

The economic and social contribution of older people

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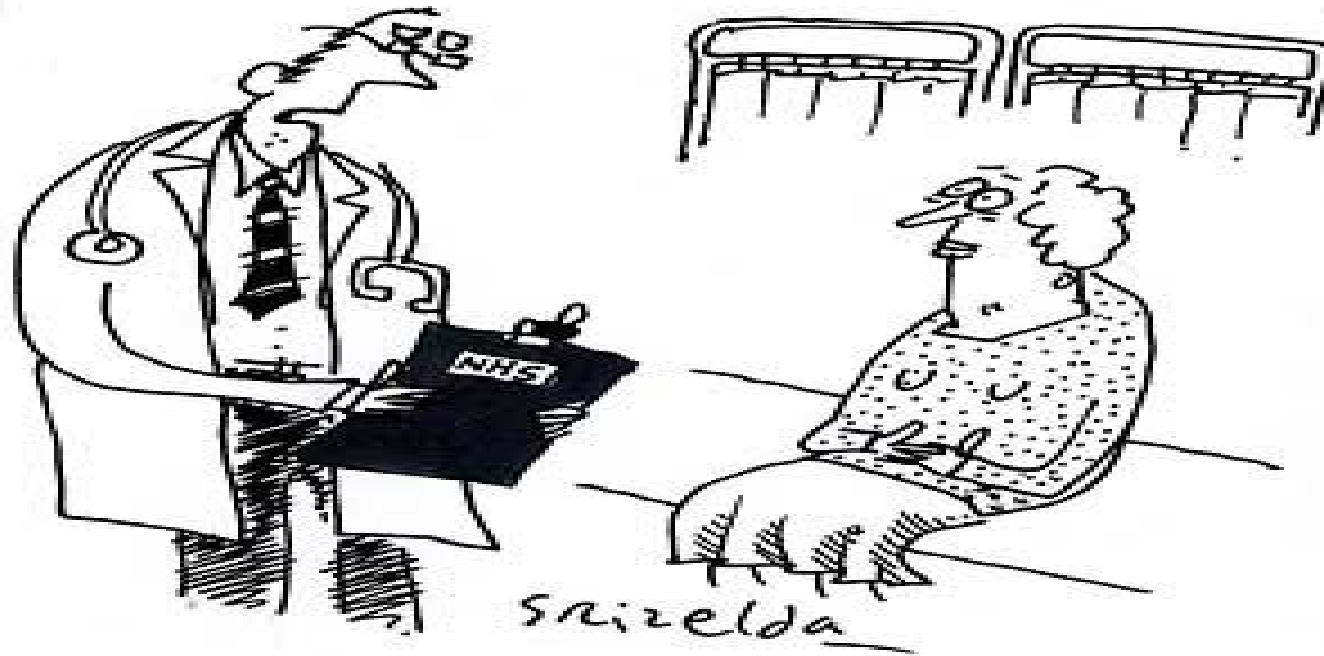
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Research for new economic policies

Stereotypical views of older people



' YOU'RE DELIBERATLY PUTTING YOURSELF
AT RISK OF ILL HEALTH BY BEING OVER 65... '

Narrative that older people are economic burdens

Driven primarily by two factors:

- **Demographic changes:**

Increased life expectancy & fewer children.

- **Increased costs of ageing population:**

Pensions, healthcare, welfare payments, social care.

