

REPORT

# SILVER CITIES

REALISING THE POTENTIAL OF OUR  
GROWING OLDER POPULATION



Ed Cox,  
Graeme Henderson  
and Richard Baker

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IPPR North  
2nd Floor, 3 Hardmann Square  
Spinningfields, Manchester M3 3EB  
T: +44 (0)161 457 0535  
E: [north@ippr.org](mailto:north@ippr.org)  
[www.ippr.org/north](http://www.ippr.org/north)  
Registered charity no. 800065

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SMART IDEAS  
for CHANGE

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## ABOUT THE AUTHORS

**Ed Cox** is director of IPPR North

**Graeme Henderson** is a former senior research fellow at IPPR North

**Richard Baker** is an IPPR North associate fellow

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# SUMMARY

This report is about the impact of two great global trends upon developed economies: urbanisation and demographic ageing. With falling birth rates and most people living longer and healthier lives than previous generations did, population ageing is now the dominant demographic trend in advanced economies. While different places experience it in different ways, this trend is clear everywhere.

The response to this fundamental shift in the structure of our populations has tended to focus on a narrow group of perceived challenges. National governments have tended to homogenise and problematise ageing, focussing on worries about rising health, pension and welfare costs and a declining labour force on the basis of technical 'dependency ratio' calculations. More nuanced responses have sometimes been pursued, but the potential that many older people have has not been fully appreciated or reflected in public policy.

Similarly, at a sub-national level, cities and regions have sought to service the welfare and care needs of ageing populations, rather than look at the issue in the round across their economic and social policies. For example, many have attempted to maintain their labour forces by competing for a cohort of younger workers that is in relative decline, thereby reducing the availability of services to large groups of both older and younger people. This situation is increasingly unsustainable.

This report aims to promote a positive, long-term and integrated response to ageing in cities which will contribute to the delivery of economic growth, employment and inclusion for people of all ages.

## Demographic trends

By the early 2030s, people aged over 50 will comprise around half the adult population in the UK – a rate which is representative of the OECD family of developed nations. It is expected that by 2037 the average age of the UK population will rise from 39.7 years to 42.8 years, and the number of over-80s to double to 6 million, which will yield a much older age profile across the overall population (which by 2037 is expected to number 73 million) (ONS 2013a). It is estimated that the number of people who will be eligible for a state pension will increase by 31 per cent between mid-2012 and mid-2037 (ibid), and that income and wealth disparities within the older population will grow over this period.

As is already clear, there are significant economic as well as social consequences to the breakdown of the traditional 'three-generation model' of family life, and of major changes to intergenerational relationships and transfers of wealth and income. Whereas in previous eras younger generations benefited from 'downward' family transfers in the form of education, inheritance and lending, we are increasingly seeing 'upward' pressures, with older generations relying on their children for resources such as informal care

There are important regional variations within these overall patterns of demographic change in the UK, with the three Northern regions (the North East, the North West, and Yorkshire and the Humber) expected to experience the lowest population growth and the highest 'dependency ratios' between now and 2036. But even within the north of England the factors that affect population change vary between urban and rural areas, largely as a result of different patterns of migration.

## Responding to demographic change

In the global policy literature it is possible to identify three broad approaches to ageing – with ‘ageing’ in this context understood as one of, or a combination of, the following.

- A story about growing numbers of older people, with the focus of policy therefore being on the mobilisation, experience and roles of older people, and on meeting their health and social needs.
- A story about a shift in the balance of the overall population, derived from a number of interacting demographic trends, with the policy focus being on the redistribution of roles, resources and responsibilities across generations.
- A story about increasing diversity, concerning the numerical trends described above and the social changes derived from cohort effects, migration and so on. Here the focus of policy is therefore on issues of personalisation and integration.

These narratives can be discerned in high-level policy statements, and they are fed through into the design and delivery of local programmes and projects. At an international level, the focus has mainly been on the rights of older people, the promotion of ‘age-friendly environments’, and on inclusion. There have also been some programmes focussed on intergenerational equity. Nationally, there have been several strands to UK policy on ageing, including tackling age discrimination, nurturing skills and lifelong learning, and managing the burgeoning health and social care bill, though the main focus has been on protecting pensions while adjusting the retirement age. UK policy has tended to be piecemeal and fragmented, particularly since 2005.

At the sub-national level, both within the UK and elsewhere, there have been more strategic initiatives to address demographic ageing, particularly in those places that are most affected by it. In some cities and regions there have been pioneering attempts to develop a more progressive policy agenda, including some notable examples, including the following, which are examined in this report.

- Brabant in the southern Netherlands has developed a regional innovation strategy to develop new products and services which promote active and healthy ageing.
- Livorno in north-west Italy has promoted economic activity for the over-50s through targeted training and senior apprenticeships, mid-life careers advice and job guarantees through a range of public and private partners.
- Japan, the country with the most pronouncedly ageing demographics, has developed a network of 1,600 ‘silver human resources centres’ in municipalities across the country. In Toyama, for example, these have focussed on supporting older people to maintain their involvement with regional agricultural industries, and have combined with radical planning measures to maintain population density.
- In both Manchester and Newcastle in the UK, city-based strategies have emphasised local citizenship and involvement in decision-making, and universities in both cities have established centres of excellence on research on ageing.

## New approaches and realising opportunities

What many of our case studies show is that new approaches can create significant opportunities for older people to become critical actors in local economic development – as producers, consumers and investors – with broader economic dividends for populations as a whole.

### Silver producers

The employment rate of workers aged between 55 and 64 has increased markedly in the UK (Eurostat 2014: 3). The employment rate among those aged 65 and over has increased faster still, and has grown faster than that of any other age group over the

last decade. This has been caused in part by changes to key benefits affecting the over-50s, but also by the growing numbers of people choosing to remain within the workforce or to start their own businesses. Senior entrepreneurship is at its highest level ever, with approximately 600,000 individuals aged over 50 engaged in early-stage entrepreneurial activity (Levie et al 2013). Older entrepreneurs also tend to be more successful in terms of start-up survival rates: 70 per cent of start-ups founded by older people were found to last longer than three years, in contrast to only 28 per cent of those created by younger entrepreneurs (Patel and Grey 2006).

### **Silver consumers**

The older population is responsible for 40 per cent of consumer demand in the UK, and spends £200 billion per year, yet they only attract 10 per cent of the UK's marketing spend (Harper 2009). In fact, 'over the past two decades, consumption by Europeans aged 50 or over has risen three times as fast as that of the rest of the population' (Deloitte 2009: 8). When people think of the silver consumer, they immediately think of the obvious sectors – healthcare, pharmaceuticals and adapting homes for independent living. However, older people constitute large proportions of consumers in many other broad sectors, particularly leisure and tourism, financial services, consumer goods, food and beverages, retail and technology. Households with a head of household aged between 50 and 64 spend more on both health and recreation than any other age category (Skenkelbery 2008: table A13). Over-50's in the UK buy, for instance, 80 per cent of all top-of-the-range cars, 50 per cent of skincare products, and 80 per cent of leisure cruises (ActiveAge 2012).

### **Silver investors**

Wealth has concentrated towards the older segments of the population, in the forms of pension funds, housing and other property, and a range of other capital and financial assets. While discussions about the role of pension funds have tended to focus on the institutions that hold these assets, debate about the potential roles of older people's accumulated wealth in housing and other locations must focus more directly on older people themselves. Equity release is an emerging area for exploration and innovation, but is currently focussed on younger age cohorts. Retirement communities are increasingly popular in the US and continental Europe, but have not yet been widely developed in the UK. HM Treasury has found evidence of a significant inclination among older people to invest in enterprise investment schemes and venture capital, but this propensity is concentrated among older, married men in the south of England. This suggests that more could be done to encourage investment further afield if the right institutions and schemes are put in place.

Despite these significant opportunities, it is important to recognise that older people continue to face significant barriers to participating in the labour market, and as consumers and producers. Despite recent growth in the employment rate of the over-50s in the UK, in countries such as Belgium, Luxembourg and the Netherlands this rate has risen twice as fast as it has in the UK (Eurostat 2014). Issues such as poor health, ageism, caring responsibilities, poor skills and weak policy coordination are all holding back new approaches to demographic ageing.

## **Principles and policies for silver cities**

A number of principles emerge from our analysis that must underpin successful approaches to demographic ageing both at national and local levels. These can be summarised as follows.

- **Moving beyond stereotypes:** recognising that there is increasing and significant diversity across age cohorts. Policies, laws and other measures that presume the potential, needs and interests of individuals based on their age are inadequate responses to our changing demography.

- Taking an ‘asset-based approach’: recognising population ageing as an economic opportunity which can benefit the whole population, rather than just a social care problem.
- **Developing multi-agency co-operation** with a focus on identifying mainstream approaches to promote lifelong adaptation, service improvement and pooled funding rather than just small-scale, targeted projects. At the national level, this includes cross-departmental coordination, as well as devolving decision-making and programme design to local actors who can respond to diverse local circumstances.
- **Recognising older people as key co-producers** of better economic and social outcomes, through active engagement in all areas of wider strategic planning and public life.
- **Long-term political commitment to strategic planning for demographic ageing**, building on learning from local, national and international examples.

This report does not intend to articulate a national strategy for an ageing population. However, other IPPR reports have set out some important planks upon which a silver economy can be built. These include the following.

- *‘People providing a significant amount of unpaid care should have the right to adjust their working arrangements to enable them to remain in employment rather than relying on the benefit system.’*
- *Entitlement to care services for those on low incomes should be extended to older people with moderate needs, to enable them to stay at home and live independently. This should be paid for by limiting entitlement to winter fuel payments to those who are eligible for pension credit.*
- *An independent review should consider how the national insurance system could be used to progressively lower the cap on care costs and raise the asset threshold, using the principles of contribution and risk-pooling to help finance long-term care costs.’*

Lawton et al 2014

- There should be new insurance products and other financial instruments to encourage older people to make adaptations to their homes. GPs should also be able to ‘prescribe’ home adaptation grants.
- Decent space standards and Lifetime Homes standards should be phased into national building regulations requirements and new homes built to these specifications discounted stamp duty up to a sale value of £500,000 where the buyer is over 55.
- Local authorities should be given the freedom to deploy their borrowing capacity via housing revenue accounts and housing corporations to invest in sheltered accommodation and ‘intentional community’ models should be systematically tested in the market by social housing providers and the Department of Health.

Davies 2014

While it is right that there should be a national framework to better address the costs of ageing, some of the most progressive approaches to demographic ageing can be found at the sub-national level. For this reason, it is our principal recommendation that **every city in England that doesn’t have one should consider developing a strategy for demographic change, with a strong emphasis on the potential of the silver economy and links to wider strategies for economic growth and public service reform.**

While every strategy will need to be developed according to the specific opportunities and challenges that exist locally, there are some common issues that should be considered.

- **Analysis:** every city strategy needs to understand the specific demographic drivers affecting the locality, including the segmentation of the older population.
- **Skills:** each strategy should focus on continuous training and lifelong learning for all employees, with some of the offering being tailored to the over-50s to



ensure that they can adapt to changing labour-market demands. In practical terms, this might mean developing personalised and flexible vocational training programmes.

- **Business support:** cities should work with local businesses to better understand and explore the opportunities available to them in terms of employing older people, ensuring accessible workplaces, and developing products and services for the burgeoning older people's market.
- **Older entrepreneurship:** it should be ensured that tailored business support and advice are made available to older entrepreneurs to enable them to establish and grow their businesses, given that their needs are often different to those of younger people.
- **Innovation and investment:** work with universities to identify areas for innovation and commercialisation of research around issues of ageing – including, but not exclusively, on issues of health and social care.
- **Active labour market programmes:** cities should work with partners to develop active labour market programmes that include a specific emphasis on the employment challenges facing the over-50s – not least involuntary redundancy.
- **Integration:** strategies should ensure that employment support and health and care systems within the city are better joined up. A strong economy and a healthy population are mutually reinforcing, so better integrating work and healthcare programmes can bring real benefits.
- **Adaptations:** cities must address issues around 'quality of life' for older people, ensuring that a wide range of accessibility and age-friendly adaptations are made to the public realm.

This report unashamedly highlights the 'assets' and opportunities that an ageing population offers, rather than dwelling on the 'burdens' and challenges – there is already plenty in print that takes that perspective. We do not mean to naïvely imply that ageing does not present any challenges. Rather, by focusing on opportunity, this report seeks to act as a corrective to the negativity of other research. While it by no means constitutes a blueprint for national or local silver economic strategies, it draws on good practice from overseas to provide a number of principles and building blocks upon which both local and national policymakers can build.

# 1. INTRODUCTION

## OUR GROWING OLDER POPULATION

Population ageing is the world's dominant demographic trend. Most people can now expect to live longer and healthier lives than previous generations did, and the balance of our population is being transformed by the combination of extended life-expectancy and declining birth rates. This is impacting on a range of economic and social issues such as the structure of the labour market, demand for housing and public services, and wider consumption in the economy. In cities and rural regions across Europe and other developed economies – each of which will experience a different mix of underlying trends within this wider global shift – there is an ever more urgent need to focus on the realities and the implications of these trends.

Generally, however, the response has been a narrow one, focussed on the problems of ageing. At a national level, governments have concentrated on the perceived costs of population change with regards to pensions and demands on health care and welfare systems, and have defined the issue in terms of the decline in the age-based 'dependency ratio'.<sup>1</sup> This has led to significant changes in the policy framework, which have aimed to reduce these costs.

There have been some positive policy changes aimed at increasing the output of this ageing population. For example, in areas such as labour market policy there have been initiatives to promote the extension of working lives through delayed access to state retirement support and an evolving legal framework regulating age discrimination. However, there has yet to be a comprehensive focus on the potential economic contribution that the growing older population could make.

A similar balance of approaches can be observed at the sub-national level. In general terms, in most regions and cities the response to ageing has been one of managing the costs of service delivery and focussing on attracting a cohort of younger workers that is in relative decline. Efforts to seek out new sources of economic growth from the potential economic contribution of an area's growing 'silver' cohort have been few and far between.

However, neglecting such efforts is becoming increasingly unsustainable. By the early 2030s, people aged over 50 will comprise half the adult population in the UK (ONS 2013a). Even taking into account the planned gradual changes in the state pension age, the 'dependency ratio' will continue to decline as the population ages. The longstanding problem of higher levels of unemployment and economic inactivity among those who are aged over 50 also remains to be addressed..

Beneath the headlines trends there are other interesting patterns.

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1 The 'dependency ratio' is a population-based calculation which divides the number of people within an economy who are productive by the number of those who are dependent. Traditional applications of this have been age-based, dividing the number of so-called 'working age' people with those who are either below 'working age' or above 'retirement age'. This ratio has been declining in all developed economies as a result of ageing populations, and has been a key driver of age-based policy reform. We contend that it fails to take account of trends within these age groups. One example of this is the increasing number of people who are of 'retirement age' but are productive; another is the changing life-course patterns of many groups over successive generations within the 'working age' population who are not productive for a range of reasons, such as women raising children, students in further and higher education, and older workers who are excluded from the labour market. It also fails to recognise the different levels of productivity of different individuals within economies.

- Rates of employment among older people over retirement age have been increasing, and these increases have been concentrated in some particular high- and low-skill occupations.
- The economic inactivity rate has soared for working-age men in recent decades – up from 4.9 per cent in 1971 to 17.1 per cent in 2011 (Spence 2011). Only a mirroring trend of decline in the proportion of women classified as economically inactive has managed to keep the overall working-age inactivity rate fairly constant (ibid).
- There are growing disparities in the distribution of wealth in the economy between age groups, with many older age people sitting on sizeable property values and financial investments.
- However, there is an increasing diversity of experience within this older age group – between those who are asset-rich and those who are asset-poor – in terms of health, expectations, role, skills and attitude.

This diverse pattern will continue to change. The experiences of future cohorts who reach older age may be very different to those of today, due to changing financial conditions or advances in health care, for example. We can anticipate that in future, while many older people will be comfortable – very comfortable, in some cases – the current decline in defined-benefit pensions and the increasing number of families who are being priced out of getting a foothold on the property ladder (and who therefore will not have property assets to rely on in their later years) an increasing number of people may find older age to be a time of hardship.

It is also important that we recognise the implications of our changing demographics for all parts of the population, and look at population ageing as a process that has broader resonance. There are important implications for younger people in work managing an older workforce, for example; for employers worrying about skills shortages as older people reach retirement ages, and how to retain and transfer valuable skills; and for city leaders thinking about infrastructure pressures like the housing stock and transport links.

## 2. DEMOGRAPHIC ANALYSIS

So what are the facts? The continued demographic shift to an older population is well documented. The intergenerational impacts of this shift, and the diversity within our older population, are, by contrast, less well understood. Moreover, there is little recognition that these shifts in population structure are happening at differing rates both between and within regions. Partly as a result of lower internal and international immigration, the UK's northern regions in particular are ageing faster.

