The contours of population aging are well known. As a result of birth and mortality trends and the aging of the baby boom cohorts, the population aged 65 and over and, to an even greater extent, the population aged 85 and over, are expected to grow very rapidly over the next 60 years, both in absolute numbers and as a percentage of the entire population. Under its middle series projection, the U.S. Bureau of the Census (Day, 1992) projects that there will be 54 million people aged 65 or over in 2020 (20.2% of the population) and 79 million in 2050 (20.6% of the population), compared to 31 million (12.5%) in 1990. Baby boomers — the 76 million persons born between 1946 and 1964 — will represent about 60 million of the projected 70 million people aged 65 or over in 2030. More significantly, given the association between advanced old age and functional disabilities, the Bureau projects that by 2050 almost 18 million people (4.6% of the population) — virtually all baby boomers — will be age 85 and over, compared to 3.1 million (1.3%) in 1990.

These trends are combining with political and economic change to spark a growing national debate about the implications of the aging of America or, more popularly, the anticipated aging of “the baby boom generation.” Increasingly, this debate is framed around the question of whether the U.S. can financially afford to continue its current array of “old age” entitlements and other “aging programs,” and if not, how the programs should be made affordable. Indeed, for a good many people, including many younger persons who support Social Security and Medicare but doubt whether the programs will be available for them in old age, the first question has been answered. The debate is over the extent of changes to be made.

U.S. Senator Bob Kerrey (D-Nebraska), Chair of the Commission on Entitlement and Tax Reform, has called for “an honest national conversation about the implications of the aging of America or, more popularly, the anticipated aging of “the baby boom generation.” Increasingly, this debate is framed around the question of whether the U.S. can financially afford to continue its current array of “old age” entitlements and other “aging programs,” and if not, how the programs should be made affordable. Indeed, for a good many people, including many younger persons who support Social Security and Medicare but doubt whether the programs will be available for them in old age, the first question has been answered. The debate is over the extent of changes to be made.

Senator Kerrey, who has decided that entitlement programs must be reduced, is correct about the need for such a national conversation, but it is misleading and possibly detrimental to presume that the conversation should start with and focus on what entitlements the nation can afford over the next 50 to 75 years. Such a view implicitly elevates deficit reduction and shrinking federal responsibilities as the primary goals, thereby narrowing discussion of the implications of the aging society to a question of how to cut federal commitments. Indeed, some federal commitments may need to be reduced, but debate should not move forth with numerous unexamined assumptions about the implications of changing demographics, desired public values, and the societal goals we seek to achieve through public policies.

A national conversation on aging needs to be based on an understanding of the broader context in which aging is occurring, of what we know about and mean by “old age” and “aging,” and if not, what remains uncertain. It also needs to proceed with a broad recognition of values that may drive the debate and the range of choices before the body politic. To ignore such concerns is to ensure that the political response will be limited and driven by misunderstandings about the implications of population aging and by short-range goals. Without an established moral context, our national dialogue will be void of values which respond to such basic issues as the meaning and purposes of life, individual and societal responsibilities, and the kind of society the people of the country desire for people of all ages.

This article, then, will not propose political answers, but will seek to suggest a way to broaden national discourse on aging of the baby boom cohorts. We begin with a discussion of selected social trends/issues that give shape to policy discussions on
the aging of society. Next, we discuss the need for a broadened national conversation on aging, based upon recognition of the complexity and elusiveness of the concept of "old age," the diversity of the baby boom cohorts, and the role of public and private transfers. Throughout the article, we identify problems and issues that are likely to emerge as the baby boom cohorts age. We conclude by identifying questions that should be addressed as part of the conversation and by noting that the way the nation responds to these questions will be determined by the public's understanding of population aging and the values that drive public policy for the aged society.

**Cross-Cutting Trends, Issues and Related Uncertainties**

Planning for the aging society and the retirement of the baby boom cohorts should be informed by a range of cross-cutting trends and issues. What follows is an illustrative, not a definitive, discussion of some trends/issues reflecting the context in which societal responses to the aging population will take place. Only six issues will be discussed.

**Economic Change and Uncertainty**

Arguably, the economy, not demography, holds the key to the nation's ability to "afford" the aging society and sets the boundaries for discussions about how to prepare for the aging of the baby boom cohorts. There is no question that the U.S. and world economies are changing. But it is fair to say the economists do not yet know what to make of these changes. For example, the operative theory is that the economy cannot grow faster than 2.5% (real GDP) a year without generating inflation. An unemployment rate of less than 6% is often seen as inflationary. Yet the U.S. economy has been growing at 3% (real GDP), unemployment is under 6%, and inflation remains historically low. Not surprisingly, there are almost as many explanations for this state of affairs as there are economists, but there is a slowly growing sense that the economy could grow at as much as 3.5% (real GDP) without creating inflationary pressures. Proponents of the higher limit point to large numbers of unused and underused workers, despite the low unemployment rate, and to computers at last bringing increased productivity to the service sector. Then there is Federal Reserve Chairman Alan Greenspan's raising of interest rates to control inflation, while arguing that the official inflation rates overstate the actual rate by up to one percentage point. And there is a debate over whether the U.S. economy is bifurcating into a growing number of low wage jobs and a relative decrease in the number of higher-paid positions, with the higher-paid positions open only to highly trained persons with specialized skills.

The relatively slow economic growth of the past 20 years and the currently large federal government and international trade deficits are sources of concern about the future of the economy. Net national savings — the sum of government and private savings — has declined precipitously during the 1980s, from an average of about 8% per year during the 1950s, 1960s and 1970s (Schultze, 1990), to an average of 3.3% from 1983–1992, raising serious questions about future economic growth. Slowed wage growth and increased inequality in the distribution of income also fuel anxieties over the ability of future taxpayers to pay for the growing costs of aging baby boomers. No matter how income is measured, during this period the share of family cash income going to families in the bottom fifth of the income distribution declined while the share going to the highest fifth increased (U.S. House of Representatives, 1994). Moreover, the percentage of children under 18 years old who lived in households below the official U.S. poverty threshold rose from 14.4% in 1973 to 22.7% in 1993.

