

# Alleviating Regional Population Decline by Attracting the Elderly

Hoje Kang Research Fellow

Korea Research Institute for Human Settlements

## Summary

1. Older adults show distinctive residential patterns corresponding to age group. People younger than 75 tend to prioritize cost-effective housing, whereas those aged 75 and older tend to focus on their health (location of hospitals, etc.).

- Older middle-aged people (ages 50–54) tend to reside in metropolitan areas around Seoul and other large cities so that they can carry out economic activities.

- People in the young seniors group (ages 55–64) and the middle seniors group (ages 65–74) tend to move to small or medium-sized cities on the outskirts of large cities for the sake of convenience after retirement.

- Members of the oldest group of seniors (75 and beyond) choose where to live mainly on the basis of health considerations; therefore, this group should be the priority target for public health policy.

2. As populations age, more jobs are created for the elderly in the agricultural, wholesale and retail, and food and accommodation industries. But in certain regions, jobs for the elderly tend to be concentrated in the transport, healthcare, and manufacturing industries.

3. In the United States and Japan, the elderly move from large cities to small and medium-sized cities and rural areas and contribute to the revitalization of their new communities by creating jobs.

## Policy Implications

① Tax breaks for homeowners who own more than one home should be available in rural areas, where elderly people tend to migrate. Such benefits are currently available only to retirees who own homes worth no more than KRW 300 million and owners of second homes in rural areas worth no more than KRW 300 million.

② The subsidy system by which the central government provides financial support to local governments should be adjusted so that local governments receive different amounts depending on how many elderly people move there.

③ Regarding companies outside Seoul that create jobs for the elderly, a certification system should be introduced to provide financial support to nurture small and medium-sized companies that do so and to give them opportunities to promote their products overseas.

- ④ A regional “aging in place” policy should be implemented so that retirees from public organizations that moved to Korea’s ten Innovative Cities, including Sejong City, can spend the rest of their lives there if they so choose.
- ⑤ More effort should be made to preserve the environment in a systemic way to encourage elderly people to engage in farming and move to rural areas.