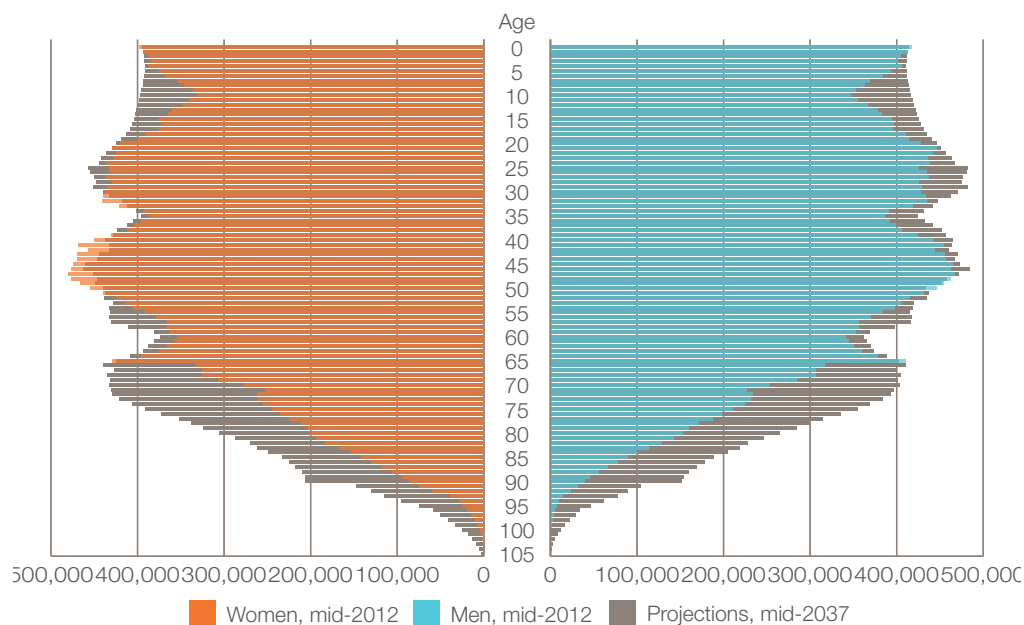
### 2.1 UK-level trends

The most recent UK population projections (ONS 2013a) show that the UK population is set to increase by 9.6 million between mid-2012 and mid-2037, from an estimated 63.7 million to 73.3 million; it will pass the 70-million mark in 2027. A key cause of this accelerated growth is the anticipated natural increase (that is, the rate by which births outnumber deaths), which will account for 57 per cent of the projected increase over the next 25 years (ibid).

Alongside this aggregate growth, the population is expected to continue ageing, with the average age rising from 39.7 years in 2012 to 40.6 years in mid-2022, and to 42.8 by mid-2037. The number of people aged 80 and over in the UK is projected to more than double to 6 million by mid-2037 (ibid) (see figure 2.1).

**Figure 2.1**

Estimated and projected age structure of the UK population, mid-2012 and mid-2037



Source: adapted from ONS 2013a

Underlying these figures is the important assumption that net migration – which tends to be focussed among younger age-groups – will continue to increase by 800,000 over each five-year period between 2012 and 2037, adding just over 4 million people to the overall population by 2037 (ibid). As well as being younger,

migrants tend to exhibit higher levels of fertility than the settled population, and so have an important effect on the rate of ageing in the overall population in terms of both their initial migration impacts and their subsequent births (see table 2.1).

**Table 2.1**

Projected components of population change (millions), in the UK, mid-2012 to mid-2037

	2012–2017	2017–2022	2022–2027	2027–2032	2032–2037
Population at start	63.7	65.8	68.0	70.0	71.7
Births	4.0	4.1	4.0	4.0	4.0
Deaths	2.8	2.8	2.9	3.1	3.3
Natural change	1.3	1.3	1.2	0.9	0.7
Net migration	0.8	0.8	0.8	0.8	0.8
Total change	2.1	2.1	2.0	1.8	1.6
<b>Population at end</b>	<b>65.8</b>	<b>68.0</b>	<b>70.0</b>	<b>71.7</b>	<b>73.3</b>

Source: ONS 2013a

Note: Figures may not sum due to rounding

By the end of this cycle, in the mid-2030s, the rate of natural change is anticipated to slow to some extent, as the accelerator effect of the 1945–1955 baby boom tapers off.<sup>2</sup> However, the long-term position will be a much older population overall.

These figures will have an important effect on the pattern of resources, the shape of consumption and the productive capacity within the economy – assuming current patterns of behaviour. For example, despite the forthcoming increases to the state pension age under current legislation, the number of people of state pension age is projected to increase by 31 per cent, from 12.3 million in mid-2012 to 16.1 million by mid-2037, even with the rapidly changing age of eligibility provided for in current policy (ONS 2013a). Furthermore, at the eldest end of the age range, the number of people aged 80 and over in the UK is projected to more than double to 6 million by mid-2037 (ibid).

Aggregate figures also fail to capture the huge and increasing diversity of health and wealth levels within this ageing population. This is true not only of different socio-economic groups, but of different geographies: different places have very different older cohort effects. For example, the life expectancy gap between the local areas with the highest and lowest life expectancies increased significantly between the periods 2004–06 and 2008–10 (ONS 2011a).

Looking at changing income and wealth patterns, an interesting and important story emerges. Analysis of the English Longitudinal Study of Ageing (ELSA), commissioned by the UK government in the early 20th century as a definitive dataset on population change, shows that there are considerable differences between the average and the range of incomes of those people in early and late old-age, with the median income of a 65-to-69-year-old one-quarter higher than that of someone aged over 80. Most of this is explained by cohort effects, in that people reaching old age now (for instance) have higher incomes than people now over 80 did when they were the same age, a difference derived in particular from ongoing involvement in employment and productive activity, and the development of pension systems (Harrop 2013).

ELSA breaks down the population into four-year cohorts, and seeks to illustrate key trends among the current older population on this basis. Figure 2.2 provides

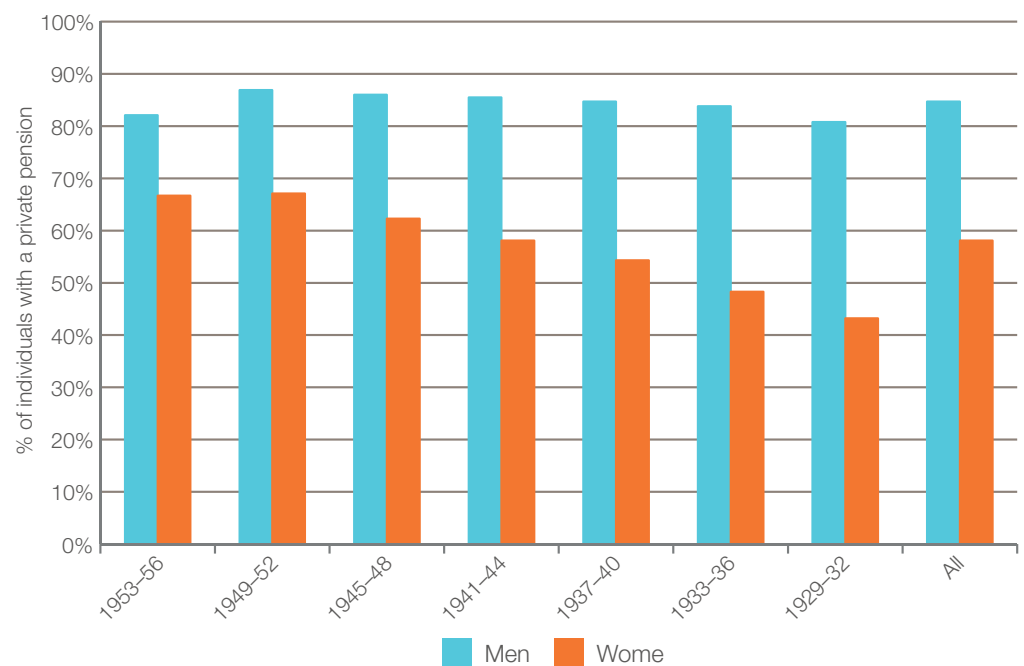
<sup>2</sup> It is important to note that within this analysis there is an important lack of consensus about whether the age of mortality will continue to extend and by what rate

an illustration of pension income for five successive groups of four-year cohorts. As Banks et al (2012) explain,

*'Total pension coverage has been relatively stable across successive cohorts of men, at around 80–90%. By contrast, pension coverage among women is lower than that among men and exhibits clear cohort differences. Among women born in 1929–32, on average 43% are covered by a private pension, while coverage is 67% among women born in 1949–52.'*

Banks et al 2012

**Figure 2.2**  
Pension coverage, by cohort and sex



Source: Banks et al 2012

Notes: 'Pooled ELSA 2002–03 to 2010–11. Sample size is 18,164 repeat observations of 5,649 men and 21,460 repeat observations of 6,492 women. Regression analysis of pension coverage on a set of cohort dummies is used to test for statistically significant differences between cohorts, assuming no time or age effects. Such analysis shows that for men the only consecutive cohorts that are significantly different from one another are the 1953–56 and 1949–52 cohorts and the 1933–36 and 1929–32 cohorts, while for women all consecutive cohorts are significantly different from one another with the exception of the 1953–56 and 1949–52 cohorts. Figures are weighted' (ibid).

The increase in pension coverage among later cohorts of women, which is not observed for men, arises for a number of reasons, including increased labour-market attachment among women in these cohorts; changes in UK law that removed the right for employers to exclude part-time employees from their occupational pension schemes; and changes in social norms regarding whether women in couples undertake independent retirement saving.

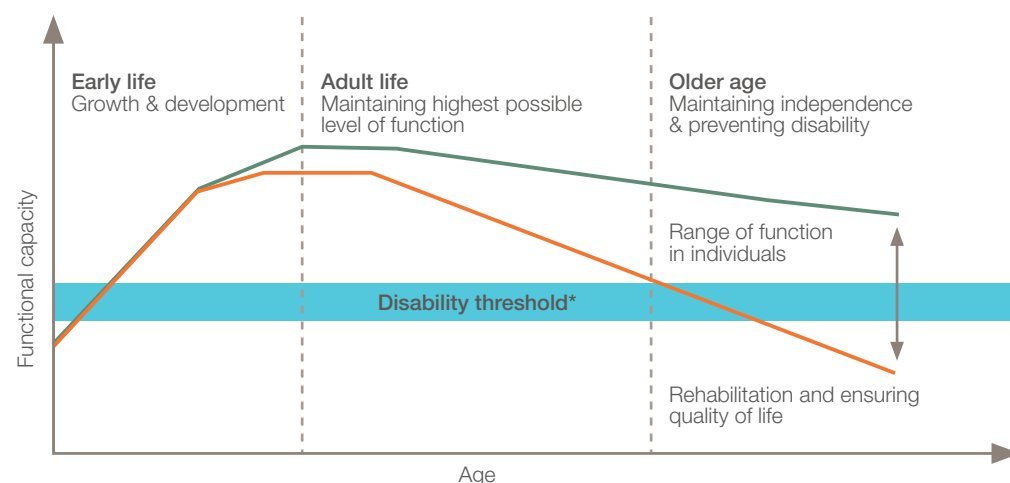
The effect of this increase in pensions coverage will, subject to the value of the pensions, impact on long-term indicators of incomes and economic security. It also demonstrates that previous expectations of widespread poverty among older people in the future should change, although the existence of inequality and pockets of deprivation will persist and may indeed become the main feature

within this age group. Finally, it indicates that there is ongoing potential for new market developments as cohorts move through the population.

Elsewhere in the evidence base, important intergenerational impacts are being identified which are global in scale. The National Transfer Accounts (NTA) project,<sup>3</sup> for instance, has been established to measure, analyse and interpret macroeconomic aspects of age and population ageing.

The project identifies four economic activities that are central to the intergenerational economy: working, consuming, sharing, and saving. In the traditional three-generation model set out in figure 2.3 below, there are assumed to be extended periods at the beginning and at the end of life when people consume more than they produce. These periods are balanced by the working ages, during which people produce more than they consume.

**Figure 2.3**  
Maintaining functional capacity over the life-course



Source: Adapted from Kalache and Kickbusch 1997

In this traditional model, sharing and saving provide the means for filling the gaps between production and consumption for the young and the old, through intergenerational transfers such as taxation to fund primary and secondary education for the young, pensions for the old, and free health-care programmes for both young and old. These are supplemented by downward family transfers from parents and grandparents through family rearing, inheritance and lending. However, evidence from this study suggests that in the new four-generational family structure that is emerging, it is the oldest generation which increasingly relies on their children for fulfilment of these needs, with the transfer system increasingly reversing the flow of resources (Lee and Mason 2011).

Demographic trends are fundamentally changing this economic model by altering the intergenerational relationships between cohorts, which are at the heart of these life-cycle models. These transfer systems have already begun to reverse in direction, particularly in places like Japan and the parts of Europe experiencing the largest ageing population redistribution such as Spain. The authors expect these patterns

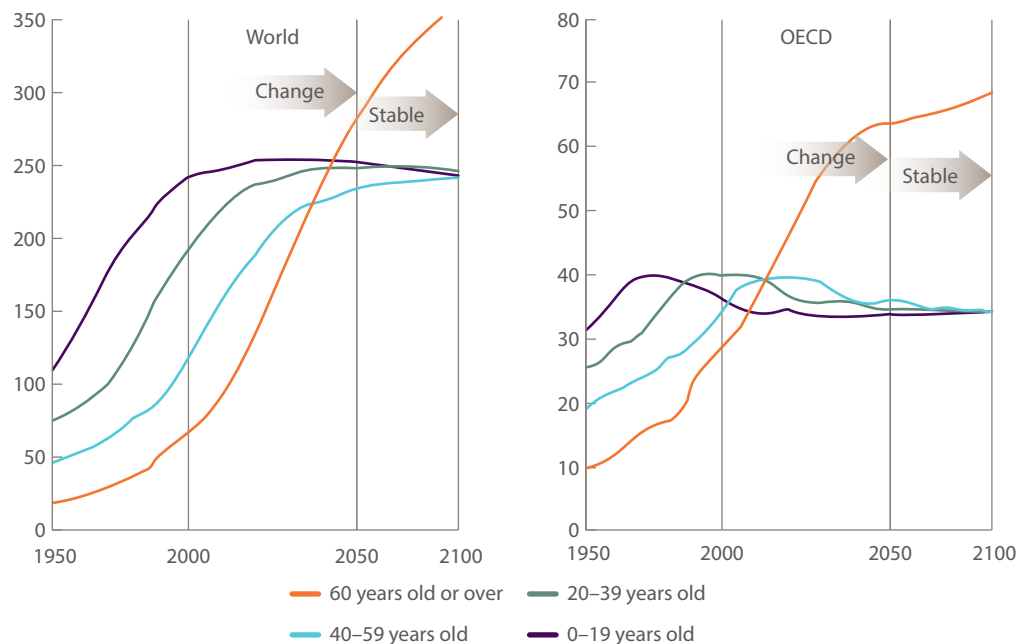
<sup>3</sup> Supported by the World Bank and led by the Center for the Economics and Demography of Ageing, University of California at Berkeley, working with universities across 33 states. See <http://www.ntaccounts.org/web/nta/show/About%20NTA>

to spread to other developed countries over the next two decades, unless they are addressed (ibid).

These are hugely important issues. Across the 33 member states of the OECD, the so-called ‘dependency ratio’ of pension-age populations to working-age populations is expected to double from about 20 per cent in 2000, to reach 40 per cent by 2050 at a time of rapid transition, before settling into a ‘new normal’. In this ‘new normal’ by 2050, it is projected that about one-third of the OECD population will be aged over 65, with an additional 245 million people in this age group relative to 2011. For OECD countries, the over-60s is the only age group which is projected to expand between now and 2100.<sup>4</sup>

**Figure 2.4**

Changing numbers of people (millions) in different age groups across OECD member states



Source: <http://www.oecd.org/governance/regional-policy/background-on-sustainable-urban-development-policies-in-ageing-societies.htm>

Clearly, if this substantially larger older population is ill, poor and inactive then this scenario could be highly challenging. However, if it is wealthy, healthy and continuing to contribute then it offers a range of economic and social opportunities. Indeed, the authors of the NTA project argue that the most effective means of preventing the potential negative impacts of these trends is maintaining the active economic contribution of the two older age bands, with the aim of rebalancing intergenerational resource flows.

## 2.2 Regional trends

There are highly diverse local and regional patterns of demographic change, although for almost all areas the predominant theme is one of ageing.

<sup>4</sup> <http://www.oecd.org/governance/regional-policy/background-on-sustainable-urban-development-policies-in-ageing-societies.htm>



Table 2.2 below shows projected population changes by English region and age group in the decade to 2021. London is predicted to have the largest overall population growth (at 14.2 per cent), and the North West and North East are projected to grow the least (by 4.4 and 4.9 per cent respectively). The three northern regions are the only ones which will not experience double-digit population growth over this 10-year period.

However, within this general picture, by far the greatest component of this growth is the 65-and-over age group; and for the northern regions, given their relatively smaller overall growth, the growth of the older cohort is the defining feature of their projected demographic change. The North West and the North East are the only regions in England to see their population aged between 16 and 64 *decrease* over the decade.

**Table 2.2**  
Population change in regions by age group, 2011– 2021

	Population (thousands)		Percentage population change by age group			
	mid-2011	mid-2021	All ages	0-15	16-64	65 and over
North East	2,596	2,724	4.9	7.9	-0.7	22.7
North West	7,056	7,364	4.4	9.0	-1.1	20.3
Yorkshire and the Humber	5,288	5,657	7.0	9.3	2.4	22.2
East Midlands	4,537	4,928	8.6	11.7	2.8	27.2
West Midlands	5,609	5,989	6.8	10.3	1.8	21.3
East	5,862	6,458	10.2	14.9	4.2	26.6
London	8,204	9,371	14.2	19.0	12.1	18.7
South East	8,653	9,453	9.3	12.8	3.5	26.5
South West	5,301	5,743	8.3	12.9	1.8	25.3
England	53,107	57,688	8.6	12.6	3.7	23.6

Source: ONS 2011b: 5

London's larger increases are driven by much higher international migration, and a relatively large difference between births and deaths. Outside London, the southern regions have much higher levels of net migration than the northern regions. For instance, net internal migration is projected to be 5.3 per cent between mid-2011 and mid-2021 in the South West, but -0.3 per cent in the North West (ONS 2011b: 6). Whether these trends continue is the subject of increasingly pronounced political debate.

Population ageing is therefore in many respects a more pressing issue for the northern regions. This perhaps helps to explain why some cities in the North have taken among the boldest and most comprehensive actions so far to address it. These initiatives are highlighted later in chapter 4 of this report.

However, looking at areas within the North, shows that there is also a complex picture emerging here. Work by the N8 Research Partnership on the patterns within emerging local enterprise partnership (LEP) territories (Hudson and Cannon 2011), commissioned by the Northern Way, shows interesting variations across the region.

