

EMBRACING THE BIRTH DEARTH PART 2: THE RIGHT STUFF

An NPG Forum Paper
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Abstract: Pronatalist policies have failed.

Governments worldwide have spent huge sums of money to persuade, compel, cajole, or even trick couples into producing more humans (for those same governments, of course). They've tried cash grants, huge tax deductions, generous maternal and paternal leave policies, flexible work arrangements, subsidized daycare, and more. They've also tried banning abortion, suppressing contraception use, and serving up public lectures on the virtues of "traditional" family structures. That hasn't worked, either. None of it ever will.

Governments should instead focus on better managing population aging while learning to accept the fact that global birth rates have further to fall. Population decline is inevitable, if far off. Dealing with it means embracing policies that help people live healthier, happier lives as they age while promoting work and pension reforms to attend to the needs of an older population. That's the right stuff. Pronatalist policies are the wrong approach.

The birth dearth and the population decline it will eventually bring are good things, great things even. The world doesn't need more failed pronatalism—it needs pro-aging policies.

AN AGING AND EXPANDING PLANET

Our world is facing an immense problem: far too many people. Way too many. Except you wouldn't know this from the titles of some recently published books.

In "The Decline and Fall of the Human Empire" by Henry Gee, the author warns that our species is "on the edge of extinction." Oh no.

A few years ago, the author Shamil Ismail put out a book titled "The Age of Decay: How Aging and Shrinking Populations Could Usher in the Decline of Civilization." That sounds bleak. In 2020, Darrell Bricker and John Ibbitson inspired news headlines when their book "Empty Planet: The Shock of Global Population Decline" hit the stands. I haven't read it, but the reviews suggest that the book's contents are not as dark as that dark, depressing title lets on. Still, "empty planet" is a bit much, don't you think?

Shocking population decline? An empty planet? The total collapse of civilization? Human extinction? Stirring, frightening stuff; or exciting, depending on your point of view. Except for one pertinent fact: the world's population is increasing, not decreasing, and unfortunately it looks like it will continue expanding throughout my lifetime. *That's* the depressing news.

Trends could change and there is some degree of uncertainty in official projections, but contemporary

demographic forecasts put out by the United Nations, investment banks, and independent researchers say the world's human population—now standing at more than 8 billion people—will peak at somewhere between 9.5 billion and 10.4 billion sometime in the mid-2080s. That's about 60 years from now. I'm in relatively good shape today, but I don't think I'll live long enough to see us reach peak human population.

Looking just at the UN's figures, the world body sees the population ballooning to 9.7 billion by 2050 (25 years from now) and reaching a peak of 10.4 billion by mid-2080 before gradually drifting back down to the 10.3 billion range by 2100.¹ Thus, I'll have to take extra vitamins and supplements, exercise appropriately, eat lots of healthy food, and lean heavily on advancing healthcare technology so that I may live an extra 75 years just to experience what it's like to see the human population fall from 10.4 billion to 10.3 billion, according to the UN. That's still 2.3 billion more people than who are living on the planet today, and honestly, no one's going to notice humanity gradually contracting from 10.4 billion to 10.3 billion people over 15 years.

Considering all this, when folks fret about a worldwide "crisis of population decline" I don't know what they're talking about. To be sure, the populations of some countries are now falling—Japan, Italy, Spain, South Korea, Greece, China, several states in Eastern Europe,

Portugal, and Thailand, to name a few—but it’s unfortunately not happening everywhere. I wish we had population decline globally, but sadly, this isn’t the case.

How about America?

In late 2023, the United States Census Bureau predicted that the country’s population would peak at around 370 million by 2080, factoring in both relatively high immigration and low birth rates. Census thinks America’s population will then drift down to 366 million by 2100.² This forecast could change, but let’s rely on it for now for the sake of argument. The country’s population is about 335 million today, so according to Census, I won’t even live long enough to see my own country’s population “fall” to a level that’s around 9% higher than where it is today. This is really depressing.

