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SOCIAL AND DEMOGRAPHIC CHANGES

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JAMES C. HICKMAN.*

Impact of changes in attitudes and in the social and economic structure of the family. Role and function of life insurance and pensions for new and emerging life patterns and family structures. Changes needed to accommodate these patterns in order to provide financial security.

The panel will present recent data collected by the American Council of Life Insurance, and recent data collected in connection with a comprehensive study of the Social Security system.

Current and future implications for life insurance, pensions and financial security suggested by the data will be discussed.

DR. MATHEW H. GREENWALD: The major point I would like to make today is that the structure of the family is undergoing basic change. More specifically, I contend and will offer some supporting evidence from Council attitude surveys and government data, that: one, there has been a marked redefinition of marital roles; two, the role of women generally - in and out of marriage - has been changing quickly; and three, there is a new focus on self in this society which tends to weaken the stability of the family. In fact, the rapidity of change affecting the family seems to be leading to high levels of instability and flexibility in general.

Attitudes toward the place of children in the family have been altered considerably over the past quarter century. During the late 1940s and 1950s especially, it was expected that couples would have children soon after they married. This point of view was often enforced with strong pressures on those who did not comply. Those that remained childless were often the objects of pity. It seemed appropriate to feel sorry for those missing such an integral part of married life.

The American Council of Life Insurance, through nationwide attitude surveys of the adult population aged 18 and over, has found quite different attitudes existing today. Acceptance of planned childless marriage is not only quite high, it has grown over the past three years. In 1976, 83 percent of adults agreed with the statement, "It is perfectly all right to be married and to choose not to have children." Only 7 percent disagreed with that idea.

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	1973 %	1974 %	1976 %
It is perfectly all right to be married and to choose not to have children.			
Agree	75	74	83
No strong opinion	17	14	9
Disagree	9	12	7

Additionally, acceptance of couples waiting a few years after marriage before starting a family is also high, and growing. In 1973, 54 percent of those surveyed agreed with the statement, "Young married couples should delay having children until they have had a few years alone together." Sixty-two percent agreed in 1976. This year only 15 percent disagreed.

Young married couples should delay having children until they have had a few years alone together.	1973 %	1976 %
Agree	54	62
No strong opinion	29	22
Disagree	18	15

In view of the survey data presented, it should not be surprising that the birth rate in the United States has dropped markedly. Indeed, the birth rate in 1975, 14.8 per thousand population, is the lowest ever recorded since accurate record-keeping started in the beginning of this century. In 1950 the birth rate was 24.1 per thousand and it was 23.7 in 1960. The 1975 fertility rate, 1.8, is below the replacement rate, 2.1, needed to keep the population stable over the long run.

	Birth Rate (per thousand population)
1950	24.1
1960	23.7
1970	18.4
1974	14.9
1975	14.8

Of course, changing attitudes about the place of children in the family are not the only reason for the declining birth rate. Advanced birth control, changes in women's role and concern about over-population are all important factors. But in the main, people are having fewer children because they want fewer children. And attitudes which accept child-free families or the delay of child-bearing contribute strongly to child-bearing decisions.

Concerning child-raising, the Council has observed a very high acceptance of fathers gaining custody of children in cases of divorce. Again, this appears to be a major shift from the recent past. Traditionally, child-raising was seen as the role of the mother solely. It was seen as inappropriate for fathers to take on this responsibility. In divorce cases, only in extreme cases was a mother denied custody. But these views seem to be changing.

Who should have custody?	1974 %	1976 %
It's all right for the father to have it.	82	82
The mother should always have it.	15	13
DK/NA	3	5

The high acceptance of fathers receiving custody appears to signal a significant redefinition of the role in marriage, and there are other indications of this. For example, a couple of decades ago one could predict, with a great deal of accuracy, how household chores were divided within a family. The wife did the cooking and cleaning, the husband took out the garbage. Today, there are many exceptions to this pattern.