Table 2.3 provides population growth projections for each of the eleven northern LEP areas, and shows growth rates ranging between 1.0 per cent in Liverpool and 16.6 per cent in North Yorkshire for the years to 2036 (ibid). Looking beyond these headlines, the influence of different factors on these trends varies from place to place, as figures 2.5, 2.6 and 2.7 below illustrate.

**Table 2.3**

Projected population change for Northern LEP areas, 2011–2036

LEP	Populations (000s)		Increase (%)
	2011	2036	2011–2036
Greater Manchester	2,611	2,861	9.5%
Liverpool City Region	1,493	1,508	1.0%
Leeds City Region	3,001	3,464	15.4%
Sheffield City Region	1,809	1,980	9.4%
Cheshire and Warrington	904	977	8.1%
Tees Valley	676	721	6.7%
Cumbria	532	606	13.9%
Hull City Region	935	1,011	8.2%
North Yorkshire	596	695	16.6%
North East	2,025	2,311	14.2%
Lancashire	1,522	1,706	12.1%
Northern England	13,617	15,215	11.7%
Rest of England	38,123	45,060	18.2%
England	53,240	61,999	16.5%

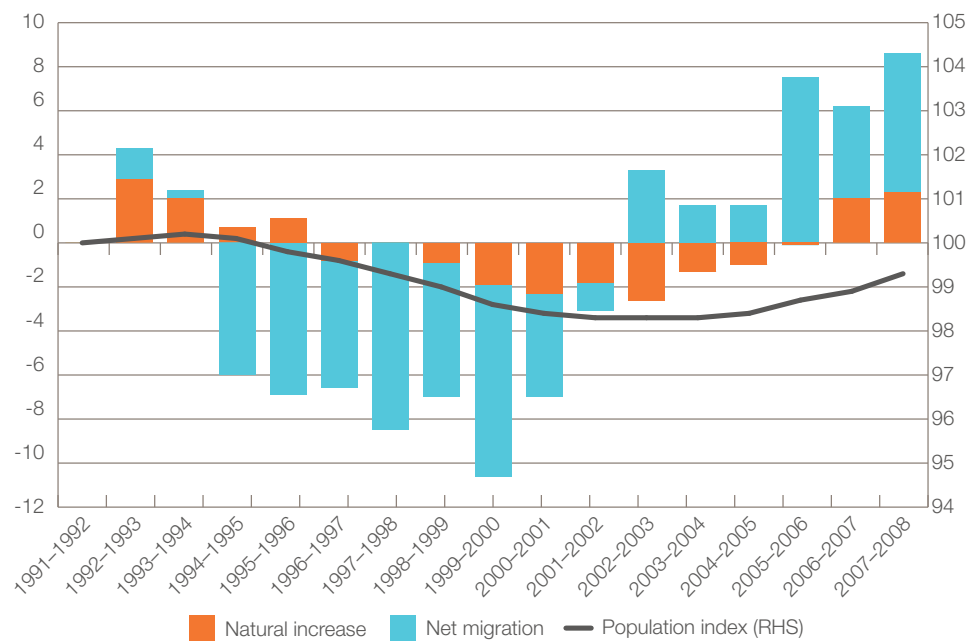
Source: Hudson and Cannon 2011

Note: Population figures are projections aligned with the 2008-based National Population Projection

In the North East, recent growth and the return to population levels of the early 1990s has been largely the effect of positive net migration, with natural increase only returning to a positive balance in the mid-2000s.

**Figure 2.5**

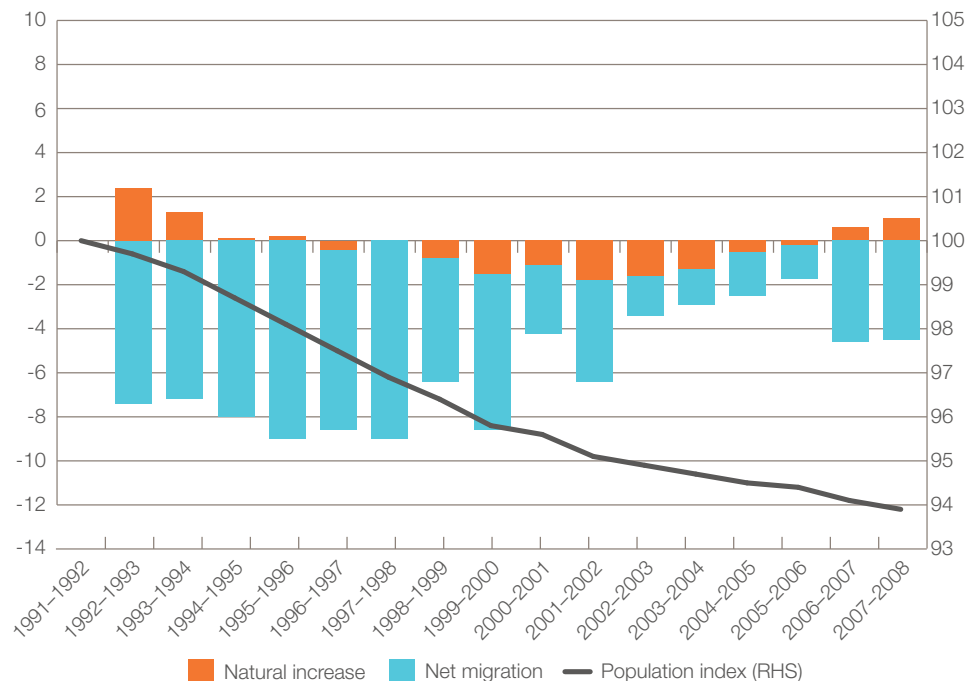
Population change (% and population index with mid-year-1991–mid-year-1992 = 100) in the North East, 1991–2007



Source: Rees et al 2011

**Figure 2.6**

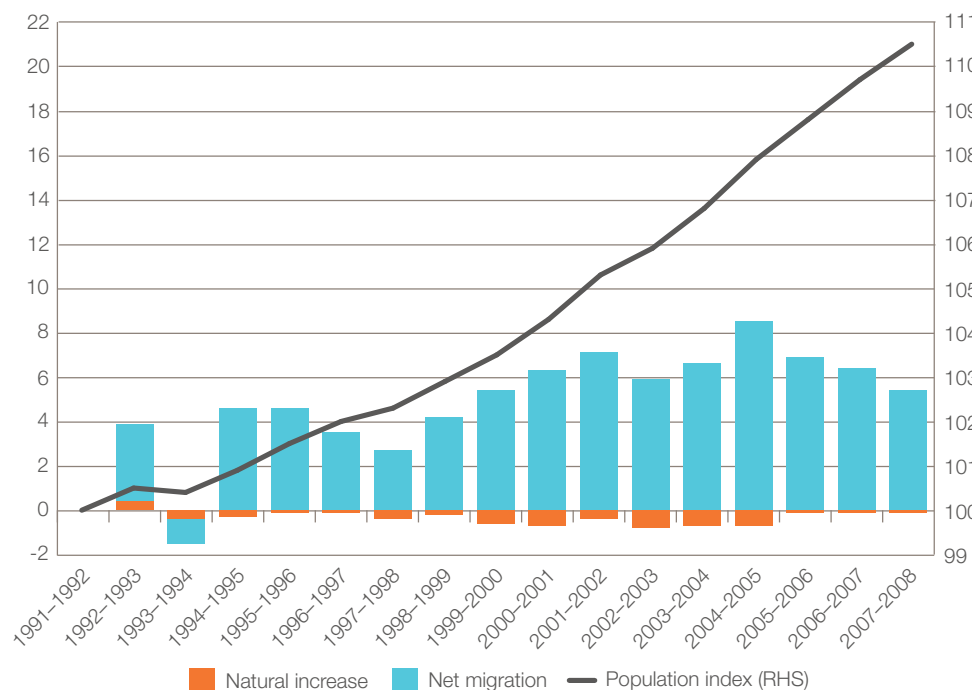
Population change in Merseyside (%), and population index with mid-year-1991–mid-year-1992 = 100, 1991–2007



Source: Rees et al 2011

**Figure 2.7**

Population change in North Yorkshire (%), and population index with mid-year-1991–mid-year-1992 = 100, 1991–2007



Source: Rees et al 2011

In Merseyside, overall population change has been on a downward trajectory for two decades, with only the last two years of the cycle in this period seeing a small growth in population.

However, a very different story is evident in North Yorkshire, with population growth building throughout the 1990s and 2000s, driven entirely by population movements into the area.

These charts demonstrate the great variations in demographic trends between areas. Similarly, table 2.4 below shows the total and percentages of the over-65s in mid-2012.

**Table 2.4**

The over 65s population by northern LEP (mid-2012)

LEP	Number of over-65s	Total population	Percentage over 65
Greater Manchester	406,000	2,702,200	15.0%
Liverpool City Region	266,200	1,511,400	17.6%
Leeds City Region	482,100	2,972,600	16.2%
Sheffield City Region	308,200	1,744,900	17.7%
Cheshire and Warrington	173,300	906,000	19.1%
Tees Valley	115,500	663,600	17.4%
Cumbria	107,600	499,100	21.6%
Humber	173,600	921,200	18.8%
York, North Yorkshire & East Riding	240,300	1,138,500	21.1%
North East	353,100	1,938,700	18.2%
Lancashire	268,800	1,465,700	18.3%

Source: ONS 2013b

The over-65 population is smallest in percentage terms in the relatively young Greater Manchester LEP area, where they comprise 15 per cent of the population. In more rural areas such as Cumbria and York, North Yorkshire and East Riding, they make up around 21 per cent of the population (ONS 2013b).

**Table 2.5**

Old age dependency ratios (16–64 population versus population aged 65 and over), northern England, 2011 and 2036

LEP	Ratio of population aged 16–64 to pop. aged 65+	
	2011	2036
Greater Manchester	3.1	1.7
Liverpool City Region	3.8	2.4
Leeds City Region	3.2	1.7
Sheffield City Region	2.9	1.9
Cheshire & Warrington	3.3	2.0
Tees Valley	3.8	2.8
Cumbria	3.2	2.1
Hull City Region	3.7	2.3
North Yorkshire	2.9	2.3
North East	3.3	2.2
Lancashire	4.3	3.0

Source: Rees et al 2011: 30

Using the ‘dependency ratio’ to illustrate population changes over the next 25-year period, table 2.5 above suggests that across the northern England this ratio is expected to decline from 3.4 persons of working age to each person over 65 in 2011, to 2.2 in 2036 (Rees et al 2011). The ratios decrease across each of the LEP areas, but there is substantial variation in the size of the reductions. It is projected that the ratios in Greater Manchester and Leeds will fall particularly dramatically, as their younger populations start to age.

Table 2.6 shows the projected impact of demographic trends on the ‘working-age’ population throughout the north of England, illustrating the effect of ageing and other population trends. It shows that significant labour-force decline is expected in most northern LEP areas during a period in which the overall population is projected to grow significantly (Rees et al 2011).

**Table 2.6**  
Projected labour force, 2011 and 2036

LEP	Working age population (000s)		% change, 2011–2036
	2011	2036	
Greater Manchester	1,170	1,120	-4.3%
Liverpool City Region	635	559	-11.8%
Leeds City Region	1,363	1,391	2.1%
Sheffield City Region	823	801	-2.7%
Cheshire & Warrington	415	398	-3.9%
Tees Valley	320	299	-6.6%
Cumbria	243	250	2.8%
Hull City Region	473	458	-3.1%
North Yorkshire	282	298	5.9%
North East	922	939	1.8%
Lancashire	712	719	1.0%
<b>Northern England</b>	<b>6,891</b>	<b>6,764</b>	<b>-4.1%</b>

Source: Rees et al 2011: 41

Note: The time series starts at 2011 = 100. Constant labour force participation rates by age and sex applied from 2001.

## 2.3 Summary

- The overall UK population is expected to rise to over 73 million by 2037, with the average age rising from 39.7 to 42.8, and the number of over-80s to double to 6 million (ONS 2013a). This will result in a much older age profile across the UK population.
- It is estimated that the number of people who will be eligible for a state pension will increase by 31 per cent between mid-2012 and mid-2037 (ibid), and that income and wealth disparities within the older population will grow, to the benefit of some and detriment of others.
- The breakdown of the traditional three-generation model of family life, and major changes to intergenerational relationships and transfers of wealth and income, will have significant socio-economic consequences.
- There are important regional variations within these overall patterns of demographic change, with the three northern English regions expected to experience the lowest population growth between 2011 and 2036, and to have the highest dependency ratios by the end of this period.
- Even within the north of England the factors affecting population change vary between urban and rural areas, largely as a result of different patterns of migration.

## 3. NATIONAL AND INTERNATIONAL RESPONSES TO DEMOGRAPHIC CHANGE

There have been a range of responses to the trends described in the preceding chapter. While at face value the trends look simple to understand, different policy bodies have offered different interpretations and drawn different conclusions, which in turn has contributed to the variety of different policy responses.

In the global policy literature it is possible to identify three broad approaches to ageing – with ‘ageing’ in this context understood as one of, or a combination of, the following.

- A story about growing numbers of older people, with the focus of policy therefore being on the mobilisation, experience and roles of older people, and on meeting their health and social needs.
- A story about a shift in the balance of the overall population, derived from a number of interacting demographic trends, with the policy focus being on the redistribution of roles, resources and responsibilities across generations.
- A story about increasing diversity, concerning the numerical trends described above and the social changes derived from cohort effects, migration and so on. Here the focus of policy is therefore on issues of personalisation and integration.

These narratives can be discerned in high-level policy statements, and they are fed through into the design and delivery of local programmes and projects.

### 3.1 International frameworks

The first significant initiative which aimed to deal with an ageing population dates back to 1948, when the government of Argentina submitted a draft declaration on old-age rights to the UN general assembly. It ‘contained several articles that referred to rights of older citizens to assistance, housing, food, clothing, health care, recreation and work, as well as to “stability” and “respect”’ (UN-DESA 2008: 2). Although it was not adopted at that time, the issue of ageing populations and the approach to older people remained a focus for discussion, and in 1982 the UN adopted the Vienna International Plan of Action on Ageing at the first World Assembly on Ageing, thereby providing the first international instrument for action on development issues of ageing (ibid).

This plan of action identified three priority areas, with its thinking broadly defined by an understanding of ageing as both a social phenomenon with wide-ranging implications, and a question about the role, needs and contributions of the growing older population.

1. Sustainable development in a world exhibiting population ageing
2. The maintenance of good health and well-being in older age
3. The establishment of an appropriate and supportive environment for all age groups (adapted from UN-DESA 2008: 2).

The purpose of the plan was to help governments formulate their policies on ageing by guiding national and international efforts, and by strengthening the capacities of governments and civil society organisations to deal effectively with demographic ageing.

This was followed in 1991 with the UN's 'Principles for Older Persons'. The statement, which was adopted by the UN general assembly to provide a framework for policymakers to incorporate the rights and needs of older people into national development programmes, had a more narrow focus than the previous plan. It focussed on and underscored the contribution that older people make to their societies, and highlighted five quality-of-life characteristics: independence, participation, care, self-fulfillment and dignity (UN-DESA 2008: 3).

A decade later, the Madrid International Plan of Action on Ageing, adopted in 2002 at the Second World Assembly on Ageing, aimed to re-invigorate the political focus on an agenda on ageing, emphasising international cooperation and assistance in this area. This plan has guided the drafting of policies and programmes at the national level, aiming to inspire the development of regional and sub-national plans and providing an international framework for dialogue (UN-DESA 2008: 3–4).

The World Health Organization (WHO) launched its Age-friendly Environments Programme in 2007. It was the first pan-international effort to help cities and communities become more supportive of older people, by addressing their needs across eight dimensions:

- the built environment
- transport
- housing
- social participation
- respect and social inclusion
- civic participation and employment
- communication
- community support and health services (WHO 2007).

The WHO established the Age-friendly Cities and Environments Network to share their local experiences. A city or community that wants to become a member of this network must commit to continually assessing and improving its age-friendliness, involving older citizens throughout the process.<sup>5</sup> The cities also need their mayor or council to formally indicate their commitment to their localities becoming more age-friendly. Over 200 communities have joined the network, including a 12-strong UK network of age-friendly cities.<sup>6</sup>

### 3.2 EU-level action

Although limited by a lack of legal competencies, European institutions have mounted a response to demographic ageing through a series of strategic policy documents, creating an agenda for action. Ageing featured strongly in the Lisbon agenda for economic growth, published in 2000, but its priorities were markedly different from those of the UN and WHO, which took a rights-based approach. The European Council's agenda (EC 2000) focussed on the theme of active ageing policy, and related it to concerns about low growth rates, high unemployment and social exclusion. It called attention to the 'employment deficit' in the 55–65 age cohort, and the ways in which it was contributing to both the weakness of growth rates in the EU economy and the exclusion of many people from society.

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5 [http://www.who.int/ageing/age\\_friendly\\_cities\\_q\\_and\\_a/en/](http://www.who.int/ageing/age_friendly_cities_q_and_a/en/)

6 <http://www.bjf.org.uk/age-friendly/news/uk-age-friendly-cities-network>

In response, the Commission suggested better labour market policies and the establishment of a knowledge-based economy as means of promoting social protections systems which could ‘ensure sustainable pension provision within an “ageing” population’ (ibid), and greater focus on training, retraining and learning.

A specific EU-wide target was set at the European Council at Stockholm in 2001, which called for a net increase in the employment rate of older workers (defined as those aged 50–65) to 50 percent – a net growth of 5 million (CEU 2002). Furthermore, the 2000 employment directive<sup>7</sup> included provisions requiring EU member states to bring forward legislation to prohibit discrimination on the grounds of age in the labour market no later than 2006.

However, in 2004 the Kok review of the Lisbon strategy criticised a lack of progress towards meeting these objectives (European Communities 2004). The review posited population ageing as one of three main challenges facing the EU economy, and warned that strategies for lifelong learning and active ageing were not being put in place. It recommended that member states develop a ‘comprehensive active ageing strategy by 2006’, and a timetable linked to the implementation of the employment directive and the 2007–2013 financial perspective (a multi-annual budget) (ibid). He recommended that this strategy should include ‘incentives for workers to work longer and for employers to employ and retain older workers; increasing participation in lifelong learning for all ages, especially for low-skilled and older workers; and improving working conditions and quality in work.’ (ibid: 34)

Partly in response to the Lisbon agenda, EU institutions have produced several important reports on population ageing. In 2002, a Commission report stressed the potential difficulties of raising labour-force participation among older workers because of attitudes to older employed people and the required changes in policy (CEU 2002).

