

INSIGHT 2

We need to be watching a different demographic crisis than ageing

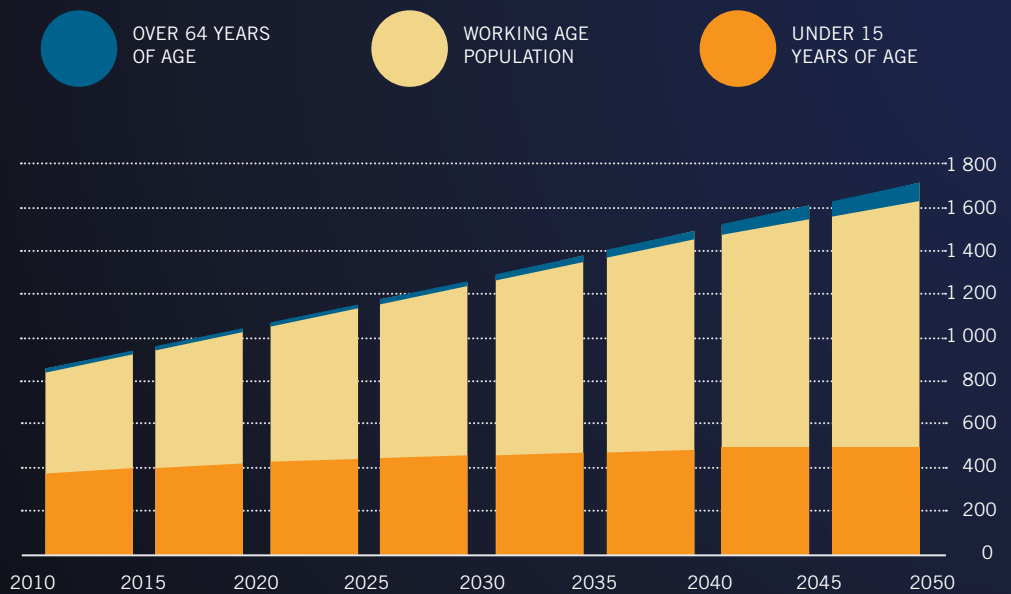
But there were far bigger demographic issues at stake – and these couldn’t be ignored. It’s true that by 2050, the number of people over the age of 64 in South Africa will have tripled – from 5% of the population to 15% of the population.

But a far more significant bubble would be emerging in that segment of the population that would be deemed ‘employable’. As Dr George Friedman pointed out in the recent Digital Economic Summit for South Africa: ‘South Africa’s real crisis is a crisis of upward mobility and financial stability.’

That means that solving for retirement may not be as easy as solving for an employee’s lifetime of earning. As Friedman points out, South Africa’s real economic challenge will be how to avoid an explosion of the underclass.

SOUTH AFRICAN DEMOGRAPHIC PROFILE

Demographics show that enabling employees over their journey will be more important than the end-goal of saving for retirement. We need a new compact with employees to do that.



Source: United Nations