BTUAI

Growing Old
Before Growing Rich

When a country ages before it gets rich -
global experience and Georgia

Analytical overview · May 2026
Data sources: Geostat, World Bank, UN (UNECE/UNFPA), IMF, RAND, CSIS

1. What is “growing old before growing rich”?

“Growing old before growing rich” (*getting old before getting rich*) describes a situation in which a country's population ages rapidly before its economy reaches high-income status. In other words, the share of older people rises and the number of working-age people falls while the country is still relatively poor and its social-protection systems are weak.

This concept contrasts with the experience of developed countries - the United States, Japan and Western Europe first **grew rich** and only then **grew old**; they accumulated enough resources to support an aging population. In developing countries, by contrast, aging often outpaces enrichment, placing a fiscal burden on economic growth.

How is aging measured?

The WHO classifies a society as “aging” once the share of people aged 65+ exceeds **7%**.

An “aged society” is above **14%**; a “super-aged” society above **20%**.

Georgia is already an **aged society** (16.6%) and is approaching the super-aged threshold fast.

The central indicator is the **old-age dependency ratio** - how many people aged 65+ there are for every 100 working-age (15–64) citizens. The higher this number, the fewer workers there are to share the cost of pensions and healthcare.

2. The global picture: who ages before getting rich

Over the past half-century the global share of people aged 65+ has nearly doubled - from 5.5% (1974) to 10.3% (2024) - and the UN projects it will reach **20.7%** by 2074. The problem is that aging increasingly happens precisely in developing countries - where wealth has not yet accumulated.

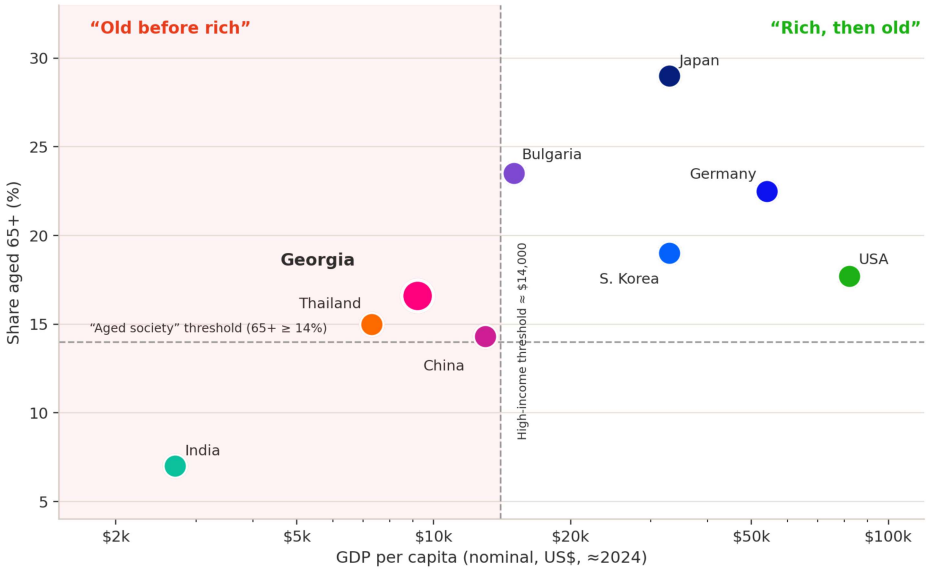

Fig. 1. Income vs. aging. The pink zone is the “risk zone”: a high 65+ share at low income. Source: author's calculation based on World Bank and UN data.

China - the textbook case

China crossed the “aging” threshold (65+ > 7%) back in 1998, owing to the one-child policy and an exceptionally rapid fertility decline. By the early 2020s the share of older people had passed

14%, yet GDP per capita was only ≈$13,000. For comparison: the US reached $10,000 in 1978 when its 65+ share was 11.2%, while Japan and South Korea already exceeded $27,000–$30,000 in 1990. In other words, China is far poorer at the same age than the developed countries were.

Experience of other regions

Eastern Europe and the post-Soviet space: the IMF has warned that the region risks “growing old before growing rich”; 9 of the world's 10 fastest-shrinking countries are here. Bulgaria has the lowest life expectancy in the EU and mass youth emigration.

BRICS: all five share a common trait - they will grow old before they grow rich.

Southeast Asia: Indonesia and the Philippines face “demographic momentum” - growth may slow before they reach high-income status.

3. Georgia's demographic profile

According to the refined results of the 2024 census, Georgia's population is **≈3.93 million**. This is higher than the pre-census estimate (3.70 million), because the census recorded more people than expected. The age structure already matches that of an “aged society”: the share of people aged 65+ is **16.6%** (2024 - 16.2%), the working-age share (15–64) is 64.2%.

