



McGRAW HILL  
FINANCIAL | Global  
Institute

# Aging and Urbanization

Principles for Creating Sustainable,  
Growth-Oriented and Age-Friendly Cities

January 2016



# To Thrive In The 21st Century, Cities Must Embrace An Influx Of [Mostly Older] Residents

**T**wo inexorable and intersecting demographic trends are already defining the 21st century: rapid urbanization and an aging population. The world's cities must meet the challenges posed by these changes to compete on a global scale.

Widely accepted statistics bring these challenges into clear focus. By 2030, more than 1 billion people — one in every eight — will be aged 65 or older.<sup>1</sup> And just two decades later, nearly two-thirds of the world's population will live in urban areas, up from just over half today<sup>1a</sup>, with nearly 1 billion older people living in cities in the developing world alone.

These demographic realities mandate that urban centers adapt an intergenerational view of growth and development. In European cities such as Madrid, Lisbon and Warsaw, elderly residents represent a greater proportion of inhabitants than the national average. Meanwhile, Italy and Germany are home to the majority of the world's cities with old-age dependency rates — defined as the ratio of those over age 64 to the working population — of 35% or more.<sup>2</sup> Clearly, for the European Union to meet its goal of “smart, sustainable, and inclusive growth” by 2020, cities — as well as national economies — need to adapt in ways that allow countries to tap the economic potential of older residents while also cultivating younger generations.

This need extends far beyond Europe. It will take significant action by governments around the world to enable cities and economies to thrive in an era that will soon see more old than young for the first time in human history. Toward this end, the World Health Organization (WHO) has identified 24 principles that promote active participation, health and security and independence for people of all ages. These guidelines have been used by the WHO to develop, implement and evaluate local action plans that create age-friendly urban environments.

**The 21st-century social contract for urban life must be rooted in an age-friendly philosophy.**

Despite the challenging nature of these looming trends, changing demographics also present opportunities, with broad public support for government investment in age-friendly resources. This is especially important given that financial and economic issues of a graying population have so far dominated the conversation about this demographic trend.



## Executive Summary

- By 2030, more than one in eight people in the world will be 65 or older. This demographic shift has huge implications for urban development as cities strive to include people of all ages in economic and social communities.
- As illustrated by a new survey commissioned by MHFI, people around the world believe governments are underinvesting in the infrastructure needed for cities to adapt and incorporate age-friendly design.
- Building on work from the World Health Organization, World Economic Forum and others, MHFI has developed four principles to guide how cities can channel their infrastructure investments to ensure economic vibrancy of their urban communities:
  - Infrastructure and transportation that accommodates citizens of all generations;
  - Housing that allows residents to age in place;
  - Robust community health programs; and
  - Opportunities for continuing work, education, and recreation for all ages.
- Building age-friendly cities that can accommodate the next generation will require the public and private sector to come together. MHFI calls for three immediate actions to move the conversation toward action:
  - Develop an economic case for aging in place.
  - Provide opportunities for innovation.
  - Create incentives for intergenerational policies and investment.

In Europe, for example, pension shortfalls and alarming levels of youth unemployment have highlighted the financial challenges of caring for an elderly population. Across Latin America, age-related expenditures are growing faster than GDP. Brazil's pension and health care costs are expected to climb to 26% of GDP in 2050 from 14% today.<sup>3</sup> Meanwhile, in the U.S., health care costs that already absorb 17.9% of GDP<sup>4</sup> will almost certainly climb. And in Japan, where more than a quarter of people are 50 or older, record low birth rates have led to a steadily shrinking population that threatens the economic health of the country.<sup>5</sup>

With this understanding of global priorities and the existing WHO goals, the McGraw Hill Financial Global Institute — in partnership with the Global Coalition on Aging — is proposing four principles of an age-friendly city **(discussed in greater detail on page 7)**:

1. Infrastructure and transportation build out that will address the needs of citizens of all generations;
2. Housing to enable aging in place that promotes independence, choice and freedom;
3. Access to community health programs with innovative technology and excellent medical interventions; and
4. Opportunities for continuing work, education, arts and recreation across the life cycle.

A recent public opinion survey commissioned by the McGraw Hill Financial Global Institute underscored the attention that the world's city dwellers are paying to the importance of a multi-generational approach, and gauged their opinions of the importance of these principles **(see page 4 for detailed findings)**. Their interest in matters related to aging was overwhelming: more than nine out of ten respondents believed that governments should invest more resources to ensure the health, security and well-being of their aging populations.

