

Generational Change and Its Potential Impact on Governments

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Now What?

- ❖ In many parts of Pennsylvania, demographic shifts are adding 21st Century problems to policymakers' plates
 - ❖ Growing demand for services for growing numbers of elderly
 - ❖ Shrinking age cohorts with skills gaps
 - ❖ Many adults at the margins of the workforce
 - ❖ Growing poverty among the young
- ❖ Where are tomorrow's tax dollars going to come from?
 - ❖ Doable, but not going to be an easy ride

Disruptive Age Cohorts

- ❖ Historically unique
- ❖ Generational hiccup – not indefinite
- ❖ Disrupts traditional ways of thinking about sector-based policy
- ❖ Current - almost exclusive focus on strategic planning for institutional sustainability
- ❖ Soon - need to add an additional layer of interest in generational sustainability

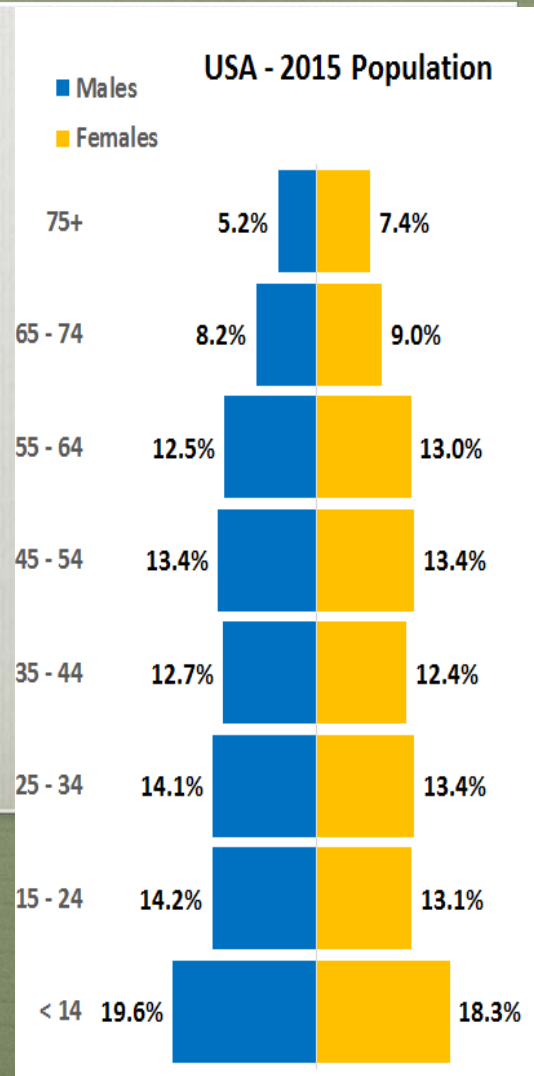
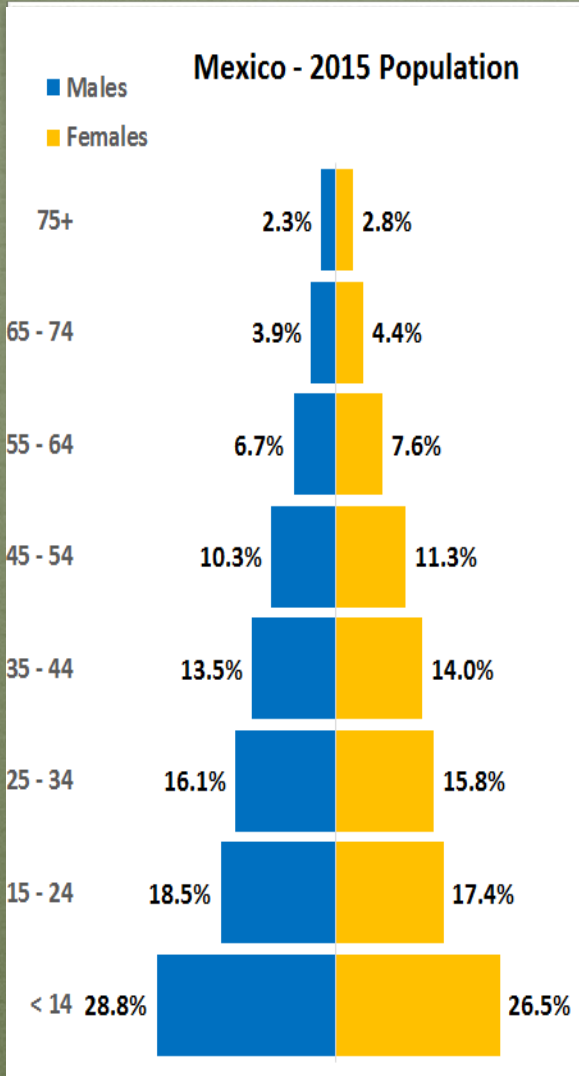
Disrupts Education

