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Myths of an Ageing Society

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Two Things Happening

AGEING SOCIETY



More old People
Average Age Increasing

VS

LONGEVITY ECONOMY



How we are ageing is changing
Younger for Longer

The balance
between these
two forces
differs across
countries

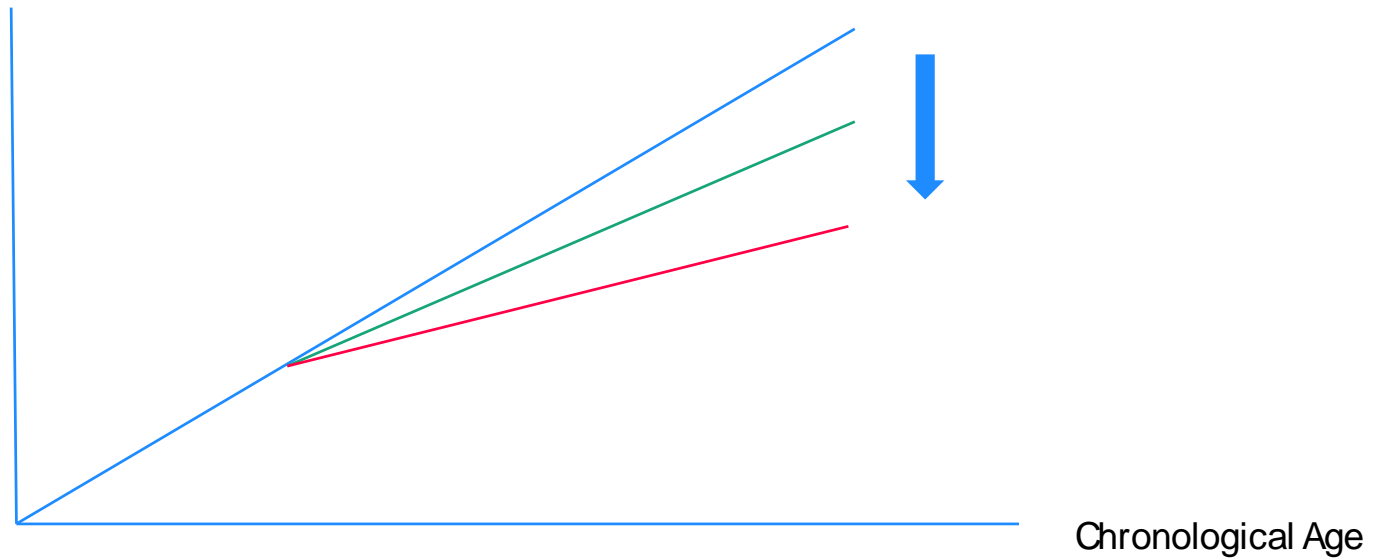
Each country
needs to try
and maximize
the longevity
channel



Ageing is malleable

- *Behaviours*
- *Policies*
- *Environment*

Biological Age



Myths

- Chronological age a good measure of ageing
- All countries are ageing
- Its about end of life issues
- Young vs old