Plenty of experts think the UN’s future population expansion numbers are too aggressive and that we’re likely to peak our numbers at around 9.5 billion people by 2080. Whatever the correct figure is, there’s near universal agreement among those best qualified to study these things that our currently expanding world population will continue expanding for at least another 55 to 60 years. Ditto for America. Again, this makes me sad—I want to see the population begin declining now (peacefully, of course). Unfortunately, it looks like I won’t get what I want. But this still begs the question: why the panic over population decline when our numbers will continue swelling for decades to come?

If only it were true—population decline is desirable, attainable, and it would be unquestionably beneficial. Yes, there would be disruptions, and I’ve written about those, but the benefits would far outweigh the burdens. Economies could still expand but with population decline more benefits would accrue to fewer people, which means greater per-capital wealth. Meanwhile, the cost of living would stay frozen or even fall. Individuals and families would grow richer while the world they live in would become more affordable. Future livelihoods would become more certain and secure. Pressure on the natural world would ease up, and our seemingly intractable environmental problems would be easier to solve. And that’s just a small list of the upsides of population decline.

The authors of books like the ones I’ve mentioned are really concerned about birth rate declines. They see the global birth dearth as a problem that must be tackled, and they may believe that you can’t mobilize the forces necessary to arrest the decline in births unless you frame it as an existential crisis. And this opinion that the birth dearth is a problem (an opinion I strongly disagree with) is so widely held that it’s stated as fact in our mass media. Thus, a reporter’s line in a very recent news article on how “experts are split over how to address this problem,” asserting that the falling birth rates trend is indeed a “problem” that must be addressed by government intervention.³

Many governments are now experimenting with pronatalist policies (I wrote about them at length in the first part of this two-part series). These policies have

failed. The pronatalist agenda will continue to fail. But a lot of people will be pressing for governments to continue experimenting with them. None of these measures will work. Yet, strictly from the standpoint of family welfare, this isn’t necessarily bad news.

In the US, the federal government may expand the child tax credit to encourage more births. And though I’m not holding my breath, Congress may even pass pro-family policies like mandatory and generous paid maternal and paternal leave. Perhaps US lawmakers will explore ways to dramatically lower the cost of housing or even finally tackle the massive student debt problem, two huge drags on family formation. Other countries could adopt new strategies or double down on existing pro-birth government policies. Perhaps there will be generous subsidies for childcare expenses, or laws that force companies to re-hire mothers at the same rate of pay they had when taking maternal leave. Sure, why not? The government’s role is to make life easier for citizens, so if it takes aggressive action to make life easier for families, then great.

Of course, some governments will try other equally ineffective but more punitive measures: abortion bans, restrictions on contraception access, perhaps even outlawing sex education in schools. I’m firmly opposed to these kinds of poorly thought-out and immoral policies, and they anyway won’t work either.

But there’s a better way: policies that aren’t pronatalist but rather *pro-aging*.

First, let’s tear down the main argument in support of pronatalist government policies.

THE REASON WHY PRONATALIST POLICIES WILL SIMPLY NEVER WORK

The most expensive “solution” that isn’t one at all goes as follows: As birth rates decline, societies age, and this elderly population becomes a burden on the nation-state and the productive workers in it. Thus, we’re told, we need more babies to create new workers to pay for the increasing population of elderly dependents. The taxes paid by the labor of young workers pay for government programs, such as Medicare, that care for the elderly. Thus, more babies mean more workers and more tax receipts to pay for said programs. Sounds convincing, right?

Except this is all wrong. It’s backward thinking. Why? Two quotes published in a 2024 article in *The Guardian* spell it out perfectly.

“The cost of raising children is much higher than the cost of looking after old people,” University of Queensland Professor John Quiggin told the reporter.⁴ Another very sensible person quoted in that article, Sandra Kanck of Sustainable Population Australia, put it the same way: “The cost of raising a child is way more than the cost of putting someone in aged care.”⁵

Bingo.

Do you want to know why boosting the birth rate isn't a solution to an aging society, especially in the US? Because you can't save a dollar by spending ten.

