Healthy Aging for the 21st Century Demographic Transformation

American Skin Association
Board Meeting
June 1, 2011
The Strategic Argument…and Political Rationale

Move Population Aging From Dependency and Disability to Healthy and Active

That will lead to:

- Fiscal Sustainability
- Win 21st Century Competitiveness Race
- Market Opportunities
Life Expectancy at Birth

Over 100,000 Years
Supported by the Data: Longevity Revolution

Source: Census Bureau, 2000
The Longevity Revolution: A Social Transformation Changing Demographic Realities of the 21st Century

“No other force is likely to shape the future of national economic health, public finances, and national policies as the irreversible rate at which the world’s population is growing older.”

– Standard & Poor’s “Global Aging 2010: An Irreversible Truth”

“Today more than 35 million people worldwide have dementia. Those numbers will double every 20 years to 65.7 million in 2030 and 115.4 million in 2050....Total costs for people with dementia amount to more than 1% of global gross domestic product (GDP), or US$604 billion, in 2010 and exploding....”

– Alzheimer’s Disease International

“Aging will make it hard for governments to deal with mounting financial pressures. It may be time to rethink our policies towards work.”

– Jean-Philippe Cotis, Chief Economist, OECD

“Twenty-first-century international security will depend less on how many people inhabit the world than on how the global population is composed and distributed....The strategic and economic policies of the twentieth century are obsolete, and it is time to find new ones.”

– Jack A. Goldstone, George Mason School of Public Policy, “The New Population Bomb”

“The challenge before us now is to...place global aging firmly on the development agenda for this century. There is no time to lose.”

– Kofi Annan, former UN Secretary-General
It’s About Living Longer – Globally…

- **Global**: 65+
  - 1950 – 203M,
  - 2000 – 606M,
  - 2050 – 2B
- **Mexico, Brazil**: 55+ doubles by 2020
- **US**: 20% 65+ by 2030
- **Europe**: 33% 60+ by 2050
- **China**: 25% elderly by 2050
...And a Steep Decline in Fertility Rates

- Close to half of the world’s population now lives in countries with **fertility rates below the replacement level**.
- Almost all of the world’s developed countries have sub-replacement fertility, with overall **birthrates more than 20 percent below** the level required for long-term population stability.
- The number of births per woman **dropped by almost half**, from 4.9 in the early 1960s to an estimated 2.5 today.
- Japan is an extreme case – with current birth rates, **only 16 Japanese will be left in 500 years**.
Between 2000 and 2020, the share of populations under 55 in the U.S. will grow less than 10%, while populations over 55 will grow around 65%.

Europe is expected to lose 24% and South Korea 36% of their prime working-age populations by 2050.

The worldwide old-age dependency ratio is estimated to surge from 19% in 2005 to 45% in 2050.
Dramatic Shifts: Mexico

% Change in Population 2000-2020

- Under 24: 112%
- 25-34: 111%
- 35-44: 111%
- 45-54: 111%
- 55-64: 111%
- 65+: 111%

Source: United Nations
450 Million Baby Boomers Worldwide

- **77M Baby Boomers in the U.S.**
  - Beginning Jan. 2011, one Baby Boomer turns 65 every 8 seconds until Dec. 2029
  - That’s 10,000 Boomers turning 65 every day

- **Baby Boomers in Japan (born 1947-1949) make up 5.4% of the total population**
  - People aged at least 65 make up 22.2% of the population

- **Record-breaking 800,000+ people will turn 65 in the UK in 2011**
We Must Transform Our Public Institutions

Otto von Bismarck creates paternalistic welfare state

1935

FDR signs Social Security Act

National Health Service created in England

1948

1965

LBJ signs Medicare into law

Programs created in the 19th and 20th centuries are not fit for the 21st century realities of population aging

New policy leadership is imperative.
Health Impacts of Aging Dramatic

- Stroke
- Hair thins and grays
- Neurons diminish
- Parkinson’s disease
- Hearing impairments
- Xerostomia (dry mouth)
- Hypercholesterolemia
- Lung capacity declines
- Pneumonia and influenza
- Hemorrhoids
- Incontinence (urinary and fecal)

- Dementia
- Disequilibria
- Eye/Vision problems
- Gum disease
- Thyroid disease
- Heart disease
- Emphysema
- Diabetes
- Kidney function declines
- Cancer (colon, pancreas, breasts, lung, etc)
- Metabolism declines
- Obesity and weight problems
- Muscle mass diminishes
- Bones lose mass and density
- Orthopedic impairments
- Varicose veins
- Arthritis (feet, knees, hips, spine and hands)
- Circulatory problems

- Depression
- Memory functions decline
- Sinusitis
- Teeth discoloration
- Teeth loss
- Loss of taste
- Vocal cords stiffen
- Swallowing difficulties
- Immune system weakens
- Vertebræ compress, reducing height
- Hip replacement
- Skin thins, wrinkles, and discolored

- Erectile dysfunction
- Male-pattern baldness
- Prostate enlarges/inflames
- Prostate cancer
- Sex drive diminishes
- Testosterone levels decline
- Testicular cancer

- Bones increasingly brittle
- Breast cancer
- Estrogen levels decline
- Hot flashes
- Menopause
- Osteoporosis
- Uterine cancer
Move From “Disability and Dependence” to “Healthy and Active”: Global Action

<table>
<thead>
<tr>
<th>Event</th>
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<td>EU Year for Active Ageing and Solidarity between Generations – 2012</td>
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<td>&quot;An Age-friendly City is an inclusive and accessible urban environment that promotes active ageing.&quot;</td>
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<td>OECD 50th Anniversary – Conference on Health Reform: Meeting the challenge of ageing and multiple morbidities – June 22, 2011</td>
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<td>Growing private sector and NGO activity: Age-friendly Cities, think tanks, media pick-up, HelpAge, Global Coalition on Aging</td>
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Global Coalition on Aging: Vision

Global in scope

With a diverse, cross-sector membership

Animated by an optimistic view of the longevity miracle

With a clear intellectual framework, strategy, and narrative

Focused on political advocacy to decision makers in institutions of influence in society

And powered by private-sector will, commitment and innovative solutions
Global Coalition on Aging: Members

Founding Members

AEGON
Bank of America Merrill Lynch
GALDERMA

Advisory Member

Deloitte

Intel
Johnson & Johnson
Microsoft
Novartis
Pfizer
Universal American Financial Corp.
Society Must View Population Aging as an Opportunity

1. A Shift from the Traditional Paradigm Characterized by Dependency and Disability
2. A New Active and Wealth-Producing Middle Age
3. A Path to Manage Fiscal Sustainability
4. A Competitive Advantage for Companies that Adapt Appropriately and Quickly