CHRONOLOGICAL AGE



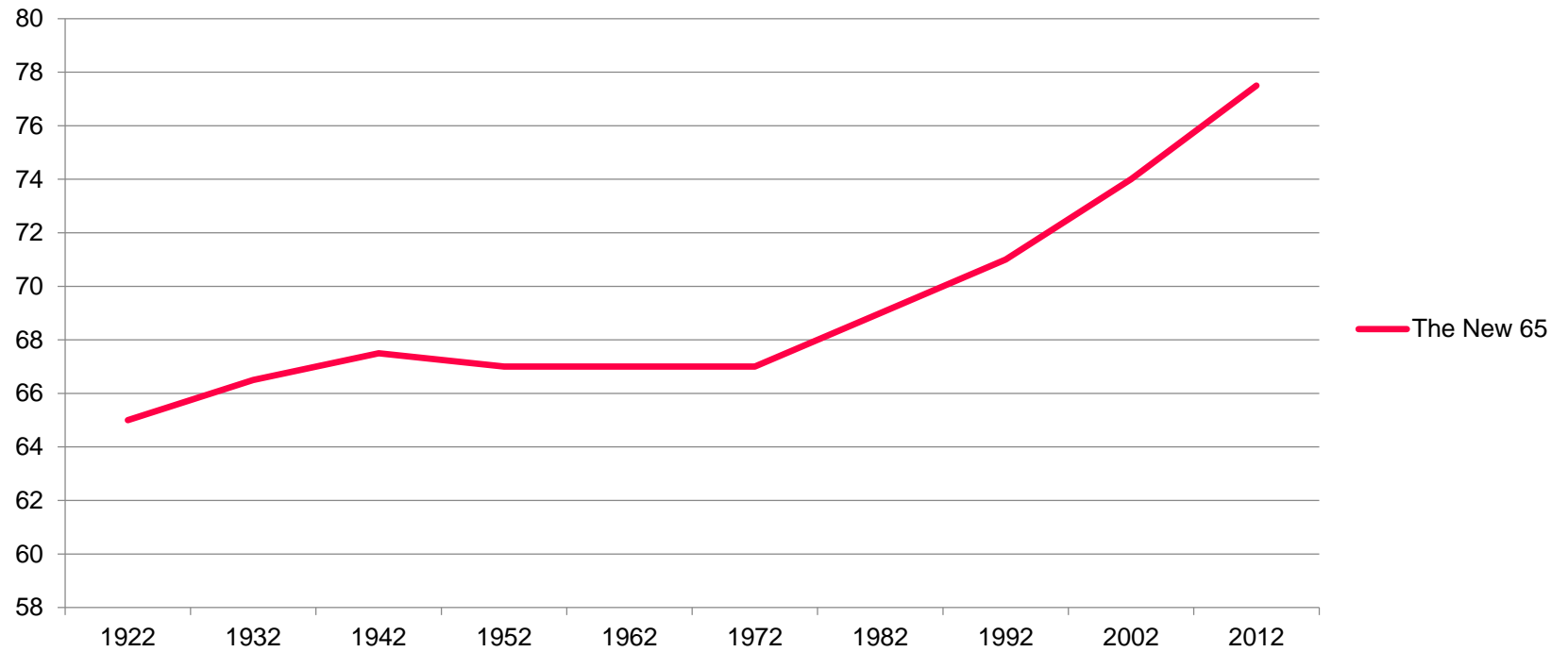
Is a purely *nominal* measure of age. Given malleability of age need focus on real measures e.g biological

Focusing only on chronological age means completely miss the longevity dividend

Means focus only on demographics and not positive adjustments

The New 65

Real
vs
Nominal
Age



All Countries are Ageing



If longevity effect is greater than the ageing society effect then countries are getting *younger*