Unfortunately, with the exception of China, a majority of respondents said they do not trust government leaders to solve these challenges, with access to health care and infrastructure investment the most widely recognized areas of need.

## Living And Contributing Longer

Increasing longevity is changing how people spend their lives, and those cities that best support healthy and active aging have a greater potential to harness the human capital of older adults, a previously untapped driver of economic expansion

<sup>3</sup> Standard & Poor's Ratings Services, Global Aging 2010: An Irreversible Truth (2010); <sup>4</sup> American Society on Aging, Can Japan Serve as a Model for U.S. Health and Long-Term Care Systems? (2013) <sup>5</sup> PassBlue (CUNY Graduate Center), The World's 10 Oldest Nations by Population and the Implications (2015)

which can also enable further age-friendly development. Just as city leaders of the past fostered innovation aligned to the trends of those times — such as industrialization and manufacturing, technological revolutions and baby booms — they must now plan for the sea change accompanying increased urbanization and longevity.

Standard & Poor's Ratings Services has examined the economic effects of increased longevity for more than a decade, writing in a 2010 report that "[n]o other force is likely to change the future of national economic health, public finances, and policymaking as the irreversible rate at which the world's population is aging."<sup>6</sup> Yet the dominant sources of global investment and development continue to fall short as a needed mechanism of change that would allow cities to turn demographic burdens into opportunities.

## Attitudes Around The World

While aging and demographic shifts have been a part of the global agenda for more than a decade, these issues have only recently begun to penetrate the concerns of the general population. The McGraw Hill Financial Global Institute recently commissioned a survey of 6,000 respondents living in cities within the following countries: United States, Brazil, United Kingdom, Germany, China and Japan. Their responses indicate broad public support for investment that will better integrate young and old populations and a strong call for public and private leaders to come together with solutions.

- Awareness of the pending demographic shift is highest in the developing nations surveyed.

**ABOUT  
HALF**



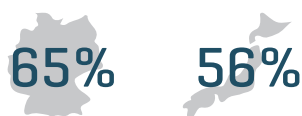
of people in the US and UK are aware of the demographic shift

**NEARLY  
EVERYONE**



in China and Brazil are aware of the demographic shift

**A GREATER  
NUMBER**



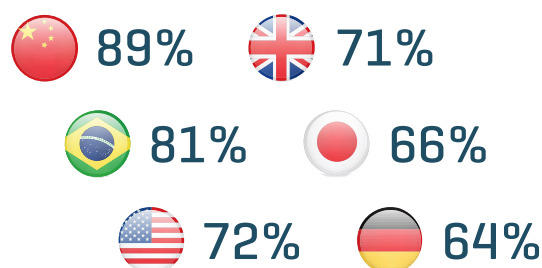
of people in Germany and Japan are aware of the demographic shift

[Source: Edelman Berland survey on Aging and Urbanization, commissioned by McGraw Hill Financial Global Institute]

- Top priorities vary around the world, based on existing programs and local trends:
  - Access to community health programs with innovative technology and excellent medical interventions are most important in China, Brazil, the United Kingdom and the United States
  - Promotion and accessibility for all people to "age in place" (in their current home) rather than being institutionalized is most important in Germany—and ranks highly in both the U.S. and the U.K.

- Development of infrastructure and transportation tops concerns in Japan while coming in second in Germany, China and Brazil.
- A majority of people in each country agree that the current conditions of their cities are contributing to a generational divide.

**Percentage of people by country that agree or strongly agree that cities are contributing to generational divide**



[Source: Edelman Berland survey on Aging and Urbanization, commissioned by McGraw Hill Financial Global Institute]

- Governments are falling short on actions needed to address the most important issues that will promote intergenerational communities.
  - By a ratio of 3 to 1, people assume they will need to take care of themselves in older age instead of relying on pensions programs or government support. The only exception is China where 45% of people think the government will support them as they age.
  - The biggest areas where government intervention is falling short of people's expectations are 1) ensuring the availability of jobs, 2) ensuring options for caregivers and 3) creating mixed generational housing.
  - Ensuring access to transportation and healthcare facilities are the areas where people think government is doing its best.
- Only 2 in 5 people trust government leaders to solve these challenges—except in China where more than 80% of people trust government.

