

Policy Report 2020-03

A Study of the Living Conditions and Welfare Needs of the New Middle-aged

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People
with People
in Mind



KOREA INSTITUTE FOR HEALTH AND SOCIAL AFFAIRS



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Risks and Socioeconomic Costs of
Alcohol-Attributable Illnesses: A Social
Accounting Matrix Approach

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I

Overview

1. Introduction
2. Method

I Overview

1. Introduction

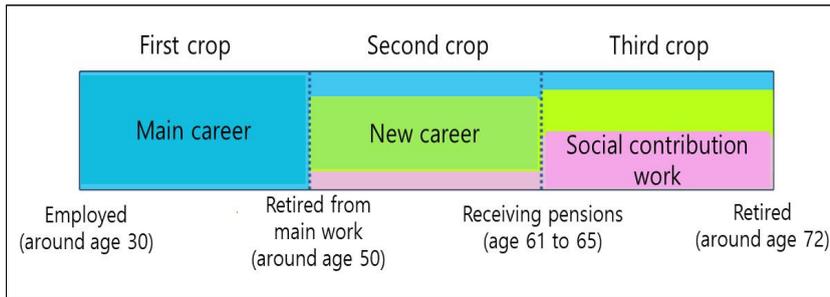
Since reaching its peak at 37.64 million in 2018, the working-age population in South Korea, aged 15 to 64, has been rapidly shrinking, reflecting the accelerated rate of aging of the country's general population (KOSIS, 2019). The new middle-aged, who are still of working age but are restrained from participating actively in employment by the retirement age, corporate culture, and other structural factors of the Korean labor market, have gradually become a focus of Korean policymakers' attention, as the government tries to mobilize this important class of new human resources in order to secure their sustained contribution to the Korean society and economy.

"The new middle-aged" is a term recently coined by Korean policymakers to refer to the middle-aged cohort of Koreans who are now in transition with respect to their employment status. They mostly include people who have retired from their main careers (aged around 50) and found new, secondary work, as well as those who are about to retire from the labor market for good (aged around 72). Specifically, it refers to Koreans aged 50 to 69. The term itself reflects a shift in the Korean government's paradigm for this particular age group as still an

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economically active and capable population, rather than near-retirees or actual retirees.

[Figure 1-1] Triple-Cropping Lifecycle: Concept



Source: Elderly Social Workforce Division (MOEL) (2017), “Government Launches First-Ever Plan for Supporting Triple-Cropping Lifecycle for the New Middle-aged” (interdepartmental press release), p. 2 (retrieved from <https://www.gov.kr/portal/ntnadmNews/1165639> on April 15, 2019).

The socioeconomic characteristics of the new middle-aged differ from those of either the middle-aged or older adults, meaning that the existing policy measures catering to the middle-aged are in need of revision. In the intermediate to long term, the overall paradigm of population aging and related policy should be shifted in preparation for the gradual and inevitable inclusion of the new middle-aged into the elderly population. There is, however, a critical dearth of empirical analyses that present the socioeconomic characteristics of the new middle-aged in a systematic and comprehensive manner (Yang and Kwon, 2018).¹⁾ Much of the new middle-aged policy

1) Yang and Kwon (2018) and Yang and Kwon (2019), in particular, point out

measures therefore focus solely on employment, relying on fragmented and administrative statistics only. The Korean government's "Triple-Cropping Lifecycle" plan envisions retirees finding new careers (paid jobs), engaging in entrepreneurship, moving to the countryside to work in the primary sector, or otherwise volunteering to serve community needs. Yet it relies on a very limited amount of empirical data on the diverse needs of the new middle-aged (Yang and Kwon, 2018). A systematic survey specifically targeting the new middle-aged nationwide, identifying their lifestyles and specific needs, has not yet been conducted. The absence of such data limits the Korean government's ability to develop and implement evidence-based policy for effectively responding to the needs of the new middle-aged and the country's aging population in general.

The purpose of this study is to provide basic data, of a comprehensive range, on the lifestyles and needs of the new middle-aged, aged 50 to 69, and a comparative analysis of the changes in the age group's lifestyle factors and value systems so as to support better policymaking on the subject.

the severe shortages of information on the characteristics and retirement-readiness of baby boomers, who make up the bulk of the new middle-aged (p. 4).

2. Method

This study was conducted by applying the following methodology.

The first step of the study involved reviewing the literature with respect to the definition and age distribution of the new middle-aged. This study also looked into how the changing conception of the middle-aged has given rise to the concept of the new middle-aged, and how its age distribution was defined.

The second part of this research involved developing a questionnaire, based on the literature review, with which the lifestyle factors and welfare needs of the new middle-aged could be identified.

Third, using the questionnaire, 4,006 the new middle-aged (Koreans aged 50 to 69) across Korea were interviewed in person. The survey was conducted over a period of seven weeks from July to August of 2019.

Fourth, the findings of the survey were subjected to a comparative analysis based on sociodemographic groupings.

Fifth, the findings of the survey were also analyzed in comparison to existing statistics, provided by the raw data of Chung et al. (2010)'s Survey on the Lifestyle Factors and Welfare Needs of the Middle-Aged, particularly with a view to identifying the major changes that have occurred among Koreans in their 50s (the younger group of the new mid-

dle-aged) over the last nine years.

Finally, this study discusses the policy implications of the survey and analysis of the new middle-aged.



II

Theoretical Background

1. Changing Lifecycle Patterns of the Middle-Aged
2. Defining the New Middle-aged

II Theoretical Background

1. Changing Lifecycle Patterns of the Middle-Aged

Before the concept of the new middle-aged was specified, middle-aged and older adults was the common term of use in Korean academia. Researchers used this term liberally, flexibly changing the age definition to fit their research purposes. The term itself is a combination of middle-aged and young-old adults, and there has never been an official standard fixing the boundaries of these two age groups (Kim, Lee, Son, Cho, and Park, 2018). Kim et al. (2018) analyzes the literature in Korea and abroad to crystallize the concept as well as the lexicographical meaning of the middle-aged and young-old. The authors conclude that, rather than strictly differentiating the middle-aged from the young-old, or vice versa, we should understand them as forming two phases of one integrated age cohort.

The exact age boundary of the middle-aged may remain murky, but the middle-aged can be defined by a more concrete set of lifestyle-related factors and characteristics. Lifecycle stages are defined in reference to important life events, such as school enrollment, employment, marriage, childbirth, independence of grown-up children, retirement, and death. The

extension of the schooling period and resulting delay in people's entry into the labor market, rise in the average ages at first marriage and birth of first children, and increasing post-retirement period due to the increase in life expectancy have begun to challenge the existing age definition of the middle-aged. To determine how the new concept of the new middle-aged reflects these changes, we may compare the lifecycle characteristics of middle-aged and older adults discussed in the Korean literature, as shown in Table 2-1.

Erikson (1974), who defines the middle-aged as those aged 40 to 65, identifies the middle-aged period as the period in which one transitions from the early part of one's life to the late part. Jin and Ha (2016) defines middle-aged and older adults as the period immediately preceding old age, drawing on lifecycle characteristics rather than specific ages to conceptualize the age cohort. The concept of the middle-aged and the elderly, or the middle-aged, as used in the literature generally refers to the age cohort situated between young people and the elderly in the lifecycle.

