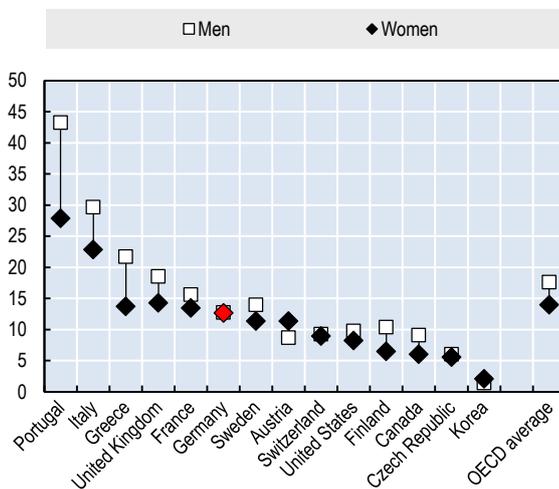




The 2016 edition of *Society at a Glance* examines social well-being and its trends across the OECD. The number of young people not in employment, education or training (NEETs) remains elevated in many countries since the crisis; the report therefore focusses on this group of young people examining the characteristics of those at risk of being NEET along with policies to help meet the challenge. This edition also includes many new youth-specific indicators on family formation, self-sufficiency, income and poverty, health and social cohesion.

Figure 1 – Early school leaving remains high
Share of early school-leavers, 25-34, by gender, selected OECD countries, 2014



Note: Early school leavers are 25 to 34 year-olds who have at most lower-secondary education.

[Figure 1.26]

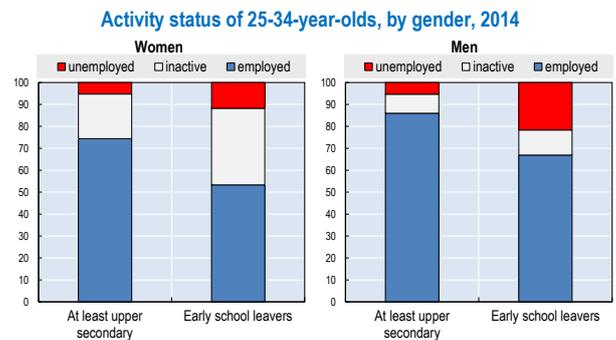
EARLY SCHOOL LEAVING IN GERMANY

In 2014, **13% of all 25-34-year-olds**, around 1.3 million young people, in Germany did not have a general or vocational upper-secondary degree. This is nearly the same share as in their parents' generation. While German early school leaving rates are lower than in the OECD on average (16.7%), countries such as Austria (10%) or Switzerland (9%) but also the United States (9%) perform considerably better (Figure 1).

In a highly developed economy such as Germany, where educational attainment is high overall, those **young people who lack skills have trouble succeeding on the labour market**. Only two-thirds of male early school leavers between 25 and 34 are working compared to 86% of their peers with upper-secondary education (Figure 2). Female early school leavers are over 20% less likely to be in work than young women

with at least upper-secondary education. Early school leavers are also 3 times more likely to be poor than young people with at least an upper-secondary degree (Figure 3).

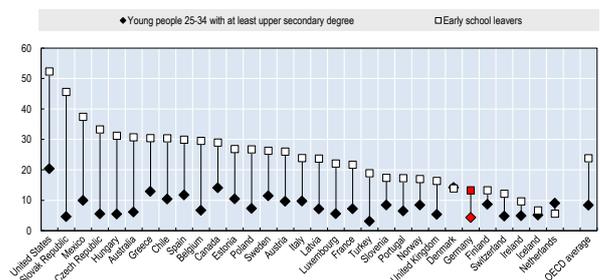
Figure 2 - Early school leavers struggle on the labour market



Source: OECD calculations based on the SOEP, DOI: 10.5684/soep.v31

Figure 3 - Early school leavers face heightened risk of poverty

Share of 25-34 year-olds living in poverty, 2014



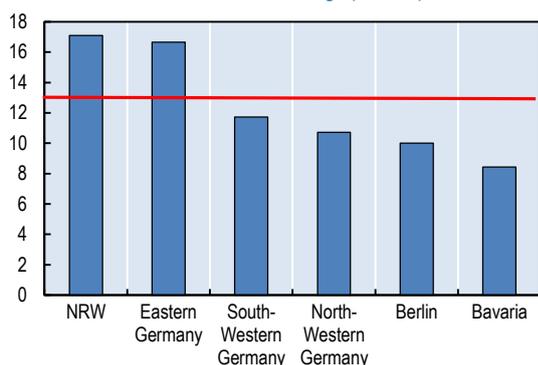
Note: Individuals are "poor" if they live in a household with an equivalised household income (i.e. adjusted for the number of household members) that is less than 50% of the median income.

