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To the point!

Cross-Asset- and Strategy-Research

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## The long goodbye

### How threatening is the exodus of German citizens, really?

Disenchantment with politics in Germany is increasingly accompanied by vows – or threats – to leave. The wealthy, in particular, have taken to declaring in public that they could, or would, turn their backs on Germany. Nothing works there anymore, they say, and the reform logjam has not eased since the change of government last May. Recently, “pop titan” Dieter Bohlen – seen for several years as a swaggering judge on Germany’s Pop Idol – hinted he might move to Switzerland or Dubai “if everything here is rubbish”. He fears for his wealth and refuses to accept higher taxes. Whatever one thinks of the political instincts of Modern Talking’s former co-singer, this threat to say good-bye sounds to me like a win-win Germany shouldn’t pass up.

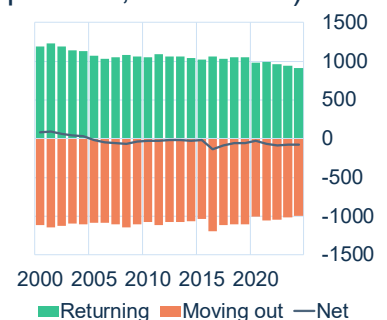
#### What the numbers show

But this isn’t just about yellow-press heroes like Dieter Bohlen. There are actually serious questions at stake. Is there really a brain drain from Germany? Are the pledges to decamp and relocate cheap clap trap, or is the emigration of qualified citizens indeed further eroding Germany’s already strained economic prospects? In fact, Germany has been a country of net emigration for two decades already: every year, more German citizens leave than return. Over the past two decades, Germany has thus lost a net total of about one million citizens. In 2024, net emigration stood at 81,000 – the third-highest figure on record. And that came even though, for the first time in this millennium, that year fewer than one million people with German passports left the country.

A glance at figure 1 makes clear that while close to one million Germans head abroad each year, an almost equally large number comes back. International mobility, of course, is a good thing

### A “pop-titan” is about to jump ship

Fig. 1: Migration of German citizens (in thousand persons, 2000-2024)



Source: Destatis, LBBW Research  
Due to a methodological change in 2016, data are not directly comparable with the period up to 2015.

in principle – and economically, too. I like to believe that, having myself once been an emigrant and a returnee, I had not only broadened my horizons and deepened my understanding of other cultures but also increased my productivity. I let you be the judge on that one.

It’s the young who leave

The real problem would be if citizens of working age (which strictly speaking no longer applies to the 71-year-old Bohlen) were to depart. That would exacerbate the shortage of skilled labor, which is set to intensify anyway in the coming years for demographic reasons. By contrast, if mainly retirees were to decamp to sunnier climes, the economic impact would be comparatively benign.

Unfortunately, figure 2 shows that emigration is especially prevalent among the young. The highest occurrence is among those aged 20 to 29, likely including many students. But even among 30- to 50-year-olds, far more leave than return as well. So, it isn’t just the Dieter Bohlens of the country, who Germany can well manage without – it’s precisely the people the country would badly need. According to a 2019 survey, three-quarters of emigrants hold a university degree – usually earned in Germany and funded by German taxpayers. Most departures are job-related: in their destination countries, those who leave earn, on average, €1,200 more per month.

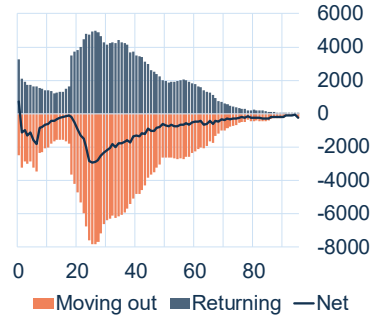
With the baby-boomer cohort about to retire in large numbers, it is more urgent than ever for Germany to stem the exodus. Shifting more of the costs of the public pension system onto the younger generation – as happened last month with the Bundestag’s passage of the latest [retirement package](#) – was hardly a helpful idea and not exactly seducing the young to stay put. Germany urgently needs a better understanding of why people leave the country – and often don’t return. Only then can policymakers and business take effective countermeasures.

Are companies leaving, too? Yes, but...

It isn’t only citizens who are moving away or threatening to do so. Companies, too, complain about conditions in Germany as a business location and flirt with relocating abroad. Last year, the news caused a stir that Stihl, the Swabian world market leader in chainsaws, planned to move parts of its production overseas – of all places, to high-wage Switzerland. Stihl has since backed away. The flirtation with Switzerland, the company now says, was meant as a wake-up call.

German firms are indeed investing heavily abroad, though the trend is very uneven (see figure 3). To paraphrase Mark Twain: reports of the death of Germany Inc. have been greatly exaggerated. But a pronounced case of wanderlust is plainly diagnosable. We should take it seriously – and treat it.

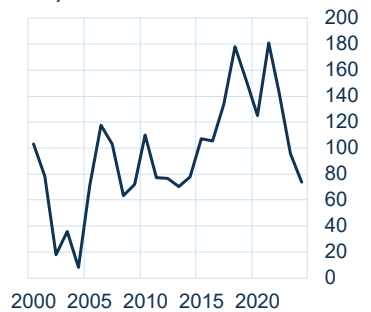
Fig. 2: Migration of German citizens by age (2024)



Source: Destatis, LBBW Research

Economic reasons dominate

Fig. 3: Foreign Direct Investment of German Companies (2000-2024, €bn)



Source: [Deutsche Bundesbank](#), LBBW Research

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