In 2003, guidelines for the employment policies of member states recommended ensuring access to continuing training, recognising the importance of health and safety at work and eliminating incentives for early exit from the labour market. The gradual raising of the average retirement age in the individual member states was another measure suggested.<sup>8</sup>

In March 2005, the Commission published its broadest EU document on demographic ageing. The green paper ‘Confronting Demographic Change’ called for a ‘new solidarity between the generations’, recognising that demographic change had implications for all parts of society, not just older people. It suggested three essential priorities which broadened the understanding of the response to ageing to include an effort to rebalance the demographic trends by promoting active family policies and childcare, and judicious encouragement of immigration; an agenda concerning intergenerational effects, ensuring a balance between the generations in the distribution of the benefits of growth; and finding new bridges between activity and inactivity for both older and younger people (CEC 2005). For the sub-national level, these priorities have also been reflected to some extent in subsequent EU cohesion policy, which aims to help support sub-national responses to demographic changes in regional and urban policy.

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7 European Council directive 2000/78/EC, 27 November 2000. See <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000L0078:en:HTML>

8 <http://eurofound.europa.eu/observatories/eurwork/articles/2003-employment-guidelines-and-recommendations-adopted>



### 3.3 UK national policy approaches

Until the end of the 1990s, the UK's responses to ageing tended to be fragmented and dispersed across different policy areas. However, attempts to develop a more coherent and integrated policy approach were promoted from 1998, inspired by the Millennium Debate of the Age (MDA), a two-year campaign run by Age Concern England and a range of partners. Inspired by the White House Conference on Ageing, the MDA initiated a national debate which ranged from high-level academic and policy discussion to public debates and events, in an attempt to shift perceptions and highlight the importance of the issue. Focussing on five broad themes – work and lifestyles, paying for age, health and care, values and attitudes, design and the built environment – its aim was to push the issue up the policy agenda and promote a strategic national response.<sup>9</sup>

Subsequent policy responses evolved in response. An important milestone was a report from the Cabinet Office's Performance and Innovation Unit (2000), *Winning the Generation Game*, which set out a comprehensive approach to changing the labour market for older people. It provided a framework for a focus on skills and lifelong learning, changes to the pensions system, and the implementation of the EU employment directive.

This was followed by the 2005 strategy paper, *Opportunity Age: Meeting the challenges of ageing in the 21st century* (HM Government 2005). This was presented as a cross-cutting response to ageing, and offered a programme of policies aimed at mobilising and supporting the growing older population. Commitments made in *Opportunity Age* which were subsequently delivered included the following.

- The introduction of **age discrimination legislation** in employment and training in 2006, implementing the EU employment directive; the creation of the Equalities and Human Rights Commission in 2007 to provide an independent equality body covering ageing; and the promotion of the Equalities Bill, which extended protection against discrimination by giving public bodies the public duty on to promote equality in the fields of goods, facilities and services.
- In the area of **employment and benefits**, reform of incapacity benefit and the introduction of the employment and support allowance in October 2008.
- In **education and training**, the Train to Gain initiative was introduced, accompanied by a range of measures to improve work incentives, including changes to pension rules (including those concerning working while receiving a pension, and pension deferral).
- Commitment to **lifetime home standards** as part of the 2008 'Lifetime Homes, Lifetime Neighbourhoods' strategy.<sup>10</sup>
- In **transport**, accessibility planning was introduced; free bus travel for over 60s was introduced locally in 2006, and then extended nationally in 2008.
- Measures concerning **leisure activities** included free swimming for over-60s in over 80 per cent of local authority pools from April 2009.
- In **care services**, the 'Our health, our care, our say' white paper<sup>11</sup> was published in 2006, and led to the 'Putting People First' social care transformation programme which was supported by an additional £500 million for each financial year between 2008/9 and 2010/11.
- The evaluation report on the **individual budget** pilot programme<sup>12</sup> was published in October 2008, and led to the national roll-out of personalised budgets.

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9 See <http://www.theguardian.com/society/1999/nov/24/guardiansocietysupplement6>

10 <http://www.cpa.org.uk/cpa/lifetimehomes.pdf>

11 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/272238/6737.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/272238/6737.pdf)

12 <http://www.york.ac.uk/inst/spru/pubs/pdf/IBSEN.pdf>

- In terms of a greater focus on tackling **pensioner poverty**, the Pension Service was developed as the Pensions Disability and Carers' Service, which launched in April 2008.
- Pilots of **joined-up working** and preventative services (Link Age Plus<sup>13</sup> and Partnerships for Older People Projects [POPPs]<sup>14</sup>) were completed and evaluated.

These initiatives were supported with a **stronger framework of governance**, including a cabinet committee responsible for a public service agreement which set out a commitment to older people's wellbeing as a top government priority. However, while *Opportunity Age* had grand aspirations, many of them were never realised. While the period between 1997 and 2005 was seen by many as an exciting phase for those involved in ageing policy, this 'mainstreaming' of ageing policy tailed off after 2005, when lead responsibility for it passed from the Cabinet Office to the Department for Work and Pensions. This had the effect of narrowing the focus of ageing policy onto employment and social security issues.

Nevertheless, with the completion and evaluation of this programme, a further paper, *Building a society for all ages* (DWP 2009), was published in 2009. This paper put forward a broader vision which went beyond issues of service delivery and the mobilisation of older people and began to put into place a societal approach to ageing, organised around a number of themes.

- **'Having the later life you want'**: promoting and supporting whole life planning and preparation for later life through financial security and social support networks, including the creation of an interactive 'one-stop shop' for helping people plan ahead and make decisions on a range of issues, from financial affairs to health concerns to opportunities for leisure and learning.
- An **'Active at 60'** package to build confidence, promote healthy ageing, education and training and provide information about lifestyles and relationships, supported by an all-in-one smartcard.
- **'Older people at the heart of families'**: recognising the role that grandparents play in families, and looking to further support this role by strengthening intergenerational relationships and care-giving, and also supporting those older people who are caring for both older and younger relatives at the same time.
- **'Engaging with work and the economy'**: continuing the programmes of work to boost labour market activity, including by abolishing the default retirement age, promoting entrepreneurship and self-employment, and seeking to develop older people as intergenerational mentors.
- **The grey market**: the creation of an 'innovation and growth team' of experts from academia, business and the age sector to promote business development, design and marketing to improve the focus and supply of goods and services.
- **'Improving financial support'**: reintroducing the link between earning and pensions to maintain older people's standard of living, and a continuing focus on improving the quality of private pensions available and the targeting of pension credit.
- **'Better public services for later life'**: strengthening the focus on lifelong physical and mental health promotion to improve health in older age, and greater focus in the care system on ameliorating the impact of conditions of old age to promote independence.
- **'A Good Place to Grow Old'**: for the first time, the development of a programme through a national agreement with local government to promote the importance of ageing issues at a local level, and provide funding to test

13 <https://www.gov.uk/government/collections/linkage-plus>

14 <http://webarchive.nationalarchives.gov.uk/+/www.dh.gov.uk/en/SocialCare/Deliveringadultsocialcare/Olderpeople/PartnershipsforOlderPeopleProjects/index.htm>

new and innovative approaches to delivering local services for older people. This became known as the Ageing Well<sup>15</sup> programme.

- A linked programme, 'Building communities for all ages', aiming to use a £5.5 million Generations Together programme to fund 12 intergenerational demonstrator pilot projects with the aim of stimulating strengthened intergenerational relationships and challenging stereotypes (adapted from DWP 2009).

This strategy was not implemented due to the change of government in 2010. The Coalition government has not published a cross-cutting strategy of this kind, and has adopted a different approach to the ageing agenda. Key initiatives which it has put into place include:

- following through on the abolition of the default retirement age in 2012
- protecting key aspects of the social protection framework, including pensions, free travel passes, and cold-weather payments, at a time of austerity and cuts in other public spending programmes
- the reintroduction of the link between pensions and earnings.

The lack of action and urgency at a national level, particularly since 2005, has transferred many of the challenges of an ageing population to local government and its partners. However, there remains no national strategy, and no specific resource allocation to support this work.

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15 <http://www.local.gov.uk/ageing-well>

## 4. ACTION AT LOCAL AND REGIONAL LEVELS

Approaches to ageing policy at the sub-national level broadly fit into one of two categories.

- 1. Programmes and projects developed to respond to funding programmes.** In most cases these programmes have been supported through European structural or transition funds, or as projects responding to national policy directions with central departments, often in the area of health. These initiatives tend to be quite limited in scope, or time-limited within the constraints of funding timetables, but larger in terms of free resources. However, there seems to be little evidence of effective mainstreaming into core resources from many of these, and many of the projects expire with their funding.
- 2. Mainstream programmes designed within core resources.** These initiatives tend to be more evolutionary, place-based and embedded in core funding programmes, and as such tend to be strategic rather than funding-led approaches. Because of this, they tend to operate over longer timescales and require more time to deliver changes, which are often difficult to attribute to a specific programme; indeed, many appear to operate within individual services. The most effective programmes in terms of surmounting this ‘departmentalism’ appear to be those that involve strong engagement of external actors, or user engagement. In addition to core and departmental finance, they seek to access external resources such as those highlighted above, which prove to be useful resources for experimentation and strategic development. Engagement in national and international networks, such as the Healthy Cities Network,<sup>16</sup> provides further opportunities for collaborative learning and experimentation.

Common to both of these approaches are, broadly speaking, three motivations. Some programmes and strategies focus on how to keep down the costs of ageing borne by the state. Others focus more on how to benefit the silver economy by attracting the silver pound and inward investment, and commercialising innovation linked to ageing and the rapidly expanding silver market. A third set of motivations concentrate more generally on how to make cities better places to grow old.

These three motivations are not mutually exclusive. Leeds, for instance, with its 37 ‘neighbourhood networks’ which support older people to take part in a range of social and cultural activities, focusses on both keeping costs down and making the city a better place to grow old. Newcastle, on the other hand, wants to make the city as age-friendly as possible through its Elders Council,<sup>17</sup> but is also aiming to incubate and market innovation in ageing through its Campus for Ageing and Vitality.<sup>18</sup> The best city ageing strategies should aim to make progress on all three fronts.

Many of these localised examples are linked to international programmes. For example, the WHO has developed an extensive Global Network of Age-Friendly Cities and Environments programme,<sup>19</sup> and as a result numerous developed nations have taken a city-regional approach to addressing issues of population ageing.

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16 <http://www.healthycities.org.uk/>

17 <http://www.elderscouncil.org.uk/>

18 <http://www.newcastle-hospitals.org.uk/hospitals/newcastle-general-hospital.aspx>

19 [http://www.who.int/ageing/age\\_friendly\\_cities\\_network/en/](http://www.who.int/ageing/age_friendly_cities_network/en/)

Other cases have been led independently from within cities or regions in response to identified opportunities or challenges, and have been supported either by the allocation of mainstream resources or by accessing external funds, for example from European or national programmes.

This chapter sets out five case studies highlighting good practice in this field.

## 4.1 International city strategies

### Case study 1

#### *Brabant: smart health and innovation*

The province of Noord-Brabant is in the south of the Netherlands, and borders Belgium to the south-west and Germany's North Rhine-Westphalia state to the east. Noord-Brabant is home to about 2.4 million people (EPRC 2006). It is a polycentric region with five medium-sized cities – Eindhoven, Tilburg, Breda, Den Bosch and Helmond – surrounded by a large number of close-by smaller settlements, with small rural territories in between. As with other provinces in the Netherlands, it has two levels of governance. Each province has significant responsibility for strategic-level functions such as transport and planning. There are also elected local municipalities which are responsible for local service provision. In Brabant, significant coordination functions and collaborative programmes are evident across a range of economic and social issues.

There have been three distinct phases in policy responses to demographic ageing within the province. These date back to the late-1990s, when the province introduced an €800,000 a year Vitality in Age programme. Its stated aim was: 'the retention of independence among older people and the increased influence of older people themselves'. Its primary activities were a range of smaller projects with local groups on issues such as computer literacy, safety and crime prevention, and better housing for older people. (EPRC 2006)

This was followed by a further phase of work which focused on raising awareness of demographic ageing within municipal government and civic society more widely. The Brabant *Between Rejuvenation and Demographic Ageing* initiative ran for the years 1999–2003, during which period time the provincial executive set itself six goals:

- *'to explore and clearly portray the consequences of demographic trends*
- *to share with others the knowledge and research results*
- *to bring about awareness and a change in attitudes (including drawing attention to ageing among ethnic minorities in the province)*
- *to explore, and help, other innovative initiatives responding to demographic trends*
- *to draw up a picture of what the role of the province should be so that Noord-Brabant would be better prepared for the future*
- *to expand internal knowledge of demographic ageing within the Provincial Executive (including making population ageing part of the agendas of individual policy departments).'*

EPRC 2006

An evaluation in 2003 reported that these goals had largely been achieved. The evaluation showed that it had been particularly successful in highlighting the challenge in rural areas and the economic opportunities (EPRC 2006).

Noord-Brabant became active in the pan-European Silver Economy Network, which was led by North Rhine-Westphalia and involved a number of regions across the EU, and which aimed to benefit from the economic opportunities of ageing. Noord-Brabant's particular focus has been to embed ageing within the wider innovation strategy for the region. As an example, the *Brabant Region of Smart Health 2020* sets the ambition to address demographic ageing through innovation, with the goal of easy independent living at home and healthy ageing.

This programme has been accelerated since 2013 with the aim of developing new products and services for citizens over a focussed two year programme. It is facilitating several regional networks that are already active in the field of Active & Healthy Ageing aiming to bring together municipalities, health insurance companies, health and social care organisations, housing corporations, user organisations, companies and knowledge institutes to identify ongoing issues and to take a problem solving approach. In this context it is supporting experimentation and open innovation in the following areas:

- **dementia:** stimulating crossover innovation in health care through collaboration between the public sector and innovative SME solutions
- **self-management and informal care:** raising awareness among all stakeholders and gather evidence on the impact of the use of innovative services and platforms
- **eHealth:** create a sustainable digital infrastructure and stimulate the wide-scale deployment of eHealth solutions.

It is also engaging in European regional networks such as European Innovation Partnership on Active & Healthy Ageing (EIPAHA) and focussed networks on themes like assisted living.

The experience in Noord-Brabant is an interesting example of a developmental and evolutionary approach with mainstreamed approaches and innovation emerging from an initial narrow focus. It illustrates clearly the long term nature of the issue and the value of ongoing evaluation and strategy development as the parameters and localised impacts of the issue are identified and understood. It also demonstrates the benefit of involving users in the development of the programmes, but also being able to recognise wider impacts, risks and opportunities which would not necessarily derive from the immediate group engaged.

## Case study 2

### *Livorno – ‘A Knowledge Province for Seniors at Work’*

The province of Livorno in Italy, a polycentric area in west Tuscany, has been working on a succession of European funded programmes to promote active economic activity among the over 50's over the two programming periods between 2000–2007 and 2007–2013. This is in response to an ageing population in the region caused by enhanced longevity and declining birth rates. Livorno is ‘characterized by a strong local diversified economy, with the interweaving of various productive specialisations, and a labour market that... [has] maintained stable levels of employment and lowered explicit unemployment’ (Breidahl et al 2008: 12).

The focus of local strategies for active ageing is based on continuous training and lifelong learning for the over 50s, and the programme sits within a broader Local Employment Action Strategy. The broader strategy has targeted actions at four target groups; the young, women, workers with atypical contracts, and senior workers (Daman 2007: 11). The project ‘Livorno : a knowledge province for seniors at work’ has focussed on the promotion of a knowledge-based labour market which can maintain senior workers from the production sector in work, by taking action to prevent them from becoming redundant and supporting the return of those who have lost their jobs for whatever reason to return to work. As well as involving local private and public sectors, it has learned from transnational relationships with partners from Belgium, Ireland and Denmark, (ibid: 11) and an evaluation report on the work up to 2007, published in 2008, reports on the programmes carried out across the four countries (Breidahl et al 2008).

In Livorno, the key activities in the programme to 2007 were:

- personalised and flexible vocational training courses
- the establishment of a helpdesk to give career advice and support to the over-50s
- encouragement for senior apprenticeships

- financing for business start-ups (adapted from Daman 2007: 11).

Particular attention was given to the different needs of older men and women (ibid). 'The project has offered older workers the opportunity to redesign a conscious plan of life and career with the support of operators, facilities, tools that have helped make them active, conscious and competitive' (Breidahl et al 2008: 12).

The project has been led by the province of Livorno, who provided leadership, partner coordination, political relationship management at all levels, and the commissioning framework. However, the programmes themselves have been delivered through other bodies and organisations.

- **Public authorities** – acting to shape local services to be conducive to employment of older workers and providing guarantees to support creation of businesses and jobs for the over-50s.
- **Equality bodies** – who contributed to the implementation of gender policies through the promotion of potential employment of female older workers.
- **Trade associations** – who contributed to engagement of the target audiences, paying particular attention to the identification of more professional backgrounds in the local market.
- **NGOs** – acting to promote agreements aimed at ensuring the balance between flexibility and security.
- **Permanent territorial centres** – responsible for adult education, used their structures and human resources to implement programmes of employability training activity for the over 50s.
- **The University of Florence** was engaged as the scientific coordinator, providing evidence and monitoring the development and delivery of the work (Breidahl et al 2008: 14).

Since 2007, the main focus for the programme has been job creation, and linking across to wider programmes of social inclusion, integration and intergenerational relations. Among the first projects approved under the programme and added to the work programme was one designed to promote better-quality employment experiences: 'Better jobs for 50 plus', which learned from other European experiences of attempting to improve the quality of labour-market participation of workers over the age of 50.

