

## A simple model of aggregate pension expenditure

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### Abstract

This paper develops a simple model that can be used to analyze the long-term sustainability of the contributive pension system and the steady-state response of pension expenditure to changes in some key demographic and economic variables, in the characteristics of the average pensioner and in the parameters that describe how pensions are calculated in Spain as a function of workers' Social Security contribution histories.

Keywords: pensions, sustainability, Spain.

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