- ❖ 20th century strategic planning was sector based and centered on institutional sustainability
- ❖ Since the mid-1990s, an almost exclusive focus on classroom instruction, achievement and accountability
- ❖ Two major policy drivers: Access and consumer choice – economic and civility development relegated to the margins
- ❖ Demographic disruptions in workforce quantity and quality contributing to increased pension obligations, and growing fragility in revenue sources.

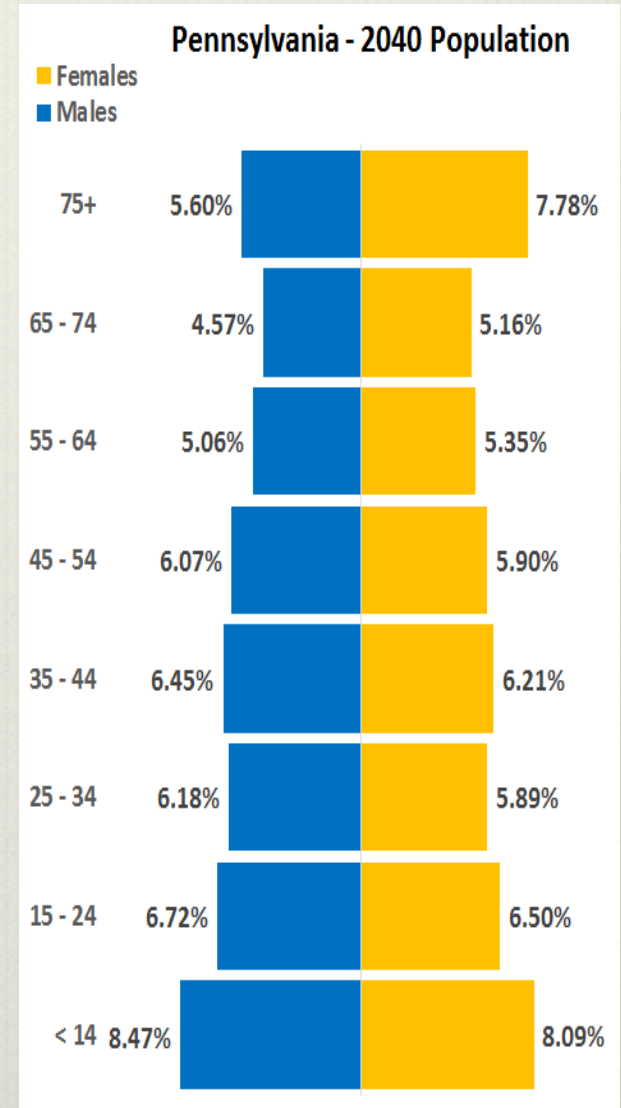
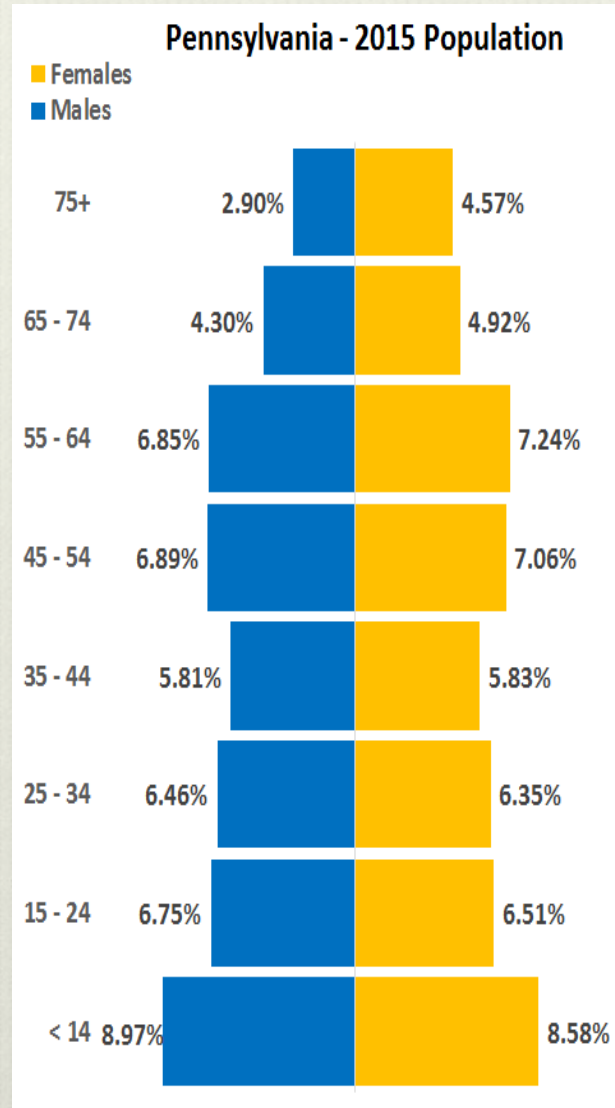
