



# Not Old but Gold!

The Positive Contribution of  
Older People to Society

ISLE OF MAN UNIVERSITY OF THE THIRD AGE

# Benefit not Burden:

Dispelling the myths and  
misinformation about older  
people

Dr John K. Wardle, MB BS FRCPath.

Retired Pathologist, Noble's Hospital

Chairman, Isle of Man University of the Third Age

# Demographic Changes

- Manx society is getting older
- The number of older people (aged over 65 years) now outnumber those aged 16 and younger
- Over the next 20 years the number of older people is projected to increase by 75%
- Significant implications for government policy and public perceptions of older people

# Perceptions

- For millennia people have sought to prolong their healthy lives
- Over recent decades we have started to achieve this

Shouldn't we be celebrating?



# Perceptions

## Ageing population 'biggest threat' for Isle of Man

**An ageing population poses the "biggest threat to the social and economic future of the Isle of Man", the island's chief minister has said.**

Allan Bell's claim follows a warning from the social care minister that the National Insurance fund will "start to collapse" within the next 20 years.

Chris Robertshaw said people under the age of 45 are facing a "future without acceptable state pension provision."

The over-65 age group is expected to grow by 75% in the next 20 years.

This could mean the cost of health care for people over 80 doubling from roughly £25 million to more than £50 million.

