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The impact of the aging population on the consumption level in China

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Abstract. This article examines the specifics of population the aging in China from 2010 to 2020, the causes and solutions. In the 21st century, the average life expectancy of the global population has become longer and longer with the development of medical care and the economy, which has led to serious problems of population aging. Examples include stagnant productivity and declining productivity. Against this background, China, as a country with manufacturing as its main industry, has naturally been greatly affected. This paper analyzes the relationship between population aging and consumption level in China during the period of 2010-2020 as a way to explore the impact of population aging on China's economy.The whole country is divided into three regions, which are Eastern China, Central China and Western China to ensure the accuracy of the data. The different between urban area and rural area are also studied. The data is analyzed by using Stata, and the results show that population the aging in China has a positive impact on the total consumption, with the western and central parts of the country leading to a more obvious impact. To cope with the challenges of the aging population requires not only demographic policies, such as reducing birth restrictions and postponing retirement, but also social and economic planning.

Keywords: aging population, China, cross-regions, policy studies

1. Introduction

Population aging is an increasing median age because of declining fertility rates and rising life expectancy. It first emerged in developed countries but now in a number of developing countries, this situation is also arising. Population the aging is usually measured by the proportion of elderly people in the total population. 10% of the population over 60 or 7% of the population over 65 is the standard for the region to enter aging society.

The aging population is mainly caused by longer life expectancy and lower birth rates. With the development of the level of medical treatment, population aging will increase over the next 30 years.

In China, the aging population has the following characteristics: extensive, significant trends, and large variations between regions. In the past 40 years, with the development in technological level and the diffusion of health care, the average life expectancy of the elderly population has continued to rise from 67.77 in 1981 to 78.3 in 2022. At the same time, due to the rise in the population, the working pressure on teenagers and young people has become greater because they need to compete with each other and the cost of child-rearing has become higher which has made young people not willing to have children. As a result, the elderly population has become an increasingly large proportion of the total population.

Consumption level shows the sum of consumer expenditures on their daily living costs in a certain period. There are different kinds of consumption expenditure such as family consumption expenditure and social public consumption expenditure. According to the different consumption items, there are commodity consumption expenditures, such as food, clothing, use, housing, and traveling, and non-commodity consumption expenditures, such as medical care and health, culture and education, sports and recreation. Consumption level is influenced by the following factors. First, it's influenced by consumers' income. People who have higher incomes can have a higher ability of consumption. Second, the ability of consumption is related to price level which is influenced by CPI. When the price level rises and people have fixed incomes, they would have a lower ability to consume.

The topic of my research is the impact of the aging population on the level of consumption. The degree of the aging population in China is very deep now which leads to a change in the structure of society, labor market, and economic development. Against the background of the Covid-19 pandemic, these impacts are even deeper. In recent years, due to the increasing proportion of the elderly population, the productivity of laborers in China has fallen significantly and the cost of

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production has risen because of the labor shortage. It causes serious cost-push inflation so that the price level increases. However, the level of income of workers is even lower because producers have little revenue due to gloomy business. As a result, the economy would be stuck in a vicious circle. The aging population increases the family burden as well. In the 1970s, China began to implement a birth control policy. Therefore, most of the laborers in China are the only children in their families. Obviously, not only do they face the pressure of competition, but they also have to support the elderly. There is no doubt that they are not willing to have children which further aggravates population the aging. It is also a challenge for the government. The tax revenue would fall a lot because of economic decline. However, it needs to spend more on pensions and healthcare so there's high budget pressure.

In China, investigators usually do the research by analyzing data in different periods. To ensure that the research is sufficiently rigorous, this paper will not analyze the characteristics of the aging population through different periods. Because data has timeliness, data which is from the last century is often inaccurate. To avoid this problem, this paper prefers to use data from the last 10 years and do the research by dividing people in China into three parts: east, middle, and west. Also, to make the research more scientific, this paper would also analyze the impact of the aging population on the level of consumption in rural area and urban areas.

