Aging and Demographic Change

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Population aging is often perceived in a negative way, through concerns about public pensions, the demand for health care, the needs of older people for personal assistance, declining economic production, the accumulation of social responsibilities in the “sandwich” generation, and divisions between young and old. The purpose of this article is neither to confirm, nor to deny, these concerns. Rather, its purpose is to contextualize them in order to arrive at a more balanced view. Three main conclusions are drawn: (i) multidimensional demographic analysis is required; (ii) the policy significance of older people in the future may not be the same as their policy significance today; and (iii) other factors need to be considered alongside demographic factors in making policy choices.

INTRODUCTION

Not all trends are equal. Trends vary in duration, the number of people involved, their potential for reversibility, and the magnitude of their effects. In the present article, we are concerned with a trend that clearly commands attention at the highest level. That is because it is very long-lasting; it involves a large segment of the population, if not now, then in the future, as well as indirectly affecting many more; the potential for reversibility appears to be low; and its effects are claimed to be very large. This trend is population aging.

Population aging has been on the policy agenda for over a decade, and it will no doubt become a more important policy issue in the future. The Organisation for Economic Co-operation and Development (OECD), in particular, has played a leading role in stimulating debate about policy implications of demographic change. In the latter part of the 1980s, the Demographic Review highlighted the changing age distribution of the Canadian population when it drew attention to “the inevitability of aging.” During the 1990s, public awareness of changes in population composition, and of their consequences, was heightened by other contributions. This included...
the claim that in the impact of demographics upon economic behaviour, age explains “two-thirds of everything.”

In the demographic sense, a society is considered to be aging when future populations will have a higher proportion of the population in older age groups than they do today. This characteristic can be measured in different ways, but one criterion that is a benchmark for policy purposes is the percentage of people who are aged 65 and over. Traditionally, 65 was the normal pensionable age for male employees. Today, age 65 continues to be used as a convenient reference point for statistical comparisons over time, even though increasing numbers of workers now leave the labour force at younger ages.

It is not always sufficiently understood that the Canadian population has been aging slowly, but irregularly, for more than a century. This population aging is mainly due to falling fertility, and the fertility rate has tended to decline (with the major exception of the post-Second World War baby boom). Thus, the proportion of people aged 65 and over in Canada more than doubled between 1881 and 1981, rising from 4.1 percent in 1881 to 9.7 percent a hundred years later.

Contemporary concerns about population aging arise from the fact that the rate of increase in the proportion of older people in the population picked up at the end of the 1960s, as the baby boom tapered off. The rate of population aging is predicted to accelerate again in the early decades of the twenty-first century, and the biggest increases in the proportion of the older population in Canada are therefore yet to come.

Since 1971, the percentage of the population aged 65 and over has increased steadily, rising from 8 percent to 12.2 percent of the population in 1996. Projections of future increases vary according to the assumptions used, rising to a possible peak of 19.6 percent in 2031, or hitting 29 percent in 2041 and continuing to climb. As trends go, population aging has long legs. In the year 2000, Canada is probably less than half way along the steeply rising trend line that began around 1970, and increases in the proportion of older people in the population are to be expected for the next 30 years or more. The only factor that could shift the trend of population aging would be a dramatic increase in fertility. Given the present combination of cultural and material circumstances that favour having few children, such a change seems unlikely.

Population aging is a slow process, but its cumulative impact, and therefore its policy implications, can be considerable. More important, it touches practically every aspect of life in some way. This was one of the themes taken up in the work of the Project on Trends research team that considered Demography and Aging, led by Verena Haldeman. The diverse papers produced by this team explored such topics as work and leisure (Marty Thomas), productivity (Joel Prager), informal support for older persons (Ingrid Connidis), language and culture (Douglas Thorpe), intergenerational interlinkages (Susan McDaniel), and intergenerational relationships (Joseph Tindale, Joan Norris, and Krista Abbott).

Susan McDaniel, in particular, stresses the range of issues raised by population aging, cutting across the three spheres of public institutions, family, and work.

Collectively, these authors are concerned about the fact that population aging is generally seen in a negative way. As Thorpe notes, the language that is used to describe aging tends to focus on processes of decline. That is not the only possible way of thinking about aging, he argues, but it became the predominant point of view in the “work societies” that followed industrialization. Older persons therefore tend to be seen as constraints upon economic and social progress.

