

THE IMPLICATIONS OF GLOBAL AGING & POPULATION TRENDS: Economic Prosperity, National Security, and Social Well-Being

GLOBAL POPULATION AGE SHIFTS

We know the world is getting older. But what's important is that different countries are aging at different speeds and in different ways. The “developed” world is steadily graying, and in some cases, workforces and even total populations are actually shrinking. In the “developing” world there are some startling changes in store over the next 20 to 40 years. Some countries will age with unprecedented speed, while others will increase their proportion of young adults dangerously quickly. These often surprising developments present both major challenges and real opportunities. Understanding the implications of these population age shifts will be critical for effective policy making. For Congress and the Obama Administration, failing to look at policy decisions through this “lens” of *Population Age Shifts* would result in choices made with incomplete information.

MAJOR IMPLICATIONS

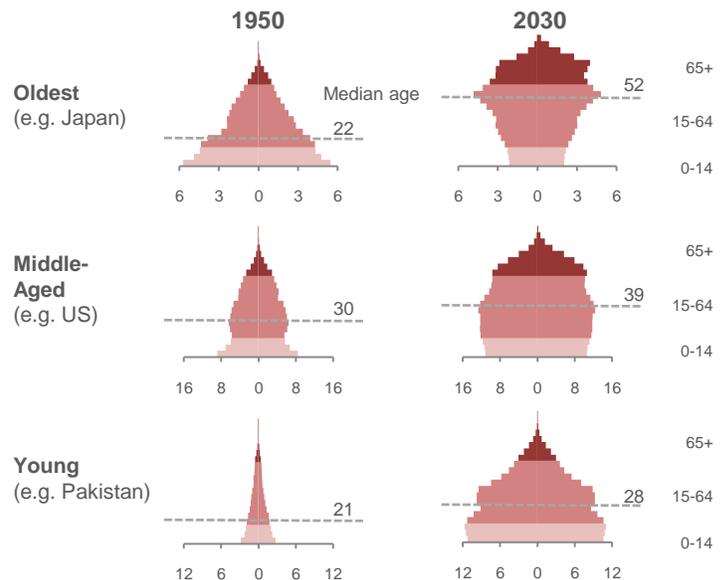
Population Age Shifts directly affect the major global and national issues of today: economic prosperity, social well-being, and national security. Slower growth in working-age populations threatens economic prosperity, and increasing shares of older people are straining national budgets as governments strive to pay for services and social safety nets. These problems are already acute for older countries such as Italy and Japan, and becoming critical for rapidly aging countries like China, South Korea, and Mexico. At the same time, “youth bulges” in many developing countries in the Middle East and sub-Saharan Africa threaten social and political stability abroad and security interests at home.

CLIMATE, GLOBALIZATION, TECHNOLOGY... AGING

Population aging is one of four major trends, along with climate change, economic globalization, and technological innovation, shaping our present and future. The realities of these *Population Age Shifts* require new strategies; using the lens of *Population Age Shifts* will give decision makers a new perspective and help frame a new set of questions:

- If you knew that China's workforce will start to shrink in 2015, would that change your view of **international trade prospects and China's economic future**? Not only will the workforce shrink, but China's 65+ population is set to more than double, to over 200 million by 2030.
- If you knew that Pakistan's population will increase 50% by 2030 and that its growth in working-age population will likely be too fast to absorb, would that change your **foreign policy and economic development** approach? How would it change your assumptions of stability in the country and the region? Other “youth bulge” countries include Afghanistan, Nigeria, Iraq, Haiti, Sudan, and the Democratic Republic of Congo.
- If you knew that the number of 80 year olds in the US will almost triple by 2050, would this change your views on **social security, long-term care and health care financing**? As concerning as this is, Europe and Asia are aging much more rapidly than the US.

DIFFERENT SHAPES, DIFFERENT REALITIES



Population in millions by five-year age bracket. Males on left, females on right.
Source: UN World Population Prospects, 2006 Revisions, medium variant forecast

The Global Aging Program at Stanford University combines compelling analysis of international demographic and population aging issues with a unique, comparative framework for understanding their implications. The Global Aging Program, part of Stanford University's Center on Longevity, is led by Dr. Adele Hayutin, a former private sector economist and leading authority on understanding and explaining critical demographic differences and changes around the world. The program benefits from the active involvement of former Secretary of State George Shultz and interdisciplinary contributions from many corners of Stanford.