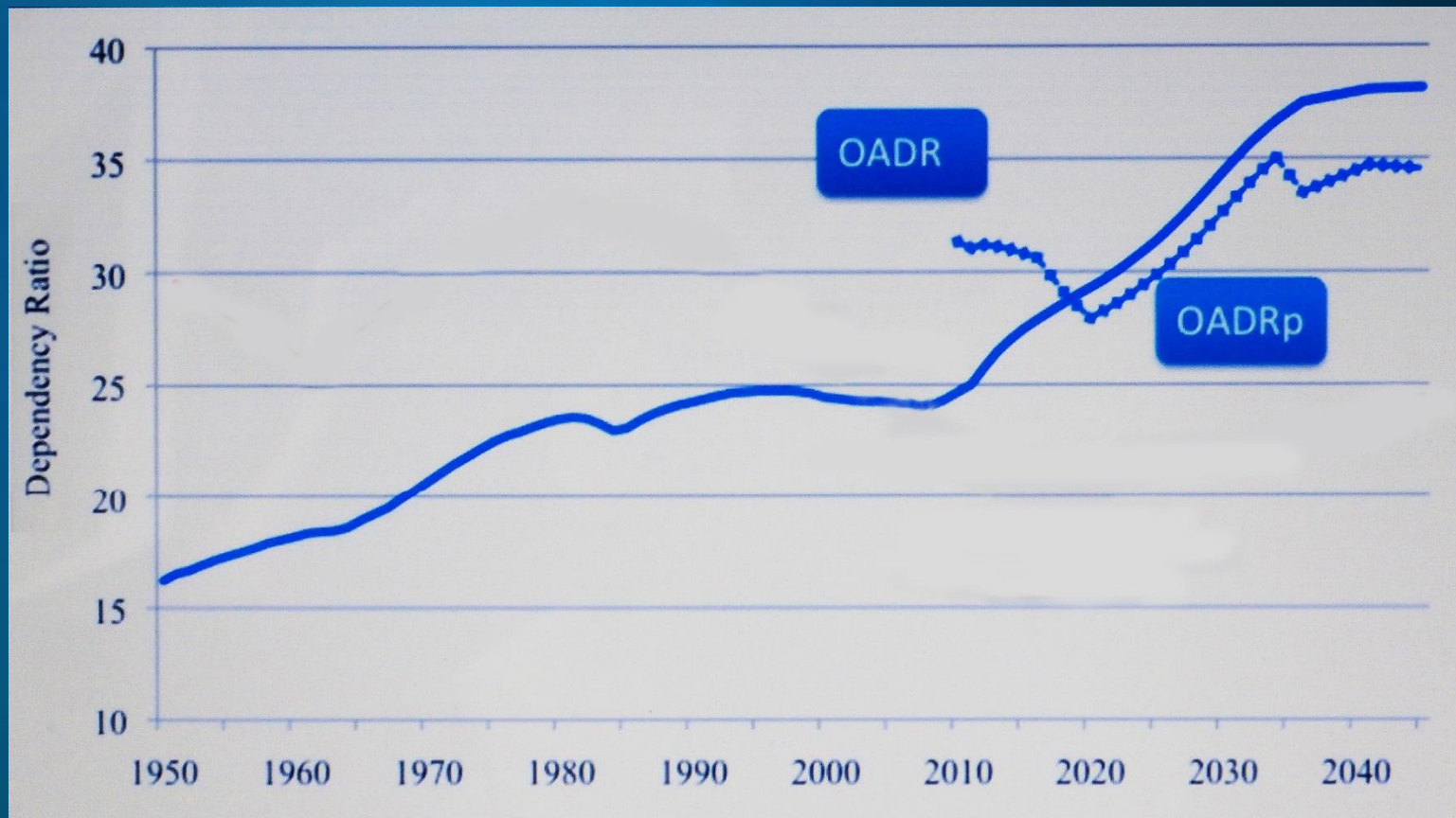


# Perceptions

- Focus has been on costs:
  - Pensions
  - Healthcare
  - Social care
  - Welfare payments
- Assumption that, as people get older, the cost of supporting them outweighs the value of the contribution they make
- **Is this true?**

# Perceptions of 'Dependency'

- Traditional measurement overestimates the number of 'dependent' individuals



(Spijker & MacInnes, BMJ 16 Nov 2013)