### Case Study 3

#### *Toyama Comprehensive Welfare Plan for the Elderly*

Japan's Silver Human Resources Centres provide a good example of how institutions can help match up older talent with work opportunities, thus ensuring that this available talent is better utilised. Of all countries, Japan is experiencing demographic ageing at the fastest rate. Since they were initiated in Tokyo in 1974, the network of Silver Human Resources Centres<sup>20</sup> has grown rapidly, with the aim of creating 'dynamic communities and to support meaningful and fulfilling lifestyles for older persons through the provision of appropriate work opportunities' (ILCJ, no date) for those aged 60 or over who want to take them up.

The centres offer a new framework for older people to work in the community, and were consolidated as a national initiative by a law passed in 1986. Today there are Silver Human Resources Centers in about 1,600 municipalities throughout Japan.

The International Longevity Centre Japan describes the work of the centres as follows:

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<sup>20</sup> Source to International Longevity Centre, Japan website



*'Each Center is contracted work by corporations, households, public organizations, and others and then it allots the work to its registered members based on the work content, frequency, and volume. Members receive a financial disbursement from the Center calculated based on the content of the work they performed and the number of hours they spent.'*

ILCJ, no date

The work that the centres undertake can be roughly divided into seven categories, including:

- indoor and outdoor general work (for example cleaning parks, weeding gardens, or security and cleaning)
- facility administration (such as car parks, schools and community centres)
- office work (general office work, reception work, addressing of envelopes)
- Specialised work (bookkeeping, translation, computer programming)
- Customer services (reading of meters, delivery services, sales)
- Public services (traffic control, housekeeping)
- Technical skills (Gardening, carpentry, repairs) (adapted from ILCJ, no date).

Some centres offer classes and training programmes to their members to enable them to engage in a wider range of work opportunities. These can be varying lengths depending on members' job aspirations, and include highly specialised roles such as nursing and other care services. They commonly offer housekeeping and childcare, as well as mentoring for other older people (ibid). The City-Region of Toyama was created in April 2005, by bringing together previous administrative arrangements across Toyama and a number of surrounding towns and cities, in order to create a coherent strategy of managed change and critical mass at a time of and ageing and declining population (Kono 2008). As a result of this combination of factors the city was experiencing significant decline in population density and the agricultural industries which were key to its local economy were struggling to maintain a labour force (ibid). Through a combination of urban redesign around transport routes and improved public transport and the environmental and housing offer, the city administration has managed to concentrate its population in a smaller area, supporting the sustainability of the city centre economy and community, and reducing the costs of travelling and environmental degradation. Alongside, there has been a strategy to maintain the agricultural sector and food security by linking farms in the surrounding areas more strongly to farmers who have located themselves in the city. And a third strand of the city strategy has been about the mobilisation of the older population of the area.

Within this context, the Toyama Comprehensive welfare plan for elderly has been created for the period 2012–2014 with the aim of using the older population to fill gaps in the labour market through Silver Human Resources Centres. One of the key approaches has been to deploy older workers through a specialized Silver Human Resources Centre, enabling the replacement of retiring farmers with a new source of labour from among the over 65 population. One particular initiative has been to link the ageing workforce agenda with the agricultural agenda through a focus on growing medicinal ingredients designed to maintain health for people of all ages through a Health Longevity Centre. This has also been linked to the development of a cluster of research assets within the city on experimental nutrition and molecular biology.

## 4.2 UK city strategies

The UK is known to be one of the most centralised nations in the developed world, and many of the main policy drivers of economic development, employment, health and social care are held by central government.

However, some cities which have developed their own strategies for addressing issues of ageing. Furthermore, beyond these leading examples many other cities



and towns have shown interest in and commitment to working in this area, driven by the growing realisation that these issues are genuinely important to the future of their local economy and civil society. It is also the case that there is little policy direction coming from the UK government to deal with this issue, so local areas have had to take their own initiatives.

As with the international case studies highlighted above, those that have been most successful in implementing ageing strategies have cited long-term and sustained high-level political commitment as being an essential component of their success. This has certainly been instrumental in the success to date of the strategies of Manchester and Newcastle – the two English cities internationally recognised as having exemplary ‘age-friendly strategies’.

Manchester declared itself an age-friendly city as the next step of its ‘Valuing Older People’ strategy, which was launched in 2003 (MCC 2014: 79). In Newcastle, a strong collaboration between Newcastle University, the NHS and the local authority has seen the development of a strategy for innovation around the themes of ageing and health, linked to Newcastle Science City. While these are ground-breaking initiatives, even they have remained disconnected from some of the wider strategic approaches being taken forward in their cities, –for example, on economic development of wellbeing, an issue that both are seeking to address at present.

#### Case study 4

##### *Manchester – a great place to grow older*

Manchester was the first UK city to be accepted into the WHO Global Network of Age-friendly Cities in 2010, and has a ten-year strategy, ‘Manchester: A Great Place to Grow Older’, which sets out how it can become a more age-friendly city, where older citizens have a high quality of life and have a key civic role in the city (MCC 2014). Manchester has perhaps done more than any other UK city to ensure older people input into the broadest possible range of the city’s projects.

The Age-friendly Manchester Older People’s Board (formerly the Valuing Older People board) and a dedicated multi-agency staff group make sure that older people have a voice in a broad spectrum of the council’s work. There is also wider consultation through the Manchester Older People’s Forum, which has a membership of around 180 and meets three times a year. The programme has taken a ‘citizenship approach’ to ageing, as opposed to medical and care approaches. This is set out below in table 4.1.

**Table 4.1**

Comparison of citizenship-based, medical and care policy approaches to ageing

Medical	Care	Citizenship
Patient	Customer	Citizen/rights to the city
Focus on individual	Focus on individual, family and informal networks	Focus on neighbourhood and city
Clinical interventions	Care interventions	Promoting social capital and participation
Commission for ‘frail elderly’	Commission for vulnerable people	Age-proofing universal services
Prevention of entry to hospital	Prevention to delay entry to care system	Reducing social exclusion
Health (and care system)	Whole system	Changing social structure and attitudes

Manchester council’s efforts to ensure that policymaking across its work is better joined up is benefitting older residents. Examples of this work include the following.

- A **positive images of ageing campaign**, which has included taking over city-centre advertising sites, and producing exhibitions and calendars that challenge ageist stereotypes.
- The city's **cultural offer for older people** which features 20 city arts and heritage agencies working together to extend older people's involvement in cultural production and planning, targeting the most vulnerable and excluded.
- The **age-friendly locality programme**, which involves setting up networks of frontline staff groups, providing small grants and giving older people a voice in local decision-making.
- A range of **demonstrator neighbourhood projects**, most notably the Age-friendly Old Moat project. Funded by Southway Housing Trust, this project used a range of participatory research methods to explore spatial and social aspects of ageing to draw up a partnership plan of action.

The council recognises, for instance, that the health and care system needs to play a part in helping people move into work and remain in work, as employment is a key determinant of health. The out-of-work population has a 20 per cent higher rate of preventable deaths, and one in seven unemployed men is diagnosed with clinical depression within six months of losing their job (Eeckelaers and Regan 2014). A strong economy and a healthy population are mutually reinforcing and therefore better integrating work and healthcare programmes can have real benefits. Older workers naturally are among the largest beneficiaries of such an approach. This approach can, however, run up against challenges created in coordinating actions by multiple bodies – the council, the combined authority, CCGs and DWP.

Manchester is trialling having GPs send patients who have been off work for two weeks to a 'fit for work' service run by the council. The motivation behind the service is to minimise the risk of that person falling out of the workforce permanently, and where possible to speed up their journey back to work. A whole personal assessment is done of the patient's needs and they can then be prescribed with any of (or a combination of) fast-tracked physiotherapy sessions, debt and relationship support and brokering with employers workplace changes for when the patient is ready to return to work. There is a similar service tailored for those unemployed and with a health condition. Some have passed the work capability assessment test but can benefit for instance from basic skills courses and a focus on increasing confidence skills.

The University of Manchester also has a research institute, the Manchester Institute for Collaborative Research on Ageing (MICRA), which promotes innovative research on all aspects of ageing. Its aim is to bring academics, policymakers and older people together to bridge the gap between academic research, and policy and practice.

*'Manchester has established itself at an international level as a leading authority in developing one of the most comprehensive strategic programmes on ageing.'*

John Beard, Director, Department of Ageing and Life Course,  
World Health Organisation

## Case study 5

### Newcastle – 'Everyone's Tomorrow'

In 2007 Newcastle city council published the plan *Everyone's Tomorrow*, alongside the Elders Council of Newcastle and the Quality of Life partnership, with the aim of making Newcastle more age-friendly (NCC 2007). The Elders Council is a key part of this and meets every two months, with as many as 800 older citizens attending its meetings.<sup>21</sup> Newcastle University has done a lot in developing innovation around the theme of ageing. While it has yet to have a major breakthrough in commercialising its

21 <http://www.elderscouncil.org.uk/>

research, it has an aspiration to develop an internationally renowned cluster on ageing expertise in the same way that London has its financial services and Aberdeen has oil and gas. It attributes its success to date to starting early, first in medicine in the 1960s, before expanding out to social sciences dealing with ageing. However, the jewel in its crown is the world's first Campus for Ageing and Vitality. Other European cities are now starting to catch up, particularly in the Netherlands.

One area in which cities often could do more is working with local business community to show them the economic benefits that age-friendly cities could deliver for their businesses. Newcastle through its *AdvantageNewcastle* and *Changing Age for Business* projects has tried to do this. The projects managed by Newcastle Science City and the University respectively have been helping business leaders within the city region to work out how they can gain a competitive advantage through placing more focus on the ageing population.

Newcastle University has tried to help businesses take advantage of the opportunities linked to ageing. Its original model was to use academics on a consultancy basis. Now they make use of intermediaries who are cheaper than academics, interested in real world solutions and speak both the languages of academia and business. The university also provides public input into the research process. It recruits experienced older people to help shape researcher's research, including what they are researching and how to make the research as useful as possible. Businesses also want to understand how to market their products to older consumers.

## 5. THE SILVER ECONOMY

### REALISING THE OPPORTUNITY

Each of the case studies in the previous chapter demonstrates the importance of adopting both social and economic approaches to demographic change, which typically stand in contrast to – or alongside – medical or health-and-social-care approaches.

Drawing on these case studies and other specific examples set out below, this chapter attempts to set out three different ways of understanding the as-yet untapped potential of the growing older population: as producers, as consumers, and as investors.

#### 5.1 Silver producers

There has been a substantial increase in the number of older workers over the past two decades, and this trend is getting stronger. The employment rate of workers aged between 55 and 64 in the UK has increased markedly in recent years (Eurostat 2014: 3). The employment rate among those aged 65 and over has increased faster still, and has grown faster than that of any other age group over the last decade. The number of workers working beyond the state pension age nearly doubled from 753,000 in 1993 to 1.4 million in 2011 (ONS 2012). A variety of factors have contributed towards these increases – from improved health and wishing to remain active in society, to more people experiencing financial burdens which leave them with no choice but to keep working.

The average older worker differs in a number of ways from other workers. Older workers are far more likely to be self-employed. Equally, they more often tend to be working part-time: around two-thirds of workers above state pension age work part-time, compared to 25 per cent of those below that age (ibid). While larger employers such as B&Q or BMW tend to be thought of as being the most older-employee-friendly (as is discussed below), older workers are in fact more likely to stay on in smaller firms.

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#### **BMW: adapting its workplaces for older workers**

While many companies have adapted their workplaces for older workers, BMW have been able to quantify the benefits of doing so. Their efforts highlight the fact that small and relatively cheap changes can reap substantial benefits. BMW made 70 small but wide-ranging adjustments, such as orthopaedic footwear and adjustable work tables, to one of their plants, at a total cost of approximately €40,000. This led to defects on the line being reduced to zero, decreased absenteeism, and an overall rise in productivity of 7 per cent. These changes to the physical work environment were implemented alongside better health management and training, options for phased retirement, and more flexible working models. For instance, workers have a ‘full-time select’ option which allows them to take up to 20 additional days of leave each year (Erfurt et al 2012).

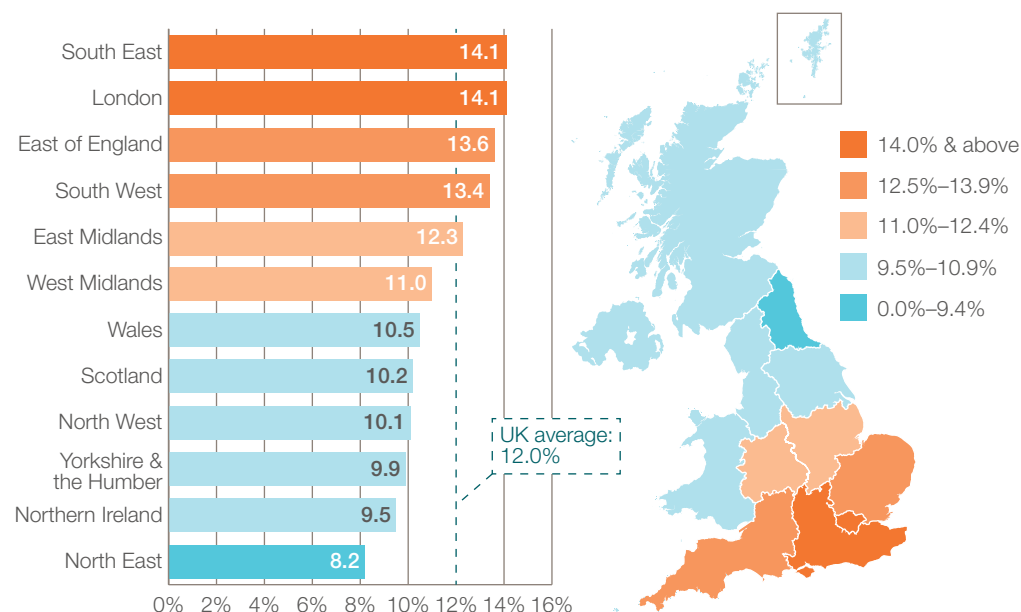
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There is a clear gender divide in terms of the typical job held by older workers. While two-thirds of men working above the state pension age had jobs classed as higher skilled, the same proportion of female workers were in lower skilled jobs (ONS 2012). Women are also more likely to have to balance work with caring responsibilities (or give up work altogether for this reason). Nonetheless, it is

women who have largely driven recent increases the in employment rates of people in their 50s and 60s (Ben-Galim and Silim 2013).

As with other aspects of our analysis, there are significant spatial variations to these overall patterns. The South East and London, closely followed by the East of England and the South West, have the highest employment rates among those above the state pension age. The three northern regions, on the other hand, are in a much less developed position, with the lowest rates of employment among older people of the English regions. There are distinctive population issues for northern regions which explain these statistics, which reflect the long-term demographic consequences of its industrial history in terms of skills and health profiles, and the consequences of the economic transition which, over the last few decades, has caused many older workers to become unable to use their skills.

**Figure 5.1**  
Older worker employment rates by UK region, 2010/2011



Source: ONS 2012

### Are older workers keeping the young out of work?

The alarming rise in youth unemployment has been the one of the most visible trends of the recent economic downturn. By contrast, older workers seem to have weathered the recession much better. Delving underneath the headline figures, however, shows that the picture is somewhat more complex. While the UK employment rate of workers aged between 55 and 64 has increased, it continues to be much lower than the overall employment rate of the total workforce. In particular, for those unfortunate enough to become unemployed, the picture is much less rosy for older citizens. Almost half of those over-50s who are unemployed have been out of work for more than a year, compared with a quarter of unemployed 18-to-24-year-olds (ONS 2013b).

Long-term effects can be obscured by shorter-term policy concerns. Youth unemployment is rightly a key concern for policymakers at the moment, but that should not mean that responding to the changing shape of the labour market, which is impacting every country within the OECD as a result of ageing, should become less of a priority.

The idea that older people working longer locks younger people out of the workforce is based on the fallacy that there is always a fixed amount of work to be done. It is possible that in individual cases, an older worker staying on might prevent a younger

worker taking a specific job. However, they will not always be competing for similar roles, and more importantly, the more people are in work, the more consumers with money there are. This in turn leads to growth in the economy and the potential for more jobs. For instance, in the US the National Bureau of Economic Research could not find any evidence of older workers taking jobs away from younger ones (Erfurt et al 2012). Researchers in Canada and France found evidence that greater workforce participation among older people was associated with greater participation among young people, due to the increase in the overall economic pie (Baker et al 2010). Trying to play one generation off against another is not only unhelpful, but is based on false economics. The role that older people play in looking after grandchildren while their parents are out at work highlights the importance of intergenerational cooperation in modern society.

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Recent changes to employment support allowance (ESA)/incapacity benefit (IB) have increased the pressure on inactive sick and disabled claimants, which means that we can expect more people to register as jobseekers or enter the workforce. Since about half of current ESA/IB claimants are over 50, many older people have been compelled to re-enter the labour market. There is a real danger that many will struggle to find jobs and be left in a precarious financial position.

Becoming or remaining an employee is not the only option for remaining in the workforce. Senior entrepreneurship is at its highest level ever, with approximately 600,000 individuals over the age of 50 engaged in early-stage entrepreneurial activity (Levie et al 2013). As highlighted by N8 research, there is significant potential for start-ups by the over 50s to capitalise on the business opportunities arising from demographic change and an older population, if given the right support (Cannon and Kurowska 2011). This is particularly true of the lifestyle, tourism and leisure, life enhancement and assisted-living markets. 'Olderpreneurs' also tend to be more successful in terms of start-up survival rates: 70 per cent of start-ups founded by older people were found to last longer than three years, in contrast to only 28 per cent of those created by younger entrepreneurs (Patel and Grey 2006). One representative survey of 46–65-year-olds found a seven-fold increase in those wanting to start up a new business venture relative to their parents' generation (Standard Life 2009). There would be potential for the number of older entrepreneurs to grow much higher, if they were given the same access to seed capital and funding that younger entrepreneurs have. Would-be 'olderpreneurs' often are confronted by age-limits for financial products and higher interest rates for loans, or excluded from insurance products (Erfurt et al 2012).