〈Table 2-1〉 Age Distribution of Middle-aged

Author(s)	Concept	Age scope
Erikson(1974)	middle-aged	40 to 65 years old
Petry(2002)	middle-aged	36 to 54 years old
Wakasaki et al. (2006)	middle-aged	30 to 59 years old
Kim and Ju (2003)	older middle-aged	50s and 60s
Geum (2011)	middle-aged and older adults	45 to 59
Seong and Ahn (2011)	older middle-aged	50s and 60s
Jin and Ha (2016)	middle-aged and older adults	Immediately preceding old age
Kim (2017)	middle-aged and older adults	40 to 59

Sources: 1) Kim, Y., Lee, J., Son, S., Cho, S., and Park, S. (2018), *Changes in Double Care Burden in Korean Families with Middle-aged and Older Heads: Policy Implications* (KIHASA, p. 41)

How do the lifecycle characteristics of today's middle-aged people differ from those of the past? Havighurst (1972) views middle age as a stable period of one's life, with members of that age cohort driven to seek the security of their livelihood through social and economic activities, raising children, and preparing for retirement. A more recent trend in lifecycle research, however, is to use the term "middle-aged" synonymously with a transitional phase, in which people reassess their lives and actively attempt to adopt new lifestyles (Levinson, 1978). Lee, Jeong, and Oh (2018), too, views middle age as a period in which one should continue developing one's career

and make preparations for long-term financial independence, emphasizing that these aspects differ from the more traditional notion of middle age.

A survey of the literature on the lifestyles of the middle-aged reveals that the lifecycle characteristics of the age cohort have changed much along with social changes at large, and that it is important to reflect these changes in the new definition of the New Middle-aged.

2. Defining the New Middle-aged

The term the new middle-aged makes its first official appearance in the Korean literature in the Moon Jae-in administration's Triple-Cropping Life Support Plan for the New Middle-aged (August 8, 2017) (MOEL, 2017), where it refers to Koreans aged 50 to 69. The plan itself proposes policy interventions that cater to this particular age cohort's social and welfare needs. Policymakers largely use the term with a focus on providing new employment opportunities for Koreans who retire from their main careers at around the age of 50 but still need employment until they completely retire from paid labor at around the age of 70. The concept of the new middle-aged therefore emphasizes the working capability of the middle-aged, while also bringing Koreans aged 65 to 69, conventionally defined as part of the elderly, into the definition.

The term is still a relative novelty in Korea, with a definition that varies from author to author and institution to institution. Public agencies other than the government, and similar studies conducted abroad, use the term mostly in reference to people aged 50 to 64. The term “50+” is more favored both in Korea and abroad (KACES, 2019).²⁾ As the 50+ population came to form 45.0 percent of the overall population in Germany in the mid- to late-2000s, the German government employed the term and the concept in developing a series of new policy measures supporting their continued employment (KACES, 2019). Seoul Metropolitan Government (SMG) and other local governments imported the term in the early 2010s to devise policy services for Koreans aged 50 to 64. Over time, the 50+ age cohort has come to overlap significantly with the New Middle-aged.

The concept of the new middle-aged is also related to the increasing demand to raise the pension-eligible age requirement. When Bismarck introduced the old age pension in 1886, Germans had to be 65 years old in order to receive pension benefits. Despite the radical social transformations, revolutions in health and medicine, and great variations in economic and financial needs that have occurred over the last two centuries, being 65 years old is still used as the threshold for retirement

2) Education R&D Team, Korea Arts and Culture Education Service (KACES, May 13, 2019), *Why Do We Need Digital Aging Programs for the New Middle-aged?: A Policy Report* (retrieved from <http://www.arte365/kr/?p=72894> on May 14, 2019).

and old age worldwide.

As late as in the 1970s, the majority of Koreans viewed those aged 60 and older as seniors. At the time, the remaining life expectancy for Koreans aged 60 was a meager 15.9 years. Today, the remaining life expectancy for Koreans aged 60 is 25.2 years, and for those aged 70 to 75, it ranges from 12.7 to 16.6 years, raising the need to revisit the entire age requirement for old age (KOSIS, 2019). The Korean government has thus begun to view Koreans aged 65 to 69 as part of the new middle-aged rather than seniors, making it necessary for us to understand the distinct characteristics and conditions of the New Middle-aged Koreans, aged 50 to 69 years old today, in order to devise effective policy measures that cater to their actual needs.



III

Findings

1. Overview
2. Important Characteristics of the New Middle-aged
3. Changing Characteristics of the Younger New Middle-aged

III Findings

1. Overview

The survey that is the central subject of this study targeted 4,006 the new middle-aged Koreans, aged 50 to 69, and explored their lifestyle factors and needs. Trained interviewers visited the respondents in their homes and conducted interviews in person using a structuralized questionnaire that was designed on the basis of the literature review, over 10 advisory meetings with academics and experts, and focus group interviews with select the new middle-aged Koreans (KIHASA IRB Authorization No. 2019-46). The sample was decided based on the distribution of census output areas of Statistics Korea (2017), through proportional allocations to regions and ages, stratified sampling, and the square root method. Appropriate weights were applied to the survey results for analysis.

Table 3-1 presents the general characteristics of the new middle-aged Koreans. In particular, 80.2 percent of the new middle-aged live in urban areas, and 19.8 percent, in rural areas. Men and women accounted for 49.6 percent and 50.4 percent, respectively, of respondents, with the mean age converging on 58.2 years old. Those aged 55 to 59 made up the largest share, at 34.2 percent, followed by those aged 50 to 54 (29.3

percent), 60 to 64 (19.8 percent), and 65 to 69 (16.7 percent).

〈Table 3-1〉 General Characteristics of the New Middle-aged Households

Subject		Percentage	N
Overall		100.0	(4,006)
Area type	Urban	80.2	(3,211)
	Rural	19.8	(795)
Sex	Male	49.6	(1,985)
	Female	50.4	(2,021)
Age (years old)	50 to 54	29.3	(1,173)
	55 to 59	34.2	(1,371)
	60 to 64	19.8	(793)
	65 to 69	16.7	(669)
Marital status	Married	86.4	(3,461)
	Not married	13.6	(545)
Household type	Single-person	8.8	(353)
	Two-person (married couple)	34.8	(1,396)
	Married with children at home	50.9	(2,038)
	Other	5.5	(220)
Education	Elementary school or less	8.0	(321)
	Middle school	13.7	(549)
	High school	60.2	(2,410)
	College or more	18.1	(726)
Current employment status	Employed	77.4	(3,101)
	Not employed	22.6	(905)
Household income (monthly average)	Less than KRW 3,000,000	34.4	(1,378)
	KRW 3,000,000 to KRW 4,999,999	33.5	(1,339)
	KRW 5,000,000 or more	32.1	(1,283)

The vast majority—86.4 percent—of respondents were married. Single-person households made up 8.8 percent; two-person (married couple) households, 34.8 percent; households with children, 50.9 percent; and other, 5.5 percent. The two-person households in this study are, specifically, the households of married couples. Households with children are intergenerational households with the new middle-aged parents and their children. Other households include all other types. The mean number of members per household was 2.8.

High-school graduates make up the majority (60.2 percent) of respondents, followed by college graduates (18.1 percent), middle-school graduates (13.7 percent), and those with elementary school education or less (8.0 percent). In addition, the overwhelming majority (77.4 percent) were employed at the time of the survey. Respondents with an average monthly household income of less than KRW 3,000,000 accounted for 34.4 percent; those with income ranging from KRW 3,000,000 to KRW 4,999,999, 33.5 percent; and others, with income of KRW 5,000,000 or more, 32.1 percent.