Projected deficits in Social Security — the Old-Age, Survivor, and Disability Insurance program (OASDI) — also add to the economic uncertainty. While projected under the intermediate assumptions as being able to meet benefit commitments through 2030, there is growing recognition of the need to shore up Social Security's long-term financing through some combination of benefit reductions and tax increases (Board of Trustees, 1995a; see Appendix A).

How these unknowns play out will affect public values and politics, which will help define U.S. society into the millennium. Long-term economic growth that exceeds today's modest expectations (only 1.4% to 1.2% yearly growth in real GDP after 2020 under the Social Security Administration's intermediate assumptions) would ease the transition into the aging society, providing increased resources for social welfare programs. Policies designed to drive unemployment to less than 5% could create more jobs for people of all ages. Alternatively, a bifurcated economy might undermine public support for social welfare programs, decrease individual and family savings, and increase political fragmentation.

**The Prospects for Democracy and a National Conversation**

The January 22, 1995 edition of The New York Times Book Review featured a discussion of three books under the umbrella headline "Does Democracy Have A Future?" Just the review essay, by John Grey, of Oxford University (Grey, 1995), is worth reading for those who agree that public values drive public policy and a national conversation is needed to develop public values for the changing U.S. society. The notion of public conversations and the development of public values stems from and presumes a working democracy and a sense of national community. Tightly controlled societies, under whatever ideological name, are not conducive to public debate and consensus-building.

The authors of the three books, Jean Bethke Elshtain (University of Chicago), the late Christopher Lash, and Robert D. Putman (Harvard University), from different perspectives ask, according to Grey, . . . "is there not a danger that democracy in America will wither into insignificance, as citizens retreat from any kind of civic engagement?" Taking part in
public discourses, no less than in neighborhood associations, is civic engagement. The decline in the quality of and participation in public discourses has been well documented, from falloff in the number of people voting, to the impact of television on public debates, to the rise of jargon-filled academic prose, to suffocating political influences of affluent, narrow interest groups.

A society that devalues civic engagement is not only unlikely to make democracy work, it is even more unlikely to take an interest in and support public values concerned with the common good. Increasingly, public policy questions are argued in terms of limited and interest-driven notions, without reference to broader notions of the public good. Moreover, as Robert Hudson warned in 1978, the forces surrounding the “graying of the budget” have also contributed to a more contentious politics of aging (Hudson, 1978). Thus, Social Security is argued against by one set of interests on the grounds that it is a financially unsustainable policy, and defended by another on the grounds that modest adjustment in benefits and taxation can secure its future. Often lost in this degeneration of Social Security (and related policy) discussions to mere accounting exercises is the recognition of the value of the benefits provided to families or of the moral basis of this program, which serves as one of the binding institutions of our society. Opponents who reject the basic idea of public social insurance use financing and budgetary problems to attack the idea of Social Security. Advocates, often on the defensive, talk about not cutting benefits for individuals, but often fail to adequately defend Social Security — both the program and the vision — as an instrument of social justice.

Health Care in Flux

Health care expenditures have been increasing at a rapid rate in the United States, from 7.4% of the nation’s gross national product in 1970 to 13.2% in 1991 (U.S. House of Representatives, 1992). Even so, some 40 million Americans lack private or public health insurance protection, and those who are covered bear risks of catastrophic costs, often as a result of chronic illness among family members of all ages. Reflecting increasing health care costs and anticipated demographic changes, Medicare’s Hospital Insurance program is projected to run out of funds in 2002 (Board of Trustees of the Federal Hospital Insurance Trust Fund, 1995b) and costs are rapidly growing in Medicare’s Supplementary Medical Insurance program (Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, 1995c) and in Medicaid.

As evidenced by the recent national debate on providing financial access to and controlling the costs of health care, there is no real public consensus on what is meant by “quality health care,” other than the ability to get promptly the medical procedure for which a person can pay, directly or through a third party. The principal “rap” on the Canadian or British system, more often than not incorrect or overstated, is that a patient might have to wait for a particular procedure. At the same time, there is a growing number of outcomes studies that show a lot of the medical procedures which U.S. consumers can buy on demand have little benefit or may be harmful.

There is no need to recap the pros and cons of what some observers have called one of the more dishonest public debates in recent history. We would only suggest that the absence of accepted public values to drive health care policy was an important reason the debate failed to generate a new national policy. Some people find comfort in the fact that the future of health care, at least for the moment, has been left to the marketplace and the profit motive. It remains to be seen if such an approach will slow the rate of increases in expenditures for health care over time and/or help improve the health status of the U.S. population. It is clear that in the absence of public values and goals for health care, access and delivery of medical care will be driven increasingly by dual concerns for profit margins and government deficit reduction. The question remains how ought this society to respond to the health care needs of persons at risk and/or in need of managing rather than curing a long-term condition. Importantly, the recent experience in health care “reform” provides a warning to those planning for population aging about the need to develop a policy agenda that is both consistent with and advancing of commonly-held values and societal goals.

Uncertainties Surrounding the Aging of the Baby Boom Cohorts

It is important to recognize that the baby boom cohorts will age in a society that is older, more populous, and more diverse than previous cohorts, and that the challenges posed by their aging will vary over time. It is also important to acknowledge that since we are talking about the future, there is great uncertainty about the conditions and statuses baby boomers will experience — and even the numbers of baby boomers — as they move through the later stages of their lives.

There will be differences in the timing and tempo of the likely challenges that will be posed by the aging of baby boomers. We can anticipate that the “middle-aging” of the baby boom cohorts will be the cause of much angst about the future of the old age retirement and health care systems. More practically, their higher risk of work disability, age discrimination in employment, and the restructuring and downsizing of companies will become increasingly important public policy concerns. We are likely to see growing interest in facilitating transitions into second and third careers, in the need for increased retirement savings, and, as more baby boomers are thrust into the role of caregivers for their aged parents and in-laws, in the need for more supportive long-term care policies. Starting around 2010, baby boomers will begin a roughly 60-year transition into and eventually through what has traditionally been considered old age. The oldest among the boom will reach age 65 in 2011 and age 85 in 2031, and the youngest members will reach ages 65 in 2029 and 85.
in 2049. "Because of the staggered impact of [their] aging . . . [c]oncerns about financing retirement will give way to focus on the ability of health care programs to absorb very old and probably frail elders" (Soldo & Agree, 1988, p. 14).