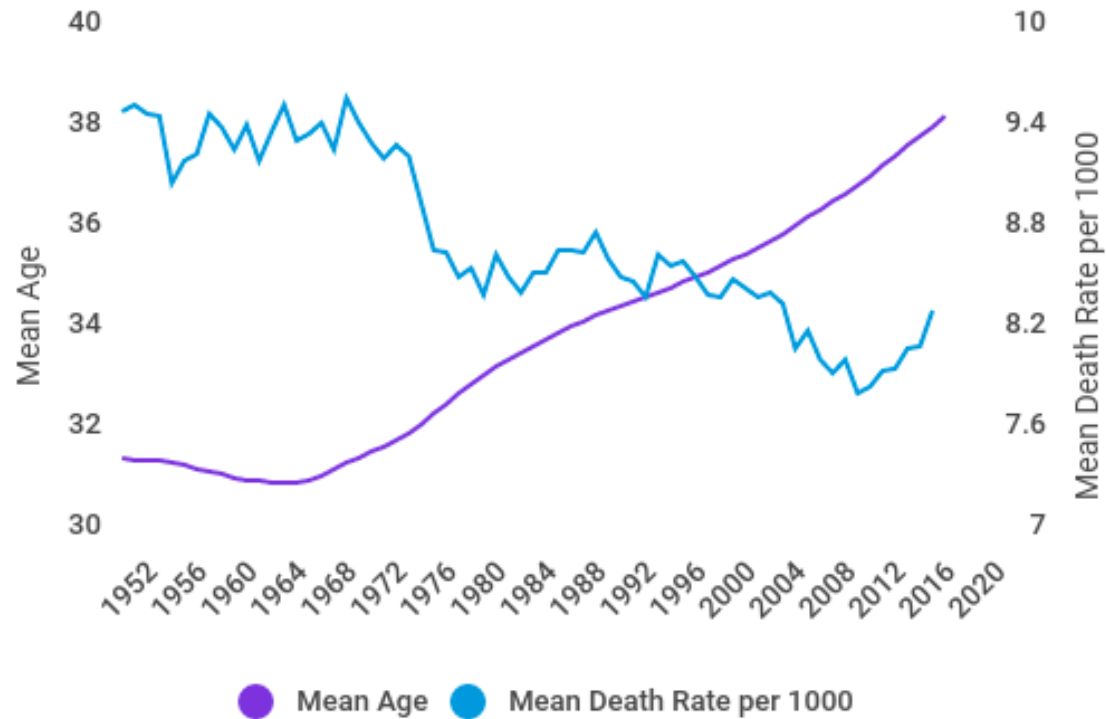
Ageing society effect *raises* average mortality rate, longevity effect *lowers* mortality rate

Balance of the two forces differs across countries depending on the rapidity of the demographic transition

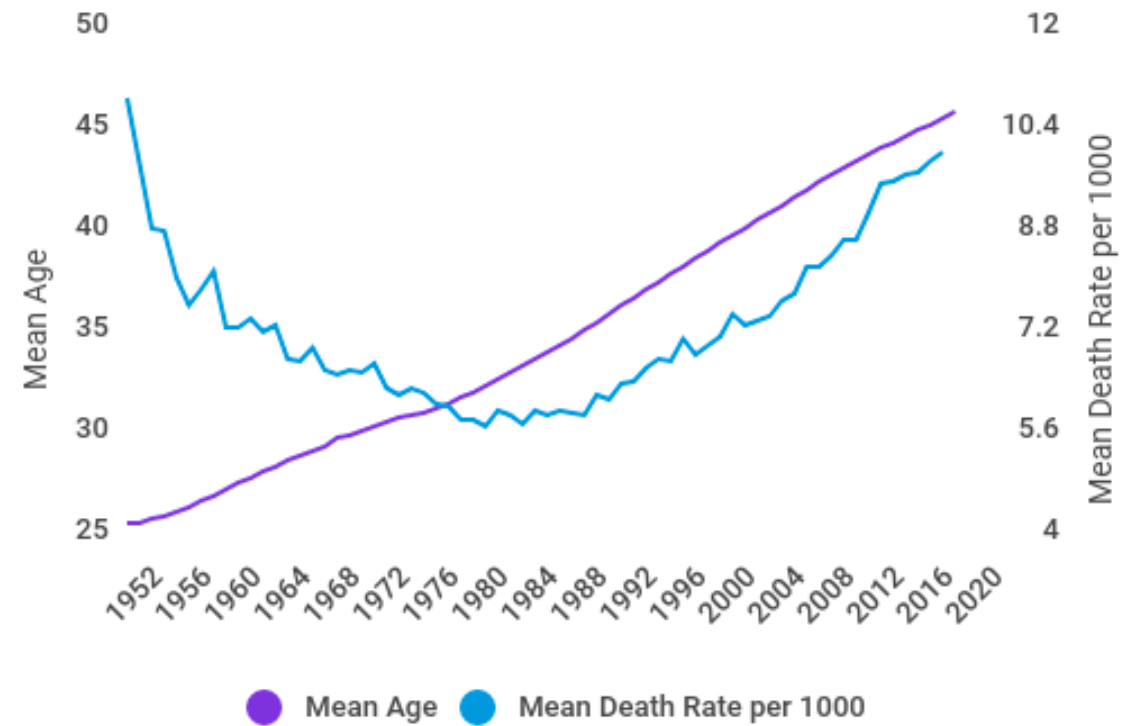
Countries like Japan and China have to invest very heavily in the longevity effect