Counter-narrative

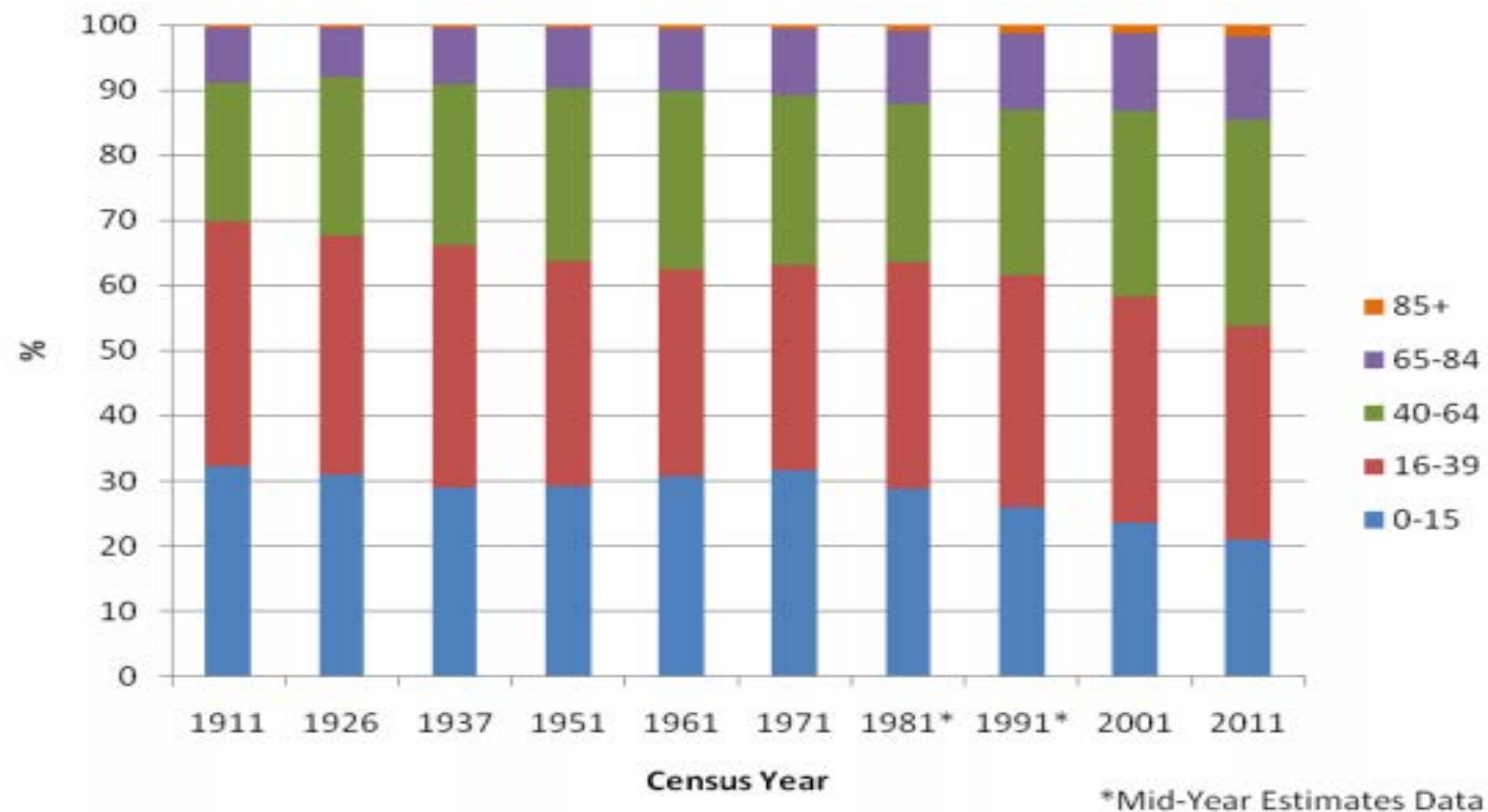
Older people make an important contribution to both economy & society.

“A society that does not value its older people denies its roots and endangers its future.”