Plainly, we can anticipate consistent growth in demand for services for older persons. Take long-term care for persons aged 65 and older as an example. In 1993, an estimated 2.2 million elderly persons (aged 65+) resided in nursing homes at some point during the year, and another 5.2 million utilized home care services. Simulations using the Brookings-ICF Long-Term Care Model provide a basis for estimating 3.6 million elderly nursing home residents and another 7.4 million elderly persons using home care during 2018 (Weiner, Illston, & Hanley, 1994), the great bulk of whom will not be baby boomers. Simple extrapolation using the Brookings data and 1992 Census projections suggests that 5.5 million people will be in nursing homes and that 11.4 million will be using home care for at least part of the year in 2040, the large majority of whom will be baby boomers.

Although it is certain that the aging of the baby boom cohorts will challenge public and private retirement, health and long-term care systems, uncertainties surround forecasts of demographic trends and the margin for "error" is larger for long-term forecasts. There is considerable variation in the projected size of the population as a whole and in the absolute and relative numbers of old (65 and over) and very old persons (85 and over). For example, the range between the Bureau of the Census' lowest and highest series in the projected population for 2050 varies from 276 million to 507 million for the total population, between 55 and 98 million for the old, and between 9 and 26 million for the very old population (3.3% of the population versus 5.2%). Recent work suggests that elderly population estimates based on the Social Security Administration's (SSA's) high-cost projections and on the Census Bureau's highest series estimates may provide a more realistic basis for charting retirement and health care policy than other series (Institute of Medicine, 1993).

Another uncertainty with potentially important public policy implications concerns whether anticipated increases in life expectancy at older ages will be matched by parallel reductions in morbidity and disability as the baby boom cohorts age. A substantial, but not conclusive, literature addresses this question (Butler, 1982; Feldman, 1983, 1991; Fries, 1991; Guralnik, 1991; Manton, 1983, 1993; Manton, Cordor, & Stallard, 1993; Verbrugge, 1991). Recent research (Manton, 1993; Manton et al., 1993), points to the increasing likelihood that there has been and will be some aggregate decrease in disability among older populations, especially among more highly educated and high income older persons. But this does not automatically translate into large increases in the ability of most old people of the future to work and/or otherwise contribute longer.

As this discussion suggests, while the broad outlines of the demographics surrounding the aging of the baby boom can be discerned, much remains uncertain and unknowable about the capacities and needs of baby boomers as they transition through middle and old age. Thus, there is a need to respect this uncertainty and to recognize both a wide range of demographic possibilities as well as the great diversity within the baby boom cohorts when planning for their aging.

The Implications of Racial/Ethnic Diversity

"Minority populations," separately and together, are increasing faster than the "majority population." The aging of the baby boom will take place in a more heterogeneous nation with respect to racial and ethnic minorities and among groups who, due to racial and/or ethnic status, often experience restrictions which limit economic and social mobility (African Americans, Asian and Pacific Islanders, Native Americans, and Hispanic populations). Old populations will be more diverse; younger populations, even more so due to immigration trends and lower fertility among white non-Hispanic populations (Day, 1992). The U.S. Census Bureau projects that minority populations, counted together, will make up more nearly half (47.3%) of the U.S. population by 2050 (Day, 1992). In some sections of the country, a "minority" population is already the majority. Ethnic and/or religious differences cut across majority and minority populations, creating still more diversity, and raising questions about the identity and meaning of "minority" and community.

This growing diversity of the population has implications for policy development directed at aged baby boomers. Without careful attention to the various needs represented by this increasing diversity, the potential exists for a large elderly population composed disproportionately of white non-Hispanics competing with growing young minority populations for social resources (Torres-Gil, 1992; Ozawa, 1985). Anticipating this possibility provides further rationale to think about educational and training investments for younger workers as being integral to a strategy of preparation for population aging. Similarly, though perhaps somewhat at odds with the goal of expanding mobility for the young, encouraging elderly baby boomers to contribute to the economy and society through employment, volunteer efforts and self-care is likely to become increasingly important, if older persons are not to be perceived as a burden to the young. The trends also highlight other value questions for age-related policies. How should service programs be designed to recognize the diversity of their users and to reach persons who happen to be hard to locate? Why should a younger population "support" an older population which will be far less diverse? How ought the current middle-aged and older majority populations invest in the future (through savings, support for educating all children, efforts to foster respect for diversity across the population) to help ensure a productive economy which can "afford" a larger older population? How sensitive should service programs be to the diversity of potential users? What ought to be the societal goals which determine the balance among individuals
(male and female) pursuing careers, family caregiving responsibilities, requirements of employers, and the community?

The Changing Family and the Well-Being of the Young

The organization, structure, and even the standing of the family in the U.S. are changing. Divorces and remarriages, second or multiple families, single-parent households, and increasing numbers of never-married persons complicate and blur family ties and raise questions about the abilities and responsibilities of families to provide care (Hagestad, 1986).

More critical is the impact of such changes on children. Single parenthood has doubled since 1970 to encompass 27% of all families with children under age 18 in 1988 — 22% for white families with children, 59% for such black families, and 34% for such Hispanic families (Saluter, 1989). Seven out of eight single parents responsible for young children are women. The growth of single-parent families is attributable firstly to divorce and separation, and secondly to births by unmarried parents (Cherlin & Furstenberg, 1982), with a very small proportion resulting from the death of a parent. About half of the marriages of baby boomers are expected to end in divorce, although three-fourths are expected to remarry (Cherlin & Furstenberg, 1982). In addition to high rates of divorce, nearly one-third of all babies are born to unmarried parents, and “about half of all American children will spend at least some time in a single parent household before they are 18” (Beschastrov, 1995, p. 4).