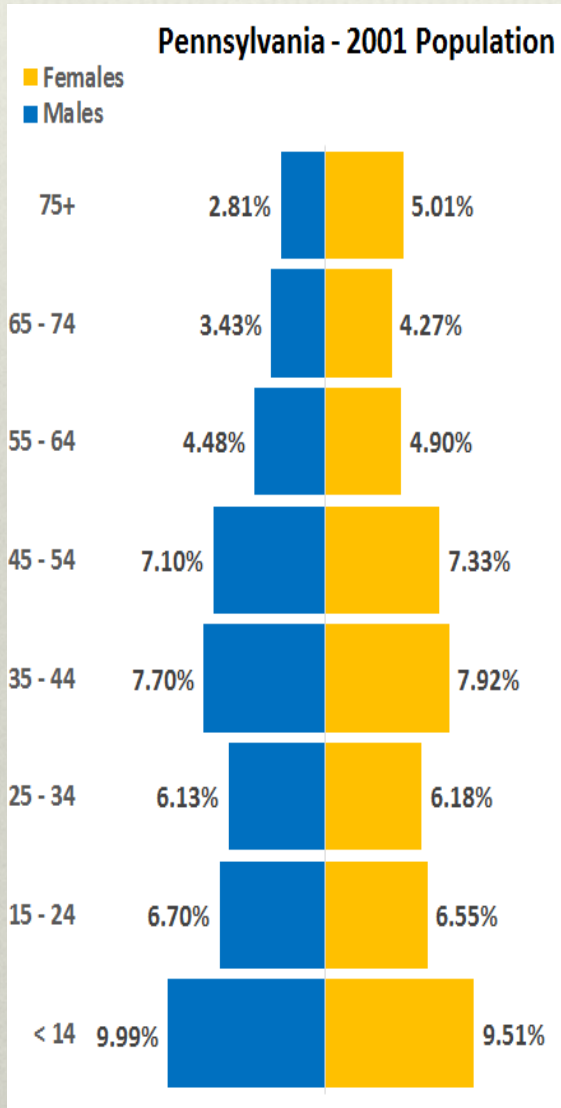
Education for Development

- ❖ Useful data are available in other areas but not often used at local levels for planning (LEAs and HEIs)
- ❖ Can address cross-sectoral issues
 - ❖ Census
 - ❖ Age distributions, including gender (women tend to be more economically fragile)
 - ❖ Workforce development
 - ❖ Quantity: Age-related labor force participation rates
 - ❖ Quality: Types of employment: low wage, low volume, low wage, high volume, high wage low volume and high wage, high volume
 - ❖ Skills gap

WE NEED MAPS!