Giving birth to a child in the United States can cost anywhere from \$18,000 to \$30,000, and much more if there are complications. Even with insurance, parents can expect the delivery of their child to run them \$3,000 or more.⁶ The host of the YouTube channel *Second Thought* recently showed his audience how the single day at the hospital he and his wife spent delivering their daughter cost them \$6,000 *after* insurance coverage. And these are likely conservative estimates—healthcare costs in the US keep rising, and costs vary wildly between cities and states. Either way, it's safe to say that pregnancy, prenatal care, childbirth, and postpartum care are incredibly expensive in America as are all types of healthcare services, way more expensive than what they would cost in almost every other country. Thousands upon thousands of dollars just to bring a new child into the world.

Now you must raise that child. How much might that cost?

Last year, the United States Department of Labor reported that childcare in America costs families \$6,500 to \$15,600 per year.⁷ So, if you're lucky, you'll only have to spend \$540 per month on childcare costs, but at the high end, you'll end up paying about \$1,300 per month. I've heard it's common for families to spend \$1,500 per month per child on daycare in the biggest US cities. When does a child enter first grade in the US? At age six? We'll put that child in a public school and assume taxes will cover most of that expense. That amounts to a cost of \$90,000 for the first five years or so of that child's life before he or she enters grade 1, not including clothes, toys, accessories like cribs and strollers, plus medical expenses that young children incur. Add in the cost of childbirth in a hospital and we could be spending close to \$100,000 to get us a six-year-old. And the child is only barely beginning to learn how to read and write.

Even if one of the parents stays at home to take care of the child and the couple forgoes daycare, there's still the opportunity cost, the expense of not having one parent working and earning income. The lucky few can work from home and raise a child or children at the same time. I know they exist, but I have yet to meet someone in that situation.

Now, consider the grade school years. What might that run a couple financially? We can keep the child in public school for now, but property taxes are leaned on in the US to pay for K-12 public education. Thus, parents end up paying indirectly if they're lucky enough to own a home, an increasingly vanishing prospect for young couples trying to start a family in the USA.

According to data issued by the Urban Institute, government spending on a single child runs upwards of \$17,000 per year on average. That's property taxes at work. To make things simple, let's assume that the average annual cost remains the same for a child from the first grade all through the senior year of high school, so from

age 6 to 18. That comes to \$204,000 in total—the cost of educating a child in the US in the US public school system, which we all know is hardly the world's best. If the mother and father choose private schools, they will have to foot that entire bill and then some. So, we're already looking at something close to \$300,000 (\$90,000 paid entirely by the parents for pre-K care and other expenses, plus at least \$204,000 in tax-funded public education) to raise an American from birth to high school graduation.

Assuming a bill of \$17,660 per year per child spent by all levels of government, "at that rate," University of Maryland sociology professor Philip Cohen wrote last November in *The Hill*, "if we somehow devised a policy to increase birth rates for one year by 10 percent, it would cost some \$115 billion to raise those additional 360,000 children up to age 18."⁸

\$115 billion in additional spending for one year to achieve a single-year 10% increase in the birth rate, bringing 360,000 new future workers into existence all so they can help pay for our social programs for the elderly *18 years later*.

This is what proponents of pronatalist government policy are calling for, only their plans for the US are even more preposterous. Boosting America's total fertility rate (TFR) from around 1.62 where it stands today to the magic replacement rate of 2.1 requires expanding the nation's TFR *by about 30%*. This suggests the US government might have to boost public spending on American children by at least \$250 billion or perhaps even as much as \$300 billion per year to achieve and maintain that magic 2.1 TFR figure. This isn't impossible, I suppose, but that's about a quarter to a third of the US defense budget, so I think it's safe to say this investment is highly unlikely.

Some say it's impossible.

"There is no case of a country falling to low fertility (below 1.5 births per woman) and then rising back to replacement levels," Cohen said. "It has never happened. Any suggestion we can accomplish that goal remains speculative."⁹ And, all this spending only covers the kids' education. Healthcare insurance premiums will go up for the families, of course. Then there are clothes, toys, electronic gadgets as the kids grow older, after-school programs, summer camps, sports, etc., etc. I suppose they'll have to eat at some point, too.