2. Important Characteristics of the New Middle-aged

(1) Financial Status

The mean monthly household income among the new middle-aged respondents was KRW 4,133,000 (amounting to KRW 49,593,000 annually), KRW 3,696,000 (89.4 percent) of which came from earned or business income. KRW 119,000 (2.9 percent) came from assets and properties; KRW 61,000 (1.5 percent), from private income transfers; KRW 159,000 (3.8 percent), from public pensions; KRW 39,000 (0.9 percent), from public income transfers other than pensions; KRW 42,000 (1.0 percent), from private pensions; and KRW 17,000 (0.4 percent), from other sources. Most (46.0 percent) respondents identified themselves as lower-middle class (as opposed to 23.3 percent who identified as upper-middle class; 17.1 percent, as upper-working class; 8.9 percent, as lower-working class; and 0.6 percent, as upper class). When asked how their financial status had changed over the past 10 years, and how they predicted that their financial status would change over the next 10 years, 50.6 percent said little change had occurred in the past, and 58.4 percent said that they expected little change over the next decade. In other words, the new middle-aged Koreans mostly think that their income falls slightly short of the (perceived) middle level, and that they will likely remain in the same financial status/socioeconomic class.

As for assets and debts, 83.4 percent of respondents were property owners (valued at KRW 361.51 million on average). Also, 81.4 percent held financial assets (KRW 68.75 million on average), while 76.7 percent held other assets (KRW 23.57 million on average), and 27.9 percent reported debts (KRW 91.54 million on average). Housing (35.0 percent) was the most common reason for incurring debts, followed by financing businesses (26.8 percent), investing in real estate other than their principal residence (8.9 percent), and living expenses (7.8 percent).

(2) Economic and Social Participation

The overwhelming majority (95.0 percent) of the new middle-aged respondents had worked at least once in their lifetimes (99.3 percent for men and 90.9 percent for women). The average age of retirement from their main (longest-running) careers was 50.5 years old. Roughly 50 percent of the respondents said that they had left their main careers because there was no work to do; because their business (or fishing career) was struggling; because they had reached retirement age, were urged to retire, or were laid off at their former workplaces; or because their workplaces closed down.

Over three-quarters (77.4 percent) of respondents were employed at the time of the survey. Most (29.5 percent) worked in the service sector; 24.4 percent, in sales; and 13.2 percent, in

technical fields. Self-employment was the most common form of current employment (46.0 percent), followed by full-time paid work (27.0 percent), business ownership (9.5 percent), and temporary paid work (8.1 percent). On average, respondents had worked 18.4 years in their current careers. The vast majority (83.6 percent) believed that it was important to continue working in old age. Of respondents who were working at the time of the survey, 89.5 percent answered that they would like to continue working insofar as their health permitted. However, nearly one-third of working respondents were uncertain about the sustainability of their current employment. Yet 86.0 percent of respondents were not prepared for possible unemployment, suggesting that the majority of the new middle-aged Koreans were ill-prepared for either job loss or final retirement from the labor market.

While most (58.1 percent) respondents wished to continue working for the purpose of earning a living, approximately one-third also wished to work for self-development and recreation.

Watching TV was the most popular hobby among the respondents (42.0 percent), followed by hiking (7.4 percent); walking (6.5 percent); talking to neighbors/friends, either in person or on the phone (6.1 percent); participating in organized social activities (4.9 percent); and traveling, including going on picnics and outings, to destinations in Korea and

abroad (4.1 percent). While 36.4 percent of respondents enjoyed their hobbies alone, 31.3 percent enjoyed them with friends, and 28.0 percent, with their families.

The most popular hobby the new middle-aged respondents wished to cultivate was traveling (31.2 percent), followed by hiking (11.7 percent), watching TV (9.1 percent), walking (7.2 percent), participating in organized social activities (5.5 percent), and swimming (5.1 percent). In summary, many the new middle-aged Koreans wanted to remain active, traveling and exercising, into old age.

Of the new middle-aged respondents, 16.3 percent were volunteering at the time of the survey (11.4 percent affiliated with organizations and 4.9 percent independently), and 45.8 percent were willing to volunteer in old age (24.3 percent with organizations and 21.5 percent independently). Furthermore, 5.1 percent were enrolled in lifelong education programs, and 48.8 percent wished to take such programs in old age.

Asked what they wished to do in old age, 52.8 percent of respondents answered that they wanted to cultivate hobbies they could not enjoy when they were younger. Another 13.1 percent wished to work for income; 10.3 percent, engage in activities for learning and self-development; 6.2 percent, do meaningful work such as volunteering and charity; 6.0 percent, participate in spiritual and religious activities; and 2.7 percent, do chores and raise grandchildren. In addition, 8.3 percent of re-

spondents said they wanted to just relax and do nothing.

(3) Family and Social Relations

Respondents who had at least one living parent, either their own or an in-law, made up 53.7 percent (39.3 percent with their own parents and 34.0 percent with parents-in-law). Of these, 8.9 percent were cohabiting with at least one living parent, whether their own or an in-law.

More the new middle-aged respondents provided instrumental support for their living parents, whether their own (61.0 percent) or in-law (56.3 percent), than received such help, whether from their own (18.5 percent) or in-law (17.5 percent). Help with chores was more prevalent, whether for their own (41.8 percent) or in-law (36.4 percent) than nursing or accompanying parents to hospitals. On the other hand, 5.8 percent and 5.7 percent of respondents received help from their own elderly parents and parents-in-law, respectively, with chores.

The overwhelming majority of respondents (81.0 percent) regularly exchanged financial help with their own parents (81.0 percent) or parents-in-law (81.6 percent). Respondents generally provided more financial help (KRW 1,890,000 for own parents and KRW 1,550,000 for in-laws on average per year) than received it (KRW 180,000 from own parents and KRW

200,000 from in-laws on average per year). Fifteen percent of respondents said they found providing financial help for their elderly parents (15.7 percent for their own and 14.5 percent for in-laws) burdensome, more so than instrumental support (10.8 percent for their own parents and 10.1 percent for in-laws).

Almost all respondents (94.1 percent) had children, and 56.5 percent of those with children were cohabiting with their children at home. Of respondents with children, 65.0 to 66.0 percent regularly exchanged financial support with their children (66.4 percent for children living on their own and 65.1 percent for children living in their home). The new middle-aged respondents also provided more in financial help (KRW 1,960,000 for children living on their own and KRW 5,330,000 for children living in their homes on average per year) than received such help (KRW 1,450,000 from children living on their own and KRW 1,080,000 from children living in their homes on average per year). Children living with the new middle-aged parents received far more financial help than children living on their own, most likely because children cohabiting with their the new middle-aged parents were not yet financially independent. Nearly half (45.3 percent) of respondents found it burdensome to financially support their cohabiting children, almost three times more than respondents who found it burdensome to financially support children living on their own (14.0 percent).

(4) Expectations of Old Age

Those who thought they or their spouses should prepare financially for old age made up 86.4 percent of the new middle-aged respondents. When asked for how long they should support their children, 31.5 percent of respondents said until their children got married; 31.0 percent, until they completed their education; and 30.2 percent, until they found employment. Younger respondents tended to be less willing than their older counterparts to extend support for their children beyond the completion of their education. This divide may suggest that the new middle-aged Koreans' view of legitimate support for their grown-up children may be shifting. However, it may also reflect the fact that, although Koreans are getting married at an older age, the period of employment that allows the new Middle-aged to earn income and support their children has not increased.

