

Demographer James H. Johnson Jr.

“There are enormous opportunities in the aging of our population.”

James H. Johnson is the William R. Kenan Jr. distinguished professor of strategy and entrepreneurship and director of the Urban Investment Strategies Center at the University of North Carolina at Chapel Hill. His research has focused on community and economic development, the effects of demographic changes on the U.S. workplace, poverty and public policy in urban America, and workforce diversity. He has published more than 100 scholarly research articles and three research monographs and has co-edited scholarly journals. He is currently researching the economic and employment impact of white-collar job shifts offshore on U.S. competitiveness. He received his Ph.D. from Michigan State University, his master’s from the University of Wisconsin at Madison and his bachelor’s from North Carolina Central University.

SL: Why are we aging as a nation?

JOHNSON: One, we are living healthier lives, taking better care of ourselves. Eating better. Exercising more. Rebuilding communities with walking trails, jogging trails, biking trails to facilitate successful aging. Medical advances are increasing longevity. Another thing is that we are having fewer children. In fact the non-Hispanic white population has had below-replacement-level fertility for about 20 years. In a statistical sense, it takes 2.1 kids to replace yourself, but the non-Hispanic white rate has been at about 1.9 for about two decades. And a third piece that’s related to having fewer children is the growing role of women in the workforce. As more and more women get on a career path and in leadership roles in business, they defer marriage and they defer child bearing. And so there is a shrinking of the reproductive years. All of that together has reduced fertility rates and increased the aging of our population.

SL: What are the challenges of not having enough babies born to replace the current population?

JOHNSON: The average person turning 65 today is going to live another 18.7 years. They have already paid into the Social Security system and are getting money out of the system, but where

does the money come from? It has to come from the younger population. A low fertility rate—absent immigration—can’t sustain society because you don’t have enough people who work every day. And then we get these debilitating diseases and early onset of death, leading to truncated productivity.

SL: What does “truncated productivity” mean?

JOHNSON: Truncated productivity means that some people are contracting debilitating diseases that lead to disability earlier in life than in previous generations, sometimes in their 20s, 30s and 40s, which limits their ability to contribute to the economy. Probably in most cases, they are dependent on the system because they are not able to work, or not able to work full time. Or they are at work, but not working at full capacity. And it is mostly related to lifestyle choices—not taking very good care of ourselves, causing obesity and diabetes and early death. We also have some serious mental health challenges that prevent people from working full time. So it’s a complex array of forces that together create a reduced propensity or ability to work.

SL: Is immigration a solution?

JOHNSON: I think we have to be immigrant friendly because this group represents an important new source of labor. They can work every day and pay into the system. Immigrants have high rates of entrepreneurship and small business development—all add value to society. I don’t see any other way for us to sustain our communities and our population without importing young talent and investing in that young talent, particularly investing in the kids of immigrants. You want them. I’d much rather they be well-educated with a skill set than here and uneducated without a skill set. It is the foremost enlightened self interest. The return on investing in their education over the long haul is far greater than the money put into educating them. We talk about the graying of America on the one hand and the browning of America on the other hand. We want to nurture and protect those who are graying and grow and invest in the browning population so that we can sustain the social safety net systems that we all need as we age.



SL: But aren't there some advantages to having a smaller population?

JOHNSON: There is the environmental argument that a smaller population reduces adverse effects on the physical environment and natural resources and things that have a finite capacity. But if you don't grow, you die. So we need to grow and we need really, really smart people to help us grow smartly. If you have a truncated, not very diverse gene pool, you don't get

the benefit of the most creative ideas of how to create a healthy, viable and sustainable planet. That's why I'm supportive of immigration, which can add to a diverse gene pool to draw upon to deal with some of these seemingly intractable problems.

SL: What products and services will the growing elderly population create a new market for?

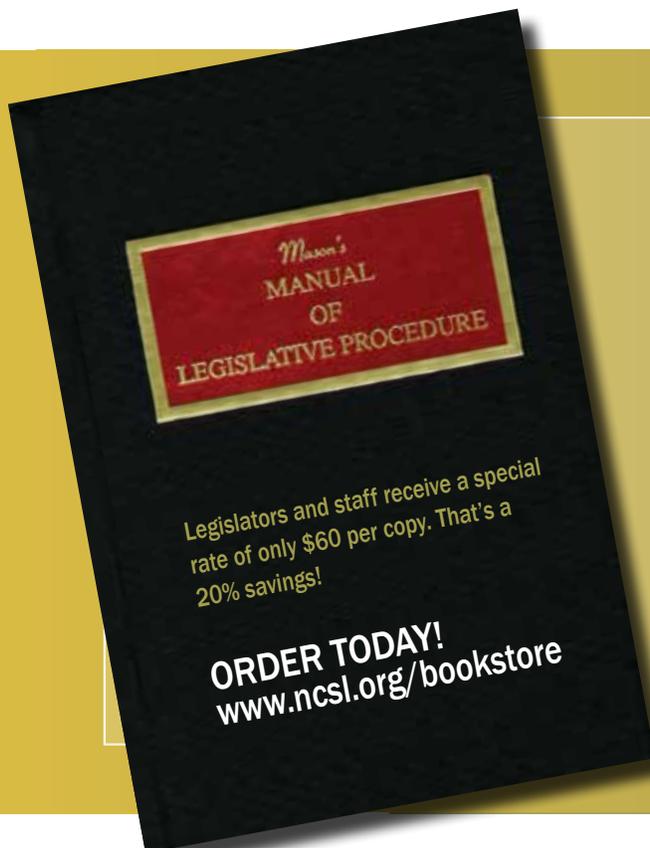
JOHNSON: Senior playgrounds will replace children's playgrounds in the future. They are environments that enable aging in place. They are designed to keep seniors active and reduce their propensity to fall. They provide ways for them to work on their balance, their dexterity. Injuries and sometimes deaths from seniors falling is a \$19-billion problem projected to grow to \$55 billion by 2020. The more active seniors are, the better off they are. These fitness parks offer opportunities to stay active and grow old at home.

SL: What's the most important thing for state legislators to know?

JOHNSON: That there are enormous opportunities in the aging of our population. Enormous opportunities for job creation. For business development. For community development. And for reducing caregiver stresses and strains. In other words, as opposed to looking at the glass as being half empty, it is really half full.

SL: So it's an opportunity and not a problem?

JOHNSON: A real opportunity. Absolutely.



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