Northern Ireland Demographics 2050

Implications for public policy and infrastructure investment

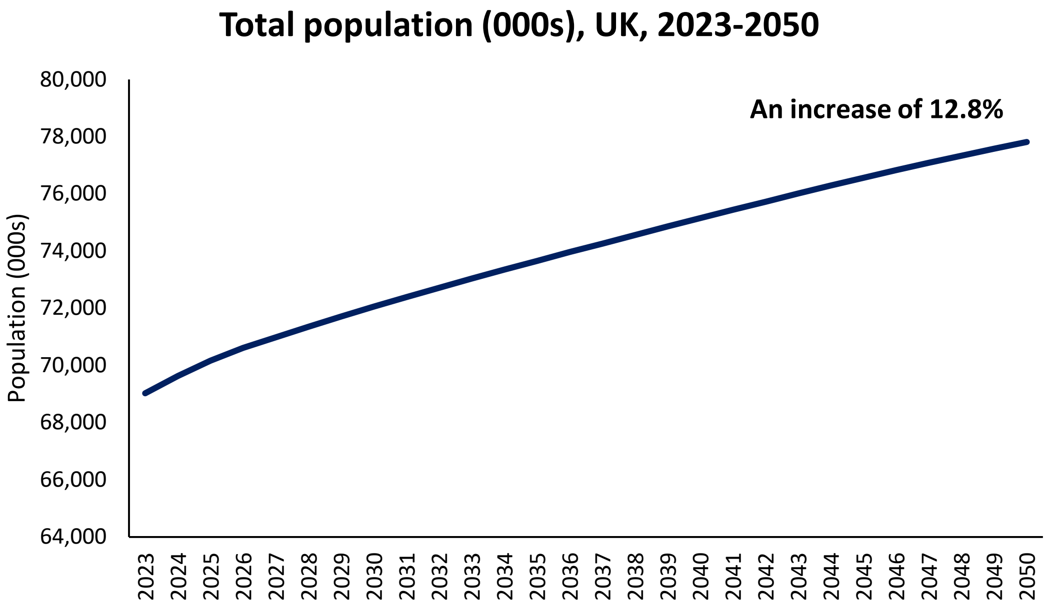
Ulster University Economic Policy Centre (UUEPC)