When asked at what age people should be considered elderly, 52.6 percent of respondents selected 70 to 74 years old, while 20.8 percent picked 75 to 79 years old. The topic of greatest interest to the new middle-aged respondents was their own health (36.3 percent), followed by preparations for old age (18.5 percent) and the marriage of their children (15.3 percent). When asked to identify the ways in which they would struggle most as seniors, 53.0 percent of respondents picked deteriorat-

ing health and physical functioning, and 29.8 percent picked financial difficulty. Also, 48.4 percent and 44.2 percent of respondents picked health and financial stability, respectively, as the most important factor of preparations for old-age.

3. Changing Characteristics of the Younger New Middle-aged

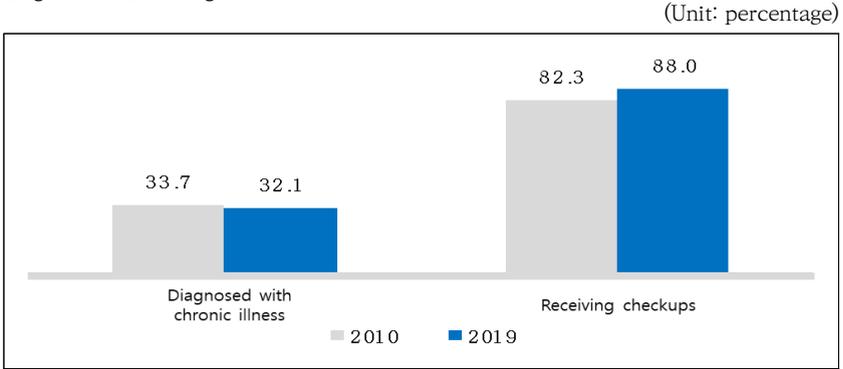
This section provides an analysis of the raw data from Chung et al. (2010)'s Survey on the Lifestyle Factors and Welfare Needs of the Middle-Aged, delineating major changes that have occurred among Koreans in their 50s, who form the younger part of the new middle-aged cohort, over the last nine years. Chung et al. (2010) surveyed Koreans aged 46 to 59 nationwide with respect to their support for other family members, employment, social participation, views of old age and awareness of available policy support, and financial status. As this study defines the new middle-aged as the 50-to-69 age cohort, comparison can be made only between Chung et al. (2010) and the younger part of the new middle-aged cohort. While Chung et al. (2010) was among the studies considered in the development of the questionnaire for the new middle-aged survey at the heart of this study, the questions do not match exactly. Analysis is therefore limited to pertinent and similar findings of both surveys, with a view to identifying changes in the characteristics of the new middle-aged Koreans.

(1) General Characteristics of Koreans in Their 50s

Koreans in their 50s as of 2019 generally showed better health and education than those who were in their 50s in 2010. The percentage of individuals diagnosed with chronic illnesses dropped slightly from 33.7 percent in 2010 to 32.1 percent in 2019, while the percentage of those who regularly receive checkups grew from 82.3 percent to 88.0 percent.

The percentage of those who forwent checkups because “they were too busy and had little time” grew from 40.3 percent in 2010 to 44.7 percent in 2019. The percentage of those who answered that they had skipped checkups because they were “confident in [their] own health” also rose from 23.4 percent to 28.7 percent. On the other hand, the percentages of those who answered “lack of interest in health” and “fear of finding out about hidden illness” dropped from 16.3 percent to 14.0 percent and from 12.3 percent to 7.5 percent, respectively. In other words, Koreans in their 50s appear to have developed greater confidence in their health as well as greater interest in their own health over the years (Table 3-2).

[Figure 3-1] Change in Health



Sources: Chung, K., Lee, S., Lee, Y., Kim, S., Seonwoo, D., Oh, Y., and Lee, E. (2010), *Baby Boomers' Demographic Profiles and Welfare Needs*, KIHASA (raw data only); Hwang, N. (2019), *A Study of the Living Conditions and Welfare Needs of the New Middle Aged* (2019) (for this study).

<Table 3-2> Reasons for Forgoing Checkups

(Unit: percentage)

Reason	2010	2019
Too busy and have little time	40.3	44.7
Lack of interest in health	16.3	14.0
Financial difficulty	4.9	4.1
Confident in one's own health	23.4	28.7
Lack of information	2.9	0.5
Fear of finding out about hidden illness	12.3	7.5
Other	-	0.5
Total	100.0	100.0

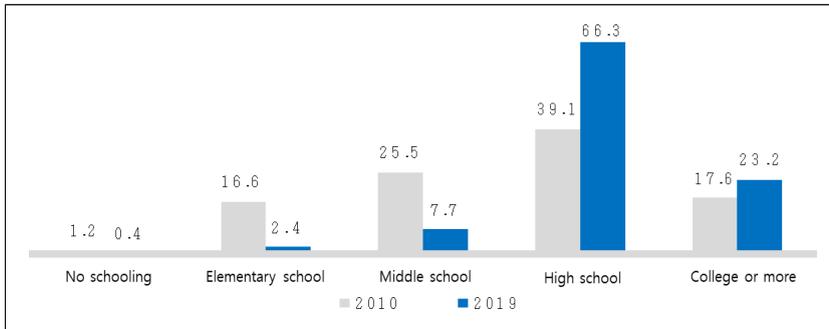
Sources: Chung et al. (2010); Hwang (2019).

The percentage of Koreans in their 50s with high school education or more has also risen. Specifically, the percentage of high school graduates jumped from 39.1 percent in 2010 to 66.3 percent in 2019, while those with college education or

more also grew from 17.6 percent to 23.2 percent. By contrast, Koreans in their 50s with elementary school education or less plummeted from 17.8 percent in 2010 to 2.8 percent in 2019.

[Figure 3-2] Education

(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).

(2) Financial Status

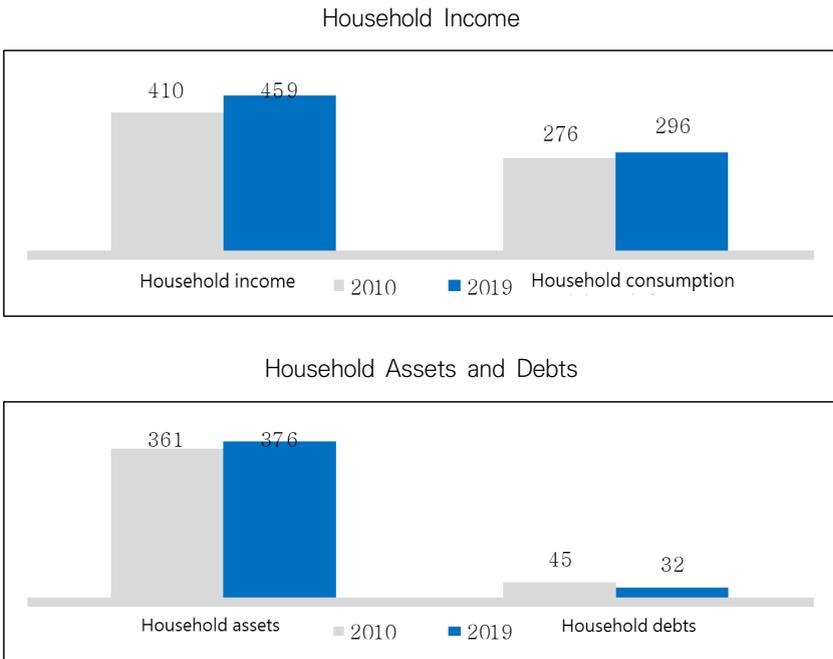
The average monthly household income for Koreans in their 50s rose from KRW 4,100,000 in 2010 to KRW 4,590,000 in 2019, while average monthly household consumption expenditure also increased, rising from KRW 2,760,000 to KRW 2,960,000. In effective terms based on the consumer price index as of 2015³⁾, however, monthly household income actually contracted from KRW 4,636,000 in 2010 to KRW 4,391,000 in

3) As household income is based on the previous year's data, the CPI of the year preceding the year of the survey applies. According to KOSIS (2019), with the CPI for 2015 equaling 100, the CPI for 2009 was 88.452, and that for 2018 was 104.45.