The contributions of this study are as follows: (1) Research on consumption level helps us understand how demographic change affects economic growth, industrial structure, and social welfare. (2) It can provide a basis for the government to formulate relevant policies, and (3) The research can help companies understand the elderly consumer market and develop appropriate product and service strategies.

The follow-up structure of this study is as follows: (1) Literature review. This section provides a comprehensive review of the existing research literature on the aging population and level of consumption. (2) Discussion. I will analyze the current situation of the aging population in different regions of China, and (3) Conclusion. It is a summary of the data I used and it would show a trend of the aging population.

2. Literature review

2.1. History of the aging population

Global population aging has accelerated since the middle of the 20th century. In the 1950s, the quantity of the aging population was about 200 million which is 8% of the total population. 50 years later, this number increased to 600 million. The United Nations predicts that the global aging population will reach 2.1 billion by the 2050s [1]. Population aging is a shift in the distribution of a country's population towards older ages and is usually reflected in an increase in the population's mean and median ages, a decline in the proportion of the population composed of children, and a rise in the proportion of the population composed of the elderly. Population aging is widespread across the world and is most advanced in the most highly developed countries, but it is growing faster in less developed regions, which means that older persons will be increasingly concentrated in the less developed regions of the world.

A rapidly aging population can lead to a reduction of workers participating in the economy. The shortage of labor makes it difficult for businesses to fill demand in the economy which may cause demand-pull inflation in the future. Also, it is a challenge to governments of countries that are suffering from serious population aging. Because they need to spend more on tension and healthcare for the elderly while they cannot bring corresponding value to the economy. It would bring a budget deficit and harm economic growth in the future.

In the past few years, there has been a general decrease in death rates around the world. In addition, due to the decreasing birth rate, the structure of the population shows an aging trend.

Japan is influenced by the aging population deeply. In 2023, people who are over 65 years old account for over 30% of the Japanese total population. According to the Japanese government, the number of births in Japan has continued to decline over the past few decades. The number of births in Japan hit a record low of 810,000 in 2022, which is lower than the number of deaths (about 1.39 million) [2], which has led to negative population growth. To deal with low productivity caused by the aging population, the Japanese government has raised the retirement age gradually to extend the working time of laborers.

Europe is also facing the problem of the aging population. According to data from Eurostat, the elderly in Europe are more willing to live in rural areas because of great natural beauty. In 2019, there were 90.4 million older people (aged 65 years or more) living in the EU-27. Of these, 39.7 % were living in intermediate regions and 38.2 % in predominantly urban regions, leaving 22.1 % in predominantly rural regions [3]. However, these regions usually lack services which brings risk, especially for those who lack mobility and suffer from illness.

As one of the most advanced countries in the world, The US is suffering from a serious aging population as well. Poverty is a serious problem among older adults in America. The data shows that 10% of people who are over 65 years old in America lived below the official poverty line in 2022 and 14% of them are under the supplemental poverty measure [4]. As a result, a large quantity of the old don't have enough food. In 2022, 9.1% of all households with an older adult were food insecure [5, 6]. What's

more, hunger also has a great impact on the health of the old. It can cause diabetes, depression, and asthma due to the lack of nutrition.

2.2. The aging population in China

China is one of the countries that is affected by the aging population mostly. According to the National Bureau of Statistics of China, in 2023, the Chinese aging population is over 270 million, accounting for approximately 20% of the total population [7]. By 2050, the elderly population is predicted to reach approximately 26% of the total population [8]. The impact of the aging process on the social, economic, and healthcare systems is far-reaching, with increased pressure on the labor market, pensions, and healthcare.

In 2020, there were 191 million people aged 65 and over in China, which increase of 72 million over the number at the time of the population census 10 years ago.

On the other hand, the relative size of the elderly population is much larger than that of the population census a decade ago. In 2000, the proportion of people aged 65 and over in the total population was 7 percent. By 2020, that proportion will have risen to 13.5 percent.

