Old-Age Support Systems in Asia:
An Overview and Policy Options

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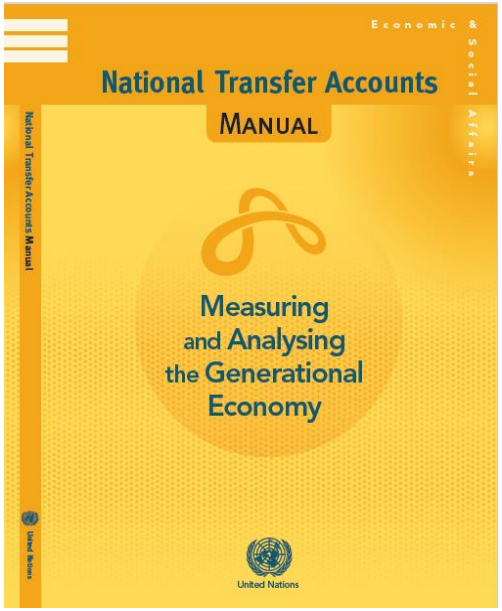
Asia-Pacific Regional Conference on Population Ageing 2026
Hangzhou, PRC, October 28, 2026

Key Issues

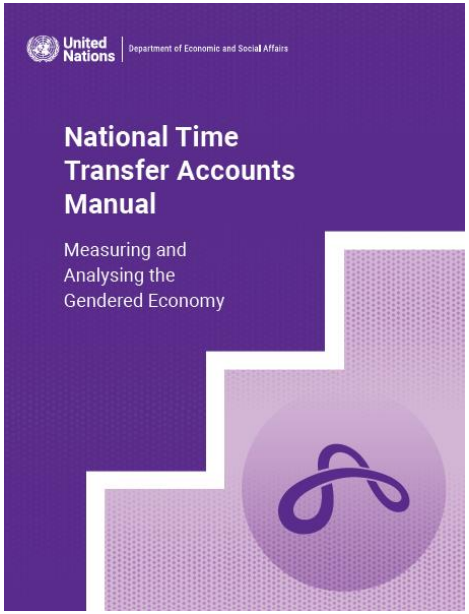
1. How do older people in Asia finance their consumption? What are their sources of income and support?

2. What options are available to finance old-age consumption in the future?

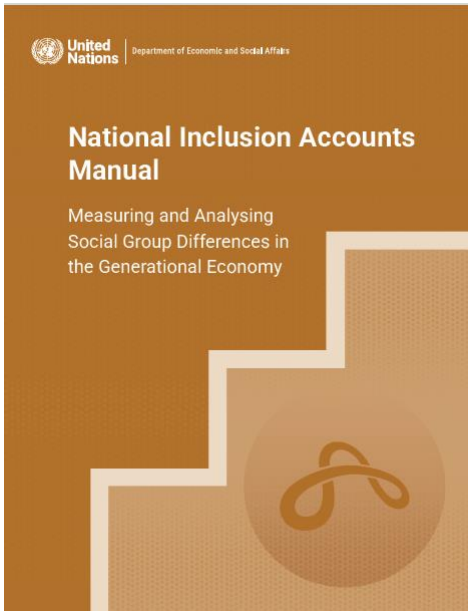
Based on National Transfer Accounts (NTA) Methodology



NTA (by age)



NTTA (by age and gender)



NTA-I (by age and SES)

