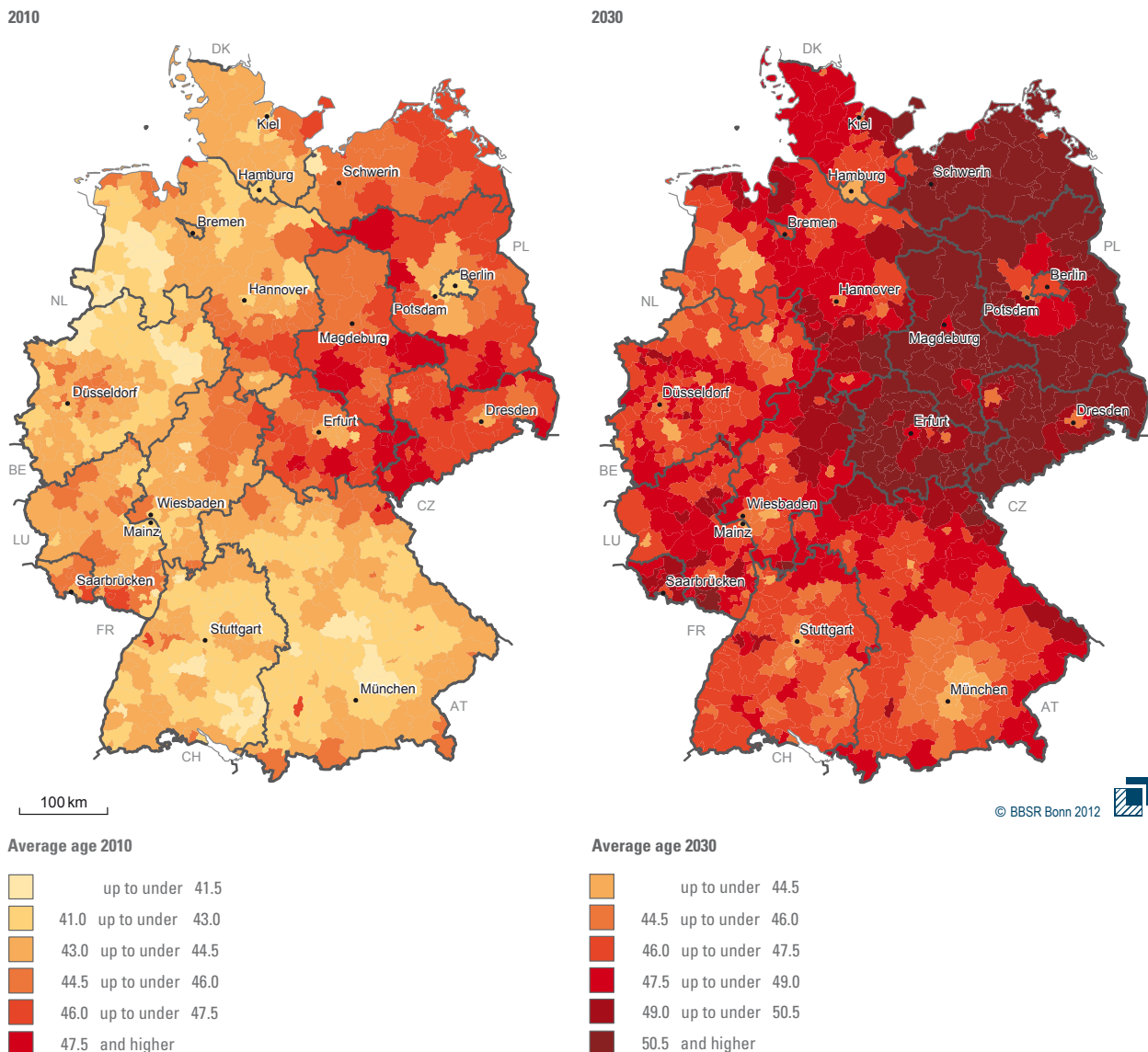
The population ages ...

No region in Germany is exempt from demographic ageing. But there are great differences between sub-regions. Overall, the mean age will rise from currently 43.7 years to approx. 47.1 years in 2030. There will be fewer and fewer young people, and more and more older people.