### Survey Methodology

Results based on a global survey of 6,077 people ages 18–65 living in medium, large or very large cities in the United States, the United Kingdom, Germany, China, Japan or Brazil. Survey conducted by Edelman Berland, with data collection between November 30 and December 14, 2015. Margin of error +/-3.07 percent.

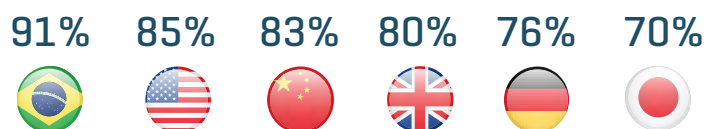


To be sure, an aging population creates some tension between the desire to contain government budgets and the need to sustain public spending on pensions and health care<sup>7</sup> — as well as the need to increase spending on infrastructure. Evidence of the benefits of increased spending can be seen in the potential economic returns of targeted infrastructure investment. In fact, according to economic research by Standard & Poor's, this "multiplier effect" can run as high as 2.5 times<sup>8</sup> over a three year period. In other words, for each additional dollar allocated for public-sector investment in a given year, about \$2.50 would be added to real GDP in the next three years. The effect is generally greater in developing economies such as China, India and Brazil, where immediate effects can be seen than for more developed countries, where a main benefit is the boost to employment. Not that this longer-term effect should be underestimated, especially since it is a key mechanism for tackling the pension challenge that resonates throughout Europe.

## Infrastructure Investment and The Pension Predicament

According to Standard & Poor's projections, unchecked pension costs [including early retirement, surviving relative and disability pensions] would rise on average by slightly more than 2% of GDP by 2050, to exceed 11% of GDP.<sup>9</sup> Given that pension costs already trump spending on health care and long-term care, this is cause for concern. But while the economic realities of pension expenditures weigh on government budgets — especially in countries such as Brazil, Russia and Turkey<sup>10</sup> — these same programs put money directly in the hands of older consumers. Elsewhere, countries such as Argentina and Mexico — where the population is relatively youthful and governments have pushed through several rounds of pension reform — are generally meeting the fiscal challenges of aging populations. As people worldwide consider the impact of demographic shifts over the long term, the McGraw Hill Financial Global Institute's survey found that their resounding concern is lack of government support for public pension and health care programs.

### Percentage of people who agree or strongly agree that governments do not allocate sufficient resources to public pension and health care programs



[Source: Edelman Berland survey on Aging and Urbanization, commissioned by McGraw Hill Financial Global Institute]

At the same time, the challenges of infrastructure investment are at the forefront throughout Latin America where average infrastructure expenditures hover around 3% of GDP, below the global average of 3.8%. This low level of investment is especially unfortunate, given that Standard & Poor's projects the potential payoffs as relatively large throughout the region, ranging from a multiple of 1.3 in Mexico to 2.5 in Brazil.<sup>11</sup>

In many ways, developing economies are well-positioned to be at the vanguard of the movement to build and adapt infrastructure systems for a demographically diverse populace. In these nations, crumbling legacy systems and structures are not the burden they sometimes are in more developed areas, allowing these countries to capitalize on technological advancements and start from square one.

Beyond providing foundational needs, such as roads and transport systems, these countries can focus on tailoring their infrastructure to shifting populations, such as power grids designed to handle the peak demands of high concentrations of people, robust sanitation systems that account for whole life needs and public-transit networks that rely on sustainable sources while allowing easy access to economic opportunities and health care for older populations. These countries can orient their infrastructure to meet mobility issues, vision challenges and other concerns that disproportionately affect the elderly.

Most marquee infrastructure projects involve improvements to, or the construction of, transportation networks — a priority that 80 to 99 percent of survey respondents support. But as the rate of urbanization accelerates, other projects hold the promise of positive investment returns. For example, water and waste management facilities, power grids, telecommunication networks and social infrastructure will need to reflect the changing demographics of cities. Meeting this challenge will require a combination of public and private investment to fill a funding gap between

<sup>7</sup> Standard & Poor's Ratings Services, Global Aging 2013: Rising To The Challenge [2013]; <sup>8</sup> Standard & Poor's Ratings Services, Global Infrastructure: Timing Is Everything [2015]; <sup>9</sup> Standard & Poor's Ratings Services, Global Aging 2013: Rising To The Challenge [2013]; <sup>10</sup> Ibid.; <sup>11</sup> Standard & Poor's Ratings Services, Global Infrastructure: Timing Is Everything [2015]



investment needs and available public funds that Standard & Poor's has estimated to be \$500 billion annually, including investment in infrastructure that will accommodate older citizens.<sup>12</sup> While accessible transportation infrastructure and housing options are the most obvious areas where older demographics may have specific needs, there are also benefits to consider from establishing technology systems that older generations can better understand and use.

