The rapid aging and slow growth of the developed world’s population will soon exert tremendous pressure on public pension and health care budgets. Aging can be gauged using the dependency ratio—the ratio of people older than 65 to those aged 15–64. Dependency ratios in the U.S. and Canada are still significantly lower than in Europe and Japan. The U.S. ratio is expected to soar, however, as baby boomers begin retiring within a decade. By contrast, dependency ratios in Latin America remain quite low.

Life expectancy at birth is highest in Japan, followed by parts of Europe. Canadians expect to live as long as Europeans, but U.S. residents’ life expectancy is slightly lower.

The population growth rate equals the birth rate plus the net migration rate minus the death rate. Lower population growth rates in the developed world will lead to steeper increases in dependency ratios. Italian and Portuguese population growth rates are negative. Italy’s net migration rate is too low to offset the excess of its death rate over its birth rate. In Portugal, rapid out-migration counters the impact of a birth rate that exceeds the death rate. Germany’s population growth is barely positive because its net migration rate is just high enough to close the gap between its birth and death rates.

In the U.S. and Canada—where in-migration accounts for a sizable fraction of the annual addition to the total population—population growth rates are about 1% per year. By contrast, the high population growth in Latin American countries is almost entirely due to an excess of births over deaths.