**Contextualizing Demographic Fears**

At the opening of the twenty-first century, concerns exist about our capacity to maintain the existing...
quality of life for all Canadians. Recent experiences include: cuts to the welfare state (especially in health and education budgets, as well as in selected income-transfer programs), comparatively high levels of taxation, and stagnant, or falling, incomes (especially among young people) relative to larger income gains of American workers. None of these developments is directly attributable to the slowly growing proportion of older persons in our population. Nonetheless, the possibility exists that population aging may become a lightning rod for a variety of dissatisfactions. In this scenario, older people as a category might become an unjustified target for corrective policies. We must, therefore, be careful about giving undue importance to negative aspects of population aging in any future policy review.

Fears about negative consequences of population aging fall into six main groups: (i) the fear that escalating costs of providing public pensions to a growing population of older people will place unsustainable burdens upon people of working age; (ii) the fear that more older people, who often need greater health care than younger people, will create a huge and unsustainable demand for costly medical services; (iii) concern that, in the future, personal assistance with daily activities may not be available to all elderly people who need it; (iv) the fear that a greater volume of exit from work, and an older workforce, may hinder current efforts to increase the economic output of Canada’s population; (v) concern that an accumulation of economic and social responsibilities, including support for older people, is falling upon a narrower section of the population defined in age terms (for example, the “sandwich generation”); (vi) fears that shifting more resources toward older people will exacerbate existing intergenerational inequities, thus creating new divisions between generations and possibly contributing to a breakdown in social solidarity. Together, these concerns about demographic change and its effects constitute a thought-provoking agenda for policymakers. In recent years, policy researchers and policy analysts have paid more attention to these problems, as awareness grows that the future well-being of Canadians cannot be guaranteed by policies based on current conditions.

As we might expect, opinions differ among researchers and analysts about the nature and severity of problems associated with an aging population. The main lesson to be learned from current research is that knowledge of demographics on its own is a limited guide to understanding the future. Any predictions about the future consequences of population aging rest upon a number of assumptions. Some of those assumptions concern purely demographic factors, such as fertility rates, mortality rates, and immigration flows. Other assumptions, however, are of a non-demographic nature. These assumptions concern how individuals behave, and how political, economic, and social institutions work.

Whatever the outcomes of population aging are in the future, they will be determined not only by the proportion of the population in older age groups, but also by how older people themselves act, as well as how institutions use age and age-related categories as bases for social organization. It is this contextualization of population aging that needs to be stressed today. As Connidis puts it in introducing her paper for the Project on Trends: “as well as presenting trends, context must be provided by reviewing related literature on their impact.” Thorpe adds to this that the relevant literature from which to study the social construction of aging is not confined only to statistical reports, but also includes the language used to describe life-course stages in medical case reports, legal arguments, and other documents.

Before we take up the formal description of the principles that are involved here, a practical example may be useful to illustrate the importance of contextual factors. One of the major areas of financial concern about population aging in Canada today is the effect that it is expected to have upon the costs of public health-care systems. Health-care expenditures tend to be higher for older age groups than for younger age groups, in part because older
patients stay in hospital for longer periods than their younger counterparts. In 1996-97, the average hospital stay among people aged 65 and over was 17 days, compared with 9 days among those aged 45 to 64, 7 days among people aged 35 to 44, and 6 days or less among those in age groups under 35. A simple extrapolation shows that as the population of aged persons rises the costs of health care will be pushed up in an inexorable fashion. However, focusing upon population aging as a factor in escalating health costs can be misleading. Although the proportion of the population in older age groups is always something to be taken into account, it does not provide the key to understanding what is happening in Canadian health economics today.

First, international comparisons of health expenditures in member countries of the OECD have shown that there is no relationship between the extent of population aging at a given time and aggregate health-care expenditure. That is to say, countries with the largest proportions of older people do not necessarily spend the largest percentage of gross domestic product (GDP) on health. Three reasons for this counter-intuitive finding are worth thinking about.