According to the data of the seventh national population census in 2020, China's elderly people are mainly aged 65 to 84, with a high number of female elderly people.

Analyzing the aging degree of each age group can help us learn that the proportion of elderly people aged 65~79 in the total population is 10.99%. The proportion of the elderly above 80 years old in the total population is 2.55% [9].

The Chinese government also plays a main role during the development of population aging. After the founding of the PRC, the country was facing the problem of low productivity. To restore and develop the economy, the government started to encourage childbearing. They hope that the increasing population can bring a higher labor force and promote the construction of the economy. However, the government ignored the time needed for newborns to grow up which has caused a sudden rise in economic pressure in the short term. With the increase in population, China was in its most serious famine after the founding of the nation. The government began to realize the economic pressure brought by excessive economic growth. In the 1970s, China began to implement a family planning policy. This policy aims to reduce the birth rate and ease the pressure of population growth on economic and social development. This policy is pursued through the provision of contraception, education health services, etc.

With the aging of the population, labor shortages, and changes in economic structure, China's fertility policy has been gradually relaxed. In 2013, China began to allow "qualified couples" to have a second child, and in 2015, China formally abolished the one-child policy and implemented the "two-child policy", allowing all couples to have two children. To address the challenges of a declining birth rate and an aging population, in 2021, China announced the implementation of a "three-child policy", which allows each couple to have a maximum of three children [10]. At the same time, the Government has introduced a series of policies to support families in childbearing and childcare, such as providing tax incentives and housing subsidies to encourage childbearing.

2.3. Level of consumption in different regions

Level of Consumption refers to the total amount or capacity of a society, group, or individual to consume goods and services within a certain period. It is one of the most important indicators of economic development, people's living standards, and resource allocation. The level of consumption per capita is usually one of the basic indicators of the level of consumption in a country or region. It refers to the average consumption per inhabitant over a given period. The level of consumption per capita is often used as an important indicator of a country's level of economic development and the living standard of people. Consumption levels can also be analyzed by analyzing the structure of expenditures on different consumption categories such as food, housing, health, education, recreation, etc. to understand consumers' preferences in terms of demand and standard of living. For example, households with higher income levels are likely to spend more on areas such as education, health, and recreation.

The level of consumption is influenced by several factors:

2.3.1.1. Economic factors

Income level: The level of income of individuals and households is the most direct factor affecting the level of consumption. Higher-income groups usually have higher spending and are able to purchase more goods and services.

Inflation: Inflation affects the purchasing power of consumers and consumer spending. Consumers may spend less on non-essential items when facing rising price levels.

Economic Growth and Unemployment: Economic growth usually leads to job creation and increases in household income, which in turn increases the level of consumption. On the contrary, a high unemployment rate can lead to a fall in income and

restrain consumption.

2.3.1.2. Social factors

Demographics: Consumption patterns can be varied by age group, gender, and household size. For example, young and middle-aged people may have different consumption habits, while older people's consumption may be more orientated towards health and retirement services.

Education and Culture: Educational level and cultural background can influence an individual's consumption habits. Those who have higher levels of education may be more inclined to consume technological products and high-quality services.

Social Security and Welfare: A well-developed social welfare and security system has a direct impact on a household's consumption level. For example, a well-developed healthcare and pension system may reduce the pressure on consumers to spend on healthcare and retirement savings which releases more consumption potential.

3. Discussion

3.1. Aging population in different regions

In China, economic development varies from region to region and between rural and urban areas.

Central and western parts of China such as Shaanxi and Gansu Province have large advantages in natural resources. For example, Sichuan and Yunnan are rich in hydropower resources, and the western regions of Xinjiang and Inner Mongolia have large amounts of coal and fuel resources. These regions have traditionally been dominated by agriculture. However, in recent years, there has been a gradual development of other industries. Manufacturing and heavy industries in the western region are lagging, but with national policy support, such as the "Western Development", some places have begun to develop high-tech industries and new energy industries.