Nearly one in four children (22.7% in 1993) lives in poverty. One study concluded that “Compared with teenagers of similar background who grow up with both parents at home … adolescents who have lived apart from one of their parents during some period of childhood are twice as likely to drop out of high school, twice as likely to have a child before the age of twenty, and one and a half times as likely to be ‘idle’ — out of school and out of work — in their late teens and early twenties” (McLanahan & Sanderfur, 1995, as cited in Beschastrov, 1995). Tufts University Professor David Elkind reportedly finds that the pressures that limit the time even financially well-off parents in two-parent households spend with their children may be a cause for declines in children’s intelligence test scores and for the increasing incidence of psychological problems (Beschastrov, 1995).

Many other figures can be cited to document the plight of too many children in the U.S., and no doubt the ones used above can be debated. The point is that for whatever combination of reasons, it is widely agreed that across the socioeconomic board, there is good reason to be concerned about the quality of life for many of our nation’s children, especially those who are poor. How U.S. society responds to this crisis will tell a great deal about the kind of society it wants to be. It is hard to imagine that a society that does not respond to the plight of its children will look kindly on its frail and older members. At the same time, it is hard to imagine an effective response to children’s needs that will not involve public values that will in turn affect older persons.

As the previous discussion points out, public discourse on the implications of population aging is given shape by powerful trends and related issues. Now we discuss terminology for a broadened national conversation.

Terminology for a National Conversation on Aging

The Terms of Old Age

The concepts and definitions used in any discourse can become dated and misleading. A national conversation on aging ought to start with language that reflects the current state of knowledge, and which seeks to clarify the facts. A sample of some elusive concepts follows, beginning with “old age” itself.

Old Age. — “Old age” is a complex and elusive concept. The concept is complex because it simultaneously raises questions for the individual (how am I going to age?), for families (who is going to take care of whom?), for professions (who will pay me how much to deliver services to “old” people?), and for social and economic policies (how many public dollars should we spend on which older people?). Also, as noted above, the contexts in which “aging” is defined keep changing.

Even though we know the number of people living longer is increasing dramatically, and even though the idea of growing older is hardly new, the concept is elusive because the scientific, social, political, moral, and individual bases for defining “old age” keep changing. Much as the poet William Yeats suggested, death is a man-invented thing, the concept of old age is a social construct, though unlike death, it is a dynamic concept.

Age 65 has been used for many years as the demarcation for old age in the United States and as an important marker for purposes of old age policies, pensions, research, and even for defining old age in the public mind. Sixty-five is often an appropriate age for receipt of private and public retirement benefits, but it also overlooks much of the variability that surrounds the aging process. Biologist Leonard Hayflick (1994) says a person’s biological age is more important than the person’s chronological age in determining the health status of the individual.

Categories and language, of course, matter, from setting tones and expectations to justifying perceptions and policies. “Old” can be a positive as well as a negative term (venerated and wise, or dated and worn out), but it is seldom used to describe a healthy and active person. An early exception to language that reinforced the view of the old as a homogeneous group can be found in the work of Bernice Neugarten. She was the first to distinguish between the “young-old” — relatively healthy and financially independent older persons of any age, though usually 55 to 74 — and the “old-old” — those, usually over
The final stage. The term "old age." Most importantly, the conversa-
denote that stage in life after middle age but before
the final stage.

The national conversation on an aging society
must recognize the limits and variations implied by
the term "old age." Most importantly, the conversa-
tion must recognize that just as many persons move
into the third age and beyond in sound health and
financial status, a great many persons in those age
groups have pressing health care and financial
needs.

Aging. — Aging is a lifelong process, common to
all species and most societies. Aging should not be
confused with aged or old. China is an old society,
dating back centuries, and has an aging population,
in that the average age of its population is increasing
due to the fact the number of older people is increasing
faster than the number of younger people (Connor,
1992). A country with a dramatic drop in its birth
rate will have an aging population even if life expect-
ancy is not increased. But the study of aging should
not be restricted to persons 65 and over. Aging, as a
field of interest, should be concerned with the entire
course of life, because outcomes in old age — both
for individuals and cohorts — are substantially influ-
enced by investments made earlier in life (Kingson,
Hirshorn, & Cornman, 1986).

In exploring public values, a national conversation
on aging should address the impacts of the aging
population as well as the number of people living
into and through the third age.

Retirement. — The term retirement carries several
meanings. As an institution, retirement should be
understood as a relatively new, evolving, and malle-
able institution that serves several functions. Beyond
protecting against loss of income in later years and
supporting late life leisure, retirement policies have
been designed to affect labor markets, move unem-
ployment from younger to older workers, and cut labor costs (Graebner, 1980; Schulz, 1995). For retire-
ment to emerge as a social institution, substantial
social and economic changes had to occur. The
economy had to be capable of supporting a non-
working population. A substantial portion of the
population had to live to old age. Decisions had to be
made to allocate resources toward a period of "lei-
ure" at the end of the life course. Support had to
exist among influential elites and the wider popula-
tion for the pension and labor force policies that
created and later sustained this institution (Kingston
& Berkowitz, 1993). By encouraging older workers to
retire in exchange for a pension and thereby creating
job opportunities for younger ones, public and pri-
ivate pensions, and later, Social Security, helped
"grease" the intergenerational transfer of employ-
ment opportunities while simultaneously adding a
measure of economic protection for older workers.

Today, the protections provided to vested workers in
good private pension or public employee pension
programs is often considerable, but not so for many
others. Thus, proposed changes in the institution
need to account for the variability among older pop-
ulations and for interactions across the entire labor
force.

