

The 2026 “Welfare Italia” Think Tank Report presented in Rome today

WELFARE AS A CORE VALUE OF ITALIAN AND EUROPEAN IDENTITY: LONGEVITY, SKILLS AND TECHNOLOGY FOR A NEW PACT BETWEEN GENERATIONS

In Italy, the welfare sector was worth about €374bn in 2024 and employed 5.1 million people. The Longevity Economy and Youth Economy sectors generate €130.7 bn and €114.9bn respectively.

Two national strategies proposed to capitalise on longevity and support the new generations.

A sustainable welfare system that can meet the requirements of all generations is a strategic lever for the future of the country. Boosting healthcare and assistance, investing in skills and employment and supporting the independence of young people are the priorities to transform demographic challenges into opportunities for growth, inclusion and economic development.

- **In Italy, public spending on welfare amounted to about €693bn in 2025, or 60.0% of total public spending, with pensions absorbing almost half the resources (49.5%). If the growth trends of the past decade continue at pace, spending could exceed one trillion euros by 2037, making it ever more urgent to ensure the sustainability of the system over the long term.**
- **Increased demographic pressure on the economic and social system:** in 2025, birthrates recorded an **all-time low (355 thousand)** with a **natural negative balance of 297 thousand people**. By 2050, the Italian population could fall to about **55 million inhabitants**, while, all other conditions being equal, the reduction of the working age population could result in a **10.7% reduction of the GDP compared to 2025**.
- *Welfare* is a **core value of European and Italian social identity** and a **strategic sector for the economic growth of the country**, involving over 458 thousand public and private entities, employing **5.1 million workers** and generating about

€374bn in value of production. This is accompanied by the economic potential of the **welfare sector linked to longevity and the new generations**, which develop **€130.7bn in revenues for the over-65s and €114.9bn for the under-35s respectively.**

- **The “Welfare Italia” Think Tank has drawn up two proposals to transform the demographic challenges into opportunities for growth:** the first is dedicated to the **Longevity Economy** to capitalise on healthcare, assistance and active aging of the elderly; the second is dedicated to the **Youth Economy** to support skills, employment, housing independence, mental health and supplementary pensions for young people. In this framework, **Artificial Intelligence** is a cross-sector that can improve the productivity and effectiveness of the welfare services, flanked by investments in training and skills.

Rome, 20 October 2026

A “Welfare Italia” Forum was held today at the **Corsie Sistine in the Santo Spirito in Sassia** in Rome on **“Welfare in Italy and Europe, as a core identity value and driver for growth”**. The **2026 “Welfare Italia” Think Tank Report** was presented to mark the event, an initiative promoted by **Unipol in association with the TEHA Group** and the support of a **scientific committee** presided over by Giuseppe Guzzetti and including Giuseppe Curigliano, Veronica De Romanis and Stefano Scarpetta.

Against a backdrop of **growing demographic pressure, public funding constraints and profound technological transformation**, welfare has taken on a strategic role as a **mechanism of development, employment and growth**.

The Report sets out a vision of welfare that marries the **sustainability of the system with intergenerational equality**. On the one hand, the **increase in longevity** requires greater resources, new models of assistance and services that can promote healthcare, independence and active aging; on the other, the support for **the new generations** requires investment in training, skills, employment and economic and personal independence. Two complementary challenges that require **integrated strategies to transform demographic changes into an opportunity for development of the country**.

In 2025, welfare spending amounted to €692.8bn, or 60.0% of national public spending: a record amount that is still heavily geared towards pensions. It could exceed one thousand billion by 2037

More specifically, **pensions absorb 49.5% of welfare spending**, accounting for the highest component of the total. **Compared to European figures**, the rate of pension spending to GDP in Italy amounts to **16.3% which is higher than the euro zone average (12.5%)**, while the resources allocated to **healthcare (6.6%), social policies (4.8%) and education (4.0%)** are lower than the respective averages in the euro zone (7.5%, 7.3% and 4.6%).

According to the Think Tank estimates, **public welfare spending will amount to about €715bn in 2026**. Forecasts based on growth trends over the past decade indicate that if these **tendencies continue, spending could exceed one trillion euros by 2037 to stand at €1,028.6bn** and rise to **€1,591.9bn by 2050**. This trajectory

puts the **long-term financial sustainability of the system** at the centre, making it necessary to reconcile the increase in social requirements with a more efficient and balanced use of resources.