Nelson Mandela

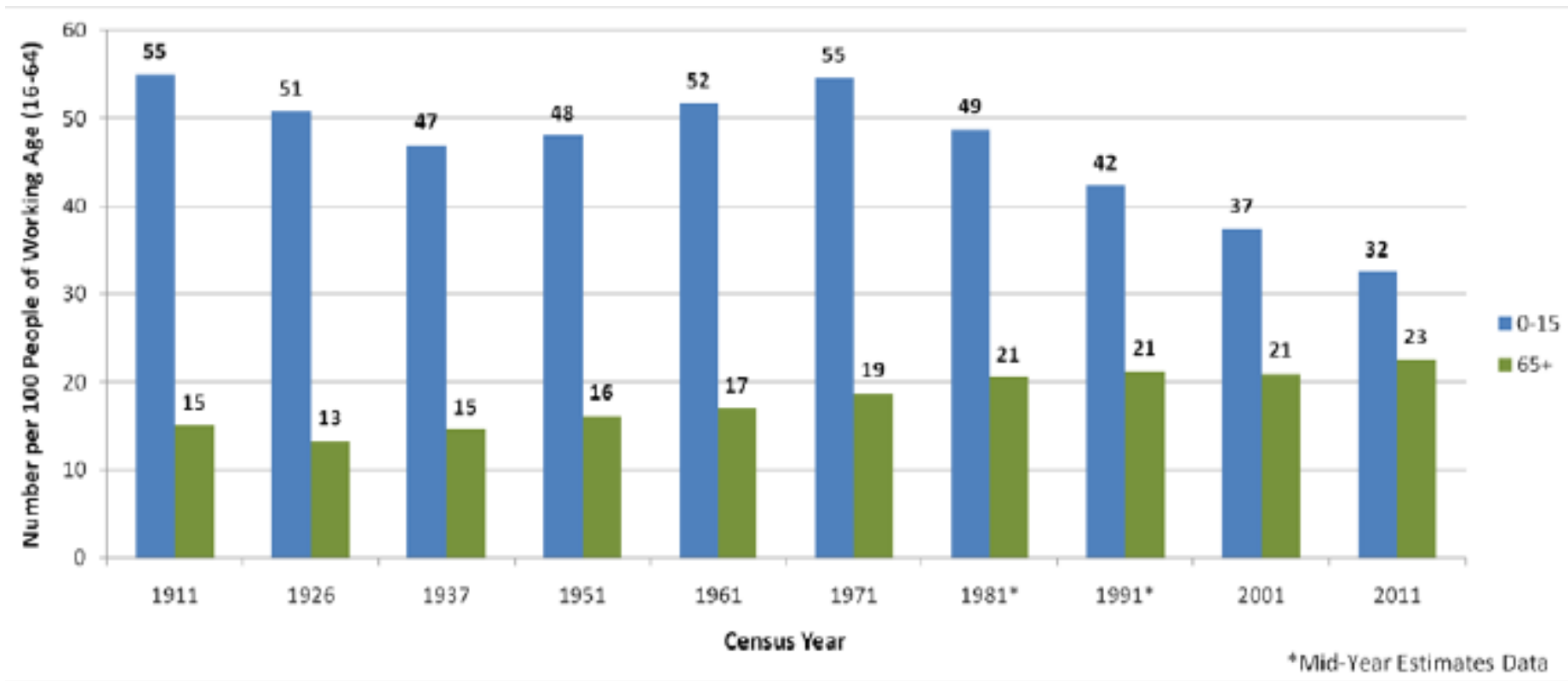
An ageing population: Percentages

Census year population percentages by age, 1911-2011 (NISRA, 2012)



