Myths of an Ageing Society
Two Things Happening

**AGEING SOCIETY**

- More old People
- Average Age Increasing

**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

![Graph showing Biological Age vs. Chronological Age](image-url)
Myths

• Chronological age a good measure of ageing

• All countries are ageing

• It's 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
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

Mean Age  Mean Death Rate per 1000

Mean Age  Mean Death Rate per 1000
Mortality vs. Population Shares

USA

Japan

Percent %

Change in Mortality
Change in Population Shares


Percent %

Change in Mortality
Change in Population Shares

ANDREW SCOTT
Chronological Age vs. Mortality Adjusted Age

USA

Japan

[Graph showing chronological age and mortality adjusted age for the USA and Japan from 1950 to 2016]

Chronological Age  vs. Mortality Adjusted Age
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 it's 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