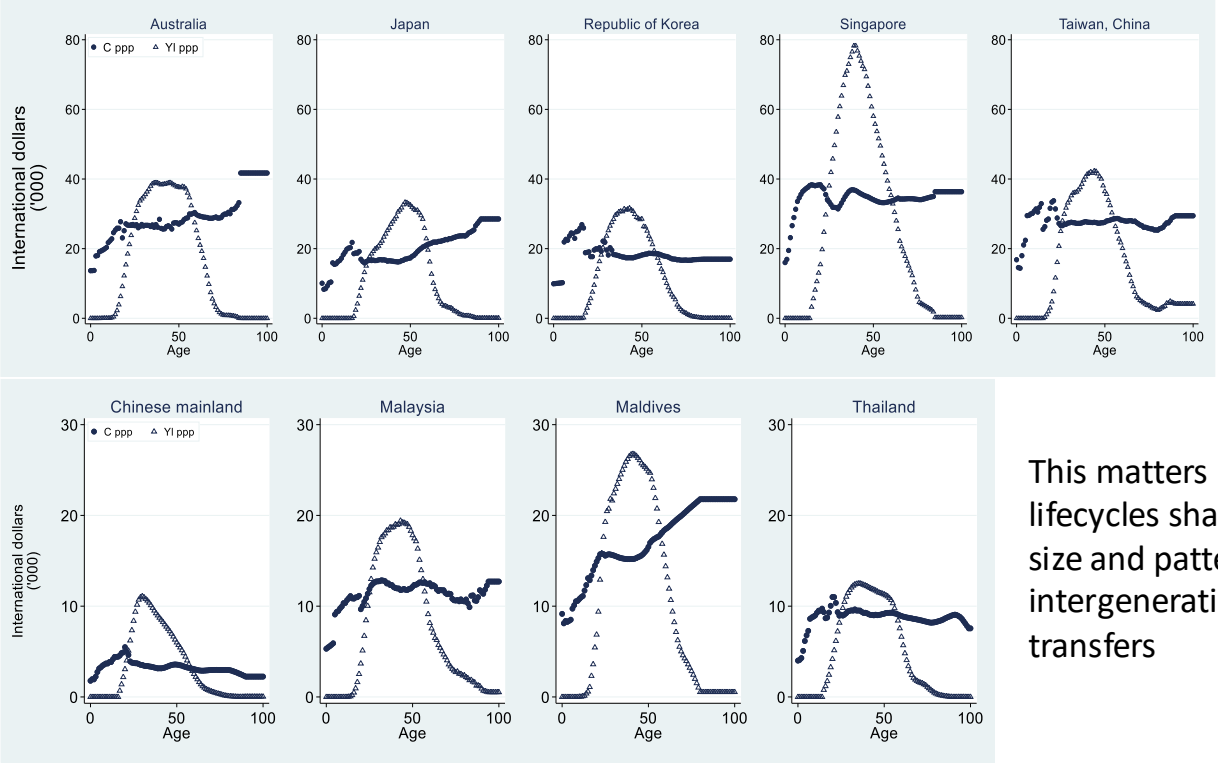
https://ntaccounts.org

01

How do older people in Asia finance their consumption?

What are their sources of income and support?

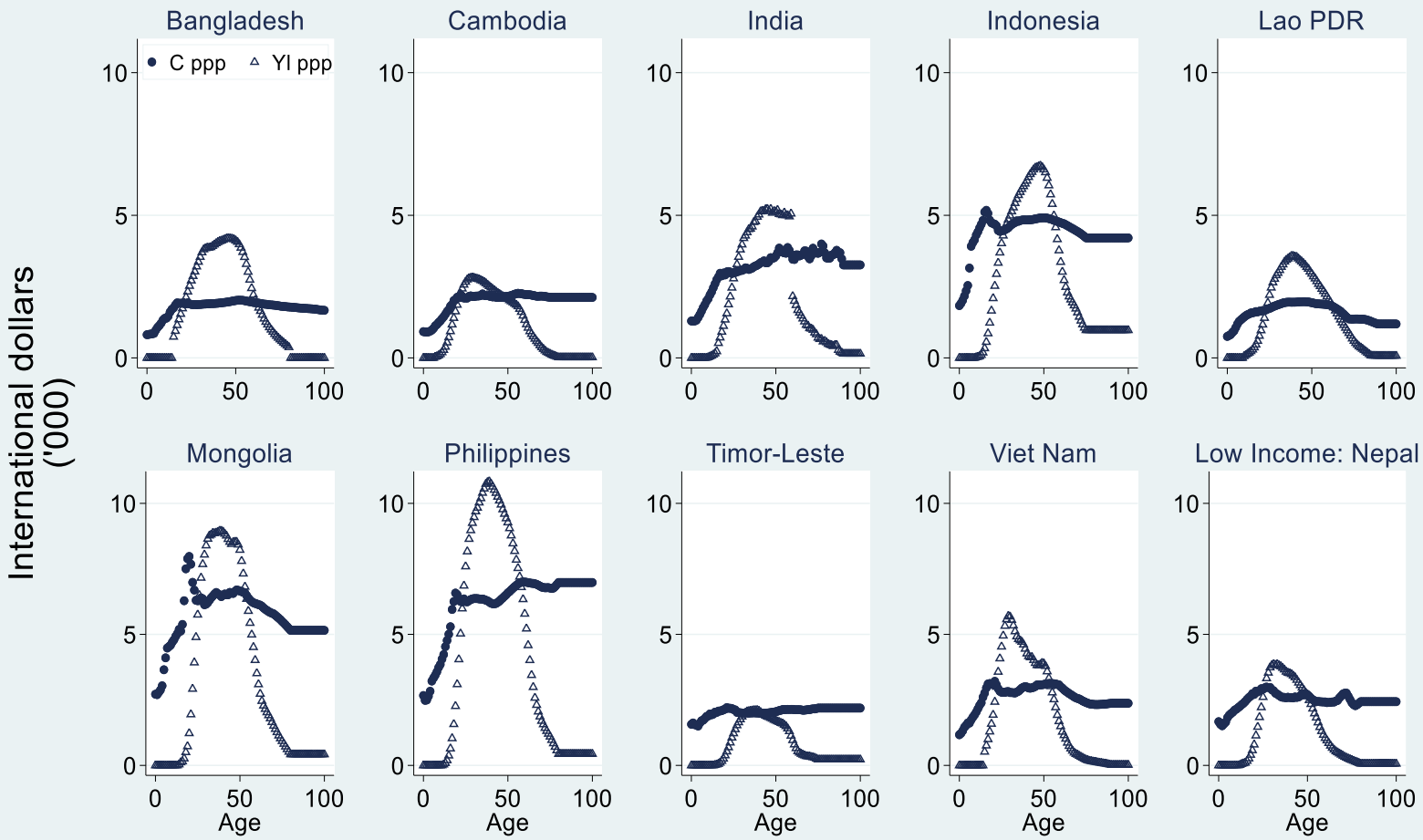
Economic lifecycles in Asia are highly diverse, as are demographic transitions



