

Cashing In the Chips

Is it time to postpone the age of retirement for American workers?

by John F. Rohe

Paul Erhlich's *Population Bomb* was a call to arms in 1968. His prophecy of congestion and resource depletion motivated a generation in their child-bearing years to address exponential population growth. This generation responded to the call. Population became the central focus on our first Earth Day in 1970. Concerns over population growth permeated the media and seared an indelible mark on the collective conscience of a nation.

The U.S. fertility rate dropped as a result of environmental awareness of population pressures and other factors. These other factors included improved family planning, female empowerment, urbanization, increasing costs of child-rearing, and rising college expenses. Our concerns reflected an interest to leave a more dignified future.

Between the mid-1960's and the mid-1970's, U.S. fertility rates plummeted from 3.5 children per woman to 1.7. Replacement level fertility is 2.1 children per woman. In other words, if every two parents produced an average of 2.1 children, then the nation would stabilize. At 3.5 children, the population would continue to explode. At 1.7, a generation of children no longer fills their parents' shoes.

Fertility reductions eventually lead to an "aging population." This is documented in a study by the Population Division of the United Nations Department of Economics and Social Affairs. The UN study is found in a booklet entitled *Replacement Migration: Is it A Solution to Declining and Ageing Populations?* It can also be accessed at www.un.org/esa/population/migration.htm.

John F. Rohe, an attorney in Petoskey, Michigan, was in his impressionable years on Earth Day, 1970. He expresses gratitude to Leon Bouvier for offering demographic assistance on this essay.

Table I.2. of the UN study reveals what happens when the populous baby boomers decided to have fewer children. In 1995, every pensioner in the United States was supported by 5.21 workers. The "dependency ratio" of pensioners to workers was a favorable 5:21 to 1. The mid-range projection for 2050 reveals only 2.82 workers per pensioner. By reducing the number of births in the 1970s, each retiree in 2050 will impose almost twice the load upon each worker. The rising costs of ever-expanding medical care will also add to the workers' burden.

The UN study points out that there are essentially two ways to lighten the load for workers in 2050: we can postpone the retirement age or we can increase the population with more workers.

Just how far will we need to postpone our retirement age to preserve the 1995 dependency ratio between workers and retirees? According to the UN study (Table IV.10.), by 2050 a retirement age of 74.3 years will preserve the 1995 dependency ratio. And just how much immigration will be needed to preserve the ratio if we would insist on retiring at age 65? According to the UN study, between 1995 and 2050, an additional 593 million immigrants would be required to maintain the ratio if the retirement age is to remain constant at 65. That comes to almost 11 million immigrants per year (i.e., about ten times the unprecedented wave of immigration now fueling our resource depletion and congestion)! The United States would have to become a nation of a billion and as populous as China and India for the baby boomers to claim the same retirement age and dependency ratio as their parents.

The UN study identifies a defining challenge for the nation once committed to reducing congestion and preserving natural resources. It specifically imposes a pivotal decision on the generations having reduced their fertility in the 1970's and beyond: Will they maintain an allegiance to the bedrock principles of

Earth Day 1970? Will they be willing to roll up their collective sleeves and postpone their retirement age? Will they allow the U.S. population to begin a slow decline, with a view toward stabilizing at some future point? Or will they insist on retiring at 65 and lay the groundwork for the U.S. to become the next billion person nation?

The unprecedented rate of immigration since 1990 lulls us into a Ponzi scheme. Each succeeding generation strives to sustain itself on the shoulders of ever-burgeoning recruits lodged in the queue behind it. We teeter on the brink of a new day for the nation. Will we choose to become good ancestors by postponing the retirement age? Sixty-five was

established by German Chancellor Otto von Bismarck when the world's first social security system was created in the 1880's. Life expectancy then was 45 years. By contrast, today's 65 year-old retiree looks forward to decades of social security support.

