Aging World

SUMMARY: Most of the world's societies are aging, with the shares of elderly poised to rise steeply in both the advanced economies and most emerging economies. This could reshape political, financial, and social priorities as countries grapple with issues related to aging populations, such as rising dependency ratios, retirement and the workforce, and costs of caring for older citizens. These issues will play out for associations in areas such as workforce and benefits.

Forecasts

- Workforces will be older—not just because of aging populations but also because older workers will delay retirement, whether due to a preference for working, lack of retirement resources, or the need for insurance benefits.
- The aging global population could slow GDP growth in countries where aging is most advanced. In some economies this slowing might be offset by automation-fueled productivity increases.
- From geriatric communities that don't want to pay taxes to support schools they will not use, to shifting funding priorities for healthcare and medical research, demographic aging will likely spark debates over the allocation of money and other resources.
- Beyond spending concerns, aging may intensify other kinds of societal stress, arising from issues such as middle-aged people squeezed between caring for elderly parents and their own kids, or to younger workers frustrated because career advancement is being blocked by older workers not retiring.

Key Uncertainties

Financial health of potential retirees

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Levels of immigration and the fertility effects

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State of retirement benefits and systems

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What retirees do with their time and money

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Role of automation in replacing workers

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Effectiveness of medical interventions in aging

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Supporting Trends

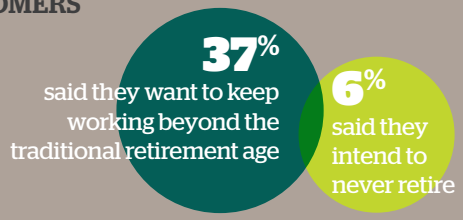
- **Graying world.** All regions of the world will see significant aging in the next few decades.
- **Graying in Europe and Japan.** Europe and Japan have the oldest societies in the world, with some countries already having a share of seniors that the United States will not equal until 2050.
- **Graying America.** The number of Americans 65 and older is growing and expected to double by 2050.
- **Boomers and retirement.** Many Boomers want to keep working indefinitely, but many others will leave the workforce sooner than planned.
- **U.S. retirement savings crisis.** Americans are not saving enough for retirement. Drivers of this shortfall include longer life expectancies, lower investment returns, higher expectations for retirement lifestyle, and increases in the Social Security retirement age.
- **Declining U.S. workforce participation.** America's workforce participation rate continues to fall.
- **Business leadership deficits.** Companies report a significant gap in leadership skills, with many concerned that they will not meet future leadership needs and that there is serious deficit in their human resources pipeline.

Related Drivers of Change

- Immigration-Driven Demography
- The Stagnation Economy
- Automating Work

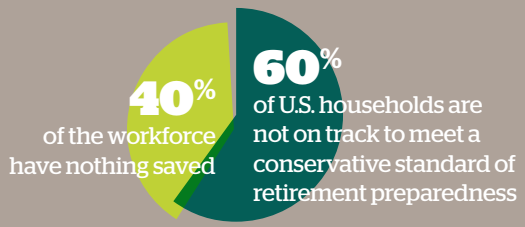
Notable Data Points

BOOMERS



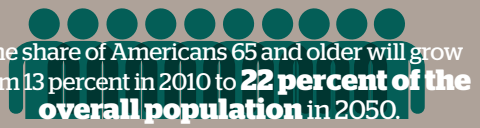
Source: The Employee Benefit Research Institute's "2016 Retirement Confidence Survey"

RETIREMENT SHORTFALL



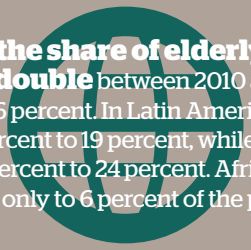
Source: The National Institute on Retirement Security

GREY AMERICANS



Source: United Nations, Population Division of the Department of Economic and Social Affairs, World Population Prospects: The 2012 Revision

GREY WORLD



Globally, the share of elderly citizens is poised to double between 2010 and 2050—from 8 percent to 16 percent. In Latin America the share will rise from 7 percent to 19 percent, while China will see a jump from 8 percent to 24 percent. Africa will double as well, but only to 6 percent of the population.

