

The ageing population

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The UK's ageing population has considerable consequences for public services

10 million people in the UK are over 65 years old. The latest projections are for 5½ million more elderly people in 20 years time and the number will have nearly doubled to around 19 million by 2050.

Within this total, the number of very old people grows even faster. There are currently three million people aged more than 80 years and this is projected to almost double by 2030 and reach eight million by 2050. While one-in-six of the UK population is currently aged 65 and over, by 2050 one in-four will be.

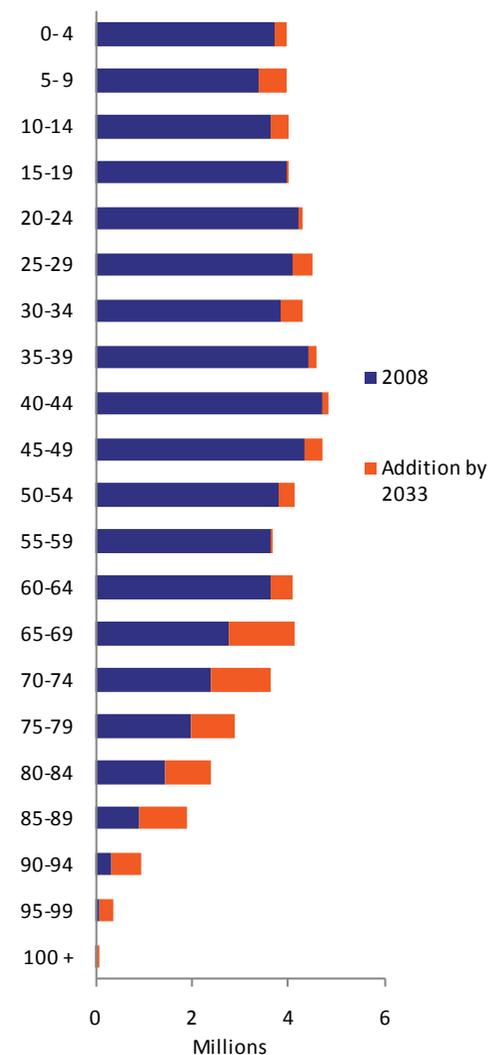
The pensioner population is expected to rise despite the increase in the women's state pension age to 65 between 2010 and 2020 and the increase for both men and women from 65 to 68 between 2024 and 2046. In 2008 there were 3.2 people of working age for every person of pensionable age. This ratio is projected to fall to 2.8 by 2033.

PUBLIC SPENDING AND OLDER PEOPLE

Much of today's public spending on benefits is focussed on elderly people. 65% of Department for Work and Pensions benefit expenditure goes to those over working age, equivalent to £100 billion in 2010/11 or one-seventh of public expenditure. Continuing to provide state benefits and pensions at today's average would mean additional spending of £10 billion a year for every additional one million people over working age.

Growing numbers of elderly people also have an impact on the NHS, where average spending for retired households is nearly double that for non-retired households: in

The projected increase in the UK population 2008-2033 is concentrated in older groups
By five-year age bands



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2007/08 the average value of NHS services for retired households was £5,200 compared with £2,800 for non-retired. These averages conceal variation across older age groups, with the cost of service provision for the most elderly likely to be much greater than for younger retired people. The Department of Health estimates that the average cost of providing hospital and community health services for a person aged 85 years or more is around three times greater than for a person aged 65 to 74 years.

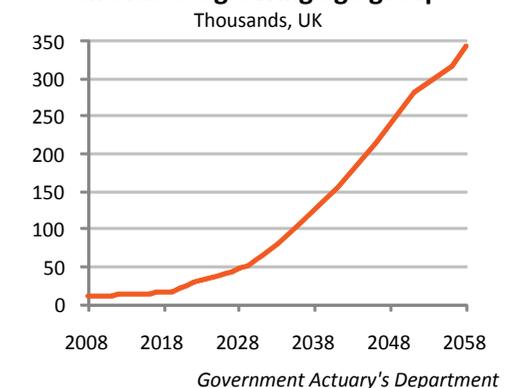
State benefits and the NHS accounted for just under half of government expenditure in 2009/10. With much of this spending directed at elderly people, their growing number will present challenges for providers of these particular services as well as for the public finances as a whole.

ORIGINS OF THE AGEING POPULATION

The ageing population of the UK mirrors that in many other European countries. It is partly a consequence of the age structure of the population alive today, in particular the ageing of the large number of people born during the 1960s baby boom.

It also stems from increased longevity – a man born in the UK in 1981 had a cohort life expectancy at birth of 84 years. For a boy born today, the figure is 89 years, and by 2030 it is projected to be 91. The trend for women is similar. A girl born in 1981 was expected to live for 89 years and one born today might expect to live to 92. Cohort projections suggest a girl born in 2030 might live to 95. *Healthy* life expectancy has

Telegram overload - centenarians will continue to be the fastest growing age group



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not, however, increased as fast, resulting in proportionally greater demands on public services such as the NHS.

UNCERTAINTY IN PROJECTIONS

There is a range of uncertainty about projecting population, as it rests on assumptions about future demographic behaviour. The recent rise in UK fertility could be maintained, perhaps because of the influence of high levels of net migration; life expectancy might stagnate because of increasing obesity levels; net migration may fall back to levels more typical of the UK's history if economic conditions change or more restrictive policies are introduced. Population projections have a mixed record. They do, however, provide a common basis of framework for planning the future across the range of public policy areas.