Most major cities can keep their age structure relatively stable. They benefit from the in-migration of younger age groups. At the same time, though, the population in the suburbs of cities

Figure 2

Ageing by regions 2010 to 2030



Data source: BBSR population forecast 2009 to 2030/ROP
Geometrical basis: BKG, forecasting 2010

is ageing at a particularly quick rate. This is a consequence of earlier suburbanisation: since the 1960s, mostly families have moved to the suburbs. In the coming years, the parent generation will reach old age, while the children's generation has mostly moved away. In the other rural areas of West Germany, however, a more important trend is the decline in the population of younger age groups. This has consequences for the utilisation of schools or public transit.

The states of former East Germany are experiencing similar trends. But here the population is already older than in most West-German regions. Causes include the low birth rate following Reunification, the out-migration of younger people and the disproportionately higher increase in life expectancy after 1990. Thus, in 2030 the mean age in most regions of East Germany will be over 50 years. Only some major cities are exceptions. The biggest increases are recorded among those older than 80 years. Their numbers will go up by around 60 % by 2030. This will create new challenges, for example, for health care and care facilities.

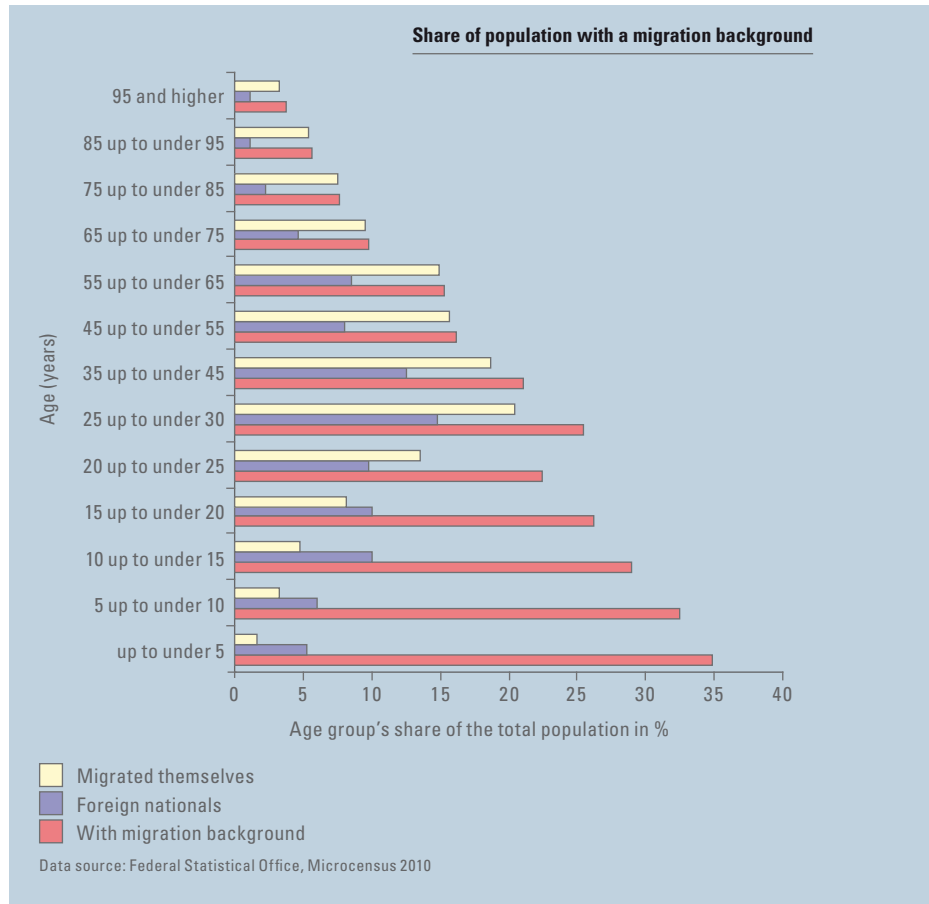
... and becomes more international

The population showed constant growth up to the recent past, particularly due to the many years of migration from abroad. People with a migration background are playing an ever more important role in the overall demographic trends.

The statements of the forecast regarding internationalisation, however, must be largely limited to qualitative aspects in contrast to those on population dynamics and ageing. Still, we can draw some systematic conclusions from findings on the present and recent past.

In total, there are about 15.7 million people with a migration background in Germany, which is 19.3 % of the

Figure 3



Demographic change – An overview		
What is happening?	Which regions are particularly affected?	What are the consequences to be expected?
Population decline	Economically weak regions, rural areas	Sustainability of technical infrastructure, municipal finances
Ageing 1: Drop in number of younger people	Rural areas	Sustainability of education infrastructure, public transit
Ageing 2: Increase in number of older people	Suburban areas of former West German states	Housing and real property markets
	Rural areas	Expansion of health and care facilities/infrastructure, public transit
Internationalisation	Urban areas	Need for integration, social polarisation

total population. One in four under-35-year-olds has roots abroad (Fig. 3); among the under-five-year-olds, this is true of one in three. Relatively many people thus belong today, and in the foreseeable future, to age groups that start families and have children.