Source: The United Nations Population Division World Population Prospects: The 2012 Revision

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Strategic Insights

- The effects of aging on the workforce and on association membership—mass retirements, loss of expertise, older workers working longer, age-bifurcated members and workers—will be the biggest human resources and member engagement challenge of the next 20 years.
- As older employees retire, there will be a need to create and deploy new systems for capturing the decades of institutional knowledge and skills held by retiring co-workers.
- Some forecasts show seniors staying on and working later in life. This will require organizations to rethink how to best use and serve these older workers—for example, with flexible or part-time scheduling, redesigned processes and practices, etc.
- As older employees work longer, there may be tension with younger employees who may feel blocked or stifled in their careers waiting for people to retire. Organizations will need to be aware of this and design new programs for managing organizational change.
- As older workers leave an organization, an opportunity will emerge to redesign systems and structures to better reflect both new best practices and the strengths and interests of younger, rising staffers. With the scale of looming retirements, there could be an occasion for once-in-a generation, wholesale realignment of organizations' focus, priorities, and practices.
- For associations, one benefit from an expanding pool of retired members is a larger group of potential volunteers, as retirees seek ways to be engaged and productive after leaving the workforce.

Timing

- **Stage:** Growth, varying among different societies
- **Speed:** Medium, as it is a demographic process

Potential Alternative Futures

- **New citizens = younger country:** In the medium term, countries offset the effects of aging by encouraging immigration and the rise in fertility rates that often accompanies it.
- **Old labor is cheap labor:** A glut of older workers, working part-time shifts, keeps the workforce gray and forces younger workers into more precarious work and financial situations.
- **A civic golden age:** Retiring Boomers, healthier and more active than past generations, spend their early retirement years engaged with their communities, volunteering at schools, cultural institutions, and social service organizations.

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Take Action

- **Assess the age demographics of your current membership.** Recruiting the next generation might be an urgent strategic priority to sustain membership. Be careful not to ignore the needs and priorities of older, long-term members. Analyze aging members' interest in maintaining credentials and continuing to engage in education and volunteering. Some associations have had success offering an emeritus membership option. Planned giving may be a viable fundraising strategy.
- **Develop programs and benefits to meet the needs of your later-career members.** Offer programs and resources to help mid- and late-career members maintain skills or transition to retirement. Help your members manage hiring bias and advocating for flexible work options and safe working conditions. Tap into this growing pool of volunteers with more available time. Offer mentoring programs to engage older members with younger members in mutually beneficial ways.
- **Address the societal challenges of an aging world.** Some industries and professions will be on the front line addressing an aging world. Your association might advocate for age-appropriate design, public policies and regulations, and funding. You might offer education and training to take advantage of growing business and service opportunities.
- **Identify and address specific risks associated with an aging membership.** Event planners will need to support the accessibility and comfort level of aging members. Associations that depend on experienced content leaders and faculty may need to replace this braintrust as people retire. If your association's culture and processes tend to favor institutional memory and long-time members, you may face a difficult struggle with these generational transitions.

Keyword Search

To continue researching this change driver, use these search terms:

aging workforce, demographics, graying economy, retirement, Baby Boomers, global aging, workforce demography, senior workers

Who Will Be Affected

All organizations are affected by an aging world. Consultant member categories might grow as older members opt for more flexible employment. Credentialing organizations will need to monitor interest in maintaining credentials.

About ASAE ForesightWorks

ASAE ForesightWorks is a deliberate, evidence-based research program and emerging line of products to provide association professionals with a continual stream of intelligence about the changes facing the association industry, including:

- regularly updated action briefs;
- tools for applying insights from the research in your association;
- guidance in performing environmental scans; and
- opportunities to engage with peers around the research.

Ultimately, the program's mission is to empower association leaders to create a culture of foresight in their associations and to lead their organizations confidently into the future.

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