Mapping demographic change

July 2014

A factpack of statistics from the International Longevity Centre-UK

#populationpatterns

partnership
seeing retirement differently

ILC
www.ilcuk.org.uk

In 2013 we launched our first factpack on demographic change. We set out the evidence of our ageing society in a usable and accessible format.

We were overwhelmed with the interest in the factpack. Our launch event filled up in minutes and we had to reprint hard copies.

This year's factpack explores the impact of demographic change at a micro level (i.e. to individuals) and at a macro level (i.e. to government finances and the wider economy). We set out the latest evidence on **how long we will live** and **how healthy we are likely to be**. But we also highlight **who will need care** and **what will it cost**. We highlight the latest evidence on our **employment prospects** and consider whether **housing** is meeting our needs. We provide new evidence on community engagement. We consider the **economic impact of ageing** and **how much government might need to spend** on an ageing population. This factpack incorporates a special focus on **pensioner poverty** and the current and likely future sources of pensioner income.

Throughout this paper, we have included ILC-UK findings, which incorporate what our own research has found over the past 12 months. This year we have benefitted from including the initial findings of the 2011 census.

We have not produced lengthy commentary on the analysis. But rather, this factpack sets the scene for our work over the next year.

This factpack was prepared by Ben Franklin (benfranklin@ilcuk.org.uk) and David Sinclair (davidsinclair@ilcuk.org.uk). As always, we are interested in your views on the factpack and suggestions for the 2015 edition.

POPULATION PATTERNS
Seminar Series

The ILC-UK **Population Patterns Seminar Series** considers the evidence base of our changing demography and explores how policy-makers need to respond to demographic change.

Thanks to Partnership, in particular, Richard Willets, Jim Boyd and Caroline Jackson for their support for the #populationpatterns seminar series.

ILC-UK are policy and research experts on ageing and demographic change. They engage widely with decision makers and opinion formers and reach out beyond the usual suspects through their very popular events.

Lord Filkin, Chair,
Centre for Ageing Better

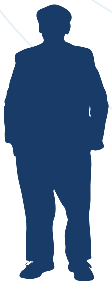
The ILC-UK is a true game changer where the longevity revolution is concerned. They do research of the highest order, translate their findings into meaningful policy documents and then get the policy changed through good sense and persistence. The UK is a better place thanks to the ILC.

Jack Watters,
Vice-President of External Medical Affairs, Pfizer

The International Longevity Centre-UK has done an amazing amount of extremely good work. That work is very professional, well thought-through and very constructive.

Lord Kirkwood

Killer stats - This year's focus on pensioner poverty highlights:



1.6 million pensioners are experiencing relative low income.

The oldest pensioner age group is the most likely to be in relative low income.

Pensioners in inner London were around three times as likely to be in material deprivation (24% in London were in material deprivation) compared to the whole pensioner population (8%).

The percentage of pensioners aged 65 and over that were living in material deprivation remained unchanged between 2011/12 and 2012/13 at 8 per cent.

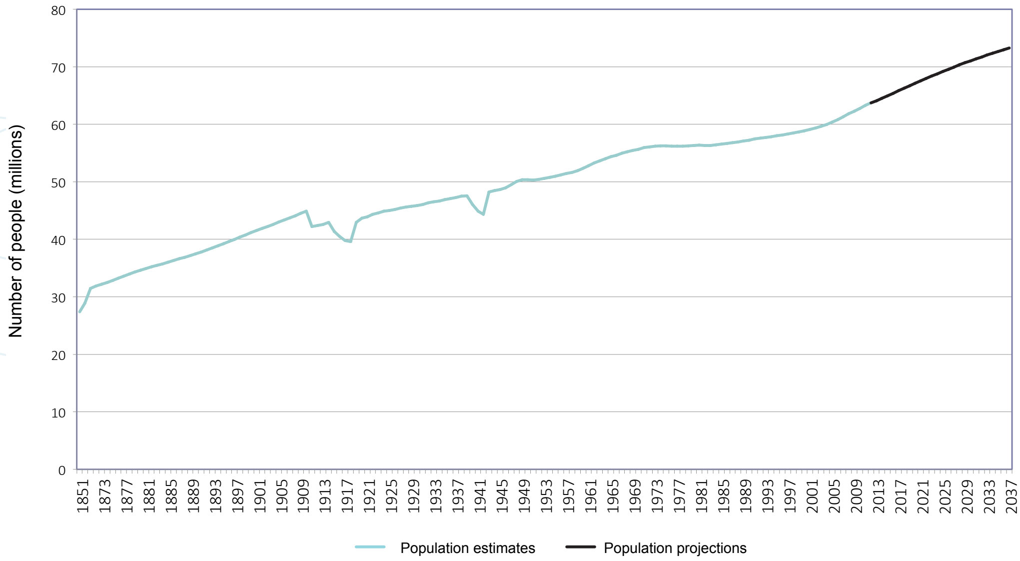
But… on average, levels of pensioner poverty have fallen substantially over the last 15 years. In 1998/1999, nearly 30% of pensioners were experiencing relative low incomes and nearly 40% absolute low incomes. This has fallen to 13% and 15% respectively.