2024

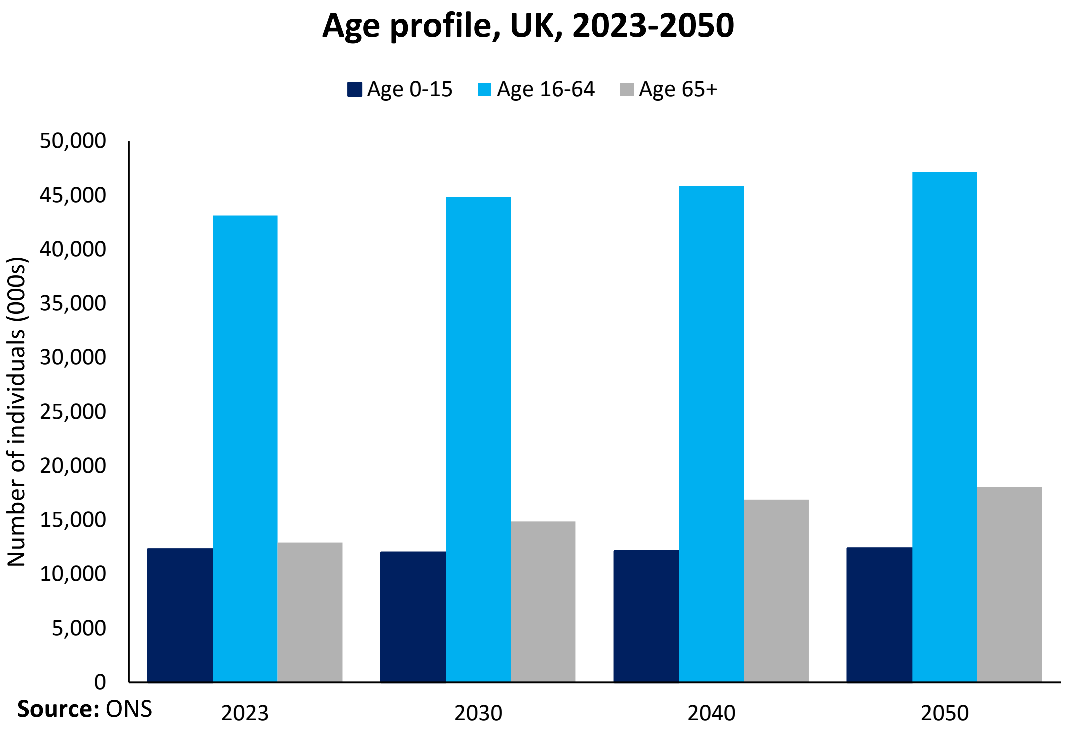
United Kingdom and Republic of Ireland

Section 2

UK Total population continues to grow



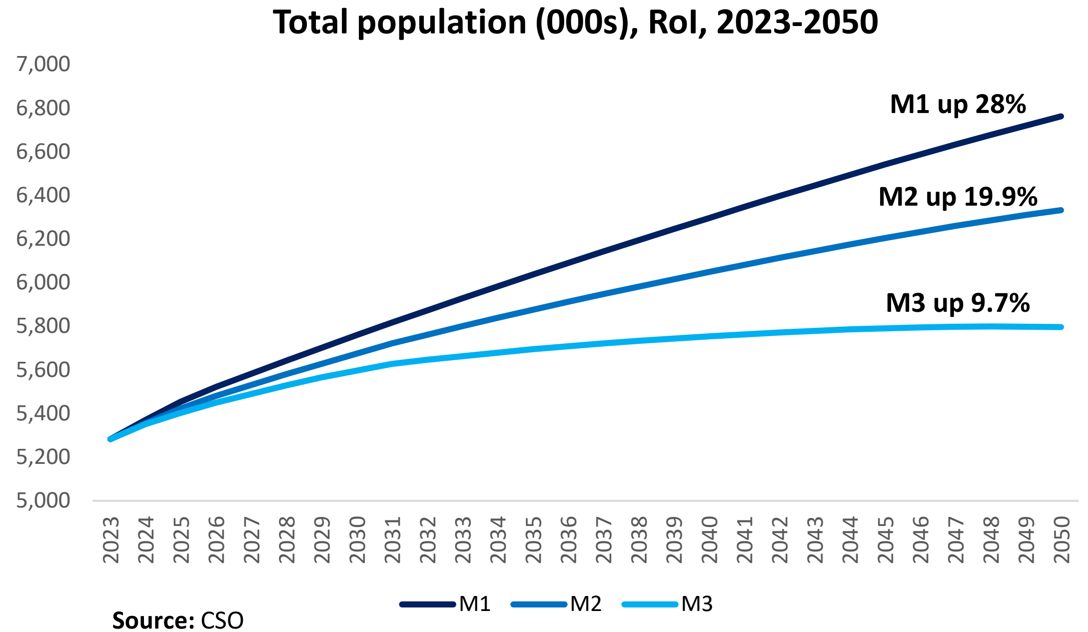
Source: ONS



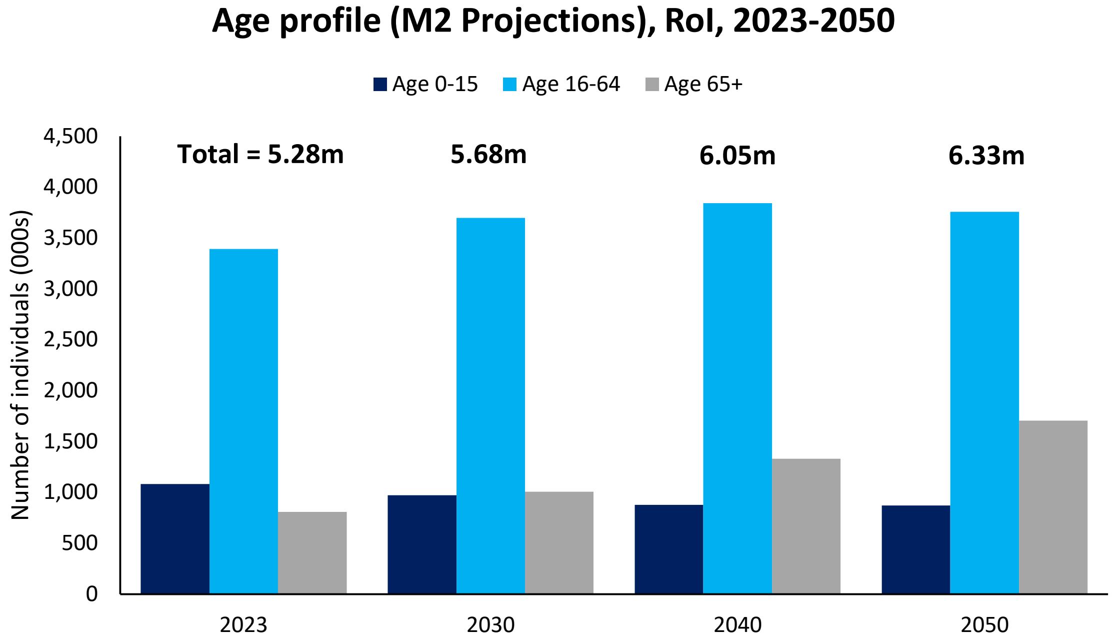
Source: ONS

- UK population is forecast to increase from 69.0m in 2023 to 77.8m in 2050 (up 12.8%).
- The number of children (0-15) will remain broadly steady, increasing from 12.3m to 12.4m between 2023 and 2050.
- The working age population (16-64) in the UK is projected to continue growing from 43.1m in 2023 to 47.2m in 2050 (**by 4m or 9%**).
- The number of 65+ is forecast to increase from 12.9m to 18.0m (**by 5.1m or 39%**).