As a decision, "retirement" is often misleadingly
defined as a choice between full-time paid work and
complete withdrawal from the paid work force. In
practice, "retirement," if that is a correct term, em-
braces a wide range of arrangements, activities and
uses (Quinn, Burkhauser, & Myers, 1990). People
"retire" for many different reasons: because they
could afford to, because they wanted to do some-
thing else, because of health, because they lost their
job. In "retirement," people work, people pursue
education or avocations (for some reason called lei-
sure activities), people volunteer, people provide
care to relatives and people focus on families or
other leisure activities.

Similarly, and for many of the same reasons, "nor-
mal retirement age" is an evolving concept. As the
stereotypical point of demarcation between middle
age and senior citizen status and as the currently-
deﬁned age of first eligibility for full Social Security
retired worker beneﬁts, age 65 is often considered
the normal retirement age. Yet a substantial major-
ity of retired workers deﬁne themselves as “retiring”
before age 65 and most receive Social Security and,
when available, other employment-related retire-
ment pensions before age 65. Arguably, under Social
Security, there is no longer a “normal retirement
age,” but a range of ages from 62 to 70 in which it is
normal to retire. When retirement is deﬁned as leav-
ing a long-held job, a full-time job, or beginning to
draw Social Security or pension income, the 50-year
trend has been for workers to retire at increasingly
younger ages. Deﬁning retirement as not contribut-
ing to community or the economy in any way (i.e.,
not doing volunteer work, not providing signiﬁcant
care), the “age of retirement” may well rise as people
increasingly work part-time or pursue other produc-
tive activities in their so-called retirement years.

As an evolving concept, the deﬁnition, meaning
and purposes of “retirement” will be determined by
the public values deﬁning the meaning and purposes
of the third and fourth ages.

Mental Development and Decline. — The negative
connotations of “being old” imply an automatic state
of mental decline and have driven many of society’s
views of and responses to aging, as well as many
gerontological research agendas. However, recent
research has found that changes in the mental abili-
ties of older people vary as much as their physical
abilities, and that mental decline is not inevitable, at
least across far more of the life span than was previ-
ously believed (Goleman, 1994). Obviously, viewing
the third age (and beyond) as a time of continued
involvement and development depends on under-
standing and valuing the fact that “old age” and
mental decline are not inevitably linked. With new
understanding of the potentials of older persons
ought to come new public values as to opportunities for and responsibilities of older persons.

Stereotypes and Diversity. — The complexity and elusiveness of the concepts of “aging” and “aged” can be summed up in one word: “diversity.” Indeed, each of the terms discussed above are inadequate because they do not reflect the diversity of the topics which fall under their umbrellas. “Old” is largely determined by an arbitrary chronological age, not by a person’s mental or physical health status. People age at different rates. Retirement means different things to different people. People may well become more different than alike as they grow older.

Yet stereotypes too often continue to frame the public discourse on aging issues. Not too long ago, the operative value driving the politics of aging was “old people need and deserve a lot.” More recently, old people are seen as “greedy geezers” (Binstock, 1983). Popular commentary continues to emphasize a so-called dependency ratio, which says everyone between 18 and 64 is productive and everyone over 65 is dependent (not gainfully employed), and implies that population aging will impose an unmanageable burden on future cohorts of workers (see Appendix B).

Such stereotypes clearly are incorrect and hamper efforts to develop public values and policies which reflect the potentials and needs of an older population. There are a good many older people with little or no need for additional service and support. And there are a good many older persons and a good many families caring for older persons who need an array of services. A national conversation on aging that designates everyone over a certain age as “dependent” not only ignores the contributions older people can and should make, but could lead to a self-fulfilling prophecy.

The national conversation should begin with an appreciation that “aging” and “old age” are dynamic concepts, with recognition that diversity is the hallmark of older populations, and with respect for the uncertainty that must limit all projections. All of which leads to the baby boomers, a misleading stereotype about a generation which is not a generation.

The Diversity of the Baby Boom

As popularly used, the term “baby boom generation” refers to the 76 million people born between 1946 and 1964, 17 million more than would have been born had fertility rates remained at 1940 levels. But aside from a common time frame, there is little else that persons born in 1946 and 1964 share as members of a “generation.” The concept of a generation, even more than the concept of old age, is a social construct too often used to make oversimplified statements. The term “generations” has multiple meanings. It is used variously to mean position of vertical lineage within families, (e.g., “grandparents”), people involved (or potentially involved) in a social movement in which age-consciousness is important, people currently in a particular age group (e.g., “the elderly”), and people born in a common birth cohort (Bengtson, Cutler, Mangen, & Marshall, 1985). Here, we are using it in the latter sense.

Arguably, it is the 17 million “additional” births, more than the absolute number of births, which has impacted public policies and programs over the life course of the baby boom cohorts. At each stage of that life course, society has had to adapt to dramatic and sudden increases in demands for services and facilities, from building schools, colleges and housing, to training faculty, to expanding law enforcement capabilities, to creating jobs, to providing social services.

Even absent the demographic “bulge,” the number and proportion of people living longer would have continued to increase, as they have since the beginning of the century. The increase would have been more gradual, allowing for more measured responses to the aging of the population. The ultimate results, however, would be the same — a permanent shift in the age structure of the population. Once again, it is the unprecedented rapid jump in the number of older people through the first half of the next century which has created the sense of a demographic or aging crisis.

It should be noted further that many of the questions prompted by the aging of the baby boom cohorts regarding potentials, responsibilities and needs of older persons would have arisen without the demographic bulge, but with somewhat less urgency. Therefore, while what follows focuses on older ages, many of the questions and issues are pertinent for people in age cohorts preceding and following the baby boom cohorts.

Of course, the members of the baby boom cohorts have been and are actors in contextual trends which will affect the public values driving aging policies in their later years. They are in the process of constructing the values and politics which will define their third age and beyond. However, the “they” is a diverse lot, with widely different life experiences affecting the goals, aspirations and needs they will have as they age. That diversity must be part of the national conversation on policy directions for an aging population (Kingson, 1992).

Political scientist Paul Light (1988) suggests as many as nine broad areas for categorizing the diversity of the baby boom demographic bulge: early versus late, gender, race, education, income, Vietnam veterans versus nonparticipants and protesters, married versus unmarried, working versus nonworking, and geographic region. Other areas might include family upbringing, ethnicity, immigrant status and religion.