The eastern region of China which includes Shanghai and Jiangsu Province is the most economically developed in China. The industrial structure of the Eastern region has been upgrading from traditional manufacturing to high-tech, financial, and information technology sectors. The eastern region, especially the coastal region, has a high degree of economic openness, with a strong attraction of foreign trade and foreign investment and a high degree of internationalization. For example, Shanghai is China's financial center and Shenzhen is a global innovation and technology hub.

As China's urbanization process accelerates, many rural populations are moving to the cities. Urbanization has brought the transfer of labor and boosted the growth of the urban economy. Urban residents generally earn more than rural residents, and the gap between urban and rural incomes and living standards remains. Cities are richer in infrastructure, education, health care, and other public service resources.

The economy of rural areas is dominated by agriculture. Although it has been improved by the modernization of farmland and the industrialization of agriculture. The overall development is still slow. Infrastructure development and social security systems in rural areas are relatively weak. To address the problem, the government has introduced a series of policies to promote the development of the rural economy, in particular, the strategies of "precise poverty alleviation" and "rural revitalization".

In conclusion, the central and western regions are dominated by resource-based industries and are gradually promoting industrialization and high-tech development, and benefiting from national policy support.

The eastern region has a developed economy, and it is still upgrading its industrial structure to attract foreign investment. It is a center for innovation and technology.

The urban-rural gap still exists because the urban economy developing faster and the rural economy is still needed to accelerate its transformation, but some breakthroughs have been achieved through policy support in recent years.

In 2020, the population share of the western region was 27.12% of China's total, an increase of 0.22 percentage points from 2010. As the population continues to gather in the eastern region, the population share of the central and northeastern regions has declined while the population share of the western region has gradually risen. This also means that the second decade of Western development has initially fostered the capacity for self-development. The rise of large cities and provinces in the west, such as Chongqing, Chengdu, Xi'an, and Guiyang, has slowed down the outflow of population and attracted more and more locals to take up employment in the home province.

At the beginning of the implementation of the Western Development, Sichuan was the province with the largest outbound population. Of the nearly 7 million Sichuanese who went out to work, about 41% worked in Guangdong. The same is true for Guizhou and Chongqing besides Sichuan. The population of these three provinces decreased by more than 5.4 million between 2000 and 2010. However, there was a turning point in the route of Sichuan's migrant workers in 2012, with the number of workers in the province exceeding the number of workers outside the province for the first time. According to the Sichuan Bureau of Statistics, by the end of 2019, 55.13% of Sichuan's rural labor force transfer output was transferred within the province, about 2.55 million more than the output outside the province [11]. Meanwhile, Chongqing is also developing rapidly.

After the financial crisis in 2008, the coastal region's industrial restructuring and rising labor costs; at the same time, the western region's infrastructure is becoming more and more perfect, and the cost advantages of land, labor, and energy are obvious. More and more laptop companies such as HP and Asus are locating parts manufacturers in Chongqing [12].

However, the demographic structure of the western region is now not optimistic, especially in Sichuan and Chongqing, where the proportion of the young has slipped to about 16%, nearly 2 percentage lower than the national average. What's more, Sichuan and Chongqing have entered a deeply aging society, with the proportion of elderly people at 16.93% and 17.08%, respectively, second only to Liaoning province on the national scale [13].

Eastern China has a developed economy, good medical conditions, and a longer average life expectancy, resulting in a higher proportion of elderly people. For example, Shanghai, Jiangsu, Zhejiang, and other provinces and cities have already entered a deeply aging society with a proportion of their population aged 60 and above exceeding 20 percent. Shanghai is even one of the most seriously aging cities in the country, with an aging rate of over 36% [14]. Although there is a large inflow of migrant workers, most of them are young, and the problem of aging is still more serious in large cities, especially among the household population, where the aging trend is more obvious.

