

Adjusting to the Challenges of Changing Demographics: A National and Educational Priority

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Abstract

Many Western countries have ageing populations, and major policy shifts will be necessary to deal with them. Bermuda is no different in this regard and is likely to reach a major milestone in 2017, when the population of seniors is expected to overtake the youth population. The island is likely to experience school closures and increases in taxation. Further, the ageing and decreasing population will also affect college recruitment. Colleges will have to find creative ways to attract and retain students. This is especially true for male students, who tend to be under-represented on college campuses. The article also explores some of the other challenges associated with changing population trends.

KEY WORDS: Ageing, Bermuda College, dependency ratio, gender relations, tertiary education

Introduction

The ageing population is not a new phenomenon. Many Western countries have been dealing with this challenge for years. Improved medical technology and a greater emphasis on living healthier lifestyles have, among other things, contributed to people living longer. And these changes have begun to have an impact on the largest age cohort in recent times – the baby boomers. This cohort comprises those born between 1946 and 1964 (Pew Research Centre 2015) after the Second World War (1939-1945). In 2015, that cohort ranged from the ages of 51 to 69 and accounted for 17,100 or 28 per cent of Bermuda's population. By 2020 this number will have increased to an anticipated 17,800 in 2020 and will account for 29 per cent of the population. If one were to add the remainder of the senior population, one would get a very clear picture of the demographic shifts that are rapidly taking place.

What is indeed clear about this phenomenon is that by 2030, all of the baby boomers will be eligible for official retirement, unless the retirement age is raised, as they will be over 65. Just as sobering is the fact that as we get closer and closer to 2030, more and more workers will be leaving the workforce, and, due to the declining birth rate, they will not be easily replaced. The implications are far-reaching. In a public forum hosted by the college in April 2015, the author outlined those implications as follows:

- Declining school enrolment, leading to school closures
- A need to increase services for seniors
- A reduced working population, necessitating a need to increase taxes or find new ones
- A need to increase jobs, from newer industries
- Inability of pension funds to meet obligations (SAGE Commission 2013)
- Increasing healthcare costs

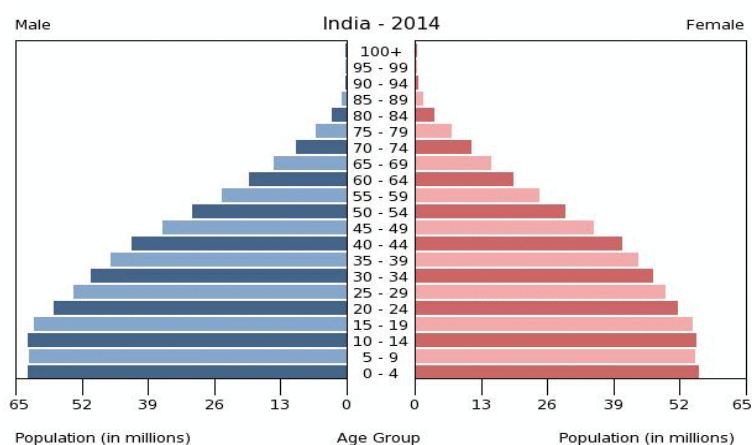
Bloom et al. (2011) expanded on the list above. They took a more macro perspective and included decreasing saving rates and the possibility of reduced or slow economic growth. While some of these effects will be mitigated by immigration, such as the influx into the United States of millennials (those born between 1981 and 1997 and who, in 2015, were between the ages of 18 and 34), the implications are severe enough to warrant national strategies. For instance, in 2014 the Czech Republic approved its Five Year National Action Plan for Positive Ageing (Czech Republic 2014). That plan included strategies for protecting the rights of seniors, employment of seniors, and healthy living, among others.

Population Trends

In an ideal world, countries will have many young people, a strong working population and fewer 'old' people. Demographers call this combination of factors the dependency ratio. This ratio is a measure of the portion of a population composed of dependents – people too young (under 15) or too old to work, or restricted from doing so (65 and over). It is equal to the number of individuals aged below 15 or above 64 divided by the number of individuals aged 15 to 64, the working population, and expressed as a percentage. There is also a youth dependency ratio, which focuses on the ability of the working population to support the youth population, and a senior dependency ratio, which measures the working population's ability to support the senior population. Generally, a lower dependency ratio, particularly a lower senior dependency ratio, is better for countries, as the working population is in a much better position to support them economically.

