The opportunities and challenges arising from an ageing population

David Willetts, Executive Chair, Resolution Foundation
The number of pensioners in employment has grown significantly over the past two decades...

Number of people in employment aged 65 and over; 2000-2018

Source: RF analysis of ONS: Labour Market Statistics
...meaning they are receiving more of their income from work

The proportion of pensioner income received from work has grown from 24 per cent to 31 per cent since the mid-1990s

Source: RF analysis of DWP, Households Below Average Income, 2014-15
Older generations are now consuming more per week than younger generations

Mean real weekly household non-housing consumption expenditure (CPIH-adjusted to 2017 prices), by age: UK

Our analysis also shows that increases in expenditure on eating out and holidays are higher for 55-64 year olds than for 25-34 year olds

Source: Loughborough University/RF analysis of ONS, Family Expenditure Survey; ONS, Living Costs and Food Survey
But impending fiscal pressures mean challenges lay ahead

Actual and projected dependency ratios; UK

Source: RF analysis of DWP, Households Below Average Income, 2014-15
Increasing health and care costs are likely to place significant pressures on public spending

Historic and projected welfare spend as a proportion of GDP: UK

Notes: Data for years prior to 1966 are presented as five-year rolling averages. Total spend is based on the categories used in Hills (2004), so does not map precisely to HM Treasury and OBR totals. Source: RF analysis of OBR, Fiscal sustainability report – January 2017, January 2017; HMT, Public Expenditure Statistical Analyses; J Hills, Inequality and the State, Oxford University Press, October 2004
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