According to Hardin's Law "We can never do merely one thing." When the 1970's child-bearing generation decided to leave a less congested future, it couldn't do just one thing. It did not just plan for less congestion. It did not just conserve natural resources. This generation also established a test of its resolve in the elderly years. Will it make a lasting peace with its founding principles by postponing the retirement age? Or will it cash in the chips? ■

New Paper on Sustainability by John Cairns Available Online

Professor John Cairns, Jr. has prepared a paper entitled "Integrating top-down/bottom-up sustainability strategies: an ethical challenge." The abstract reads as follows:

"Sustainable use of the planet will require multiple sustainability strategies, which will range from the entire system, the entire Earth, to the local or regional. Strategies starting at the highest system level are referred to as 'top-down,' and strategies designed for components, local or regional, are referred to as 'bottom-up.' Doubtless, several intermediate levels will eventually be required, although the number is far from clear at this time. It is abundantly clear that both top-down and bottom-up strategies must be integrated effectively or neither will work well. Furthermore, there will be significant uncertainties at both levels of organization, which will be reduced as evidence accumulates. However, sustainability is too complex and dynamic to reduce scientific uncertainty to a level desired by most decision-makers. A greater emphasis on sustain-ethics and value judgments will improve communications between those working at different organizational levels since humankind's wish to leave a habitable planet for its descendants and those of other life forms is clearly a value judgment."

The full text of the paper is available free of charge at <http://esep.de/articles/esep/2003/E26.pdf>. The website is provided by Ethics in Science and Environmental Politics (ESEP). John Cairns, Jr., Ph.D., is University Distinguished Professor of Environmental Biology Emeritus in the Department of Biology at Virginia Polytechnic Institute and State University, Blacksburg, Virginia 24061.

California's Population Growth, 1990-2002:

Study reveals virtually all growth is from immigration

Summary and Comments

by Diana Hull, Ph.D.

Californians for Population Stabilization (CAPS), a non-profit corporation based in Santa Barbara, California, reports the findings of its new two-part research on the reasons for the state's accelerating and unsustainable growth.

The first study, by demographer Leon Bouvier, is based on information from the California Department of Finance; the second study, by environmental consultant Dick Schneider, combines state statistics with reports from the Census Bureau, the former INS (now the Bureau of Citizenship and Immigration Services) and research on domestic migration.

Among the findings:

- These studies end definitively any possible argument about the relative contribution of immigration versus unplanned or unwanted births to California's overpopulation problems. Total Fertility Rate for the state has reached replacement level at 2.1 and virtually all population growth in California is due to direct immigration and births to immigrants.
- Using official state figures alone, Dr. Bouvier concluded that immigration was responsible directly and indirectly for 98 percent of California's increasing population, a trend that continued through 2002. Direct immigration was responsible for about 57 percent of California's growth in the decade 1990-2000, and the rest came from births to foreign-born women.
- Combining state and federal sources, and independent research, Dick Schneider found that 100

percent of California's growth was the result of immigration and immigrant births, and that migration from other states was no longer a factor in California's present size. He found the contribution of immigration was actually larger than reported by the State of California, because the Census Bureau admitted undercounts of both legal and illegal immigrants.

- No matter whether single or multiple databases were used, there was only a 2 percent difference in the results of the two studies, giving the overall conclusions high reliability.

Although immigration is virtually the sole cause of California's continuing growth surge, that fact is obscured whenever "births to foreign-born women" are identified euphemistically as "natural

increase" (*Public Policy Institute of California*, 2002) or as "births to new Californians" (*Los Angeles Times*, May 3, 2003). This language conveys the inaccurate impression that over 40 percent of the state's population gains are caused by *Californians having more children*. The persistence with which public policy groups and media use these misleading phrases is an obstacle to the public's understanding of the reasons for growth and thwarts the taking of appropriate remedial action.

Does "births to new Californians" mean "new births to Californians" or births to new residents of California from another country or even another state? Besides confusing readers trying to grasp the cause of the state's unmanageable size, we can wonder whether terms like "natural increase," when used in this context, are detached demographic descriptions, or reluctance to defy Mexico's assertions that its citizens

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