India and Southern Africa are the only major regions in the world where the population is not ageing (Chakravarty 2014). The World Bank (2016) estimates that India's total dependency ratio fell from 56 per cent in 2011 to 53 per cent in 2014, but India's dependency ratio has been falling for decades. In 1965 it was estimated at 81 per cent. As India's high youth population moves into the workforce, its dependency ratio will fall further and this is likely to spur economic growth. Figure 1 shows that India has a near perfect population pyramid. Comparing India to Bermuda, where Bermuda's dependency ratio was much lower in 2014 at 46 per cent, India is in a much better position to grow economically since it does not have such a high proportion of seniors.

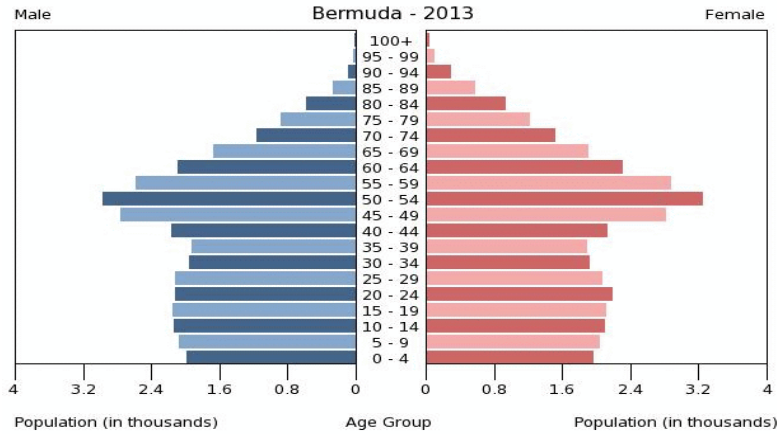
Figure 1: India's population (estimated at 1.3 billion)



Source: World Bank (2016)

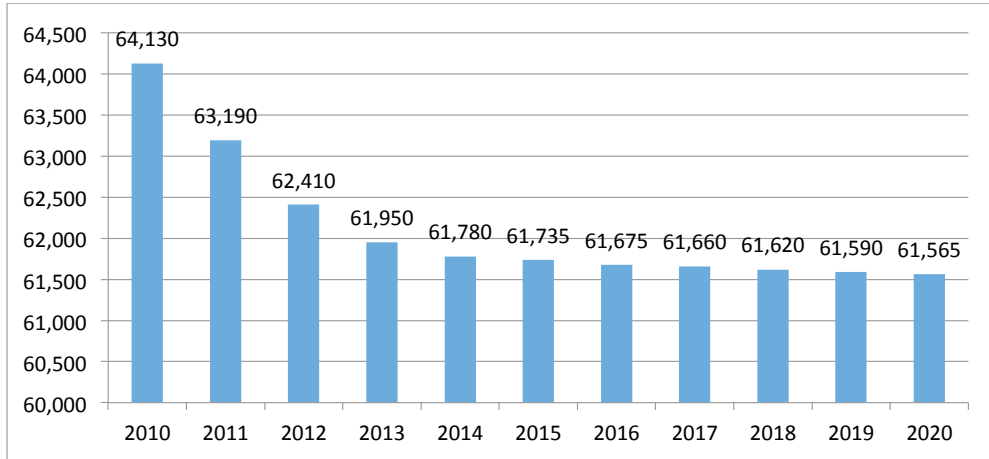
The reverse is true of Bermuda. Its dependency ratio is expected to reach 51 per cent by 2020, largely fuelled by the fast-growing senior population. And while Bermuda, like most economies around the world, suffered from the financial collapse in 2008, the island's recovery has been mediocre at best. To complicate matters further, for the first time in Bermuda's history, its population is expected to decline, albeit slowly, from 64,000 in 2010 to 61,600 in 2020, a 4 per cent drop (see Figure 2 and Figure 3.)