The overall aging rate in the central region is lower than in the east, but the pace of aging is accelerating. For example, Henan, Hubei, and Anhui, where the proportion of people aged 60 and over ranges from 16% to 19% are still at the stage of an aging society, but are likely to grow rapidly in the future. Central provinces are relatively lacking in the development of industrialization and urbanization, with a large number of young and middle-aged workers going out to work, leading to a decrease in the local young population and an aging problem.

3.2. Data analysis and result

This paper wants to analyze the relation between the level of consumption and aging population and the urbanization by using the below linear regression formula:

$$In(ConsumExpense) = \beta_0 + \beta_1 * OldDependencyRatio + \beta_2 * UrbanRatio + \beta_3 * In_PCDI + \beta_4 * P_{i0}101 \quad (1)$$

As shown in Equation (1), the independent variables of the following experiment are the old-age dependency ratio, the coefficient of urbanization ratio, and the coefficient of disposable income per capita. The dependent variable is the level of consumption of three different regions in China.

All consumption data are from the CSMAR database and the data of population are from the official website of the China Statistics Bureau from 2014 to 2023.

Table 1. The impact of the aging population in China on the level of consumption

	Parameter	Std.Err.	T-stat	P-value	Lower CI	Upper CI
const	-9.4583	8.4786	-1.1155	0.3153	-31.253	12.337
OldDependencyRatio	0.1391	0.0960	1.4481	0.2072	-0.1078	0.3860
UrbanRatio	-0.4641	0.0916	-5.0672	0.0039	-0.6996	-0.2287
In_PCDI	6.1873	1.0057	6.1520	0.0017	3.6020	8.7727
Pi0101	-0.1441	0.0554	-2.6014	0.0482	-0.2864	-0.0017

As shown in Table 1, the coefficient of the old-age dependency ratio is 0.1391, indicating that for every unit increase in the old-age dependency ratio, the level of consumption increases by 0.1391 units. However, this result is not statistically significant (p -value of 0.2072), suggesting that the effect of the old-age dependency ratio on the level of consumption may not be significant.

The coefficient of urbanization ratio is -0.4641 and is statistically significant (p -value 0.0039). This indicates that for every unit increase in the urbanization rate, the level of consumption decreases by 0.4641 units. This may be due to the increase in the cost of living brought about by urbanization, which leads to a decrease in the level of consumption.

The coefficient of disposable income per capita is 6.1873 and is statistically significant (p -value of 0.0017). This indicates that for every unit increase in per capita disposable income, the level of consumption increases by 6.1873 units. This indicates that the level of income is an important factor influencing the level of consumption.

In conclusion, disposable income per capita has the most significant effect on the level of consumption, while the effect of the old-age dependency ratio is not significant. The urbanization rate and other variables have a negative impact on the level of consumption.

Table 2. The impact of the aging population in the western part of China on the level of consumption

	Parameter	Std.Err.	T-stat	P-value	Lower CI	Upper CI
const	3.5226	0.9817	3.5883	0.0006	1.5697	5.4755
OldDependencyRatio	0.0055	0.0015	3.6317	0.0005	0.0025	0.0086
UrbanRatio	0.0060	0.0009	6.2801	0.0000	0.0041	0.0079
In_PCDI	0.6629	0.0340	19.478	0.0000	0.5952	0.7306
Pi0101	-0.0085	0.0082	-1.0317	0.3053	-0.0249	0.0079

As shown in Table 2,the coefficient of the Old Dependency Ratio is 0.0055 and is statistically significant (p -value 0.0005). This indicates that for every unit increase in the old age dependency ratio, the level of consumption increases by 0.0055 units. This indicates that in the Western region, the old age dependency ratio has a positive impact on the level of consumption.