RoI total population to grow strongly



Source: CSO



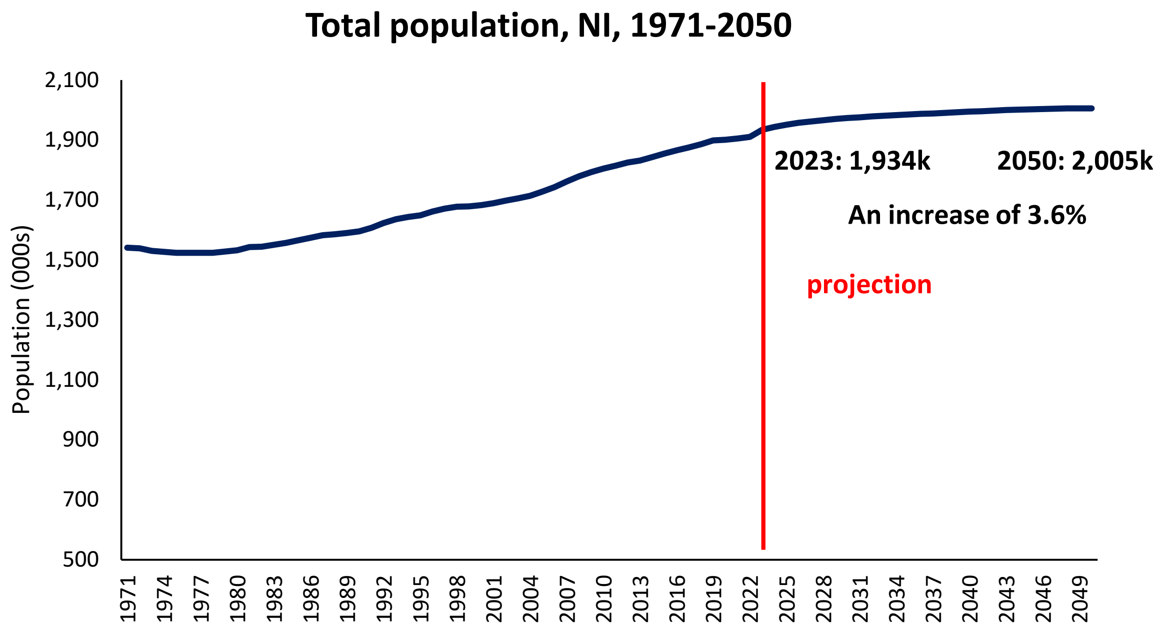
Source: CSO

- Given the volatility of migration in Ireland, three scenarios have been identified by the CSO. All start with net inward migration of 75k in 2023, falling to 45k p.a. by 2027 and remaining at that level thereafter (M1); falling to 30k p.a. by 2032 (M2) and falling to 10k p.a. by 2032 (M3).
- Under the central scenario (M2), the RoI population is projected to increase by 19.9%. The number 0-15 projected to fall by 19.6%; the working age pop (16-64) increase by 10.8%; and older people (65+) increase by 111.2%.