# Perceptions of 'Dependency'

- Traditional measurement overestimates the number of 'dependent' individuals

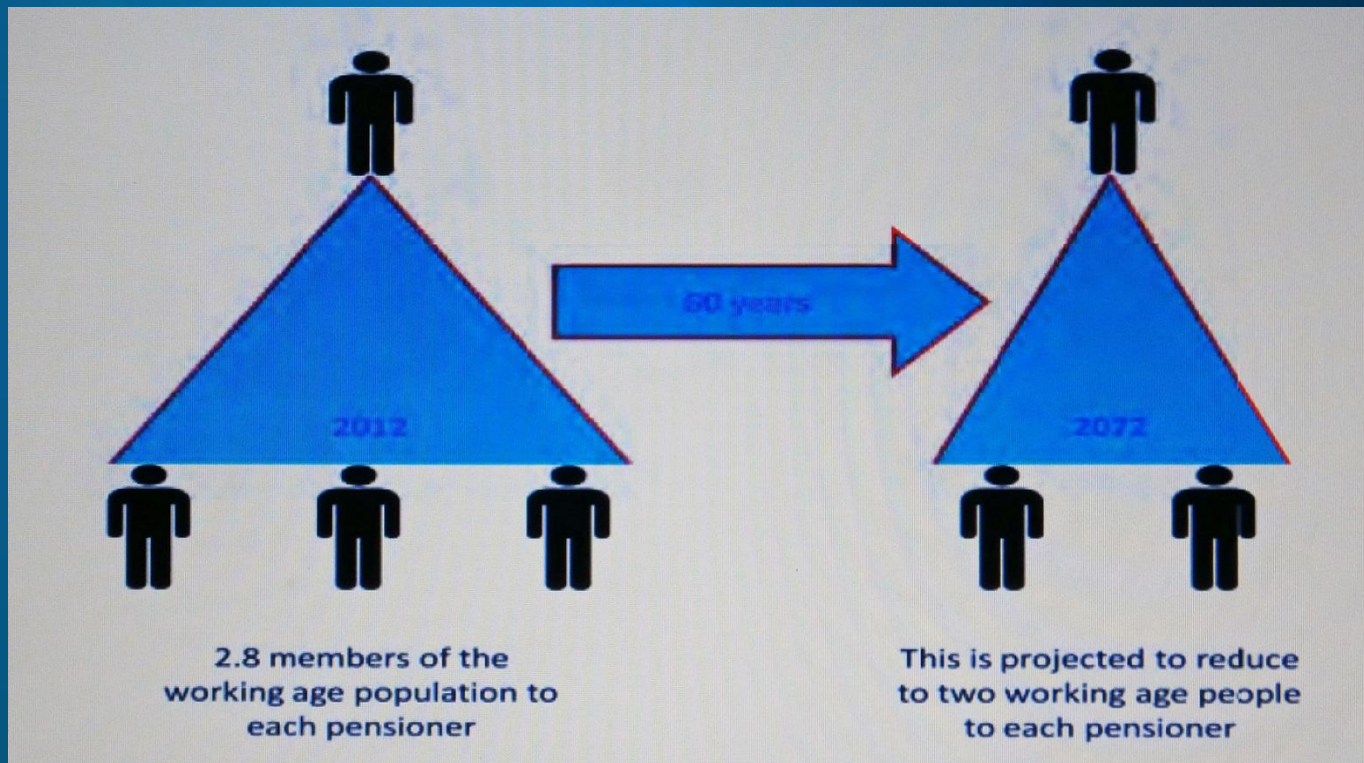


Fig. 1: IOM Government Ci65 Review of National Insurance, September 2014



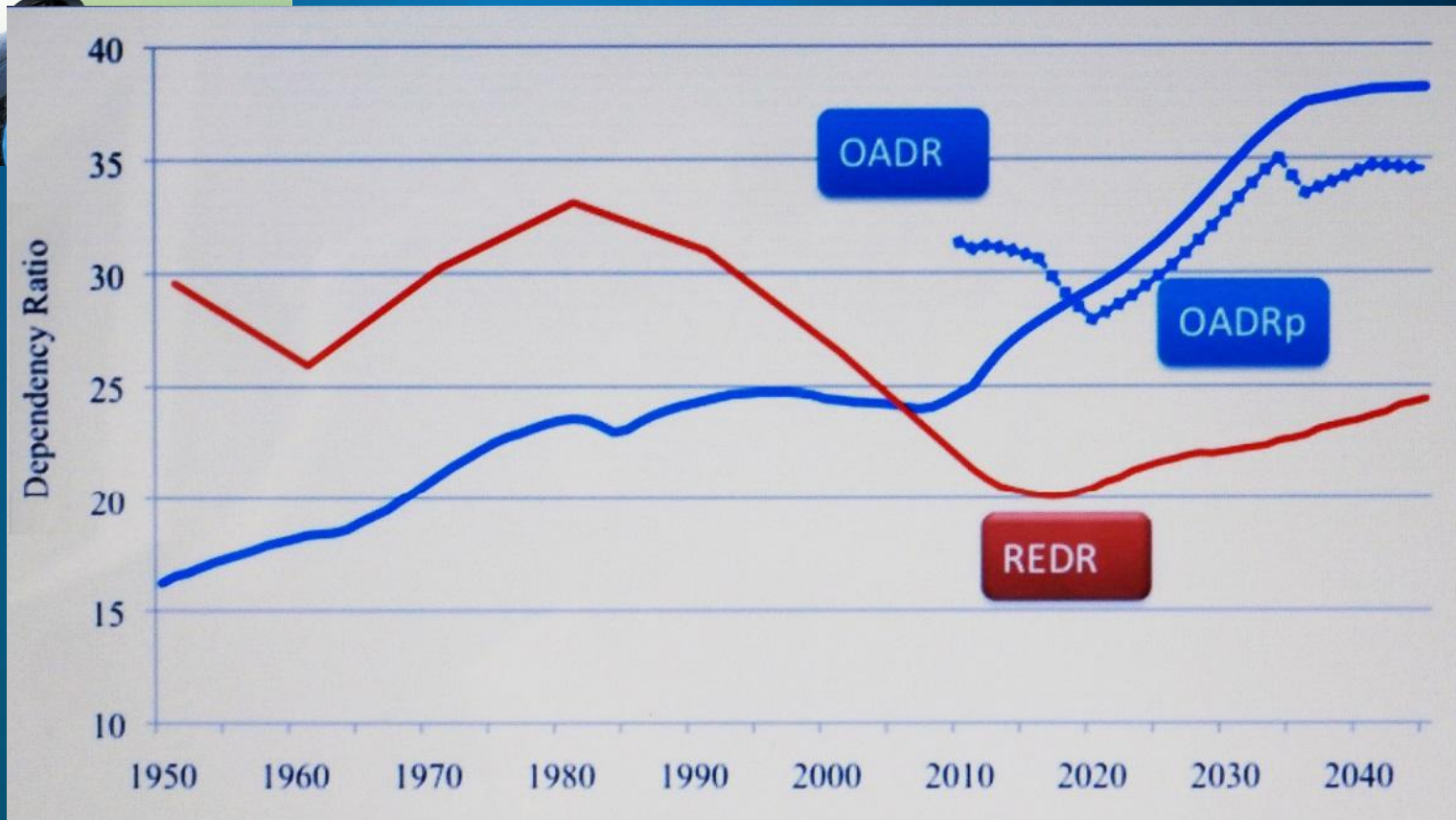
# Perceptions of 'Dependency'