The share of migrants is especially high in many major cities. The generally and relatively more favourable age structure of cities is, not least,

the consequence of large numbers of migrants from abroad.

These migrants often integrate into existing social networks. This can be in the form of network migration or by bringing in spouses and children. Cities and regions with a high share of migrants, therefore, may be the preferred destination for migrants in the future as well.

Private households

The demographic changes also concern changes among private households (Fig. 4). The population will decline by 2030, but the number of households will increase slightly. At the same time, the trend towards smaller households is continuing. The average household size is currently dropping from 2.03 to 1.9. The number of families will decrease by 15 % to 20 %, and there are more and more older single people. But the younger age groups are also contributing to the trend towards single households.

In regions with a shrinking population in the west of Germany, too, the total number of households thus remains stable, primarily due to growth among small households. The states of former East Germany will see no increase in small households. The exception is the metropolitan area of Berlin. But the decline in families affects all regions.

What does this mean for housing markets? Apart from regions with continued high demand, rising rents and land values, there are also more frequently regions with relaxed hou-

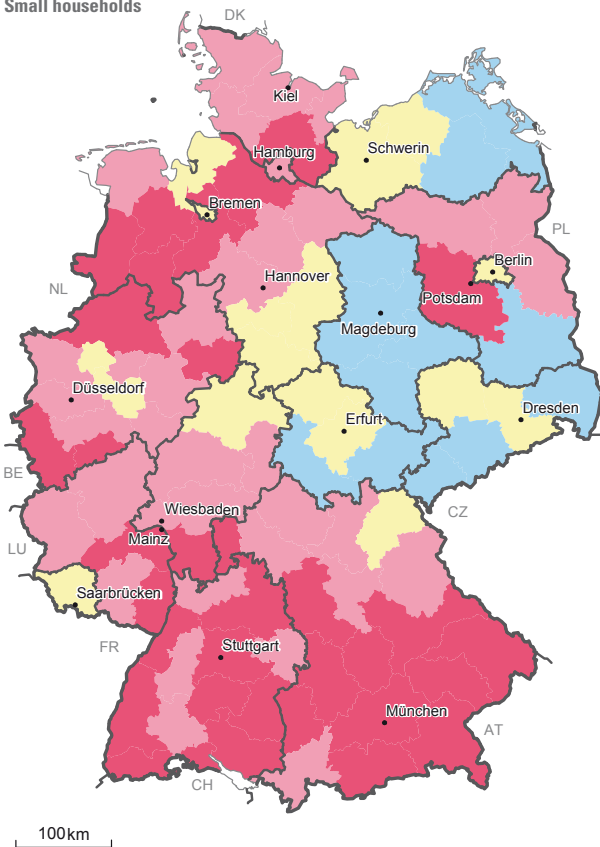
sing markets. What is more, there is a shift in the types of demand. There is a greater need for age-appropriate housing.

The labour force

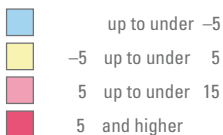
Labour markets are also affected by demographic changes (Fig. 5). The total labour force will decline slightly across Germany by 2030. In West Germany, their number will remain constant, but in the states of former East Germany it will decline substantially. However, there are major

Figure 4

Small households



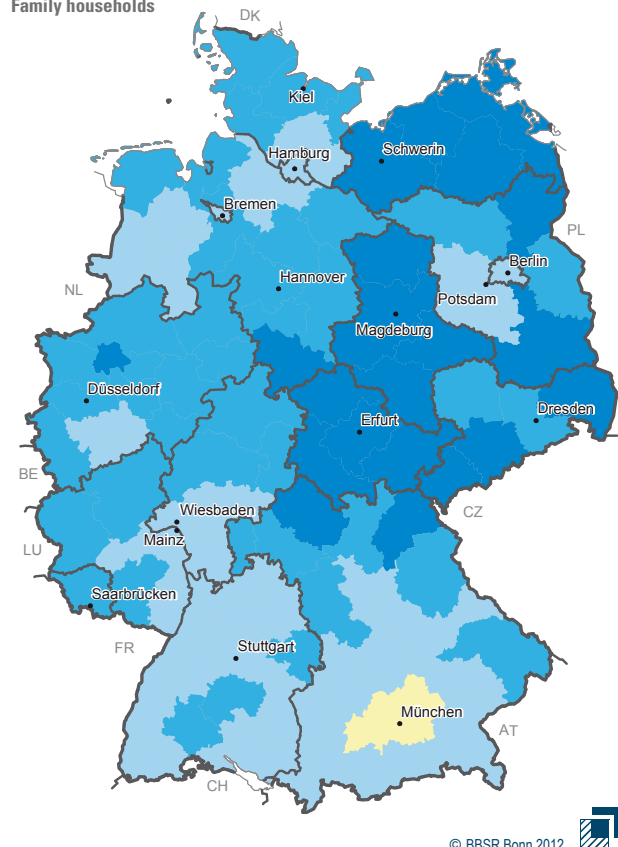
Change in number of single and two-person households 2010 to 2030 in %