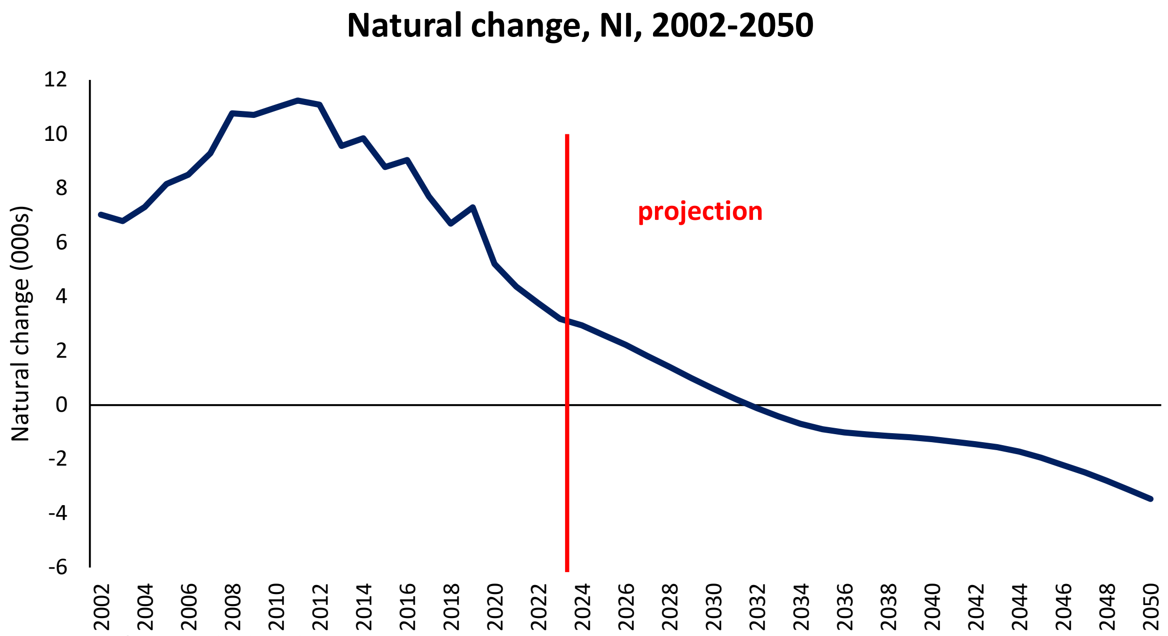
Section 3

Northern Ireland

Slowing population growth



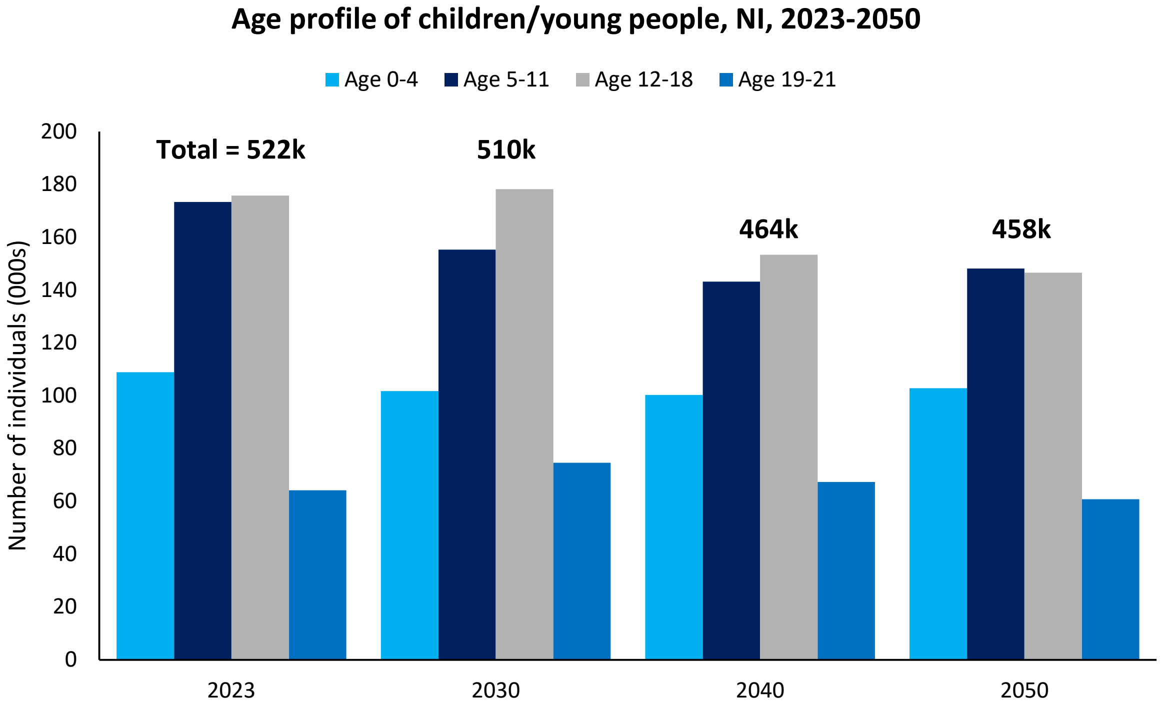
Source: ONS, NISRA



Source: ONS, NISRA

- Population growth strongest in the 2000s at approx. 0.7% p.a.
- Total population to increase from 1.934m in 2023 to 2.005m in 2050 (up just 3.6%, compared to 12.7% for UK as a whole and 19.9% for RoI). By decade, the population is projected to increase by 72k in the 2020s, 21k in the 2030s and 11k in the 2040s.
- The level of natural change goes negative (i.e. more deaths than births) in 2034, same as the UK.