Starting in 1970 the Council began a series of nationwide surveys of American youth, ages 14-25. In the 1974 and 1976 surveys the young respondents were asked which life goal was most important to them, "a happy family life," "the opportunity to develop as an individual," "a fulfilling career" or "making a lot of money." The most frequent answer in 1974 was the opportunity to develop as an individual, given by 45 percent. Forty-two percent said a happy family life was most important to them. This year the proportion saying self-development is most important went up to 51 percent, and the proportion saying a happy family life declined sharply. By contrast, in a 1975 Council survey of adults 80 percent of respondents picked a happy family life first.

Attitudes of Youth
(Ages 14-25)

	1974 %	1976 %	Adults 1975 %
<u>Most important goal:</u>			
The opportunity to develop as an individual.	45	51	13
A happy family life.	42	32	80
A fulfilling career.	9	10	3
Making a lot of money.	5	7	4

Without doubt, as the current generation of young people mature, marry and have children, a growing proportion will feel that a happy family life is their most important goal. But it appears likely that interest in self-development among this cohort, while they are adults, will remain higher than it is for the present generation of adults.

There is often evidence of the current interest of today's young people in individualism. The popularity of psychology movements such as transcendental meditation is an example. Additionally, the balance between the responsibility people are feeling toward major institutions and the demands they are making of these institutions is changing. Put simply, the public, especially the young, is increasingly placing individual needs above societal obligations. An example is the expanding psychology of entitlement. Large numbers of people feel that major institutions, mainly government, owe them a variety of services and products, whether they can pay for them or not. Another perhaps related indication of the new focus on self is a growing "rip-off" philosophy: affluent college students take

food stamps and theft among the young is increasing. This new focus on self steers away from societal responsibilities.

During the 1960s there was a widespread growth of minority rights movements that criticized societal conventions, often quite properly, and called for a new focus on individual needs. The women's liberation movement is one that made a very large impact. The influence of the women's movement had a large impact on the roles of women, with obvious implications for the family. This can perhaps be most clearly seen in the work roles and expectations of women. (Of course, the changing structure of the economy, and especially the growth of the service sector was a major factor with labor force participation of women.)

The following table shows the labor force participation rates of wives has grown substantially, almost doubling during the past quarter century. Also, the proportion of families with two or more workers has gone up.

	Proportion of Families with Two Workers or More %	Proportion of Wives in the Labor Force %
1950	36.1	23.8
1960	38.3	30.5
1970	46.2	40.8
1974	48.0	43.0
1975	48.7	44.4

In March 1975, 41 percent of all husband-wife families had both husband and wife in the labor force. Only 34 percent had just the husband working. (Surely the stereotype of the typical family with the man as the sole breadwinner is outdated!) Neither husband nor wife worked in 12 percent of husband-wife families. In 8 percent the husband and one other family member (not the wife) worked. In the remainder either the wife or another family member besides the husband and wife worked.

It appears certain that the labor force participation of women will continue to increase. During the 1970-1976 period, Council surveys of youth found the differential appeal of various life styles to young women changed rapidly. Most noticeable, as the following table shows, has been the decreasing attraction of the housewife role and the increasing appeal of the life style of the executive or professional woman. The proportion of women who said being an average housewife was most appealing dropped by 17 percentage points, from 42 percent in 1970 to 25 percent in 1976. During the same period the proportion who found the executive or professional life style most appealing went from 26 percent to 34 percent. That choice received the largest response in 1976.

Life style young women find most appealing:	1970 %	1976 %
Successful executive or professional, living with husband and children in good neighborhood.	26	34
Single person with good job, living well in apartment in major city.	14	19
Life free of obligations, living where and with whom one pleases.	10	10
Working to solve social problems, little concerned with material comforts.	7	8
Average housewife, raising children, with time for own interests.	42	25

Under the pressure of all the changes mentioned, the stability of the family has diminished markedly. Before 1974 the highest divorce rate occurred in 1946, 4.6 per thousand population, when a number of servicemen returned home to wives whom they may have had some difficulty recognizing. Over the next two decades or so the divorce rate was fairly low, but it started to rise during the 1960s. In 1974, the divorce rate equalled the 1946 record and in 1975 it hit a new high: 4.8 per thousand population. A variety of factors and the rapidity of change influenced the divorce rate. Changing divorce laws and the ability of women to support themselves out of marriage because of their rising labor force participation are two factors. Also, change has a habit of feeding upon itself. As divorce increases it is easier for others to divorce because it seems to appear more acceptable.