2019, while monthly house consumption expenditure also dropped, from KRW 3,117,000 to KRW 2,829,000.

[Figure 3-3] Changes in Nominal Household Income and Assets

(Unit: KRW 10,000/month)



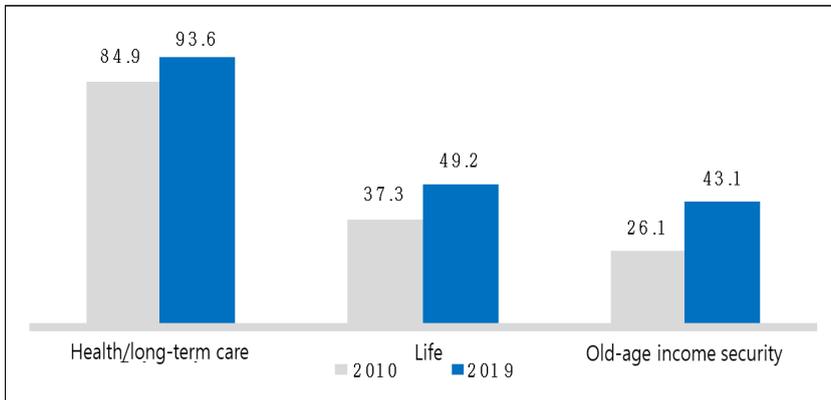
Sources: Chung et al. (2010); Hwang (2019).

The average value of assets per household rose slightly from KRW 361 million in 2010 to KRW 376 million in 2019, while average debts per household fell from KRW 45 million to KRW 32 million, suggesting a significant improvement in the financial health of Koreans in their 50s households over the last decade.

Figure 3-4 shows how Koreans in their 50s are preparing for future uncertainty with savings and private insurances. Koreans in their 50s as of 2019 fared better than those who were in their 50s in 2010 across all categories of comparison, including health and long-term care, life insurance, and old-age income security. The percentage of those holding savings accounts and/or insurance policies for health and long-term care grew from 84.9 percent to 93.6 percent, and the percentage of those with savings accounts for potential death and/or life insurance policies grew from 37.3 percent to 49.2 percent. The percentage of Koreans in their 50s participating in old-age income security plans jumped from 26.1 percent in 2010 to 43.1 percent in 2019.

[Figure 3-4] Change in Preparedness for Old Age

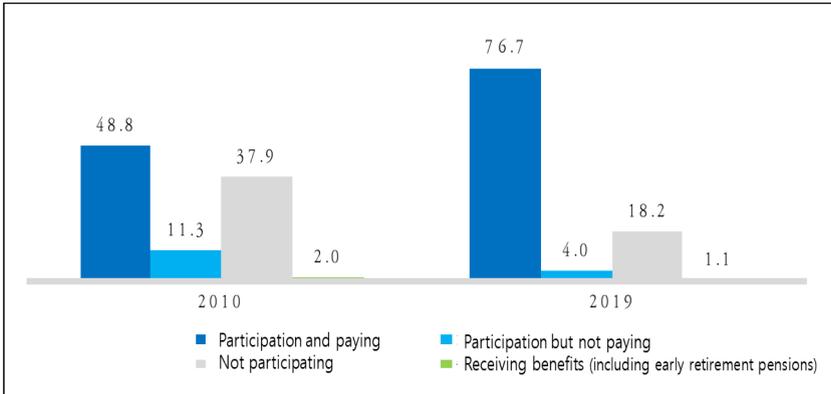
(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).

[Figure 3-5] Participation in Public Pension Schemes

(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).

Figure 3-5 shows that the percentage of Koreans in their 50s participating in public pension schemes also rose. Specifically, the share of those participating and paying into such schemes grew significantly from 48.8 percent in 2010 to 76.7 percent in 2019, while the share of those not participating more than halved, falling from 37.9 percent to 18.2 percent. In other words, Koreans in their 50s today are better prepared for old age than those who were in their 50s nine years ago.

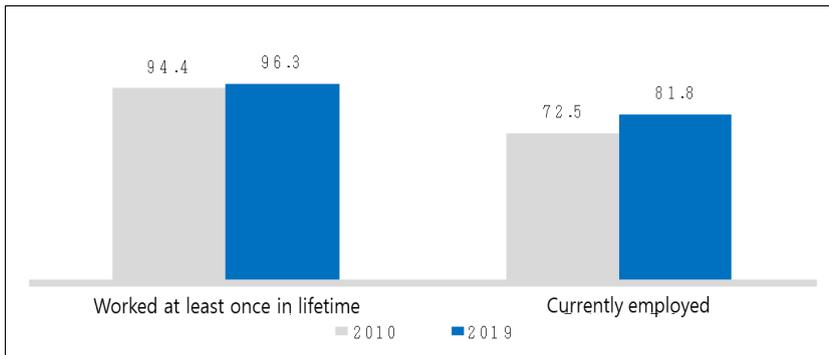
(3) Economic and Social Participation

The percentages of Koreans in their 50s who worked at least once in their lifetime as well as of those who were currently employed at the time of the surveys also grew, from 94.4 per-

cent and 72.5 percent in 2010 to 96.3 percent and 81.8 percent in 2019, respectively.

[Figure 3-6] Lifetime Work Experience and Current Employment

(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).

With better health and education, Koreans in their 50s as of 2019 showed a higher rate of current employment than those who were in their 50s in 2010. Koreans also wished to remain employed for a long time to come. The percentage of Koreans in their 50s still working in their main careers or working in new jobs related to their career experiences has also increased.

The desire of Koreans in their 50s to continue their main careers has grown, while their sense of insecurity about retaining their current work has lessened. Koreans who were employed as of the time of each survey were asked to rate, on a five-point scale, how strongly they wished to continue working in their current jobs insofar as their health permitted. In 2010,

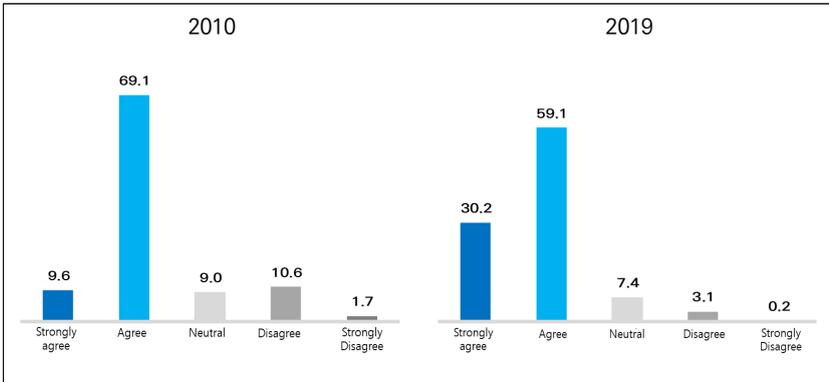
78.7 percent indicated such desire (“strongly agree” + “agree”). That figure rose to 89.3 percent by 2019. When asked to rate their sense of insecurity about retaining their current jobs, also on a five-point scale, 29.4 percent of Koreans expressed insecurity (“strongly agree” + “agree”) in 2010, as opposed to 25.5 percent in 2019. In other words, Koreans in their 50s today are both more desirous to continue working in their current jobs and less insecure about the future prospects of their jobs than were Koreans who were in their 50s nine years ago.