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#### 'Olderpreneurs': case-studies

The Prince's Initiative for Mature Enterprise (Prime)<sup>22</sup> has helped a large number of unemployed people over the age of 50 to start their own businesses. The case studies below give a sense of the breadth of the enterprises started by older people, and the individual circumstances and misfortunes that ultimately led to their creation.

#### *Anne Williams (59, from Stamfordham, Newcastle upon Tyne)*

Anne was made redundant from her last job. Having begun her career with Proctor & Gamble, and since worked at BBC TV Newcastle, the National Trust and AQA, Anne decided to use her considerable project-management, secretarial and PA skills to start a virtual personal assistant business, LinchpinPA.

Running the business from home, Anne has been able to secure 20 clients, two of whom she works for on a daily basis. To further boost her business, Anne secured funding from the North East Rural Growth Network for marketing support, and has since been asked to be a guest blogger for Clarand Accountants. She also has close relations with Colleagues on Tap, a network to help home-workers.<sup>23</sup>

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22 <http://www.prime.org.uk/>

23 Adapted from <http://www.prime.org.uk/everyone-needs-a-linchpin/>

*Tony Palmer (58, from Basildon, Essex)*

At the age of 52, Tony was hit by a double blow: he was made redundant, and was diagnosed as suffering from myalgic encephalopathy (ME). Despite applying for a number of opportunities he never found a new job, and decided to cash in his pension to fund a glass-engraving business – Crystal Mountain Glass.

After getting advice and support from Prime, attending workshops provided by HM Revenue and Customs on tax, and joining a local business club, Tony has been able to make Crystal Mountain Glass into a sustainable business. Working from his workshop located in his home, Tony exports to countries across the world, including New Zealand, Australia, the Caribbean, the US and Canada. He has also produced awards for Transport for London, the Greater London Authority and the Child Poverty Unit in Whitehall.<sup>24</sup>

*David Buck (59, from Bolsover, Derbyshire)*

David was a fitness instructor, but doctors advised him to give it up as he was causing permanent damage to his knees. Fitness had been a major part of David's life, so when he was looking at his options he decided to turn his hobby of microlighting – flying small aircraft – into a business, offering trips and lessons to paying customers.

After a staggered start, Microlight Flights has taken off, and David has gone on to establish a successful business, employing several people and investing in a state-of-the-art flight simulator to help train his clients how to pilot a microlight aircraft. David wants to continue to grow the business and has future plans to add two more aircraft to the flight school and further develop his simulator to a full-motion one with a wrap-around screen, which would make it the first of its type in the UK. Furthermore, David is developing new headsets for his microlight aircraft, as well as looking to sell the on-board camera system unique to Microlight Flights, which was developed by a successful entrepreneur from the TV show 'Dragons' Den'.<sup>25</sup>

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Beyond simply keeping them in work, the accumulated knowledge of older people can and should be better harnessed within the workplace. Older workers have often built up a vast amount of experience from working in the same or similar fields for many years. This expertise is not being properly utilised in workplaces, and by society at large. We need to look at how we can start to make the necessary cultural shift to ensure that this under-utilised knowledge is better understood and fully made use of. This can range from informal mentoring through to more structured training.

### **Flexible working and wider social contributions**

Older people obviously contribute to wider civic society in many ways other than through employment, including the contributions they make as carers and as grandparents (which will be outlined later in this report). In fact, 55 per cent of people in their 60s and 28 per cent of those in their 70s volunteered or provided unpaid care in the last month (Lawton 2013).

Too many workplaces and jobs continue to be organised around the ideal of a full-time employee who has no caring responsibilities or health issues. The actual workforce, by contrast, is growing ever more diverse. This creates a mismatch, which in turn leads to lower workforce participation rates and increasing numbers of people becoming marginalised in lower quality jobs as they are unable to fit this full-time ideal (OECD 2006). When asked about their aspirations for their long-term futures, a representative sample of 46–65 year olds stated that they wanted to continue to be involved in work but on their own terms (Standard Life 2009). Making employment work for older people in this way is key to keeping more of them in the workplace for longer. This might be achieved in part by adapting the workplace to allow for their reduced agility, and though providing them increased flexibility to continue working efficiently but balance this with other demands such as caring for relatives.

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24 Adapted from <http://www.prime.org.uk/success-is-crystal-clear-for-entrepreneurs-glass-business/>

25 Adapted from <http://www.prime.org.uk/david-sets-up-a-flight-business-that-soars-to-success/#more-10402>



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### Killby & Gayford's flexible working

The construction firm Killby & Gayford has made use of a number of flexible working options to retain the skills and experience of older workers, including:

- part-time working for later phased retirement
- a pool of skilled retired employees to provide holiday cover, as a better alternative to agency workers
- ad hoc consultancy contracts to retired, professionally qualified employees
- flexible working to help employees who are returning to work after serious illness, or supporting them through periods of care for ill relatives.

The firm has found that employing workers on a flexible basis – whether part-time, on condensed hours or working on a project specific – makes real business sense. It allows them to make a bigger return on investment in training and development, and benefit from retained skills and knowledge (HM Government 2012).

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## 5.2 Silver consumers

Statistics are often quoted showing that older people own the lion's share of private wealth in the UK, but there is also evidence that they are spending it. The older population is responsible for 40 per cent of consumer demand in the UK, spending £200 billion per year, yet they only attract 10 per cent of the marketing spend (Harper 2009). A 2010 survey found that 39 per cent of over-65s thought that businesses had little interest in their consumer needs (Age UK 2014). In fact, over the past two decades, consumption by Europeans aged 50 or over has risen three times as fast as that of the rest of the population (Deloitte 2009: 8).

Of course, older consumers are not a homogenous group. In terms of different cohorts, average household wealth peaks in the 55–64 age group, and then slowly falls among older cohorts (ONS 2014a). Much of this fall is due to reducing pension wealth. In terms of financial assets, households headed by an older person hold considerably larger sums. Average net financial wealth peaks among households headed by someone aged 55–64 (£18,000), and although it falls to £10,000 for households with a head aged 85 or above, this is still much more than, for instance the 35–44 year old cohort (£2,500) (Daffin 2009: 33). It is therefore difficult to understand why most businesses make a clear distinction between 20-year-olds and 40-year-olds, yet lump 50- and 70-year-olds together into the same category.

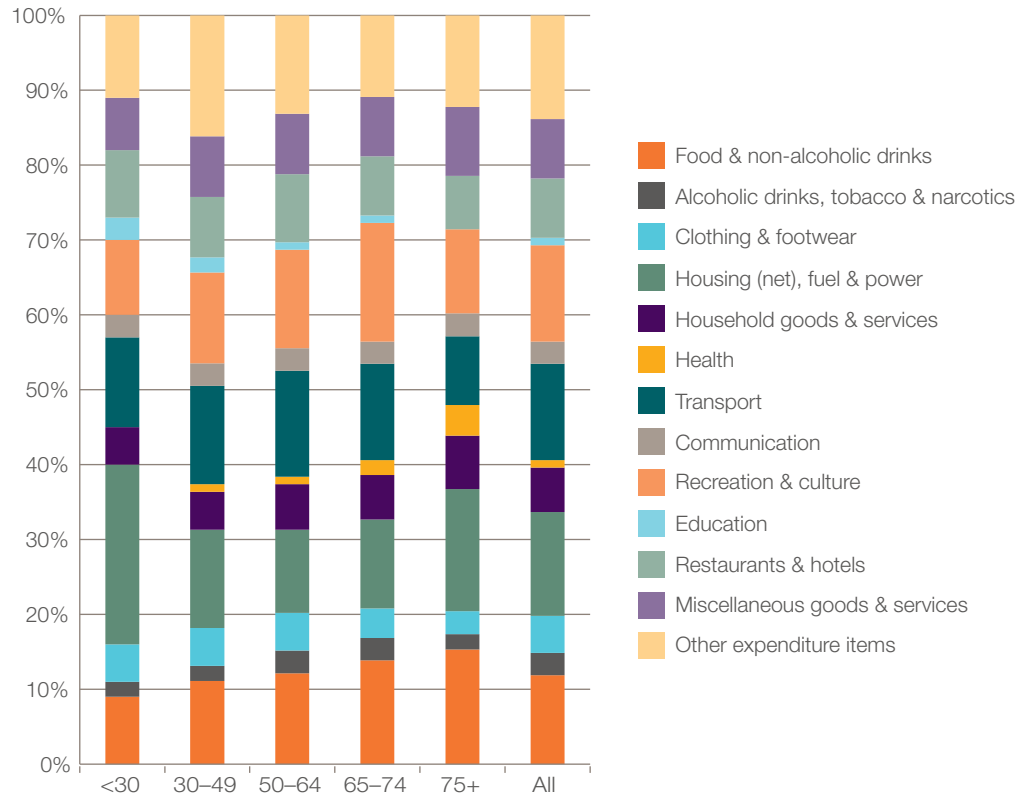
When people think of the silver economy, they immediately think of the obvious sectors – healthcare, pharmaceuticals and adapting homes for independent living. An overlapping high-growth market is that of health and wellbeing, with more people wanting to live healthier for longer. However, older people constitute large proportions of consumers in many other broad sectors, particularly leisure and tourism, financial services, consumer goods, food and beverages, retail and technology. Households with a head of household aged between 50 and 64 spend more on both health and recreation than any other age category (Skentelbery 2008: table A13). Over 50's in the UK buy, for instance, 80 per cent of all top-of-the-range cars, 50 per cent of skincare products, and 80 per cent of leisure cruises (ActiveAge 2012).

The proportions of household expenditure spent on some goods and services vary quite considerably between different age groups, as table 5.2 below shows. Food and health account for an increasing proportion of household budgets as people get older. The proportion spent on recreation and culture, by contrast, increases when the household reference person is 65–74 but decreases for the 75-and-over category. The proportion spent on communication remains fairly consistent across all age categories.



**Figure 5.2**

Household expenditure as a percentage of total expenditure, by age of household reference person, 2012



Source: ONS 2013c

There is still a gap between what older consumers want and what the markets are providing. Products, services and marketing need to be better tailored to this high-growth market. Marketeers report being uncertain about how to communicate with older people, although companies such as Marks and Spencer and Dove have shown that this barrier can be overcome (ActiveAge 2012). The perception of seeing older people as savers rather than also consumers also must be challenged.

Firms such as Intel, General Electric, Danone and Philips have set up dedicated research initiatives to understand more fully the needs of older consumers, covering diverse areas from nutritional needs to retirement plans (ibid). However, there is evidence that medium- and smaller-sized businesses are more responsive to older consumers, creating wholly new products and services (EIU 2011).

#### Attracting the older consumer

Kaiser Supermarket in Berlin redesigned itself to suit the needs and requirements of its older customers. This included a variety of small but significant changes such as lower shelves, larger labelling, and trolleys with seats. In the four years following this redesign, more than 60 per cent of its customers were aged over 50, and sales increased by 25 per cent above forecast figures. A Tesco store in Newcastle near the Campus for Ageing and Vitality sought advice from this Kaiser Supermarket regarding how they might replicate some aspects of their approach.<sup>26</sup>

<sup>26</sup> <http://www.dailymail.co.uk/news/article-1050195/Tesco-reveals-Britains-pensioner-friendly-supermarket-magnifying-glasses-seats-trolleys.html>, and <http://news.bbc.co.uk/1/hi/england/tyne/7587427.stm>

A good example of a company getting it right in terms of marketing their product to the older consumer is Müller. In 2011 they recruited Joanna Lumley as the face of their advertising campaign for Vitality, the UK number-two bestseller in the ‘functional drinks’ market. After extensive market research she was chosen to appeal to the brand’s ‘holding back the years’ group, aged 55–70 (ActiveAge 2012). The campaign championed maintaining good health through balanced meals. Nonetheless, a lot of advertising is failing to impress older citizens. One 2005 study found that 70 per cent of over-55s felt that advertising did not speak to their needs (Metz and Underwood 2005).

Sometimes the simplest adjustments can make huge differences to older consumers. Adapting existing products and services so that they meet their needs can be just as beneficial as creating brand new products.

*‘In many European cities one of the main groups eating out in restaurants are those over 50, yet very few 50-year olds are able to read a menu by candlelight without their reading glasses. That is because menus are usually designed by young people... and not for senior citizens. What a crazy situation: the people who the restaurants want to market to cannot read their sales literature.’*

Patrick Dixon, quoted in ActiveAge 2012

Many older people fear having to be dependent on others. Nine per cent of 70–74-year-olds, and 32 per cent of the 85–89 age group, reported that they had difficulties with shopping (UK Data Service). E-commerce can help overcome these difficulties, and we can see from table 5.1 below that for certain items such as holiday accommodation and books, magazines and newspapers, the over-65s are already just as likely as younger cohorts to have made online purchases over the last 12 months.

**Table 5.1**  
Purchases over the Internet, by age group, 2010

	16–24	25–44	45–54	55–64	65+	All
Clothes, sports goods	58%	45%	46%	43%	38%	52%
Films, music	50%	50%	33%	27%	25%	47%
Holiday accommodation (e.g. hotels)	46%	53%	54%	47%	44%	44%
Household goods (e.g. furniture, toys)	52%	41%	46%	39%	37%	43%
Books, magazines, newspapers (including e-books)	40%	43%	39%	41%	40%	39%
Other travel arrangements (e.g. transport tickets, car hire)	36%	42%	48%	35%	32%	36%
Tickets for events	37%	40%	34%	21%	19%	35%
Electronic equipment (including cameras)	31%	24%	22%	14%	15%	25%
Food or groceries	32%	25%	16%	17%	17%	24%
Video games software & upgrades	30%	20%	9%	8%	8%	23%
Share purchases, insurance policies & other financial services	24%	23%	18%	13%	11%	20%
Other computer software & upgrades	18%	17%	23%	22%	20%	18%
Telecommunication services	17%	14%	16%	13%	13%	15%
Computer hardware	13%	15%	14%	11%	10%	13%
e-learning material	8%	5%	2%	2%	2%	6%
Medicine	6%	6%	9%	12%	10%	6%
Other	4%	6%	7%	5%	5%	5%

Source: ONS 2010: 15

Some city administrations have played a key role in helping local companies better adapt their products for, and market them to, older consumers. Newcastle and Brabant, discussed in the previous chapter, provide two particularly notable examples.

### 5.3 Silver investors

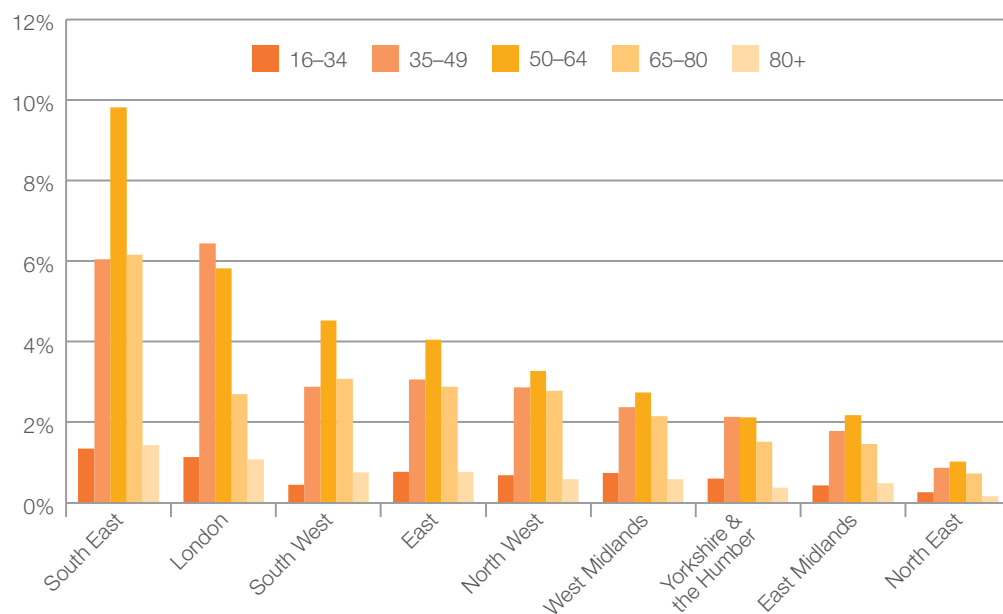
As wealth has concentrated towards the older segments of the population, there has been increasing discussion about how to mobilise it.

This wealth is concentrated in many locations – in pension funds, in housing and other property, and in a range of other capital and financial assets. While discussions about the role of pension funds have tended to focus on the institutions that hold these assets, debate about the potential roles of older people’s accumulated wealth in housing and other locations must focus more directly on older people themselves. In policy circles the most emphasis has been put on unlocking this wealth to enable older people to provide their own financial support in later life.

Housing is the most widely spread asset: in 2011, 74 per cent of households in England owned their home (ONS 2011c),<sup>27</sup> and despite wide variations in regional wealth patterns, the demographic concentrations are common across the UK with the highest concentrations of housing capital in the older age groups (see figure 5.3).