	Divorce Rate (per thousand population)
1950	2.6
1960	2.2
1970	3.5
1974	4.6
1975	4.8

Thus far, I've talked a good deal about a new focus on self. But there is a new pressure on people and families that will test their feelings of obligation and their ability to make personal sacrifices. The way this situation is handled deserves close scrutiny. I am referring to increases in life expectancy, particularly the growing tendency for older people to have living parents. In 1900 there were 21 people aged 80 and over for every 100 people aged 60 to 64, presumably their children. By 1975 this ratio more than doubled, as the following table shows, and it is expected to go up considerably by the end of this century. Also, the ratio of people aged 65 to 84 to those aged 45 to 49 has more than doubled from 1900 to 1975.

There is evidence that people 65 years old and over with surviving parents or parents-in-law are less likely to retire than those of that age with no surviving parents or parents-in-law. What degree of responsibility will future generations feel toward very elderly parents? Will our very elderly population be increasingly called on to fend for themselves, or be shunted off to government-run nursing homes or homes for the elderly? This question goes to the heart of feelings of family responsibility.

Familial Dependency Ratios

	<u>80-years-old and over</u> <u>60-to-64-years old and</u> over	<u>65-to-84 years-old</u> <u>45-to-49-years-old</u>
1900	0.21	0.86
1950	0.28	1.30
1970	0.43	1.54
1975	0.49	1.74
2000	0.73	1.44

The data I have presented have numerous implications for the life and health insurance business and for our pension system. I do not have time, at present, to discuss these implications, but I would like to leave you with three questions that you might raise after the panel presentations:

1. Will the new focus on self lend to less willingness to purchase personal security products oriented to the needs of others, such as life insurance, and greater receptivity to products tied to the needs of self, such as pension plans?

2. Do current personal security products meet the needs of the public in this time of instability?

3. Will the focus on self lead to a greater focus on the present rather than on the future? If this happens, there will be an obvious impact on the life insurance business.

MR. JAMES C. HICKMAN:

I. Introduction

The function of life insurance is to provide financial security. That is, life insurance helps guard against the nonachievement, as a result of specific unfortunate events, of individual goals that require money for their realization. The occurrence of these events or contingencies, or the time of their occurrence, must be uncertain. Without uncertainty a prudent person would have made adequate provision for these events without using insurance.

Let's try to understand the scope of the impact of the social and demographic environment on life insurance by considering three extreme cases. These examples will pertain to uncertainty, goals and social organization.

1. In a completely certain world, there would be a need for financial institutions but not for life insurance. If we were all programmed to run like the "Deacon's wonderful one-horse shay," in Oliver Wendell Holmes' poem, The Deacon's Masterpiece, that survived exactly 100 years because of its logical construction, there might be a need for savings but life insurance and life annuities would be nonsense.

2. In an individualistic world in which the goals of the members of the fragmented society were completely personal, life insurance would have a small role. If persons did not care about the continuation of a family, a business or other institution after their untimely death, the market for life insurance would shrink.

3. Of course, the role of life insurance depends on how the society is organized. For example, if the utopian communities that briefly flourished along the Western frontier could have, in some way, guaranteed their survival, there would have been little need for life insurance for the members of these communal groups.

These examples are extreme. They were selected to catch your attention. Our operational goal will be to review some of the trends that are apparent in the societies that United States and Canadian life insurance companies serve. These trends are important. However, they work slowly, society changes when people change and we are all prisoners of our past; we will not report impending revolution.

One short concurrent session is not sufficient to outline all the forces at work in a society and economy that influence life insurance. We will restrict ourselves, in accord with the title of our session, to social and demographic trends. Relatively little will be said about inflation and unemployment and the massive impact these forces are having on life insurance.