This matters because lifecycles shape the size and pattern of intergenerational transfers

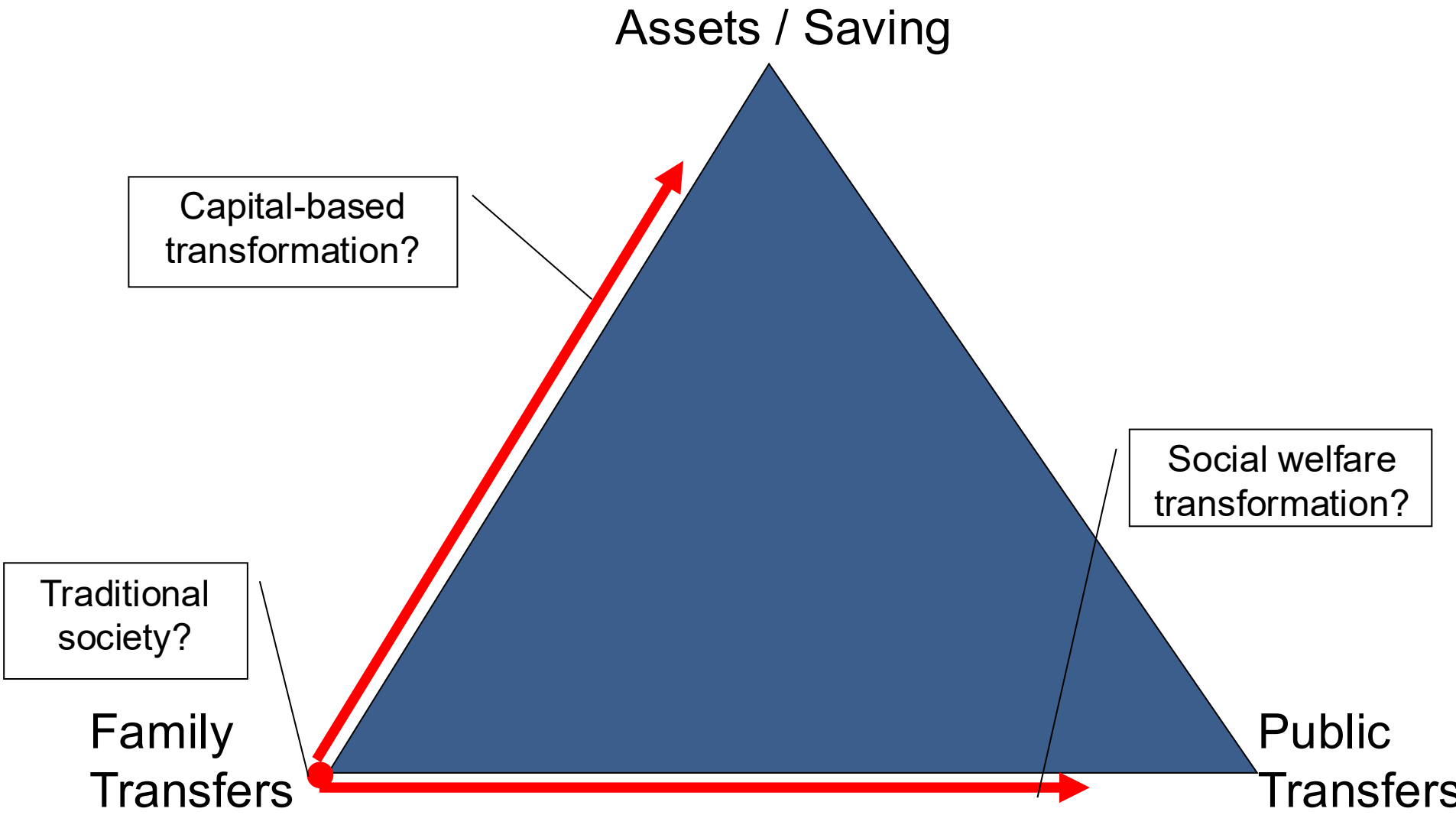
Source: Mason et al. (2022); www.ntaccounts.org

Economic lifecycles in Asia are highly diverse (cont.)