The numbers I'm giving you above may all be gross overestimates, or I could be undercounting. In a 2023 article by the Institute for Family Studies, author Kendra Holten reports how some studies estimate the average cost of raising a child in the US from birth to age 18 lies somewhere between \$234,000 to \$431,000. She suggests a figure of \$310,000 per child is likely closer to the true average figure.¹⁰

To be fair, not everyone is going to end up shelling out that kind of money on raising their kids. Many families forgo daycare, relying on relatives or stay-at-home dads or moms. Lots of children are home-schooled. Families are rather good at saving money, too, buying second-hand

clothing and goods, or passing hand-me-downs to younger children. But I don't think there's a parent anywhere in America who will argue that raising a kid in this country is cheap, especially when we consider the huge medical expenses that children can and will incur while growing up. Then there are college or trade schools—but we'll just set all that off to the side.

When people, like the experts quoted above, say raising a child is far more expensive than caring for an elderly person they mean when considering the larger picture. And they're right.

From age 18 or 22 to retirement, an elderly individual has spent decades of a productive life paying taxes into a system designed to ultimately care for him or her. From birth to age 18, most American kids haven't paid a single cent into any such system unless they had a part-time after-school job, but even then, their contribution would be mediocre. And as expensive, stupid, and cruel as the US healthcare system is, care for an elderly person in the final weeks of that individual's life will only add up to \$300,000 or more in very rare cases (though many elderly people will require long-term care as their mental faculties deteriorate due to Alzheimer's or dementia). Even if end-of-life care costs close to that amount, there are still decades of tax receipts that person contributed to lean on in those difficult final days. If a child becomes deathly ill, something that does unfortunately happen, the burden is 100% on others as there's no way that a minor could've contributed enough in taxes or insurance premiums to help pay for that care.

People who argue that we need more babies to take care of elderly dependents conveniently forget that babies and children are dependents, too. Arguably, they're much more dependent than our senior citizens. Workers will have to take care of them, as well, and this new generation of children will inevitably become 85 or older themselves, thus requiring care. What then? Will we give birth to another mass bubble of children to ensure they come to outnumber this newer generation of elderly? This math will never work; we can't keep adding babies to the mix in a desperate attempt to keep the worker-to-retiree ratio at 3-to-1 or even 2-to-1, let alone 5-to-1 or 7-to-1. This pyramid can't keep expanding wider and wider at its base to infinity. Infinite mass immigration can't make this math work, either.

We can't take care of one cohort of dependents by creating a younger, even larger cohort of dependents. Babies are completely helpless. Children don't fare much better. They can't attend to their own needs for shelter, food, or clothing (this isn't Lord of the Flies, after all). When they get sick, there are no savings or tax receipts those kids created that can help us afford their care. In contrast, the elderly have homes, cars, savings, and many times jobs and even independent businesses. They also have decades of faithfully paying taxes and insurance premiums, counting on some of that money to come back around to assist them in their times of need.

Considering the bigger picture, it's obvious that

raising children costs far more than caring for the old, even at the end of their lives. America is an extreme case in terms of medical costs, but the same holds for all countries. It simply costs far too much to raise a child, thus collapsing birth rates everywhere.

"The odds are you'll be in reasonable shape until about six months before you die, at which point you'll need about the same care as a baby," Queensland University economist John Quiggin told a reporter with *The Guardian*. "So, raising a baby to look after an old person makes no sense."¹¹

Yes, the cost of caring for a growing cohort of elderly citizens strains society and government budgets. Inspiring a second baby boom to counter it would be a far more expensive headache, especially in America in our reality of hyper-expensive housing, outrageously expensive education, and mind-numbingly, eye-wateringly expensive healthcare. This "solution" isn't any solution at all; it's a cure that's worse than the disease.

We can't relieve ourselves of the mounting burden of eldercare by shouldering ourselves with a massive new, even more expensive burden in the hopes that the second burden will somehow help us carry the weight of the first 18 years in the future. It's like I said: You cannot save a dollar by spending ten.

