

# Turning Challenges into Opportunities: Accelerated Aging in Mexico

By Pablo Ibararán, Ana Mylena Aguilar, Fiorella Benedetti, Natalia Aranco  
Social Protection and Health Division, Inter-American Development Bank

Mexico is already at an advanced stage in its demographic transition, driven by lower fertility rates coupled with lower mortality rates resulting in longer average lifespans.<sup>1</sup> A key feature of demographic trends in Mexico is the rapid rate at which the older population is growing. According to data from the United Nations, in 2020, the population age 60 years or older reached 14.5 million, representing 11 percent of the total population. Women make up 55 percent of this group and men 45 percent. Furthermore, it is expected that in 2050, one out of four people in Mexico will be 60 and older (about 40 million people).<sup>2</sup>

Even though these demographic changes are excellent news as they represent broad socioeconomic progress, they entail challenges. Extended life expectancies impact labor market dynamics as well as the sustainability of pension systems. They also increase the need for health care systems to prevent and manage chronic and non-communicable diseases as well as create a need to address increased demand for long-term care. Thus, in some respects, the level of impact of the demographic changes largely hinges on Mexico's capacity to respond quickly.

## **Acknowledging and Confronting the Challenges**

An initial challenge related to a growing population of older persons is the demand for care and support services. In 2018, according to the Mexican Health and Aging Study (MHAS, or ENASEM in Spanish), 3 million individuals over 60 (21 percent of this age group) reported having experienced difficulties with performing at least one of the basic activities of daily living (ADLs) and are in a situation of functional or care dependency. This means that they need support or help from others to perform activities of daily



living. Furthermore, functional dependency increases with age: the proportion of older people with difficulties in at least one activity of daily living jumps from 13 percent for those age 60-69 to 47 percent among those who are 80-plus.

The number of older people reporting difficulties with performing activities of daily living has significantly increased since 2001, when it totaled only 930,000 (12.8 percent of the 60-plus population). This increase of more than 2 million older persons with care dependency by 2018 is attributable both to the increase in the number of people over 60 (45 percent) and to the increase in the dependency rate for each age bracket (55 percent). For example, among persons aged 70 to 79, dependency increased from 13 percent to 23 percent between 2001 and 2018. This increase is expected to continue in the coming years: by 2026, it is projected that 19 percent of older people in Mexico will be in a situation of mild dependency and 9 percent severe dependency.<sup>3</sup>

A second challenge of accelerated aging is associated with gender, particularly

regarding the provision of caregiving services for older persons with functional dependency. Similar to other countries, in Mexico women are the main contributors to the care economy. Taking a broad perspective, according to 2019 data from the National Satellite Accounts Exercise performed by the National Statistical Institute (INEGI, 2020), women contribute 75 percent of the total value of unpaid household work and 74 percent of the value of caregiving work within the family. The fact that women are overloaded with care tasks has consequences in the labor market: Mexican women between 50 and 64 years of age, who face a new need of caregiving due to the development of care dependency by a parent are less likely to work. Their probability of employment drops by 7 percent. Those who manage to stay employed, meanwhile, work 7 percent fewer hours.<sup>4</sup> Notably, the same analysis shows that there are no impacts for men who face a similar situation.

The gender dimension is further compounded by the fact that women on average live longer than men: women

Women further experience higher rates of care dependency in certain age groups; for example, the dependency rate within the 80-plus population is 53 percent for women and 41 percent for men (MHAS, 2018). In short, women are the main providers of unpaid care and the main recipients of these services. All these facts underscore the need to develop a comprehensive system of care and to rebalance the weight of care within families.

represent 51 percent of the general population but 55 percent of the 70-79 age group and 58 percent of the 80-plus age group. Women further experience higher rates of care dependency in certain age groups; for example, the dependency rate within the 80-plus population is 53 percent for women and 41 percent for men (MHAS, 2018). In short, women are the main providers of unpaid care and the main recipients of these services. All these facts underscore the need to develop a comprehensive system of care and to rebalance the weight of care within families.

