Living Longer, Healthier Lives

Idea In Short

Global longevity is rising dramatically, creating both a public health triumph and a fiscal challenge. Prepare for longer working lives, shifting retirement models, an aging consumer market, and the tension between supporting the elderly and investing in youth.

We Are Getting Older

The developed world and China are going grey quickly. The percentage of people over 65 in the Organisation for Economic Co-operation and Development was 16 percent in 2015 and will reach 25 percent by 2050. While that does not sound dramatic, it creates a ripple effect in everything: the economy, family dynamics, resource usage, and labor markets. No country had average longevity above 40 in the 1800s. Now the picture has flipped entirely 1.

The implications extend far beyond retirement planning. Aging populations reshape consumer markets, healthcare systems, housing demand, and intergenerational financial flows. Every sector of the economy must adapt to a world where the median age is climbing and the traditional three-stage life model of school, work, and retirement no longer fits reality.

We Are Living Longer, Healthier Lives

The data reveals miraculous achievements. Britain had just 24 centenarians in 1917 and now has nearly 15,000. In America today, a 70-year-old man has a 2 percent chance of dying within a year. In 1940, this milestone was passed at age 56. In the rich world, 90 percent of the population lives to celebrate their 65th birthday, mostly in good health. Babies born in the West can expect to see their grandchildren have children.

These gains reflect advances in medicine, nutrition, sanitation, and public health. They also reflect rising education levels, because education correlates strongly with longevity.

Educated people tend to have less obesity, less smoking, and less alcohol and drug use. They hold cognitive jobs that can be performed through older age. Knowledge work lets people work longer, and the data confirms this advantage compounds over a lifetime 2.

The Old Versus Young Imbalance

Globally, a combination of falling birth rates and increasing lifespans will increase the old-age dependency ratio. This ratio measures people aged 65 and over relative to those aged 15 to 64. It is projected to rise from 13 percent in 2015 to 38 percent by the end of the century. Fewer young people will be available to help support, pay pensions, and care for older people.

In 2017, the peak cohort of American baby boomers turned 60. As they approach retirement in unprecedented numbers, small tweaks to retirement ages and pensions will no longer suffice. This is a massive concern in the United States, where healthcare costs are double the average OECD per capita spending. More people are going on Medicare, the government-funded healthcare program. The arithmetic is unforgiving: more recipients, fewer contributors, rising costs.

Is 60 Really Old?

Not really. When people lived to 50 years old, as in the United States around 1900, then 60 was rare. Now people live much longer and healthier lives. People remain productive into their mid-80s. Perhaps we need new words to describe the stage of life between the end of the conventional working age and the onset of old age as it used to be understood.

The Economist quips that we should call them OWLS: Older, Working Less, Still earning. Just as the naming of childhood and teenager created greater awareness of those age groups, we need better language for the period between 60 and 80. Many people work past 60. A quarter of Uber drivers are over 50. In Britain, 60 percent of those over 70 are self-employed. Deutsche Bank noted that older workers were slower but less prone to mistakes and performed well on multigenerational teams.

Ageism Is Real

In one American study of 40,000 resumes, applicants over 65 with identical qualifications

for a low-skilled job were 35 percent less likely to receive callbacks. Traditional employers need to eliminate seniority-based benefits and perks that encourage the early retiring of expensive workers and unduly burden the enterprise with overhead. Age discrimination wastes talent and institutional knowledge.

The bias against older workers persists despite evidence of their reliability and judgment. Companies that systematically exclude experienced workers limit their access to mentors, institutional memory, and steady performers. The gig economy and startup culture have begun to challenge this bias, but traditional corporate structures still lag behind demographic reality.

Age Gains Are Unequal

Education level correlates with longevity for many reasons: less obesity, less smoking, less alcohol and drugs, less air pollution, and more. Educated people tend to have cognitive jobs that can be performed through older age. An insurance company called WAHVE hires underwriters in their 70s and 80s, demonstrating that knowledge work accommodates longer careers.

Gender adds another layer of inequality. Women live longer on average, about five years more in the rich world, and are more likely to be single. In Europe, women over 65 are more than twice as likely as men to be living alone. This creates distinct challenges around financial security, social isolation, and care provision that policy makers cannot ignore.

Lots of Unpaid Work

Grandmas hold up half the sky. In Italy, one in five grandmothers provides daycare for children five days a week. Elderly people perform substantial volunteer work. In the United States, they contribute 3.3 billion hours of unpaid work annually. This invisible labor sustains families and communities, yet it rarely appears in economic calculations.

The economic value of this unpaid contribution is enormous. Without grandparental childcare, workforce participation among parents would drop significantly. Without volunteer labor, nonprofit organizations and community services would struggle to function. Recognizing and supporting this contribution is essential as populations age.

The Silver Dollar Opportunity

Seniors have time, money, and interest. They are an underserved market. Over-60s adventure travel is growing. The divorce rate of couples over 60 is double what it was in the 1990s. A quarter of profiles on Match.com are between ages 53 and 72. Global spending by households headed by over-60s could amount to $15 trillion, twice as much as in 2010 3.

Financial planning is outdated. The three-stage model of school, work, and retirement is obsolete. People under-save while working, then under-spend later in life. Older people are often net savers during retirement, which is not good for the economy. Roughly 40 percent of Americans approach retirement with no savings in widely used accounts such as Individual Retirement Accounts or 401[k] plans.

Long-Term Care and Technology

Long-term care is the wild card. It is expensive, and the majority of people will need some type of assisted living. This insurance product has existed for a while, but companies have struggled with it due to people living longer and low bond yields. People do not purchase it early enough, and public options are inadequate. Alzheimer's disease is the leading reason people need long-term care, with 47 million currently affected and a projected 132 million by 2050.

Technology helps. With the internet of things, it is possible to monitor people and prevent accidents such as stoves left on. Services like Lifeline are used by 750,000 Americans. Ride-sharing and delivery services become convenient for those who find it hard to drive. Technology is extending independence and reducing the cost of care.

The Downside

Collectively, we are living longer, healthier lives, and that is a triumph of technology, trade, wealth creation, and education. The challenge is that we may be under-investing in youth. More elderly people living longer with higher expectations of quality of life, coupled with decreased family support, leads to greater government deficits. The question, as Scott Galloway has posed, is whether older generations are mortgaging the future of the next generation.

The longevity paradox is real. Longer lives are a blessing that creates fiscal strain. The solution is not to resent aging populations but to rethink how we structure work, retirement, healthcare, and intergenerational responsibility. The countries and companies that solve this puzzle first will hold a significant competitive advantage in the decades ahead.

- 1Pensions At A Glance 2021: Demographic Old-Age To Working-Age Ratio
- 2U.S. Centenarian Population Projected To Quadruple
- 3The Silver Economy: A Trillion-Dollar Market

Summary

We are living longer, healthier lives than ever before. Centenarian populations are surging, old-age dependency ratios are climbing, and the silver economy represents trillions in spending. The challenge is balancing elderly support with youth investment. Financial planning, long-term care, and age-friendly employment models all need rethinking.