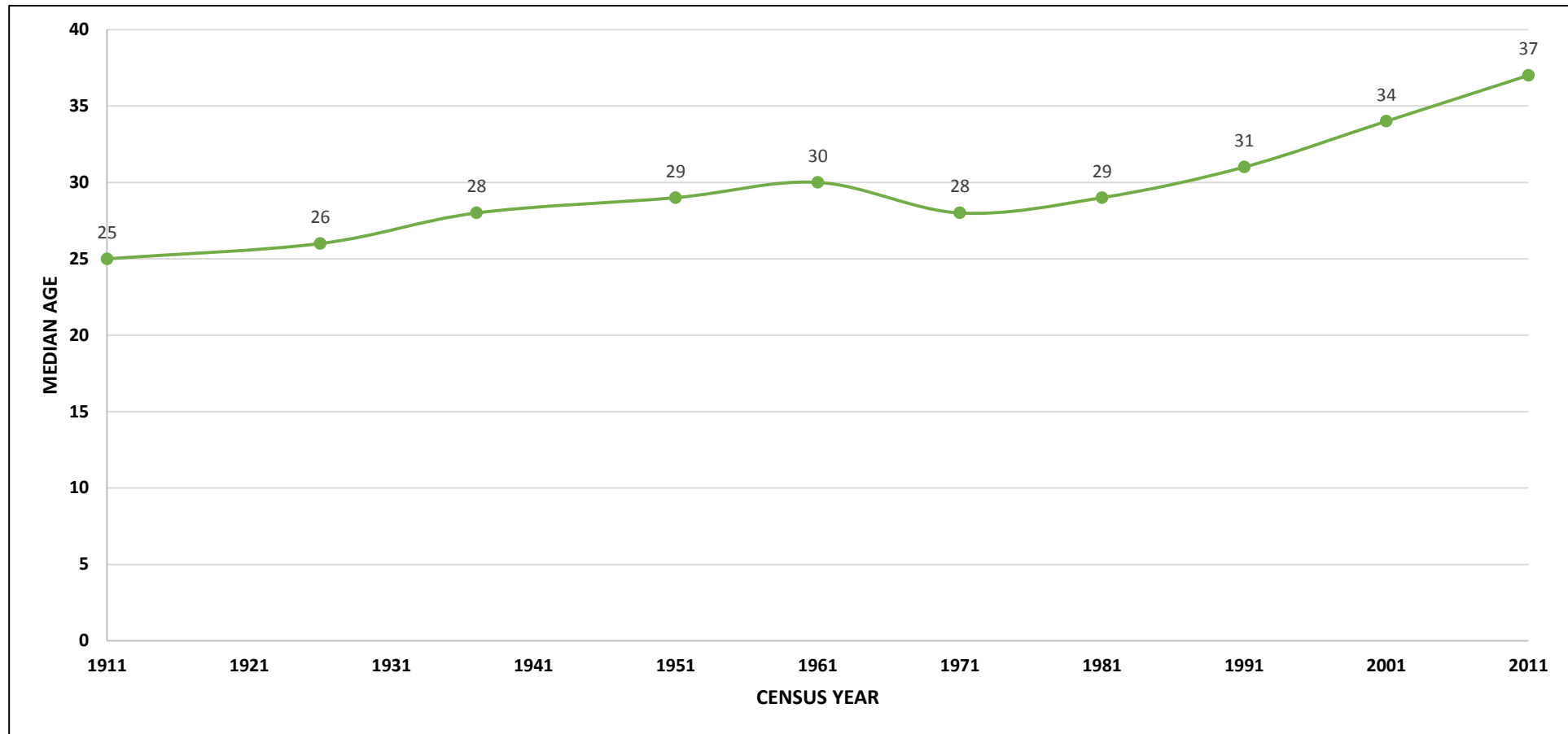
An ageing population: Ratios

Ratio of Children and People Aged 65 and over per 100 Adults of Working Age (i.e. 16-64)