Another challenge is that older persons in Mexico show a high prevalence of chronic and non-communicable diseases, which are associated with higher functional dependency, decreased quality of life, and additional stress on the health system. Three-fifths of people ages 60-69 who were interviewed in the 2018 ENASEM reported having been diagnosed with at least one chronic disease. That prevalence increases with age. It jumps to 67 percent among those who are 70 and older, and for all age groups the percentage of diagnosis among women is higher. The main chronic

conditions facing people ages 60-69 are hypertension (42 percent), diabetes (26 percent), and arthritis (12 percent). These values are likely underestimated since diseases such as diabetes and hypertension are often not diagnosed. The International Diabetes Federation estimates that half of those who suffer from diabetes in low- and middle-income countries do not know they have the disease.<sup>5</sup> Finally, according to the Global Burden of Disease Study in Mexico, among people ages 70 and up, cardiovascular diseases account for the largest share of the total percentage of deaths (31 percent), followed by diabetes and other endocrine diseases (20 percent).<sup>6</sup> Not only aging but other factors influence the appearance of chronic diseases: a more sedentary lifestyle, tobacco use, unhealthy diets, and alcohol consumption. Healthy aging requires effective and multi-sector public health approaches for identifying risk factors and mitigating long-term effects.

### **Opportunity and Investment**

Yet, as we know, the world's aging population presents a tremendous opportunity. For example, when older people, who

typically come equipped with the benefit of experience, are in the job market, more income and tax revenue are generated. In Mexico, 40 percent of the population age 60 and over are active in the labor market. According to estimates from PwC's Golden Age Index 2018, if the labor participation rate among people over 55 years of age were to reach more than 70 percent, Mexico's GDP would increase by \$52 billion in the long term.<sup>7</sup> And, of course, it is expected that people working longer would mean less of a strain on the pension system.

It is further important to recognize and galvanize the potential of the Silver Economy, that is the economic sector related to the needs and demands of older people. This is a growing, often overlooked, market. Major challenges associated with aging bring possibilities for economic development, new business ventures, and job opportunities. Promoting healthy aging and facilitating the growth of the Silver Economy will go a long way in turning the challenge of aging into an opportunity for sustainable, inclusive, and equitable growth.

Thus, as is the case in many countries, the rapidly aging population in Mexico demands that the nation acknowledge the challenges that lie ahead so that it can develop solutions to address them. Within both the solutions to challenges and the overall economic strength and potential of older persons lies a valuable opportunity. As with any opportunity, societies will need to invest resources, in order to benefit from it. ●

<sup>3</sup>González-González C, Cafagna G, Hernández Ruiz MC, Ibarrarán P, Stampini M. Dependencia funcional y apoyo para personas mayores de México, 2001-2026. Rev Panam Salud Publica. 2021;45:e71. Available from: <https://doi.org/10.26633/RPSP.2021.71>

<sup>4</sup>Stampini M, Oliveri ML, Ibarrarán P, Londoño D, Rhee HJ (Sean), James GM. Working Less to Take Care of Parents?: Labor Market Effects of Family Long-Term Care in Latin America [Internet]. Inter-American Development Bank; 2020 Oct. Available from: <https://publications.iadb.org/en/node/29065>

<sup>5</sup>Ibarrarán, P. Health Challenges Facing an Aging Population. Gente Saludable. 08-19-2019. Available from: <https://blogs.iadb.org/salud/en/health-challenges-in-aging/>

<sup>6</sup>López-Ortega M, Aranco N. Envejecimiento y atención a la dependencia en México [Internet]. Inter-American Development Bank; 2019 Aug. Available from: <https://publications.iadb.org/es/envejecimiento-y-atencion-la-dependencia-en-mexico>

<sup>7</sup>PWC Golden Age Index. PwC. 2018. Available from: <https://www.pwc.es/es/publicaciones/economia/assets/golden-age-index-2018.pdf>



**PABLO IBARRARÁN**  
Principal Social  
Protection Specialist  
Inter-American  
Development Bank



**ANA MYLENA AGUILAR**  
Senior Health Economist  
Inter-American  
Development Bank



**FIGORELLA BENEDETTI**  
Undersecretary  
Ministry of Social  
Development  
City of Buenos Aires



**NATALIA ARANCO**  
Consultant  
Inter-American  
Development Bank

<sup>1</sup>ECLAC (Economic Commission on Latin America and the Caribbean). 2008. "Transformaciones demográficas y su influencia en el desarrollo en América Latina y el Caribe." Centro Latinoamericano y Caribeño de Demografía (CELADE) Document LC/G.2378 (SES.32/14).

<sup>2</sup>López-Ortega M, Aranco N. Envejecimiento y atención a la dependencia en México [Internet]. Inter-American Development Bank; 2019 Aug. Available from: <https://publications.iadb.org/es/envejecimiento-y-atencion-la-dependencia-en-mexico>