

## Good Things Happen - [S5, EP 6 Embracing Demographics](#)

S5, EP6 - Embracing Demographics

Guests:

Melissa Gong Mitchell	Executive Director, Global Coalition on Ageing
Professor Ian Goldin Professor	Professor of Globalization and Development, Oxford University
Nathan Sheets	Global Chief Economist, Citi

**Alex Miller Intro (00:00):**

Hi, I am Alex Miller and welcome to Good Things Happen, the show that invites change makers and enablers to share their inspiring stories of progress. Whilst change can of course be uncomfortable, unexpected, and at times disruptive, it's inevitable. And more often than not, change will be for good. We'll be hearing from people from all walks of life who've been at the forefront of change, including their journeys together and their motivations. Because ultimately, as we know, when people work together for a common cause, good things happen.

**(00:34):**

**Melissa Gong Mitchell - Executive Director, Global Coalition on Ageing**

*Well, now we have a growing older population and this growing older population truly is our greatest naturally growing resource, so let's optimise that.*

**(00:46)**

**Professor Ian Goldin Professor - Professor of Globalization and Development, Oxford University.**

I'm incredibly optimistic about the potential of technology in biomedical areas. We are moving to a world of individualised, genomic based medicine and individualised production of pharmaceuticals.

**(01:04)**

**Nathan Sheets - Global Chief Economist, Citi**

*Demographics are powerful drivers of economic performance, but demographics are not necessarily destiny and there are some dimensions in which economies, societies, the political system can adjust.*

**(01:30)**

**Alex Miller**

... in more than half the world's 200 plus countries, the population is shrinking. By 2050 that number is gonna be above 75%. This is happening right now, not far off in the future. Today, we're going to be exploring a topic that impacts us all, and one covered in a recent Citi GPS report the demographic transition and its far-reaching implications.

**(01:52):**Joining me to discuss these implications are three distinguished guests who bring a wealth of knowledge and diverse perspectives to our discussion. First, we have Professor Ian Goldin from Oxford University whose work on demographics and migration has significantly contributed to our understanding of these seismic changes.

**(02:06):**Next, I'm delighted to welcome Melissa Mitchell executive director of the Global Coalition on Ageing, an organisation which is rightly described as the world's leading business voice on ageing related policy and strategy. Melissa brings terrific insights into how ageing populations are reshaping our society as well as the corporate perspective. And last but by no means least, we have Nathan Sheets, chief economist at Citi Research. Nathan has long had a keen interest on the economic impacts of demographic shifts and how they influence global markets including during his time working as Under Secretary of the US Treasury for International Affairs.

**(02:39):**In today's discussion, we're going to delve into these implications. We'll explore how these shifts will affect labour markets, healthcare systems, and global policies. Our goal ultimately is to understand better the challenges and opportunities that lie ahead and how we all as individuals, corporations, and policy makers can better prepare

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for a future shaped by this transition. So whether you're an economist, a policy maker or just curious about the future, this episode is for you. Sit back, relax, and join us as we embark on this journey into the world of demographic transition.

(03.10)

So Ian, let me turn to you first. The transition to a population that's older than it ever has been is one of the most dramatic social shifts probably at the 21st century, but what's really driving this? Why is it happening?

(03.23)

**Ian Goldin**

Well, thank you, Alex, for having me in this conversation with Melissa and Nathan. It really is quite remarkable. We've moved from basically population profile which largely looks like a pyramid with lots of young people and very few old people to one that looks more like a coffin standing up, uh, with, uh, fewer young people and a big bulk of people, uh, at a much higher level.

(03.49)

This is a sign of huge success in not only economic growth but also in the availability of woman's right to choose, uh, the woman getting work, uh, the availability of contraception and choices being made around the world, uh, to have smaller families. I'm old enough to remember the, the 1970s and '80s when people were talking about the population bomb, uh, limits to growth because of population, and of course envisaging rather Malthusian world in which there just be more and more people in, and lower levels, uh, of satisfaction amongst them, but what we're seeing is not that.

