Foreword

The health status and income levels of older people have substantially improved over the last decades in OECD and emerging countries. This *Preventing Ageing Unequally* report shows, however, that risks of increasing inequality among future retirees have been building up. Demographic changes combined with rising inequality trends and tight public finance constraints in many countries are modifying life prospects at older ages. With longer life expectancy, declining family size, higher inequality over the working lives and reforms that have reduced future retirement income and tightened the links between pension contributions and benefits, the experience of old age is going to change dramatically for today's younger generations. Financing of pensions and caring for elderly people in particular might become more difficult, aggravating the burden for the most disadvantaged. The sustained and fairly generalised improvement in the living standards of older people is unlikely to be prolonged in the forthcoming decades.

Inequalities have risen to the top of the international policy agenda. Earnings and household income inequalities have increased over the past three decades in most countries, fuelled by the rising share of non-standard work, difficulties encountered by many young people in securing a foothold in the labour market and high unemployment in some countries (*Divided We Stand*, 2011; *In It Together*, 2015). The *Preventing Ageing Unequally* project is part of a broader policy agenda of the OECD to address inequalities of opportunities and outcomes. In 2011, the introduction of the *OECD Better Life* initiative has led to a better understanding of what drives well-being of people and nations. With the *All on Board for Inclusive Growth* initiative launched in 2012, the OECD has developed a comprehensive framework to help countries design and implement comprehensive, multi-sectoral policies that can deliver stronger growth and greater inclusiveness.

Preventing Ageing Unequally clearly shows that socio-economic outcomes of individuals build up from childhood to adulthood, and inequality of a given cohort later in life largely results from differences in individual experiences accumulated over the life course. Better health early in life tends to be correlated with better educational attainment and they both contribute to better labour market outcomes. In turn, people with stable and well-paid jobs also tend to enjoy good access to health and other services, and are likely to retire with adequate income. These people are also more likely to have insurance or financial assets to cover them in case they need long-term care. By contrast, people who had low-quality jobs, low incomes and unstable careers are likely to be in worse health and face higher risks of poverty and if they need long-term care, what they get is likely to be rather dismal.

Preventing ageing unequally requires a comprehensive policy approach to help individuals overcome disadvantages that could cumulate over their life course and result in bad health, low income and poverty at old age. These policies will need to take account of the new realities people are facing today in their families, in their workplace, in their careers and in their health and disability risks. As OECD analysis shows, education,

health and employment experiences interact and compound inequality. This also means that inequality-reducing policies in one area will spill over into other areas generating additional welfare effects. The report identifies policies that can contain if not fully address the risks of unequal ageing. It suggests a policy agenda to prevent, mitigate and cope with these inequalities, drawing on good practices in OECD countries and emerging economies, which led to the OECD Action Plan on Preventing Ageing Unequally endorsed by the OECD Ministerial Council Meeting in June 2017.*

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^{*.} https://www.oecd.org/social/C-MIN-2017-6-EN.pdf.

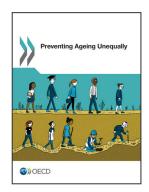
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