Health-care expenditures tend to be higher for older people partly because costly medical procedures tend to be concentrated in the final years of life. Since older people are more likely to die than younger people at Canada’s stage in the demographic transition, the costs of dying are concentrated in older age groups in most cases. At the same time, however, one of the factors in population aging is a gently falling mortality rate as a result of which people are living longer. Between 1980 and 1996, the age-standardized death rate among people aged 65 and over fell from just over 5,000 deaths per 100,000 older persons to 4,430 deaths. Clearly, this trend should help to alleviate some of the demand for pre-mortem medical services in older age groups. Furthermore, an analysis of medical procedures in Quebec has concluded that health costs during the last year of life do not increase with age. The medical costs studied were surgical, diagnostic, and therapeutic procedures, which accounted for 26 percent of the cost of physician services received during the last year of life. According to this study, middle-aged persons are somewhat more likely to receive aggressive medical treatment than older persons, and especially than the very elderly, in the last year of their lives.

Second, the analysis of health-care expenditures in OECD countries shows that it is per capita GDP, and not the proportion of the population in older age groups, that is closely correlated with the proportion of national income devoted to health care. It appears that the major determinants of health-care expenditure lie in the demand for, and supply of, medical services in countries at different income levels. McDaniel points out that demographic aging is a much less significant factor in health-care cost increases in Canada than changes in the rates at which people in different age groups utilize health care.

The third factor to consider when evaluating national health-care costs is that the way in which medical services are organized and delivered makes a difference. The only OECD country in which health expenditure as a percentage of GDP far exceeds what would be expected on statistical grounds is the United States. A notable factor here is that the United States relies far more than other countries upon private provision of medical services. The difference between public (i.e., state) and private (i.e., market) provision for human needs, and recent tendencies to shift from the former to the latter in Canada, should be an essential element in any discussion about the future of our country as an aging society, according to McDaniel. She suggests that the debate over how to meet the needs of an aging population may be laying bare the weaknesses of existing social arrangements to cover market failures in Canada, rather than identifying the causal sources of emerging problems.
INDIVIDUAL AGING AND POPULATION CHANGE

Recent discussions on future health-care costs in the OECD countries have been equivocal about the influence of population aging. The reasons noted above are partially responsible, but it is also unclear what the health characteristics of future populations of older people will be like. People in older age groups may be healthier in the future than older people are today. Projections of health costs which are based on the implicit assumption that older people will need at least as much care in the future as older people do today could therefore be unrealistic. However, it is also possible that the demand for medical services could shift upward, due to higher personal standards of “wellness” among older people who expect to have a more active lifestyle in their later years. Therefore, a great deal of uncertainty surrounds any projections of health costs beyond the next few years.

A general point needs to be made here about the conceptualization of demographic fears, which goes to the very heart of how we think about time as a variable in social policy. It is necessary to give due importance to the fact that the temporal structure of an aging society involves more than factors of population aging. Population aging refers to increasing average age in a population, as measured on a calendrical scale of “societal time.” This is conventionally characterized as the emergence of a greater proportion of older people in a society’s population. The emergence of these older people, however, is the result of a set of individual processes of transition into old age, each of which takes place in a life course of “personal time.” Demographic processes that occur in societal time must therefore be examined in the context of life courses in personal time.

Life-course trajectories are especially relevant when considering the capacity of families to provide informal social supports for older people. This capacity is often considered to be crucial for the ability of a society to sustain more older people, not only because families help to provide services that would otherwise have to be provided at public expense, but also for the emotional and physical well-being of older people who need assistance with daily living. Individuals who must rely upon others for help in meeting the intimate needs of everyday life usually prefer the assistance of a close relative, mainly a female relative. Among couples, this support is usually provided by the spouse. An important question for the future is whether or not older widows in an aging population will have family members, especially daughters, to help look after them.

Tindale, Norris, and Abbott believe the ties between older and younger generations will remain strong, due to a lifetime of reciprocity in familial exchanges of goods and services. They conclude that if there is a caregiver issue to be addressed in an aging population, it should not be conceptualized as a matter of caregiver “burden” since that makes an unwarranted assumption that people are not willing to look after their aged family members. Rather, these authors caution that the issue to be addressed in family caregiving is one of a limited supply of family members who are available to provide the level of care being demanded by some governments on top of that which is already being willingly provided.