Increasing demographic pressure: births at record lows (355 thousand in 2025) and a reduced work force.

In 2025, the Italian population stood at **58.9 million inhabitants**, with births falling to a record low of **355 thousand** compared to about **652 thousand deaths** and a **natural negative balance of 297 thousand people**. Demographic forecasts indicate a progressive **reduction of the working age population**, estimated at **3.6 million people by 2040** and **6 million by 2050**. With all other conditions being equal, this trend could mean a **potential 6.4% reduction of the GDP by 2040** and a **10.7% reduction by 2050** compared to 2025 levels.

The Report therefore highlights the urgent need to **support birth rates, increase labour market participation and invest in adding value to the human capital** to counterbalance the economic and social effects of the demographic decline. Added to these challenges is the **transformation of family units**: between 2016 and 2025, **couples with children** fell from 33 to **27 for every 100 households** (-18%) while **single-parent households** with children increased by 10%. These changes make it necessary to **adjust household policies and welfare services to meet increasingly diversified requirements**.

Ongoing social inequality and territorial discrepancies with a lower availability of welfare services in the territories that need it most.

In Southern Italy, higher social and economic vulnerabilities are accompanied by the **lower availability of welfare services**: the range of **educational services for early childhood** stands at **19.3 places for every 100 children between 0 and 2 years**, compared to **37.9 in Northern Italy** and **40.4 in the Centre**. **Municipal spending for social actions and services** also shows a significant difference, with **€111 per head in Southern Italy** compared to **€185 in Northern Italy**. This framework shows how urgent it is to **reduce territorial inequality and ensure fairer access to the welfare services and benefits**, increasing responsiveness in the more vulnerable territories.

Artificial Intelligence and skills: new opportunities to increase productivity and improve the quality of welfare services, but bridging the educational gaps is still a priority.

Artificial Intelligence is a strategic mechanism that can be used to **improve the efficiency, productivity and sustainability of welfare services**, with **potential productivity earnings of 19.6% in healthcare** and **21.9% in education**. In order to grasp these opportunities, however, Italy will have to **bridge gaps in education and promote the development of skills**: **37% of adults have low levels of literacy**, only **10.8% take part in continuing education courses** and **54% have at least basic digital skills**. This framework shows how urgent it is to **boost investments in human capital and the requalification of the workforce**, to transform the potential of Artificial Intelligence into real benefits for the public, workers and the welfare system.

Welfare is a core value of social identity in Italy and Europe and an economic driver of growth for the country.

Welfare is one of the **core values of Italian and European social identity**, based on the principles of **solidarity, the protection of people and sharing of risks** along the entire lifecycle. Through a system of **rights, public institutions and services**, it helps guarantee protection and social inclusion, while simultaneously promoting economic development, equality and social cohesion.

In Italy, welfare is also a **strategic sector for the national economy**: in 2025, it involved over **458 thousand profit and non-profit public and private entities**, employed **5.1 million people** and generated about **€374bn in the value of production**. Compared to 2023, based on data recalculated according to updated methods, the sector recorded growth of **over 13 thousand entities and 344 thousand employees**, accompanied by a **15% increase in the value of production**.

These numbers confirm the **dual social and economic value of welfare**: investing in the quality and accessibility of services **boosts the protection and wellbeing of people**, while simultaneously **supporting employment, and the competitiveness and growth of the country**.

The “Welfare Italia” Think Tank proposes two strategies to capitalise on longevity and support the new generations, promoting healthcare, independence and the active aging of seniors while boosting skills, opportunities and the independence of young people.

According to the Report estimates, the **welfare sector** that applies to over-65s generates **€130.7bn in revenues, €38.5bn in added value** and involves about **586 thousand working people and over 173 thousand enterprises**. The Think Tank’s suggestion is to recognise the sector as strategic for the country, taking action on the lack of self-sufficiency, home assistance, technologies to increase independence, the prevention of fragility and encouragement of active aging.

The welfare sector that applies to the under-35s (the **youth economy**) generates **€114.9bn in revenues, €40.7bn in added value** and involves almost **654 thousand working people and over 163 thousand enterprises**. The proposal supported by the Think Tank is to help young people in training, quality employment and independence and to hold onto talent through human capital strategies.

The 2026 Welfare Italia Index shows a reduction in regional differences, but strong differences still remain in the ability of the welfare systems to respond to social needs.

