



MACRO ECONOMICS

India's demographic dividend

What it means when working-age people form a large share of the population, and what turns that into growth

Population data for 2024 (SRS, published May 2026); labour data for August 2026 (PLFS, 15 September 2026)

For training and education only. Not investment advice.

A demographic dividend is the room for faster growth when working-age people are a large, rising share.

It is an opportunity, not a payment. It adds to growth only if those people find productive work, and it lasts only while the share stays high.

Three numbers that describe it

66.4%



Working-age share

Share of the population aged 15-59, the working-age band in India's official data. In 2024: 66.4%. Many international sources use 15-64 instead.

~51



Dependency ratio

Children (0-14) plus older people (60+) for every 100 people of working age. In 2024: $(24.0 + 9.7) \div 66.4 \times 100$ = about 51.

1.9



Fertility rate

The average number of children a woman would have over her life at current rates. About 2.1 keeps a population the same size over the long run.

Source: Office of the Registrar General, India, Sample Registration System (SRS) Statistical Report 2024, published 20 May 2026.

Two towns, same wages

THE SET-UP (ASSUMED)

Two towns of 1,000 people. Town A: 400 children, 520 of working age, 80 older people. Town B: 240, 660 and 100.

Each worker earns ₹3 lakh a year.

- 1 Dependency: $A = 480 \div 520 \times 100 = \text{about } 92$ per 100 working-age people. $B = 340 \div 660 \times 100 = \text{about } 52$.
- 2 If half the working-age people work: A has 260 workers, B has 330.
- 3 Income per head: $A = 260 \times ₹3 \text{ lakh} \div 1,000 = ₹78,000$. $B = 330 \times ₹3 \text{ lakh} \div 1,000 = ₹99,000$.
- 4 If only 40% in B work: $264 \times ₹3 \text{ lakh} \div 1,000 = ₹79,200$. Most of B's advantage disappears.

The age structure creates the room. Whether income rises depends on how many people actually work.

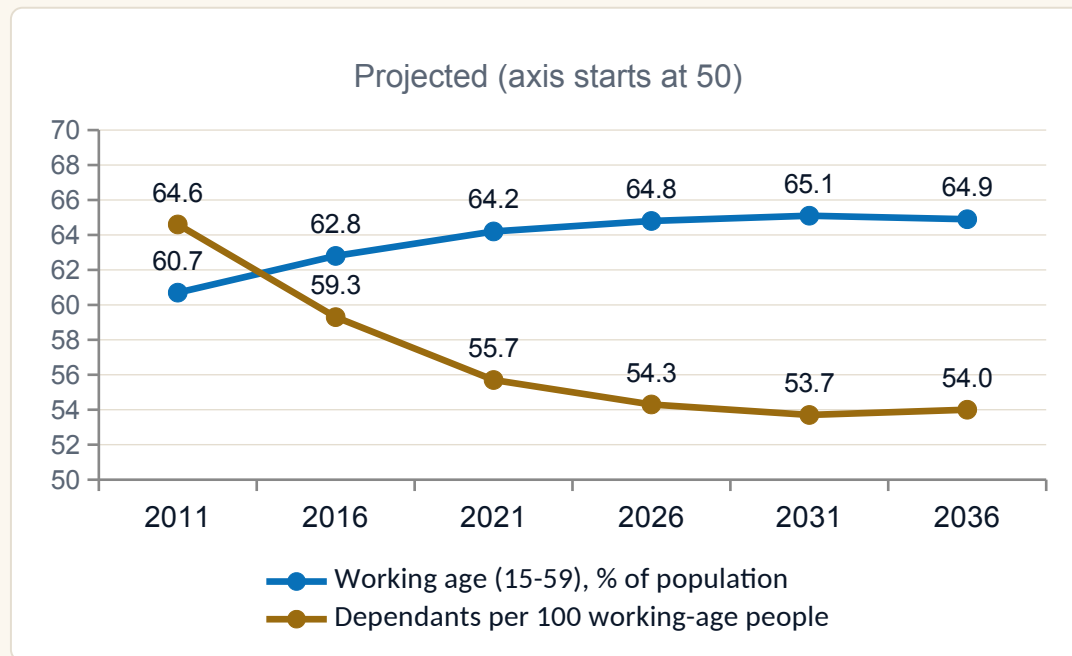
Illustration with invented towns and assumed figures. Not India's data.

Three phases of the transition

Phase	What happens	India's numbers
1. Deaths fall first	Better health means fewer children die, while families stay large. The share of children rises and dependency is high.	1971: fertility rate 5.2; children (0-14) 41.2% of the population.
2. Births fall	Families get smaller. The large young generation grows up and the working-age share climbs: the window opens.	2024: fertility rate 1.9; working age (15-59) 66.4%, up from 57.7% in 1991.
3. The population ages	The large working generation reaches old age. The share of older people rises and dependency climbs again.	2020 projection: 60+ share from 8.4% (2011) to 14.9% (2036); dependency lowest around 2031.