Again, what follows is not a full overview of the characteristics of the baby boom cohorts, but rather some examples of the diversity which should be recognized in developing public values for an aging population.

Early Versus Late. — Older baby boomers will remember John Kennedy’s death, will have entered a growing rather than a stagnant economy, will be more likely to be homeowners benefiting from lower housing costs, probably will have better private pen-
sion programs, and because of higher net earnings, could have higher income from investments.

Conversely, younger baby boomers, on average, may enter their latter years served by diminished public and private pension programs and with less wealth in terms of housing and investments (Light, 1988). Their defining historical moment will not be Kennedy, or maybe not even the civil rights struggles of the 1960s or the Vietnam War, but perhaps Watergate and waiting in line with their parents for gas during the early 1970s. These younger boomers are, relative to their older brothers and sisters, more likely to be at risk during their retirement years (Bouvier & DeVita, 1991; Congressional Budget Office, 1993; Light, 1988).

Race and Ethnicity. — About 18 million members of the cohort are racial and/or ethnic minority persons, divided among African Americans (about 9.5 million), Hispanics (about 6.1 million) and others (about 2.8 million). Even these divisions mask diversity and important differences by income class, educational status, ethnicity, etc. (Torres-Gil, 1982). For example, within the Hispanic classification, Cubans, Puerto Ricans and Mexicans have had quite different experiences. As a group, for a host of reasons, these members of the baby boom cohorts are, on average, poorer than their majority counterparts and therefore will bring fewer financial resources and often poorer health to their latter years. Also, they will arrive at old age with some different customs, family structures, and goals, and they will make up a larger percentage of the older population than persons classified among minorities at risk currently do. Importantly, their entrance into old age will further highlight the need to assess how old age policy and services can be responsive to an increasingly diverse elder population.

Families. — The baby boom cohort has been the group most involved in the changing structure and organization of family life in the U.S., both as adults making the changes and as children experiencing the changes. Social researcher Esther Wattenberg finds that baby boomers have "set records for a variety of living arrangements that reshaped the definition of families and household composition" (Wattenberg, 1986). Depending on their age within the cohort, they have had children later, have divorced and remarried more frequently, have raised more children in single parent households, have had smaller families, have households with two adults working, and have a larger number of persons never married (Cherlin & Furstenberg, 1982; Saluter, 1989).

These diverse family structures affect family incomes, retirement income, potential for family caregiving, and child rearing. With this complexity comes questions about who is responsible for parental and step-parental care in blended families (Hagestad, 1986).

Education. — While on average, the members of the baby boom cohort are better educated in terms of years of schooling completed than previous co-

horts (U.S. House of Representatives, 1987; Russell, 1982, 1987), more than three million of them have not gone beyond eighth grade (Siegel, 1989).

Income and Employment. — As members of the work force, baby boomers span good times, launching careers in the 1960s and early 1970s, and lean times, starting out in the late 1970s and early 1980s. Following the very small Depression baby cohort, early baby boomers had good access to the jobs created by a growing economy. Later baby boomers entered a stagnant economy with a large work force of their older brethren already in place.

Sorting out the full diversity of income status and financial prospects among baby boomers is complicated. On the one hand, baby boomers generally have earnings at least as high as those of non-baby boom "cohorts" at similar points in their life course (Congressional Budget Office, 1993; Russell, 1982), and large numbers of new jobs have been added as they entered the labor force (Russell, 1982). On the other hand, their work years have coincided with slowed economic growth, stagnant wages and the loss of manufacturing jobs, resulting in failed expectations of economic progress (Levy, 1987). Moreover, since the mid-1970s, there has been a trend toward greater inequality in income distribution. During the 20-year period from 1965 to 1985, in which nearly all baby boomers entered the labor force, the economy was able to absorb most of the new workers. However, the unemployment rates, especially for the youngest baby boomers in the labor force during given years and for minority baby boomers, were high, and the job advancement prospects more limited (Jones, 1980).

Also, home ownership, which has been an important mechanism for accumulating wealth, has declined for all baby boomers compared to past cohorts, but especially for the younger ones (Apgar, DiPasquale, McArdle, & Olson, 1990). It is quite likely that the younger baby boomers who have been able to buy homes will not experience the same appreciation in the value of their purchase as did many older baby boomers (Sternlieb & Hughes, 1982).

And finally, even as some politicians and researchers call for cutbacks or revamping Social Security, the percentage of baby boom workers covered by private pension programs is shrinking (Woods, 1989), with, not surprisingly, those in higher-paying jobs more able to put money away for retirement.

The Role of Private and Public Transfers

A broader understanding of the role of transfers will facilitate public discourse on the implications of population aging. Transfers should be understood as public and private; as cash and "in kind." Public transfers are the most visible transfers. The Old Age Health and Income Security system provides an example. These transfers take principally three forms, namely, social insurance (e.g., Social Security and Medicare), public assistance (e.g., SSI and Medicaid) and tax code provisions (e.g., special age-related deductions and incentives for retirement savings
Private transfers in this system take a number of forms as well, including employment-based fringes (e.g., private and public employee pensions, health care benefits), family cash transfers (e.g., life insurance, financial assistance from relatives and inheritances), housing, and caregiving (Kingson & Berkowitz, 1993).

Transfers occur to varying degrees and in varying ways throughout life. Early on, individuals and cohorts are primarily recipients of private transfers in the form of family care, housing, and basic expenses, and of public transfers in the form of education. In youth and middle age, individuals and cohorts both typically transfer more than they receive in the form of caregiving to the young and sometimes to functionally disabled family members, and in tax payments to support the various functions of government. In old age, especially advanced old age, the flow of transfers generally reverses, when the individual is in receipt of Social Security, Medicare transfers, and often family care, when disabled, although many among the old also transfer care and other resources to others as well (Kingson, Hirshorn, & Cornman, 1986). A time-freeze perspective (i.e., cross-sectional) suggests that it is children and the old who receive transfers, and the young adult and middle-aged who give. Such a perspective is often implicit to claims of inequities between cohorts and age groups with respect to the costs and benefits of Social Security and Medicare. A longitudinal perspective does more to highlight the reciprocity over time. From this perspective, the prior contribution of older family members and older cohorts to the young and to society can be seen as justifying the claims of older cohorts to a reasonable return in the form of retirement, health benefits (National Academy on Aging, 1994), and caregiving.