Figure 2: Bermuda’s population pyramid (estimated at 62,000)



Source: Bermuda Government (2014)

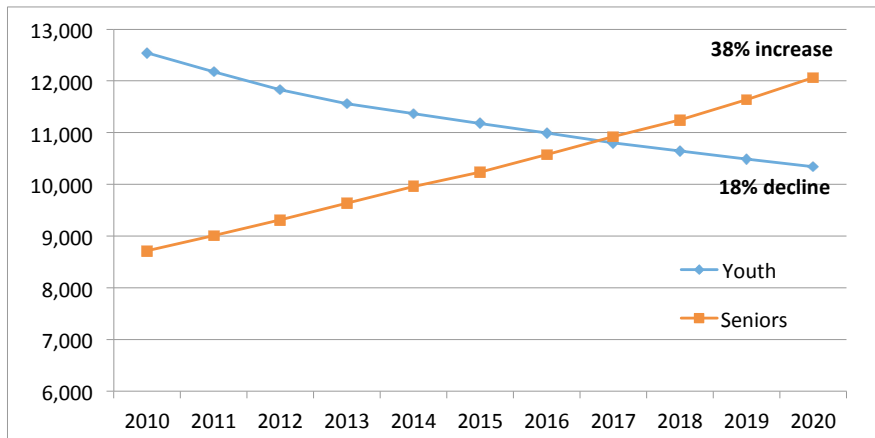
Figure 3: Bermuda’s population projections, 2010 to 2020



Source: Bermuda Government (2014)

One key milestone that policy-makers need to be aware of is likely to be passed in 2017. With all eyes possibly focused on Bermuda’s hosting of the America’s Cup, the prestigious AC35 yacht races, or perhaps national elections, policy-makers should not lose sight of a major demographic shift. According to official government projections (Bermuda Government 2014), the senior population may overtake the youth population in 2017 (see Figure 4). Moreover, from 2010 to 2020, the senior population is expected to increase nearly 40 per cent, while in the same period the youth population is slated to decline by about 20 per cent.

Figure 4: The changing dynamics of the senior and youth populations, 2010-2020



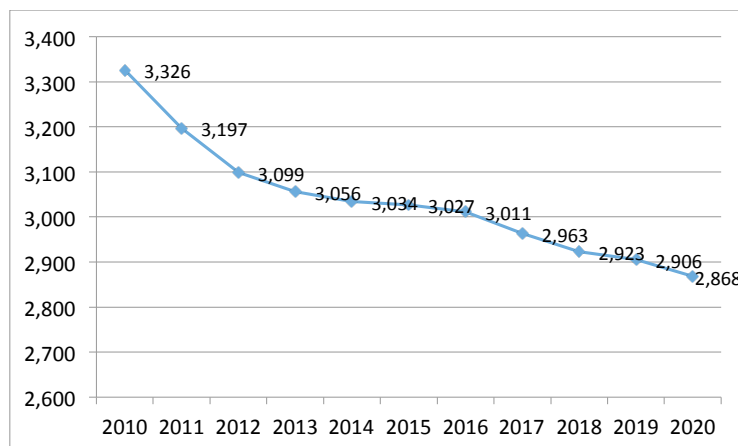
Source: Bermuda Government (2014)

In this situation, if a national plan for dealing with this phenomenon is not currently in place, it is rather late to develop one. Several countries, such as the Czech Republic previously mentioned, already have a plan in place to deal with the challenges faced by an ageing population. Without such a plan, the approach is likely to be reactive and chaotic. For instance, having to raise taxes, shoulder increased healthcare costs, and maintain current government services, at a time when the population is ageing and the workforce shrinking, is not something a government would want to deal with all at once, let alone present to a voting public.

Educational Impacts

Just as nations are challenged by changing population trends, so too is education. One such challenge, highlighted earlier, is the need to close schools at all levels, due to declining enrolments. However, at the tertiary level, where there is only one institution, closing is not an option. For Bermuda College, and many tertiary institutions elsewhere, more creative ways will have to be found to attract and retain students. Figure 5 lays out quite clearly the population challenge that lies ahead for the college.

Figure 5: Population projections for the 20-24 cohort, 2010-2020



Source: Bermuda Government (2014)

The major college cohort is the 20-24 year-old group and, for Bermuda, that cohort is expected to decline from 3,300 in 2010 to 2,900 in 2020, a 14 per cent drop. This decline reflects the national trend of a declining youth population, even though this cohort is over the age of 17. Moreover, the decline is likely to negatively affect the gender balance, particularly as regards Black males, who for various reasons do not view a college education as a viable option. This topic will be discussed in more detail later.

