# *Australian Population Association*

# *Graeme Hugo Colloquium, ANU 2nd December 2015*

# Graeme Hugo on Population Ageing

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## Introduction

**Slide 1: title**

Graeme Hugo began his research on population ageing fairly early in his career. His first papers on this subject appeared at the start of the 1980’s, co-authored with colleagues. He brought this initial research together in a substantial chapter of his book on *Australia’s Changing Population*, published by Oxford University Press in 1986. He continued his research on population ageing throughout his career.

His work on population ageing often entailed collaborations. This combined his demographic and geographical perspectives with those of gerontologists, social policy analysts and workers in a range of other disciplines. He obtained many consultancies and research grants in this field. He was also a tireless promoter of public understanding of population ageing through addressing conferences and meetings, and speaking on radio and television.

Even though his work on population ageing does not comprise the lion’s share of his research, it is quite considerable in itself and deserves to be recognised as such.

It would have been quite difficult to prepare this talk without a list of Graeme Hugo’s papers on population ageing. I am grateful to Dianne Rudd and her colleagues at the University of Adelaide for making such a document available to me.

## Presentations

**Slide 2: numbers of presentations**

Graeme’s productivity in the study of population ageing is evident from the many conference papers and other presentations he gave on this subject. His presentations on population ageing total 100.

The table indicates a particularly high level of activity since 2000 and even higher in the most recent five years. The figures are all the more remarkable as they do not include his presentations on subjects other than population ageing. He even presented 3 conference papers on ageing in November 2014, shortly before his death (on 19 January 2015). He produced 23 journal articles, and more than 30 other publications and reports on population ageing. His work was cut short at the high point of his research in this field.

**Slide 3: geographical focus of presentations**

From the geographical focus of his papers his service to his home state of South Australia, as well as to Australia, is very apparent. Graeme’s conference papers reflect his ongoing contribution to the work of governments and organisations concerned with planning for an older population and meeting welfare needs.

His conference papers on international topics were mainly concerned with ageing in Indonesia and other Asian countries, together with internal and international migration of the elderly.

**Slide 4: theme and outline of the rest of the talk**

The rest of my talk focuses on aspects of Graeme’s work on population ageing in Australia and South Australia. A key theme in his work in this subject area is the progress of the baby boom generation. I have sought to bring together a selection of findings from Graeme’s publications on this theme.

In his 1986 book, *Australia’s Changing Population* (1986: 159). Graeme noted:

*“…the baby boom may now be entering a period where it will cease to labelled as troublesome. The final years of the 1980s will see the last of the baby boomers pass out of the ‘difficult’ ages of leaving the parental home, seeking a first job, forming a family, etc., and into the more stable and settled middle adult years. … Of course such optimism should be tempered by the knowledge that the baby boomer generation will begin to enter the pensionable ages a decade into the next century.” (Hugo 1986: 159).*

I’m not aware that Graeme referred to the baby boomers as a “troublesome” generation in his later work. Yet many of the current concerns about population ageing arise from their numbers and characteristics. The first of the baby boomers reached their 65th birthdays in 2011, and the last will do so at the end of the 2020s.

As part of the ageing baby boom theme, South Australia figures prominently in Graeme’s writings. The impetus for his work on his home state seems to have arisen from his reaction to the fact that: “*South Australia’s population is often depicted as static, and an unchanging backdrop against which economic, social and political forces are played out.”* Hugo (2000: 23).

The slide shows the main topics covered in the rest of this talk. These include differences between the baby boomers and other generations, and issues arising from the labour force participation and health concerns of the baby boomers.

## Building the Baby Boom

**Slide 5: age structures of Australia 1966 and 2006**

Turning first to the building of the baby boom generation. Before the baby boomers were born Australia’s population was ageing, because of low birth rates. The birth of the baby boom generation temporarily reversed the long term trend.

As Graeme’s publications note, the baby boom resulted from high birth rates sustained for nearly twenty years after the Second World War.

Immigration greatly augmented the size of the baby boom generation over an even longer period. Currently, about a third of the Australian baby boom generation were born overseas. The impact of immigration on the size of the baby boom generation is now minor. The baby boomers are older than most new immigrants.

The baby boom generation is increasing the proportion of the population in older ages and changing the composition of the older age groups. The baby boomers will extend the level of population ageing further than once anticipated, because of their longer life expectancies.

The age-sex structures on the screen depict the baby boom cohorts built into the national population. Their progress amounts to a shock-wave because of the great size of the baby boom generation compared with the size of the generation ahead of them.

### South Australia

**Slide 6: age structure of South Australia 2006**

Graeme’s research shows that the impact of the baby boom generation has differed significantly in South Australia. He was the lead author of a 350 page collaborative study on *The State of Ageing in South Australia*, published in 2008. He also published a number of shorter studies of population ageing in South Australia.

In South Australia, both international migration and interstate migration augmented generation building during the 1950s and 1960s. Most of these were people of young working age who stayed in South Australia.