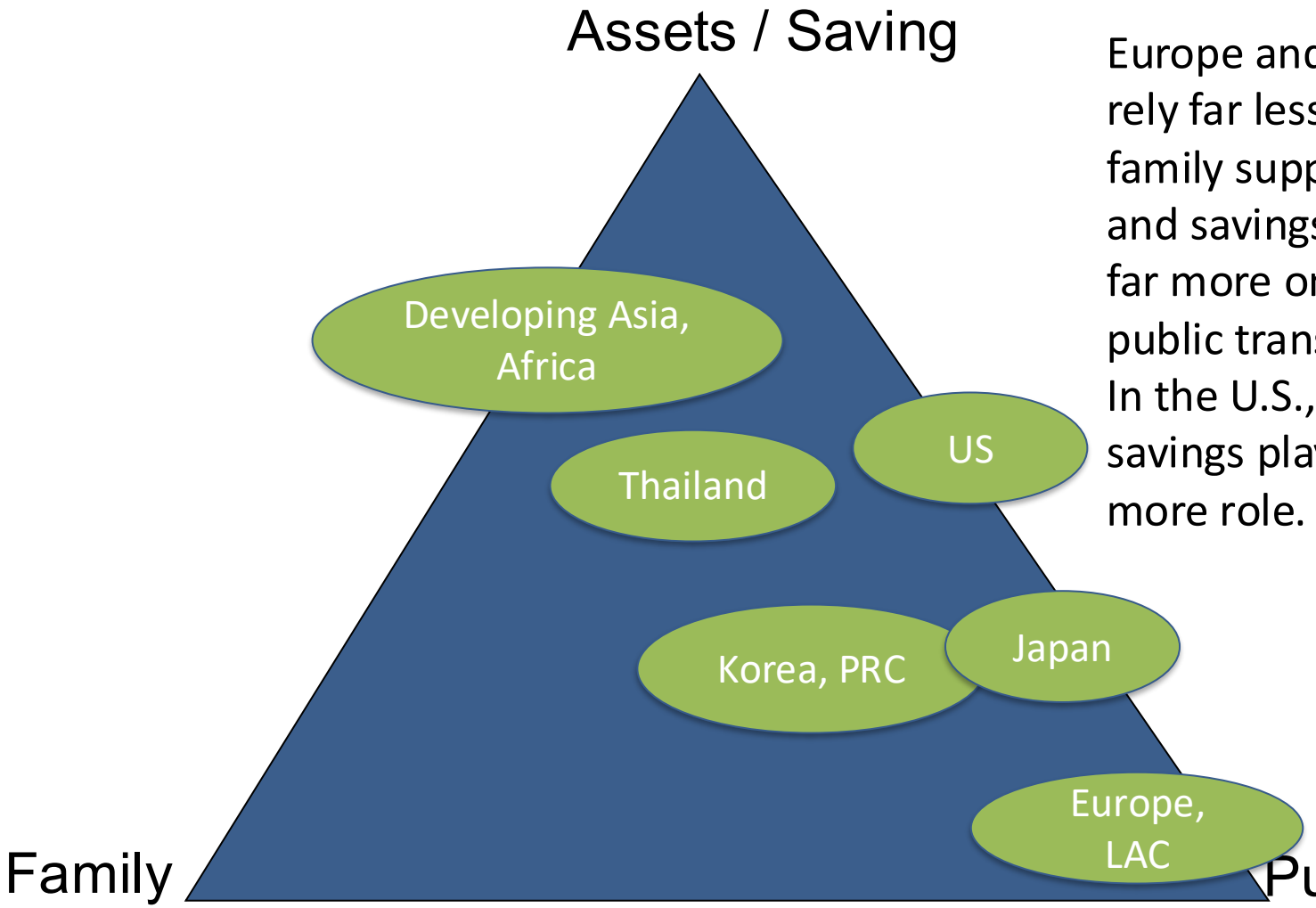


Source: Mason et al. (2022); www.ntaccounts.org

How old-age support systems evolve



Old-age support systems are just as diverse



Europe and LAC rely far less on family support and savings, and far more on public transfers. In the U.S., savings play a more role.

