

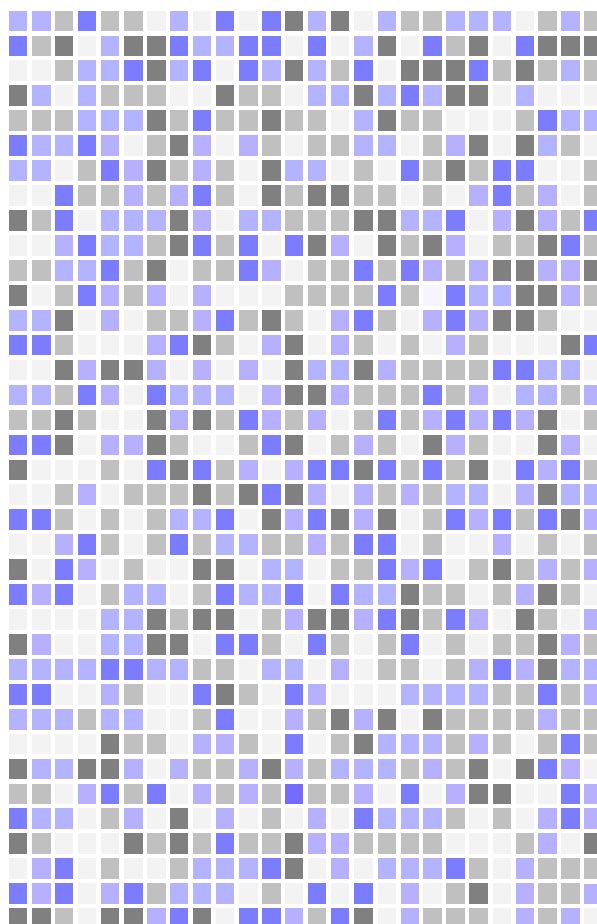


Aging in Asia and Oceania

AARP Multinational Survey of Opinion Leaders 2006

Highlights and Implications
March 2007

Prepared by Princeton Survey Research Associates
International for **AARP**



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Introduction

In 2006 AARP commissioned Princeton Survey Research Associates International (PSRAI) to conduct a survey of opinion leaders in the United States and in seven countries in Asia and Oceania. The survey was designed to increase AARP's knowledge of aging issues and attitudes in key Asian markets and to compare attitudes and policies towards aging in the US to attitudes and policies in Asian and Oceanian societies. Populations in many countries are growing older as life expectancy increases and birth rates decline. In response to this demographic trend, this survey of opinion leaders sought to address questions such as the perceived importance of population aging, the types of challenges and opportunities societies are expected to face because of population aging, the degree to which different sectors of society are prepared for the changing demographics, the different ways in which societies address retirement security and quality of life issues in old age, and attitudes toward older people and their place in society.

To help answer these questions, interviewers spoke with more than 400 opinion leaders in Australia, China, India, Japan, New Zealand, Singapore, South Korea, and the US. The survey sample consists of opinion leaders and experts who hold senior level positions in government, nongovernmental organizations, private sector, media, and academia. This document begins with an overview of survey highlights and implications, followed by a short summary of key findings.

Highlights

Population aging a high priority issue

- ▶ Most opinion leaders consider population aging to be an important trend that should not be ignored in favor of other pressing issues. The survey results also indicate that opinion leaders do not see increasing life expectancy and decreasing birth rates as a one-sided phenomenon, but associate both challenges and opportunities with the growing population of older people.

Population aging presents opportunities...

- ▶ On the positive side, population aging will mean the potential availability of knowledgeable and experienced older people to contribute as productive members of the workforce and the creation of new markets for products and services targeted at older people. Most opinion leaders agree that population aging is an opportunity to create new roles for older people in society. Older people are generally seen as helpful, contributing members of society and older workers as wise, respected, and productive. But in addition to being viewed as producers, older people are also perceived as consumers. Majorities in six out of the eight countries surveyed believe that the business community already views older people as an opportunity for marketing and selling products and services.
- ▶ Overall, opinion leaders are optimistic that over the next 20 years the life quality of older people will improve. Most opinion leaders are also hopeful that technology, such as computers and robots, will be helpful in extending the productive work lives of older workers, extending independent living by older people, and improving health and medical care of older people.