(04.30)

What we're seeing is huge success both in falling birth rates much more rapidly and we've just got the new numbers coming out, uh, for the last decade, which are even more rapid than we expected as you said. Well over half the countries of the world including well over half of developing countries below replacement level. India's just gone below replacement level, which is a big surprise, not driven by government policies-

**Alex**

And remind us, when you say replacement level what a replacement level indicates.

(04.57)

**Ian Goldin**

Replacement level is generally about 2.1, children per adult female. It's not two because, um, there's a slight gender bias in the number of kids being born more boys than girls, uh, and there's, it's also because not all young babies, young girls end up being mothers, uh, for various reasons. They die on the way or they choose not to have babies. So in fact, this number 2.1 is actually going up a bit more, uh, over time. So that's generally regarded as the replacement level for societies.

(05.32)

Two things happening, declining fertility rate or birth rate, uh, and increasing longevity. Uh, longevity improving by about, uh, 2 years a decade. That means while we have our podcast for about 30 minutes, average life expectancy of your listeners should improve by about six minutes.

**Alex**

That's good news.

(05.32)

**Ian Goldin...** (laughs) remarkable thing, of course, the average is [inaudible 00:04:32] disparity, COVID knocked it back a bit, but I'm optimistic that actually we're gonna be much, seeing much more rapid improvements as generative AI and new technologies, uh, lead to new cures, uh, and we begin to reduce obesity, for example, and other things which are the big killers now. So I think we, this is a permanent shift, nothing governments do will change it, there's lots of attempts to change it, to increase fertility in some countries, it's gonna shape the structure of our economies, our societies, and politics of course, older people become a bigger and bigger share of the vote. And then so it's gonna shape everything going forward.

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(06.30)

**Alex**

So multifarious connections. And what I'm hearing there in, is this is a good news story, obviously, we've seen huge economic growth in emerging markets around the world. Maybe Nathan, I could turn it to you. A lot of implications here from a macroeconomic perspective. What, what do you focus on?

(06.46)

**Nathan Sheets, Global Chief Economist, Citi**

You know, uh, I think one of the, one of the big takeaways, uh, from the work that I've done on demographic ethics and here I'm drawing on the experience of Japan and some other countries that have been, particularly in the forefront, uh, of this ageing process is that ageing, uh, demographics and older population tend to result in softer, weaker aggregate demand, uh, in economies, and that has far-flung and far-reaching, uh, implications.

(07.23)

You know, one important, uh, result of that is that real GDP growth is somewhat softer, and, uh, that reflects the softer aggregate demand but also the fact that the labour force is growing more slowly. And given, uh, given the weaker GDP growth, uh, and softer demand, we've also seen in a number of countries that have experienced ageing, uh, lower inflation.

(07.49)

And there's actually a debate out there today about, uh, demographics and inflation. I think the empirical experience we've seen in many countries is it tends to result in lower inflation, uh, than, uh, would have been the case otherwise. It's an offsetting effect as I said that there's, uh, fewer, uh, workers and that could put upper pressure on wages we just haven't seen that, uh, dominate.

(08.14)

**Alex**

I'm, I'm presuming there's a big fiscal question in there, Nathan, as well with regards to the ability to meet future obligations with a smaller tax force.

(08.22)

**Nathan Sheets, Global Chief Economist, Citi**

I think that that is, uh, another first order implication of, uh, of ageing, that is you have fewer workers that, uh, are contributing and more folks that are in retirement and drawing public pensions and other kinds of, of benefits that the, uh, call on public resources, uh, increases.

(08.46)

And, uh, necessary tax burden on, uh, younger workers, uh, rises. And I think then one of the key questions we're seeing play out in various ways in various countries is, uh, how does that younger generation respond to that? And it seems to me there are kind of two polar responses.