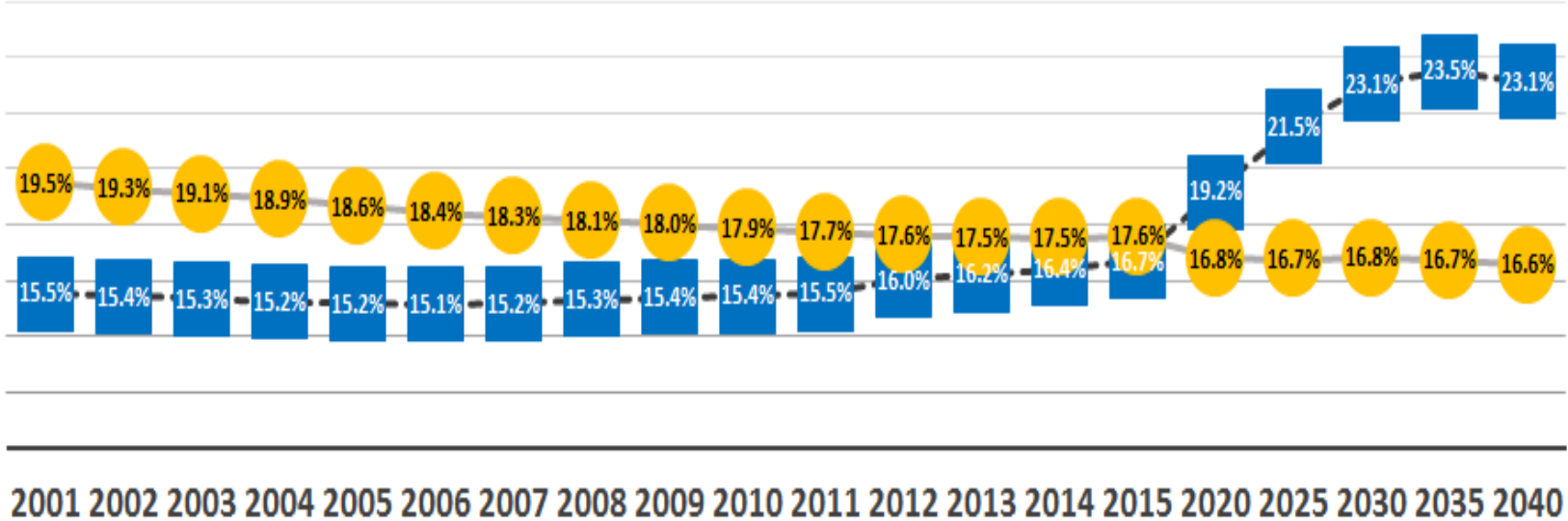
PA Population Pyramids



Aging Trends in Fourth Oldest State

Share of Population by Age Cohorts (PA 2001-2040)