Source: NTA database, www.ntaccounts.org

Cross-sectional correlation

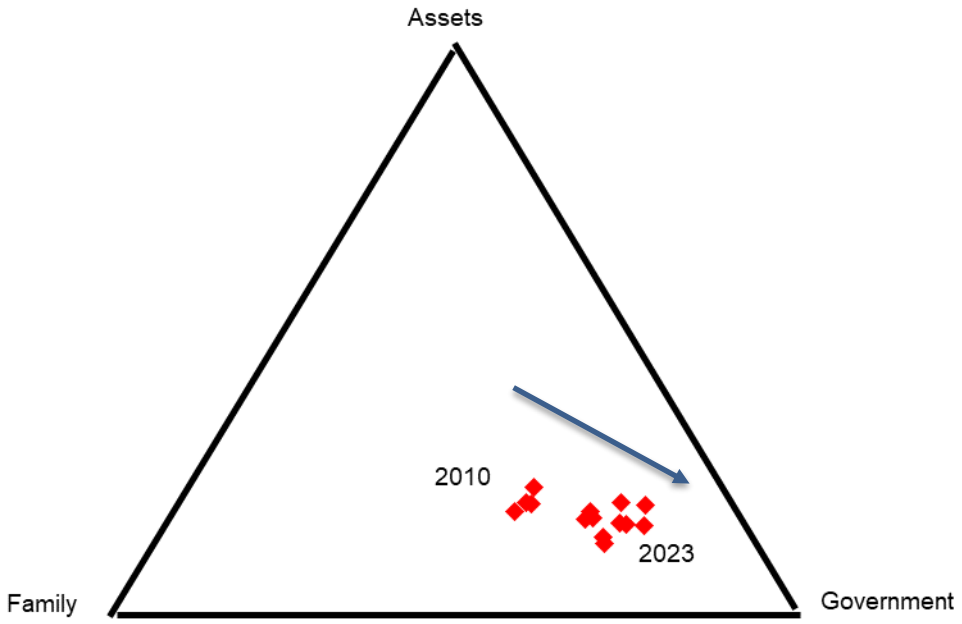
Non-Asia	Assets/Saving	Family	Public Transfers
Assets/Saving	1		
Family	-0.370	1	
Public Transfers	-0.921	**-0.021**	1

Asia	Assets/Saving	Family	Public Transfers
Assets/Saving	1		
Family	-0.230	1	
Public Transfers	-0.735	**-0.491**	1

Crowding out? This can be interpreted as an increase in public transfers in Asia as national income rises, accompanied by a weakening of family transfers.

These systems are also changing rapidly (e.g., S. Korea, ages 65+, 2010–2023)

In Korea, family support has weakened over time, and older people now rely much more on public support.



Source: NTA database, www.ntaccounts.org
Ministry of Data and Statistics, Republic of Korea.

Age vs. Time effect (S. Korea) (2010-13 vs. 2014-19 vs. 2020-23)

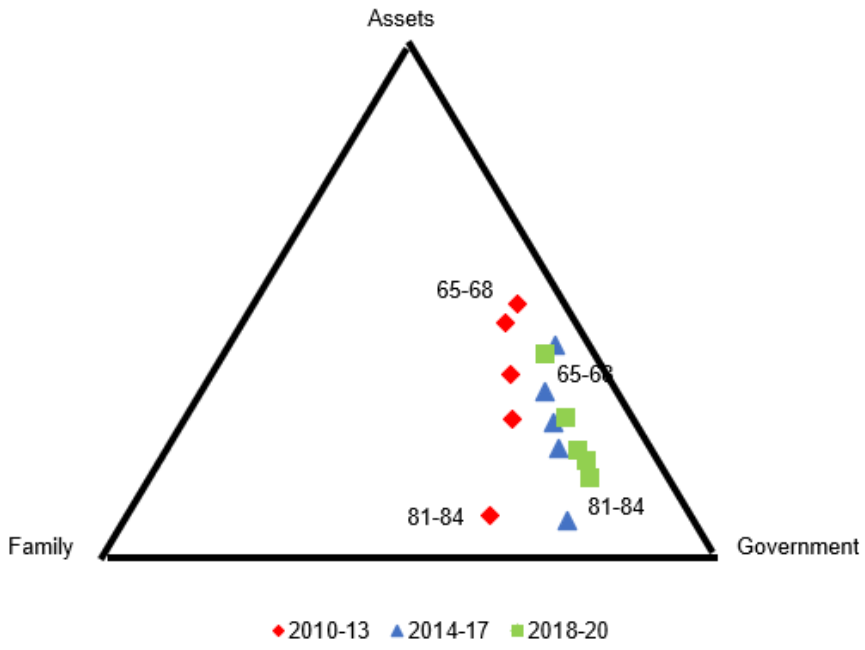
(1) Over time, ALL elderly rely more on public support system.

(2) Younger old rely more on assets regardless of time

(3) Older old used to rely more on family, which is no longer true.