As the work of Elaine Brody (1990), Marjorie Cantor (1991), and Barbara Silverstone (1989) implies, our vision of transfers must extend to include private exchanges of time and care to family members. Although less recognized as an explicit transfer, family and friends are often the sources of critical nonmonetized, long-term care services, including time spent negotiating the complex array of health and long-term care services, house cleaning, meal preparation, shopping, and assisting with personal care. It is now widely acknowledged that the vast majority of functionally disabled elderly persons living in institutional settings rely on family and friends for most, if not all of their care — an estimated 80% of the long-term care going to elderly persons (Olson, 1994).

Even though informal caregiving is the critical component of the nation’s long-term care system, more often than not, informal caregiving is an afterthought of public policy discussions on long-term care. Policy planners express concern about caregiver stress and the possibility that new home care services may lead to reductions in familial efforts. Researchers note costs, in the form of lost wages and smaller retirement benefits, for those caregivers who must compromise their employment efforts. But serious attention is rarely given to such concerns, in large measure, because of assumptions about who is expected to give care and in the value assigned to this care. Laura Olson (1994, p. 13) points out that in the context of growing social welfare costs, the United States, like many other nations, is placing greater expectations on the family to provide care. “[N]ot only have more females added care of the superannuated to their productive and reproductive roles, but, in addition, these efforts tend to be both invisible and undervalued.” Though not an inconsequential concern for men, in a number of fundamental ways, long-term care could be thought about as an explicit women’s issue, rather than as a concern that affects women more than men. A broader view of caregiving as a transfer may serve to elevate the visibility of much informal caregiving, increasing the likelihood that these issues will emerge as explicit public policy concerns.

A broader view of transfers may help to move discussion away from narrow and cataclysmic assessments of the momentary value of Social Security and Medicare to any one cohort toward a broader review of how best to deal with financing and benefit reforms in preparation for the retirement of the baby boom cohorts and those who follow. Such reforms, we suggest, will not be achieved by privatizing or means-testing Social Security benefits. These measures could only serve in the long run to undermine political support for the program, an outcome that would be particularly detrimental to low- and moderate-income elders of the future. Without including the entire population in these programs, it is not possible to sustain the large transfers from higher- to low-income persons that occurs within the context of the program. This redistribution within cohorts occurs through such features as the benefit formula, which provides returns to low-wage workers, which are roughly twice as large (i.e., 57% replacement rate) as those to workers paying taxes consistently at the highest level of Social Security taxation (24% placement rate) and through the tax system, which treats up to 85% of Social Security benefits as taxable income. Ultimately, the quality of Social Security and other reforms will be enhanced if we can agree on the questions we need to ask and the values we want to emphasize in moving toward an “older” society, for it is the selection of questions and values which lends meaning to today’s trends and will give direction to tomorrow’s possibilities. This is the subject to which we now turn.

Some Philosophic Questions

A meaningful public discussion on the impacts of and responses to the aging of the baby boom cohorts must be based on an understanding of the trends and issues that interact with population aging. It also requires terminology that reflects the complexities, uncertainties, and possibilities surrounding population aging. Because public policies are driven by public values, which in turn are shaped by the public’s understanding and/or perceptions of the facts of
the situation, an open public discussion needs to clarify the various values, implicit and explicit, at stake in choices for the aging society.

To begin the conversation by asking, "Can we afford to pay for the retirement years of the baby boom generation?" is to cast too narrow a net and to frame the questions associated with population aging in a manner which, if accepted, focuses attention primarily on questions of how best to shrink federal commitments. If the policy agenda is restricted in this manner, the nation could prematurely foreclose many useful avenues of choice. Of most concern is the risk that the needs of those at greatest risk will not be highlighted. Also, the potential contributions of a growing older population will not be fully utilized.

As we have suggested, the conversation needs to begin with a review of the trends/issues (e.g., changes in the family) and terms of analysis (e.g., "old age") which in the case of aging are complex and elusive, and then move to the question of values. U.S. society has not yet agreed on the public values that should drive public policies in an aging society. While we are not sure how the issues concerned with population aging should be framed, we believe that a highly restricted view that frames the discussion in terms of the "affordability" of the baby boom cohorts will not lead to an open and productive dialogue. Wider understanding of certain trends and facts, we have suggested, can better inform national discussion, and consideration of some philosophic questions may give broader expression to the range of public values that can inform policy decisions for the aging of the baby boom cohorts.

In brief summary, the key trends and facts are:

- The baby boom population bulge will gradually — but nonetheless dramatically — increase the absolute and relative number of people living into the third age and advanced old age, adding urgency to issues related to the aging of the population.
- The aging of the population is but one of numerous societal changes and trends that will affect public values over the next 10 to 30 years.
- Some of the concepts used to define old age and aging and to frame old age policies are dated, reflecting neither the state of knowledge, the conditions of many older persons, nor the goals and aspirations new cohorts are bringing to their later years.
- The people of the baby boom cohorts are a diverse lot with widely different prospects for the financial and health status they will take into older age.
- New knowledge, different economic scenarios, emerging public values, and policy changes will create an actual future different from the future of current projections.

With those trends and facts as the starting point, here are some questions that need to be addressed in a broadened national conversation on aging:

Should society automatically marginalize one-fifth of its population because of a chronological age? What are the ethical implications for society and the economic consequences of doing so (and not doing so)? What are the implications for the well-being of older persons?