Source: OECD calculations based national household surveys and the SOEP for Germany, DOI: 10.5684/soep.v31.

There is considerable variation across regions: the early school-leaving rate in Bavaria is half the one observed in North Rhine-Westphalia (8 vs. 17%), and East German youth also leave school early more often

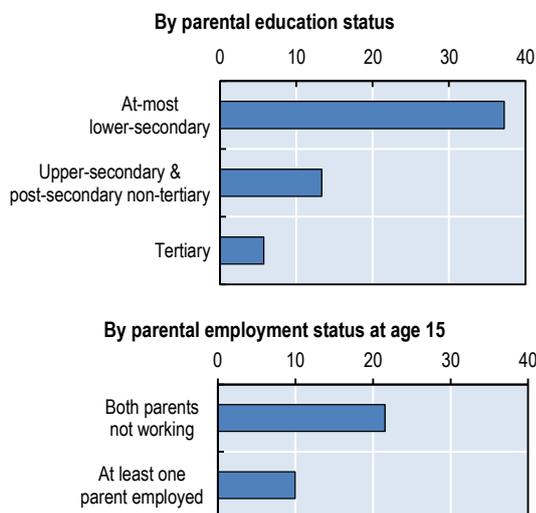
than on average (17%). This aligns with student performance by region for today's 25-34 year-olds: in 2000, the year when today's 30 year-olds were tested in PISA, Bavaria scored highest in both literacy and numeracy, while many of the eastern German *Länder* recorded low scores. Bavaria and South-Western Germany are also higher-income regions. The low share of young people without upper-secondary education in Berlin likely reflects the fact that as a major city it attracts well-educated young people, and is a student hub (Figure 4).

Figure 4 - Early school leaving rates vary across regions
Share of 25-34-year-olds without upper-secondary education, by region, and on the German average (red line)



Source: OECD calculations based on the SOEP, DOI: 10.5684/soep.v31

Figure 5 - Low socio-economic-status youth at risk
Share of 25-34-year-olds without upper-secondary education, 2014.



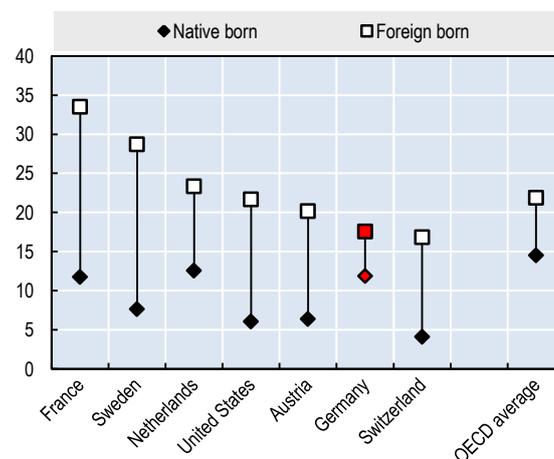
Source: OECD calculations based on the SOEP, DOI: 10.5684/soep.v31

Young people from disadvantaged backgrounds face a much greater risk. Early school leaving is linked to educational attainment of parents: 37% of young people whose parents do not have upper-secondary education leave school without this qualification, compared to only 6% of those with a parent with

tertiary education (Figure 5).¹ Parents with lower educational attainment may find it more difficult to help their children with schoolwork. Also the parents' employment status matters: early school leaving is only half as frequent among young people who, at the age of 15, had at least one working parent, compared to those whose parents did not work. This suggests that low educational attainment may also be transmitted from parents to their children through other channels, notably low income.

Figure 6 – Young migrants less likely to obtain upper-secondary degree

Share of native and foreign born 25-34-year-olds without upper-secondary education, Germany and selected OECD countries, 2014.



Source: OECD calculations based the EULFS, national Labour Force Surveys, and the SOEP, DOI: 10.5684/soep.v31.