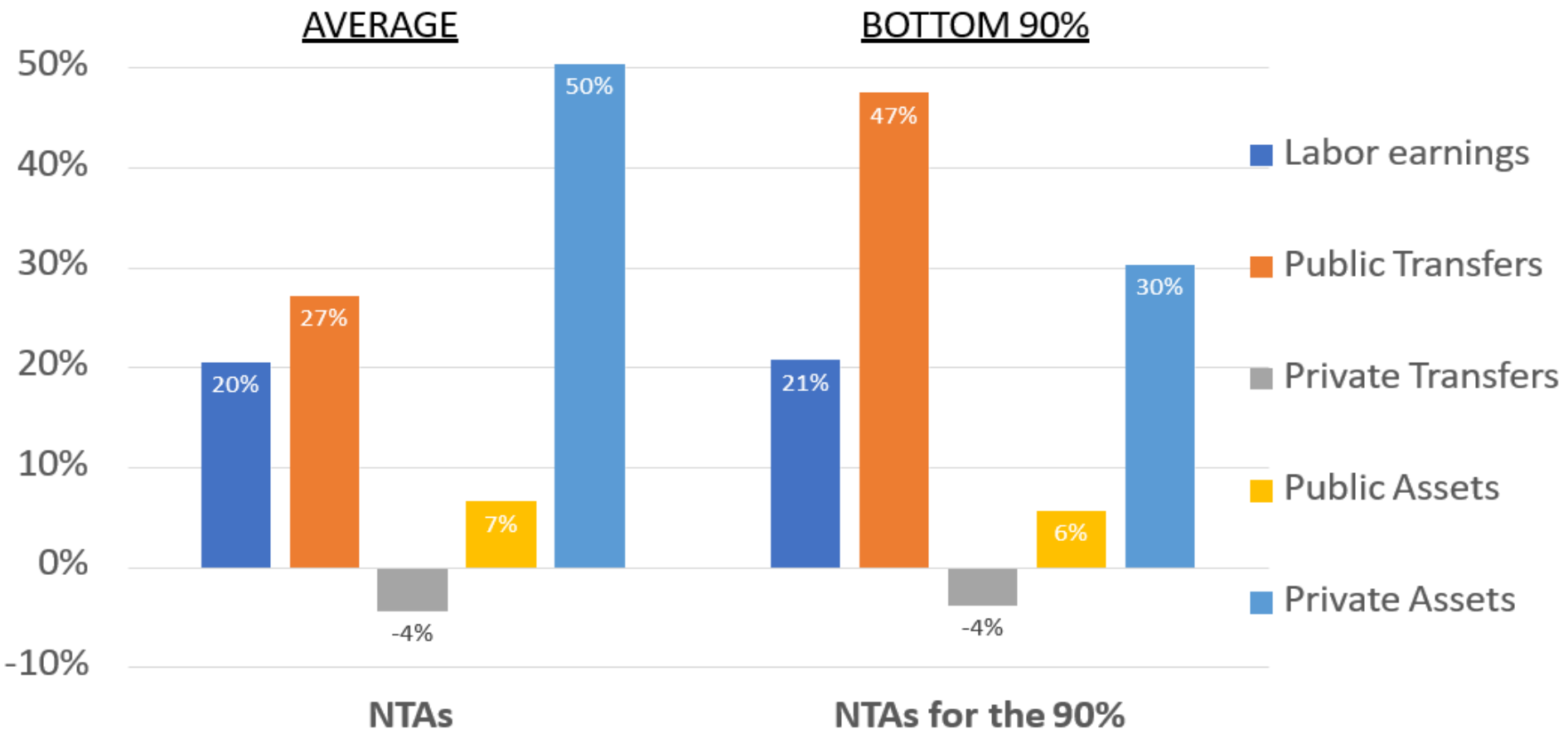
(4) Now older old rely much more on government transfers

→ Weakening Asian pattern



Source: NTA database, www.ntaccounts.org
Ministry of Data and Statistics, Republic of Korea.

Consider heterogeneity: e.g.) within a nation, older persons also finance consumption differently depending on their SES (U.S. by income level)



02

What options are available to finance old-age consumption in the future?

1) Yes, working longer is an option: the silver dividend (a.k.a. the third dividend)

- A natural response, as people are living longer and healthier, leading to silver dividend
- Older people in Vietnam, Thailand, Indonesia, and China have substantial health capacity to work (ADB, 2024)
- How much of this potential capacity is actually used depends on many factors: pension benefits, the productivity of older workers, savings, and family transfers

But, working longer is not sufficient on its own

- The speed of population aging in Asia (macro)
- The number of years spent in poor health is also increasing
- Poorer older people are already working up to their health limits
- Labor force participation or productivity?
  - With large informal sectors and high labor force participation among older people in developing Asia, raising productivity of older workers may matter more in Asia than elsewhere. But how?

2) Increase family transfers?