What do we mean by old age? For what purpose(s) is human life being extended? What roles and responsibilities ought older people to have as individuals to families and to society? What responsibilities ought families and society to have to what older people? What purpose(s) does it serve in the human life course? For what purposes and when should efforts be made to extend the lives of frail persons? At what public cost?

Should society care about the quality of life of older persons? Why? Ought society to be concerned if significant numbers of older people are economically poor and/or experience significant health problems? Why? How ought society to respond to such concerns? Should society be concerned about the consequences of the high incidence of poverty and related needs among today's children? What are the implications, moral and otherwise? Will the lack of investment in many children translate into lowered productivity as these children enter the workforce? What consequences might this have as the baby boom cohorts enter their retirement years?

Should people "retire"? If so, under what conditions and for what purposes? What is meant by "retirement"? How can we best encourage healthy older people to work longer without simultaneously undermining the self-esteem and economic well-being of older persons who by reason of health or limited employment opportunity are unlikely to find work? What ought to be the goals of social welfare programs? Workfare for older people as well as for younger people?

How might we best support the efforts of family members to provide care to persons with significant functional disabilities? How can we facilitate self-help and mutual aid efforts? How should we address the financial and emotional risks that may accompany the need for long-term care?

How should "work" be defined and "contribution" measured? Should volunteer effort contributing more to the common good than paid work be rewarded/recognized? Should older people be expected, if not encouraged, to continue to work/contribute to their communities as long as they are able? If so, how should they be encouraged, at what net cost to society? Does the dignity of the old require the opportunity to contribute to family and community, and to accept a balanced share of the cost of funding government services?

How much should a society spend on services for any and all age groups, as opposed to spending to create wealth, add value, improve productivity? What types of investments need to be made early and throughout the lives of individuals and cohorts to enhance their quality of life in old age?

Given the legitimate but competing claims for limited public dollars generally, and for research dollars specifically, how much should be spent on aging-related research? What should be the goals of aging research? Longer life? Longer active lives? Diminished morbidity across the life span? Better management of chronic conditions? More responsive services? Understanding the aging process(es)?

Does a society owe any "generation" anything because of the generation's life experiences? Is the concept of describing diverse age cohorts as "genera-
tions” an ethical and/or useful tool for helping to set public values and policies?
Should chronological age be used in the design of public policies and programs? If so, how, and in what programs?

How U.S. society chooses to answer such questions will both reflect and determine the values that will drive aging and other social welfare policies through the end of this and into the next century. Returning, then, to where we began, Senator Kerrey is surely right that the country and the world are different places from when Social Security and Medicare were designed, and that the country needs a national conversation on how to respond to the baby boom cohorts moving into their later years. However, the dramatic increase in the number of people who will be living longer is not the only change since those two programs were designed. The conversation must incorporate all the changes if it is to lead to an informed set of public values and policies.

We have tried to suggest some basic questions that ought to frame that discussion. At the very least, we have tried to make clear that the issues affecting the well-being of the baby boom cohorts in old age range from raising and educating children to ensuring a productive economy, changing the character of the workplace and redefining retirement, devising an affordable and adequate basic health care system, meeting the financial, health, and social needs of all members of the national community, and reaching agreement on individual, family, and community responsibilities across the life course. How the U.S. responds to those issues will be determined by the public’s understanding of trends and conditions, and the values the public adopts to define the character of its society.


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Received August 25, 1995
Accepted September 15, 1995

Appendix A

The projected financing problem in Social Security can be addressed through some combination of modest tax increases and/or benefit reductions. Under the intermediate assumptions, there is a roughly 14% shortfall over the 75-year period for which estimates are made. This problem could be addressed by a set of changes such as the following: extending Social Security coverage to all state and local workers, computation of benefits over 38 years instead of 35, taxing income from Social Security in the same manner as private pension income, increasing the payroll tax rate by one-half of one percent for both employers and employees in 2020, removing the maximum taxable ceiling only for the employer in 2000. Other changes that could be made to address this problem include retirement age increases and benefit formula changes, which would result in modest reductions in benefits for some or all retirees (depending upon how they are structured). (Note: the projected financing problems in the Medicare trust funds are more severe and the solutions more complex.)

Appendix B

As the number and proportion of older persons changes during the next 60 years, the number of persons aged 18 through 64, the so-called working age population, is projected to decline as a proportion of the entire population. The ratio of elderly persons (65 and over) to every 100 “working age” persons (18 to 64) has increased from about 15:100 persons in 1955 to roughly 21:100 today and is expected to increase to about 36:100 persons in 2030, when all surviving baby boomers are 65 or older. On the one hand, it could be argued that the old age dependency ratio actually understates the implications of population aging. First, it does not capture the aging of the elderly population. The very old population — the group among the elderly with the highest health care and social support costs — is projected to grow in relative and absolute terms, especially as the baby boom cohorts move through their old age. Consequently, the per capita costs of elder support are likely to increase. Second, if middle series Census Bureau and intermediate Social Security mortality assumptions are substantially lower than actual experience, then the overall costs of elder support may be considerably higher. On the other hand, the old age dependency ratio argument seems to overstate and potentially misframe discussion about the pressures arising from population aging in a number of important ways. Analysis based on the “overall dependency” ratio (also called the “total support” ratio) — which includes children under 18 and the elderly as “dependent” populations — leads to a different conclusion (Crown, 1985). During the next 65 years the overall dependency ratio is not projected to exceed the levels it attained in 1964 (Torrey, n.d.). This is because the proportion of population under 18 is projected to decline. Even from 2030 through 2050, the total dependency ratio is projected to be below (about 78:100) what it was during the 1960s (e.g., 83:100 in 1965) when most of the baby boomers were children. While the composition of governmental and private spending for children and elderly persons is different, analysis that includes the expanded notion of dependency ratios does not lead to the automatic conclusion that changing demographics will overwhelm the nation’s ability to respond to the retirement needs of future generations (Crown, 1985; Kingson & Berkowitz, 1993). Neither does it suggest that the nation will necessarily be able to meet these needs, since so much depends on future productivity and on such factors as the composition of the workforce (National Academy on Aging, 1994).