We hope to avoid speculation about what may happen. We will leave that fascinating activity to the futurists. In accord with this devotion to facts, we will attempt not only to provide specific references but to indicate major sources of national statistics.

II. Mortality

It would be unpardonable to review mortality trends for actuaries. A recent paper by Myers (Ref. 7) has already admirably summarized the mortality situation in the United States and to some extent in Canada. However, one aspect of mortality change may have escaped attention. Over the past century mortality probabilities at young and middle ages have been reduced. This has increased life expectancies but has not altered man's mortal nature. The variability in time until death has been reduced in the past century but not its ultimate certainty. In Table 1 is recorded the life expectancy, the expected value of the random variable time until death, for a male age 35 from three well-known life insurance valuation mortality tables. In addition, the standard deviation, a conventional measure of variability of the random variable time until death, is also recorded. The conclusion is that as far as mortality is concerned, we live in a more certain epoch than did our grandparents.

Table 1*

Mean and standard deviation of time until death, male age 35, for
three United States life insurance valuation tables

	Table		
	American Experience	1941 CSO	1958 CSO
Period on which table is based	1843-58	1930-40	1950-54
Mean	31.78	33.44	36.69
Standard deviation	13.74	13.06	12.59

*Adapted from Table 1 in (Ref. 5).

III. Labor Force Participation

Each of us is both a producer and a consumer. Traditional family organization gave to the man the role of producing goods and services to be exchanged in the market for goods and services consumed but not produced by the family. He joined the labor force. This conventional organization also assigned to the woman the production of goods and services that are both created and consumed within the family. This arrangement created two types of need for life insurance. One need arose from the possibility that the untimely death of the man producing for the market would compel the partial replacement of the stream of income he would have generated. The untimely death of the woman would require that the goods and services she previously produced, and which were consumed by the family, be purchased in the market, requiring additional money income.

Table 2, derived from U.S. Census data, shows what is happening to labor force participation rates. Two conclusions are apparent:

1. Labor force participation rates for women are up rather dramatically.
2. Labor force participation rates for men above 62 are down.

What are the implications of these facts? The decline in labor force participation by older men is undoubtedly associated with the maturation of the Social Security and private pension systems. The U.S. society has created a vast system, partly in the private sector, to replace some of the income previously earned by older men.

Table 2

a. Labor Force Participation Rates for Broad Age Groups
Male and Female, 1940-1970

Age	Labor Force Participation Rates							
	Male				Female			
	1940	1950	1960	1970	1940	1950	1960	1970
16-19	34.7%	51.7%	50.0%	47.2%	18.9%	31.1%	32.6%	34.9%
20-24	88.1	81.9	86.2	80.9	45.6	42.9	44.8	56.1
25-44	94.9	93.3	95.3	94.3	30.5	33.3	39.1	47.5
45-64	88.7	88.2	89.0	87.2	20.2	28.8	41.6	47.8
65-	41.8	41.4	30.5	24.8	6.1	7.8	10.3	10.0

Source: U.S. Bureau of Census, Historical Statistics of the United States, Colonial Times to 1970, Bicentennial Edition, Table D, pp.29-41.

b. Labor Force Participation Rates for Males and Females
Age 55 and Older, 1940-1970

