

## Looking forward from the census

By Adele M. Hayutin Special to the Mercury News

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The 2010 census campaign says, "The future of your community starts with a look into its past." Measuring change since the last census is so critical that if you didn't return your census form on time, a census taker will knock on your door and ask you for answers. As an economist, I appreciate the effort to get a full count, but more critical than looking back is to take note of competitor nations and look forward to the advantages of our relative youth, even as the boomers age.

Many think we're in trouble because of the aging baby boomers, but we're actually better off than other large economies. And despite what some have been led to expect, the country will not necessarily be dominated by an aged population.

The United States is the only large economy with a growing workforce, thanks largely to immigration and the higher birthrate of our growing Latino population. This potential advantage could fuel our economic growth even as overall economic power shifts toward Asia. In contrast to our growing work force, the working-age populations in Japan, Germany and Russia have already begun shrinking. Even emerging economies such as China and South Korea will face shrinking work forces within the next 15 years, if not sooner.

With a smaller share of old people, the relative burden of aging in the United States will be smaller than for many of our allies and trading partners. Today, only 13 percent of our total population is age 65 and older, compared with more than 20 percent in Germany and Italy, and 23 percent in Japan. Even after our last baby boomer turns 65 in 2029, our population will still be more youthful than other large economies. By 2050, only 1 in 5 Americans will be over 65, compared with 1 in 3 for Japan, Germany and many other European countries.

Because our population is replacing itself, we will continue to have a stable age structure with a relatively even distribution across age brackets. Japan and Germany, in contrast, have rapidly dwindling numbers of children and shrinking work forces. They face huge old-age burdens. For sure, the American baby boomers turning 65 will compel enormous and potentially disruptive changes. But our relatively stable age structure should be able to support necessary economic and social adjustments.

Capitalizing on the strengths of our relative youth will require addressing major challenges including entitlements, immigration and education. We risk squandering the potential advantage of a growing workforce if we fail to control the costs and tax burdens of Social Security and Medicare. Also, our growing labor supply won't be an advantage if our workers lack the education and skills needed to address 21st-century challenges. We need to insist that our political representatives understand the expected demographic changes and incorporate these long-term expectations into their policymaking. We should ask our public officials what they are doing to prepare for population aging. What about retraining older workers? Improving science and technology education? Reforming entitlements?

In short, what we need is a post-census public service campaign. This "look forward campaign" should not just occur once a decade. It should be part of a continuous effort to hold our elected officials accountable for effectively preparing us for the long term. Their responses are overdue. We should keep asking. We should knock on their doors until we get answers.

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