Economics 399: The Demography and Economics of Aging

Course Description

The elderly are a rapidly growing proportion of the population in developed countries and in many developing countries. Many social and economic issues associated with the growing elderly share of the population are drawing increasing attention. These include the financing of public pensions, the early average age at retirement from the labor force, financing health care costs of the elderly, the adequacy of savings for retirement, financing of long term care, and others. This course will provide an opportunity for graduate students to become familiar with the literature on these issues and to study some of the issues in depth. The course will be conducted as a seminar, with presentations by the instructor and students.

After an introductory overview, the first main topic will be the demography of aging, with a focus on understanding the forces behind the current trend toward an aging population, and analyzing trends in fertility, mortality, and morbidity that will affect the future distribution of the population by age and health. The second main topic will be retirement from the labor force. The large economics and demography literatures on this subject will be surveyed, with an emphasis on identifying the key trends and facts and how these are explained in models of retirement. The remainder of the course will focus on topics that will be determined by student interest, to be chosen from among Social Security, pensions, medical care, health, savings and wealth, inter-generational transfers, living arrangements, and long term care.

Prerequisites

The prerequisites for the course are graduate standing and enough training in economics to be comfortable with extensive readings in the economics literature.

Assignments and Grades

Students will be expected to attend the seminar regularly, make two presentations, and write a research paper on a topic related to the course. The course grade will be determined by quality of the presentations (25%), and quality of the paper (75%).

Office Hours: Tues. & Thurs. 2:00-3:15, and by appointment. 206 Gardner, 6-3962, david_blau@unc.edu.

Readings

One copy of all assigned readings will be available for photocopying in a box in the 200 suite at the east end of Gardner Hall. You may borrow a copy for xeroxing, and should return it promptly so other students will have access to it. Journal articles can be obtained in electronic or hard
copy from Davis Library, or from the box in Gardner. Two reference works will be on reserve in Davis Library: Linda Martin and Samuel Preston (eds.) *The Demography of Aging* (National Academy Press, 1994); and Mark Rosenzweig and Oded Stark (eds.) *Handbook of Population and Family Economics*, Volumes 1A and 1B (North Holland, 1997). Several of the assigned readings will be from these books.

**Outline of the reading list and topics**

1. Introduction and Overview

2. Demography of Aging

3. Labor Force Participation and Retirement
   A. Trends and Description
   B. Effects of Social Security
   C. Effects of Pensions
   D. Effects of Health
   E. Effects of Disability Insurance
   F. Effects of Health Insurance

4. Social Security
   A. Description
   B. Theory
   C. Reform

5. Health, Medical Care, and Health Insurance
   A. Health and Disability
   B. Medical Care and Health Insurance

6. Wealth and Saving
   A. Saving for Retirement
   B. Saving and Retirement

7. Economic Status and Well-Being of the Elderly

8. Intergenerational Transfers

9. Private pensions

10. Living Arrangements and Long Term Care
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1. Introduction and Overview


2. Demography of Aging


4. Labor Force Participation and Retirement

A. Trends and Description


B. Effect of Social Security


C. Effect of Pensions


D. Effect of Health


E. Effect of Disability Insurance


F. Effect of Health Insurance


4. Social Security

A. Description


**B. Theory**


**C. Reform**


5. Health, Medical Care and Health Insurance

A. Health


B. Medical Care and Health Insurance


6. Wealth and Saving

A. Saving for Retirement


B. Saving and Retirement


7. Economic Status and Well-Being of the Elderly


8. Intergenerational Transfers


**IX. Private Pensions**


10. Living Arrangements and Long Term Care