- The age of a population comprises two components:
  - Years lived (their ages)
  - Years left to live (remaining life expectancy)
- In 1900: median age = 24, RLE = 39 years
- In 2009: median age = 40, RLE = 42 years
- Population today is therefore 'younger' in terms of years left to live
- 'Dependent' older population = people with 15 years or less left to live

# Perceptions of 'Dependency'



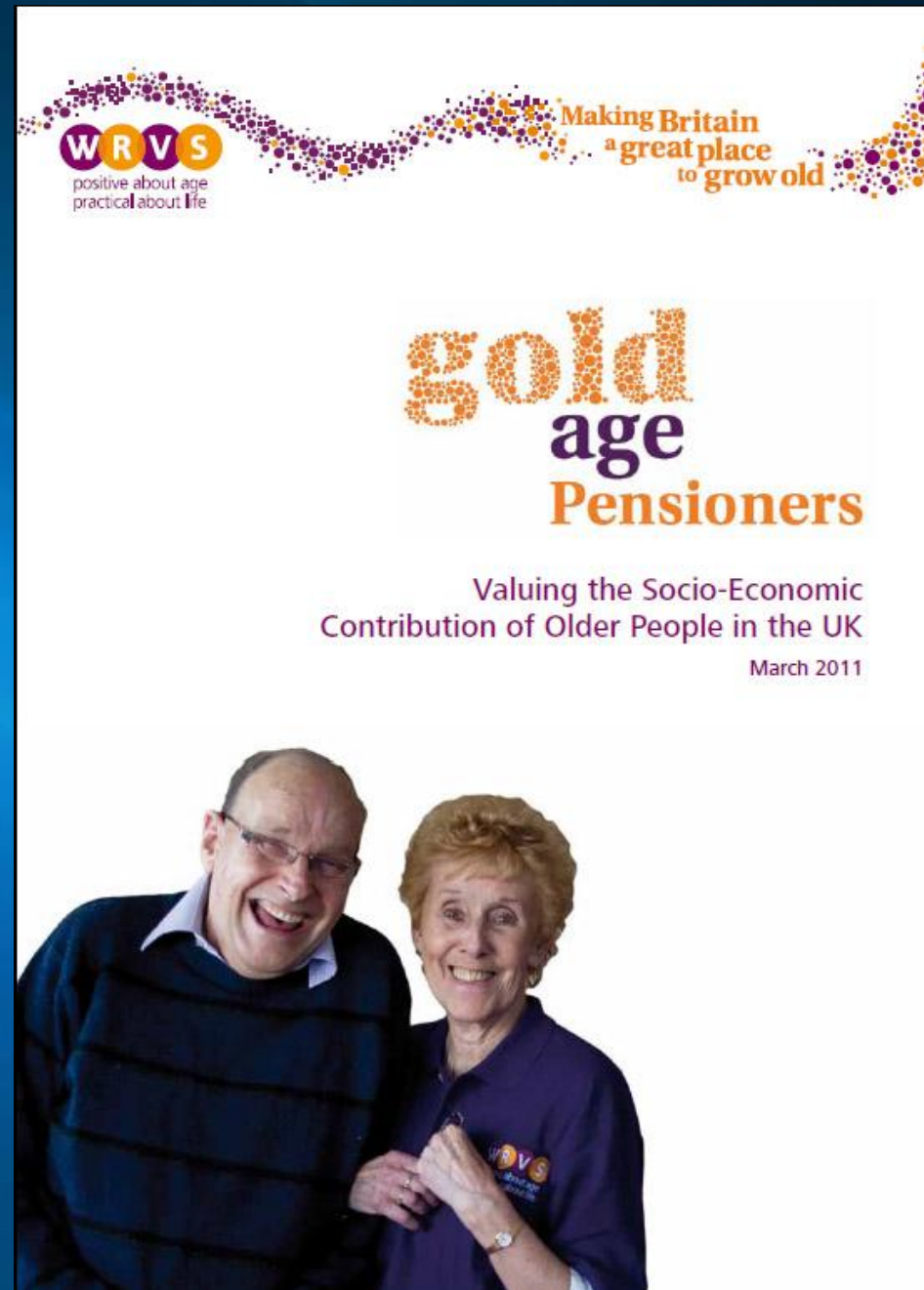
New measure: Real Elderly Dependency Ratio = ratio of people with a life expectancy of  $\leq 15$  years to those in employment