The percentage of Koreans in their 50s who recognize the importance of diverse forms of social participation aside from employment has also grown significantly, as has the percentage of Koreans who thought social participation was more important in old age than now. Figure 3-8 shows how Koreans rated the importance of various forms of social participation—recreation, volunteering, lifelong education, and organized social activities—on a five-point scale. The percentage of Koreans in their 50s who rated social participation as important (“very important” + “important”) in their current lives nearly doubled from 39.6 percent in 2010 to 77.1 percent in 2019. The percentage of those who thought social participation was more important in old age also grew dramatically, rising from 46.7 percent to 84.7 percent.

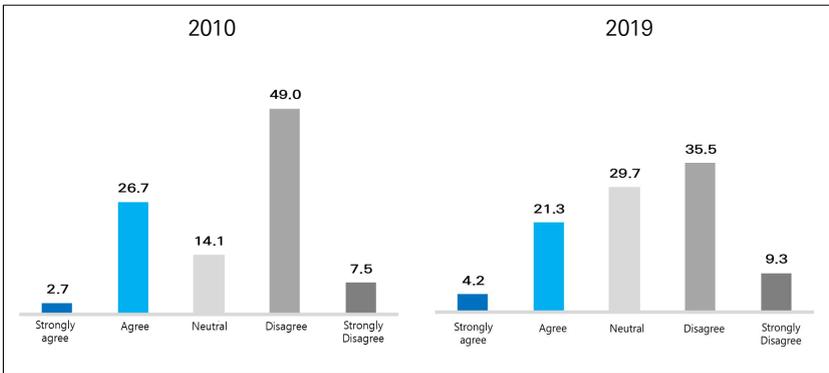
[Figure 3-7] Desire to Maintain Current Careers and Insecurity about Their Future Sustainability

(Unit: percentage)

Desire to Maintain Current Careers (Insofar as Permitted by Health)



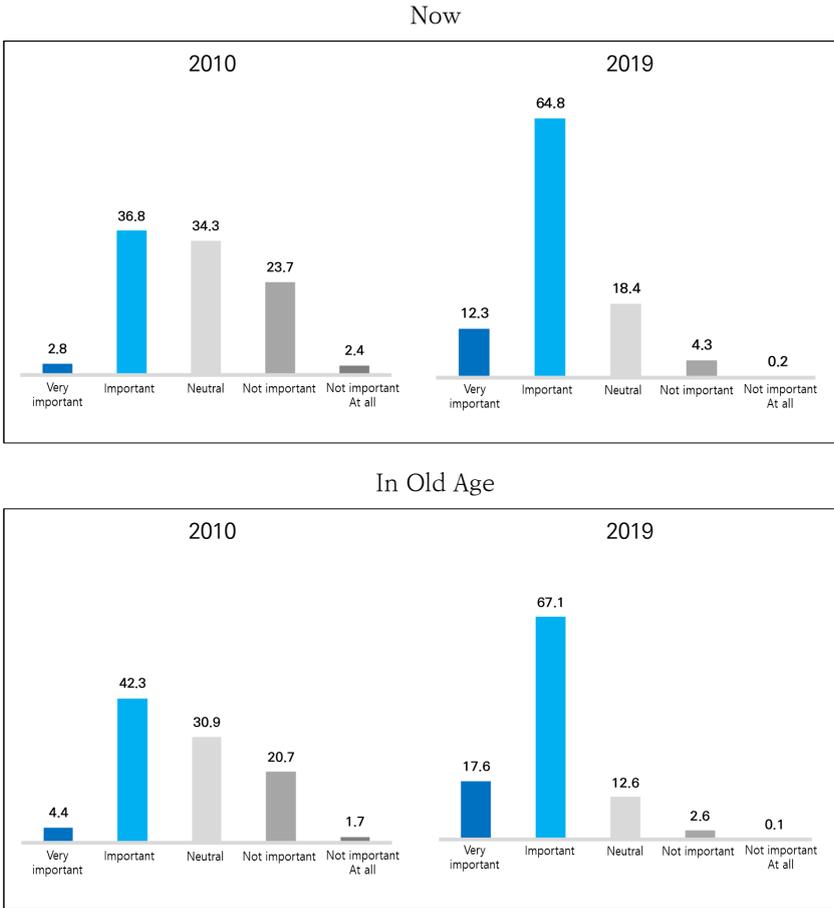
Insecurity about the Future Sustainability of Current Careers



Sources: Chung et al. (2010); Hwang (2019).

[Figure 3-8] Importance of Social Participation Now and in Old Age

(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).

It is important for the Korean government to tailor its policy on the new middle-aged to the growing needs of today’s Koreans for social participation in middle age, and increase opportunities for them to engage in various recreational, edu-

cational, and social activities outside of their employment. The existing programs of social participation should be further diversified and improved in terms of quality to cater to the characteristics of the new middle-aged, particularly in light of their improved health and education.

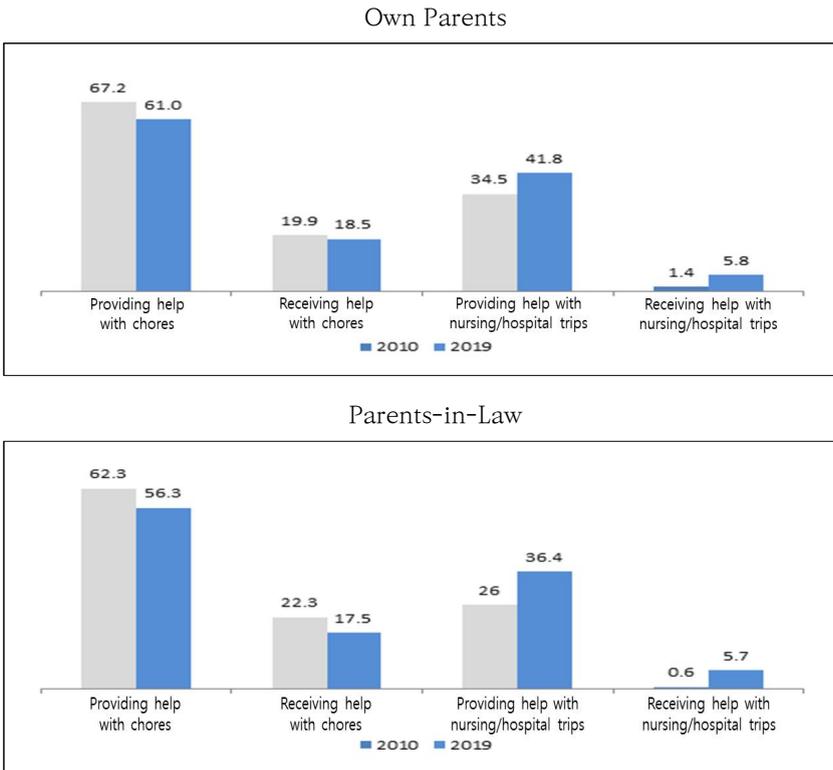
(4) Supporting Family

Compared to their counterparts nine years ago, Koreans in their 50s today exchange less instrumental support with chores with their parents, while the amount of help they exchange with nursing and hospital trips has increased. The tendency for Koreans in their 50s to exchange instrumental support with their own parents more than their parents-in-law has persisted.

Specifically, the percentage of Koreans in their 50s who provide instrumental support with chores for their own parents (or parents-in-law) decreased from 67.2 percent (62.3 percent) in 2010 to 61.0 percent (56.3 percent) in 2019. The percentage of those receiving such help, on the other hand, decreased from 19.9 percent (22.3 percent) to 18.5 percent (17.5 percent).