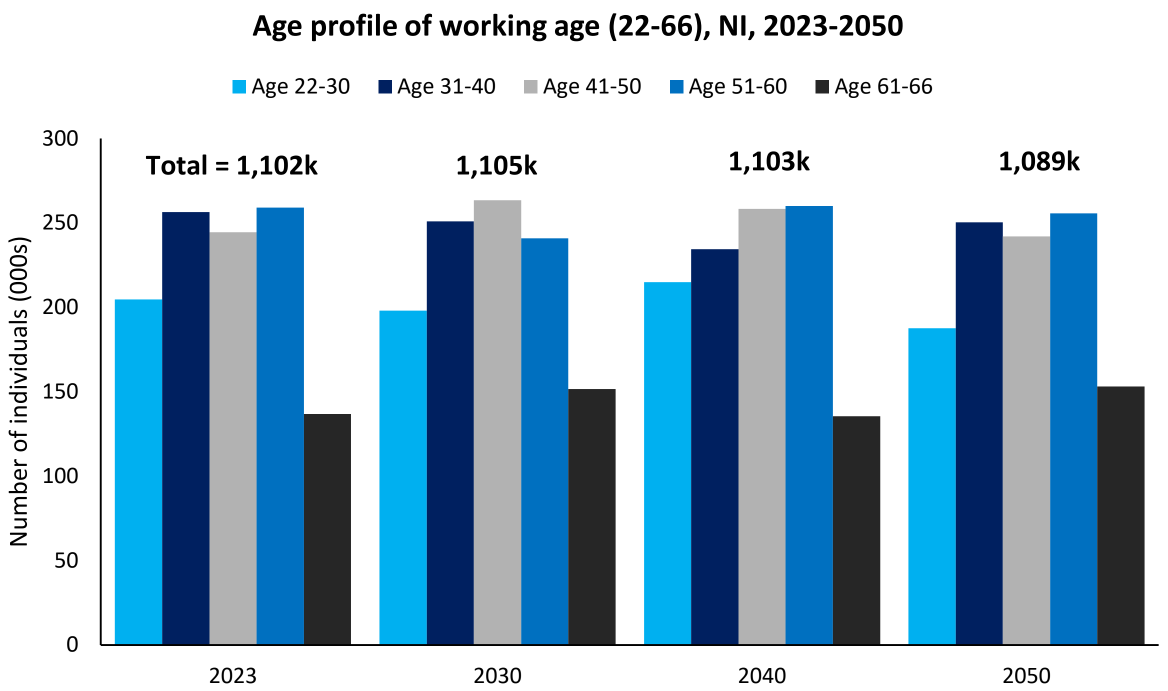
School age numbers (5-18 y/o) to fall by 53k or 15% in the next 17 years



Source: ONS

- Nursery age (0-4) – the most significant fall is in the 2020s (from 109k in 2023 to 102k in 2030), thereafter broadly steady.
- Primary school (5-11) – large reduction in the 2020s (173k in 2023 to 155k in 2030), thereafter more modest fall to 148k by 2050.
- Secondary school (12-18) – in contrast, very marginal increase in the 2020s (176k in 2023 to 178k in 2030), before more significant fall to 153k by 2040 and 147k by 2050.
- Tertiary (19-21) – strong growth in the 2020s (from 64k to 75k in 2030), then falls to 61k by 2050.
- **Overall, primary school numbers fall most significantly this decade and then secondary school numbers fall most significantly in the 2030s. This brings forward the timelines for education policy decisions.**

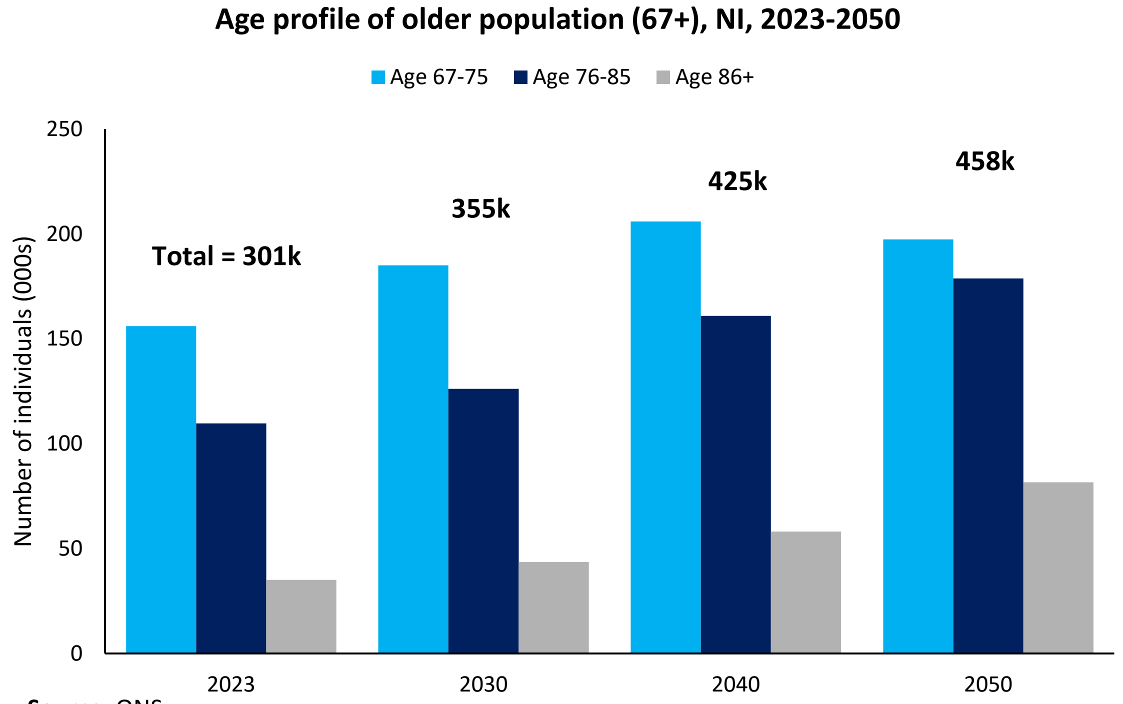
The 22-66 year old cohorts in general projected to remain broadly steady (a fall of just 13k)



