Introduction

Population aging is a global phenomenon. The populations of developed nations have aged quickly over the last fifty years, shifting from a median age of 29.0 in 1950 to a median age of 38.6 in 2005 (United Nations 2007). Although the populations of developing nations are younger, with a median age of 25.5, these populations are expected to age rapidly in the future (United Nations 2007). As described in Chapter 1 of this handbook, the aging of the human population is principally the result of worldwide fertility decline, although reductions in old age mortality also play a role. This set of changes is part of the demographic transition, the process by which societies move from high fertility and mortality to low fertility and mortality (Kirk 1996). In turn, these demographic changes are intertwined with social and economic change such that the demographic transition is typically considered a component of modernization.

Although the broad outlines of the demographic transition and consequent population aging are similar across nations, countries differ in their timing, pace and degree. These differences in turn reflect underlying variation in social, political and economic contexts and have varying consequences for these contexts across countries. The U.S. and Canada form an interesting pair in this regard. These two nations are both relatively young and share, among other characteristics, a long, undefended border, a history of European settlement, a tradition of cross-border migration, democratic forms of government, relatively integrated consumer markets, large post-World War II baby booms and recent large increases in immigration from Asia and Latin America. As post-transition societies, both of their populations have aged rapidly in the twentieth century. However, despite these similarities, the U.S. and Canada also differ in fundamental ways. For example, the population of Canada is one-tenth the size of the population of the U.S. and, although both populations contain members of ethnic minority groups, these minorities are a much larger proportion of the U.S. population than the Canadian population. Another important distinction is that Canada provides National Health Insurance for its citizens, in contrast to the market-based approach used in the U.S. As a result of these and other differences, the pattern of population aging has differed somewhat between the two nations. Even more important, the issues raised by population aging and the potential solutions to these issues, while broadly similar, reflect the circumstances of each nation. Comparing and contrasting population aging in these two nations demonstrates the contingencies of population aging by highlighting the differences between two nations with many similarities.

There is much discussion in both Canada and the U.S., as in other developed countries, of a population aging crisis. In Canada and the U.S. this crisis is mainly attributed to the aging of the large cohorts born during the baby booms. Dire consequences are predicted in both countries if drastic measures are not taken to contain the social and economic costs of population aging. In this chapter, we evaluate population aging in the U.S. and Canada in light of this rhetoric about a population aging crisis. We begin by placing each nation’s recent experience of population aging in the context of its long-term
population history. Next, we describe the characteristics of current and future elderly in each country, emphasizing the ways in which cohort replacement will alter the profile of the older population over time. We then discuss a set of economic, social and political issues that arise from population aging, highlighting the ways in which they are playing out differently in the two nations and their implications for the future. Finally, we discuss why population aging is viewed as a crisis in Canada and the U.S. and assess the evidence supporting this perception.

A Long View of Population Aging in the United States and Canada

In the last ten to twenty years, population aging has become a key issue in both Canada and the U.S. and research on population aging has grown rapidly. As a result, policy makers increasingly focus on managing the potential consequences of an older population, and products and services geared towards the aged are growth industries. In both nations, this interest was spurred by recent demographic changes, including declines in fertility and, especially, the aging of the large baby boom cohorts. The seeming suddenness of population aging has contributed to a sense of crisis in both nations. Implicit in this “aging crisis” perspective is the idea that population aging is a relatively short-term issue that will disappear with the demise of the baby boom cohorts.

However, population aging is not a new phenomenon in either country (Munnell 2004). In fact, both populations have been growing older from the time the nations were established as independent states. Population aging in the U.S. and Canada is also not a transient phenomenon. Under all probable scenarios of demographic change, the U.S. and Canadian populations are projected to grow older over the next fifty years, although the pace of aging will slow toward the end of the period (Statistics Canada 2005; United States Census Bureau 2000a, 2004b).

The long-term aging of the Canadian and U.S. populations reflects equally long-term shifts in demographic behavior. Changes in the age structure of a population can occur only through alterations in the fundamental demographic processes of fertility, mortality and migration, which in turn change the relative size of age groups within the population (Preston et al. 1989). As in the rest of the industrialized world, population aging in the U.S. and Canada is the result of the demographic transition, the shift from high rates of fertility and mortality to low rates. In the U.S. and Canada, this demographic shift has gone hand in hand with their development from fledgling nations with agrarian economies to major powers with post-industrial economies and largely urban populations. This development included profound transformations in technology, economic opportunity, the nature of work, the value of children, relationships within the family and the structure of social institutions. Many of these changes literally affected people’s life chances in that they diminished the risk of sudden death. At the same time, they altered the context in which people made seemingly private decisions about the number of children to have and where to live.

Although the population histories of the U.S. and Canada have much in common with other developed nations, they also have characteristic features, including an initial abundance of land, long traditions of international migration, large twentieth century fertility swings and increasingly multi-ethnic populations. These features have played out somewhat differently in the two nations but they set the Canadian and American populations apart to some extent from their counterparts in the developed world. The legacy of these processes will continue to influence each nation’s age structure as well as their responses to population aging.

The Long View in the United States

When the U.S. declared its independence in 1776, its population reflected the nation’s origins in European colonization. The territories now encompassed by the U.S. were occupied for centuries by varied and widely dispersed indigenous peoples (Thornton 2000). However the nation’s beginnings are typically traced to the European exploration and settlement of these territories beginning in the sixteenth century. The Spanish founded the first permanent European settlement north of Mexico at St. Augustine, Florida in 1565; fifty years later, the British, Dutch and Swedish began forming colonies along the eastern seaboard of the continent that were eventually consolidated under British rule.