Age	Labor Force Participation Rates							
	Male				Female			
	1940	1950	1960	1970	1940	1950	1960	1970
55	89.5%	87.8%	89.9%	88.9%	19.9%	27.9%	42.5%	49.6%
56	89.1	87.8	89.0	88.3	19.2	26.7	40.7	48.7
57	87.8	86.7	87.8	86.7	18.0	25.4	39.7	48.0
58	86.9	86.1	86.7	85.8	17.7	24.8	38.6	46.5
59	85.6	85.1	85.1	83.7	17.4	24.1	37.0	45.1
60	81.9	82.1	83.2	81.3	16.8	23.1	34.7	42.9
61	81.4	81.4	80.7	79.2	15.3	21.0	32.1	40.2
62	79.7	80.0	78.6	72.7	14.9	20.9	29.3	35.9
63	76.9	77.6	75.7	67.5	13.8	19.1	26.1	32.6
64	74.4	75.2	70.0	63.1	12.4	18.0	24.3	29.3
65	66.9	67.7	53.6	47.1	12.0	16.3	20.3	22.0
66	62.0	62.9	45.9	41.9	9.6	13.4	17.6	18.8
67	57.8	58.2	41.9	38.6	8.9	12.2	16.2	17.0
68	54.9	54.2	39.5	35.4	8.2	11.4	14.6	14.7
69	51.4	51.2	36.6	31.5	7.5	10.1	13.2	12.9
70	44.0	44.5	33.2	26.9	6.3	8.1	11.7	11.1
71	40.8	42.0	29.0	24.6	5.4	6.7	10.2	9.8
72	37.4	39.0	27.8	22.1	5.2	6.0	9.0	9.1
73	34.5	34.0	26.9	19.8	4.0	5.4	8.8	7.8
74	31.4	30.8	25.1	17.4	3.9	5.0	7.6	7.1
75	18.2	18.7	15.6	12.1	2.3	2.6	4.3	4.7

Source: U.S. Bureau of Census, Census of Population, PC(2)-6A, 1973, pp.31-32.

The implication for life insurance of increased labor force participation by women is less clear. Two plausible, but somewhat contradictory, implications are suggested:

1. Since more women are earning income, there is a greater demand to insure the partial continuation of this income to the family in the event of untimely death.

2. With reduced family size and the associated reduced need for household produced and consumed services, families will turn to work skills, to active or potential participation in the labor force, to provide income security.

The United States has crossed a divide in family structure. In March 1974, there were 36.4 million husband-and-wife families in which the husband was age 23 to 64. Of these, 51 percent were families in which both the husband and wife worked in 1973 (Ref. 8; p.139). It is not completely clear what the life insurance needs of dual-worker families with fewer children will be.

IV. Fertility

The annual fertility rate (the average number of children born to a woman entering the childbearing ages if the age specific birth rate in the calendar year prevails throughout her childbearing years and she survives) has been on a roller-coaster in the past 25 years.

The causes of this variation are complex. The improved technology of birth control, pessimism about the future, higher cost of raising children and reduced economic and psychic income from children have been seriously suggested. (See Ref. 6 for a superb discussion of this question.) What concerns use is not the reasons for the increase and then the decline in the total fertility rate, but rather the impact of this variation on life insurance and allied institutions.

Table 3*
Total Fertility Rates, United States, 1940-73

<u>Year</u>	<u>Total Fertility Rate</u>	<u>Year</u>	<u>Total Fertility Rate</u>
1940	2.3	1957	3.77
1941	2.4	1958	3.70
1942	2.63	1959	3.71
1943	2.72	1960	3.65
1944	2.57	1961	3.63
1945	2.49	1962	3.47
1946	2.94	1963	3.33
1947	3.27	1964	3.21
1948	3.11	1965	2.93
1949	3.11	1966	2.74
1950	3.09	1967	2.57
1951	3.27	1968	2.48
1952	3.36	1969	2.46
1953	3.42	1970	2.48
1954	3.54	1971	2.28**
1955	3.58	1972	2.02**
1956	3.69	1973	1.90**

*Reports on the Quadrennial Advisory Council on Social Security, 1975 (Ref. 8; p. 114).

**Preliminary value.

The most important implication is that it appears the United States is adjusting as to avoid a Malthusian crunch. The problems of adapting to an unusual age distribution of the population are minor compared to the problems of allocating scarce resources to an ever-growing population.

The secondary implications are already apparent in education, which is no longer a growth industry, and in the demand for health services. (Pediatricians now also treat adolescents.) Ultimately, the trend may be apparent in the form of what Drucker (Ref. 4) calls a labor shortage.

