Measuring how countries adapt to societal aging

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Across the developed world, large increases in life expectancy over the past century, often coupled with decreasing fertility rates, have created older, top-heavy societies. The United Nations projects that by 2050 the world population of “oldest-old” aged 80 years and above will triple to 434 million (1). In the United States, this trend is personified by the baby boomer phenomenon. In 1960, only 9% of the US population was aged 65 years or older. Within a decade, that figure will double. There are now more people aged 60 years or older than those under 15 years for the first time in American history.

Yet the experiences of older adults as they age are vastly different across countries. It is well established that social institutions have major positive or negative effects on the health and well-being of older persons (2). These effects are mediated through access to effective health care, support to enhance function and restrict dependency, financial security, and opportunities for older persons to effectively engage in society (3). Therefore, we must shift from our prior sole focus on individuals and their immediate environments to a strategy that ensures that each society is successfully adapting to population aging.

An important first step is to carefully measure how well a society provides a context that facilitates successful aging. Our newly devised, comprehensive Aging Society Index, which measures societal adaptation to aging, is an important first step in this direction. It suggests mixed results for aging in the United States. We find the elderly engaged and active but experiencing high levels of insecurity, and we suggest policy measures to improve the country's age-readiness.

Policy Gaps in the United States

When it comes to aging policy in the United States, there is a preoccupation with the solvency of Medicare and Social Security Trust Funds—to the neglect of equally important issues. These include changes in the structure and function of the family on intergenerational relations, rising tensions between age groups amidst a

The experiences of older adults as they age are vastly different across countries. To enhance the quality of life of the elderly and allow them to effectively engage in society, we must devise strategies that ensure that each society is successfully adapting to population aging. Image courtesy of Shutterstock/Barabasa.

fight over entitlements, a widening gap among older persons between the “haves and have-nots,” threats to financial security, and opportunities for productivity in late life (work or volunteering), and human capital development (lifelong education, skills training). There is little acknowledgment of the substantial benefits of an aging society.

To correct this deficiency, our 14-member group of interdisciplinary scholars conducted an inquiry to identify the characteristics of a successfully aging society (4). We characterize such a society as cohesive, with minimal tension and competition between generations and major sex or racial subgroups, productive with opportunities for effective engagement both within and outside the workforce, healthy, equitable, and secure (5). Importantly, all of these domains are mutable with effective public policies.

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Fig. 1. Using their Aging Society Index, the authors ranked countries according to their level of adaptation for successful aging.

A New Kind of Index

The question then became: How well are countries doing in these domains? Such a metric must include reliable and sensitive economic and social indicators relevant to aging and not be overly determined by a single measure, such as gross domestic product.

With the support of the John A. Hartford Foundation, we developed the Aging Society Index to address progress of the Organization of Economic Cooperation and Development (OECD) countries in these five domains. The resulting index, which takes a broad view of aging, builds on but does not duplicate prior efforts, such as the Active Aging Index (6), which is not available for the United States and is heavily weighted on employment and social supports, and the Global AgeWatch Index (7), which does not capture inequalities in developed countries.

The domains and specific measures were chosen by the Network from the various measures for which data are available for substantially all the OECD countries. Each principal domain is composed of two to six measures derived from publicly available data from the OECD and the World Health Organization. Well-being includes disability-free life expectancy and a subjective measure of health; equity includes the Gini coefficient for those people over 65 years and estimates of food security, poverty risk, and educational attainment for older persons; cohesion includes measures of social support and intergenerational coresidence, trust, and transfers; productivity and engagement includes measures of late-life workforce participation and volunteerism, retirement age, and retraining programs; and security includes measures of financial security (income, net pension wealth), feeling safe, and long-term care capacity.

All individual measures are standardized with a score of zero for the worst-performing country and a score of 100 for the best-performing country, where higher values indicate better outcomes. We also experimented with other ways to assess performance, for example, based on absolute levels of these scores or relative position; the results were similar. Researchers assigned weights to the various measures included in each domain based on expert consensus. For instance, to assess “productivity and engagement,” the specific measures were weighted as follows: 35% for labor force participation rate age 65 and older, 26% for effective retirement age, 22% for time spent volunteering, and 17% for retraining for ages 55–64 years.

To compute an overall score, the five domain scores were further aggregated by surveying the researchers and averaging their relative weights. The final weights, after normalization, were 22% for productivity and engagement, 25% for well-being, 25% for equity, 18% for cohesion, and 19% for security. Importantly, the results were not sensitive to modest changes in how the domains were weighted. We explored other preference weights based on the survey of the network scholars, but these did very little to change overall rankings.