...and challenges

- ▶ On the negative side, opinion leaders worry about providing retirement income, health care, and housing to a growing population of older people and the degree to which employers are prepared for an increasing number of older workers. Labor shortages are also looming. With the exception of India, majorities in all surveyed countries believe that their country is likely to experience labor shortages over the next 20 years. Many of these opinion leaders predict that their country will adopt more liberal immigration policies to compensate. While extending work lives is another potential solution, many opinion leaders doubt that businesses see older people as a potential source of productive labor and think that employers are poorly prepared for a future workforce comprised of more older workers. A solid majority of opinion leaders also report that discrimination against older people is a problem when employers are recruiting and hiring new employees, and the opinion leaders themselves often have less than complimentary views of older workers when it comes to their technological savvy, flexibility, and the ability to acquire new skills. Opinion leaders generally agree that older workers should be accommodated and that businesses have a responsibility to society to address issues related to an older workforce, but a majority of opinion leaders doubt that businesses have the expertise or willingness to do so, and opinion on whether businesses have the necessary financial resources is divided.

Providing for older people a hurdle

- ▶ Even if work lives are extended, opinion leaders acknowledge that there are limits to how long most people are likely to remain in the workforce. Although a majority of opinion leaders oppose the idea of a mandatory retirement age, the average opinion leader thinks that most men should retire at 65, most women at 63. And opinion leaders as a group reach no consensus on whose responsibility it is to provide for older people after they are no longer working. Roughly a third of opinion leaders say that the primary responsibility for providing for people in their old age lies with the government, but as many opinion leaders think that older people are responsible for providing for themselves through savings. About a quarter of opinion leaders think that responsibility should be shared among different groups. Relatively few opinion leaders think that family members or employers ought to be primarily responsible, although particularly in China and India, families are expected to play a significant role in assisting older relatives.
- ▶ Perceptions of the overall quality of life of older people vary across the surveyed countries, but a solid majority of opinion leaders report that an adequate retirement income is *not* available to older people of all social and economic backgrounds. Moreover, opinion leaders in each of the eight countries surveyed report that their health care system is not well prepared to deal with an aging population and majorities in four out of the eight countries surveyed—China, India, South Korea, and the US—say that at least some older people are residing in inadequate living quarters. Opinion leaders throughout the surveyed countries call for increased government efforts to ensure that older people receive the health care services they need and gain access to adequate housing.

Majorities say country not too prepared

- ▶ Majorities in five out of the eight countries surveyed—China, India, Japan, South Korea, and the US—report that their country is not too prepared or not prepared at all to deal with changes that may result from the aging of their population. By contrast, majorities in Australia, New Zealand, and Singapore believe that their country is at least somewhat prepared, although few describe their country as very prepared. The lack of preparedness is not always for want of expertise, with majorities in six out of the eight countries having a relatively high degree of confidence in their government's level of knowledge and expertise on population aging. At the same time, many opinion leaders contend that various groups in society are not paying enough attention to population aging. This is particularly true in the case of younger people, the business community, and local governments.

Mixed support for policy changes

- ▶ The popularity of different policy tools to help cover the increased costs associated with taking care of an aging population varies from country to country. Although there is fairly wide variation, there is more support than opposition to educating the public about the importance of saving for old age, implementing mandatory private savings, and raising the retirement age. At the same time, there is, on average, slight opposition to tax increases and opinion leaders in most countries are opposed to reducing pensions. Opinion leaders also report that some factions of society—in particular labor unions and the business community—are not very committed to improving the lives of older people.

Most not familiar with AARP but welcome AARP involvement

- ▶ Almost all US opinion leaders are familiar with AARP, but most opinion leaders outside the US are not. However, among those with some degree of familiarity, the view of the organization is mainly favorable. Moreover, a solid majority of opinion leaders think that it would be helpful if AARP were to play a role in countries outside the US by meeting with government policy makers to exchange information about aging and retirement, organizing conferences to bring together policy makers and aging experts from various countries, educating people about issues related to aging and retirement, and helping establish similar organizations in other countries. Most opinion leaders outside the US would welcome an AARP-style organization in their country. According to these opinion leaders such an organization would be helpful when it comes to providing knowledge and expertise, raising awareness about aging, and influencing government policy.

Implications

Receptive audience on aging issues

- ▶ A majority of opinion leaders in a very diverse group of countries, from India to the US, consider population aging to be an important, high priority issue. This implies that influential people on a global scale are paying attention. Opinion leaders are aware of the aging trend, receptive to new ideas, and willing to consider ways to address challenges associated with population aging.

