



Opportunities and Risks in the Era of Population Aging

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Abstract. At present, the degree of Chinese population aging is further deepened, which has a huge impact on individuals, families and society. This paper discusses the influence of population aging on economy, society and family from the aspects of industrial structure adjustment, family anti-risk ability decline and change of savings and investment mode. Through analysis, it is found that population aging will decrease the number of labour force and change people's demand for different products, thus promoting the industrial structural adjustment. For families, the increase in the overall dependency ratio increases the family burden, reduces the family's ability to resist risks, and further affects social stability. In addition, the elderly population tends to save, but the young labor force will reduce savings due to the heavy economic burden, and the social savings structure will change greatly. In general, the aging of the population brings opportunities and challenges. China should improve the old-age insurance expenditure system as soon as possible, introduce welfare subsidy policies, improve education levels, and inject new vitality into economic development.

Keywords : population aging ; risk ; opportunity ; policy recommendations

1 Introduction

Population aging refers to the decline in fertility and the extension of life expectancy, resulting in a decrease in the young population and an increase in the proportion of the elderly in the total population, resulting in a dynamic growth in the proportion of the elderly population. According to the seventh national census data in 2022, the proportion of elderly people over 60 in China's total population is over 18 percent, an

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increase of 5.45 percentage points over the sixth census data. According to the standards proposed by the United Nations, more than 10 percent means the country or region is aging. The birth rate began to decline gradually from 1988, and by 2022, the birth rate had fallen to about 12 %, the lowest in nearly five decades. As China's aging population grows, it will face pressure of balanced development over the long term. The aging of the population severely restricts the supply of labor and economic growth, reducing the population and causing increasingly serious socio-economic problems.

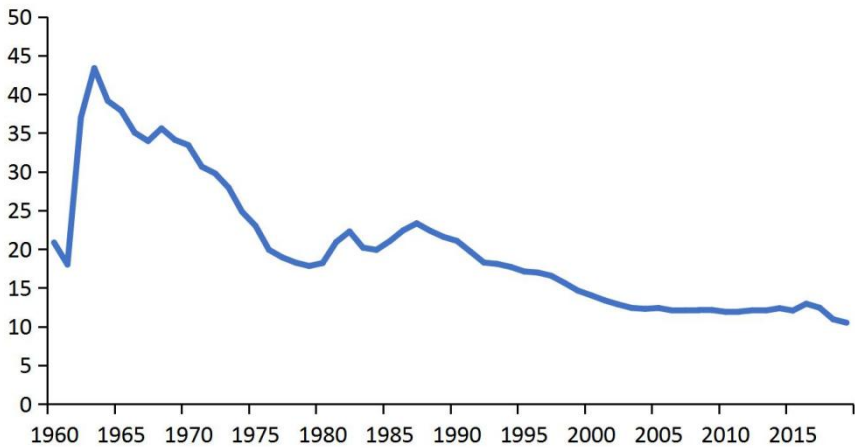


Fig. 1. : China's birth rate (unit : ‰ , Source : World Bank)

Population aging can reversely stimulate the accelerated transformation of production technology while causing a reduction in labor. At the same time, it will also change the market demand and upgrade the industrial structure. On the household side, population aging will increase the dependency ratio, that is, the ratio of the number of non-working age people to the number of working age people in the total population, causing the focus of dependency to shift from children to the elderly population. According to the investigation and research, one of the important reasons for the low fertility desire of young people in China is that the high cost of raising the elderly leads to the decrease of the net income of raising children, which is linked to falling fertility rates and a rapid decline in the proportion of young people who have a desire to reproduce.

Conducted on the overall influence of population aging on China's economy, many scholars have done relevant research on the relationship where aging is linked to

savings and investment. The investigations show that increasing aging ratio will contribute to a decline in the social savings ratio [1 ~ 3].Specifically, population aging will change the inherent patterns and structures such as savings deposits [4]. This is mainly due to the social problems coming from the population aging, such as the decrease of labor force and the increase of the number of consumer groups such as the elderly and young children, which increase the survival pressure of the working population, so that they have to change the inherent patterns and structures such as savings deposits to guarantee daily expenses [5].Masanao Aoki and Hiroshi Yoshikawa believe that technological progress is marked by innovation that can create demand. The emergence of aging makes the demand for trend products in the current market saturated or even declining, resulting in the return on investment of related industries cannot be guaranteed. At the same time, a decline in the proportion of youth may reduce the demand and motivation for radical product innovation, further reducing the rate of invention of new products and the frequency of new production cycles[6].These two aspects will lead to the lack of favorable investment opportunities and the weakening of innovation motivation.

Combining existing research and gaps, this paper will analyze and discuss the opportunities and challenges brought by population aging, such as industrial restructuring, the decline of family anti-risk ability, the change of savings and investment mode, and put forward targeted suggestions for related problems, in order to provide reliable ideas and effective paths for the formulation of policy response programs suitable for China 's national conditions.

2 Opportunities and Risks in the Era of Population Aging

2.1 Industrial Structure Adjustment

An aging population reduces the total labor force and correspondingly forces labor productivity to rise. As the economy grows and production technology advances, artificial intelligence gradually begins to replace the reduced workforce and even begins to squeeze out the existing manual workforce, and the way companies are organized is further improved.The focus of today 's society has shifted from quantity to efficiency.Besides, An aging population is closely corresponded to a declining birth rate. Lower birth rates ease the burden of raising children and increase the amount of money families spend on their children's education, is conducive to the cultivation of

talents and the improvement of cultural level, and promotes the development of science and technology to a certain extent.