Developed by the Think Tank in 2020, the **Welfare Italia Index** monitors the responsiveness of the regional systems through **22 KPI** (key performance indicators), considering both the **spending** and the **results** produced within the spheres of **social policies, healthcare, pension schemes and training**.

The territorial authority that **rated highest** on the 2026 Welfare Italia Index is the **Autonomous Province of Trento (83.9 points)** followed by Friuli-Venezia Giulia (79.3 points) and the Autonomous Province of Bolzano (77.6 points). Campania (65.8 points), Calabria (64.7 points) and **Basilicata (64.3 points)** lie on the other end of the scale. The 2026 edition confirmed the territorial differences, but showed a **reduction in the distance** between the highest and lowest scores: compared to 2025, the gap fell by about 3.4%, **at 19.6 points**.

The Forum opened with a message by the **President of the Republic, Sergio Mattarella** and was chaired by **Antonio Polito** (*Columnist and Deputy Editor, Corriere della Sera*). The following took part in the event: **Paolo Boccardelli** (*Chancellor, LUISS Guido Carli University*), **Carlo Cimbri** (*Chair, Unipol Assicurazioni*), **Giuseppe Curigliano** (*Professor of Medical Oncology, State University of Milan; Director, Development of New Medicines for Innovative Therapy, IEO; Member of the Advisory Board of the Think Tank “Welfare, Italia”*), **Gigi De Palo** (*President, Birthrate Foundation*), **Valerio De Molli** (*Managing Partner & CEO, The European House – Ambrosetti and TEHA Group*), **Veronica De Romanis** (*Professor of European Economic Policy, LUISS Guido Carli University; Member of the Advisory Board of the Think Tank “Welfare, Italia”*), **Raffaele Fitto** (*Executive Vice President for Cohesion and Reform, the European Commission*), **Manuela Geleng** (*Director of Labour and Skills, Directorate General Employment, Social Affairs and Inclusion, European Commission*), **Alessandra Minello**



(Professor of Demography, University of Padua), **Mario Nobile** (Director General, AgID – Digital Italy Agency), **Marcella Panucci** (Councillor to the Minister of Universities and Research), **Mario Pepe** (President, COVIP – Pension Fund Supervisory Authority Commission), **Giorgio Righetti** (Director General, ACRI – Association of Savings Banks and Foundations), **Alessandro Rosina** (Professor of Demography and Social Statistics, Catholic University of Milan), **Riccardo Sabatini** (Scientist and Businessman; Chief Data Scientist, Orionis Biosciences), **Stefano Scarpetta** (Chief Economist, OCSE; Member of the Advisory Board of the Think Tank “Welfare, Italia”), **Orazio Schillaci** (Minister of Health), **Antonio Tajani** (Deputy Prime Minister of Italy and Minister of Foreign Affairs and International Cooperation) and **Paolo Zangrillo** (Minister of the Public Administration). The Forum was sponsored by the **Presidency of the Council of Ministers**.

For further information:

Press office Unipol Group

Fernando Vacarini - Tel: +39 051 5077705 - pressoffice@unipol.it

Barabino&Partners

Massimiliano Parboni - Tel: 335 8304078 - m.parboni@barabino.it

Giovanni Vantaggi – Tel.: 328 8317379 – g.vantaggi@barabino.it

Giovanni Scognamiglio – Tel.: 340 3161942 – g.scognamiglio@barabino.it

TEHA Group Press Office

Fabiola Gnocchi - Tel. +39 349 7510840 - fabiola.gnocchi@ambrosetti.eu

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The European House - Ambrosetti

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Today the Group has a widespread presence in Italy and many offices abroad, in addition to other partnerships around the world. What distinguishes it is its ability to provide support to companies in the integrated and synergic management of the four critical aspects of value-creating processes: Seeing, Planning, Achieving and Optimizing.

Each year we provide consulting to about 1,500 clients, including more than 500 strategic scenarios and studies aimed at Italian and European institutions and companies, and around 100 projects for family-run businesses. In addition, each year about 3,500 Italian and international experts are involved in more than 900 events we organize for over 48,000 managers whom we follow in their personal and professional paths to growth.

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Since 2013, TEHA Group has been named — in the category Best Private Think Tanks — the no. 1 think tank in Italy, the no. 4 think tank in the European Union and among the most respected independents in the world out of 11,175 on a global level (source: “Global Go To Think Tanks Report” of the University of Pennsylvania). TEHA Group was recognized by Top Employers Institute as one of the 144 Top Employers 2026 in Italy. For further information, please visit www.ambrosetti.eu