**Developing countries can orient their infrastructure to meet mobility issues, vision challenges and other concerns that affect the elderly.**

All told, the confluence of rapid urbanization and increased longevity represents an opportunity for policy makers, corporations and investors to take the lead in creating the cities that will prosper most in the coming decades.

## **Advancing An Age-Agreeable Agenda**

Despite the importance of the intersection of aging and urbanization, these trends have received little attention in the public discourse, and they are rarely discussed as an opportunity for economic growth. One of the few high-profile initiatives to do so is the WHO's effort to promote an "age-friendly world."<sup>13</sup> In 2007, the Geneva-based organization published its "Global Age-Friendly Cities: A Guide," which looked at 33 urban centers in the context of eight relevant issues, from community support and health services to social inclusion, in an effort to set a research protocol on healthy aging in cities and develop recommendations that would appeal to and reflect the interests of people of all generations, particularly the elderly.

A variety of governments and global institutions have begun responding to the call to create age-friendly cities. In 2015 the World Economic Forum established its "Age-Friendly Business Principles" to help demonstrate how this demographic shift can drive economic growth at the national, regional and global levels — as well as to highlight companies that have positioned themselves for this opportunity.

Meanwhile, Europe — perhaps unsurprisingly — is the region that has most readily prepared to develop such age-friendly cities. In fact, the European Commission has identified healthy aging as one of three platforms to achieve as part of its Europe 2020 economic growth strategy.<sup>14</sup>



# Promoting The Principles

These initiatives suggest that managing such shifting demographics requires solutions that break deep-seated paradigms and are technologically disruptive and innovative. Working closely with the Global Coalition on Aging and drawing heavily from the existing guidelines set forward by the WHO and the World Economic Forum, the McGraw Hill Financial Global Institute has developed a set of focused principles to help cities and governments decide how best to allocate limited resources. As this conversation continues on a global scale, these principles aim to define this disruption and innovation and map a path toward developing the successful, self-sustaining, self-perpetuating cities of the 21st century.



## Principle 1: Infrastructure and Transportation

Providing the services, tools and programs that keep older citizens mobile, connected and included in the activities that drive societal growth will enable them to engage in commerce and, thus, contribute to economic expansion. From workplaces to public spaces, and transit systems to ride services, the structures that connect people — and the technologies that facilitate them — will be essential for cities to foster future growth.

When social participation decreases with age, the likelihood of health problems increases — often in conjunction with one's loss of the ability to drive safely. Creating ways to keep older people — especially those who live alone — connected with their environments can help prevent loneliness and social isolation. This, in turn, can lead to improved physical and emotional health. As populations age, infrastructure and transportation systems that can handle varying levels of mobility will bolster growth and help reduce health care costs and other costs associated with dependence.

### **Infrastructure in Action:**

**In Akita City, Japan, the installation of snow-melting sidewalks and multiple all-weather walkways in 2012 has helped address weather-related falls and injuries.**

**And in New York City, street intersections in high-traffic pedestrian locations across the city have been redesigned to improve the safety of older adults.**

At the same time, increased investment geared toward older people today will remain relevant for citizens of all ages at every stage of life for decades to come. Public transit, public spaces and buildings and Internet access improvements can help older citizens engage with society longer, which promotes sustained economic growth.

A robust transit system, in particular, helps ensure that the loss of driving privileges for older adults does not mean a loss of independence. One U.S. study found that seniors 65 and older who no longer drive make 15% fewer trips to the doctor, 59% fewer trips to shop or eat out and 65% fewer trips to visit friends and family, compared to their counterparts who continue to drive.<sup>15</sup> As an added benefit, investment in transportation systems creates jobs for younger residents to build and maintain these systems and fosters growth.