(09.06)

One might be, uh, that they argue for austerity in terms of public spending to try to keep that tax burden, uh, down, and we have seen that in some places. But the more common response that we're seeing from younger workers is them kind of looking around and saying, "If we're gonna spend all that on the previous generation, we wanna be taken care of as well."

(09.30)

And that it has created pressures in many countries for ongoing increases in, uh, public expenditures. And when I look around the world, uh, I see a lot of countries that have fiscal issues, uh, I think partially as a result of this dynamic that I've described.

(09.48)

**Alex**

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So that's really sort of intergenerational equity as much as anything. Melissa, I could ask you to just describe what your organisation does and its role in, in, in this debate and some of the examples that you've seen in terms of perhaps intergenerational equity.

(10.02)

**Melissa Gong Mitchell, Executive Director, Global**

Yeah. Absolutely. Thank you so much, Alex. I think it's a great tea up to this. And Ian, I think you started us in the right place. The Global Coalition on Ageing, we are really focused on how can, um, the business sector respond to this and how can business work with governments and global institutions to recognise this ageing shift?

(10.20)

And Ian, you described it so perfectly and people don't fully understand sometimes. It's this combination of longevity and lower birth rates that change the whole shift of society. And what we're doing is trying to help shape that narrative so policy makers, individuals, others can understand that, you know, really our policies over the past century have been built around that population pyramid concept.

(10.42)

And so things from childhood vaccination programmes to child care benefits in the workplace, to our pension systems and the very concept of retirement were created on the idea that our economic growth and development depend on a growing youth population.

(10.57)

Well, now we have a growing older population and this growing older population truly is our greatest naturally growing resource, so let's optimise that. Let's figure out how we do that, how do we shift the fundamental structures of society that were created at a time with very different demographics?

(11.15)

So I think the question we're always asking and we challenge others to ask is how will we plan for economic growth and development built on a growing older population? And we really do believe that sustainable economic growth and development is dependent on a growing and powerful, what we call the silver economy. And that has a value the upwards of \$17 trillion.

(11.37)

And so, um, we need to focus on healthier ageing. We need to think about investments in health and prevention, um, and those really become the pillars around which we, um, create and fundamentally change society, at the same time, we have to change that mindset.

(11.54)

And I think your question around intergenerational is a really critical, an important piece of that. We have to recognise that the changes we're making for our older society today are actually also for the benefit of this generation and the following generations as well. And I often put that in the context of a young person today.

(12.12)

I have a young daughter, she's eight years old. She has about a 50% chance of living to be 100 years old, so the way that she's planning out her life is very different from the way that her grandmothers planned out their life, very different from the way that I planned out my life. So our education system, our labour forces, our workplaces need to think differently about how we can maximise the potential along these longer life courses and keep them healthy.

(12.37)

**Alex**

That, that, that's fascinating and that phrase you use about mindset shift, I think is something that really resonates. Maybe Ian, I could ask you, and, and Nathan do jump in as well. When we think about, um, this, you know, this, this big shift in, in, in the age of the workforce, this has implications for new labour, for global south, global north migration, and I... even just the concept of, of retirement age, maybe Ian, I could ask you to pick that up first and, and Nathan jump in as you, as you see fit.

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(13.07)

**Ian Goldin**

Yes. Absolutely. I think one should, um, be very mindful of the fact that this global trend has one notable exception, uh, which is Africa. Um, you know, the median age in Africa is about 20. The median age in Europe is 38. Uh, so, uh, Africa's birth rates are coming down dramatically fast, uh, but from much higher levels, uh, and so there's a big lag there.

(13.30)

And so when one thinks about the implications for future workforces, uh, and for development, a key question is in most economies of Asia, uh, Europe, North and South America the labour forces are basically gonna be contracting. Uh, in Africa, it's expanding by about 100 million, uh, people every 10 years. So very different challenge and the question for Africa is where those livelihoods and jobs gonna come from because the middle rungs of the development ladder on which all countries have historically developed, uh, not least the Asian miracle, uh, and the Asian countries, uh, has been repetitive rules-based jobs and those are increasingly gonna be done by machines, uh, and automated systems.