■ Population 65+ ● Population 0-14

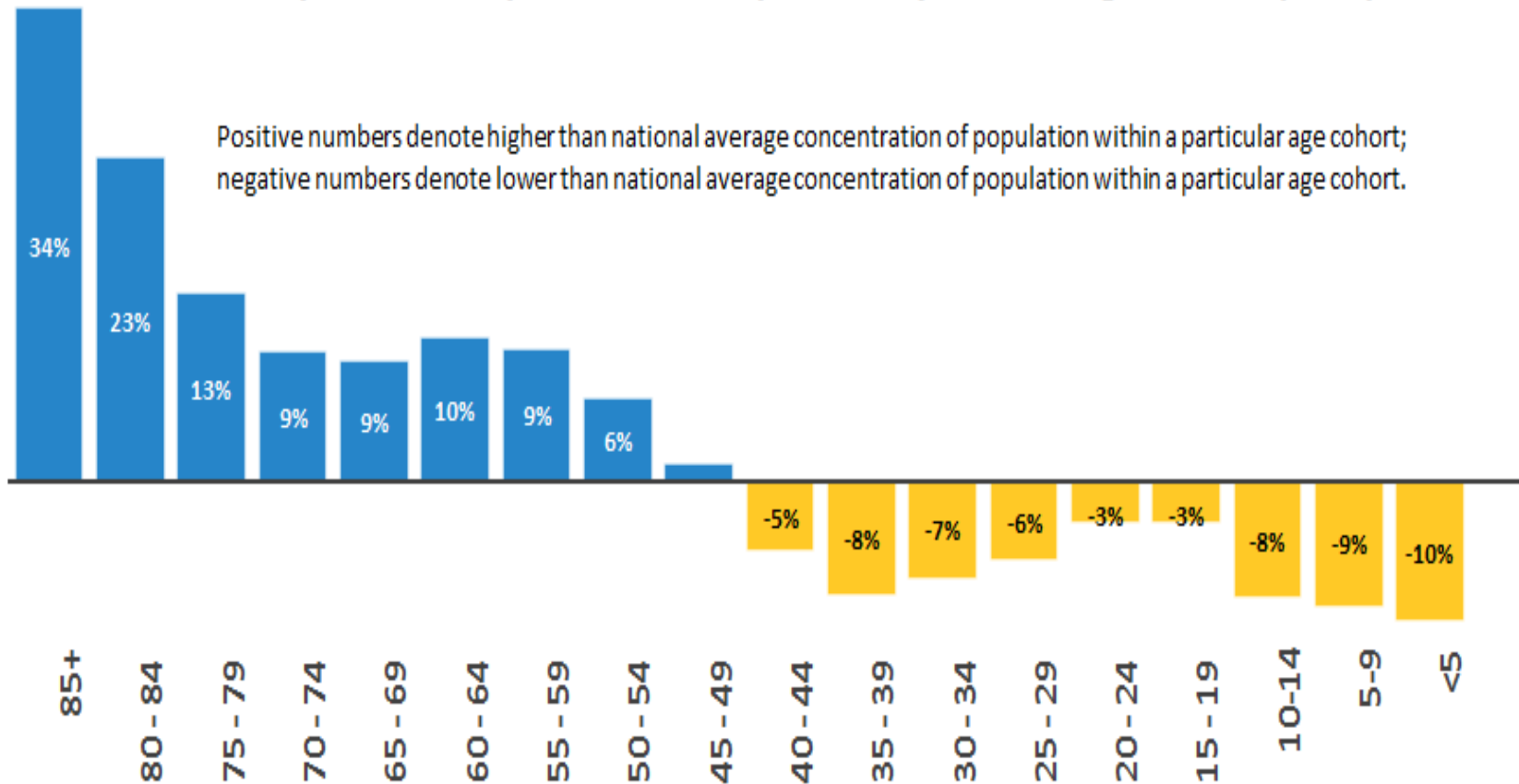


Data Source: U.S. Census Bureau, 2015; PA State Data Center/Center for Rural Pennsylvania, 2015

More Older Workers and Fewer Younger Ones

PA Population Compared to U.S. Population by Share of Age Cohorts (2015)

Positive numbers denote higher than national average concentration of population within a particular age cohort; negative numbers denote lower than national average concentration of population within a particular age cohort.



Data Source: U.S. Census Bureau, 2015.

Great Variance Across the State

- ❖ So important that local and regional governments have better access to multi-sector data for analysis
- ❖ Otherwise may make decisions without critical information
- ❖ Better dissemination needed for existing data and reports
 - ❖ Harrisburg (e.g., IFO)
 - ❖ Colleges and Universities
 - ❖ Other local and regional governments

Analyzing Disruption

- ❖ Access to big data for decision making
- ❖ Map age cohort conditions
- ❖ Revisit planning frameworks to include a generational interest
- ❖ Secure generational transitions

What is a Generational Interest?