The baby boom shock wave is now conspicuous in South Australia. This is because the baby boom generation is not only larger than the generation ahead of it [which arose from low birth rates in the 1930s and early 1940s] but also larger than generation X (born 1965-81) following it. A key factor Graeme identified in South Australia’s current relatively high level of ageing has been the loss of young working age people through interstate migration during the last 30 years (Hugo et al. 2008A: 14). As a result, South Australia has grown more slowly than any other mainland state during this period (Hugo et al 2008B: 39).

In contrast, nationally, the baby boomers are followed by a generation X which is of similar size, because of ongoing high levels of immigration and relatively high fertility.

**Slide 7: percentages aged 65 and over in South Australia and Australia**

At the turn of the 21st century South Australia’s age structure was already older than that of the country as a whole, a situation he expected to continue until at least mid-century.

This was despite the state’s following the national pattern of relatively high birth rates (1.9, 2014) in recent years and net gains from immigration [also higher life expectancies].

### Growing Numbers of the Aged

**Slide 8: ABS (2013) projections for ages 65+ in Australia 2031**

For Australia as a whole, Graeme has argued that the growth of the aged population can be forecast, 30 years ahead, with a high degree of accuracy. This is because the 65+ age group is not affected very much by international migration. Moreover, comparing different ABS projection series he observed that there were only small differences between the ABS (2013) series A, B and C projections for the aged in 2031 (Hugo 2014a: 4). Because of long lead times in planning for the aged, having reasonable assurance about their future numbers offers advantages in planning. Graeme emphasised this saying:

*“The crucial point … is that there is really only one realistic scenario with respect to the future numerical growth of Australia’s older population.” (2014a)*

Graeme noted that increases in life expectancy, especially at ages 50 and over, were augmenting the numbers in older age groups. He also mentioned the possibility of a counter-trend arising from the obesity epidemic. In terms of aged care needs, the peak impact of the baby boomers – the “ageing crunch” – will begin in the 2020s and continue into the 2050s. (Those born 1965, will be aged 85 in 2050).

## Generational Differences

**Slide 9: generational differences**

* Graeme and his colleagues have observed that baby boomers are a more diverse generation than the one that preceded it – because of differences in such things as wealth, home ownership, education, and health. (Facts 2014a: 2, 17ff and Hugo et al. 2008b: 49).
* While ‘mass market’ options were possible for many of the previous generation, baby boomers have created more differentiated markets for all the goods and services they have demanded and needed as they reach each stage of the life cycle. It will thus be a highly segmented market, not only for aged housing and aged care but also for all the goods and services older people use.
* The baby boomers are the first generation of Australians to experience high rates of divorce and separation. A third are entering their older years without a spouse compared with less than a fifth among the previous generation (1927-36).
* The proportion of baby boomer women who had never had children is significantly higher (14 compared with 9 percent). Being without a spouse or sons and daughters limits people’s options for family care in later life.
* The proportion living alone is twice as high.
* Higher proportions overseas-born.

### Ethnic Composition

Post-war immigration augmented and diversified the baby boom generation, evidently more so than in the United States. In Australia half the baby boomers are former migrants or children of migrants, compared with 20% in the United States. Graeme noted that “The diversification of the Australian older population is one of the most significant dimensions of Australia’s ageing population.” People from Culturally and Linguistically Diverse (CALD) countries are a particular concern.

Writing about this group in South Australia, Graeme noted that many will have distinctive needs in aged care and their representation in the older ages is expanding. They include persons born in Germany, Greece, Poland and Netherlands. Because of their concentration in Adelaide, and especially in some of the middle suburbs of Adelaide (Hugo 2000: 27), there are advantages for service provision to meet particular language and cultural needs in aged care.

Similarly the numbers of the indigenous aged in South Australia have been growing. However, he commented that *“slow improvement in health status and life expectancy is contributing to a concerning trend of ‘premature ageing’.”*

## Labour force participation

**Slide 10: labour force experience of baby boomers in South Australia**

**Higher labour force participation.** An ongoing issue arising from the ageing of baby boomers has been the desirability of strengthening labour productivity. This can occur through encouraging continuing labour force participation, and discouraging early retirement.

Despite net internal migration losses and the ageing of the baby boom, Graeme noted that the numbers in the labour force in South Australia were unlikely to decline. This partly reflected birth rates near replacement and continuing net immigration. But it also reflected lower unemployment and higher labour force participation in older age groups. Thus, Graeme’s South Australian studies have shown an inherent counter-trend to early retirement in the labour force.

Government policies have played a part in this, such as through raising the pension eligibility age and encouraging increased personal saving and planning for retirement.” (2014b: 6-7).

Lifestyle expectations and desires for larger retirement incomes were also thought to contribute to the higher labour force participation rates at older ages. In South Australia, older workers’ have accounted for half the net growth of part-time jobs during the past 30 years (2008a: 11).

Graeme and his colleagues examined the rise of labour force participation at older ages further in a paper on ‘*retirement intentions of baby boomers’* published in 2014. The main data source was a telephone survey in South Australia of currently employed people aged 50-65 years (n= 813).

**Early retirement declining**. One of the conclusions drawn from the study was that early retirement is declining. Combined data for men and women showed that only 26 per cent intended to retire completely [Factors associated with this were female gender, lower levels of education and saving regularly, working over 40 hours per week and without the possibility of working from home and being overweight].