(14.19)

No call centres, no mass production manufacturing, even of things like garments, uh, in the future. So the general trend is absolutely right that there is rapid ageing, contraction of labour forces but there are notable exceptions particularly, uh, in Africa. That raises the question that you've posed about migration as well. Um, it's also the case that the, the older populations are doing, need many things that cannot be done by machines.

(14.48)

You're not gonna give an elderly person in a care home to a robot, uh, well, most children will not want their parents to be looked after by a robot, uh, and also economies are transforming because as we get richer, uh, we move from more manufactured products to more psychological products like massages, meals, and higher value products, which again are very labour-intensive.

(15.11)

So this tension between richer economies where you have more non-tradable services and ageing economies increasing the demand for workers at a time when workforces are contracting, particularly unskilled workforces are contracting or semiskilled that do these jobs, like, working in hospitality, working in care, uh, et cetera. Uh, these are not high- highly paid professional jobs.

(15.38)

And so the big question and it's a question that's gonna (laughs) be set to stage in the US, in Europe, and in Asia is are countries gonna change their attitudes towards migration? And the labour force in Europe is gonna contract by about a third if we, uh, keep retirement age as they are over the next 30 years or so. That's a big shock at a time when demand is increasing for these non-tradable, uh, activities, particularly in care, hospitality, and so on.

(16.06)

That begs the question you also suppose about retirement ages. When the contracts were built, uh, in the 1970s and '80s, average life expectancy on retirement was seven years, and average real risk adjusted returns in Europe and North America of 4%. Uh, now, you know, you have average life expectancy on retirement because retirement ages actually come down when they should have gone up, uh, average life expectancy on retirement is something like 20 to 30 years.

(16.36)

Um, so you- you're gonna need 100 times the level of savings, uh, you would have had, uh, when these things were thought about. That's obviously gonna change the nature of savings and consumption, but also begs the question what, is there enough money for older people to retire? Is then... And I think we're gonna see a radical revision of our expectations of retirement.

(17.05)

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It's also the case that I don't think people wanna be, uh, playing golf for 30 years, even if they can afford to do so. They wanna contribute to societies, they want to give back, and so I think we gonna have a rethinking about what retirement means, uh, what one's expectations of pensions are because of all of this. And we have to have not only for the sake of the elderly people but also for the sake of the workers and young people who gonna be paying a big chunk of this.

(17.32)

**Alex**

That's fascinating. There's two, you know, key things I, I can hear, particularly echo one is resilience. Financial resilience at a personal, individual level and as a, as a governmental level. And then that, that notion of contribution and not just being a, a negative view of dependency that there's so much more you can do but maybe differently. Maybe Nathan, you can kind of talk to us a little bit about that from an economic perspective?

(17.56)

**Nathan Sheets, Global Chief Economist, Citi**

Well, uh, I think, uh, Professor Goldin has made some, uh, splendid points, as you have, uh, ageing demographics, uh, increasingly biting in some of the developed market, northern, uh, economies, uh, that the case for, uh, immigration from some of the more rapidly growing southern economies and also for the import of labour-intensive products from those countries, uh, becomes, uh, quite compelling.

(18.32)

And, uh, kind of tees up for us a social versus, uh, economic kind of question, and, uh, which way do we, economies and societies ultimately decide to go on this? Uh, I think the jury's out. Now, uh, the one additional insight that I put on the table though is again, Japan has been in the forefront of these ageing dynamics now for several decades.

(19.01)

And, uh, over that period the case for Japan to open up to immigration, uh, has been compelling. And I think what we've seen over this period is, they are moving in that direction but it's very, very gradual. And, uh, uh, the economic case is understood but the social pressures, the social put back, pushback is, uh, is significant.