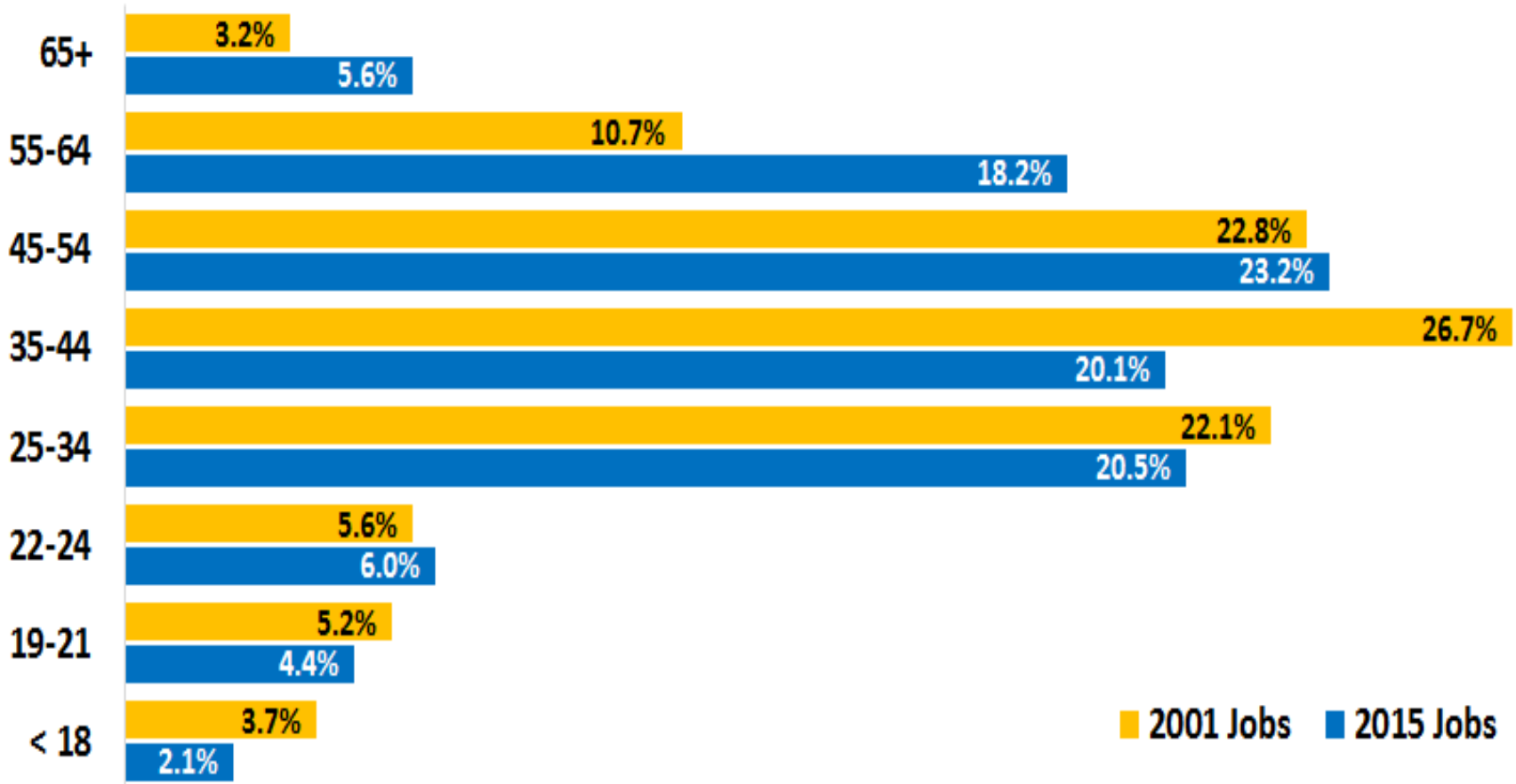
- ❖ The state has a compelling interest in generational sustainability
- ❖ Governments need to lead in protective efforts in cooperation with other parts of civil society (families, businesses, non-profit organizations, religious organizations, etc.)
- ❖ Generational investments pay forward for future return
- ❖ Generational returns too complex to be easily measured, but too important to be ignored

Workforce Quality Issues

- ❖ Requires multilevel government cooperation: Also too complicated for any one sector, including governments
- ❖ For example, PA labor force participation rates already low
- ❖ For every ten people who work, six do not
 - ❖ Age (too young, too old)
 - ❖ Unemployed or discouraged workers
 - ❖ Disabled
 - ❖ Voluntarily not in the labor force (home-based caregivers)