<sup>15</sup> Transportation For America, Fixing the Mobility Crisis Threatening the Baby Boom Generation (2011)



## Principle 2: Housing that Enables Aging In Place

Creating housing that enables and promotes older adults to remain at home will help delay — and, in many cases, altogether avoid — institutional care for the oldest individuals, which can incur devastating costs for individuals, families and entire societies. As the number of people 80 and older grows faster than any other demographic, the aggregate costs of long-term institutional care could hold back economic growth. In Japan, the dependency ratio (the ratio of children and elderly to working-age adults) will be virtually 1-to-1 by 2050, and other countries are mirroring this trend.<sup>16</sup> Meanwhile, the annual cost for nursing home care in the U.S. has risen to \$77,380–\$87,600 per person.<sup>17</sup>

Though aging in place will not entirely remove the costs of care, it can reduce them substantially, especially as new technologies and other innovations make it more efficient. The opportunities to make the “smart home” safe and hospitable for older adults are seemingly limitless. Already, transformative technologies such as “telehealth,” which delivers health-related services and information and enables remote patient monitoring via telecommunications networks, have made it to market. Additionally, new demand for in-home caregivers will be created, with the potential to at least partially offset the loss of jobs in institutional settings.

In cities with a pronounced proportion of aging residents, the ability of landlords to adjust rents for existing tenants tends to be highly regulated. This leads to elderly residents staying in their apartments longer because rents are low (sometimes considerably below market rates), as compared to moving elsewhere. This encourages intergenerational cities — but only if the housing market is flexible enough to induce younger generations to live alongside older residents.

In Germany, the United States and the United Kingdom, survey respondents identified accessibility for all people to age in place as the first or second most important step for cities to take to ensure safety, security and well being for all generations. Despite this ranking, respondents also noted that initiatives designed to help people age in place are where the government is most falling short of people’s expectations. In Brazil alone, there was a more than 50 percentage point gap between the importance of initiatives to help people age-in-place and how well the government was addressing this need.

Enabling aging in place is a positive not only for those who avoid being placed in an assisted living or similar facility but also for their families. Aging in place replaces the “visits to nursing a home” with in-home interactions. The benefits of multigenerational familial interaction are well understood, and for younger generations that must build careers in multigenerational workplaces, this interaction can have economic benefits as well.

### **Where Aging in Place Works:**

**In Ireland, the OPRAH (Supporting Older People to Remain at Home) initiative promotes community coordination to determine and deliver required care.**  
**In Italy, the city of Bolzano collaborated with IBM on a “Living Safe” program, which collects data that will contribute to the development of strategies to keep seniors safer and more independent.**



## Principle 3: Community Health Programs

Highlighting information and services that promote health, prevention and wellness to older citizens as well as those across the age spectrum will raise awareness of the chronic conditions that increase with age and promote behaviors earlier in life that improve health outcomes and lower the costs of care. Greater access to information that promotes healthier living, similar to measures that curbed tobacco consumption and encouraged the use of seat belts, can encourage healthier behaviors. Investing in health throughout the life cycle and applying these examples to prevent non-communicable diseases and maintaining functional ability (as reflected in the WHO’s October 2015 World Report on Ageing and Health<sup>18</sup>) will lead to more active lives and reduced costs as residents age. In 2013, Standard & Poor’s highlighted health care spending as a high-impact cost that policy makers had neglected to address, and recommended that “the focus should now [shift] toward improving the design of health care systems and containing health care spending.”<sup>19</sup>

Community health services offer solutions while simultaneously creating opportunities on these issues. Viewing health spending as an investment in future growth and economic security is contrary to conventional thinking, but it is essential in this era of longevity.





**Community Health In Action:**

In 2012, U.K. Prime Minister David Cameron launched the Dementia Friends initiative, which aims to improve the lives of those living with dementia in part by changing the way people think, talk, and act about it. In Singapore, the city-state launched a Falls Prevention Programme in 2012 including health screening for the elderly who are highest risk of falls, access to a public education programme and a free pair of non-slip shoes.

Such investment must start early — for instance, with programs geared toward the first 1,000 days of life — to help truly achieve wellness and prevention. While access to information and tools that educate citizens about prevention, nutrition and active aging encourage healthy lifestyles and behaviors, it can also help remove the stigma of aging and associated age-related conditions and challenges such as Alzheimer's disease.

The McGraw Hill Financial Global Institute survey found that community health is the area where people think government is focusing the most attention, with more than 58 percent of people in the six countries surveyed reporting that government is taking the necessary steps to ensure access to community health care facilities.