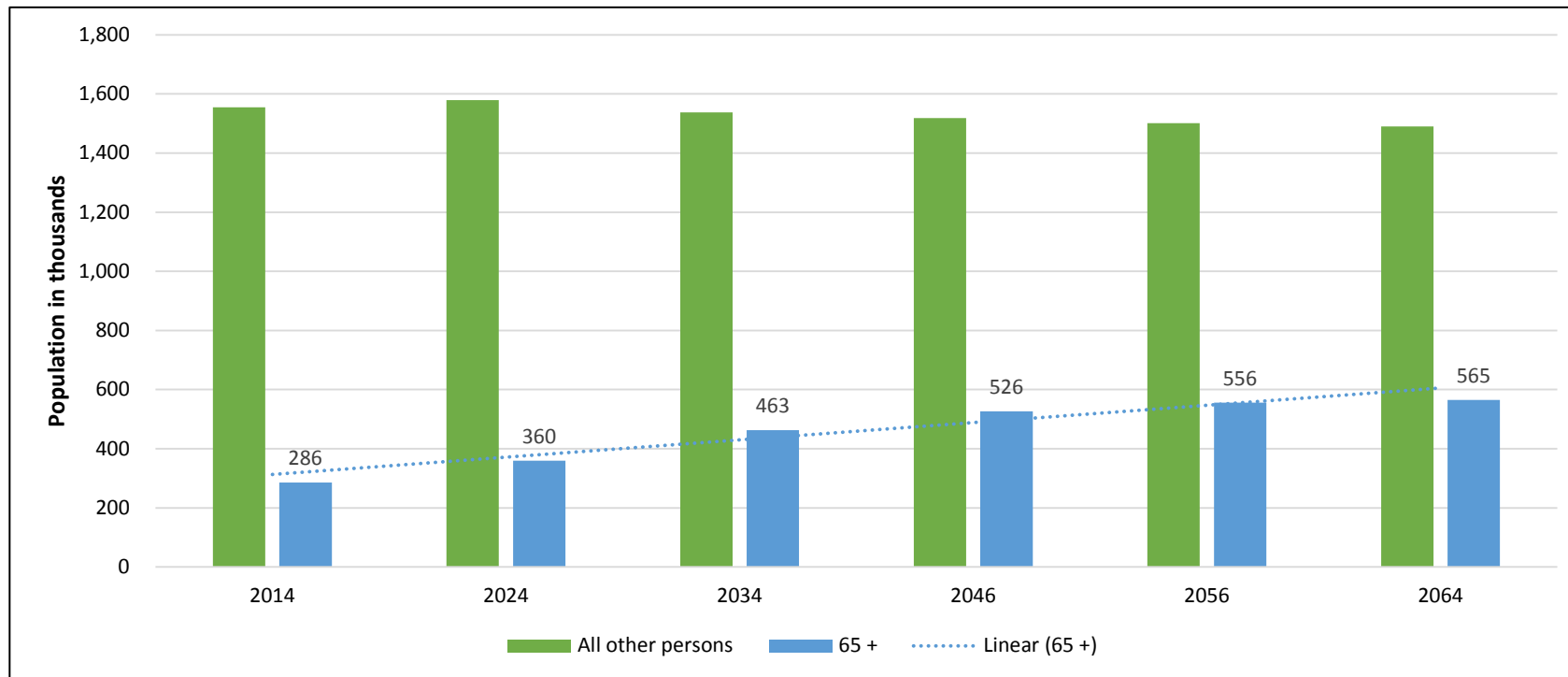
An ageing population: Median age

Median Age of the Population, 1911-2011 (NISRA, 2012)



Future population projections.....

Anticipated change in population, 2014-64 ('000s)



(Calculations based on NISRA 2014 national population projections)

The implications of an ageing population: Pension costs

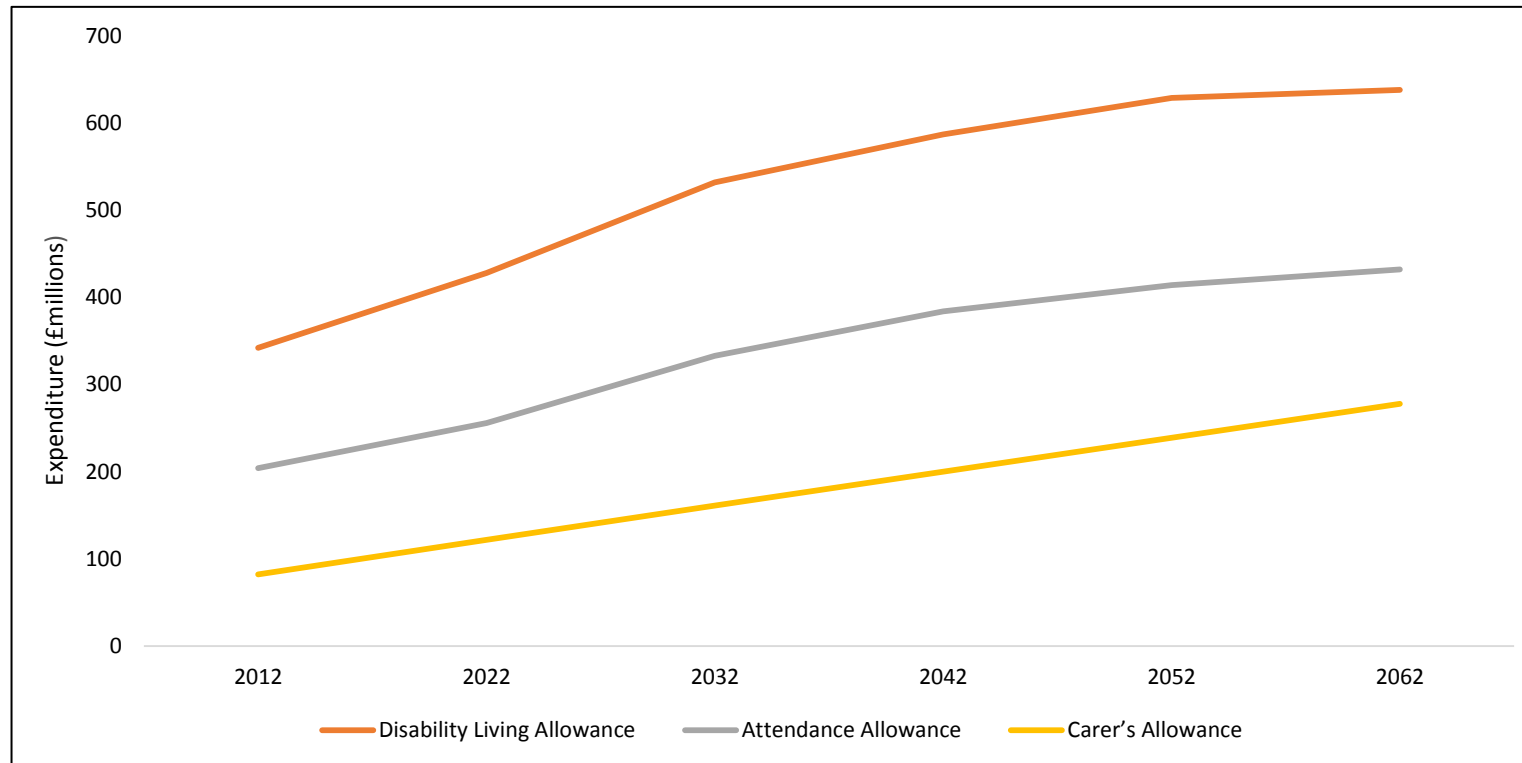
Cost of providing state pension in Northern Ireland has **increased** by **21%** between the years 2010-2016.