THE TREADMILL

But let's play devil's advocate. Suppose pronatalist government policies do succeed at some point and many new babies are born. Population growth again is assured, and a nation grows in number and stature. What happens next? The exact same thing that is happening now.

As the numbers of people swell, the cities become crowded yet again. The cost of living rises and rises again. The competition for lucrative sources of income becomes exacerbated yet again. Young couples feel the strain and stress of all this uncertainty again. They fear the future and their ability to keep themselves from living off the streets, never mind their ability to care for new life. As a result, they forgo traditional family formation and childbirth, and the birth rates drop *again*. It's inevitable. It's inescapable.

Any success with boosting birth rates (if success is even possible) would be temporary. We live on a finite planet with only so much ideal living space and resources. If pronatalist governments are successful, the ensuing sustained increases in birth rates would lead to more population growth. This additional population would mainly concentrate in urban spaces. Crowding would result, and we know from multiple studies that higher human population densities lead to lower average birth rates. Densely crowded cities are expensive and hyper-competitive. This stresses couples to the breaking point, and stressed couples respond to this anxiety, lack of job security, and lack of confidence in the future by having fewer or no babies to further burden themselves with. Any success that any government may have with boosting birth rates in the present would inevitably lead us right back to the same situation we find ourselves in now, only years

later: a crowded planet filled with crowded, expensive cities experiencing declining birth rates, a natural process that will continue until the population declines (a process that will take a long time if people already alive are still flocking to these cities, keeping their populations elevated even as births decline).

Our current birth dearth in America and everywhere else in the world must be accepted and embraced. Attempts to stop it will only lead to worse outcomes later down the road.

Meanwhile, please remember that the new workers arising from any second baby boom will eventually become elderly dependents themselves. Then what? A third baby boom? Didn't the first baby boom create the very problem we're now trying to solve? Doesn't this seem like a kind of treadmill to nowhere? Well, let's get off now while we still can.

Governments facing aging societies don't need schemes designed to encourage their citizens to have more babies for those governments' benefits. They need strategies designed to help their existing citizens live happier, healthier lives as they grow older.

They need pro-aging policies.

THE RIGHT STUFF: PRO-AGING POLICIES

America doesn't need more babies. It doesn't need incentives to encourage more births. They won't work anyway. What the country needs are pro-aging policies. What are those? Well, here's something I said in the very first book I published:

“Let's stop thinking of the elderly as useless parasites and instead imagine ways that they can be empowered to contribute to the greater social welfare.”

Pro-aging policies are anything that empowers older people to be productive, contributing members of society coupled with strategies to prepare for the days when they simply cannot function anymore due to physical or mental impairment. But first, we all need a massive attitude adjustment.

The fear of the birth dearth is rooted in a false belief that old people are useless and require too much assistance. It's the last acceptable bias: age discrimination, or ageism.

“The negative stereotypes that fuel ageism often get aging all wrong,” said Kirsten Weir, writing for the American Psychological Association. Among the stereotypes she tackles in a recent essay she penned is that older people are always physically and mentally lacking. “While it is true that the risk of some chronic diseases and dementia increases with age,” she notes, “most older adults maintain quite good health and cognitive functioning.”¹²

Weir doesn't sugarcoat getting older. She acknowledges that aging is associated with higher risks to mental and physical health. But she presents convincing evidence that shows the vagaries of old age are often

dangerously exaggerated and why not everyone is condemned to a miserable fate after age 75 or even 85.

She cites studies that show artists and musicians often produce their best work in their later years, shattering the myth that older people aren't creative. There's research revealing how older people may be better at focusing their attention and getting past distractions—in other words, the old may have issues with memory but attention deficit disorder overwhelmingly afflicts the young. There's also evidence that emotional intelligence in humans improves as we get older, and emotional intelligence is a critical piece of overall intelligence and cognition. This may help to explain why older people report higher levels of happiness and satisfaction with life than all those moody, sullen youngsters. “As people age, they tend to become more agreeable and more conscientious,” Weir wrote. “Older adults also tend to be better at regulating their emotions.”¹³

Pro-aging policies will improve life for everyone. This could mean rules that make it easier for workers to postpone retirement and work longer should they so choose, strong anti-age discrimination laws, and flexible incentives for those drawing on retirement savings to supplement incomes with part-time work. Perhaps even incentives to encourage healthier, more active lifestyles for adults of all ages, but especially for those older than 60. They are exercises in enlightened self-interest; we'll all benefit if we're lucky enough to live as long as our elders.