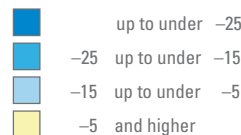
Data source: BBSR household forecast 2009 to 2030/RDP
Geometrical basis: BKG, spatial planning regions 2010

Trends of private households

Family households



Change in number of households with three or more persons 2010 to 2030 in %



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differences between regions. Where the labour force remains stable, this can be achieved only through more migration. Thus, for regions it is becoming increasingly important to offer the working population and companies attractive locations and conditions.

This means the labour force is declining, while the number of older employed people is going up. By 2030, the strong age groups from the 1960s will increasingly represent older and finally the oldest workers. In many regions, one in two workers will be

older than 45 years. Meanwhile, the labour market participation of older people is increasing, not least due to delayed retirement. As a result, continuing education will become more and more important.

Apart from a longer working life, there are further options to mitigate the decline in the labour force brought on by demographics. For example, education can be shortened, and the labour market participation of women increased. In addition, more should be done to improve migrants' integration in the labour markets.

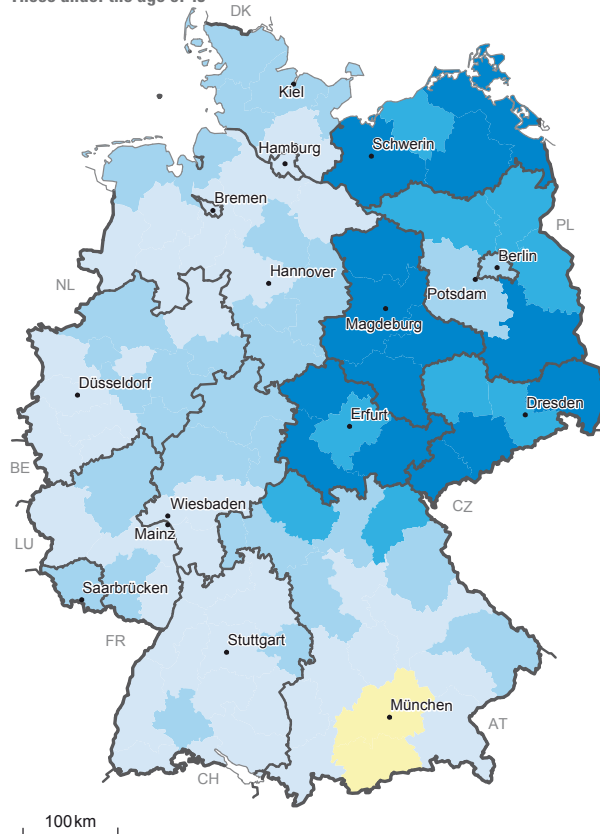
Households/Labour force

Private households are people who live and manage their daily affairs together, as well as persons who live and manage their daily affairs on their own. People living in shared accommodation, such as barracks, prisons or care facilities, are not counted among private households.

The labour force consists of people who are gainfully employed, as well as people looking for work. This also includes the self-employed, freelancers and civil servants, as well as part-time workers and the marginally employed.