Age Cohort Shifts and Jobs

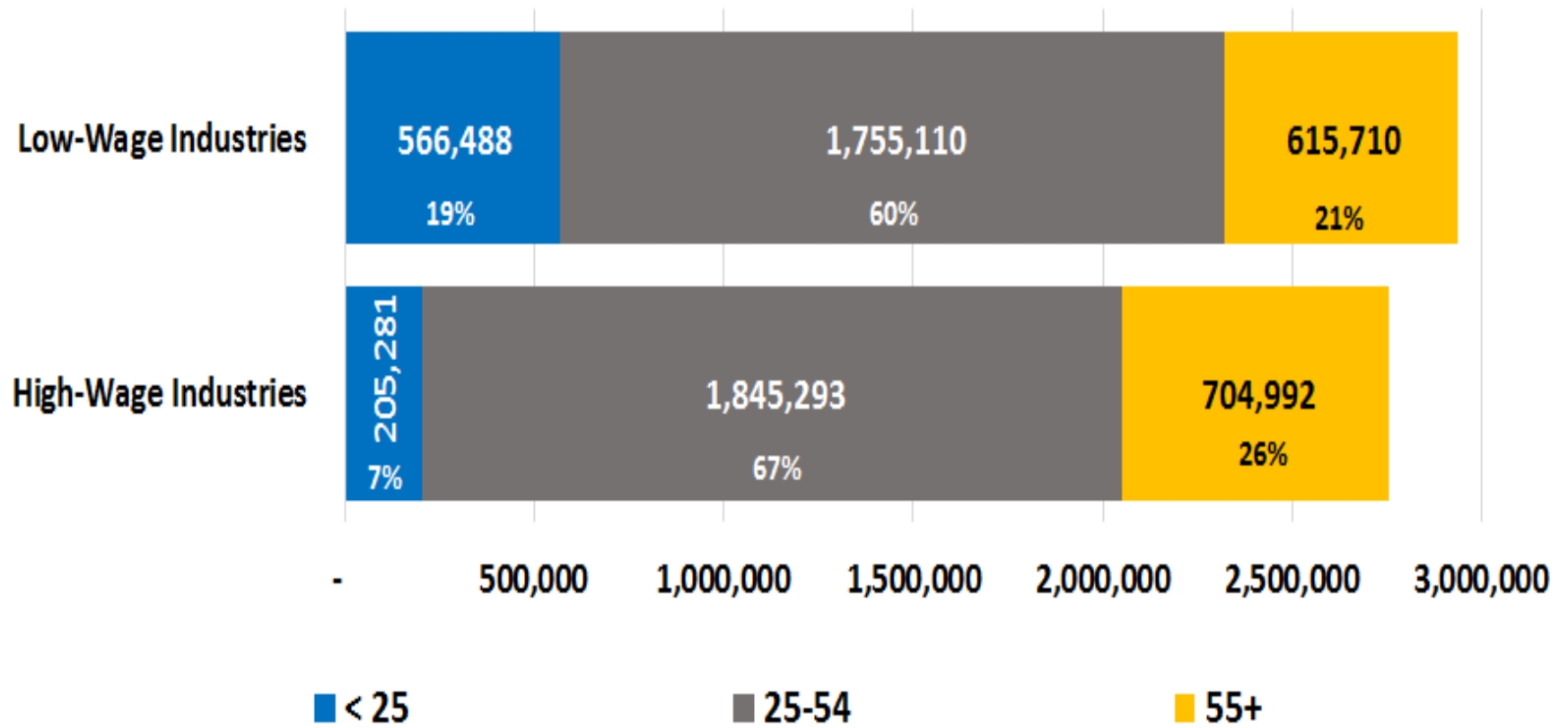
Distribution of Jobs by Age Cohorts (PA, 2001-2015)



Data Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; EMSI, 2015.

Age and Wage

Jobs by Age of Workers and Wage Sector (PA, 2015)



Big Picture

- ❖ Can't apply 20th century institutional solutions to 21st century generational problems
- ❖ Economic growth and political stability require taking demographic thinking into account
- ❖ State has a compelling interest in successful generational transitions
- ❖ Governments can also act as broker for generational investments in sustainability

Bottom Line

- ❖ PA governments need to consider shifting toward multi-sector analyses and generational investments by mapping conditions and using big data
- ❖ Also need to shift planning resources toward greater consideration of investments in fair and successful generational transitions
- ❖ Good news is the state has great resources not only in Harrisburg, but also in its great colleges and universities, in the private sector, etc.
- ❖ Better off than many states facing demographic concerns

Thank You

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