We can design our cities and economy to foster a healthier populace. American cities are designed for cars, not people. We sit for extended periods either in traffic or at the office. Multiple studies show this sedentary way of life isn't healthy. The US government could help here by massively investing in efficient, reliable public transportation, encouraging more walking and biking as a result. This would be expensive up front, but riders pay to use public transit, and public transportation can even be profitable if designed correctly. This would get us out of our cars. With routine, daily exercise, we should see Americans' mobility improve while technologies can still be put in place to ensure people with mobility issues can get around.

Something about American commerce encourages poor diets. Does the government have the right to intervene in some way here? If taxes are used to pay for healthcare in any way, then the answer is unequivocally “Yes.” We don't need to ban food that's bad for you (even I would join the picket lines if the government tried this), but perhaps there are ways to introduce tax reforms or other incentives to steer people toward healthier foods.

Get people moving more and eating better, and they'll be healthier in youth and old age. But they will still get old. How do we pay for them when they do? In many cases, aging people can and will take care of themselves for years. We'll come to recognize this the day we ultimately destroy ageism and age-related discrimination of all kinds.

Recall how I argued that old people are far more productive than children, at least before their health begins

to seriously fail them just before death. This should be obvious. We need to look no further than our geriatric Congress to see how people can continue to lead productive working lives into their 80s and even longer. Last year, Donald Trump became the oldest person ever elected and inaugurated president of the USA at age 78. He'll be 82 years old when he leaves office. It's quite common for tenured college professors to continue teaching and researching deep into their golden years, and the students benefit from their wisdom and experience. Smart companies often rely on elderly experts as consultants on projects that require many years of experience, like nuclear energy or aerospace engineering. Older people can be walking encyclopedias of knowledge and experience, and the public and private sectors have long ago figured out how to tap this well; or they should have by now.

We see the same evidence of the potential vitality and productivity of older adults in the private sector. We see them working in restaurants, hotels, hospitals, offices, and in a host of other work situations. Too many are still working probably because they must, but for millions of others, it's a free choice, including for a fellow faculty member I work with who's now 74 and showing no signs of slowing down. Millions of older Americans even choose to work for free. According to the US Bureau of Labor Statistics, the 65-and-older age bracket boasts the highest rates of volunteerism.

Maybe our Social Security system can be tweaked to better reward people who make the choice to continue working or volunteer. Or perhaps we can implement tax incentives for people to only partially draw on Social Security while they work part-time, should they choose to do so. People far smarter than I could figure this out.

What are pro-aging policies? Here's a short list of some ideas that come to my mind. Perhaps you have other, better ideas.

Ban age discrimination. Young adults need jobs and opportunities, no question, but if an aging adult wants to and can continue to work, then that should be a free choice. In some countries, companies and public agencies have mandatory retirement ages. These should be illegal for all but a select set of careers (first responders, for instance).

Lean on automation and technology to enhance the productivity of older workers. In other words, foster innovations that allow older workers to be empowered to contribute to the greater social welfare.

Encourage healthier living and aging. Maybe put in place incentives that encourage developers to build mixed-use, walkable cities, while the government spends big on public transit and not the military.

Public pension reforms. We can buy time by slightly raising retirement ages. They've already done this for Social Security, and believe me, it was quietly done—I don't ever recall it being announced on the news. It's now 67 for anyone born in or after 1960, and it will perhaps inevitably creep up to 70.

