

## Why Does the Age Structure of a Population Matter?

If people did exactly the same thing at all ages or had exactly the same needs and abilities at all ages, the age structure of the population would not make much difference. The relevance of the age structure is based on the fact that people of different ages have different needs, abilities, responsibilities, and entitlements. Some of this is related to biological changes that are related to chronological age itself. For instance, it would not be possible for very young children to survive without the help of some older members of society. Children need to be taught to become self-sufficient. It is also possible that a small number of very elderly and infirm people could not survive without the help of younger members of society. On the whole, however, the importance, of age differences arise because of the societal expectations and societal circumstances that determine what one does at a given age and what one is entitled to at a given age. Very few people younger 20 support themselves because many remain in school after that age. This is not because of a physical need to be dependent but because in an advanced technological society there is a need to have extensive training before undertaking many positions. At the other end of the age range, most people over the age of 64 receive some government support in the form of Social Security income and also most receive medical care under the government sponsored program of Medicare. This is not because of some physical necessity linked to age but because of societal arrangements whereby entitlement to certain programs is linked to age. The meaning of the age composition of a country is thus determined in good part by the social and political arrangements in that country.

These are also the circumstances that determine the meaning of changes in the dependency ratio and the importance of having young and old dependents. Let's examine what can happen to the dependency ratio under a variety of hypothetical circumstances.

Earlier we looked at the young dependency ratio assuming that everyone under 18 was dependent. This isn't very realistic for our society where higher education even beyond college is becoming the norm. Let's assume that people are dependent at least up until 22 and see what that does to the number of projected dependents.

At the other end of the age range, age 65 is no longer even a reasonable age to assume that dependency starts. The modal age of retirement is now about 62. If we assume that dependency starts at age 62 versus 65 what does this do to the number of dependents. What if the age at retirement goes up to 67 as will be encouraged by changes in social security rules coming into effect after 2000? What if people become dependent at age 72?