- Family transfers have long been a key source of support in Asia
- But they are weakening
- Their sustainability is in doubt, given low fertility
- It is unclear whether the young want to provide this support, or the old want to rely on it

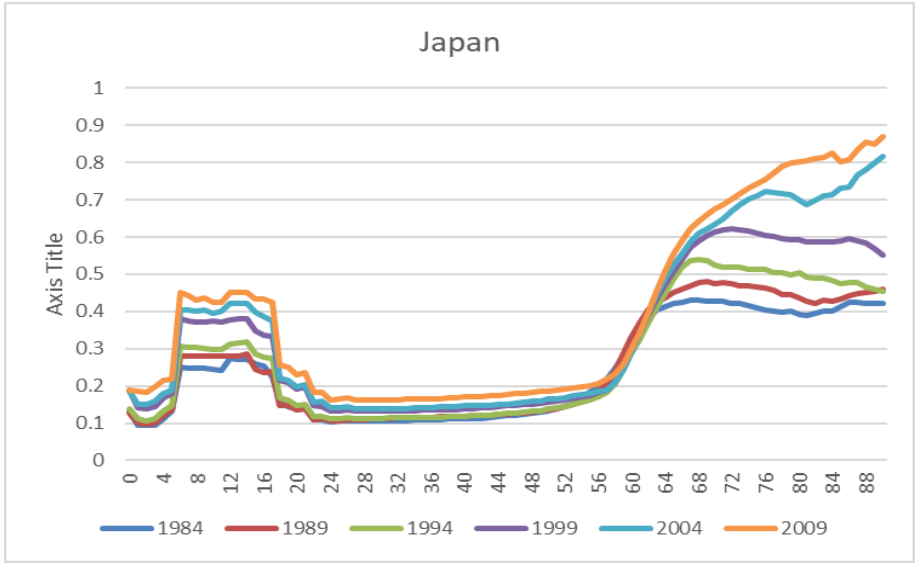
3) Rely more on capital (human and physical) accumulation?

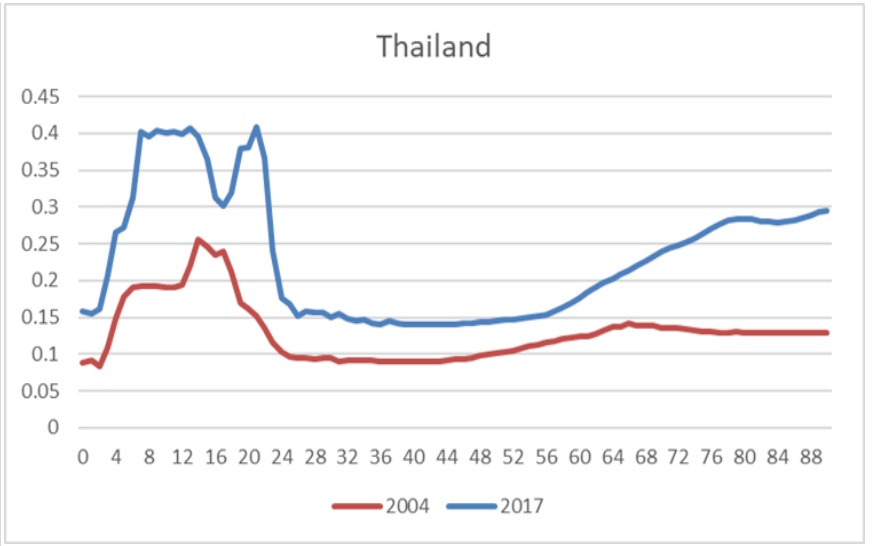
- Both have important implications for economic growth
- Institutions are needed to facilitate accumulation
- Inequality is a concern → growth must be inclusive

4) Increase public transfers?

- Perhaps inevitable
- Projections based on current systems suggest that public transfers will not be overly burdensome for developing economies, but current system does not remain unchanged.
- Keeping public programs at a reasonable scale will be crucial for building sustainable systems

Public transfers by age over time (as ratio of labor income 30-49)