Massive reforms to the healthcare system in the United States. This is the critical piece. Aging is feared in the US partly because we have the world's most expensive, least efficient, and least effective healthcare system. We're stuck between two cartels: hospitals and care centers allowed to charge whatever make-believe prices they like, and an insurance industry that has learned it's more profitable to simply use these high prices as an excuse to charge sky-high premiums and then deny coverage when claims come in. America needs a single-payer system and some other ways to get costs way under control. Otherwise, there's no question that societal aging will break the economy's back, but it won't be older Americans' fault—the blame would fall squarely on the healthcare industry and the government's complicity with this evil.

And, voilà: pro-aging policies in a nutshell. And this is just a short list from a non-expert. Imagine the fantastic solutions the professionals could come up with, if only we could divert government attention away from the losing cause of pronatalism.

LOOK EAST

Since I used to live there, I lean on the example of Japan a lot in my writing. I'll do so again here, because Japan may be leading the way in pro-aging strategies.

This isn't an apples-to-apples comparison per se. Japan has about 122 million people compared to at least 335 million in the US. Only about 3% of Japan's population is foreign-born, and that's a record high. In the US, over 14% of the population is foreign-born due to extremely high levels of immigration. The foreign-born population in the US is about triple what it was in 1970. But it's still valuable to use Japan's experience as an example of the right ways for governments to cope with these demographic changes.

As my readers are already fully aware, Japan is an aging society with a declining population. Despite this, Japan's economy is still expanding (albeit modestly), its electricity consumption has increased as its manufacturing has grown more automated and advanced, and Japan remains a competitive force to be reckoned with in global trade, the only developed nation that enjoys a balanced trading relationship with China. Rural areas of Japan are suffering from population declines—there's no denying this. But that nation as a whole is doing quite well. There may be solutions to the crisis in rural Japan, but the Land of the Rising Sun is hardly on the verge of extinction.

Japan's central government is alarmed at the falling birth rate and the decline in population size, but it should do more to crow about how it's managing the expanding numbers of elderly folks. Mindful that Japanese people live longer than pretty much any other nationality on Earth, the government in Tokyo is pushing retirement ages higher and gradually encouraging a shift in societal attitudes that welcomes older workers. They've got a long way to go, but they've been making progress.

A friend and former work colleague of mine used to dread his company's approaching "teinen," the age at

which he would've been required to retire. For some companies, the teinen used to be as low as 60. Such rules ought to be illegal, especially in a country where it's quite common for even men to live into their 90s. Japan has been slow in this regard, but change is finally coming.

New laws now make it illegal for companies to force employees to retire at age 60 or younger. Some loopholes exist, but those are supposed to be closed completely as of this spring. Employers that had set the retirement age at 60 either must raise it, allow employees to continue working past the internal "official" retirement age without penalty, or abolish it altogether. Other provisions encourage companies to allow employees to continue working until age 70. Japan's Ministry of Health, Labor, and Welfare figured that most companies in Japan had already made these changes by 2023, anticipating the forthcoming changes to government policy.¹⁴

That's just one example. Perhaps realizing that boosting the national birth rate is a lost cause, Japan is now moving in the direction of pro-aging policies, albeit gradually and with quintessential Japanese bureaucratic slowness. Society is following.

About 64% of companies in Japan have adopted reemployment systems where employees "retire" but are then "rehired" under a different category, usually at lower pay but with lighter responsibilities.¹⁵ Or they're rehired on a part-time basis. The private university I used to teach at in Japan did this. They employed professors up to age 70. Instructors older than this were officially kicked off the faculty but allowed to stay on as quasi-full-time adjuncts, if they so chose. The government is encouraging these kinds of flexible arrangements for older workers because the more they are working, the less they'll draw from the government's retirement insurance system while continuing to contribute to that same system through the taxes they pay.

They need to go farther, but the Japanese are moving in the right direction. There is clear momentum to normalize work after 65 and make retirement at age 70 common. And many companies are recruiting employees older than 70 to help fill staff shortages.

Japan has also introduced a non-mandatory national pension system to complement the mandatory one. NISA (for Nippon Individual Savings Account) sort of works like a government-administered 401K—workers are enticed to set aside more of their money to conservative investment vehicles that will either earn interest over time or grow in value through market investments. These investment accounts are tax-free; thus, NISA is quickly gaining popularity.¹⁶ Meanwhile, Japanese authorities are constantly tweaking and experimenting with pensions and retirement systems in a bid to keep them solvent.