Indicator	Value	Note
Population (2025/2026)	≈3.93 mln	Geostat - 2024 census
Share aged 65+	16.6%	rising (2024: 16.2%)
Share aged 15–64	64.2%	declining
Share aged 0–14	19.2%	declining
Median age	39 years	rising to 41.4 (2050, UN)
Old-age dependency ratio	24.6%	World Bank, 2024
Projection 2050	65+ > 20%	UN / UNECE

Table 1. Georgia's main demographic indicators.

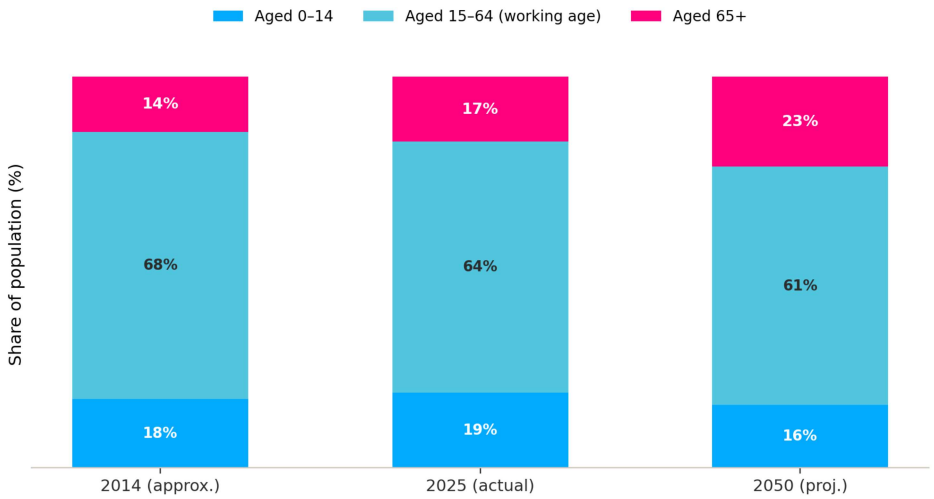

Fig. 2. Change in the age structure. The 65+ group widens while the working-age group narrows. (2014 - approximate; 2050 - UN projection.)

Did you know?

The UN estimates that by 2050 one in five Georgians will be over 65 - compared with one in six today.

Women predominate among the elderly: in the 65+ group there are only ≈60 men for every 100 women - because of men's lower life expectancy.

4. Three driving forces

Georgia's aging is driven by three forces: falling fertility, emigration, and rising life expectancy.

Falling fertility

In 2025 only **37,867** children were born - the lowest in 32 years. Compared with the 2014 peak that is a decline of nearly 38%. The total fertility rate (TFR) fell to ≈**1.61** - far below the replacement level (2.1). In 2025 the natural decrease was −6,452.

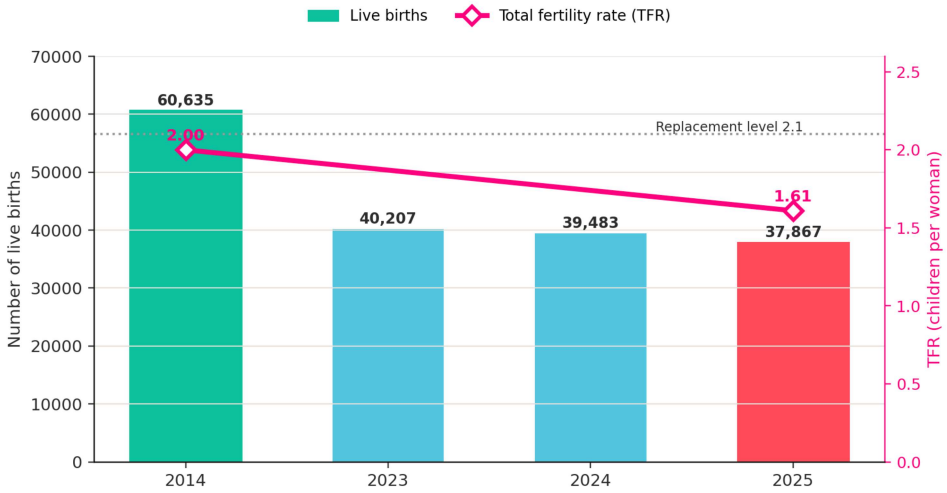

Fig. 3. The long-term fertility decline. Bars - number of live births; line - TFR. Source: Geostat.

Migration - a double-edged sword

In 2024, 85.8% of emigrants were of working age (15–64) - directly eroding the labor force and accelerating aging ("brain drain").