Awareness building necessary for some groups

- ▶ Opinion leaders identify a number of groups that may not yet be paying attention to population aging. Younger people and the business community stand out in particular. To effectively address challenges created by population aging, it is crucial that all groups in society are aware of the issues and their implications. Although opinion leaders—high level influentials—are paying attention to population aging, building awareness among other social strata, particularly the public, may be necessary.

Policy action needed to improve life quality...

- ▶ To a varying degree, at least some older people in the countries surveyed already lack access to an adequate retirement income, health care, and housing. Without policy action, these problems are likely to exacerbate, as the share of older people in the population increases. With little consensus on who is responsible for providing for older people, the challenge in many countries will be to prevent gridlock and find policy solutions acceptable to a large enough share of society.

...and conditions for older workers

- ▶ As the number of older workers increases, workplaces will need to adjust. While opinion leaders support accommodating older workers, policy action may be needed to bring the business community aboard.

Openness to AARP-style organizations

- ▶ Opinion leaders are open to organizations that work to improve the quality of life of older people and serve as an information source on aging issues. AARP-organized activities are welcomed in countries outside the US.

Key findings

Population aging a high priority issue

- ▶ Most opinion leaders consider population aging to be an important issue that should not be ignored in favor of other pressing issues. This view is shared by a majority of opinion leaders in all eight surveyed countries.

Population aging presents challenges and opportunities

- ▶ Opinion leaders associate both challenges and opportunities with population aging. On the positive side, population aging will mean increased access to the knowledge and experience of older people, creation of new markets for products and services targeted at older people, the potential availability of older people to contribute as productive members of the workforce, and increased diversity. On the negative side, the increased cost of providing retirement income and health care to a growing population of older people is foremost in opinion leaders' minds.

Some countries more prepared than others

- ▶ While a majority of opinion leaders in Australia, New Zealand, and Singapore believe that their country is at least somewhat prepared to deal with changes that may result from the aging of their population, majorities in the other five countries surveyed—China, India, Japan, South Korea, and the US—report that their country is not too prepared or not prepared at all. The countries that are most prepared to deal with the challenges of population aging are also countries where opinion leaders have a relatively high degree of confidence in their government's level of knowledge and expertise on this issue.

Some groups not paying enough attention

- ▶ Many opinion leaders contend that various groups in society are not paying enough attention to population aging. This is particularly true in the case of younger people, the business community, and local governments.

Workers “older” after age 60

- ▶ Averaging 60 years of age among all opinion leaders interviewed, the average age at which opinion leaders would consider someone an older worker varies somewhat from country to country, ranging from a high of age 66 in Japan to a low of age 55 in Australia. Half of opinion leaders say that the transition to becoming an older worker occurs some time between the ages of 60 and 69.

Older workers perceived as wise, respected, productive

- ▶ A solid majority of opinion leaders perceive older workers as wise, respected, and productive. But opinion leaders are divided on whether older workers can be described as flexible, and majorities do not see older workers as open to new technology or as fast at acquiring new skills. At the same time, perceptions vary from country to country, with Australia, New Zealand, and the US standing out with the most positive attitudes toward older workers.

Employers not prepared for older workers and discrimination exists

- ▶ According to many opinion leaders, businesses do not see older people as a potential source of productive labor and employers are not well prepared for a future workforce comprised of more older workers. A solid majority of opinion leaders report that discrimination against older people is a problem when employers are recruiting and hiring employees. Both older and younger opinion leaders are equally likely to see discrimination as a problem.

Responsibility to society to address older worker issues

- ▶ Opinion leaders generally agree that businesses have a responsibility to society to address issues related to an older workforce. But a majority of opinion leaders doubt that businesses have the expertise or willingness to do so, and opinion on whether businesses have the necessary financial resources is divided.

Older workers should be accommodated

- ▶ Opinion leaders support a variety of practices to accommodate older workers, including opportunities for additional training and education, policies that prohibit discrimination based on age at the workplace, reduced work hours, and the option to continue employment in a different position with fewer responsibilities. Most opinion leaders also predict that technology will be helpful in extending productive work lives over the next 20 years.

Mid-sixties appropriate time to retire

- ▶ According to the average opinion leader, the appropriate retirement age is 65 for male workers and 63 for female workers. Looking at individual countries, the average appropriate retirement age proposed by opinion leaders ranges from 68 in the US for both men and women to China's 63 for men and 59 for women. Roughly a quarter of opinion leaders decline to name a specific age, saying that people should never retire or that the appropriate age depends on factors such as health, attitude, or occupation.