Healthcare for the elderly is also holding up in Japan. There are problems, of course, but they pale in comparison to America's healthcare nightmare.

For starters, care is far, far more affordable in Japan. Also, everyone is covered. When I was employed there as

a professor, my health insurance was handled through a co-op put together by an association of small colleges and universities. It was a private, nonprofit health insurance co-operative that my employer and I both contributed to, taking some burden off the state. When I worked as a freelancer, I was on the government's health insurance system. It was a means-tested scheme that cost more per month as one's income increased.

There's no such thing as medical bankruptcy in Japan. You can visit a hospital or clinic without an appointment—no need for the emergency room. The system is designed to cover everyone as efficiently and cost-effectively as possible. And the care is great. I had a wisdom tooth pulled for a fraction of what it would've cost me in America even with insurance, and my dentist was excellent.

Much of the healthcare system in Japan is also community-based, community-focused, and preventative. My employer required that I get an annual health check. I could either do it myself (which I usually did) or they took care of it and paid for it. When I was freelancing, the city I was living in organized their own neighborhood-level annual health checks that were entirely voluntary but cost next to nothing. My wife and I always took advantage. In America, we're terrified of going to the doctor for any reason until it's too late. We know that we'll either face an atrocious bill for services rendered, or we'll be fighting the insurance company for a year or longer.

Arguably Japan's greatest innovation is its Long-Term Care Insurance system.

Launched in 2000, paying into LTCI is mandatory but payments don't start until a worker hits 40. LTCI is designed specifically to cover adults 65 years of age or older who suffer from chronic, age-related disabilities. There's a co-pay involved, but patients can freely choose their care managers and service providers. And it's run at the city level. It covers care in-home, at institutions, and for community-based programs that attend to the needs of the local aging population.¹⁷

Barely 25 years old, Japan's LTCI system is regarded as a success story. There's no good reason why we can't emulate their example. America has a confusing mess of a patchwork of public and private systems designed to somewhat do what LTCI does. Our main issue in the States is the outrageous costs. Until this problem is brought under control, I don't see how we'll achieve Japan's level of success as our demographic pyramid becomes increasingly top-heavy with people 65 years old and older.

Japan is but one example. I'm sure there are dozens of other examples of pro-aging policies and healthcare innovations from several countries that we can learn from. Other nations are much farther ahead in this inevitable yet ultimately wonderful demographic transition. We can use their experiences to determine what works great, what doesn't work so well, and how even the best pro-aging policies can be tweaked to make them better.

Again, this is just enlightened self-interest. We all grow old if we're lucky. The systems we put in place to

make life better for the elderly today will make our lives better tomorrow. Why wouldn't we want that?

EMBRACING THE BIRTH DEARTH

People in almost every country are having fewer children than they did in past generations. We're seeing this in the United States, as well. Some say it's a crisis. I say it's the best news for our environment and economy that we've had in a long time.

Nothing grows forever. Our global economy is unsustainable, and our environment is under enormous pressure. Life is expensive and uncertain. In many ways, we're living far better than our ancestors, but with each passing year our extreme population numbers make living in our crowded environments more difficult and the future less clear. This is what's driving birth rates lower. The birth dearth is the clearest sign to ever emerge that the human population is too large and desperately needs to be smaller. Governments pushing for more births are putting forth policies that will make this situation worse.

The right approach is to focus efforts that embrace fewer births, better aging, and inevitable population decline. This could be achieved by encouraging and even celebrating families of just two children or fewer, removing barriers to seniors working and earning incomes, reconsidering birthright citizenship to the extent the law permits, and adopting far lower, more sustainable levels of immigration that will see real holes in the workforce plugged while allowing for population decline.

Let's go for the right stuff. If we're going to spend public money on addressing demographic changes, spend it on healthier aging and better healthcare. Don't waste government funds on baby-making schemes that will never work.

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NOTE: The views expressed in this article are those of the author and do not necessarily represent the views of NPG, Inc.



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