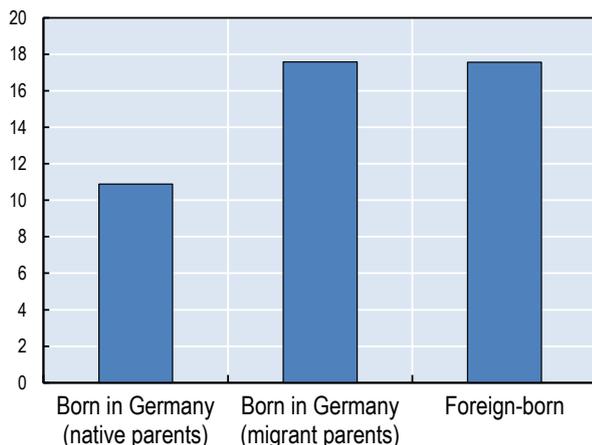
Young migrants also find it harder on average to complete upper-secondary education. Early school leaving rates of those born abroad are 1.5 times higher than for their native-born peers – both in Germany and in the OECD, on average. This likely reflects language barriers and difficulties in navigating the school system. German migrants perform much better, however, than their peers in countries such as France or Sweden, where early school leaving rates for migrants are three to four times higher than for natives. Thus, the overall **high early school leaving rates in Germany primarily reflect the relatively poor performance of native-born youth, who do worse than their peers in comparable countries:** 12% of native-born Germans aged 25-34 do not obtain an upper-secondary degree, twice as many as in Austria, Switzerland or Sweden (see Figure 6).

Young people born in Germany to migrant parents do not do better than foreign-born youth – 18% of 25-34-year-olds in both groups are early school leavers (see

¹ The incidence of missing values among early school leavers is twice as high as among young people without upper-secondary education than among those with upper-secondary (12% vs. 6%), which may bias the results.

Figure 7). This is surprising, since one might expect native-born children of migrant parents – who have grown up and attended school in Germany – to more easily attain an upper-secondary qualification than foreign-born youth who may have come to Germany as adolescents or young adults. The lack of a notable difference in the educational attainment between the two groups may reflect changes in the main sending countries across migrant generations.

Figure 7 – Young migrants and the children of migrant parents are equally likely to leave school early
Share of 25-34-year-olds without upper-secondary education, by migration background, 2014.



Source: OECD calculations based the EULFS, national Labour Force Surveys, and the SOEP, DOI: 10.5684/soep.v31.

OVERVIEW OF OTHER SOCIAL INDICATORS

Low, albeit increasing, fertility

In 2014, fertility was well below the replacement level in most countries, averaging 1.7 across the OECD (Figure 3.4). Germany's fertility rate was lower still at 1.47 children per woman, although it did increase markedly from its 1995 value, 1.25.

Ageing population

The German population is ageing rapidly. In 2015, there were 35 elderly persons (65 and over) for every 100 persons aged 20 to 64. This is almost 50% more than in 1970 (24), and only half the estimated value for 2060 (67, Figure 3.13). These projections, however, do not account for the 2015 inflow of refugees, which may have an impact on Germany's population age structure.

High wealth inequality

With a Gini coefficient of 0.29, Germany takes a mid-range position in the OECD in terms of income inequality (OECD average: 0.32, see Figure 5.1). Household wealth is much more unequally distributed than income, however. In 2012, the richest 10% of

German households owned 59% of overall household wealth, the third highest share of the 17 countries studied, and significantly higher than France (50%) and Belgium (44%). High wealth concentration in Germany is driven by two main factors: low levels of wealth taxation and a low share of homeownership – as the share of renters is comparatively high, wealth in the form of homes, the major asset type for private households, is more concentrated (Figure 5.3).

Inequalities in perceived health

In almost all OECD countries, a majority of the adult population reports their health as good as or better than good (Figure 6.4) – in Germany it is 65% of the population, compared to the OECD average of 68%. The gap in reported good health between the top and bottom 20% of the income distribution is especially large in Germany. Nearly 80% of all Germans in the top 20% reported good or excellent health, compared to only around half of those in the bottom 20%. At 26%, this gap is significantly higher than on the OECD average (18%). These disparities may be explained by differences in living and working conditions, as well as differences in lifestyles (e.g. smoking, harmful alcohol drinking, physical inactivity and obesity).

Rising trust in national government

Trust in public institutions is essential for public support of, and compliance with, government policies and regulations. In Germany, 62% of the population, including youth, reported, having confidence in the national government in 2014/15, compared to 42% on the OECD average. Only Switzerland and Luxembourg achieved significantly higher shares (77% and 68%, respectively). Also, Germany has the second highest share of youth interested in politics: only 7% of the 15-29 year-olds report to be not at all interested (26% in the OECD)

Confidence in the national government increased significantly over the crisis years. While on the OECD average, the share of those who report to trust the national government decreased from 45 to 40% between 2006 and 2014, it almost doubled in Germany. (Figures 7.4 & 7.5)

All figures available at <http://oe.cd/sag2016-deu-fig>

Contact:

OECD Social Policy Division, Directorate for Employment, Labour and Social Affairs

Raphaela Hye (in German and English)

Tel : +33 (0)1 45 24 60 05

Email : raphaela.hye@oecd.org