

## **Abstract**

This bachelor's thesis comprehensively analyses the demographic and economic challenges of selected European countries due to an ageing population. The study involves a demographic projection for the period up to the year 2150, highlighting the anticipated increase in the old-age dependency ratio, thereby imposing a growing burden on the working-age population. The significance of individual demographic variables on the old-age dependency ratio is analysed in the panel data regression, indicating that life expectancy has the most significant impact. The demographic projection is further utilised to construct generational accounts to calculate generation-specific pension payments and expenditures. Generational accounts show that increasing payments from younger generations will not be enough to cover future pension expenditures, indicating the long-term unsustainability of the PAYG system.