Yet that same year net migration was **positive** (+14,386), mainly thanks to foreigners who arrived after 2022. This is why the population grew slightly in 2025–2026 despite the natural decrease. But this effect is temporary and volatile - it cannot halt aging over the long run.

Rising life expectancy

The third factor is positive: Georgians are living longer, life expectancy was 74.9 years in 2024. But a longer life means more years in pension and healthcare - that is, more cost against a backdrop of low income.

5. Economy: has Georgia grown rich yet?

In the World Bank's classification Georgia is an **upper-middle-income** country - it has not yet reached the "high-income" threshold (gross national income per capita ≈$14,000). In 2024 GDP per capita was ≈$9,200 in nominal terms and ≈$30,750 at purchasing-power parity. Growth has been strong in recent years (2023: 7.8%, 2024: 9.4%), but the income level remains far below that of developed countries.

This is exactly where the risk lies: Georgia is already **old**, but it is not yet **rich**. On Fig. 1 it falls squarely in the “risk zone” - alongside China and Thailand, and unlike the developed countries that “grew rich, then grew old.”

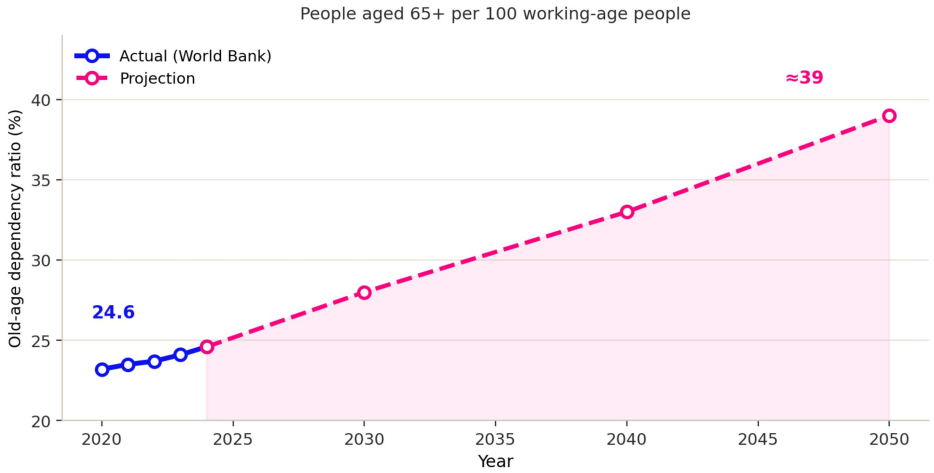

Fig. 4. Old-age dependency ratio: from 24.6% in 2024 to ≈39% by 2050. Source: World Bank (actual) + projection.

Why is this difficult?

High-income countries have accumulated funds, strong pension systems and capital to meet the cost of aging.

A middle-income country that ages early risks falling into the “middle-income trap” - its growth resource (a young labor force) is exhausted before it becomes rich.

6. Fiscal pressure: pensions and healthcare

As of November 2025, **≈884,600** people were receiving an old-age pension - almost a quarter of the population (women from age 60, men from 65). The basic state pension in 2025 is GEL 350 (under 70) and GEL 450 (70+); from 2026 it rises to GEL 370 and 495. That is only about a quarter of the average net wage (≈GEL 1,636).

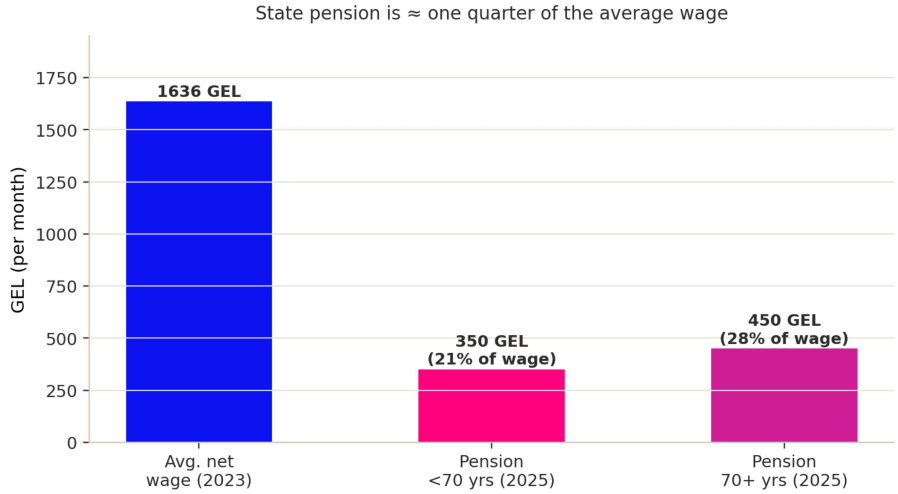

Fig. 5. The pension replacement gap. The state pension is ≈21–28% of the average wage. Source: Geostat, Social Service Agency.