This is a subtle point and needs to be examined in several ways. An examination of Figure 1 reveals a growing proportion of the population at age 65 and up. At the same time there is a decline in the proportion under 20. The total dependency burden (under age 20, age 65 and above) will remain relatively constant. One might jump to the conclusion that the change in the size of the dependency burden will be slight and the change in the age distribution of the population has been overblown as a problem. The problem is that the institutions (school, family) that assume responsibility for the young are different from the institutions that provide income and services for the elderly. What is more, the goods and services demanded by the elderly are different from those needed by the young. Shifts in the relative importance of the institutions serving various age groups and the mix of products and services seem inescapable. To avoid a feeling of alienation among the more numerous elderly, as well as to generate additional income to smooth the institutional transitions, more flexible employment and retirement policies seem inevitable.

V. Earnings Variability

In developing individual life insurance programs and retirement plans, a projection of the future stream of earnings is frequently required. When the problem is to plan a benefit structure and to estimate associated cost for a pension or insurance plan covering a large number of workers, related aggregate projections are needed. In many instances a simple exponential growth model has been used. The questions remain: How good is a simple exponential growth model for the members of society as a whole? What are actual rates of earnings growth in our society, and how are they distributed among age and sex groups, and how variable are these rates of change?

A valuable source of earnings data is the 0.1% Continuous Work History Sample (CWHS) maintained by the Social Security Administration. This is a random sample of Social Security numbers providing chronological information on one out of each thousand workers with an earnings history. The information includes sex, year of birth, covered earnings and estimated total earnings for the period 1956-1972. The Report of the Consultant Panel on Social Security to the United States Congressional Research Service (Ref. 3) contains extensive data on the subjects of earnings patterns and variability of U.S. workers.

FIGURE 1
CHANGING AGE COMPOSITION OF THE
UNITED STATES POPULATION, 1900-2050

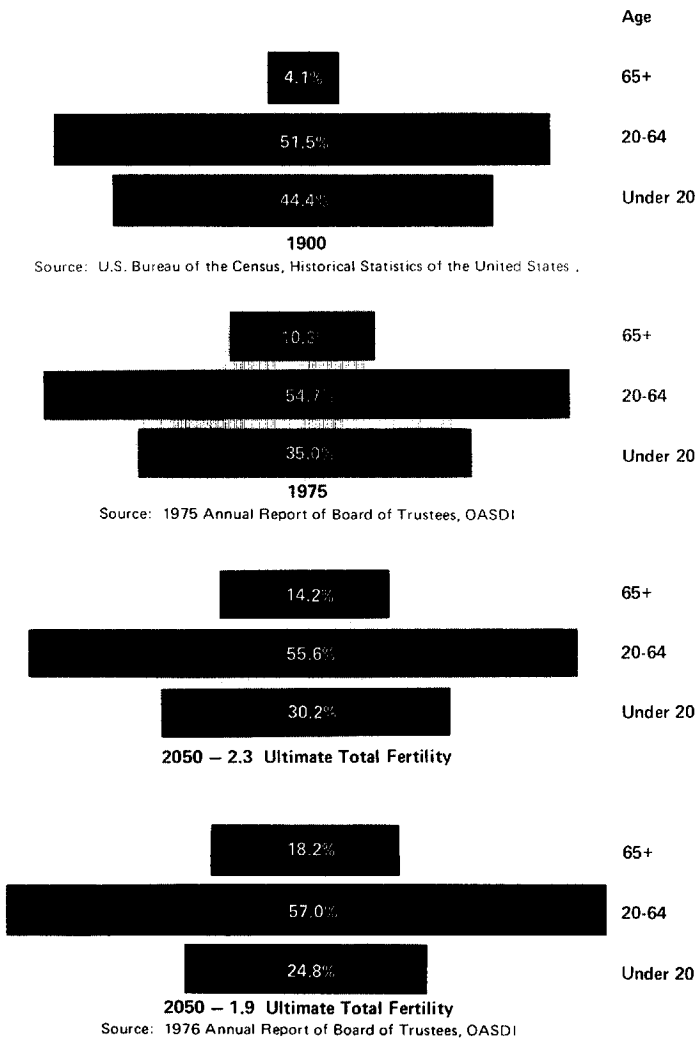
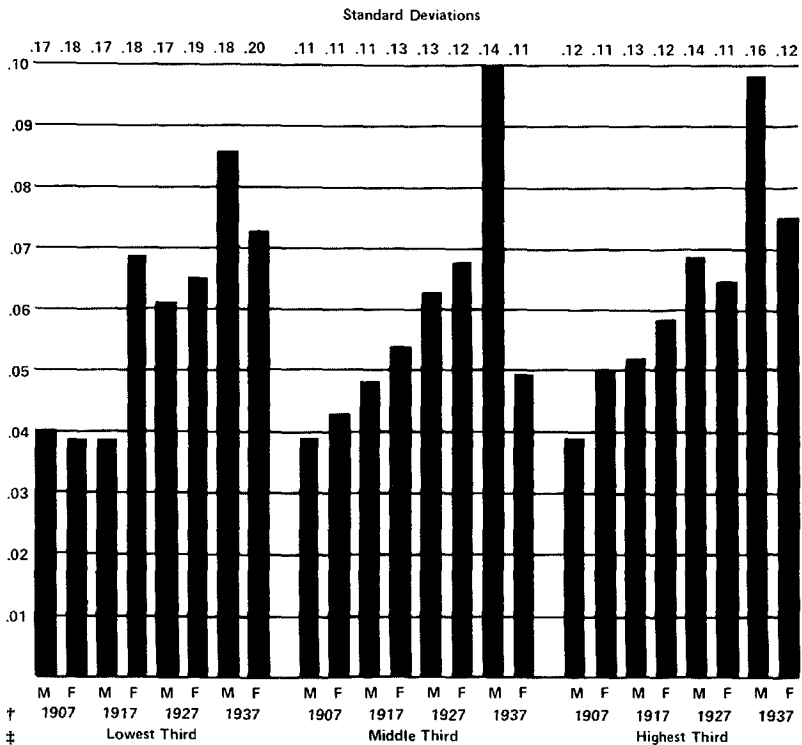