Source: ONS

- This cohort is projected to remain broadly the same size out to 2050.
- However, the 22-30 cohort is projected to contract the most between 2023 and 2050 (down 17k) and the 61-66 cohort is projected to grow the most over the same period (up 16k).
- This raises particular challenges:
  - Economic growth has been dependent on an increasing working age population to drive growth.
  - Recruitment challenges will persist long term.
  - Static working age population will have to sustain a growing older age population.

Over 50% increase in the older population (67+)



Source: ONS

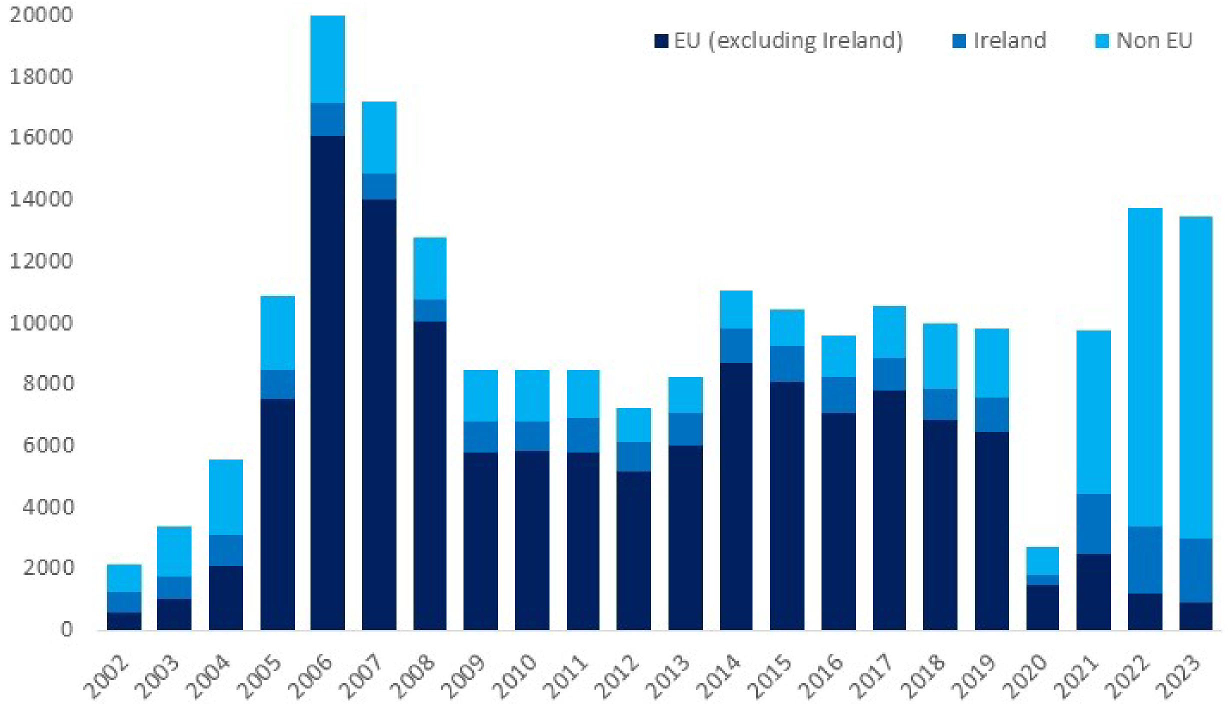
- All the older age group categories projected to grow strongly:
  - 67-75 – projected to increase by 41k or 26% between 2023 and 2050, even considering a reduction in the 2040s.
  - 76-85 – strong projected growth of 69k or 63%.
  - 86+ – strongest growth in this oldest age group from 35k to 82k or 132%.
- Most of this increase occurs in the period to 2040 (124k of the increase occurs over the next 17 years with 'only' a 33k increase in the 10 years to 2050).
- Overall, this will have a very significant impact on demand for health and social care services, as well as a changing demand dynamic in the residential housing market.