**Figure 5.3**

Housing wealth distribution in England, by region and age bracket, 2011



Source: Searle 2013: 1

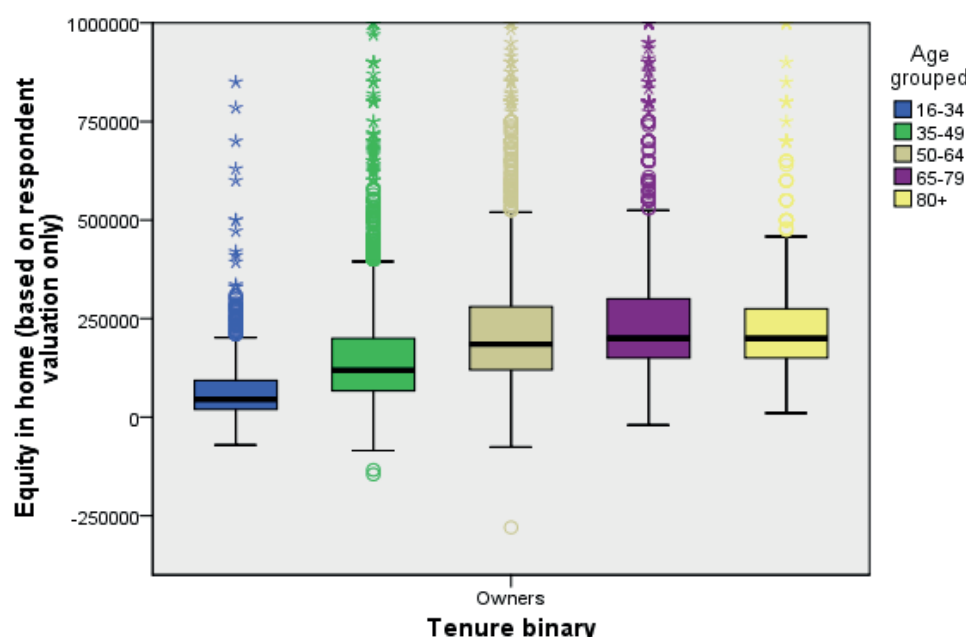
Significant shifts in housing tenure over the last two decades mean that older households (aged 65 and over) are more likely to own their home outright in 2011 (71 per cent) than in 1993 (56 per cent). Other segments of the population are experiencing delayed purchasing and are therefore renting more. In 1993 over half (56 per cent) of people under 35 had bought their own home, while one-fifth

27 This includes outright owners and people buying with a mortgage.

(20 per cent) were renting in the private sector. In 2011 this situation had almost reversed: 34 per cent had bought their home, while 46 per cent were renting privately (Searle 2013: 3).

Housing patterns within the older segments of the population are highly diverse, and that diversity is greatest among 50–64-year-olds. ‘Within this group housing equity ranges from -£280,000 (negative equity) to £1 million or more [and] there are also 0.7 million people in rented accommodation who have no housing equity’ within this age group (ibid: 2). Similar variations exist in the over-65 age group, and as longevity increases and the wealthier cohorts live longer, it would be reasonable to expect this wealth to move through the age ranges accordingly.

**Figure 5.4**  
Distribution of housing wealth (£) in England by age, 2011



Source: Searle 2013:2

These trends offer both economic opportunities and challenges. Attempts to release these resources into the economy through equity release products are slowly developing: rather than just products which release cash, they now include equity release mortgages. However, there are reservations about these products – significant questions have been raised about their desirability because of the level of charges levied by financial services companies to help manage the levels of risk inherent in this area, and wider concerns expressed about eroding what is widely seen by older people themselves as a familial asset to be passed on through inheritance, especially where that asset was previously inherited. The industry itself has recognised the need for more innovation.<sup>28</sup>

Other approaches to the use of housing wealth have included the creation of retirement communities, which seek to attract private homeowners to invest in bespoke locations,<sup>29</sup> and continuing care communities such as the demonstrator project Hartrigg Oaks, established by the Joseph Rowntree Foundation in York

<sup>28</sup> See for example <http://www.more2life.co.uk/news/advisers-turn-to-equity-release-for-interest-only/>

<sup>29</sup> See for example <http://www.retirementvillages.co.uk/>

the 1990's,<sup>30</sup> which combine residential and care services into a privately funded package. These have yet to realise significant commercialisation in the UK, as they face challenges in terms of both cost and public perceptions. However, the concept has significantly higher penetration in the US, and can be seen to have succeeded indirectly in the form of the migration and concentration of large communities of UK expatriates into EU countries such as Spain and France.

More recently, the social housing sector alongside local government, health services and housing providers, has sought to reimagine housing models for later life, seeking to design higher quality and more flexible mixed housing and care models and addressing themselves to challenges created by both individual and community perception and the challenges of mixed budgeting across different public and private funding schemes (see NHF 2011).

These models and ideas need much more development, and must respond to the conditions at a very local level. More integrated and flexible local finance, combined with integrated local planning, could help to enable these forms of development to move forward.

## 5.4 Business investment

However, it is not only in the field of housing that there are opportunities to take advantage of the wealth of the older population.

Given the increasing concentration of wealth described above, we might have expected more work to have been done to improve our understanding of the opportunities that there are to unlock these resources in other parts of the economy. There have been celebrated cases of successful older people taking decisions to unlock their wealth, such as multi-millionaire older entrepreneurs Bill and Melinda Yates, who decided to divest themselves of their wealth for social investment purposes through their Foundation. However, less has been done to explore opportunities to unlock investment from other parts of the older community, in support of a wider range of private and social enterprises. This promises to be a fertile avenue for future work as the trends described in this report continue.

Research by the Treasury on the demographics of individuals involved in the Enterprise Investment Scheme (EIS), Venture Capital Trusts (VCT) and Community Investment Tax Relief (CITR) aimed to fill part of this knowledge gap by profiling the demography of these groups through an analysis of those investors claiming the tax reliefs through self-assessment (SA) (Mason and Harrison 2010).

*'The EIS and VCT schemes aim to help small, high-risk companies raise funds aided by offering tax reliefs to investors. CITR is designed to increase investment in underprivileged areas of the UK through investments in small businesses in those areas.'*

[Treasury analysis highlighted that] in 2006/07:

- *Around 2,000 companies raised around £700m through EIS. Over 12,500 individual investors (investing uniquely in EIS) claimed income tax relief on over £400m of invested funds in EIS through SA.*
- *Around 100 VCTs raised around £230 million. Over 8,000 individual investors (investing uniquely in VCT) claimed income tax relief on over £200 million of invested funds in VCT through SA*
- *Up to a further 1,000 individual investors investing in both EIS and VCT claimed income tax relief on over £80m of invested funds in EIS/VCT.*

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30 <http://www.jrht.org.uk/communities/hartrigg-oaks>

- *Under CITR, over 100 companies claimed corporation tax relief on around £500,000 of invested funds and over 250 individual investors (investing uniquely in CITR) claimed income tax relief on over £5m of invested funds for the year of CITR claims through SA.'*

Mason and Harrison 2010: 70

The study concluded that there were clear differences between the structure of the general population and those claiming reliefs for these forms of investment with a concentration of claimants among middle-aged and early-older-aged, male and married parts of the population, based in the South of England. While the authors of this analysis did not offer particular policy conclusions at this stage, it serves to illustrate the key importance of the older parts of the population in using their individual wealth to support business growth and suggests that more could be done to encourage this form of investment.

The research evidence about other, more novel investment vehicles requires much more examination, but the way in which findings differ according to age range suggests that more could be done to understand and consolidate these forms of investment.

## 6. BARRIERS TO HARNESSING THE SILVER POTENTIAL

As highlighted above, the UK employment rate of workers aged between 55 and 64 has increased significantly in recent years, but far less than it has in some other European countries (Eurostat 2014: 3). The UK has the potential to do much better, although those areas which are ageing fastest tend to face the greatest barriers to change.

As we saw in the case studies in chapter 4, cities can play a key role in helping address some of the most pervasive barriers standing in the way of the UK's potential to become more age-friendly. In the area of health, they can ensure that work and health-care programmes are better joined up, while helping to ensure that older people are included and empowered in processes affecting their lives (be it product development or how city halls make decisions). However, other barriers – particularly the struggle to balance care and work responsibilities – will require a combination of local and national policy responses.

Below we highlight six of the most pervasive barriers to fully realising the potential of an older population in the UK and its cities.

### 6.1 Health

We are living longer lives, and people are on average living more years with a disability. In the 2011 census, half of people aged 65 or over in England and Wales (excluding those residing in communal establishments) described themselves as being in 'good' or 'very good' health, compared with 88 per cent of those aged under the age of 65. Fifteen per cent of people aged 65 and over reported that their general health was 'bad' or 'very bad' (ONS 2013d).

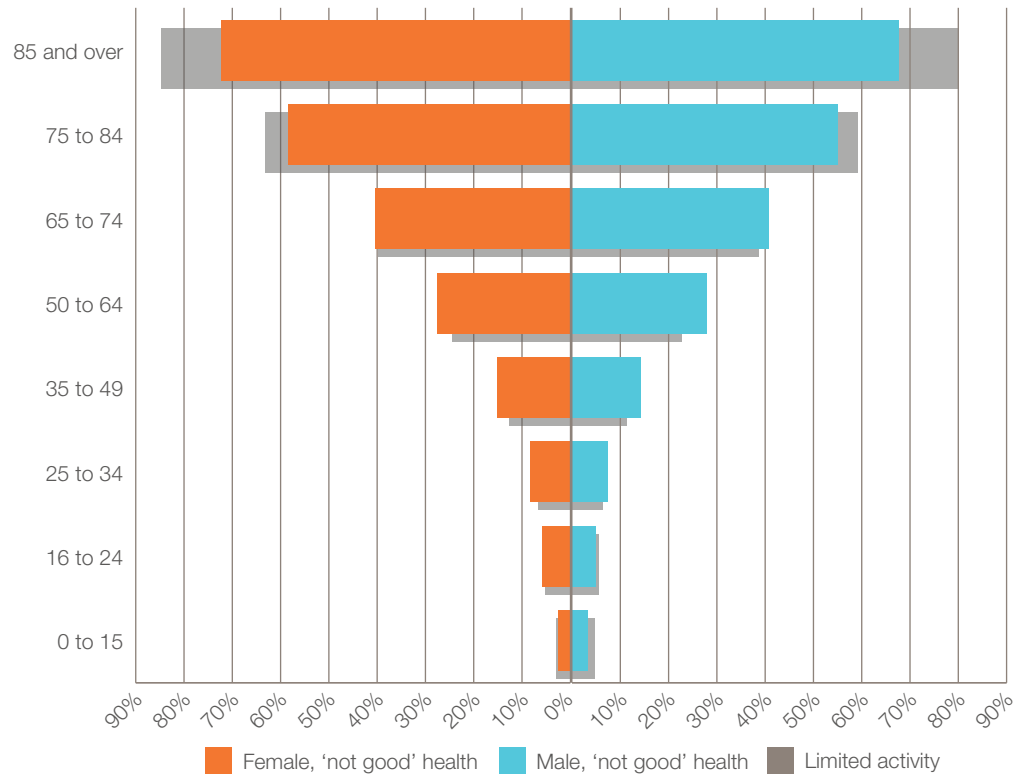
Research suggests that disability and poor health are preventing nearly half a million people who are approaching retirement from working (TUC 2012). As the state pension age rises there is a danger that more and more people will become stuck in limbo between the labour market and pensionable age. Encouraging individuals and their employers to take better care of their health is therefore essential. The issue is most stark in those most disadvantaged areas of the country – for example, 50-year-old men and women living in Tower Hamlets have a lower disability-free life expectancy than those nearby in Richmond (an 8.1 and 9.2 difference in years, respectively)(ONS 2014j. A Glaswegian can already expect to live between 11 and 14 years less than someone born in Kensington and Chelsea, and the gap is widening.<sup>31</sup>

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31 <http://www.theguardian.com/news/datablog/2010/oct/20/uk-life-expectancy-estimates>

**Figure 6.1**

Percentage of census respondents reporting their general health to be 'not good', and having limited activity, in England and Wales, by sex and age, 2011



Source: ONS 2013e: 19

## 6.2 Ageism

Despite the protections afforded to older people by the Equalities Act 2010, age discrimination remains a very real issue and holds back the economic potential of older people as both workers and consumers. One recent study illustrated the bias older jobseekers face compared to their younger counterparts, be it deliberate or unconscious. The researchers used a randomised process to apply for over 1,200 jobs as both an older and younger workers, with the CVs received by potential employers being identical in every way apart from the date of birth (Tinsley 2012). The responses displayed a sizeable bias against older workers, with the 51-year-old applicant getting less than half as many favourable responses as the 25-year-old. Other studies have found similar results (Riach and Rich 2007).

64 per cent of people still believe age discrimination to be a serious problem in the UK.<sup>32</sup> This discrimination holds back the potential of our ageing population in a multitude of interlinked ways. While we acknowledge that people build up a wealth of experience and knowledge throughout their adult lives, we as a society become dismissive of this knowledge after an arbitrary cut-off point. As the BMW example highlighted in section 5.1 demonstrates, given the right conditions, older workers can be just as productive as their younger colleagues.

32 <http://www.ageuk.org.uk/latest-press/archive/age-uk-research-shows-age-discrimination-is-rife-in-europe/>



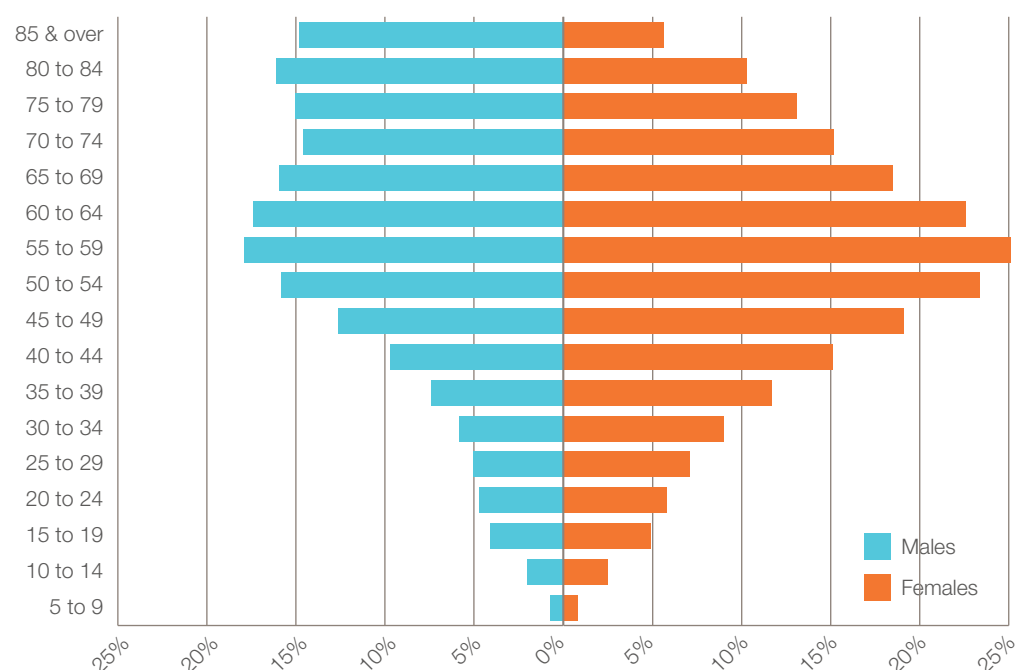
Another major car manufacturer has received plaudits for testing its cars using a worker wearing a specially made outfit that restricts mobility to mimic some of the mobility issues facing older people. While this is a worthy aim, it does beg the question, Why not involve older people with mobility issues themselves in the testing process? In many other sectors, addressing the specific needs and demands of older customers does not even happen at all. It is extraordinary that a segment of the UK population responsible for 40 per cent of the country's consumer demand attracts 10 per cent of marketing spend (Harper 2009).

### 6.3 Caring responsibilities

One in 10 people living in households in England and Wales (5.8 million) provide unpaid care for someone with an illness or disability. Figure 6.2 below shows quite strikingly that more of this care is provided by women than by men' it also shows that almost half of all unpaid carers are between the ages of 45 and 64.

**Figure 6.2**

Percentage of people in providing unpaid care in England and Wales, by sex and age, 2011

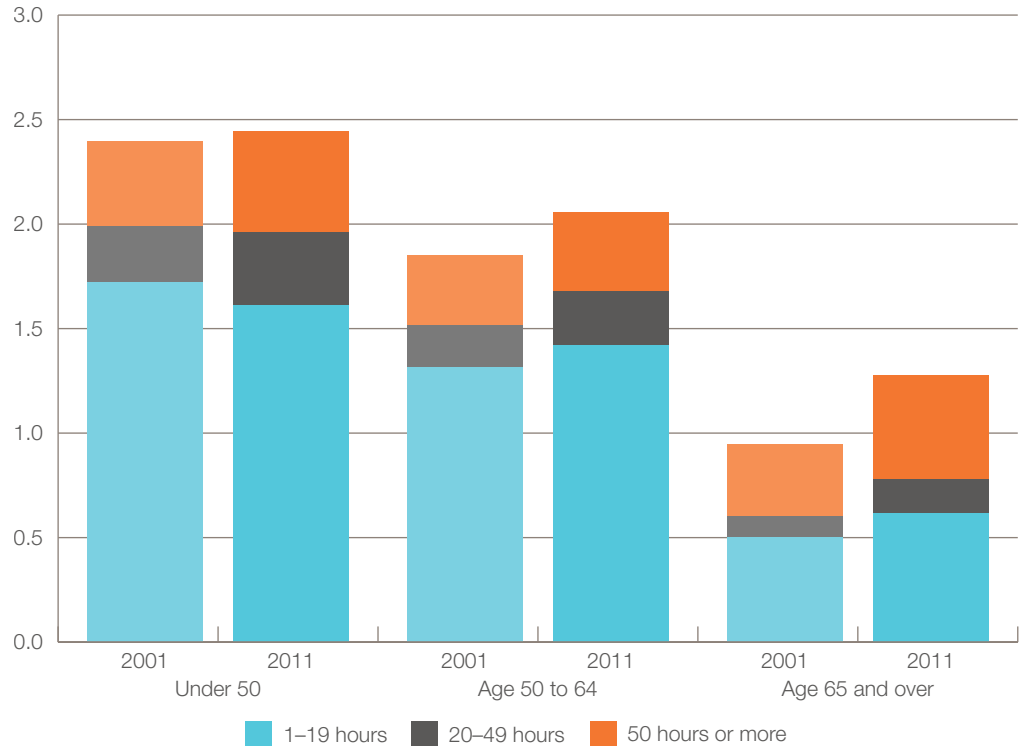


Source: ONS 2013e: 18

It has been estimated that the care for older people that is provided by families is worth around £55 billion (McNeil and Hunter 2014). The number of unpaid carers rose by 600,000 between 2001 and 2011, with the number of people providing 50 or more hours per week growing particularly dramatically (White 2013). Increasingly, it is falling on older people (both those in the 50–64 category and those aged 65 and over) to take on this caring role, frequently for a partner or spouse. Fourteen per cent of over-65s living in households in England and Wales provided unpaid care in 2011 – this represents an increase of 17 per cent relative to the previous decade (ONS 2013d).

