

## PPAI 1701D: Global Graying: The Impact of an Aging Population Fall 2009

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**Class Hours:** Mondays, 6:00 – 8:20 PM  
**Class Location:** Room 103, Taubman Center, 67 George Street  
**Instructor:** Stephen D. Gresham  
stephen\_gresham@brown.edu  
203.623.3259  
**Office Hours:** Monday, 5:00 PM – 6:00 PM  
**Course Website:** <http://mycouses.brown.edu>

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### Course Description

We live in a time when seemingly no topic is off limits to spirited debate – the hallmark of an open society. Nonetheless, one subject continues to be shunned by even the most thoughtful Americans: old age. “Aging,” though inevitable, is the inconvenient cause of much of what ails society today. Once a celebrated phase of life throughout much of the world’s history, old age has become a feared vision of decay and decline. Aging is the scourge of public policymakers wrestling with strained Medicare and Social Security programs, and the scapegoat for businesses unable to contain rising health care costs and retirement benefits. It is time for a constructive dialogue about aging and for effective policy to counter its impact on both the public and private sectors. And it is a time for action.

A “silver tsunami” *is* coming. Increasing longevity combined with low fertility rates is driving a worldwide aging wave that is reshaping the demand for retirement benefits, health care, services and products -- and threatens to unravel the social safety net.

- In the United States, those 65 and older will more than double from 38.7 million to 88.5 million by 2030.
- The United Nations predicts that by 2050, the number of people aged 60 and older in developed countries will have increased fifty percent and in the less-developed countries it will nearly triple.
- This will have profound implications for labor markets, aggregate demand, politics and societal structures. In addition, aging societies will significantly challenge the affordability of traditional pension and healthcare benefits, the reliability of assistance programs such as

social security, and create gaps in the labor pool.

Public sector implications of aging are solidly indicative that public policy makers will grapple with the costs of funding promised benefits to an aging citizenry. National retirement and medical benefits for aging beneficiaries threatens their existence. State and local governments are increasingly isolated from the federal government and will have to make important decisions about how to ease the future burden of their own workforce benefits.

Our emphasis is on “social entrepreneurship” -- practical solutions and their implementation within organizations, as well as opportunities for cooperation among public and private sector players. Students will be asked to identify key issues from assigned readings and prepare both written and oral positions on specific topics. *Learned advocacy and action* is the central theme of this seminar.

Understanding of the aging wave will be critical knowledge for anyone seeking a role impacted by the general economy and public policy. Specific knowledge of the demographic trends and their implications will benefit any student aspiring to a career in business, whether as an entrepreneur or manager of people. Students seeking roles in public policy will be even more consumed with the issues of an aging population and their impact on government, politics and public finance.

### **Course objectives**

By the end of this course, students will be able to:

- Understand of the demographic reality of an aging population
- View aging as a social and personal experience -- not just demographics
- Analyze private and public sector challenges and opportunities created by aging
- Think critically and creatively about aging's complex social, political and economic issues by dissecting the different dimensions and considering their interaction
- Consider solutions to the challenges of aging as well as how to effectively communicate those solutions to affected parties

- Learn how to become both analysts of the aging trend and advocates of effective policies or business opportunities – to know all parties to the issue.

My goal for you is to apply your existing skills to the challenges and opportunities of the aging phenomenon, further testing your powers of:

- Reasoning
- Empathy
- Verbal interaction and critical thinking
- Written and verbal expression of opinion
- Understanding of consensus building and teamwork in formulating solutions to complex issues

### **Course Format**

**Reading:** Readings include texts, analytical reports and survey data, monographs and case studies. Readings are central to class participation.