Connidis takes up this question of the supply of family caregivers, as a central policy issue. The factors involved here turn out to be more complex than might be supposed. One of Connidis’s more intriguing findings is that although fertility has been falling in Canada, it is not the case that there will be more elderly Canadians without children in the next two decades. On the contrary, women who enter into old age at the beginning of the twenty-first century are less likely to be childless than women in preceding cohorts. Among all women aged 45 and over in 1991, falling fertility occurred mainly as a reduction in the number of large families with five or more children, but not as an increase in
childlessness. Or to put the same point differently, among women who were born at the end of the Second World War or earlier, an increase in the number of women having children has been masked by a decrease in the number of women having many children. Both of these trends have implications for the lives of older women in the early decades of the twenty-first century. However, a growing absence of family caregiving is not necessarily one of them.

**MULTIDIMENSIONAL DEMOGRAPHY**

The careful analysis presented by Connidis shows how a demographic assessment of an aging population should involve more than the simple description of increasing average age that is due to falling fertility and falling mortality rates. Even if it is admitted that demographic factors can explain most of what we need to know about future populations, it does not follow that average age and its determinants are the only important demographic variables to be taken into account. As Connidis demonstrates, in addition to describing the proportion of the population that is aged 65 or older, it is also necessary to describe the demographic factors which have shaped the lives of older persons, such as their pattern of childbearing.

Furthermore, it is increasingly recognized by contemporary demographers of population aging that relevant variables include not only demographic characteristics of older people, but also demographic characteristics of the members of their support networks. In other words, precise assessments of the impacts of population aging require a multidimensional demography. For example, studies in the United States confirm the idea that living arrangements of older parents are affected by the circumstances of their adult children. The proportions of older widows who are either living alone or with kin are influenced not only by the number of surviving children they have, but also by the number of children who are unmarried and therefore more available for co-residence. As Tindale, Norris, and Abbott note, adult children in these circumstances are more likely to co-reside with parents than are children living in stable relationships.

**DEMOGRAPHY IS NOT DESTINY**

Contextualizing demographic fears about population aging evidently involves going beyond the study of the age characteristics of a population. It includes studying the demographic properties of the life courses of older persons and the life courses of the members of their support networks. It also involves going beyond demography itself, to include the study of political, economic, social, and cultural processes of change. For instance, the proportion of older widows living alone is affected not just by the marital status of their children, but also by the economic needs of the children due to such factors as the children's income size and their unemployment rate. It is also affected by cultural norms about intergenerational co-residence, that can vary between different ethnic traditions. Tindale, Norris, and Abbott therefore argue that we need to know more about the relational implications of Canada's growing ethnic and cultural diversity.

Knowledge about cultural dimensions of the social relationships of older people that is based on research into narrative accounts of life courses and the meanings attributed to them is often lacking in Canada. By comparison, statistical analyses of age distributions and income distributions are more common. Observations on the shifting meanings of "elders" and "the elderly" in the history of Aboriginal people in Canada show how important the cultural dimensions can be. Despite the apparent objectivity of demographic projections, and the strong claims that are sometimes made based on them, demography is not destiny. Tomorrow’s older Canadians will not be the same as today’s older Canadians, since they will have had different life histories. Connidis points out that future cohorts of older persons will include more
individuals who are dealing with the long-term consequences of divorce, single parenthood, remarriage, and step-parenting. The implications of this trend for behaviour patterns such as asset accumulation and inheritance deserve close attention.

Conventional discussions about social supports for daily living among the elderly assume that future generations will continue to expect family care. McDaniel and Connidis both think that this expectation should not be taken for granted, as changes in social preferences are possible that could have important implications for future policies. In particular, Connidis points out that supportive relationships between spouses rest upon their beliefs about what constitutes being a proper wife or husband. She notes that increased labour force participation among women in cohorts that are only now beginning to enter old age may have long-term consequences for caregiving between elderly spouses. For instance, in the future there could be greater willingness and ability to seek help from other sources, including paid help, if women no longer define their roles primarily in terms of looking after close family members. This example illustrates the general point that generations of Canadians are now coming into maturity in a different context than today’s elderly did in earlier decades. They have had experiences of different levels of government services as well as different proclivities for using commercial services for such everyday activities as food preparation.