Migration Trends

Section 4

Migration numbers above pre-Brexit levels but big shift to non-EU

NINO Registrations to adult overseas nationals entering NI (2002- 2023)



- EU nationals (excluding Ireland) entering NI were, by a significant margin, the largest driver of National Insurance Number (NINO) registrations in 2015.
- This has fallen dramatically and been replaced by migrants entering from outside continental Europe, in particular Asia.
- **NINO registrations from Irish nationals have increased by 75% since 2015.**
- Overall NINO registrations are now higher than every year since 2007.

Source: DWP

Policy Insights

Section 5

Ulster University

Policy insights

1. **Education infrastructure and Workforce Development**

- **Schools estate/ infrastructure**: with fewer young people, a focus is required on optimising educational resources which may include consolidating the school estate as part of a broader strategy to raise educational standards.
- **Attracting and Retaining Talent:** Policies to create high-quality job opportunities, ensure a supply of housing (to include affordable housing), and promote NI as a desirable place to live and work.
- **Supporting older workers**: maintaining the overall size of the labour market will require older workers remaining in work for longer. This may require more flexible working arrangements and greater emphasis on training and development to allow people to transition from declining industries/ sectors into growing sectors where demand for labour will be high.
- **Migration:** these trends all show a continued reliance on migrant labour.

2. **Healthcare infrastructure and Social Services**

- **Elderly Care:** Significant investment in healthcare infrastructure and services tailored to the needs of an aging population will be essential. This may include expanding care facilities, integrating advanced healthcare technologies to improve quality and efficiency, increased training of healthcare professionals specialising in elder care, and increasing home care support.
- **Preventive Health:** Promoting healthy lifestyles and preventive healthcare can help manage future healthcare costs and improve the quality of life for older people.

Policy insights

3. Housing infrastructure

- **Increasing housing supply:** ensuring the supply of affordable housing to support access to employment opportunities.
- **Developing smaller units and incentivising downsizing:** Encouraging the construction of smaller housing units to meet the demand from one and two-person households and encouraging older people to downsize can help free up larger homes for younger families, ensuring a more efficient use of the housing stock. Surveys have shown that approx. one third of older people are amenable to downsizing, but only a small proportion, approx. 7%, proceed. The main barrier is a lack of appropriate housing for older people[1].

4. Other Economic and Fiscal Policies

- **Sustainable Pension Systems**: continued pension reform is likely with a greater need for individuals to work longer and make greater provision for their retirement income.
- **Diversification**: raise productivity by fostering industries less dependent on large labour forces.
- **Fiscal Planning:** long-term fiscal planning is required to manage the increased financial demands from healthcare and social services alongside a static or declining working age population.

[1] Mayhew, L. (2020). *Too little, too late? Housing for an ageing population.* Centre for the Study of Financial Innovation (CSFI).

END