In theory, higher educational institutions, and Bermuda College in particular, should be able to weather the population shifts. The college currently has about 1,000 students, so even with a cap of 2,900 on that cohort in 2020, there is much room to keep its levels at or above 1,000 students (Bermuda College 2015). It is true that the college's numbers are down from their peak in 2008, when there were nearly 1,400 enrolled. However, that was the year the Bermuda government made it free for most to attend. In fact, in Fall 2008 enrolment jumped 25 per cent over Fall 2007. And while there were various discounts on tuition after 2008, all were removed in 2015, with the exception of discounts for staff with dependents attending the college. With a full credit load of 24 for a year, tuition for local students is approximately \$3,200. If books and other incidentals are added, each student represents about \$5,000. While this figure is low by North American and European standards, a continued decline in student enrolment will have obvious negative impacts on the college's revenues.

Apart from the challenge of declining enrolments, there is also the challenge of the male/female divide, and in particular the enrolment of Black males. While in the 20-24 cohort, the ratio between males and females has consistently been 47 per cent males to 53 per cent females, at the college the ratio is 35 per cent to 65 per cent. This is no different from what is happening in the United States. Cuyjet (2006, 7) wrote that "it is quite evident in these enrollment figures that African American men in 2002 not only attended college in a proportion lower than their percentage in the U.S. African American population, but they also still represented the most skewed male/female ratio of any racial/ethnic group – they were outnumbered in colleges by African American women by almost two to one." Why is this so?

In 2008, when there was free tuition at the college, Fall-to-Fall enrolment for males jumped 20 per cent. But for females, it leapfrogged by 40 per cent, giving rise to the widest gender disparities in recent years – 72 per cent female and 28 per cent male enrolment that year. A *New York Times* article (Lewin 2006) explored why women were "leaving men in the dust." One major reason was finance-related. A college spokesperson posited that "at Greensboro, where more than two-thirds of the students are female, and about one in five is black, many young men say that they are torn between wanting quick money and seeking the long-term rewards of education." In that same article, a female student offered the following: "I think that women feel more pressure to achieve."

Both of those arguments are believable, perhaps since it is only a fairly recently that women have outnumbered males in college attendance in North America (Birger 2015). For males, jobs used to be abundant and paid well, particularly in the blue collar sector. As that is no longer the case, this could signal greater challenges for males in the future. And for females, gender discrimination was once widespread. While that, too, is no longer the case, a good education is still seen as a way to improve academic and general equality.

Conclusion

Just as the Western world faces demographic challenges, so too does Bermuda find itself in a similar position. With every throne speech, the government sets out plans for the coming fiscal year, including provisions to increase taxes. Indeed, with falling housing rates, the government has sought to recover lost land tax revenue by increasing that tax. Ironically, those in the lower tax bands faced the largest percentage increases (Bell 2015). However, raising taxes is par for the course when the workforce is shrinking, unless new revenue streams can be found. Bermuda should brace for more tremors before the demographic tectonic shift occurs around 2017.

Institutes of higher learning must become more creative in stemming the enrolment decline. Reaching out to schools further down the feeder chain, such as middle schools, may not pay immediate dividends but could pay

off in the long run. Bermuda College has embarked on a dual-enrolment programme that permits talented high school students to take college-level courses, with some students going on to complete an associate degree. That programme is expected to attract even more students in the future.

There is a clear and present need to conduct further research into the motivation of local males about going to college. The finding that free tuition met with a less enthusiastic response from males than females indicates that factors other than cost are responsible for the dearth of males in tertiary education. Having more males on campus has its benefits, as diversity is almost always seen as positive. And increasing the number of males on campus is similar to the call for more females when that gender was under-represented. There may also be unintended, positive consequences of having more males on campus. In the *New York Times* article cited above (Lewin 2006), one administrator observed that “when there were fewer men, the environment was not as safe for women ... when men were so highly prized that they could get away with things, some of them became sexual predators.”

While it may be late to develop a plan, one that is clearly thoughtful could mitigate a number of the disadvantages associated with an ageing population, both for the nation and for educational institutions.

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