

Overview

- Over the next 50 years, Northern Ireland will be £24.7 billion better off as a result of the contributions made by older people.
- Northern Ireland is an ageing society, with the number of older people expected to increase by almost 87% over the next 50 years.
- There is often a negative perception that older people are an economic burden on public expenditure.
- Older people contribute to society in many different ways, such as working, volunteering, childcare and replacement parenting.
- The value of these contributions amounts to almost £117 billion between 2012-2062.
- The cost of older age-related spending is just over £92 billion.
- The contributions made by older people in Northern Ireland over the next 50 years far outweigh the older age-related costs, evidencing that older people are an economic and social asset to society.

Northern Ireland: An Ageing Society

People in Northern Ireland are generally living longer, healthier lives. Life expectancy for men and women has increased by 11 years since 1950, and babies born today have a one in three chance of living to 100 years of age. Therefore, the number of older people in Northern Ireland is set to increase throughout the 50 year time frame of the Commissioner's report, *Appreciating Age*.

According to NISRA projections, there will be an additional 318,000 older people in Northern Ireland by 2062, which is considerably more than the projected increase in the population as a whole (210,000) over the same period. This means that by 2062, the number of people in Northern Ireland aged 60 and over is expected to increase to 684,000, which will represent 33.6% of the overall population (2.034 million) of Northern Ireland. This represents an increase of 115.1% in the number of older people living in Northern Ireland over the next 50 years.



Types of Contributions

Two different types of contributions have been considered in *Appreciating Age*. They are:

- Financial contributions
- Other contributions

Financial contributions are considered to be payments made towards public revenues, both directly and indirectly through taxes such as PAYE, VAT, TV licences, rate relief, etc.

The total financial contributions that older people are expected to make between 2012-2062 is £49,865 billion in standardised, discounted terms. Discounting is a technique used to compare costs and benefits that occur in different time periods, and this model bases the discount rate on that recommended by Her Majesty's Treasury in the 'Green Book'.

Other Contributions have been defined as contributions which do not directly contribute towards public revenues but which bring significant social value. *Appreciating Age* has converted these types of contributions to an economic value of £67,040 billion over the next 50 years.

Four different categories of non-financial contributions have been considered in *Appreciating Age*. They are:

- Volunteering
- Caring
- Childcare
- Replacement parenting

Volunteering: Volunteers contribute a huge amount to society through giving their time and skills to communities and organisations alike. The range of different volunteering opportunities available enables older people to use their skills and experience to help others in the community. Data on volunteering was obtained from a survey conducted by the Commissioner's office as well as from research by *Volunteer Now*. The region-wide survey provided up-to-date estimates of levels of volunteering by older people across Northern Ireland, combined with estimated costs of the value of different types of volunteering activities being undertaken.

Care: Unpaid older carers play a key role in enabling loved-ones, relatives or friends to live dignified lives at home, saving the health service millions of pounds every year.

Data for the value of unpaid caring is taken from a mix of census data and studies by Carers UK which put a value on the cost equivalent of unpaid care provided by people aged over 60.

Childcare: Many older people have childcare responsibilities for grandchildren or young relatives.

Contributions made by the over 60s through childcare were calculated using a study from 2012 which found that on average, grandparents spend 10 hours every week looking after grandchildren. This estimate excludes the value of additional earnings that are enabled by family members that benefit from childcare provided by grandparents.

Replacement Parenting: Replacement parenting is when another family member, often an older relative or grandparent, assumes parental responsibility for a child as a result of the child's parent(s) no longer being in a position to care for them.

The value of replacement parenting was calculated using census data to estimate the number of children living with other family members, with specific data on the number living with grandparents. Research published in 2010 by the Fostering Network revealed the approximate cost of fostering, and this figure was updated using 2012 prices to calculate the value of the contribution made by older people through replacement parenting.



Calculating the Costs

The financial model used for *Appreciating Age* estimates the likely future costs and contributions of Northern Ireland's population aged over 60, based on population projections published by NISRA. The public expenditure associated with the over 60s that is included in the calculation covers health, housing and public transport costs, as well as social welfare payments that are linked to the recipient's age. This includes: Pension Credit, Disability Living Allowance, Attendance Allowance, Carers Allowance, Winter Fuel Payments, Warm Homes Scheme, housing, health and transport benefits.

The total cost of older age related spending over the next 50 years is estimated to be £92 billion.

Appreciating Age

The total positive economic contribution that older people in Northern Ireland make is calculated by subtracting the costs from the contributions and applying the discounting technique over the 50 year period. This amounts to **£24.7 billion** between 2012-2062. This clearly evidences the positive economic and social contributions which older people in Northern Ireland make, and sets a challenge to everyone, from policy maker to politician, employers, families and individuals, to put an end to the myth that older people are an economic burden. Northern Ireland is a much richer society as a result of the positive social and economic contributions made by older people. It is time to reframe the debate on older age and make Northern Ireland a great place to grow older.

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