Mandatory retirement opposed

- ▶ A majority of opinion leaders oppose the idea of a mandatory retirement age. Opposition is particularly strong in Australia, New Zealand, and the US. But at the same time, a majority of opinion leaders in India, along with half of Chinese opinion leaders and sizable minorities in Japan and South Korea, support the idea.

Perceptions of quality of life in old age vary

- ▶ While a majority of opinion leaders in Australia, Japan, New Zealand, Singapore, and the US report that the overall quality of life of older people in their country is somewhat or very good, only half of opinion leaders in China agree, and majorities in India and South Korea describe the quality of life of older people in their country as somewhat or very bad.

Pensions sometimes inadequate

- ▶ Roughly half of opinion leaders state that the average older person's pension and benefits from the government or from their employer are not sufficient to live comfortably. Moreover, a solid majority of opinion leaders report that an adequate retirement income is *not* available to older people of all social and economic backgrounds.

No consensus on responsibility

- ▶ Roughly a third of opinion leaders say that the primary responsibility for providing for people in their old age lies with the government, but as many opinion leaders think that older people are responsible for providing for themselves through savings. About a quarter of opinion leaders think that responsibility should be shared among different groups. Relatively few opinion leaders think that family members or employers ought to be primarily responsible. This issue of responsibility divides opinion leaders in most of the countries surveyed.

Family should play a role

- ▶ Families play a role in taking care of older people. A majority of opinion leaders think that family should play a moderate or big role in providing long-term care for sick or disabled older people, providing transportation, and providing housing. Many opinion leaders also believe that family members should play at least a moderate role in covering health care costs and providing retirement income. Expectations of a family's role vary from country to country.

Different views on living arrangements

- ▶ More than half of opinion leaders overall think that, in general, it is best for relatively healthy older people to live independently as long as possible. But while enthusiasm for independent living is nearly universal in Australia and the US and supported by majorities in Japan, New Zealand, and Singapore, majorities in China, India, and South Korea prefer other arrangements, such as living with extended families or in assisted care facilities.

Health care systems poorly prepared

- ▶ Opinion leaders in each of the eight countries surveyed report that their health care system is not well prepared to deal with an aging population. In addition, majorities in China, India, South Korea, and the US say that access to quality health care is currently not available to all older people, regardless of socioeconomic background. Opinion leaders throughout the surveyed countries call for increased government efforts to ensure that older people receive the health care services they need. Most opinion leaders also believe that technology will help improve health care of older people over the next two decades.

Housing situation varies from country to country

- ▶ Majorities in Australia, New Zealand, and Singapore along with half of Japanese opinion leaders report that adequate housing is available to older people of all social and economic backgrounds in their country. But majorities in the other four countries—China, India, South Korea, and the US—disagree. Most opinion leaders believe that government efforts to ensure that older people have access to adequate housing should be increased.

Mixed support for policy changes to cover increased costs

- ▶ Overall, opinion leaders support various policy changes to help cover the increased costs associated with taking care of an aging population, including public education about the importance of saving, mandatory private savings, and a higher retirement age. Significant pension reductions, on the other hand, are opposed by a majority of opinion leaders overall. However, the popularity of different policy tools varies from country to country.

Older people contributing members of society

- ▶ Almost all opinion leaders see older people as generally helpful, contributing members of society and most believe that their government should do more to take advantage of the contributions that older people can make to the community by enlisting them to help with community projects. Australia and South Korea are the only countries where more than half of opinion leaders say that older people are often a burden on the community. Majorities elsewhere disagree with this sentiment.

Market for products and services

- ▶ With two exceptions, majorities believe that the business community views older people as an opportunity for marketing and selling products and services. The exceptions are India and Singapore. A majority of Indian opinion leaders and half of Singaporean opinion leaders disagree.

Most not familiar with AARP

- ▶ Almost all US opinion leaders are familiar with AARP, but most opinion leaders outside the US are not. However, among those with some degree of familiarity, the view of the organization is mainly favorable.

Advocacy organizations helpful

- ▶ Most opinion leaders outside the US would welcome an organization like AARP in their country. According to these opinion leaders such an organization would be helpful when it comes to providing knowledge and expertise, raising awareness about aging, and influencing government policy. A solid majority of opinion leaders also think that it would be helpful if AARP were to play a role in countries outside the US by meeting with government policy makers to exchange information about aging and retirement, organizing conferences to bring together policy makers and aging experts from various countries, educating people about issues related to aging and retirement, and helping establish similar organizations in other countries.