**Writing assignments:** Three 2-page “reaction” papers, seeking students’ analysis of key topics covered in reading and class discussion. Emphasis is on your interpretation of data and/or case and your effectiveness in advocating a position or course of action. One reaction paper will be on Week 7’s lecture. The other two may be on any topic but all are due no later than December 7<sup>th</sup>, 2009. **30% of overall course grade will be based on these papers.**

**Term paper:** An individual advocacy position paper, 20 pages minimum, to be delivered to me on the final day of class. You will choose the topic, though it must be approved in advance by me, based on a two page proposal and outline submitted no later than November 23<sup>rd</sup>, 2009. **The term paper will count for 30% of your course grade.**

**Advocacy project:** Students will team up and draft a position paper with value, criteria and contentions in support of a stance on a chosen aspect of aging policy. Teams will then participate in a one hour debate, followed by class analysis of presented arguments. **20% of the final**

**course grade will be based on your efforts and effectiveness in this project.**

**Class participation:** Discussion of weekly topics described in assigned readings; focus will be on formulating reactions to assigned reading and participating in individual and team debate about topics. **20% of the final course grade will be determined by class attendance, participation, and contribution to the level of discussion** in class. Given the importance of class discussion, attendance is mandatory. Unless *prior* approval is given by me, absences will negatively impact students' participation grade.

### **Class Participation Guidelines:**

A colleague provided me with this list of class participation best practices. Consider them and we can discuss in greater detail if you have questions:

- Consistently makes valuable contributions about topics under discussion
- Demonstrates excellent listening skills, responding appropriately to others' comments
- Offers relevant, succinct input to class
- Brings up questions about subjects that need further exploration
- Clarifies points that others may not have understood
- Draws on personal experience or opinion only when relevant to class discussion
- Demonstrates ability to analyze, apply, and synthesize course material
- Demonstrates willingness to take risks (e.g. attempts to answer unpopular or difficult questions)

One more thing – no mobile phones during class.

### **Required Texts:**

The following books are on reference at the Rockefeller Library:

- Butler, R. Why Survive? Being Old in America. Baltimore: John Hopkins University Press. 1975.
- Butler, R. The Longevity Revolution. New York: Public Affairs. 2008.

- Dychtwald, Ken. Age Power: How the 21<sup>st</sup> Century Will Be Ruled By The New Old. New York: Tarcher/Putnam. 1999.
- Furlong, M. Turning Silver into Gold. New Jersey: Financial Times Press. 2007.
- Lowenstein, R. While America Aged. New York: Penguin Press. 2008.
- Peterson, P. Running on Empty. New York: Farrar, Straus and Giroux. 2004.
- Thomas, W. What Are Old People For? Massachusetts: VanderWyk & Burnham. 2004.

### Optional Texts:

- Howe and Strauss. Generations: The History of America's Future, 1584 to 2069. Harper Perennial. 1992.
- Longman, P. Born To Pay: The New Politics of Aging in America. Houghton Mifflin Harcourt Publishing Company. 1987.

### Resources:

- RAND: Center for the Study of Aging  
<http://www.rand.org/labor/aging/research.html> and  
<http://www.rand.org/pubs/online/population/>
- Population Reference Bureau  
<http://discuss.prb.org/content/interview/detail/1462/> and  
<http://www.prb.org/TodaysResearch.aspx>

## Schedule of Topics and Assignments

### Week 1: OVERVIEW

#### Week 1 (09/14): The Phenomenon of Aging

*Introduction to aging as a demographic issue, social phenomenon, private sector opportunity and public sector challenge.*

**Documentary:** “The Boomer Century: 1946-2046”

- Hayutin: “Global Aging: The New New Thing.” Stanford Center on Longevity. 2007. pp 1-4.
- Munnell. “Population Aging: It’s Not Just the Baby Boom.” Center for Retirement Research. Issue 16 (2004). pp 1-8.