There is a yet further extension of the frame of contextualization to be considered. The social history of societal time suggests that the society in which tomorrow’s older people live will not be the same as the society of today’s older persons. There are, therefore, both micro and macro factors to take into account in contextualizing the potential effects of demographic change. Prager examines these factors with reference to the question of productivity.

Prager notes that aging is generally seen in a negative way. Analysts focus on the idea that the greying of a population leads to reduced production, both because there are more people who have left the labour force and because the productivity of older people who keep working falls with increasing age. This demographic fear has intensified in recent years, partly because of concerns about a narrowing economic base for income taxation and payroll deductions, and partly because of concerns about national competitiveness in an era of technological innovation and market globalization. If an aging population is, in fact, less productive, then Canada may be facing a future of falling standards of living punctuated by crises in governmental income transfer programs, especially pensions.

Prager observes that there are actually very few reliable studies that show an unambiguous relationship between age and productivity. Where differences in productivity do seem to exist, they may be due mainly to the fact that older workers are less likely than younger workers to participate in job training programs. It is not clear if this pattern is due to the choices made by older workers themselves, or to the policies of their employers.

Prager also makes the point, as others have done, that even a modest increase in the national productivity rate would, if sustained over a period of several decades, go a long way toward ensuring that the more pessimistic economic scenarios for an aging society do not come true. It is important to note that national productivity is not simply a function of the age-related characteristics of a country’s population. It is also influenced by economic factors, such as the level and nature of investment in new production technologies and new products, as well as by investments in human capital and by changes to the structure of financial incentives. Most of these factors are amenable to policy intervention. To that extent, Canadians potentially have some degree of collective control over their own destinies.

These observations do not necessarily mean that all will be well in Canada in the future. It is by no means obvious that current policy directions are
going to lead to an increase in productivity in Canada in the coming decades. Although the evidence base is highly debatable, Canada’s productivity record does not seem to have been very good during the past two decades, despite changes in labour-market policies and the existence of a more highly educated labour force. This disappointing outcome, it should be noted, occurred during a time when Canada’s population was aging only relatively slowly. It would be a tragedy if fears about possible future effects of population aging on productivity distracted attention away from searching for the present causes of weak productivity performance.

**Public and Private Choices**

Since demography is not destiny, the future of Canada in the twenty-first century ultimately lies in a myriad of public and private choices to be made by present and future Canadians. At the present time, and probably in the immediate future as well, the major choices debated in the public arena concern financial transfer programs. Transfers take many forms, and the complex connections between them deserve careful study, as discussed by McDaniel.

Financial transfers take place between individuals (especially within families), between individuals and voluntary organizations, between governments and individuals, and between different levels of government. The latter two types of transfers tend to receive the most attention in public policymaking. That is because, in the second half of the twentieth century, transfer payments to individuals and to subsidiary levels of government became central to the nature of the Canadian federal state. Programs such as the Canada Pension Plan (CPP) are not simply instruments of economic policy. They are also political tools, for national unity and division. The issues raised in this article are therefore connected, in the political arena, to issues of the distribution and uses of power discussed elsewhere in this special supplement.

**Pension Policies**

The most noteworthy instance of the political contextualization of aging is the way in which Quebec’s withdrawal from the Canada Pension Plan has enabled that province to use the Quebec Pension Plan as an instrument for economic development, and for economic and political autonomy. Two of Canada’s western provinces have also occasionally mused about following the path taken by Quebec. These rumblings should serve as reminders, if such is needed, that there is more to intergenerational transfer programs than just intergenerational transfers. Pension programs for older people can be powerful instruments for social cohesion, but only if they serve a variety of interests, and only if they are seen to work well.

Today, there are a number of people who are not convinced that the CPP is working as well as it could. Some influential economists, with links to the OECD, are especially concerned about disincentive effects of public pensions and disability payments upon employment in old age. In this context, it should be noted that the most dramatic recent trend affecting labour supply in later life is not the growing number of people aged 65 and over who are leaving the workforce. Rather, it is the accelerated withdrawal from the labour force of men aged 55 to 64. Between 1976 and 1998, the proportion of these men with jobs fell from 74 percent to 56 percent. To a small extent, this shift was compensated by an increase in the labour force participation rate of women in this age group, up from 30 percent in 1976 to 36 percent in 1998. Nevertheless, the main labour supply trend among older workers is one of earlier exit from work, a trend independent of the demographics of population aging.