Figure 2 provides data on annual rates of earnings change for workers who remain within essentially the same broad earnings class. The data are based on the estimated total annual earnings of the 1907, 1917, 1927 and 1937 year of birth cohorts represented within the .1% CWHS. Only workers who remain in the same earnings class (lowest third, middle third, highest third) for 14 of the 17 years from 1956 to 1972 are included. Workers with very low (the amount needed to collect a minimum OASI benefit) average monthly earnings were excluded because they are probably part-time or sporadic workers. Their presence would obscure the earnings patterns of those with a more direct attachment to the labor force.

FIGURE 2
 AVERAGE RATE OF EARNINGS CHANGE 1956-1972,
 FOR WORKERS PERSISTENTLY IN THE SAME EARNINGS LEVEL CLASS



† Year of Birth
 ‡ Earnings Level Class

From this figure, certain conclusions may be drawn. Additional support for these conclusions will be found in (Ref. 3, Chapter 6; Appendices A and B).

1. Average rates of earnings increase for men in the young ages (1937 cohort) are much higher than for women. In fact, average earnings for women start at a lower level and never catch up.

2. Workers persistently in high earnings and middle earnings level classes have rather similar earnings patterns.

3. Most real earnings increases occur before age 45.

4. There is a great deal of variability (as measured by the standard deviation) in the rate of wage change. This variability is highest among persistently lower income workers.

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MR. ROBERT N. CHIAPPETTA: What is the impact of the biological revolution? Does it add substantially to future uncertainty?

MR. HICKMAN: With respect to the uncertainty of the future, I think it is necessary to be flexible and to organize our corporate society plan so we can recognize all of the uncertainties.

Regarding a biological revolution, it is true that the massive weight of science has shifted from physics to biology and that our basic knowledge is increasing by leaps and bounds. However, suppose, for example, we cut out all cardiovascular-renal death, up to age 65. The partial life expectancy up to that age would increase by only 2 percent. That is, we already have a low mortality at those ages, and economic implications of remarkable improvements in the working lifetime are not very great.