The majority (67%) wanted to work part time beyond age 65. A significant influence on this high figure, however, was probably the GFC which caused many baby boomers to reassess their retirement plans (p.10). “Research undertaken in 2009 reported that nearly 40% of workers aged 50 to 64 years had postponed their retirement plans.”

Only 7 per cent said they would never retire – mainly the self-employed and those who had not given much thought to retirement.

**Potential to extend working life.** The study concluded that there is much potential to extend working life if there are attractive opportunities for part-time employment. Flexibility in working arrangements is important to achieve desired work-life balances.

In South Australia, industries that will be affected by the retirement of the baby boomers are predominantly in the services sector. Strong growth in these industries indicates potential opportunities to delay retirement and/or reduce hours of employment and levels of responsibility.

[Early retirement is influenced by ill-health, physically demanding jobs, lack of job satisfaction and adequate long-term financial resources (p.7)]

**Older women in the labour force.** Middle aged females were seen as critical to the labour supply and are seen as a key policy target. Many of these are in the sales industry. Recent labour force trends show that more women aged 55 years and over are remaining in the work force than previously, and the most marked change was in the older 60 to 64 year age group. A large part of these increases are of part-time workers although those in full-time jobs have also increased (p.11).

Clearly, changes in labour force participation in the baby boom generation are important in understanding consequences of their entry into older ages.

**Summary, quote on slide:**

*“The culture of early retirement, previously so pervasive, is being replaced by a culture of gradual retirement, with continued part-time employment. An important finding of this study is the large number of baby boomers who will be happy to work part-time or never retire.* (p.12).

## Health

**Slide 11: Health of the baby boom generation.**

A final aspect of Graeme’s baby boom studies for mention here is their health. A key question was: “Public perceptions are that baby boomers are healthier than previous generations but is this the case? (Facts 2014a: 10).

There are a number of factors which suggest that they are likely to be healthier:

1. Baby boomers are in many ways a privileged generation being the first generation to grow up in an era of increasing affluence and prosperity.
2. They have higher levels of education compared with earlier generations.
3. They were the first generation to grow up having access to immunisation and antibiotics.
4. They have substantially lower levels of smoking than previous generations.

Graeme also proposed reasons for suggesting they could have a higher level of disability than previous generations:

1. Firstly, the very medical breakthroughs which have ‘rescued’ baby boomers from dying of a heart attack or stroke may still leave them with a chronic illness or disability.
2. Baby boomers are much more likely than the older generation to have three or more health problems (2014a: 21)
3. Spatial disadvantage. In South Australia baby boomers differ from their predecessors in where they live. These areas are currently not well provided with services for older people. Ageing in place is the dominant process underlying the spatial distribution of the aged. This means that services located to meet the needs of one generation of older people will not be so well-placed to serve the needs of the next, who have settled in different suburbs or towns. This is especially true for residential care facilities which, ideally, are built in the communities they serve.
4. The baby boomers surpass the pre-war generation in diabetes, asthma, hearing loss and high cholesterol (ABS national health surveys).
5. Baby boomers, more than previous generations, have adopted increasingly sedentary life styles and have a higher prevalence of obesity. (2014a: 10). Similarly, at the same ages, Generation X (born 1965-81) have even higher levels of obesity than boomers.

From another survey in South Australia Graeme and colleagues found that 39 per cent of baby boomers were overweight and 26 per cent were obese (Hugo et al. 2008c).. The obese group were more likely to have health risk factors (high blood pressure, insufficient exercise) and chronic disease**s** (diabetes, asthma, arthritis). [They were also more likely to live in lower socio-economic areas, to be of Aboriginal or Torres Strait Islander origin and have lower levels of education.] The authors identified this “booming of the baby boomers” as a priority for policy attention because of its prospective burden on “an already pressurized health system”

The obesity epidemic may reduce future improvements in life expectancy. Yet some Australian data, based on self-rated health, suggest that the greater part of the gains in life expectancy have been gains in disability free life expectancy. Graeme argued, however, that data quality issues made the current evidence inconclusive.

## Conclusion

**Slide 12: Conclusion**

In summary, Graeme’s work on population ageing included a strong commitment to examining the ageing of the baby boom generation. This was a means of discovering developments relevant to policies and planning and anticipating future developments. His work has been wide ranging and reinforced through interdisciplinary collaborations.

Graeme and his colleagues currently have two further papers in press on baby boomers’ health. Graeme had developed a major research effort on the baby boom generation which was cut short at a very productive time. Besides his academic achievements, he has probably done as much as anybody in taking demography to the people. This is especially evident in the study of population ageing.

He concluded one of his latest publications on population ageing with the following observation:

*We can be very certain about the future size of this population, many of the characteristics of the future aged population are also fixed and many are currently living where they will be living when they enter old age. There are some uncertainties and these will strongly be influenced by policy interventions. (e.g. baby boomers health, labour force participation, housing choices)* (2014a)

As indicated at the start, his presentations on population ageing alone totalled around 100. Making a century here shows substantial engagement with the subject material. It is most unfortunate that today this isn’t “one hundred not out”.

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