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#### Week 2 (09/21): The Economy and Aging Population

**Required readings:**

- Peterson: Preface, Chapters 1-3
  - Butler, Longevity: Preface, Parts I and II
  - Butler, Why Survive: A Personal Note, Preface, Chapters 1 and 2
  - Bixby, et al. "Taking Back Our Fiscal Future." Brookings-Heritage Fiscal Seminar. 2008. 1-11.
  - Walker. "America's Fiscal Future and Retirement Security." Government Accountability Office. 2007. 1-52. (*skim*)
  - Biggs, Andrew. "A Slow Burning Fuse." The Economist. 27 June. 2009: 1-16.
  - Lee and Skinner. "Will Aging Baby Boomers Bust the Federal Budget?" Journal of Economic Perspectives. 13.1 (1999): 117-140
  - Rogers, et al. "Economic Consequences of an Aging Population." The Urban Institute. Paper 6 in "The Retirement Project:" 1-30
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### **Week 3 (09/28): Entitlement Reform: Social Security**

#### **Required readings:**

- Dychtwald: Chapters 3-7
  - Peterson: Chapters 5-7
  - Butler: Chapter 14
  - Public Agenda: "Facing Up To The Nation's Finances."
  - Eschtruth, Andrew. "Social Security and the Federal Budget." Center for Retirement Research (2000).
  - Sloan, Allen. "A Flimsy Trust." Washington Post 2 Aug. 2009.
  - Greider, William. "Looting Social Security." The Nation 11 Feb. 2009.
  - Walker, David. "The Peterson Foundation Responds." The Nation 13 Feb. 2009.
  - Greider, William. "William Greider Responds." The Nation 13 Feb. 2009.
  - Weaver, R. Kent. "Bridging the Social Security Divide: Lessons from Abroad." The Brookings Institution (2008).
  - Schultz, Ellen. "Pay of Top Earners Erodes Social Security." The Wall Street Journal 21 July 2009: C4.
  - Hanane, Sam. "Disability Benefit Claims Begin Surge." The Associated Press 31 July 2009.
  - MacIntyre, Douglas. "The Great Social Security and Medicare Panic." Time 13 May 2009.
  - Gist and Hetzel. "We The People: Aging in the United States." U.S. Census Bureau Dec 2004: 1-14.
  - Crippen, Dan. "Social Security: The Challenges of an Aging Population." CBO Testimony 10 Dec 2001. (*skim*)
  - *Suggested*: GAO: "Entitlement Reform Process." Jan 2008. (*skim*)
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### **Week 4 (10/05): Health Care Reform**

#### **Required readings:**

- Butler, Longevity: Chapters 7-13
- Butler, Why Survive: Chapters 8-10
- Collins, et al. "Will you still need me? The Health and Financial Security of Older Americans." Commonwealth Fund Survey of Older Adults June 2005.

- “The Future of Employment-Based Health Benefits: Will Employers Reach a Tipping Point?” Employee Benefit Research Institute Notes 29.2 (2008).
- “2007 Health Confidence Survey.” Employee Benefit Research Institute Notes 28.11 (2007).
- Gleckman, Howard. “The Role of Private Insurance in Financing Long-Term Care.” Center for Retirement Research 7-13 (2007).
- Gleckman, Howard. “Medicaid and Long-Term Care: How Will Rising Costs Affect Services For An Aging Population?” Center for Retirement Research 7-4 (2007).
- Keim, Brandon. “To Pay For Health Care, Treat Aging.” Wired 7 Aug. 2009.
- Galston, William. “Reviving the Social Contract: Economic Strategies to Promote Health Insurance & Long-Term Care.” The Brookings Institution.
- Walker: Interview on rising costs of health care <http://www.youtube.com/watch?v=NJQVgGcI9y8>
- Penner, Rudolph. “Can Faster Economic Growth Bail Out Our Retirement Programs?” The Urban Institute Brief Series. 20 (2008).
- Grabowski, David. “Medicare and Medicaid: Conflicting Incentives for Long-Term Care.” The Milbank Quarterly 85.4 (2007). (*skim*)
- Koren, Mary Jane. Testimony before House Appropriations Committee – “Caring for an Aging America.” 15 Feb 2007. (*skim*)
- O’Brien, Ellen. “Long-Term Care: Understanding Medicaid’s Role for the Elderly and Disabled.” The Kaiser Commission on Medicaid and the Uninsured Nov. 2005. (*skim*)
- Miller, et al. “Out of the Shadows.” Brown Center for Gerontology and Health Care Research 2006. (*skim*)
- Centers for Disease Control and Prevention and The Merck Company Foundation. “The State of Aging and Health in America.” 2007.
- Federal Interagency Forum on Aging Related Statistics. “Older Americans Update 2006: Key Indicators of Well-Being.” May 2006. (*skim*)
- Evercare and National Alliance for Caregiving. “Family Caregivers – What They Spend, What They Sacrifice.” Nov 2007. (*skim*)
- *Suggested*: GAO: “Entitlement Reform Process.” Jan 2008. (*skim*)