Some scholars also hold a view that the gradual aging of the labor force will lead to a relatively low level of human capital, hinder technological innovation, increase labor costs, reduce labor productivity, and is not benefit to high-quality economic improvement [7].The aging of workers makes their ability to learn new knowledge and skills become worse, and they cannot adapt well to changes in social forms such as work changes and industrial development, which ultimately affects the intelligence and advancement of industrial structure[8].

From a demand point of view. The change of consumption structure is caused by the following factors. First, the difference in consumption levels between the elderly and youth brings about changes. Secondly, the improvement of China's social security system has increasingly improved the consumption power of the elderly. In the age of population aging, the proportion of aging population is increasing yearly. Accordingly, the proportion of consumption of middle-aged and elderly people will be higher and higher, and the proportion of young children is likely to decline, which will lead to the continuous reduction of the market scale of infants and young children in China, stimulate medical care, pension, health care and other related industries and facilities oriented to serve the elderly and satisfy the special needs of them, and then stimulate the development of new ' silver industry ' of daily necessities and community services. Meanwhile, the consumption patterns and consumption tendencies of the elderly population are very different from those of other age groups. They have less demand, but higher requirements for safety and cost performance, and promote industrial restructuring from specific industrial layout and development strategies.

2.2 The Family 's Ability to Resist Risks Decreased

Population aging and family planning mean a reduction in the labor force and a rise in the dependency ratio of the labor force on the family. At present, many families present a ' four-two-one ' family model, which leads to the increase of the dependency coefficient and an increase of the family economic burden, which has a further inhibitory effect on the fertility intention..At the same time, the reduction of family size will reduce the anti-risk ability of family-based groups, and then weaken the stability of family structure and even the whole society[9].Due to the rise in the

population who need to be raised by the unit labor force, the economic level of the family is also relatively higher, and the main labor force is small, which will lead to poor family anti-risk ability and more prone to poverty and weakness.

The reduction of labor force will also lead to the lack of daily life care ability at the family level in China, and the function of family pension is gradually weakening, which is a huge impact on the traditional family-based pension model. The government needs to spend more on the issue of old-age care for the elderly, so as to ensure that the elderly can rely on them. Specifically, the rise in the old-age dependency ratio will further promote the government 's expenditure on pension insurance. However, strong welfare rigidity will reduce the long-term economic growth trend and family utility [10], seriously hindering economic development. At the same time, high child-rearing ratio and high old-age dependency ratio will inhibit consumption [11]. With the decline of birth rate, many families choose to raise only one child. These only children have some obvious characteristics different from the previous children, such as self-centered and lack of cooperation consciousness, which is a great impact on the social atmosphere and affects the social and economic development to a certain extent. For them, just take care of themselves, the lack of experience to take care of younger brothers and sisters, at any time put personal interests first. Due to the lack of mutual humility and encouragement experience, these children have certain deficiencies in their sense of cooperation. It is difficult for them to integrate into the collective in school and society, and they lack the concept of the overall situation, which affects their working status and psychological status, and may even become unstable elements in society.

2.3 Changes in Savings Investment Model

Savings are to cope with the risks that may arise in the future. People maintain their spending in old age through savings, which is equivalent to an investment in young age. The population aging has promoted the emergence of old-age insurance for the elderly, while old-age insurance has reduced the risk of future income fluctuation to a certain extent, reduced future risks, and has a certain substitution relationship with savings, thereby reducing savings and promoting consumption. Based on the overall influence of population aging on the economy, many scholars have studied the relationship where aging is linked to savings and investment. Some scholars have a perspective that China's aging population will reduce the level of savings and

investment, and meanwhile restrain the growth rate of savings, which is not benefit to economic growth. And the results of many scholars show that the intensification of social aging will cause a decline in the level of social savings. Specifically, population aging will not only change the age structure of the population, but also change the inherent structure and patterns of savings deposits[12].

In the long run, with the deepening of the aging of the population, it will certainly lead to the reduction of the number of participating labor force and the decline of marginal labor productivity, while the increase in the number of social pure consumption population will cause the gradual increase of social pressure and survival pressure of the working population. It is necessary to change the savings structure to pay for daily expenses [13 ~ 14]. It will also shift expenditure to the elderly, further reduce the input of human capital, and have a crowding-out effect. At the same time, the elderly 's willingness to consume is not strong, and they are more willing to save, resulting in a rise in the savings rate, which is contrary to the change of young people 's savings.

3 Conclusions and Recommendations

This paper focuses on the influence of population aging on China 's social development. And finally it found that the China's degree of aging is gradually deepening. The main reason is that the fertility rate is too low, which has a certain impact on China 's economy, society and family. The population aging has promoted the accelerated transformation of production technology to a certain extent, and objectively increased savings. However, it increases the overall dependency ratio of the family, weakens the stability of the family, brings a greater burden to the labor force, and further leads to a lower birth rate.

Therefore, the government should actively introduce welfare subsidy policies to reduce the cost of giving birth to children. Challenges and opportunities coexist. At present, China has pushed back the retirement age, but it is not a long-term solution. China should improve education level and cultivate talents. The government encourages families to give birth, rewards families for giving birth, and creates a good atmosphere. The burden of labor is increased, the cost of raising is increased, and the pressure on young people, especially the only child, will be greater. The society should pay attention to the mental health of adolescents, and jointly create an

inclusive atmosphere for their healthy growth. Vigorously develop the insurance industry, add security to family stability, and reduce the worries of the labor force.

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