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## WHAT ARE THE IMPLICATIONS OF AN AGING POPULATION? MAKING THE MOST OF THE “SILENT REVOLUTION”

Everyone wants to live a long time but no one wants to get old. But now we are being obliged to think about the implications of an aging society. In fact, there are many new business opportunities opening up.

Australia is now the “oldest” it has ever been. Traditionally for the past two centuries, Australia has been a “young society”, with young migrants arriving here and having children. Now there are fewer young migrants and fewer children.

Meanwhile, Australians are living much longer than ever before. One of the 20th century’s greatest achievements was the “silent revolution”. People in Western developed countries like Australia gained as much life expectancy in that century as they did in the previous 5,000 years.

5,100 years ago people lived for about 25 years. In 1900, the life expectancy was 50 years. By the year 2,000 life expectancy was 75 years. An Australian born today will probably have a life expectancy of 100 years.



### “Third and Fourth Ages”

People used to have three stages to life: young, middle aged and elderly.

Now – thanks to the “silent revolution” – there are four stages. They are young and then middle aged.

Now there is a new Third Age: from about the mid-50s and lasting for possibly as long as half a century. The more fortunate members of this age group – currently the Baby Boomers – will have good superannuation and good health. They will grow old disgracefully. Not all Baby Boomers (people born between 1946 and 1966) are going to have a good life but most will have a better life than their own parents at the same age.

The new Fourth Age is the “compression of morbidity”. Instead of a slow decline into “old age” as in all previous generations, a Third Age person will be in good health almost all the way to the end.

Then when they hit their Fourth Age, the various parts of their body will fail quickly. They could be dead within a few months.

Indeed, given the political muscle of the Baby Boomers I would not be surprised if they had forced voluntary euthanasia onto the political agenda and so they will chose their own time and method of dying. "I have lived a good life and now I will have a good death – I do not want to end up lingering in a nursing home like my parents and grandparents".

### ✓ **The Impact of the Third Agers**

There is a "feel-good" factor at work among Third Agers. Older Australians now see themselves as vibrant and energetic and so are not willing to slip into "retirement". They have higher expectations of life. They will get more out of life because they expect more out of life.

These people will have a lot of financial and political clout. This is already evident in the United States. American pension funds are important for the US's capital formation because this money helps provide capital for investment in production and services.

They are also well organized politically. They know how to work the system. In the US, where voting is not compulsory, they are more likely to vote than young people and so they have an impact out of proportion to their electoral size.

### ✓ **Silver Industries**

Third Age Australians will continue to deny that they are growing "old" at all – that is what their parents did. They will have a taste for adventure and travel, educational classes and sport. These will be the "silver" industries – specifically catering for the wealthy over 50s.

Healthcare is another growth industry. These people will want to keep fit. Much of society's present attention to "health" is actually "disease control" – focussing on curing what is already going wrong. The emerging healthcare revolution will be more interested in preventing disease and maintaining good health in the first place. Hence the keep fit regimes and equipment.

They will also provide a pharmaceutical goldmine. The big companies are focussing not so much on what ails the world (the big killers such as malaria and river blindness in Africa and Asia) – but the big payers (such as heart disease in the Western world). The next big pot of gold will come from curing or preventing dementia.

They may also want to continue have some form of part-time work. Old age pensions - which began just about a century ago – will gradually fade away for most people. There could be some stigma attached to being poor enough to be eligible to receive one. The rest of society will be independent “self-funded retirees”.

They will also provide some business for the home “out-sourcing” revolution. Many jobs that used to be done for “free” by married couples helping each around the house (usually wives) are now being done – for a cost – by companies. Dry-cleaning, gardening, house-cleaning, and even walking the dog are services that are now being sold.

Being “silver” will be as good as gold for these Third Agers.

### ✓ **The Casualties of Change**

But will this be a new golden era for everyone? We need to be realistic. There will be casualties of change.

Aging is a woman’s problem – women live longer than men. Indeed, the current generation of female babies will long live enough to forget the names of their first husbands.

Many “Third Age” women have had broken careers and so will have inadequate superannuation. Indeed, some men will also have problems. It is important not to be too optimistic about all “Third Agers”. There will be many winners – but also some losers.

It is notable in the US today just how many fast food outlets have older Americans working behind the counter. They do not have adequate pension arrangements and so are anxious to do any type of work.

The World Health Organization (WHO) has warned that the 21st century’s major health problem for the affluent countries in the West (such as Australia) will be psychological depression. Some of this will occur among older Australians who cannot cope with the problems of aging. One of the biggest categories for Australian suicide is among men aged 85 and over.

### ✓ **Making the Most of the New Era**

Population shifts take a long time to have a political impact. About two decades ago, I began given speeches on “Can we afford the elderly?” This provocative title was designed to encourage audiences to think through the implications of an aging population. Australians had long thought of themselves as a “young” society and it was time to admit that this was no longer accurate.

Politicians at that time were not interested in these implications. They have a short-term concentration span. They bounce from one headline to the next and so are not interested in long-term problems. You would never run a company in the way we run a country.

It was only in 2002 that the Australian Government issued a Budget paper on the financial implications of an aging population. Meanwhile, others have been – at long last - warning about the lack of adequate superannuation arrangements for some Australians. Gradually, we have begun to think through the implications of an aging population. We will need to be ready for many major and minor changes.

### ✓ **A Successful Society**

To conclude, an aging society is a successful society. In all cultures over the thousands of years people have wished each other “a good health and a long life”. Australia has now achieved that.

We are now pioneers. We are strangers in a strange land. Two-thirds of all the people who have ever lived to 65 years, are alive today. In the study of old age – gerontology – there is a subject of “centenarian studies” dealing with people who have lived to 100 years. The over-100 year age group is now growing so rapidly that there is another branch called “super-centenarian” studies.

This success brings challenges and rewards. A person is not so much getting “older” as getting “better”. But to make the most of the new era, we need a new way of looking at the world and themselves. There are opportunities here – we need to be ready to look for them.

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