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## Week 5 (10/12): Pension Reform

### Required readings:

- Lowenstein: all
- GAO: “Pension Benefit Guaranty Corporation: Financial Challenges Highlight Need for Improved Governance and Management.” May 2009. (*skim*)
- GAO: “State and Local Government Pension Plans.” 10 July 2008. (*skim*)
- Rosenkrantz, Holly. “Pension Agency Would Be Revamped Under Measure in U.S. Congress.” Bloomberg 30 July 2009.
- “Union Pensions in the Red.” The Wall Street Journal 26 July 2009.
- “Editorial: Pension Reform must be San Jose’ Priority.” The Mercury News 01 Aug. 2009.
- Zahniser, David. “Pension repayment plan could throw L.A.’s budget into disarray.” Los Angeles Times 03 Aug. 2009.
- Brull, Steven. “The Big Public Pension Squeeze.” Institutional Investor 10 June 2009.

## Week 6 (10/19): The Retirement and Workforce Crisis

### Required readings:

- VanDerhei, et al. "Can America Afford Tomorrow's Retirees?" Employee Benefit Research Institute Issue Briefs (2003).
  - Munnell, et al. "The Housing Bubble and Retirement Security." Center for Retirement Research (2008).
  - Myers, et al. "Aging Baby Boomers and the Generational Housing Bubble." Journal of the American Planning Association 74.1 (2008).
  - Sainz, Adrian. "Critical Need for Affordable Senior Housing." The Associated Press 09 Aug. 2009.
  - Lazar, Kay. "Work Longer, Stay Sharper." The Boston Globe 27 July 2009.
  - Smith, Tammie. "Are communities ready for aging-in-place movement?" Richmond Times-Dispatch 2 Aug. 2009.
  - Yednak, Crystal. "Not Going Away." Chicago Business 25 Aug. 2008.
  - Stangler, Dane. "The Coming Entrepreneurship Boom." Ewing Marion Kauffman Foundation June 2009.
  - New England Public Policy Center. "Employing the Region's Assets." 3 Dec 2008.
  - Munnell, et al. "Are Older Men Healthy Enough to Work?" Center for Retirement Research 8-17 (2008).
  - Munnell, et al. "Do Households Have a Good Sense of Their Retirement Preparedness?" Center for Retirement Research 8-11 (2008).
  - Dychtwald, et al. "The Needs and Capabilities of Mature Workers." Excerpted from Workforce Crisis (2006).
  - Dychtwald, et al. "The End of Retirement." Excerpted from Workforce Crisis (2006).
  - Strack, et al. "Managing Demographic Risk." Harvard Business Press (2007).
  - Nenkov, et al. "How Do Emotions Influence Saving Behavior?" Center for Retirement Research 9-8 (2009). (*skim*)
  - AARP Reports re: Retirement Preparedness: (*skim*)
    - "Preparation and Retirement: The Haves and Have-Nots." 2007.
    - "Retirement Security Survey Report." 19 Feb 2007.
    - "Retirement Planning Survey Among US Adults Age 40 and Older." May 2006.
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## Week 7 (10/26): Why Empathize?

**Documentary:** "The Open Road: America Looks at Aging"

### Required readings:

- Thomas: Pages 12-22 ("The Doctrine of Youth's Perfection"), 50-65 ("Necessity's Virtue"), 65-91 ("The Rise of Elderhood"), 131-140 ("The Cult of Adulthood")
- Thomas: Video discussing "Eldertopia"  
[http://fora.tv/2007/08/22/William\\_Thomas\\_discusses\\_Eldertopia](http://fora.tv/2007/08/22/William_Thomas_discusses_Eldertopia)
- Time Goes By blog ("elder blogs")  
<http://www.timegoesby.net/>
- The New Old Age blog at the NYT  
<http://newoldage.blogs.nytimes.com/>
- Chopra, Anuj. "Indian bid to enforce children's obligation to aging parents." The Christian Science Monitor 27 Aug. 2009.