Age vs. Mortality

USA

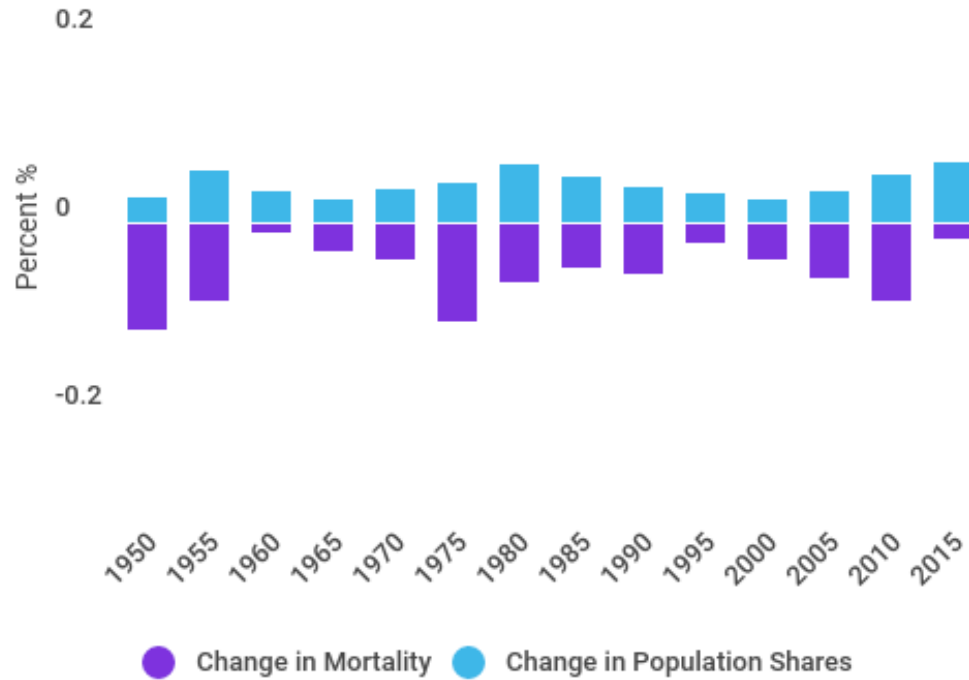


Japan

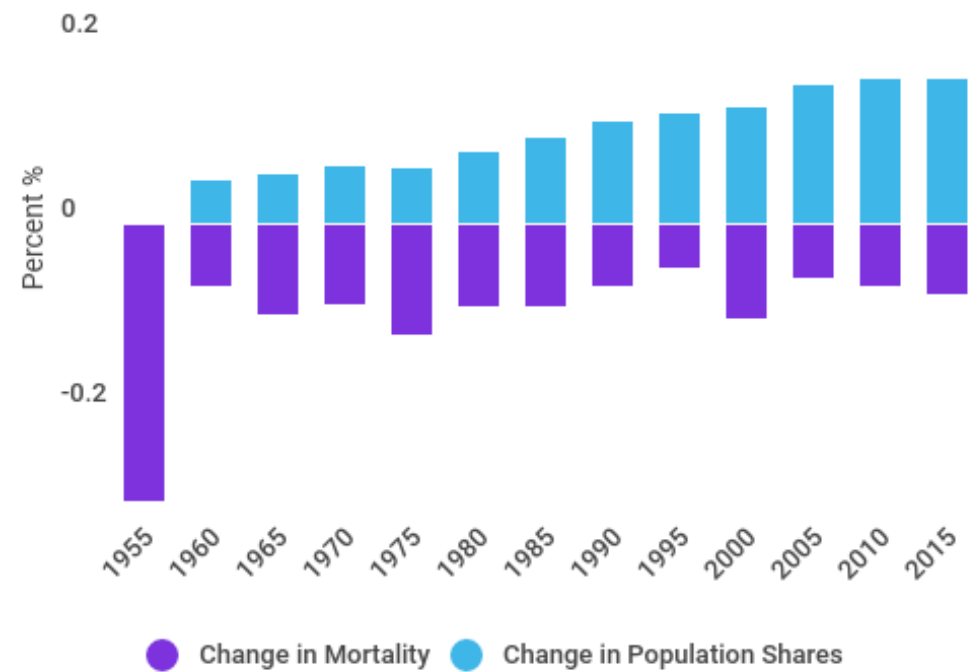


Mortality vs. Population Shares

USA

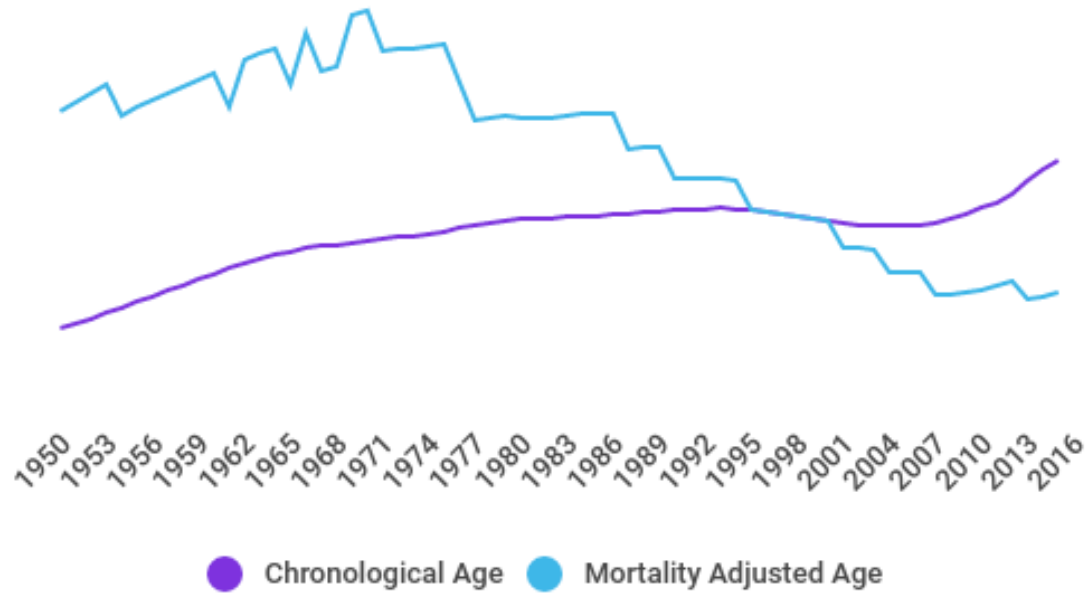


Japan

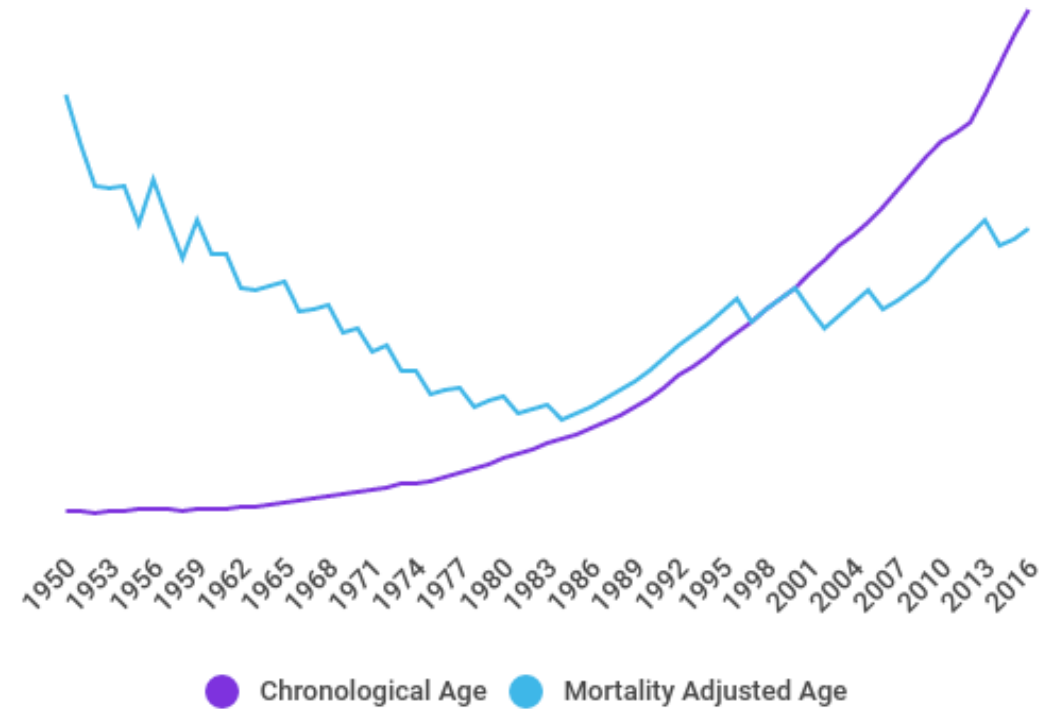


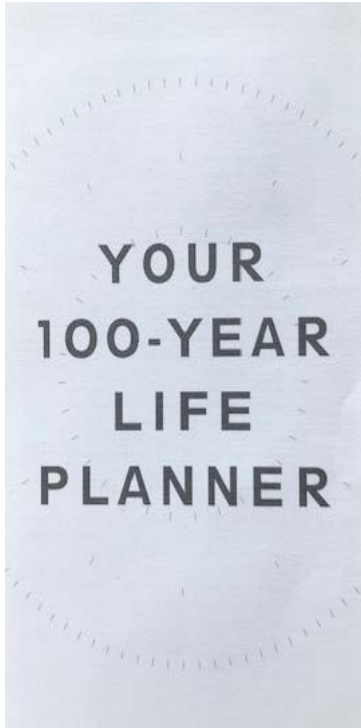
Chronological Age vs. Mortality Adjusted Age

USA



Japan





All of Life Not Just End of Life

Longevity is about a new map of life – new stages and new behaviours

New career paths, new education patterns and new work/life balance

Young vs Old

The young are the future old. Need to prepare a new life course for the young so they age better. Crucial for fast growing emerging markets

Countries with young populations as well as those with old are *both* wrestling with longevity issues

Economic Impact of Ageing vs Longevity

- Need to ensure that if society ages chronologically but not biologically GDP is unaffected. Age neutrality.
- Move away from idea that ageing is fixed and investigate how its made more malleable in terms of education, careers, employment policies etc.
- Investigate how directed technical change will add another dimension to how ageing affects economy. Better biological ageing limits cost of ageing society, directed technological change will do the same
- Rather than look at how to minimise costs of ageing society how do we maximise dividend from healthier longer lives

Three Challenges

- Need better ways of measuring ageing
- Need better understanding of mechanisms of ageing
- Need more focus on policy instruments to improve ageing

Conclusion

- Malleability of ageing means demography isn't destiny
- Need to focus on the life course and how we structure time
- Need to move away from chronological sense of age
- Understand better how we can affect the path of ageing
- Disentangle the nominal age effects in our economy

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Thank you