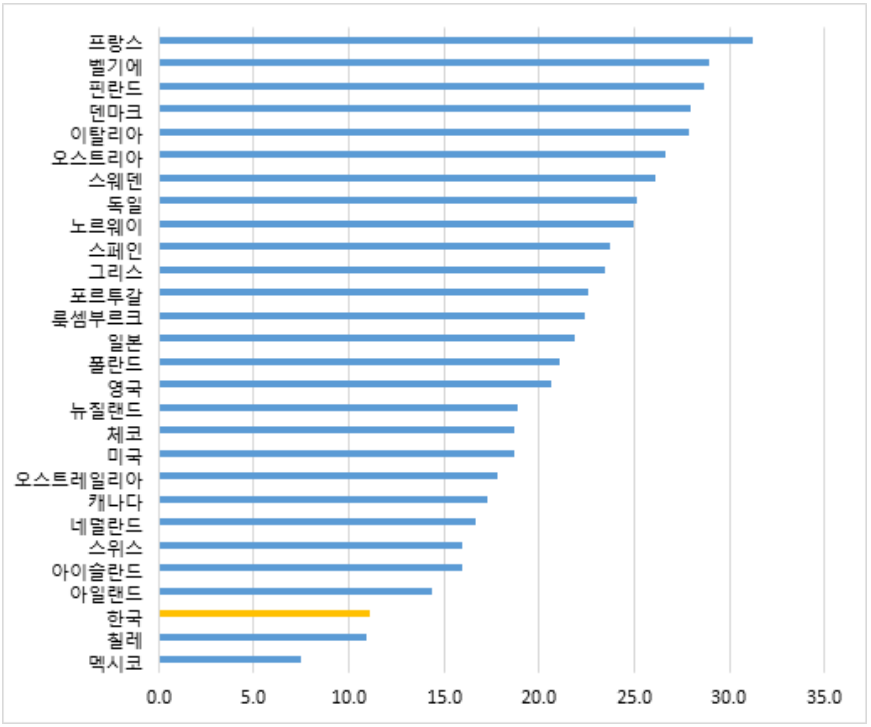


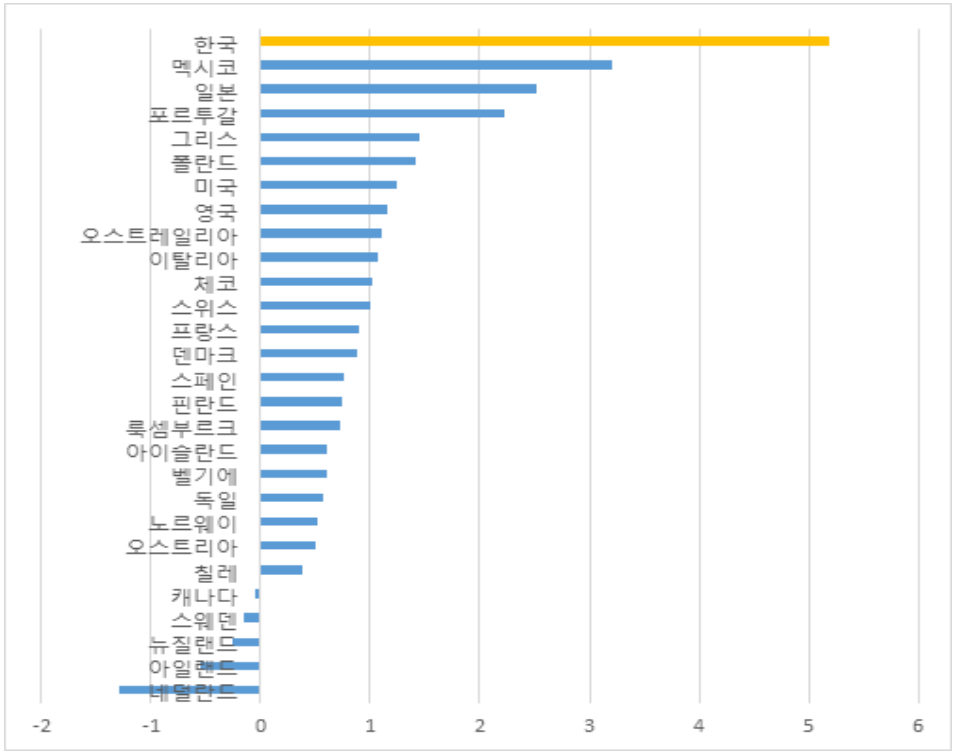
Source: NTA database, www.ntaccounts.org

Political Economy 1: Which graph will you show? Level or growth?

Political Economy 2: France vs. S. Korea (increasing retirement age to 64 or 65)

Social spending as % of GDP of S. Korea: Level (Left, 2022) vs. Growth (Right, 1990-2022)





Source: OECD data portal. www.data.oecd.org

Concluding remarks: Public policy can influence outcomes through each channel of economic lifecycle

- Labor patterns
  - Invest in human capital
  - Improve the school-to-work transition
  - Improve the work-to-retirement transition
    - Raise or eliminate mandatory retirement ages
    - Address the low productivity of older workers through continuing education and better employment practices
  - Reduce gender inequality

- Consumption patterns
  - Improve the efficiency of spending on education and health, including long-term care
  - As health improves, spending on older people for health and retirement could be reduced

Public policy can influence outcomes (cont.)

- Public sector
  - In some countries, more efficient public spending on seniors will be necessary for fiscal sustainability
  - In others, programs for seniors need to be strengthened (old-age support, continuing education and training, digital literacy)
  - Greater revenue will be needed in all cases

- Demography
  - Develop effective responses to low fertility
  - Consider the scope for immigration policy

- Broad reform is essential
  - Rethink what it means to be old (healthy aging, institutional change)
  - Sustain high productivity and good health throughout individual's life