(19.30)

So maybe generalising that, that would give me a glimmer of hope that maybe over time some of these economic realities would manifest in policy, but probably only a glimmer not much more, uh, than that.

(19.44)

**Ian Goldin**

If I may just add one thing on the, um, on the Japan example. It's no accident that Japan's been at the forefront of technological change, uh, and has been, you know, through the '70s and '80s and '90s because it was the forefront of demographic change and that incentivized the technological change.

(20.04)

And I think it's one of the reasons we're gonna see, but, but, but there's a limit to what you can do with elderly people with technological change.

(20.12)

**Melissa Gong Mitchell, Executive Director, Global**

And I think on the Japan point, if I can just jump in on that. I mean, it was back in 2018 when Japan approved their guideline of measure for ageing society and they say, you know, this is the time where we have to look at older people differently, even people at 70 and older can demonstrate their ability based on their motivation and their talent.

(20.28)

And so they had to open up that perspective, and you look at what's happening in South Korea, for example, where they're really working to incentivizing increasing their birth rates and, um, their, their fertility rates have de-

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have declined 65% below replacement rate and, but their efforts are really around increasing that, um, that birth rate.

(20.49)

And so how do we kind of take this Japan example and say, "Yes. We have to change the way we look at technology and the workforce and, and, uh, change that mindset."

(21.00)

**Nathan Sheets, Global Chief Economist, Citi**

And I, I love, uh, some of the comments here and really what it boils down to is demographics are powerful drivers of economic performance, but demographics are not necessarily destiny and there are some dimensions in which economies, societies, uh, the political system can adjust.

(21.22)

And one of those key dimensions, uh, uh, as Ian mentioned, is, uh, through technological innovation, robotics, AI, uh, and the like. And then the other, uh, is along lines of what Melissa was, uh, emphasising, and that is we can use our older workers more efficiently and effectively than we have before, and both of those can be powerful channels of adjustment, uh, to, uh, these challenges presented by ageing.

(21.54)

**Alex**

Well, may- maybe Melissa, that that would be a great moment to your conversations you have with corporates but also with pharmaceutical companies, with policy makers. I know you highlight what you see to be best and better practise to be considered. Can you maybe give us some examples of what you think stands out?

(22.13)

**Melissa Gong Mitchell, Executive Director, Global**

Yeah. I think an important thing that we haven't hit on yet is that, um, in order to leverage your ageing population, um, in the best ways possible, you have to keep that ageing population as healthy as possible for as long as possible. Our healthcare systems are very much geared towards sick care, treating, um, chronic. I mean, treating, um, treating acute events and not necessarily preventing these chronic conditions that we know are being faced more as we have an older population.

(22.40)

So we definitely need public policies that are supporting innovative and effective prevention tools and early interventions that help us diagnose, um, and recognise, detect the diseases and conditions that increase in prevalence with age, like cardiovascular disease, Alzheimer's disease, osteoporosis and the use of preventive tools like vaccines.

(22.58)

As I mentioned earlier we had childhood vaccination programmes because we were trying to make sure that our growth could depend on this youth population. Now we have an older population, we have the preventive tools like vaccines, let's use those to keep our older population as healthy as possible.

(23.13)

So with the focus on primary and secondary prevention, we can help keep, um, our populations healthier for longer so that this potential for ongoing activity, productivity, and economic contribution as we age can actually happen, and so that people can work if they want to work and they can work if they need to work. And so if we can do that, we can also decrease the use of the healthcare system.

(23.40)

You can decrease hospital visits and emergency room visits if we focus more on prevention. Um, and so those are really important pieces but it does require a structural shift and change in this, and we've seen that helping, meet people where they are with the information and with the services that they need, if they're not inclined to go to the healthcare system on a regular basis or not good in terms of, of, um, trusting their healthcare providers, then we're seeing kind of a trend towards that as well.

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(24.08)

Um, so for us that health piece is, is really important.

