

Older people can – and do – contribute to the economy

Let's extend the discussion of older people to beyond the immediate workplace. We tend to assume that older people are an economic deficit. As the 2015 World Health Organization (WHO) study on ageing and health argues, "we need to start adapting to shifts in age structure in ways that minimise the expenditures associated with population ageing while maximising the many contributions that older people make ... economic analyses of the implications of population ageing are evolving, and the models that are often used today may lead to inappropriate responses²."

The report cites an economic indicator known as the dependency ratio, which defines anyone older than 65 as a 'dependant', ignoring the fact that "chronological age is only loosely associated with levels of functioning³". As we've seen, there are many people over 65 who are earning incomes. More importantly, a large percentage of people in post-65 careers are engaged in mentoring, consulting and the creation

of small business enterprises that are the backbone of developing a robust SMME sector for job creation.

In addition, people over 65 may have retirement savings that can be redeployed into the economy through assisting with the education needs of younger family members, the funding of 'second-start careers', spending on 'grey-product' consumption, intergenerational wealth transfers, and taxation ... to say nothing of the benefits elderly people provide through volunteer work and social care in their communities.

A 2010 study from the UK reframed the costs of caring for the aged against these economic contributions. It became apparent that older people were actually making a net contribution to society of nearly £40 billion (R683 billion). This was expected to grow to £77 billion (R 1 314 billion) by 2030.

While we don't have comparable research for a developing economy, we do believe that South Africa's cut-off age of 60 for being a productive economic contributor is simply nonsensical.

There is simply no substitute for applying a careful, disciplined measurement of performance drivers to prevent rash decisions being formulated.

² World Health Organization. 2011. *WHO Study on global AGEing and adult health (SAGE)*.

³ Ibid.