THE BABY BOOMER BULGE – Challenges and Opportunities

by
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Outline of Presentation

• Introduction
• The Baby Boomer Bulge
• Characteristics
• Distribution
• Challenges
• Opportunities
• Conclusion
Key Issues

• Post war baby boom was bigger and longer in Australia
• Myths, misunderstandings and over generalisation
• Ageing of Baby Boomers seen narrowly through a medical model – need to be seen through a wider lens
• Cohort effects mixed with life cycle effects
• Baby Boomers will behave differently to the previous generation
The Baby Boomers Obesity and Work Project

• Multi disciplinary team from University of Adelaide, University of SA, and Flinders University
• Funded by Australian Research Council
• Industry Partners – Department for Health and Ageing, Workcover SA, Council on the Ageing, Queen Elizabeth Hospital Research Foundation
• Focus on interface between health/obesity and work
• North West Adelaide Health Survey – Household Study
• Workplace Study
Fertility
Australia: Total Fertility Rate, 1901 to 2010

Source: CBCS Demography and ABS Births Australia, various issues
Australia: Age-Sex Structure of the Population, June 2011

Source: ABS Estimated Resident Population data

[Diagram showing the age-sex structure of the population with labels for Males and Females, and sections for Baby Boomers, First echo, and Second echo?]

Persons

Age

0 20,000
10,000
50,000
200,000
150,000
100,000
50,000
0

0 100
90
80
70
60
50
40
30
20
10
0

200,000
150,000
100,000
50,000
0

20,000
10,000
50,000
100,000
150,000
200,000

Males
Females

Baby Boomers
First echo
Second echo?
Baby Boomers 2006

• 27.5% of Australian Population
• 41.8% of Australian Workforce

Baby Boomers 2011

• 25.4% of Australian Population
## Australia: Expectation of Life at Age 50, 1901-1910, 1970-1972 and 2010

Source: ABS

<table>
<thead>
<tr>
<th>Year</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901-1910</td>
<td>21.2</td>
<td>23.7</td>
</tr>
<tr>
<td>1970-1972</td>
<td>23.2</td>
<td>28.3</td>
</tr>
<tr>
<td>2010</td>
<td>31.7</td>
<td>35.4</td>
</tr>
</tbody>
</table>
Structural Ageing:
Australia: Change by Age: 2006 – 2021; 2031 (Series B)

Source: ABS 2008 Projections
Demographic Impacts of Baby Boomers

- Population aged 65+ will increase by 86% between 2011 and 2031
- Percentage aged 65+ will increase from 13.8 in 2011 to 19.9 in 2031
- Distinctive characteristics
- Distinctive location
Addressing The Challenges of Ageing Baby Boomers

There are no “silver bullets”. Need an array of strategies.

Strategies for Baby Boomers
- Increased Age at Retirement
- Increased saving and preparation for retirement
- Reduced obesity and improved health

Strategies for All Working Age Groups
- Increased productivity
- Increased workforce participation

Strategies in the Health and Aged Care Sectors
- Improved efficiency
- Preventative health
- Better models of funding and provision

Population Strategies
- Migration
- Fertility
Percent of Australians Overweight or Obese by Age and Sex, 2007-08

OVERWEIGHT OR OBESE (MEASURED BODY MASS INDEX) (a), 2007–08

- Overweight Males
- Overweight Females
- Obese Males
- Obese Females

(a) Excludes persons for whom measured height or weight was not available.

Source: ABS National Health Survey: Summary of Results, 2007–08 (cat. no. 4364.0).
Baby Boomers and Work

• Extra 9 years of life
• Importance to economy – Intergenerational Reports
• Imperative to funding retirement
• Individual wellbeing
• A majority who retire early are forced to
Constraints On Working Longer

- Health
- Lack of flexibility in workplace
- Superannuation Issues
- Difficulty in Transitioning
- Employer attitudes
- Difficulty of changing type of work and hours worked
- Caring Responsibilities
## Pre Retirement Workforce Participation: Baby Boomers and Pre War Generation

<table>
<thead>
<tr>
<th></th>
<th>Baby Boomers Aged 45-54 in 2006</th>
<th>Pre War Generation Aged 45-54 in 1981</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Women 45-54 in Workforce</td>
<td>73%</td>
<td>50%</td>
</tr>
<tr>
<td>Percent Men 45-54 in Workforce</td>
<td>85%</td>
<td>89%</td>
</tr>
</tbody>
</table>

Source: ABS 1981; 2006
Baby Boomers In The Workforce

• 23 percent work extra time on weekends
• 27 percent of men work 50+ hours per week
• 20 percent feel insecure in their jobs or experience stress in the job
• 84% satisfied with the job
Retirement

• In 2007 only 53% had given a lot of thought to retirement but this has increased to 85% in 2011
• Phased retirement is popular – only 25% plan to cease work completely and 73% intend to work 16+ hours per week in retirement
• The GFC has had a significant impact – 34% of baby boomers postponed retirement plans due to falling value of superannuation and investments
• Mean expected age of retirement has increased from around 61 in 2007 to 65 on 2011
• Financial security has overtaken health as the factor most likely to influence baby boomer’s retirement decisions (43%) – however, health is still the leading reason given for retirement by those who have retired (28%)
### Australia: Baby Boomers and Pre-war Generation As They Enter Old Age, Social Indicators


<table>
<thead>
<tr>
<th>Social Indicators</th>
<th>Baby Boomers at mid-life</th>
<th>Pre-war Generation at mid-life</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td><strong>Social Supports</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entering later life without a spouse</td>
<td>34</td>
<td>19</td>
</tr>
<tr>
<td>Childless</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Living alone</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed secondary school</td>
<td>43</td>
<td>6</td>
</tr>
<tr>
<td>Bachelor degree or higher</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td><strong>Religion</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identify as Christian</td>
<td>66</td>
<td>80</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner Purchaser</td>
<td>81</td>
<td>84</td>
</tr>
<tr>
<td>Rental</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td><strong>No Private Health Cover</strong></td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td><strong>Overseas born</strong></td>
<td>31</td>
<td>21</td>
</tr>
<tr>
<td><strong>NES Overseas born</strong></td>
<td>20</td>
<td>12</td>
</tr>
</tbody>
</table>
Will Baby Boomers Move In Retirement?

• Traditionally most people aged 65+ have low mobility
• Any increase in the propensity to move will have an impact on population distribution
  - increasing population density in inner and seaside suburbs of cities
  - sea change, tree change areas
• Ageing in Place doesn’t necessarily mean ageing in the same house
• Temporary mobility
Challenges

• The Health Challenge
• Balance between working and non working population
• Social issues – isolation
• Housing, accommodation
• Individual happiness
Opportunities

• Nine extra years of life
• Enormous fund of human capital
• Potential to be leaders of key changes, eg in the built form of our cities
• Potential to lead regional development
Conclusion

• Lack of evidence base on baby boomers
• Ageing issues in Australia are manageable
• Not as extreme as Europe or Japan
• There is a breathing space period
• However immediate action is needed
• Need to act now on the baby boomers
• No room for complacency
• Dangers of increasing inequity in old age – a window of opportunity
• Need for more nuanced understanding of both life cycle and cohort effects
• Beyond the Intergenerational Report
Acknowledgements

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• Flinders University

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• Workcover SA;
• Council on the Ageing
• Queen Elizabeth Hospital Research Foundation