The coefficient of urbanization ratio is 0.0060 and is statistically significant (p -value 0.0000). This indicates that for every unit increase in the urbanization rate, the level of consumption increases by 0.0060 units. This indicates that an increase in the urbanization rate has a positive impact on the level of consumption.

The coefficient of per capita disposable income is 0.6629 and is statistically significant (p -value 0.0000). This indicates that for every unit increase in per capita disposable income, the level of consumption increases by 0.6629 units. This indicates that the level of income is an important factor influencing the level of consumption.

Overall, in the western region, disposable income per capita and urbanization rate have the most significant impact on the level of consumption, and both have a positive effect. The old-age dependency ratio also has a significant positive effect on the level of consumption.

Table 3. The impact of the aging population in the central part of China on the level of consumption

	Parameter	Std.Err.	T-stat	P-value	Lower CI	Upper CI
const	1.1346	0.7895	1.4371	0.1538	-0.4316	2.7008
OldDependencyRatio	0.0034	0.0021	1.6451	0.1031	-0.0007	0.0075
UrbanRatio	0.0034	0.0014	2.3695	0.0197	0.0005	-0.0062
In_PCDI	0.8596	0.0459	18.725	0.0000	0.7686	0.9507
Pi0101	-0.0032	0.0068	-0.4787	0.6332	-0.0166	0.0102

As indicated in Table 3,the coefficient of the old-age dependency ratio is 0.0034, but statistically insignificant (p -value 0.1031). This suggests that the effect of the old-age dependency ratio on the level of consumption may not be significant.

The coefficient of urbanization ratio is 0.0034 and statistically significant (p -value 0.0197). This indicates that for every unit increase in the urbanization rate, the level of consumption increases by 0.0034 units. This indicates that an increase in urbanization rate has a positive impact on the level of consumption.

The coefficient of per capita disposable income is 0.8596 and is statistically significant (p -value of 0.0000). This indicates that for every unit increase in per capita disposable income, the level of consumption increases by 0.8596 units. This indicates that the level of income is an important factor influencing the level of consumption.

Overall, in the central region, disposable income per capita has the most significant and positive effect on the level of consumption. The urbanization rate also has a significant and positive effect on the consumption level, while the effect of the old age dependency ratio and other variables is not significant.

Table 4. The impact of the aging population in the eastern part of China on the level of consumption

	Parameter	Std.Err.	T-stat	P-value	Lower CI	Upper CI
const	2.3964	0.6472	3.7025	0.0004	-1.1118	3.6810
OldDependencyRatio	-0.0054	0.0010	-5.3153	0.0000	-0.0075	-0.0034
UrbanRatio	0.0044	0.0008	5.3594	0.0000	0.0027	0.0060
In_PCDI	0.8195	0.0249	32.857	0.0000	0.7700	0.8690
Pi0101	-0.0107	0.0058	-1.8389	0.0690	-0.0223	0.0009

As indicated in Table 4, the coefficient of the Old Dependency Ratio is -0.0054 and is statistically significant (p -value 0.0000). This indicates that for every unit increase in the old age dependency ratio, the level of consumption decreases by 0.0054 units. This indicates that in the eastern region, the old age dependency ratio has a negative impact on the level of consumption.

The coefficient of urbanization ratio is 0.0044 and is statistically significant (p -value 0.0000). This indicates that for every unit increase in the urbanization rate, the level of consumption increases by 0.0044 units. This indicates that an increase in the urbanization rate has a positive impact on the level of consumption.

The coefficient of per capita disposable income is 0.8195 and is statistically significant (p -value 0.0000). This indicates that for every unit increase in per capita disposable income, the level of consumption increases by 0.8195 units. This indicates that the level of income is an important factor influencing the level of consumption.

Overall, in the eastern region, disposable income per capita and urbanization rate have the most significant impact on the level of consumption, and both have a positive effect. The old age dependency ratio has a significant negative effect on the level of consumption, while the effects of the other variables are not significant.

