CHILDREN AND THE ELDERLY: DIVERGENT PATHS FOR AMERICA'S DEPENDENTS*

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In 1957, the total fertility rate in the United States reached a postwar peak of 3.68 children per woman (U.S. National Center for Health Statistics, 1976:4). In the two decades that followed, it fell to half of its 1957 value, and seems to have reached a temporary plateau at a figure of about 1.8 children per woman. This sharp fertility decline led to a decline in the number of children under age 15 in the United States by about 7 percent between 1960 and 1982 and to a reduction of 28 percent in the proportion of the population under age 15 (U.S. Bureau of the Census, 1984a:33; 1975:15).

Very different forces were at work at the other end of the age scale. The number of people aged 65 and over increased by 54 percent between 1960 and 1980 (U.S. Bureau of the Census, 1982a:25). Reasons for the growth of this age segment are more complex. Somewhat more than half of the growth is attributable to the fact that the cohorts over age 65 in 1980 were already larger in childhood than were the earlier cohorts. Their relative size underwent little change as the cohorts aged into the pre-retirement years and their relation was projected to continue largely unchanged into the elderly years. In 1971, the U.S. Census Bureau projected that the population aged 65 and over would grow by 17.6 percent between 1971 and 1981, only slightly faster than the projected growth (in the intermediate series) of 14.7 percent for the whole population (U.S. Bureau of the Census, 1971). But in fact the elderly population grew by 28.4 percent during this period, an increase 61 percent greater than expected. Between 1971 and 1981, the elderly population of the U.S. grew faster than the population of India.

What caused this unanticipated growth spurt is, of course, a very rapid decline in old age mortality. The Census Bureau's 1971 projection anticipated a life expectancy of 72.2 years in the year 2000. But already by 1982 life expectancy was 74.5 years, having increased more than twice as much in 10 years as it was expected to increase in 30 (U.S. National Center for Health Statistics, 1983a:15).

So we have passed through several decades of abrupt demographic change. The child population has declined and the elderly population has spurted. Both of these developments were in the main unanticipated.

Most demographers would probably expect such a rapid change in age structure to have favorable consequences for children and troubling ones for the elderly. Fewer children should mean less competition for resources in the home as well as greater availability of social services earmarked for children, especially public schooling. The sharp rise in the number of elderly persons should put enormous pressure on resources directed towards the older ages, such as medical care facilities, nursing homes, and social security funds. At least this view would be characteristic of those who see the world through a Malthusian lens and find the main social drama to be the
pressure of numbers on some kind of inelastic resource.

My thesis is that exactly the opposite trends have occurred in the relative well-being of our two groups of age dependents and that demographic factors have not only failed to prevent this outcome but have, in many ways, encouraged it. Conditions have deteriorated for children and improved dramatically for the elderly and demographic change has been intimately involved in these developments.

EVIDENCE OF CHANGE IN THE RELATIVE STATUS OF DEPENDENTS

First, let's examine some evidence on changes in the relative welfare of children and the elderly. The job is much easier for the elderly because they are routinely included in our data collection systems and are distinguished in most tabulations. We gather very little information on children, however, and only in the last few years have we come to recognize this deficiency.

Probably the indicator of well-being on which different ages are most readily compared over time is the percentage who live in poverty. We obviously cannot compare personal incomes of the two groups but we can compare incomes in the families with whom they reside relative to some standard of minimal need. The basic standard used by the Census Bureau is an income level three times the cost of the Economy Food Plan as determined by the Department of Agriculture. Families with money incomes less than three times this amount are said to be in poverty. Some allowance is made for scale economies in larger families.

Figure 1 shows the percentage living in poverty, by age, in 1982 and 1970, one of the first years in which age breakdowns are available. Clearly, the relation between poverty and age has changed dramatically. Although it is U-shaped in both years, the right arm dominates in 1970 and the left arm in 1982. The incidence of poverty among the elderly was double the national incidence in 1970 but by 1982 the proportion of the elderly living in poverty had actually fallen below the national average. The incidence of poverty among children under 14 in 1982 is 56 percent greater than among the elderly, whereas in 1970 it was 37 percent less. It's no mystery that the main factor in the reduction of poverty among the elderly is the expansion of social security benefits. It's been calculated that 56 percent of the elderly would have been in poverty in 1978 had it not been for such income transfers (Danziger and Gottschalk, 1983:746). The rise in child poverty appears all the more remarkable in view of the greatly increased propensity of their mothers to contribute to family income. 48.7 percent of mothers with children under age six in intact families were in the labor force in 1982, versus only 18.6 percent in 1960 (U.S. Bureau of the Census, 1983a:414).

The measure of poverty incidence has been criticized on several grounds. One is that it's not an indicator of welfare or well-being because people can choose to have more children at the same income level, thereby simultaneously increasing their welfare and impoverishing themselves (Pollak and Wales, 1979). While this argument clearly pertains to adults, it has no relevance to children. If they are poor, it's not because they choose to be. A more important objection is that poverty measures include only money income and neglect many in-kind transfers such as food stamps and Medicare. Most of these transfers have increased over the past several decades. But allowance for these would make the disparity in trend even sharper. A recent Census Bureau study estimated that the market value of noncash benefits grew from $6 billion in 1965 to $98 billion in 1982 (U.S. Bureau of the Census, 1984a:XI). The large majority of this increase was in the form of medical benefits and the principal beneficiaries were the elderly. Their incidence of poverty for 1982 is 14.6 percent before the allowance for non-