(Spijker & MacInnes, BMJ 16 Nov 2013)

# 2010 Survey in UK

- In 2010, WRVS sponsored a financial research company to:
- Calculate the costs
- Value contributions of the over-65 age group



# Findings of the WRVS UK Survey

- **Costs: pensions, welfare and health services**
- **Contributions:**
  - Substantial tax revenues
  - Spending power – the ‘grey pound’
  - Childcare allowing others to work
  - Provision of social care – role as ‘carers’
  - Voluntary work
  - Contributions to their families and to charity

# Findings of the WRVS UK Survey

- In 2010, the value of the contributions made to the UK economy by people over 65 was **greater** than the total cost of their pensions, welfare and healthcare

	£ billion
Exchequer revenues (taxes)	45.0
Value of non-Exchequer contributions	130.9
<b>Sub-total</b>	<b>175.9</b>
Exchequer costs	136.3
<b>Net benefit (contribution - cost)</b>	<b>+ 39.6</b>

# Findings of the WRVS UK Survey

- In 2010, the value of the contributions made to the UK economy by people over 65 was **greater** than the total cost of their pensions, welfare and healthcare
- **The net positive contribution was £40 billion**
- As the number of over 65s increases, and they remain healthier for longer, opportunities to contribute will grow
- By 2030 their net positive contribution in the UK will rise to an estimated **£77 billion**.

# Older People as 'Carers' *(Carers UK, 2007)*

- In the UK 1.3 million pensioners are caring for a disabled or older loved one
- Up a third over 10 years to 2007
- Saved the UK economy £30 billion in 2007



# Older People: Continuing to Contribute

- Continued employment beyond SPA:
  - Age-diverse workforce found to have advantages  
*(UK DWP, 2006)*
- Voluntary work:
  - Worth >£10 billion to UK economy
- ‘Social Glue’:
  - Running local charities, cultural organisations, churches, sports clubs
  - Shop locally and use local post offices and pubs, keeping village services viable
  - Neighbourhood watch

*(WRVS Study, 2011)*



# Older People Subsiding Younger Generations

- One-third of grandparents are contributing to family's everyday living costs
- One fifth have helped their children with a deposit to buy a house
- A quarter have paid for a family holiday
- A third buy school uniforms, clothes and pay for school trips for grandchildren

*(J.P. Morgan Asset Management Survey, UK)*

# Who's free-loading off whom?



*Spectator, July 2013*

# Benefit not Burden:

## Older People on the Isle of Man

Professor Sarah McGhee, PhD, FFPH.