It is possible that in the coming years there will be a new round of discussions on reforming the CPP, intended to reverse the trend toward earlier retirement and raise the labour force participation rate of older Canadians. If such discussions do take place,
they will have implications for institutions outside the CPP itself. Reversing the trend toward earlier retirement would involve rethinking other social programs in addition to income transfers. Education and health are the obvious examples, but there may be others as well.

In the future, older workers may be encouraged to continue in paid employment past today’s usual age of retirement. Such a step would reduce the demands placed on the CPP, and help to spread the burden of income taxes and payroll taxes that will otherwise fall heavily on younger workers. A national policy of extending paid employment in old age would require not only making adjustments to pension plans, but also removing the remaining legal provisions for mandatory retirement at a fixed age. In that eventuality, more attention will need to be paid to the highly variable competence of older workers, discussed by Thorpe, and serious questions will no doubt be raised about their productivity, as Prager anticipates. Although the answers to those questions are not yet clear, it is reasonable to suppose that more attention will be given to the relatively low participation of older workers in education and training that could upgrade their employment skills. One possibility that can be anticipated, then, is that pressures may develop to redirect education policies from assisting young people who are attempting to enter the labour market to assisting older people who are already employed. This step could involve making difficult policy choices about resource allocation, unless there is a renewed public commitment to expand the total volume of education expenditures.

Education is clearly one area in which, as McDaniel stresses, policies for older people cannot be developed in isolation from policies for other age groups. She surmises that the fact that large increases in university tuition fees have not yet had a discernible impact on full-time enrolments may indicate that parents are making bigger direct financial transfers for their children’s education. In so doing, they are perhaps compromising their own old-age security for the sake of their children’s opportunities. Tindale, Norris, and Abbott suggest that investing in equitable conditions and opportunities for young adults may relieve parents of this concern, and better enable them to prepare for their retirement in a manner that minimizes dependency upon the state.

**Health-Care Policies**

More difficult choices that literally involve the most sensitive matters of life and death potentially lie ahead in the field of health care. Indeed, there could be a temptation to avoid open debate on some of these issues, which are then left to be resolved in private agreements among established stakeholders.

In principle, several different approaches to health care in later life could be taken. The first approach, which is arguably dominant today, is that of the indefinite prolongation of life by doing everything that is medically possible to ensure people live longer than would otherwise be the case. The second approach involves focusing not on the length of the life span, but on the quality of the life that is lived. Here, the emphasis is placed upon helping people to live active and productive lives, including avoiding factors that might increase morbidity. Third, there are practical pressures to accept limits to medical care. This approach inevitably involves ethically challenging issues, such as de facto rationing of expensive medical services to “good cases” and long waiting lists for surgery, which mean some people die before they can be treated.

In practice, every existing medical system consists of some combination of all three of these approaches, although the balance between them may vary. Private and public decisions about that question are being made every day in Canada, and this will not change in the future. What could change, however, is a greater weighting toward productive aging in a society that is more concerned about the productivity of older workers.
Analyses of exit from work in Canada, as well as in other countries, have shown that many “retirees” leave the labour force before they are entitled to a public pension. In some cases, this change is due to involuntary terminations of employment, which leave older workers in financial difficulties until they qualify for the pension. In other cases, it is due to early retirement incentive plans that provide financial inducements to quit work. There are also some people who withdraw from paid employment early because they are not in good health and because they have the opportunity to receive disability payments.

If the normal age of retirement were to be raised, then the number of people receiving disability payments would likely increase. Alternatively, individuals with a reduced propensity to work might stay employed longer, but work fewer hours. The 1995 Survey of Work Arrangements found that only 6 percent of paid workers aged 55 to 69 would have preferred to work fewer hours for less pay. That might change if more Canadians found they had to work for a greater proportion of their lifespan.