Sources: ORGI, SRS Statistical Report 2024 (May 2026); Technical Group on Population Projections 2011-2036 (MoHFW, July 2020), via MoSPI, Women and Men in India 2022.

The official projection, 2011 to 2036



Read the chart

- 2020 projections, not counts; separate from the SRS 2024 survey (66.4%).
- The 15-59 share peaks at 65.1% in 2031, the highest of six points, then edges down.
- Dependants per 100 workers fall from 64.6 to 53.7, then turn up as the 60+ group grows.
- Points are five years apart, so the peak year is approximate.

Source: Report of the Technical Group on Population Projections for India and States 2011-2036, MoHFW, July 2020, as reproduced in MoSPI, Women and Men in India 2022, Statement 4.1.

What turns the window into growth

1

Jobs

Working age is not the same as working. In August 2026, 55.6% of people aged 15 and above were in the labour force: working or seeking work.

2

Women in work

Female participation was 34.8% in August 2026, up from 33.7% a year earlier. For all persons aged 15 and above it was 55.6%.

3

Skills and health

Output per worker depends on education, training and health. A larger workforce adds less if productivity stays low.

4

Saving and investment

Fewer dependants per earner can leave more to save. Households provided 62.1% of India's gross saving in 2024-25.

Sources: MoSPI, PLFS Monthly Bulletin for August 2026, 15 Sep 2026 (current weekly status, ages 15+); MoSPI press note on the new GDP series, 27 Feb 2026.

Where things stand

Latest official estimates. India's last census was in 2011; the next has a reference date of 1 March 2027 (most areas).

AGED 15-59

66.4%

Of the population in 2024. It was 57.7% in 1991.

FERTILITY RATE

1.9

2024. Below the replacement level of 2.1. Rural 2.1, urban 1.5.

AGED 60 AND ABOVE

9.7%

In 2024 (SRS). A 2020 projection has 14.9% in 2036.

WOMEN'S LFPR

34.8%

Labour force participation of women 15+, Aug 2026. All persons: 55.6%.

Sources: ORGI, SRS Statistical Report 2024, 20 May 2026; MoSPI, PLFS Monthly Bulletin for August 2026, 15 Sep 2026; Technical Group projections (MoHFW, July 2020).

If you learnt this from older material

Training decks written around 2013-15 used the data of that time.

Around 2011-14

- Latest census 2011: population 121.1 crore.
- Fertility rate 2.3 (2012-14 average), above 2.1.
- Children (0-14) 30.9% of the population in 2011.

Now

- Census 2027 under way; reference 1 March 2027 (most areas).
- Fertility rate 1.9 (2022-24 average), below 2.1.
- Children (0-14) 24.0% of the population in 2024 (SRS).

In the 2020 projection the 15-59 share peaks around 2031; it predates Census 2027 and SRS 2024.

Sources: SRS Statistical Report 2024; MoSPI, Women and Men in India 2022; Census 2027 briefing (Maharashtra), 30 Apr 2026.

Four things people get wrong



'India will stay young for decades.'

Fertility is 1.9, below replacement. The 60+ share is projected to rise from 8.4% in 2011 to 14.9% in 2036.



'More working-age people means growth.'

Only if they work productively. In August 2026 about 55.6% of people aged 15+ were in the labour force, and 34.8% of women.



'The dividend is the same everywhere.'

Among the bigger states, fertility ranges from 1.2 in Delhi to 2.9 in Bihar, so some states are ageing while others are still young.



'A young country means rising markets.'

Population changes slowly and says nothing about returns in any period. It is one input to the economy, not an investment signal.

Check yourself

Q1

A district has 300 children, 600 people aged 15-59 and 100 people aged 60+. What is its dependency ratio?

Q2

India's fertility rate was 1.9 in 2024. What does that tell you about the future age structure?

Q3

Name two things that decide whether a large working-age population raises income per head.

Sources and disclaimer

SOURCES FOR THE FIGURES IN THIS DECK

- Age shares, fertility rates (1971, 1991, 2012-14, 2024, by state) and trends: Office of the Registrar General, India, SRS Statistical Report 2024, published 20 May 2026.
- Projections 2011-2036 and Census 2011 population: Technical Group on Population Projections (MoHFW, July 2020), in MoSPI, Women and Men in India 2022, chapter 4.
- Labour force participation, August 2026: MoSPI, Periodic Labour Force Survey Monthly Bulletin for August 2026, press note of 15 Sep 2026.
- Household share of gross saving, 2024-25: MoSPI, Press Note on New Series of GDP Estimates with Base Year 2022-23, 27 Feb 2026.
- Census 2027 reference date and phases: Maharashtra census directorate press briefing, 30 Apr 2026 (on PIB).
- The two towns and the quiz district are invented for illustration.

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