(24.10)

**Alex**

Yeah. It's fascinating if you think of the huge gains made in cardiac health and in, in oncology over the last 30 or 40 years, it really is, you know, light years away from where we were in the '70s and even the '80s. And now we're beginning to see new innovations like GLP1s come through, not just into obesity but the, a whole host of potential areas.

(24.28)

It does, it does give you hope, um, but we also know that governments are, up against gaslight sort of... fiscal wall they feel in terms of how decisions are taken, and it's the intrinsic how do you balance these things and who's doing the voting? Um, I guess, uh, let, let's touch upon that technology in its broadest definition, um, you know, it goes from robots through to, um, you know, the biopharmaceutical side of things

Maybe, um, Ian, I could ask you just to, to, to, to draw out some of your thoughts on, on technology. What we should kind of look towards in the next five to 10 years and maybe what so- so- something, somewhat out here more based?

(25.05)

**Ian Goldin**

You know, I'm incredibly optimistic about the potential of technology in biomedical areas, uh, and I think we are moving to a world of individualised, uh, genomic based, uh, medicine and also individualised production of pharmaceuticals, uh, through, uh, free printing for other methods, which is gonna be much more effective, not least in the treatment of some of the most difficult things like cancer.

(25.33)

So I'm op- really optimistic. The big hard barrier, uh, which (laughs) I hope is resolved soon because I'm getting older, is that while there's been huge progress on, uh, physiological, physical, uh, life extension, there's very, very little progress occurring on neurological, Alzheimer's, Parkinson's, dementia.

(25.55)

And so this growing disconnect between how long people are living for and their mental capacity and the burden they place on their families, on their loved ones and on the state, uh, through that is growing very, very rapidly. So that's really the big question for me technologically is how close are we, uh, on the neuro degenerative diseases? And, uh, we need to I think place much more emphasis on those, uh, in that respect.

(26.24)

Um, I think the other major technological things, of course, are happening allowing people to be much more effective in being monitored, in being, uh, uh, in contact, not only with their physicians and their health care providers, uh, but also with their families and loved one, because loneliness, uh, is another big, big challenge for mental health and technology can help with that as well, um, so I'm optimistic about that.

(26.51)

The potential for technology to help, uh, people as they age supplement their capacities in terms of strength, uh, ability, cooking, uh, doing daily tasks, transport, mobility. There's massive, uh, breakthroughs in all of these areas which are incredibly encouraging, uh, as well.

(27.12)

So I think we are moving with technologies that the big questions of course on the workforce, um, my research group in Oxford is suggesting very big... supported by Citi, uh, very big dislocations, uh, in the workforce as results of robotics, AI, automation, um, and so on **and how we use technologies to augment.**

(27.38)



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Now this raise goes back to the question of fiscal and tax and income. Uh, technology is clearly gonna have an impact on distribution. Uh, it's also very place specific. Uh, the geography of jobs is changing. We're moving to a knowledge economy. Uh, the old jobs, uh, are in places which are being left behind.

(27.57)

So it has this big spatial Dimension, uh, the new jobs are in different places to the old jobs, uh, concentration effect, uh, in many respects and increasing distributional impact on how much people are being paid, uh, in different, uh, tasks. And all of that then feeds back into this, uh, demographic question, not only in terms of who's gonna be paying the taxes, uh, and who's gonna be working, but also will we see increasing differentials in age expectation?

(28.30)

You know, there's already massive, uh, differences, even in my small town of Oxford there's an 18-year differential between the neighbourhood I live in and the poorest parts of Oxford. Um, so this, uh, this differential needs to be closed as well, so that everyone is able to benefit.

(28.51)

The other differential that needs to be closed, which is I don't think is purely technological, mainly technological is of course between male and female life expectancy. You know women are wiser than men, they don't make as many stupid decisions. They don't drink as much, they don't smoke as much, they don't shoot each other as much or stab each other as much and they live longer around the world.

(29.12)

Um, so that is a behavioural issue, (laughs) uh, that needs to be closed as well, uh, but it leads to issues also of a lot, of single elderly woman, uh, and that of course is a whole another challenge for society.