Pension credits: Expenditure on pension credits has **declined** by **32%** between the years 2010-2016

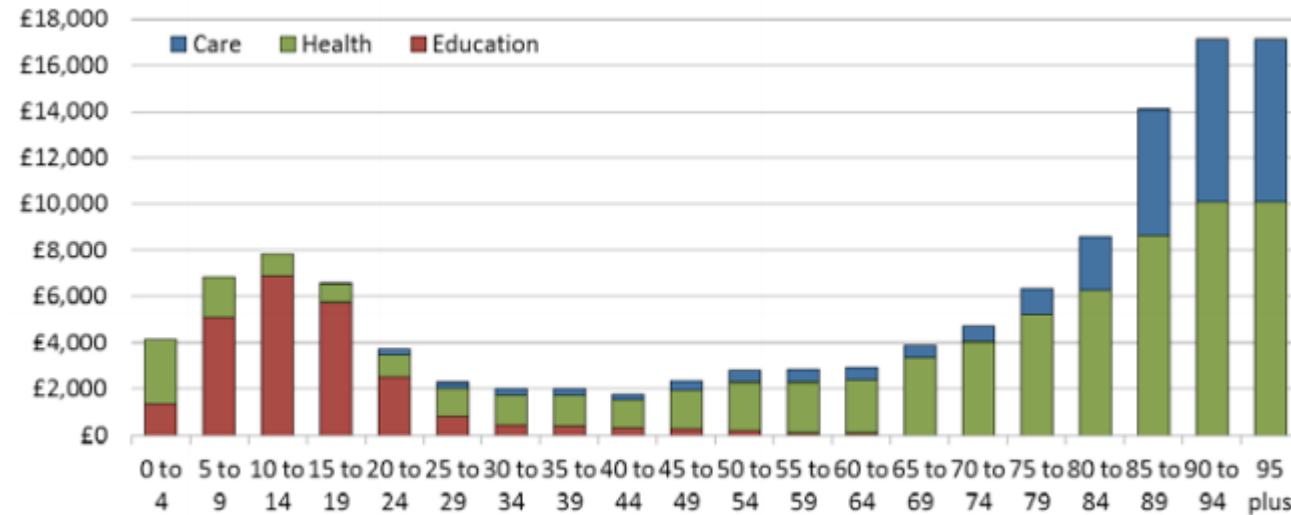
(Calculations based on benefit expenditure and caseload figures from DWP, 2016)

The implications of an ageing population: Other age-related benefits

Estimated future expenditure (£ millions) on key age-related benefits



The implications of an ageing population: Health and social care costs



Source: NPI Population Tax and Expenditure model. The data is for 2015

The implications of an ageing population: Labour market

833

potential additional persons on average per
year in workforce between 2019-2024 due to
**changes to state pension age & increased
numbers of people aged 65+.**

(Calculations based on NISRA-2014 population projections)

Contributions of older people: Taxes

Direct

- Income tax.
- National insurance contributions.