Figure 5

Those under the age of 45

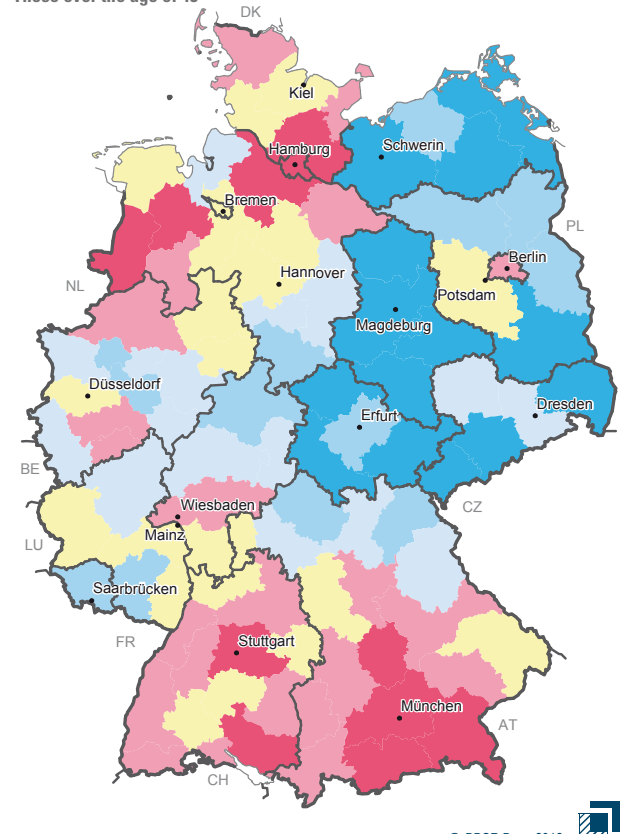


Change in number of working population from 2010 to 2030 in %

 up to under -30	 -3 up to under 3
 -30 up to under -20	 3 up to under 10
 -20 up to under -10	 10 and higher
 -10 up to under -3	

Future trends of the labour force

Those over the age of 45



Population, private households and labour force 2010 and 2030, an East-West comparison

as of 31.12. in each case		Former West German states		Former East German states		Germany	
		2010	2030	2010	2030	2010	2030
Population	in 1,000	65,425.7	64,745.9	16,325.8	14,546.0	81,751.6	79,292.0
	Index (2010 = 100)	100.0	99.0	100.0	89.1	100.0	97.0
under 20 years	Index (2010 = 100)	100.0	89.0	100.0	90.8	100.0	89.3
	Share of total (%)	19.3	17.4	14.9	15.1	18.4	17.0
20 to 60 years	Index (2010 = 100)	100.0	86.6	100.0	70.9	100.0	83.4
	Share of total (%)	54.9	48.0	56.8	45.2	55.3	47.5
60 years and older	Index (2010 = 100)	100.0	132.7	100.0	124.7	100.0	131.0
	Share of total (%)	25.8	34.6	28.3	39.7	26.3	35.5
Private households	in 1,000	31,778.2	33,376.7	8,606.6	8,008.3	40,384.8	41,385.1
	Index (2010 = 100)	100.0	105.0	100.0	93.0	100.0	102.5
1 and 2-people households	Index (2010 = 100)	100.0	112.4	100.0	98.3	100.0	109.2
	Share of total (%)	73.4	78.5	78.7	83.1	74.5	79.4
3 and more people households	Index (2010 = 100)	100.0	84.7	100.0	73.8	100.0	82.7
	Share of total (%)	26.6	21.5	21.3	16.9	25.5	20.6
Labour force	in 1,000	32,956.3	31,695.2	8,596.7	6,730.3	41,553.1	38,425.5
	Index (2010 = 100)	100.0	96.2	100.0	78.3	100.0	92.5
under 30 years	Index (2010 = 100)	100.0	85.6	100.0	70.1	100.0	82.4
	Share of total (%)	21.4	19.1	21.0	18.8	21.3	19.0
30 to 45 years	Index (2010 = 100)	100.0	92.0	100.0	70.5	100.0	87.6
	Share of total (%)	35.3	34.8	33.6	32.4	34.9	34.4
45 years and older	Index (2010 = 100)	100.0	102.4	100.0	84.1	100.0	98.5
	Share of total (%)	43.3	46.1	45.4	48.8	43.7	46.6

Acting instead of reacting

Many demographic changes cannot be stopped; they can merely be influenced gradually. There will be more flexibility if the changes are shaped early on; different options can be identified, discussed and considered systematically. This requires knowledge of the foreseeable trends

and problems. At the same time, awareness is sharpened to the effect that demographic change is a challenge to be tackled by policy areas across the board. It also requires a willingness to find appropriate answers through concerted, cross-departmental initiatives, such as those reflected in the new demographics report and demographic strategy of the federal government.

Therefore, it is important to provide comprehensive and continuous information about demographic changes and their spatial/regional consequences as well as to step up the debate on these issues. The regional planning forecast 2030 contributes to that.

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