(29.25)

Alex That, that's fascinating. And Melissa, we, we, you know, your work in that space, you know, why women leave the workforce or they don't come back to the jobs that they want to, that's not specific to this topic but it, it's definitely and, and, a, a huge problem, isn't it?

**Melissa Gong Mitchell, Executive Director, Global**

(29.42)

It's a, it's hugely relevant to this topic. Um, it's something that I'm personally very passionate about and that we're really focusing on the Global Coalition on Ageing. I mean, this mega trend of ageing is most certainly a women's issue. You know, as Ian says, yes, women live longer than men. Women take on most of the caregiving responsibilities for their children and for their ageing loved ones, so part of the sandwich generation.

(30.00)

Women represent about 75% of the caregivers and taking on those, uh, caregiving responsibilities. Living longer, we have higher instance of chronic diseases like Alzheimer's, CBD, osteoporosis, which I've mentioned earlier. And we learn, earn lower lifetime incomes because there's a wage gap, um, and because of this higher instance of going in and out of the workforce to care for children and to care for ageing loved ones.

(30.25)

Women also spend 25% more time than men in poor health, um, and unsurprisingly then have higher overall health care costs. So women are at a disadvantage with this longevity, um, um, challenge and opportunity depending on how you look at it. And then when we look at it from a workforce, um, point of view, um, women in the work- women, um, who are working, which of course we're seeing much more now, um, have to be much more deliberate with family planning and have to deal with things like menopause in the workplace right at the moment when they're reaching top leadership positions, um, and when you add this to the wage gap, um, it becomes a huge challenge for a drain in the workforce where you wanna keep your talented women in the workforce but all these forces are coming together at the same time.

(31.09)

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And these are the same women who, who tried to get child care benefits. Now we're trying to do that, um, for benefits as we age. And so we think this is a huge opportunity that we can focus policies and workplace practises to ensure to keep your best women in the workforce and be drivers of the silver economy.

(31.25)

**Alex**

It's such a reminder that also what you measure is what you can, you know, judge things by. I know in Japan, I think our work show that 40% of companies have employees over the age of 70. That number is dramatically smaller ex Japan, uh, and I'm sure we can measure better also, uh, how women stay in the workforce and, and in what ways.

(31.47)

It shouldn't be all or nothing just as you hit 55 or 60, it shouldn't be all or nothing, and that's one of the concerns we have. May- maybe I can ask us to, to, to, you know, ask you to share your final thoughts here in terms of if we look forward the next 20 years, let's say you're talking to individuals or policy makers, what, what predictions do you have? How hopeful are you that we can get that mindset shift that all of you have touched upon? Maybe Ian, I can start with you.

(32.13)

**Ian Goldin**

I'm, I'm hopeful. I think, um, what we're seeing is not only an ageing of societies but an ageing of leaders, um, and, uh, so presuming they get it, um, we're gonna see massive strains, uh, as Nathan has highlighted, there's many positives on the fiscal and macro front and there's some real concerns that need to be addressed, um, but it's tough.

(32.39)

You see what, what's been happening in France trying to increase the retirement years by a couple of years, you see what's happening in China, uh, in the attempt to increase retirement years. That people don't like that, and so I think it's not only about the politicians. I think we need to educate, uh, societies about the need for, for this as well.

(33.00)

But I think it's a, it's a huge sign of success. Um, we need to celebrate, uh, what's happening, um, and I think build on it to ensure that older people can live, uh, healthier, better lives, uh, physically se- secure, have the incomes they need for a decent life. And young people do- don't feel like they being exploited (laughs) by the elderly in terms of having to pay for them, uh, and that we don't, and that the, the old people in the sense get out of the way so young people can climb the career ladders, uh, as well, and, um, enjoy themselves as we did, our lucky generations that had this tremendous boost in the post-Second World War period.