China's long-standing urban-rural development gap and imbalances in the economy, social welfare, and infrastructure have led to significant differences in the ability and willingness of the aging population to consume.

Urban residents generally have higher incomes, higher rates of pension coverage, and better medical insurance, so the consumption level of the elderly is relatively high. Especially in first- and second-tier cities, the elderly are more inclined to consume services such as medical and health care, recreation and leisure, and tourism. Rural residents have relatively low incomes and limited levels of pensions, and many elderly people are still dependent on their children for support and have low consumption levels. Consumption in rural areas focuses more on basic living needs, such as food, daily necessities, and medical expenditures.

Due to their higher level of education, the older in urban areas are more willing to spend on healthcare, recreation, and spiritual life, such as fitness, cultural activities, and tourism while due to traditional attitudes, the old in rural areas are more inclined to save instead of buying.

There are large differences in the process and structure of population aging between urban and rural areas in China, which also have different impacts on consumption levels in urban and rural areas.

The number of the aging urban population is very high with the proportion of people aged over 60 generally above 20%, and the aging rate of some mega-cities (e.g. Shanghai and Beijing) has exceeded 30%. As the proportion of the aging population rises, industries such as senior care services, medical and healthcare, healthcare products, and culture and tourism are experiencing growth in demand. The aging population in rural areas is even more serious, especially in areas where has a large outflow of young workers, with the proportion of people aged 60 and over in some rural areas even exceeding 30%. Then, due to the outflow of young workers, there has been a high proportion of elderly people living alone in rural areas with low consumption levels. In addition, the lack of demand driven by young people has led to a lack of vitality in the rural market, limiting economic growth.

3.3. Challenges caused by the aging population

The global aging population brings economic and social challenges that require coordination and forward responses from governments around the world. The condition in countries such as Japan, the United States, China, and European countries shows the aging population exerts increasing pressure on labor markets, healthcare systems, and pension schemes. While developed nations have been influenced by demographic shifts for a long time, developing regions are now experiencing a rapidly aging population as well but they often don't have a financial base to cope with it.

In China, the difficulties of man the aging and the aging society are further intensified by regional differences in the level of economic development and consumption levels. The eastern region continues to lead in innovation and industrial advancement, while central and western areas are catching up through the support of policies and industrial transformation. Meanwhile, the gap between urban and rural economies shows the need for targeted development strategies, including rural reformation and reduction of poverty.

To cope with the challenges of the aging population requires not only demographic policies, such as reducing birth restrictions and postponing retirement, but also social and economic planning. Enhancing social security systems, improving access to healthcare, and promoting balanced regional development are essential steps to ensure that the aging societies remain economically vibrant and socially inclusive in the future.

4. Conclusion

In order to respond more comprehensively to the growing problem of the population aging in our country, the government has formulated and implemented specific measures in a number of areas aimed at ensuring the well-being of the old and promoting the sustainable development of society.

1. Delaying the retirement age. This lengthens the labor cycle, and generate more tax revenue for the government at the same time. It is because the government can receive more income tax as well as corporation tax from higher productivity.

4. Developing the silver economy. For example, tourism/retraining (education)/elderly labor for the elderly/elderly services. With the rise in old age benefits and the increasing disposable income of the elderly, the promotion of the silver-hair economy can increase economic activity and contribute to economic development by increasing total consumption [15].

3. Chinese one-child families face many challenges in supporting their parents. To solve this problem, national government have introduced a series of policies aimed at reducing the burden of old age on one-child families. For example, the children can have 3000 yuan cut of tax per month to reduce their budget pressure [16].

What's more, in the context of the fierce competition among young people in China nowadays, I have a piece of advice. The financial pressure on the government will be reduced dramatically due to higher tax revenue. In China, teenagers face a lot of competitive pressure, and this pressure is also exerted on parents as they need to spend more money to keep their children competitive. As a result, the government can choose to reduce its pressure by allocating more of the budget to subsidies for families with newborns.

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