## Principle 4: Continuing Work, Education, Arts and Recreation

Opportunities for engagement in society through work, education, arts and recreation lead to social inclusion, individual well-being, and ongoing economic contributions throughout one's life. At a time when 20th-century conventions shape our thinking — giving rise to fears that the workforce is dwindling, public pensions are waning, and generations are competing for jobs — we must adopt new social norms in light of longevity.

In fact, older people can be drivers of growth — in the workplace, through education and training in new fields, via volunteer work, and by contributing their wisdom and experience to the community. As the WHO outlines in its principles for age-friendly cities, "The whole community benefits from the participation of older persons in volunteer or paid work and civic activities. Finally, the local economy benefits from the patronage of older adult consumers."<sup>20</sup>

Programs that improve access to work, education, arts and recreation for all citizens encourage entrepreneurship and the search for second [or third] careers, leading to longer lives in which residents are active, engaged contributors to society. Such programs also promote mental health and minimize social isolation. A Mayo Clinic study showed that Americans over age 85 who said they engaged in things like painting, quilting or book clubs during middle age were less likely to develop memory impairments that may precede dementia.<sup>21</sup> In this light, cities need the infrastructure to foster a 21st-century view of personal and professional development and social interaction, which must extend well beyond traditional retirement age.

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## Leading Efforts to Promote Demographically Diverse Cities

A number of institutions, cities and governments have stepped to the forefront of the movement to promote healthy aging and demographically diverse cities, some with clearly outlined initiatives and some in subtler ways.

In 2016, the WHO will continue work on its "Decade of Healthy Ageing, 2020-2030," in which the centerpiece is the achievement of functional ability. The strategy is expected to gain adoption at the World Health Assembly in May 2016. Aging will take a prominent place on the agendas for the E.U. and World Economic Forum's 2016 Annual Meeting, with an emphasis on how healthy aging can promote economic growth across developed and emerging economies.

At the same time, the Organisation for Economic Co-operation and Development (OECD) is set to launch its Digital Economy Program, with aging as a principle component. In less direct — but, potentially, just as effective — efforts, Japan will serve as chair of the G-7 and China of the G-20. Both countries are widely known for their traditional cultural respect and appreciation for older citizens, and each is now facing urgent demographic challenges.

While developed and developing economies alike will be advancing initiatives for healthy aging, the latter will be the focal point of the intersection between aging and urbanization. With nearly 1 billion older people in the developing

<sup>20</sup> World Health Organization, *Global Age-Friendly Cities: A Guide* (2007); <sup>21</sup> Roberts, Dr. Rosebud, et. al, *The Mayo Clinic, Risk and protective factors for cognitive impairment in persons aged 85 years and older* (2015)



world expected to live in cities by 2050, nations with traditions of close family bonding — including families living close by or under the same roofs — must learn to accommodate such conditions in an urban setting.

At stake is not just the health and productiveness of older adults, but sustainable economic growth for all. The 21st-century social contract for urban life must be rooted in an age-friendly philosophy. This will prepare younger generations — and their children, and so on — for a profound shift that will reshape and redefine societal institutions. As we live longer, capturing the benefits where aging meets urbanization will require public policy changes aligned to the institutional reforms required for economic growth and social inclusion across all aspects of life.

## Ahead of the Curve: Cities Preparing for a Changing Future

Age-friendly action is already taking place around the world. Many cities have operated as part of the WHO's framework and within its network. Others have launched their own initiatives, often in partnership with business, academia and non-profits. The following examples are models that can be adopted.

### ASIA-PACIFIC



#### Seoul, South Korea

– To make the subway system more accessible to seniors,

the city introduced several age-friendly adaptations, including elevators at each station, platforms with automatic gates, LCD screens displaying real-time train arrival times and comprehensive voice announcements on trains.

**Canberra, Australia** – Canberra's Life's Reflections Photographic Competition aims to celebrate the contributions of older people within the community. It encourages people of all ages and walks of life to use photography to promote "positive, diverse and thought-provoking images" of older people.



#### Wellaway, Sri Lanka

– HelpAge Sri Lanka launched a mobile eye

camp for older persons in Wellaway. The camp provided eye exams, free reading and prescription glasses where needed, guidance on proper eye care and recommendations to their eye hospital in Colombo for those who required cataract surgeries.