[Figure 3-9] Exchange of Instrumental Support with One's Own Parents and Parents-in-Law

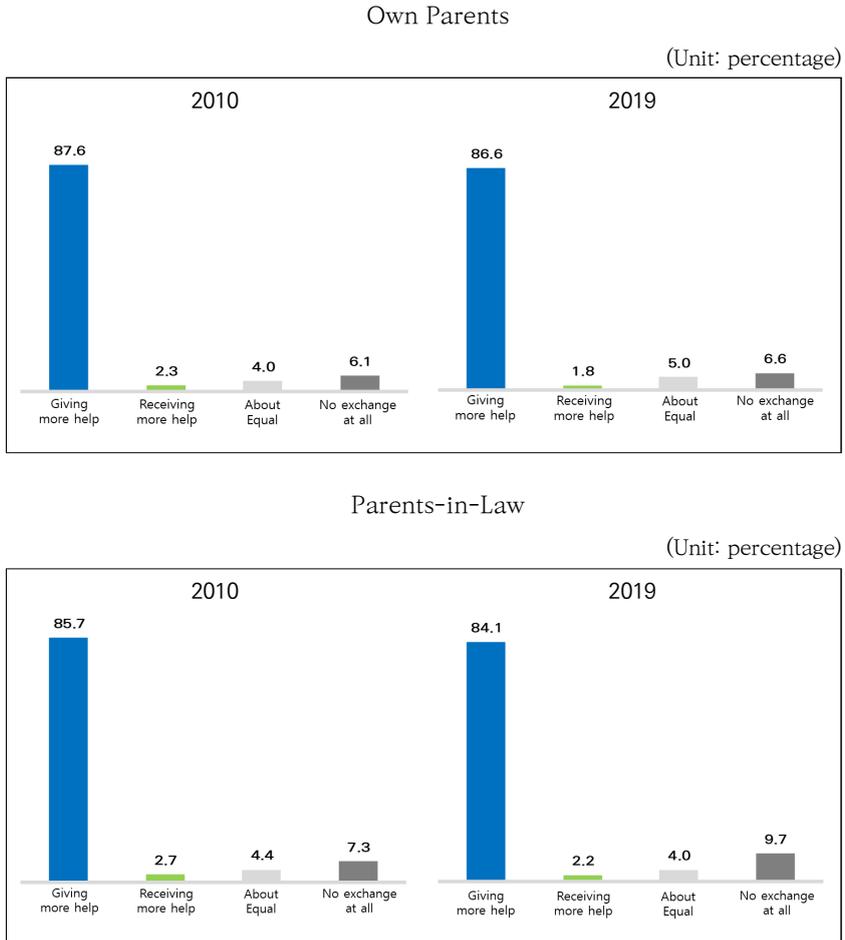
(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).

On the other hand, the percentage of Koreans in their 50s who help their parents (or parents-in-law) with nursing or hospital trips grew from 34.5 percent (26.0 percent) in 2010 to 41.8 percent (36.4 percent) in 2019, and the percentage of those receiving such help from their own parents (or parents-in-law) rose from 1.4 percent (0.6 percent) to 5.8 percent (5.7 percent).

[Figure 3-10] Exchange of Financial Help with One's Own Parents and Parents-in-Law



Sources: Chung et al. (2010); Hwang (2019).

The innovation of home appliances and their distribution have reduced the burden of helping one's elderly parents (or in-laws) with chores(table 3-10). The advancement of medical

technology and healthcare has increased life expectancy, increasing the need to nurse elderly parents or accompany them to hospitals.

As Figure 3-10 shows, the tendency of Koreans in their 50s to provide more financial support for their parents or parents-in-law than receive such support has persisted. In fact, the percentage of Koreans giving more financial support for their own parents (or parents-in-law) than receiving such support has remained steady, between 87.6 percent (85.7 percent) in 2010 and 86.6 percent (84.1 percent) in 2019.

The percentage of Koreans in their 50s who find it burdensome to provide financial support for their parents or parents-in-law was in the 10-percent range both in 2010 and 2019, but has decreased somewhat lately. The percentage of those who find it burdensome to provide financial support for their own parents decreased slightly from 17.4 percent in 2010 to 15.0 percent in 2019, while that of those finding it burdensome to provide financial support for parents-in-law also decreased a little, falling from 16.1 percent to 15.7 percent.

However, these figures suggest that almost two out of every 10 Koreans in their 50s find it burdensome to provide financial support for their elders. Koreans in their 50s are stuck in the “double-care dilemma,” having to financially support both their children (most of whom are still in school) and their elderly parents. This can exert considerable strain on these mid-

dle-aged Korean households, while depriving them of opportunities to prepare adequately for their own old age. The financial burden of supporting family can be partially reduced for Koreans in their 50s through the expansion of policy welfare programs for children, youth, and seniors, but more direct forms of policy support may be needed to help new middle-aged Koreans effectively.

(5) Expectations of Old Age

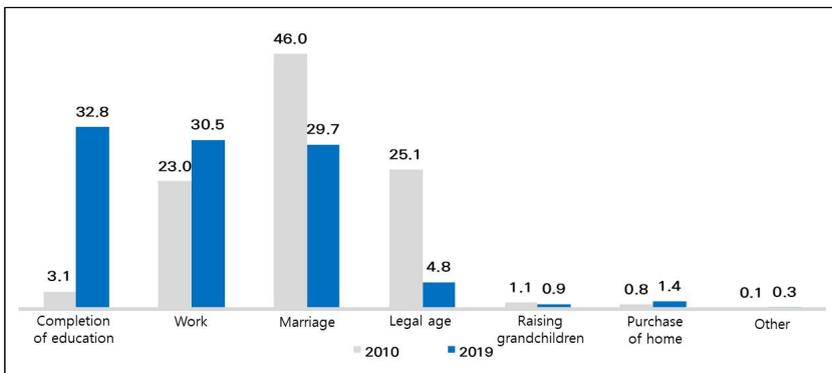
Koreans in their 50s today are less willing than their counterparts nine years ago to continue financially supporting their adult children for as long as they once did. When asked until when parents should financially support their children, 46.0 percent of Koreans in their 50s in 2010 answered “until they get married.” “Until they turn the legal age of 19” garnered 25.1 percent of votes; “until they find work,” 23.0 percent. By 2019, however, most (32.8 percent) Koreans in their 50s answered “until they complete their education,” followed by 30.5 percent who chose “until they find work,” and 29.7 percent who chose “until they get married.”

In other words, whereas Koreans in the past were willing to support their adult children until they were married, more Koreans today are not so willing to extend financial support for their adult children beyond the completion of their education.

This divide may suggest that the new middle-aged Koreans' view of legitimate support for their grown-up children may be shifting. However, it may also reflect the fact that, although Koreans are getting married at an older age, the period of employment that allows the new middle-aged to earn income and support their children has not increased.

[Figure 3-11] Until When Is It Legitimate to Support Adult Children

(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).

Figure 3-12 shows how Koreans in their 50s would like to spend their old age. The percentage of those who answered “cultivating hobbies not enjoyed when younger” grew most dramatically, from 40.5 percent in 2010 to 54.4 percent in 2019. The percentage of those choosing lifelong education and self-development also grew, from 6.6 percent to 10.8 percent.

