

John Turner & Sara Rix, – Making the Most of an Ageing World

The age-old yearning for a long life is a reality for growing numbers of men and women around the world. Yet our great good fortune to be the beneficiaries of a long life expectancy is taken for granted. It is even viewed as a looming crisis that could break the bank of government finances. Is increased life expectancy a demographer's dream or an economist's nightmare? This paper examines the challenges and opportunities posed by global population ageing. Although it relies heavily on examples from the United States, where appropriate or available, data from other countries, especially in more developed regions of the world, are highlighted. At the end of the paper, a variety of strategies that can help societies adjust to population ageing are suggested. These strategies apply to ageing societies of varying levels of development.

While population ageing has raised concerns about its effects on the rate of economic growth, there are many advantages of slowing population growth. Congestion and pollution will be lessened. As a result, such problems as global warming, the depletion of the earth's protective ozone layer, damage to crops and other plant life due to pollution, and the extinction of plant and animal species due to the loss of their habitat may be reduced. The strain on world non-renewable resources will be diminished. With declining fertility, average family size is shrinking, and families can spend more time and money per child on the education of their children. Better schooled children are ultimately more productive workers.

While tax rates to support government programs for the elderly may increase and the growth rate of per capita income may slow, these changes are likely to be made in the context of a considerably higher standard of living made possible by productivity growth.