**China** – China's 12th "Five Year Development Plan on Ageing" includes developing a nationwide system of older persons' homes with 3.42 million more

beds for the elderly and encourages all grassroots medical institutions to provide health services and monitor conditions of people aged 65 and older.



#### Hong Kong – The Hong Kong Housing Society set up the Elderly Resource Center to promote the

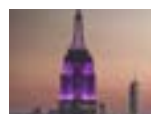
concept of aging in place within the community. The website offers education, training and assessments, as well as advice on age-friendly housing design.

### EUROPE

**Newcastle, England** – Newcastle's Older People's Delivery Plan develops service models, good practices, and a pipeline of schemes to ensure older people are safely housed and can remain in their homes as long as they wish. The plan includes technological care elements.

**Basque Country, Spain** – Four towns have launched the "Age-friendly Business Initiative," an educational campaign to help businesses attract older customers affected by loss of mobility, vision and hearing impairments and dementia. They have also partnered with the Alzheimer's Association to help businesses understand the impact of dementia.

### NORTH AMERICA



#### New York, New York, USA

– The New York Academy of Medicine partnered with the Mayor's Office and the city council to launch "Age-friendly NYC College Link," America's first searchable online database connecting older adults with mostly free educational opportunities at local universities.

**Sausalito, California, USA** – Call A Ride Sausalito Seniors (CARSS) of Sausalito, California provides free rides for people aged 60 or older. CARSS is a volunteer drive program providing up to two free one-way, door-to-door rides per day for older adults and persons with disabilities in driver-owned passenger cars. In 2015 the program expanded to include transportation to city wide events.



#### Hamilton, Ontario, Canada

– The City of Hamilton, in partnership with the Hamilton

Council on Aging, Ontario Sport and Recreation Communities Fund, McMaster University and senior volunteers, assessed walking trails across Hamilton to create "Let's Take a Walk: An Age-friendly Guide to 18 of Hamilton's Outdoor Recreational Trails." The guide assessed features including design, amenities, maintenance and esthetics in an effort to promote the health benefits of walking and outdoor activities.

### SOUTH AMERICA



#### La Plata, Argentina –

La Plata was one of the original 15 pilot age-friendly cities in

the WHO network. Since then, the city has developed initiatives such as the arrangement of sidewalks, public toilets and improved driver training in public and private transport. As early as 2002, La Plata formed La Red Mayor ("The Senior Network"), a local network of clubs, journalists and scientific organizations dedicated to making the city more livable for older people.



## An Agenda For Action

Against this backdrop, infrastructure investment that accounts for changing demographics provides an opportunity for individual countries to extend their economic prosperity. When older adults have access and resources to participate as full contributors and consumers, they remain an active part of the economy rather than a drain on resources.

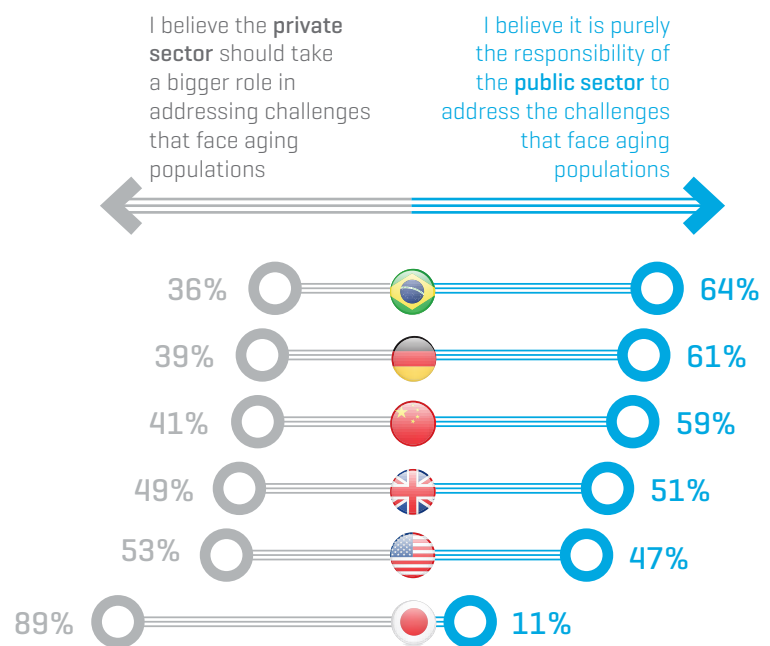
The call for more demographically integrated cities begins with research and programs to spark partnerships. Around the world, people are split about whether the responsibility for addressing these demographic shifts should fall to the private or the public sector.