Funded pension scheme (since 2018)

A reform introduced a mandatory funded pension: the employee, the employer and the state each contribute 2%. This is a long-term step in the right direction, but its full

effect will only become visible after decades.

The healthcare burden

An aging population needs more treatment for chronic disease and more medical care. As the dependency ratio rises, the cost of healthcare and long-term care will rise sharply - with a smaller labor force to bear it.

7. Risks, opportunities and conclusion

Georgia is not yet in crisis, but its trajectory is risky. Below are the main risks and the opportunities to counterbalance them.

Risk	Opportunity / response
Shrinking labor force and brain drain	Invest in productivity and education; encourage the diaspora to return
Fertility below replacement level	Family-support policy; affordable childcare and housing
Growing fiscal burden of pensions	Strengthen the funded scheme; encourage employment of older people
Rising healthcare costs	Prevention and “healthy aging”; a long-term care system
Depopulation of the regions	Develop the regional economy and services

Table 2. Risks and possible policy responses.

Key conclusion

Georgia is an “aged society” while it is still a middle-income country - that is, it is **growing old before growing rich**. The “window” of the demographic dividend is closing.

The decisive factor is **time**: while the working-age share is still high (64%), investment in human capital, productivity and a sustainable pension system will determine whether the country can grow rich before it fully grows old.

Global experience shows that aging does not mean doom. For Georgia, the main challenge is not that it is aging, but that it is **aging prematurely** - and that is precisely why the policy window is open today, and will be narrower tomorrow.

Bibliography

1. National Statistics Office of Georgia (Geostat) - Population and Demography; refined results of the 2024 general census, 2024–2026. https://www.geostat.ge/en/modules/categories/316/mosakhleoba-da-demografia
2. World Bank - Georgia Overview & Data (GNI, GDP, poverty, unemployment), 2025. https://www.worldbank.org/ext/en/country/georgia
3. UNECE - Ageing data availability assessment: Georgia, 2025. https://unece.org/sites/default/files/2025-06/Georgia_data_assessment_final_ENG.pdf
4. UNFPA / UN World Population Prospects 2024 - Georgia. https://www.unfpa.org/data/world-population/GE
5. RAND - China's Aging Population and What It Means for Security, 2024. https://www.rand.org/pubs/research_briefs/RBA3372-1.html
6. CSIS Big Data China - China Is Growing Old Before It Becomes Rich, 2023. https://bigdatachina.csis.org/china-is-growing-old-before-it-becomes-rich-does-it-matter/
7. IMF Finance & Development - Eastern Europe's Exodus (Petrakis), 2020. https://www.imf.org/en/publications/fandd/issues/2020/03/future-of-aging-populations-and-economic-growth-in-eastern-europe-petrakis
8. SAIIA - 'Poor–Old' BRICS: Demographic Trends and Policy Challenges, 2024. https://saiia.org.za/research/poor-old-brics-demographic-trendsand-policy-challenges/
9. Springer - Getting Old Before Getting Rich: Southeast Asia, 2021. https://link.springer.com/chapter/10.1007/978-3-030-73065-9_7
10. JAMnews / Geostat - birth statistics, 2024. https://jam-news.net/birth-rate-in-georgia/
11. Caliber.az / Geostat - demographic data 2025 (TFR 1.61). https://caliber.az/en/post/georgia-s-demographic-pit
12. U.S. Social Security Administration - Georgia Funded Pension Scheme, 2023. https://www.ssa.gov/policy/docs/progdesc/intl_update/2023-11/index.html
13. China-US Focus / Asialink - Yi Fuxian & Justin Yifu Lin (debate); Mao Daqing. https://www.chinausfocus.com/finance-economy/is-china-too-old-to-get-rich
14. FRED / World Bank WDI - Old-age dependency ratio, Georgia, 2024. https://fred.stlouisfed.org/series/SPPOPDPNDOLGEO

Note on the data: The refined results of the 2024 general census (published in 2026) raised the population figure to ≈3.93 million from the pre-census estimate (≈3.70 million); the age shares here are based on the latest officially published figures. The total fertility rate (TFR) differs across sources - Geostat's national estimate (≈1.6) is lower than the UN's modeled figure (≈2.0); this report uses the national estimate. The 2014 and 2050 age shares are approximate/projected.