Annual value by year:	£ millions p.a.
2012	250
2022	268
2032	252
2042	241
2052	248
2062	240
Overall value 2012-2062	12,818

Source: Development Economics

Contributions of older people: Taxes

Indirect – otherwise referred to as consumption/expenditure taxation.

Annual revenues by year:	VAT	Excise Duties
2012	507	119
2022	647	152
2032	788	183
2042	839	190
2052	886	199
2062	883	196
Overall contributions 2012-2062	39,330	9,000

Source: Development Economics

Contribution of older people: Labour market

Research by NIESR (2009) found that for every one-year increase in the State Pension Age there will be a:

2.5% increase in overall labour force participation

and a

1.5% increase in GDP.

Contributions of older people: Volunteering

Most recent statistics show that of those aged 65+:

17% involved in **formal volunteering**

21% involved in **informal volunteering**

Moreover:

Most likely group to volunteer on a consistent basis.

Most likely group to volunteer for more time than any other age group.

(Volunteer Development Agency (2009) Making the connection: Volunteering by the over 50s in Northern Ireland).

Contributions of older people: Volunteering

20% not currently involved in volunteering would consider it.

Commonly cited reasons for not volunteering:

- Existing work commitments (31%).
- Ill health or disability (18%).
- Time commitment too large (16%).
- Looking after children or home (10%).
- Consider themselves 'too old to be involved' (9%).
- Caring responsibilities (8%).

Contributions of older people: Volunteering

Average annual value of volunteering activities provided by people
aged 60+ is

£2953.

(Volunteer Development Agency (2009) Making the connection: Volunteering by the over 50s in Northern Ireland).

Contributions of older people: Caring

There was an increase of 22,000 older carers in the 10 years from 2001-2011.

23% of unpaid care in Northern Ireland is being provided by those aged 60+.

Of those aged 60+ who provide care:

46% are **men**.

54% are **women**.

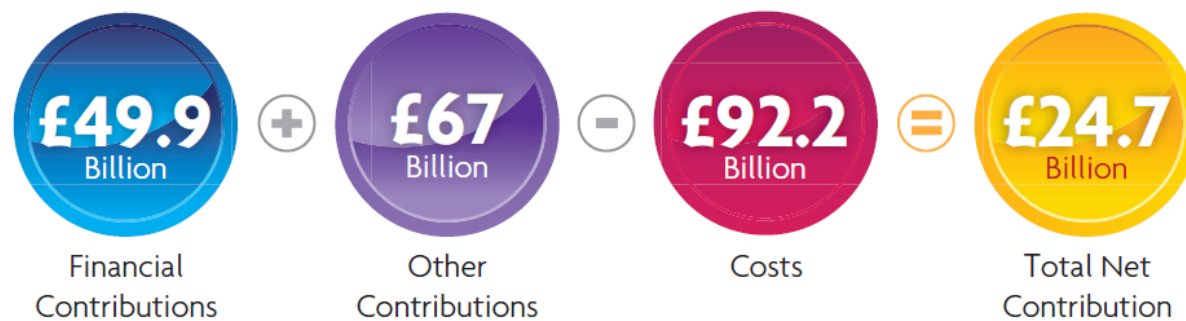
Contributions of older people: Childcare and family wellbeing



- **Two-thirds** of grandparents provide some childcare for their grandchildren.
- **1 in 5** grandparents are heavily relied upon to provide regular childcare.
- **Saves** parents around **£1786** in formal childcare costs.
- This figure higher if looking after more than one child.

The net contribution of older people

Source	2012 value	2062 value	2012-2062 value undiscounted	2012-2062 value discounted
Contributions via taxes made by older people	1,438	2,837	118,590	49,865
Value of volunteering and other services provided by older people	2,173	3,356	154,285	67,040
Costs of service provision (excluding pensions)	2,444	6,674	231,503	92,196
Net costs	1,167	(481)	41,372	24,709



Other contributions of older people