- Zezima, Katie. "Experiencing Life, Briefly, Inside a Nursing Home." The New York Times 24 Aug. 2009.
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## **Week 8 (11/02): Advocacy Debate I**

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## **Week 9 (11/09): Advocacy Debate II**

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## **Week 10 (11/16): Global Implications I**

### **Required readings:**

- Jackson, et al. "The Graying of the Great Powers." Center for Strategic and International Studies (2008).
  - UN Population Division: "Replace Migration: Is it a Solution to Declining and Ageing Population?" <http://www.un.org/esa/population/publications/migration/migration.htm>
  - Myers, Dowell. "Aging Baby Boomers and the Effect of Immigration."
  - Weisman, Jonathan. "Aging Population Poses Global Challenges." Washington Post 2 Feb. 2005.
  - Holzmann, Richard. "Demographic Alternatives for Aging Industrial Countries." World Bank Dec 2005.
  - Jackson, et al. "The 2003 Aging Vulnerability Index." Center for Strategic and International Studies. Mar. 2003.
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## **Week 11 (11/23): Global Implications II**

### **Required readings:**

- Jackson. "The Global Retirement Crisis." Center for Strategic and International Studies April 2002.
  - Sikken, et al. "The Future of Pensions and Healthcare in a Rapidly Ageing World." World Economic Forum (2007).
  - "Transforming Pensions and Healthcare in Rapidly Ageing World: Opportunities and Collaborative Strategies." World Economic Forum (2009).
  - Capretta: "Global Aging and the Sustainability of Public Pension Systems." Center for Strategic and International Studies July 2007.
  - AARP: "International Retirement Security Survey." July 2005.
  - "Long-Term Global Demographic Trends: Reshaping the Geopolitical Landscape." Central Intelligence Agency July 2001. (*skim*)
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## **Week 12 (11/30): Across Nations**

### **Required readings:**

- Monk, et al. "Risk Pooling and the Market Crash: Lessons from Canada's Pension Plan." Center For Retirement Research 9-12 (2009).
  - Ponds, et al. "Sharing Risk: The Netherlands' New Approach to Pensions." Center for Retirement Research 7-5 (2007).
  - Graham-Harrison, et al. "Ageing Shanghai Urges 2<sup>nd</sup> Baby for Eligible Couples." Reuters 24 July 2009.
  - Glosserman, et al. "Gray Menace." Foreign Policy 24 July 2009.
  - Vodopivec, et al.: "Population Aging and the Labor Market: The Case of Sri Lanka." World Bank Aug 2008.
  - Chan, Angelique. "Singapore's Changing Structure and the Policy Implications for Financial Security, Employment, Living Arrangements and Health Care." Asia MetaCentre.
  - Muenz, Rainer. "Aging and Demographic Change in European Societies: Main Trends and Alternative Policy Options." World Bank 2007.
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### **Week 13 (12/07): Private Sector Opportunities**

#### **Required readings:**

- Butler: Chapter 15
  - Thomas: Pages 177-222 ("Distant Thunder"), 320-326 ("Appendix: The First Green Houses")
  - Furlong: all
  - Hewlett, et al. "How Gen Y & Boomers Will Reshape Your Agenda." Harvard Business Review July 2009.
  - Howe, et al. "The Next 20 Years..." Harvard Business Review Aug. 2007.
  - "Lifeline Systems, Inc." (hard copy handed out)
  - "Fidelity Investments study shows financial advisors want help with impact of Alzheimer's on their practices." Fidelity Investments 20 July 2009.
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### **Week 14 (12/14): Unfinished Business/Open Discussion**

#### **Term paper due**