Surprising Results, Lessons Learned

Of particular interest are those countries viewed as having well-developed policies regarding aging (Sweden, United Kingdom, The Netherlands) and those that either have a population distribution by age that resembles that expected in the United States in 2030 (Germany) or are notable for the very long life expectancy (Japan) or especially strong social supports (Spain, Sweden). Two Nordic countries (Norway and Sweden) rank best, with the United States ranking third and Japan ranking fifth (Fig. 1). Estonia, Poland, and Hungary are at the bottom of the rankings.

In particular, the Aging Society Index, along with its subdomains, provides metrics to pinpoint specific policy sensitive areas in which the United States can do more to remain cohesive, productive, secure, and equitable as society ages. It is important to emphasize that the overall scores mask substantial heterogeneity across domains and submeasures (not shown). This limitation of the value of a single score can be mitigated by unpacking the overall Aging Society Index.

Analysis of the Aging Society Index at the domain and measure levels helps identify countries that perform well in a given area and that may serve as models for improvement for a country with specific gaps. For example, although the United States does well overall, it lags in several areas, such as equity and longevity, that some consider to be very important. Japan, for example, has the longest life expectancy, and Germany currently has the same age distribution as the United States will have in 2030. The Nordic countries are especially strong in social support, and Spain has embarked on some innovative pension reforms.

The United States leads all other developed countries at keeping its seniors productive and engaged, both in and out of the workforce. Americans aged 65 years and older hold jobs longer, retire later, and volunteer more

than many similarly aged people in European countries. In addition, Americans aged 55–64 years get more retraining as they prepare to stay engaged in their later years. This important finding shows that Americans are far more adaptable to the changes and risks of expanded lifespans than their counterparts in other industrial countries. We have large numbers of generally fit, experienced, older persons who can make valuable contributions to society. Such contributions are an overlooked opportunity.

At the same time, the Aging Society Index illustrates how adaptability is tested by our fraying social institutions. The United States is middle-of-the-pack when it comes to measures of well-being, including life expectancy after 65 years and expressions of life satisfaction. Consistent with the widely held belief that western European elders are more financially secure than their American counterparts, the United States ranks near the bottom in security as well as on related issues of hunger and poverty risk for people 65 years old and older.

The United States also lags in the distribution of resources among older persons, where the gap between the “haves” and the “have nots” among US elderly is relatively wide. Neither does the United States do well when seniors report whether they have friends, family, or neighbors they can count on or on the share of elderly who are living with their children.

These findings are supported by the recent projections for declines in the presence of nearby kin in the United States, which represents a health risk and provides further evidence of the weakening of the capacity of the family to serve its traditional safety net function (8).

Demographic changes around the world place tremendous stress on our core societal institutions (9). Faced with bulging cohorts of elders, governments, employers, and communities struggle to provide the needed (and often promised) financial, social, and health care benefits (10). To adapt, societies must develop new functionalities to effectively support a vastly larger older-age cohort. Our evaluation suggests that the United States could improve its age-readiness through adoption of policies such as the following:

- Invest in early-childhood development. With people living longer lives, it makes sense to make sure they start out and therefore turn out right. Lifetime returns on early investment can reach 13% per year and affect health and economic well-being throughout life (10).
- Enhance life-long training. Formal education in the United States often ends by age 24. With people living and working longer, investment in skill development and work-based educational and training programs can extend productive lives.
- Seek broader engagement of older persons in society. This means creating incentives for employers to offer more employment modes for older workers and encouraging volunteering. Beyond the financial benefits to keeping people in the labor force longer, there is substantial evidence that both working and volunteering are good for your health and your brain and facilitate societal cohesion through a shared sense of purpose (11).
- Strengthen geriatric training and availability. The United States’ eldercare workforce is inadequate. Our production of board-certified geriatricians has long lagged behind the levels reached throughout Europe. For instance, fewer than 1% of US registered nurses and fewer than 3% of advanced practice registered nurses are certified in geriatrics.
- Ensure financial security. Although Social Security, Medicare, and Medicaid provide a valuable safety net, these programs have become less progressive over time, leaving many elderly at risk (12). A new national commission should be created to make recommendations on how major federal programs could be reengineered—at no additional government cost—to adapt to new demographic realities.

Aging societies are inevitable, but it can be a sign of success not failure. Countries such as the United States have time to adapt, and we can learn important lessons from other societies, especially with suitable metrics. Failure to adapt will leave Americans with lower productivity, reduced well-being, and financial insecurity in an environment of increased tensions between generations as they vie for limited resources.

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