**Figure 6.3**

Number of carers (000s) in England and Wales by age and weekly hours of care provided, 2001 and 2011



Sources: ONS 2001 and 2011b

Caring can be highly demanding and unpredictable in its time requirements. Many people struggle to balance its demands with those of their careers, and as a result have to leave the labour market to care for partners and relatives. Once out of the labour market, many are lost to it for good. This is especially true of women, who make up almost two-thirds of the unpaid carers workforce. Despite these difficulties, more than one-fifth of unpaid care is provided by those also in work (ONS 2013f).

Providing care for 20 or more hours per week has been shown to have a substantial and negative impact on employment. Recent research has suggested that as little as 10 hours a week can make it difficult for individuals to stay in work (King and Pickard 2013). In 2009/10 there were 315,000 working-age carers who had left work and remained out of the labour market (Pickard 2012). A House of Lords select committee has underlined the loss to the national economy that this constitutes: the lost working hours amount to around £5.3 billion (HL-SCPSDC 2013). For those who do try to balance work and care responsibilities, the evidence shows this leading to absenteeism, lateness and lack of concentration (Gautun and Hagen 2007, Gabriele et al 2011).

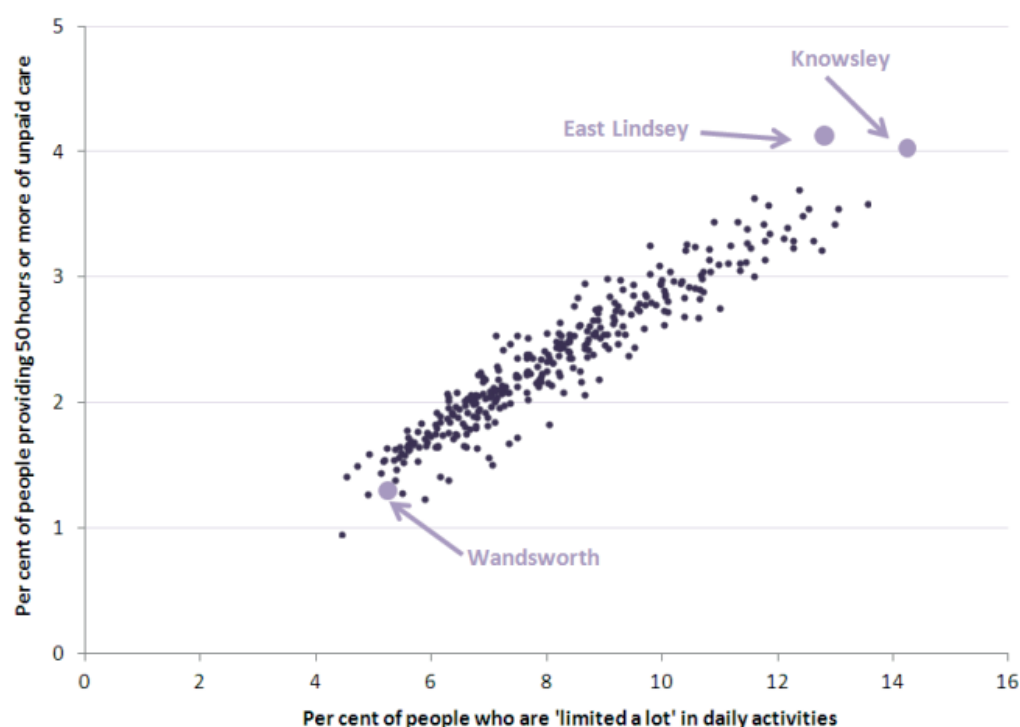
This issue is only going to get more acute as the baby-boomer generation ages and the number of people with caring requirements continues to expand. IPPR's recent report, *The generation strain*, highlights the fact that a family care gap is likely to occur by 2017, when the number of older people in need of care is expected to exceed the number of adult children able to provide it (McNeil and Hunter 2014). By 2032, 1.1 million older people in England are expected to need care from their families – an increase of 60 per cent, while the number of adult children able to care for older parents will have risen by just 20 per cent (Pickard 2013).

Key to addressing this issue will be creating a culture of more flexible working, and providing carers with more employee rights.

Caring is also linked to health in two important ways. Firstly, caring can have a strong negative impact on the health and wellbeing of carers, due to the stress and isolation it can cause. Secondly, those areas with the highest prevalence of people who are 'limited a lot' in daily activities also have the highest percentage of residents who provide 50 hours or more care per week (White 2013). While this is hardly surprising, it highlights the way in which the problem differs across areas, and that those areas with the most severe health needs will also have more carers under greater pressure.

**Figure 6.4**

Percentages of people who are 'limited a lot', and who provide 50 hours or more of unpaid care, in local authorities in England, 2011



Source: White 2013: 15

## 6.4 Grandparenting responsibilities

*'In the UK, grandparents provide childcare to 42 per cent of families with children over nine months old. For families in which the mother is in work or education, 71 per cent receive some level of childcare from grandparents, and 35 per cent relied on grandparents as the main providers of childcare (Statham 2011)... Grandparental care can range from ad hoc babysitting to acting as the primary provider of childcare... This type of care has enabled many families to more easily reconcile work and caring responsibilities, and it plays a crucial role in enabling parents, and particularly mothers, to (re-)enter the workplace. After maternity leave, around half of new mothers depend on informal care provided by grandparents (Grandparents Plus 2013). This type of care is particularly helpful for low- and middle-income women, who have a*

*lower probability of resuming work after maternity leave and often find childcare prohibitively expensive (ibid)... Just as they did as parents, grandmothers who care can once again find themselves juggling childcare responsibilities and work... Caring has significant impacts on the wellbeing and financial stability of older women in particular, many more of whom face the difficult challenge of balancing work and family obligations than men of a similar age do.'*

Ben-Galim and Silim 2013

## 6.5 Lack of resources at the right level

At a national level, ageing is an issue which cuts across a number of departments and funding streams with unclear ministerial responsibilities. The issue lacks political leadership. By comparison, Canada and Ireland have dedicated ministers for older people, while both Wales and Northern Ireland have older people's commissioners.

Local authorities and cities are having to deal with the challenges that arise from an ageing population, but they are worried that in the medium term they will lack sufficient resources to address them. This is perhaps most starkly illustrated by Barnet borough council's now famous 'graph of doom', which showed that on current projections, within 20 years the north London council will not be able to fund any services except adult social care and children's services, meaning there would be no money for libraries, parks, leisure centres or bin collections. Other councils have suggested that they will arrive at this scenario within an even shorter timeframe. This issue of limited resources also can prevent those areas that are ageing the fastest from maximising the upsides of an older population – for instance, through helping employers adapt to an older workforce and ensuring that local residents take steps towards healthier lifestyles.

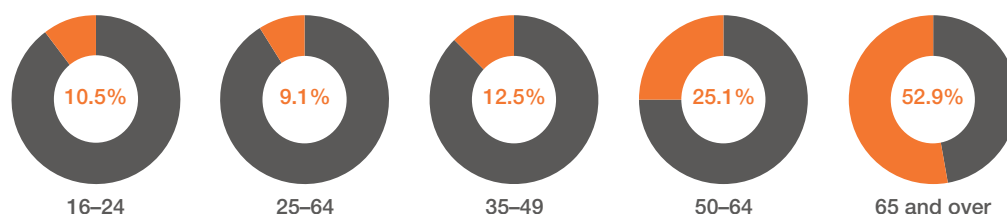
Those cities that are doing most in terms of making themselves age-friendly realised the significance of this demographic shift 10–20 years ago, and recognised that things would have to be done differently. The lack of urgency at a national level is in part due to many of the challenges playing out more at a local level. Equally, as we described above, some parts of the country are ageing faster than others. Local areas must tailor their approaches and priorities to the differing pressures in different areas.

## 6.6 Skill levels

Those approaching retirement age are less likely than younger cohorts to have qualifications, and those over 65 are the only age group in which over half of people report having no qualifications (see figure 6.5).

**Figure 6.5**

Percentage of people in England and Wales with no qualifications, by age group, 2011

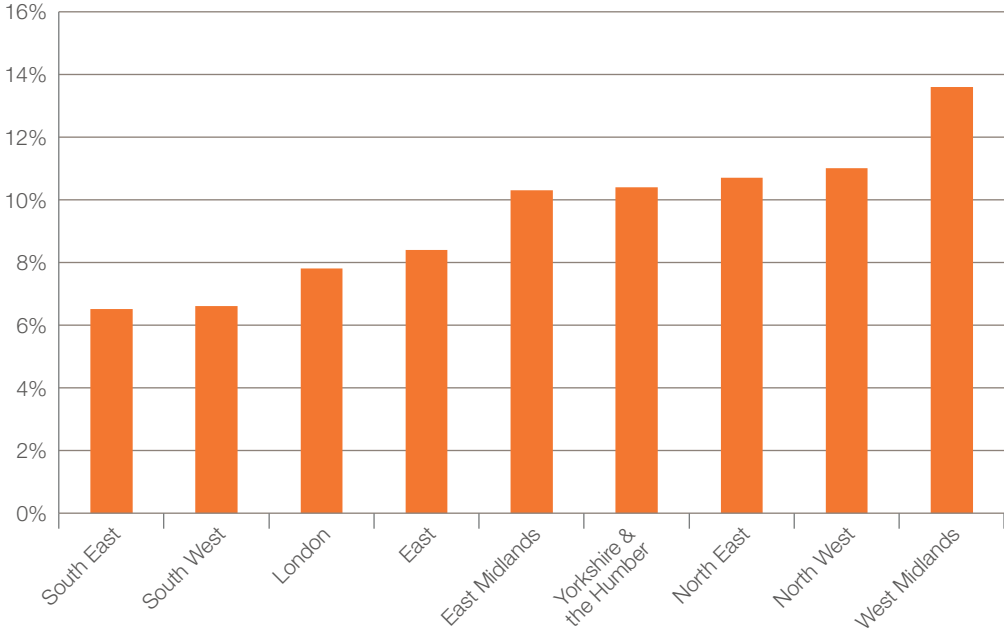


Source: ONS 2014b

This contributes to the struggle that many people over 50 face when trying to find new jobs. As mentioned above, almost half of over-50s who are unemployed have been out of work for more than a year (ONS 2013b). While future generations are likely to be at

less of a disadvantage in terms of skills, it remains a crucial issue for the current cohort of older workers, and those who would like to be in work. Again, there is considerable variation across the country: twice as many people have no qualifications in the West Midlands as in the South East and South West (Nomis 2014).

**Figure 6.6**  
Percentage of people in England with no qualifications, by region, October 2012–September 2013



Source: Nomis 2014

## 7. CONCLUSIONS AND RECOMMENDATIONS

This report has highlighted the demographic challenges currently facing the UK, and the limitations of using over-simplistic three-generational models, focussing on dependency ratios and problematising old age. While the health and social care implications of an ageing population are important, other countries are showing that more asset-based approaches to intergenerational change provide a much more progressive framework within which to tackle demographic change.

Furthermore, although population ageing is a widespread phenomenon across the UK, there are very diverse experiences of growing old, and different places have distinctive cohorts of older people that require very different approaches to policy and practice.

For this reason, while recognising that national policymaking remains critical for providing a national framework for boosting the silver economy, there needs to be a much greater emphasis on local strategic planning, particularly within the functional economic areas represented by city regions.

Our recommendations therefore centre upon three areas:

- some principles for addressing demographic ageing
- developing a national framework for enhancing the silver economy
- developing city-based strategies for the silver economy.

### 7.1 Principles for addressing demographic ageing

Distilling many of the messages from the analysis and case studies in this report, it is possible to highlight a small number of key principles that need to underpin an approach to demographic ageing at both national and local levels.

- **Moving beyond stereotypes:** recognising that there is increasing and significant diversity across age cohorts. Policies, laws and other measures that presume the potential, needs and interests of individuals based on their age are inadequate responses to our changing demography.
- **Taking an ‘asset-based approach’:** recognising population ageing as an economic opportunity which can benefit the whole population, rather than just a social care problem, and supporting people into older age in an active way.
- **Developing multi-agency co-operation** with a focus on identifying mainstream approaches to promote lifelong adaptation, service improvement and pooled funding rather than just small-scale, targeted projects. At the national level, this includes cross-departmental coordination, as well as devolving decision-making and programme design to local actors who can respond to diverse local circumstances.
- **Recognising older people as key co-producers** of better economic and social outcomes, through active engagement in all areas of wider strategic planning and public life.
- **Long-term political commitment to strategic planning for demographic ageing**, building on learning from local, national and international examples.

## 7.2 A national framework for a silver economy

Chapter 3 identified recent national approaches to old age, the large majority of which focussed on health and social care outcomes rather than the asset-based approach articulated here. Despite significant protections given to pensions and other older age benefits, the Coalition government has lacked any meaningful strategy concerning ageing in the UK.

This report is not the place to articulate a full-blown national strategy for our ageing population, although other IPPR reports have set out some important planks upon which the costs of an ageing society can be addressed. These include:

- *'People providing a significant amount of unpaid care should have the right to adjust their working arrangements to enable them to remain in employment rather than relying on the benefit system.'*
- *Entitlement to care services for those on low incomes should be extended to older people with moderate needs, to enable them to stay at home and live independently. This should be paid for by limiting entitlement to winter fuel payments to those who are eligible for pension credit.*
- *An independent review should consider how the national insurance system could be used to progressively lower the cap on care costs and raise the asset threshold, using the principles of contribution and risk-pooling to help finance long-term care costs.'*

Lawton et al 2014

- There should be new insurance products and other financial instruments to encourage older people to make adaptations to their homes. GPs should also be able to 'prescribe' home adaptation grants.
- Decent space standards and Lifetime Homes standards should be phased into national building regulations requirements and new homes built to these specifications discounted stamp duty up to a sale value of £500,000 where the buyer is over 55.
- Local authorities should be given the freedom to deploy their borrowing capacity via housing revenue accounts and housing corporations to invest in sheltered accommodation and 'intentional community' models should be systematically tested in the market by social housing providers and the Department of Health.

Davies 2014

While it is right that there should be a national framework to better address the costs of ageing, we need a new, more local approach to generating silver economies.

## 7.3 Developing city-based strategies to promote the silver economy

As this report has highlighted, some of the most progressive approaches to demographic ageing can be found at the sub-national level. For this reason, it is our principal recommendation that **every city in England that doesn't have one should consider developing a strategy for demographic change, with a strong emphasis on the potential of the silver economy and links to wider strategies for economic growth and public service reform.**

While every strategy will need to be developed according to the specific opportunities and challenges that exist locally, some common issues that should be considered include the following.

- **Analysis:** Every city strategy needs to understand the specific demographic drivers affecting the area, not least but not exclusively the segmentation of the older population – varying levels of health in different cohorts, skills levels, different ethnic backgrounds and spatial distribution. Based on this analysis, cities can then adopt more targeted approaches to those with particular opportunities or challenges.

- **Skills:** Developing a focus on continuous training and lifelong learning for all employees, with some of the offering being tailored to the over-50s. In practical terms this might mean developing personalised and flexible vocational training programmes. It should also mean that the concept of careers advice is broadened to include advice on retirement decisions and how people can extend their working lives through an integrated understanding of skills and training, finance (including pensions implications) and health.
- **Business support:** Working with local businesses to understand and explore the opportunities available to them in terms of employing older people, and also developing products and services for the burgeoning older people's market and ensuring age-friendly workplaces.
- **Older entrepreneurship:** Ensuring that sources of tailored business support and advice are available to enable older entrepreneurs to establish and grow their business, given that their needs are often different to younger people. This might be less focussed on sources of finance, and more on confidence, skills and support for business planning and delivery.
- **Innovation and investment:** Working with universities to identify areas for innovation and commercialisation of research around issues of ageing – including, but not exclusively, on issues of health and social care. Presenting an ageing population in positive terms with a view to promoting inward investment opportunities on the basis of a burgeoning older cohort.
- **Active labour market programmes:** Working with partners to develop active labour market programmes with a specific emphasis on the employment challenges facing the over-50s, not least those dealing with involuntary redundancy.
- **Integration:** Ensuring that employment support and health and care systems within the city are better joined up. A strong economy and a healthy population are mutually reinforcing, and so better integrating work and healthcare programmes can have real benefits. One model that appears to be a good one to build on is Manchester's Fit For Work service,<sup>33</sup> through which, after a personal assessment, patients are prescribed with any of (or a combination of) fast-tracked physiotherapy sessions, debt and relationship support, and assistance with brokering changes in the workplace with employers once the client is ready to return to work. The government recently announced that it will introduce a national health and work service. Once an employee has reached four weeks of sickness absence, they will be referred to this service by their GP for an assessment by an occupational health professional.<sup>34</sup> While this is to be welcomed, it should be extended to those who are out of work, so that their GP can refer them to condition-management and work-progression services.
- **Adaptations:** Addressing issues around 'quality of life' for older people with a view to ensuring a wide range of accessibility and age-friendly adaptations are made to the public realm.

This report unashamedly seeks to highlight the 'assets' and opportunities that an ageing population offers, rather than dwelling on the 'burdens' and challenges – there is already plenty in print that takes that perspective. We do not mean to naïvely imply that ageing does not present any challenges. Rather, by focusing on opportunity, this report seeks to act as a corrective to the negativity of other research. While it by no means constitutes a blueprint for national or local silver economic strategies, it draws on good practice from overseas to provide a number of principles and building blocks upon which both local and national policymakers can build.

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33 <https://www.pathwayscic.co.uk/manchester-fit-for-work-service.html>

34 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/362480/fit-for-work.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/362480/fit-for-work.pdf)



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