Policymakers would probably have to work hard to ensure that delayed retirement in fact produced the anticipated outcome. In order to obtain the higher economic output expected from a higher pensionable age, adjustments would no doubt have to be made to other institutions through which people exit from work. Medical practices, either independently or in conjunction with Workers’ Compensation Boards, could hardly avoid becoming part of the paradigm shift required in order to delay retirement and boost hours worked in later life.

CONCLUSION

Population aging is a perennial topic on the public policy agenda because of the powerful constellation of negative forces that potentially flow from it. Nevertheless, it is sometimes overlooked that advancing age can be a positive factor in society. For example, older people often volunteer for community service or make financial donations to charities. Canadians aged 65 and over engage in volunteer activities less often than other adults, but those who do participate spend more time on those activities than younger people. In 1997, elderly volunteers averaged 3.9 hours per week on those activities, compared with 3.1 hours for volunteers aged 45 to 64 and 2.7 hours for those aged 25 to 44. Similarly, older people are about as likely as people in younger age groups to make financial donations to charities, but older donors give larger amounts. In 1997, people aged 65 and over donated $328 on average, compared with $313 among those aged 55 to 64, $291 among those aged 45 to 54, $260 for 35 to 44 year olds, and $160 among those aged 25 to 34.

An even-handed approach to population aging might give more thought to increasing the ways in which society can benefit from the resources of older people.

In this article, an attempt has been made to balance demographic fears of population aging by illustrating the extent to which predicted consequences of demographic change, and possible policy responses to them, are entangled in a wide range of other issues that are not necessarily negative and that are not determined by age. The authors of the papers on population aging for the Project on Trends have discussed some of these issues, including the suggestion that demographic fears are overblown, among other related issues.

Population aging is neither a threat to be dismissed lightly, nor is it a subject that should occupy the attention of policymakers to the exclusion of other issues. Finding the right balance is always a challenge in policy discourse, and that is nowhere more true than in the field of population aging. The members of the Project on Trends research team on population aging have shown the value of a discussion of aging that draws on a wide range of contextual factors and is based on a variety of forms of evidence. Some of the implications of that perspective for data collection and data analysis, for policy analysis, and for policymaking will now be outlined.
Data Development

The aging process in the latter part of the life course needs to be monitored more carefully than it is now if Canadian policymaking is to be highly responsive to complex, emerging issues in an aging population. (See the discussion on policymaking below.) For the reasons outlined below, there is a case to be made at this time for a National Longitudinal Survey of Later Life Transitions.

Data collection in Canada has improved greatly in recent years, especially with the introduction of major longitudinal surveys on children and youth (NLSCY) and on labour and income dynamics (SLID). However, neither of these surveys were designed explicitly to observe the progress of older people. At a minimum, data collection should closely link the two areas of greatest concern in policies about older people, namely health and income. For example, it is known from the SLID that the physical and mental conditions that limit people’s ability to work for pay are about twice as prevalent among older people under age 70 as they are among middle-aged people. It is also known that seniors with a work limitation are more than three times as likely to be living in poverty as are seniors without a disability. What we do not know is which work limitations have the biggest impact on income losses in later life, and whether they are mainly physical or mental in nature. Clearly, that is something we should want to know before making any changes to income-transfer programs with the intention of requiring people to depend upon their own earnings for longer. We need a new longitudinal survey of older people that combines the strong emphasis on health of the NLSCY with the strong emphasis on income of the SLID.

Other data development issues concerning older people should begin by taking seriously the implications of a truly multidimensional demography. As we saw earlier in this article, the most important policy implications of multidimensional demography concern the availability of informal social supports for older persons. Here, population studies should take into account not only the determinants and characteristics of the proportion of the population which is aged 65 and over, but also demographic events earlier in the life course that can affect the quantity and quality of close social ties in later years. They should also take more account of the demographic properties of the members of support networks of older people. Making this change means going beyond extrapolations drawn from statistical distributions of age groups and cohorts to dynamic analyses of intergenerational relationships.

Policy Analysis

Turning now to policy analysis, two main conclusions can be drawn from the discussions in this article concerning the necessity for contextualizing demographic accounts of economic and social trends. First, it is always necessary to keep in mind that the policy significance of Canada’s population of older people in the future may not be the same as its policy significance today. Older people in the future may differ from older people today with respect to such policy relevant factors as morbidity in old age and asset accumulation in earlier stages of the life course. No society remains unchanged for long and future environments of older people will no doubt impose different pressures upon them. In future, older people are likely to live in a society that has somewhat different expectations for them than we do today, and they are therefore likely to face different combinations of costs and opportunities.