City governments are in a position to begin investing in age-friendly programs, but corporations and non-governmental organizations (NGOs) have an equal role to play. The McGraw Hill Financial Global Institute envisions three short-term actions that can reorient investment to best promote growth:

**1. Develop an economic case for aging in place.** While numerous studies suggest economic benefits from helping older adults remain in their homes, there is still a need for definitive research demonstrating that aging in place aids economic expansion. In an environment of limited resources, discussion about aging too often slips into a debate about costs. This is particularly true across Europe, where pension reform remains a key element of any dialogue about aging. The value of vibrant, cross-generational communities — with broad populations that remain engaged in the daily life of cities — represents an opportunity to find new markets and new growth. A comprehensive study of how aging in place affects local businesses, real estate values, health care costs and local economic activity would complement the recent work from the G20 and OECD to reframe the conversation about aging in a way that undeniably quantifies the benefits.

**2. Provide opportunities for innovation.** Unfortunately, the word “old” is now used to describe large numbers of experienced, educated professionals with unparalleled perspective on how to improve the world. In the United States, 23% of new entrepreneurs in 2011-2012 were 55-64 years old.<sup>22</sup> IBM and Intel have each created programs that allow younger employees to leverage senior expertise through technology, but innovation both for and from older demographic groups remains insufficient. Some simple ways to promote innovation that attracts seniors include loan programs dedicated to providing start-up funds for entrepreneurs over the age of 55; corporate educational forums that provide examples of how to tap into senior expertise; and awards programs to highlight corporate practices that foster cross-generational knowledge-sharing, a tactic with particular impact in manufacturing and industrial professions.

### Which Of The Following Statements Do You Agree With More?



[Source: Edelman Berland survey on Aging and Urbanization, commissioned by McGraw Hill Financial Global Institute]

<sup>22</sup> Fairley, Robert W., Ewing Marion Kauffman Foundation, 1996-2013 Kauffman Index of Entrepreneurial Activity (2014)



- 3. Create incentives for intergenerational policies and investment.** Public-private partnerships draw private investment, but government support (through tax breaks, fund-matching programs, and other specific initiatives) often serves as the trigger. To reorient investment toward cross-generational priorities, governments need to take the first step. This can include bringing together partners with an interest in serving an older cohort of consumers, creating specific tax structures that reward demographically diverse initiatives, building educational systems that account for lifelong learning, or focusing health care efforts on community-based wellness. With community engagement that links the interests of both younger and older consumers in place, cities and partners then will have the option to reinforce successful initiatives with targeted support.

## Building the Ideal Intergenerational City

The ideal intergenerational city brings together human and financial capital to create and sustain wealth and social value. Cultural, social and economic factors will feed different models of what this city looks like. A city with walkable streets and a large, easily accessible medical infrastructure may find the transition quicker and easier than a sprawling city with an economic base of manufacturing. Some cities may have a head start if they have capital readily available.

Either way, the confluence of urbanization and aging represents a great opportunity for all cities, where aging populations are at once a source of economic value and a chief beneficiary. In the United States, for example, citizens 50 and older will soon hold more than 70% of all disposable income, with other developed and emerging economies set to follow suit.<sup>23</sup> Though logic dictates that capital is deployed in the places where more and more of us live, today's public policies, institutions, and lifestyles remain rooted in 20th century sensibilities.

### The confluence of urbanization and aging represents a great opportunity for all cities.

Numerous questions have yet to be answered. What can cities do to ensure that all citizens have the opportunity to be productive — and healthy — members of society and contribute to economic growth? How can they finance the changes they need to make to reach this ideal? How can social institutions be aligned to meet these goals? And, perhaps most importantly, what can be done to turn the current paradigm on its head, to move from societies dominated by fear for public finances — and,

too often, the elderly themselves — into a world of opportunities for sustainable economic growth, longer-lasting health for citizens and overall better lives?

The very breadth of these issues offers as many opportunities as hurdles. While so few cities have been able to tackle the incumbent challenges wholesale, changing just one aspect of a city may make it more attractive for, and responsive to, the needs of older people.



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