I certainly agree that there's a possibility of significant society breakthroughs that could push the whole mortality distribution markedly to the right. But it will involve changes in life styles and in organized health care that will be very costly.

MRS. ANNA M. RAPPAPORT: What factors have contributed to the drop in birth rates?

DR. GREENWALD: A variety of factors have contributed to the current low birth rates, including the rapid advances in birth control technology. But it is quite important that we be aware of the role changing attitudes toward the family are playing in the reduced number of births. Put simply, Americans are having relatively few children because they want relatively few children.

As to the new focus on self, there is a close relationship between the changing role of women and this emerging individualism. Women's roles have been changing in part, because many women have sought to leave traditional roles and go against societal expectations. A major reason for the increase in the labor force participation rates of women was the growth of the service sector of the society, which demanded increased clerical workers. In fact, some economists feel women's growing interest in working allowed the service sector to expand rapidly.

MRS. RAPPAPORT: What we are talking about today is extremely important and goes to the heart of actuarial science. Actuaries deal with financial systems extending over long periods of time. They analyze past experience and build models using actuarial mathematics. The existence of uncertainty makes the analysis more difficult and more important. I feel it is extremely important that actuaries consider social and demographic change and the effect of its impact on the financial systems with which they are working.

Our panel talked about change in the family of several types: more working wives, fewer children and a negotiated arrangement. They talked about changes in roles of the family members. I ask you the following questions:

Are the life insurance products and individual financial planning systems supporting them as sales tools based on the family as it exists, or on a traditional family that no longer exists?

Are the retirement systems and pension plans based on a family model which is up to date with current practice?

Does the Social Security system accommodate well to the existence of two-worker families and to the existence of spouse benefits?

Do the requirements of ERISA, which require that benefits be paid to a spouse, fit the families of today and the future?

MILTON P. GLANZ: Although my wife is professionally trained, she prefers to be a mother and a homemaker and to do volunteer work. In many families I know, women work because they feel they must to pay for a home they want. To what extent have economic 'forces', rather than preferences, put women into the labor market today?

DR. GREENWALD: Most women work because of economic necessity. Some government estimates indicate that this is a major factor for about two-thirds of working women. But women are also joining the work force because of a desire to work. Many want the self-fulfillment that work can bring, others feel they have little else to do. Of course, the economy also needs the labor force participation of women, and the economy is a powerful force.

MR. HICKMAN: Let me add that there will always be a sizable number of women who are dedicated to the old image of woman's role in the family. One of the difficulties of current social adjustments is that some of the new style women are rather intolerant of that old style.

MR. C. L. TROWBRIDGE: For a long time I have thought that two of these demographic and social trends are going to come together in the form of higher retirement ages, and I'd like to see whether any of our panel would tend to agree with me. One of these social trends, of course, is the low birth rate, which means that eventually we have fewer entrants to our labor force, and the proportion of those retired to the proportion of those working will go up. At the same time we have a so-called biological revolution, which would certainly indicate to me that 50 years from today a person age 68 might very well be just as robust and healthy as a man age 65 today. The combination of the biological revolution and the lower birth rates just has to mean that the dividing line between the worker and the nonworker be moved up from 65 to perhaps 68.

MR. HICKMAN: I think that a lot of these trends are going to converge on, if not higher, certainly more flexible retirement ages. What moves people to retire when they do is a hard subject. I expect that the move to the service industries, the desire to avoid alienation, the need to have a useful, meaningful participation in society for elderly people as well as the financial crunch that may come with a lot of older people, are going to lead us to much more flexible retirement ages.

DR. GREENWALD: There are several reasons why I agree that there will be more flexible retirement ages in the future. First, I believe the large size of the elderly population will lead to pressure for higher retirement age, and I think the age of entitlement for Social Security could be raised during this century. Second, I believe better pensions, more retirement counseling and more educated people in the work force will give some people an ability to retire earlier; and third, more people will have some nonwork interest that will make them want to retire earlier.