(33.41)

Uh, if we don't do that, if there's increasing tensions between generations, I think it'll be reflected politically, uh, and I don't think it'll be healthy economically either.

(33.52)

**Alex**

Nathan?

**Nathan Sheets, Global Chief Economist, Citi**

Well, I'm look at a couple of decades here, Alex, uh, I'd say the good news is, uh, particularly some of this technology that we've talked about. I, I think the AI revolution, uh, is, is real. It will be transformative. It will allow us to use the available labour resources we have, uh, more efficiently, indeed, if I have any worries about AI, it maybe will it use the labour resources we have so efficiently that we'll have problems finding ample jobs, uh, for, for workers in the years ahead?

(34.30)

## Good Things Happen - S5, EP 6 Embracing Demographics

You know, as I flagged that, that concern, that's been a concern that's been expressed about technology for generations and economies adapt and grow and new jobs are created, but it's the, the, the AI, uh, applications we're gonna see are, uh, dynamic and, uh, powerful and are largely I think what offset some of these, uh, challenges we've described.

(34.56)

I'd say the bad news, uh, in my view is that we're moving into a period now of inflexion where this ageing is gonna be biting more and we'll see this kind of face off between demographics and technology, but our fiscal positions are markedly worse than what I would have expected and what I would have hoped for.

(35.18)

Debt levels in key economies around the world are just simply too high, and so we don't have fiscal space, we don't have fiscal resources to be able to absorb any kind of spending pressures that may arise, uh, through this period. And I think that is, that is the risk.

(35.35)

Uh, on balance I'd say, um, despite being an economist, I'm, uh, optimistic by nature and, uh, I think that technology is likely to triumph over the, the grim fiscal realities, but it wouldn't surprise me if that we had some periods where markets were worried in coming years about, uh, what fiscal performance is looking like.

(35.58)

**Alex**

Um, thank you, Nathan. Melissa?

**Melissa Gong Mitchell, Executive Director, Global**

I love the, uh, the optimistic economist point of view. That's really great because, yeah, you look at it on its face and you're like, "This is an incredible challenge. What are we going to do?" But I think again, it requires this change in mindset.

(36.12)

And we've seen the companies that we work with help to change the way they think about their workforces, right? And that includes having benefits in the workplace that recognise that they want to keep, they want to recruit older workers because of the experience that they have, but they also recognise they have p- they have specific health needs, they have specific caregiving needs, they need different employee resource groups, they need elder care benefits.

(36.39)

And I would like to see and I hope we will see a shift to more and more of that happening. We're seeing more and more companies have that, and that is really lending toward so if your workplace can begin to shape your thinking, then I think that's gonna help change the mindset overall.

(36.51)

Policy makers, of course, need to recognise this. We have to play the long game and that's always hard in politics, even though this is happening now, it still feels like it's far out, but we see it happening, um, in many places around the world. And so I think the ability to be able to act ahead of 20 to 30 years from now is a really critical piece of this.

(37.10)

And so if there's anything I would like to see, we were talking about working age population, um, and research is showing that two-thirds of people around the world can see that this working age population is gonna decline two-thirds by 2050. Well, let's rethink what we call working age population. If we know that our 65 plus population is doubling, our 80 plus population is tripling and we can invest in health, the health of our populations, then let's think that this can be part of our working population as well.

(37.43)

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So I'd like to see this optimistic approach but we have to recognise, it comes with, uh, big transformations, big changes and, uh, I look forward to working with you all and making sure that we can do that.

(37.56)

**Alex**

Well, it's fantastic and I, I just remind all our listeners that Citi GPS publishes in our public series on the future of healthcare, uh, obesity and beyond and of course this report, which we all came together for, which was the demographic transition. So please do take a look at those from reports as well. But let me thank you, Melissa, Ian, Nathan for a, a fantastic discussion.

(38.16)

Um, we know this is going to roll on, but we really appreciate your time and, uh, we look forward to the feedback from listeners.

(38.26)

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