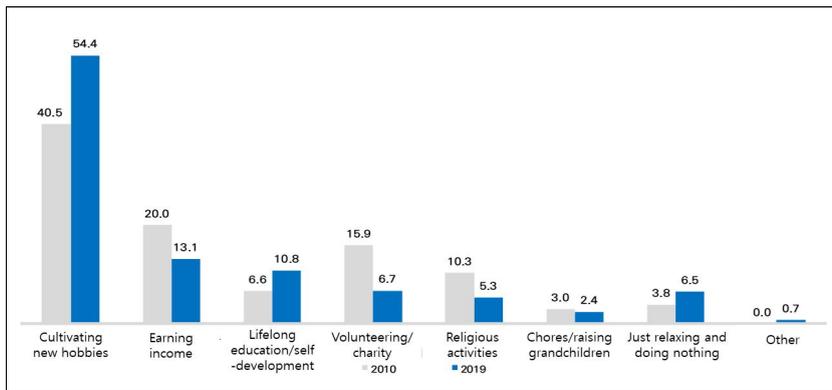
By contrast, the shares of those who chose volunteering and earning income decreased from 15.9 percent to 6.7 percent

and from 20.0 percent to 13.1 percent, respectively.

In other words, Koreans in their 50s today appear to be more desirous than their counterparts nine years ago to spend their old age pursuing their own enjoyment by cultivating new hobbies or returning to education.

[Figure 3-12] Plans for Old Age

(Unit: percentage)



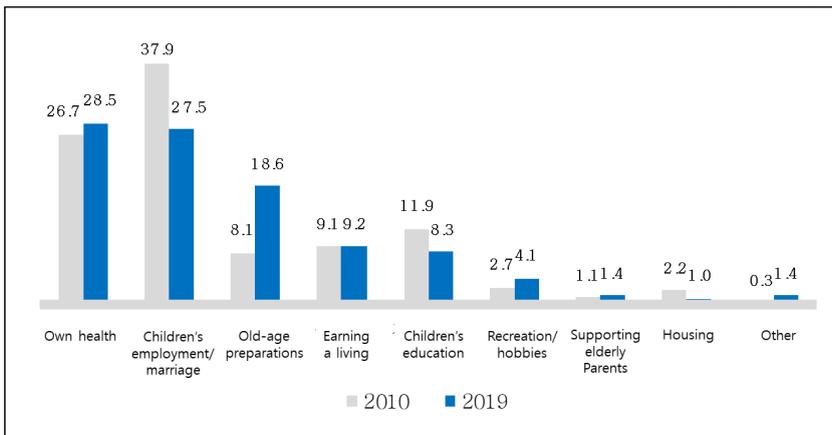
Sources: Chung et al. (2010); Hwang (2019).

Compared to their counterparts in the past, Koreans in their 50s today are less interested in their children and more interested in their own old age, health, and recreation. The percentage of those who identified their children as their greatest subject of recent interest fell from 49.8 percent (11.9 percent for education and 37.9 percent for employment and marriage) in 2010 to 35.8 percent (8.3 percent for education and 27.5 percent for employment and marriage) in 2019. Meanwhile, the percentage of those taking the greatest interest in their own

preparations for old age spiked from 8.1 percent to 18.6 percent. With life expectancy on the rise, Koreans in their 50s are taking more interest in how they should prepare for, and spend, their old age.

[Figure 3-13] Subjects of Recent Interest

(Unit: percentage)



Sources: Chung et al. (2010); Hwang (2019).



IV

Policy Implications

1. Policy Support for Diverse Aspects of Life
2. Periodical Surveys

IV Policy Implications

1. Policy Support for Diverse Aspects of Life

The new middle-aged is a new age cohort that has been defined in light of lifecycle changes underway in the Korean population. The Ministry of Employment and Labor (MOEL) began to apply this term to policymaking in reference to Koreans in their 50s and 60s. The Triple-Cropping Lifecycle Support Plan for the New Middle-aged and other related policy measures focus mainly on increasing employment support for this age group. The MOEL, for its part, provides reemployment support for the new middle-aged Koreans at different stages (still employed in their main career, in career transition, in second career, and in retirement) to improve their occupational skills and help them find new work (Yang and Kwon, 2018). This study finds that the new middle-aged Koreans wish to continue working until 69.2 years of age, on average, while 59.9 percent wish to work into their 70s. The Korean government's the new middle-aged policy is therefore expected to provide near-retirees with a systematic system of support before they actually retire so that Koreans can work longer and prepare better for a more secure old age by retiring in phases.

Threats to the new middle-aged Koreans' wellbeing can be

found in their forced retirement from their main careers around the age of 50 and necessary transition to (often worse) jobs afterward as well as in their inability to prepare adequately for old-age security. The current the new middle-aged policy regime in Korea fails to provide a comprehensive range of support for these Koreans' financial, medical, recreational, and social wellbeing, as required by the Act on Supporting Preparation for Later Life. Policy support is needed for diverse aspects of life to enable the new middle-aged Koreans to make a successful transition from the center of the labor market to old age. The policy regime should therefore move beyond its exclusive focus on employment support and introduce more measures for other aspects of middle-aged Koreans' lives.

This study finds that the majority of the new middle-aged Koreans (52.8 percent) wish to spend their old age by cultivating hobbies that they could not enjoy when they were younger, while relatively few wished to work (13.1 percent) or volunteer (6.2 percent) in old age. The Korean government needs to respond to the new middle-aged Koreans' diversifying needs for social participation in old age and support their social and interpersonal wellbeing accordingly. The existing programs of social participation should be diversified and also improved in quality to cater better to the new middle-aged Koreans' new needs (particularly in light of their better health and education).

While family health support centers and other channels of mental health support provide counseling and related services for interpersonal relationships, these organizations remain few in number, limiting the new middle-aged Koreans' access to the kind of support they provide. New middle-aged Koreans form most of their relationships as part of their pre-retirement careers, and their custom of working long hours has made it difficult for them to spend long stretches of time with their own families. New middle-aged men, in particular, suffer from a drastic contraction of their network of social and interpersonal relations after retirement. New policy support measures should therefore include programs that provide education and information toward improving interpersonal relations. Furthermore, new spaces should be created to encourage retirees to form new social relations and support their collaborative activities and communities. These measures would not only help improve the new middle-aged Koreans' interpersonal relationships, but also cater to their growing needs for recreation and hobbies.

This study also identifies the importance of policy support for health and financial stability, as new middle-aged Koreans point to these as the two main pillars of old-age security. In fact, 48.4 percent and 44.2 percent of the new middle-aged Koreans pick health and financial stability as the most critical factors of a successful post-retirement life. In addition, 53.0

percent and 29.8 percent of these Koreans think deteriorating health and physical function and financial difficulty, respectively, are the two likeliest hardships they will face in old age. Policymakers should therefore make efforts to identify the new middle-aged Koreans' health and financial needs and tailor policy measures to them.

2. Periodical Surveys

A new legislative ground should be enacted to allow for periodical surveys inquiring into the conditions and needs of the new middle-aged Koreans every three years. The new middle-aged is an age cohort that is sandwiched between young age and the elderly and has distinctive lifecycle-related characteristics and needs. Koreans aged 50 to 69 today differ significantly from both seniors and younger Koreans at their most active stage in life. Detailed fact-finding surveys should be organized regularly to ensure the establishment and regular updates of evidence-based policy that effectively caters to this age cohort. In line with other similar surveys targeting seniors and children, the new middle-aged surveys should be conducted roughly every three years.

The new middle-aged age cohort is drawing increasing attention because it largely coincides with the baby boomer generation in Korea, making up a significant portion of the Korean

population. Periodical surveys of the new middle-aged lifestyles and policy needs should therefore continue until Korean baby boomers retire and complete their transition into old age.

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