Honorary Professor

University of Hong Kong School of Public Health

Treasurer, IOM University of the Third Age

# Isle of Man Data

- Old Age Dependency Ratio for IOM is about 35%
- UK's estimate is about 31-32% (2011)
  
- If we follow the 'Real Elderly Dependency Ratio', we have about 23%
- UK is about 25%

# Real Elderly Dependency Ratio

- The only country among UK, Italy, Germany, France, USA and Japan with a lower REDR is the USA

# IOM Health & Lifestyle Survey 2009

<b>% in 'not good health'</b>	<b>IOM</b>	<b>NW England</b>
65-74 yrs old	9.2	10.8
75+	9.4	20.2

<b>% with a chronic condition</b>	<b>IOM</b>	<b>NW England</b>
65-74 yrs old	65.1	78.4
75+	73.8	82.9

Data from the North West Observatory of Public Health England

# IOM Health & Lifestyle Survey 2009

<b>% eat 5+ portions of fruit or veg /day</b>	<b>IOM</b>	<b>NW England</b>
65-74 yrs old	56.4	44.5
75+	46.3	36.8

<b>% smoke</b>	<b>IOM</b>	<b>NW England</b>
65-74 yrs old	12.9	18.9
75+	6.1	11.2

Data from the North West Observatory of Public Health England

# IOM 'GOLD' data

- Both 65+ and under 65's in IOM spend more per week than UK households
- Average spend per 65+ household in IOM is 74% of that of an under 65 household
- Equivalent estimate for UK is 72%



# IOM 'GOLD' data

- Social security: about 4% of 65+ household income in IOM, 43% in UK
- Pension (inc private): about 59% of 65+ household income in IOM, 34% in UK
- Investment income: about 20% of 65+ household income in IOM, 8% in UK

# IOM 'GOLD' data

- In UK, about 33% of carers who care for someone 50+ hrs per week are 65+
- In IOM, 55% of carers who care for someone 50+ hrs per week are 65+
- (from IOM Health & Lifestyle Survey, 2009)

# IOM 'GOLD' data

- After examining all the data in the GOLD economic model and comparing with what data is available for IOM, the main important difference might be no contribution from some taxes on IOM.
- Otherwise all estimates appear conservative for IOM residents

# IOM Summary of Costs & Benefits

- By a pro-rata annual estimate from the UK WRVS 'Gold Age Pensioners' results to IOM:

	£ million
Exchequer revenues	53.9
Value of non-monetary contributions	174.6
<b>Sub-total</b>	<b>228.5</b>
Exchequer costs	181.8
<b>Contributions minus costs</b>	<b>+ 46.7</b>

# The Future and Solutions

Ravina Talbot, MA, BSc.

Associate Lecturer in Health & Social Care, OU  
Vice-Chair, IOM University of the Third Age



# The Big Debate: but two sides! (Isle of Man)

- Workplace: culture, design , Health Promotion, Policies, etc
- Pension adjustments and reviews
- Targeting service or targeting costs??
- Housing : Technology assisted building programmes - Pilot Glenside site, Peel Commissioners

# Short Term Action

- Needs a wider debate with government & community which is two-sided
- Politicians need to stop stereotyping and targeting costs
- Consultation that is independent
- Redefinition of Government Partnership?
- Up to date data!



# The Grey Tiger

- A force from the 60s generation which will challenge the status quo.
- Living longer and better
- Pillars of the Community and builders of the economy
- Voters !!!!





# Questions & Comments