Second, public policies of various kinds are levers by which costs and opportunities for target groups are altered by groups with power. Whether such policies succeed or not is a different question. If, as Thorpe concludes, our collective thinking lacks consensus about the human process of aging, then public support for policies based on projections of population aging may be elusive. The success, or otherwise, of policies with respect to population aging depends upon many factors in addition to those included in narrowly demographic analyses. Demographic determinism, or in other words the belief that
demography is destiny, is a limited guide to making policy choices.

Policymaking

Finally, it is worth considering if policymaking should be done differently in the future, when looked at from the perspective of aging and demographic change. Certain relevant ideas for changing the pattern of policymaking are already being implemented, and they require only brief mention here. Many organizations now are stressing “breaking down the silos” and “making horizontal linkages.” These emphases are fully consistent with the recommendation made in this article about developing a multidimensional demography. It is most desirable that increased awareness of multiple connections between different kinds of population factors should be matched, whenever possible, by the introduction of policymaking structures that are able to take these connections into account.

More important, we need to begin rethinking the temporal framework of policymaking. The main issue here is not the speed or timeliness of decision-making, although improvements of this sort are clearly needed in certain areas like policy on new reproductive technologies. What is more important is that we should rethink the temporal reach of program design, and pay careful attention to its correspondence with the public’s temporal expectations for program delivery. The Canada Pension Plan is a good example from which to examine these issues.

In principle, the CPP has an indefinite, or in other words infinite, future. Current contributions into the plan create expectations of rights to future benefits, which are reinforced by public claims that the CPP is a “sacred trust” that “will always be there.” The well-known problem with this kind of plan, however, is that demographic conditions can change and become very different from the original assumptions on which the CPP was based. The viability of the plan is then threatened, and fears arise that “the CPP will not be there when I need it.” The recent answer to that fear, of course, has been to re-emphasize the permanence of the CPP and its benefit levels, with minor modifications, based on a commitment to years of escalating contributions.

Despite recent changes of policy the same temporal framework for policymaking is still in place, namely the indefinite continuation of a program’s existence until such time as a major political shift causes a change in policy direction. This particular model of policymaking may not be the most useful approach to take. It might be better to begin thinking about different temporal models of policymaking, in which expectations and obligations are not based on notions of infinitude but upon notions of moving horizons. The frequent flyer plans operated by some airlines are a good example.

Airline frequent flyer plans guarantee to their loyal customers that certain accumulated benefits will be available for a fixed period only, which is usually quite short. However, before the current time limit of the plan is reached it is rolled over into a successor plan that may have the same or (usually) different rules for calculating benefits entitlement. The advantages of a moving horizon plan to the sponsoring organization are quite clear. Over time, the organization has a considerable amount of leeway to modify the terms of the plan in order to better reflect the plan’s experience and any changes in the organization’s environment. Naturally, this type of moving horizon plan involves more uncertainty about the nature and extent of benefits in the long term than does an infinity plan. However, most airline customers seem to have learned to live with this kind of uncertainty without too much stress.

It might be useful to expand the moving horizon model for policy development in the public sector, in order to increase opportunities for fine-tuning public policies in light of demographic and other changes. Since governments are usually more stable than private businesses, the time horizons for government plans presumably need not be as short as they often are in the private sector. Nevertheless,
some move toward shortening plan horizons would seem to be desirable, in order to increase the public capacity for making many minor revisions to programs that are then better adapted to contemporary conditions. Of course, such an increased capacity would be valuable in practical terms only if there also exists a corresponding capacity to monitor relevant inputs to program design. A National Longitudinal Survey of Later Life Transitions should therefore be seriously considered for early development.

Notes


10 See Peter Scherer, “Socio-economic Change and Social Policy,” in _Family, Market and Community: Equity..._

11See Statistics Canada, Portrait of Seniors in Canada.


18See Vanston, “Economic Impacts of Ageing.”


24See Statistics Canada, Portrait of Seniors in Canada.

25See Cheal and Kampen, “Dependent Seniors.”