And… while measures of pensioner poverty are moving in the right direction, the proportion of households with working age adults and households with children living on low incomes has remained relatively stagnant[1].

How many of us are there?

- Despite two world wars and a flu pandemic, the last 150 years has witnessed dramatic growth in the UK's population.
- The population is now 2.3 times bigger than it was in 1851 standing at an estimated 63.7 million in 2012[2].
- By 2028 the population is expected to reach 70 million before touching almost 80 million by 2062[3].

Figure 1: UK population: actual and projected (1851-2037)*



Source: ONS *Ireland no longer part of the UK after 1911

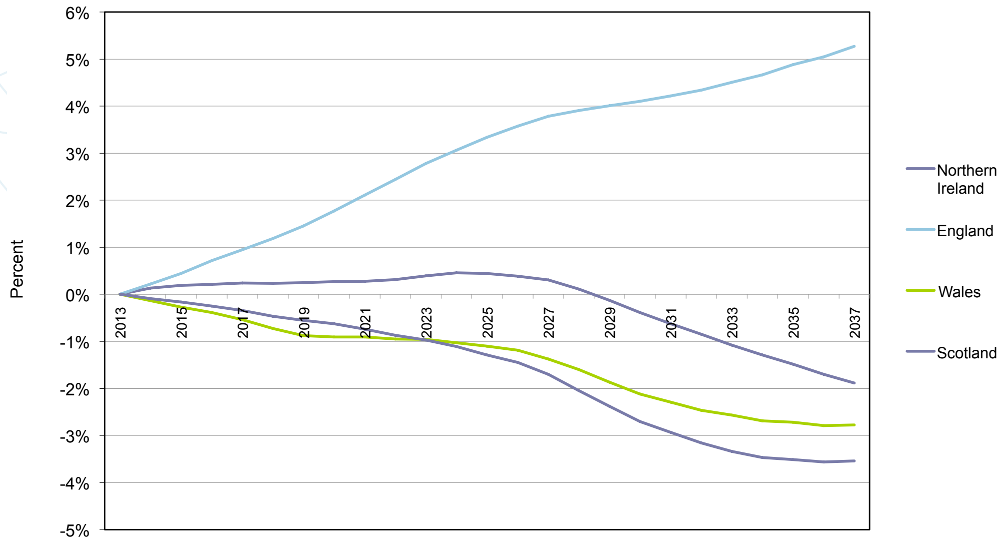
The shifting age structure of the UK's population

- The UK is ageing. From 1971 to 2012, the proportion of people aged 65 and over increased from 13% to 17% of the total UK population[4].
- By 2037 it is expected that the number of people aged 65 and over will account for nearly 1 in 4 of the total UK population[5].
- The numbers of people of traditional working age (often measured as the total number of people aged 15-64) is expected to stagnate over the coming decades from around 41.8 million in 2014 to 43.3 million by 2037 (a rise of just 4%)[6]. But the pace of growth in the working age population is expected to be different for different UK regions (see box on Scotland below).

For more details please see: Scottish Independence - Charting the implications of demographic change. ILC-UK, May 2014.

- By 2037, Scotland's working age population is expected to be 3.5% smaller than it was in 2013 – the largest percentage fall of any UK nation (England +5%).
- Assuming employment rates by age remain the same, this would imply a fall of 45,000 (-2%) in total employment compared with a 1.7 million (+6%) rise across the UK as a whole.

Figure 2: Percentage change in number of people of 'working age' 2013-2037



Source: ONS Principal Populations Projections and author's calculations

How long will we live?

Over the last century there have been dramatic advances in how long we live:

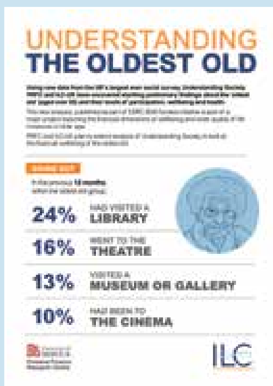
- In 1901, baby boys were expected to live for 45 years and girls 49 years[7].
- Boys born in 2014 are expected to live to 80 and girls to 83[8].
- Boys to be born in 2030 are expected to live even longer - 83 for boys and 86 for girls[9].

The rise of the "oldest old"

- In 1971, there were just 126,701 people aged over 90 in the UK[10].
- By 2012 this had risen to 513,449[11].
- Projections from the Office for National Statistics predict that by 2027 there will be over 1 million people aged over 90 in the UK and over 40,000 centenarians.
- By this time, 1.5 people per 100 will be over the age of 90 compared with 0.2 per 100 in 1971.

For more details see: Understanding the Oldest Old. ILC-UK and PFRC, July, 2013.

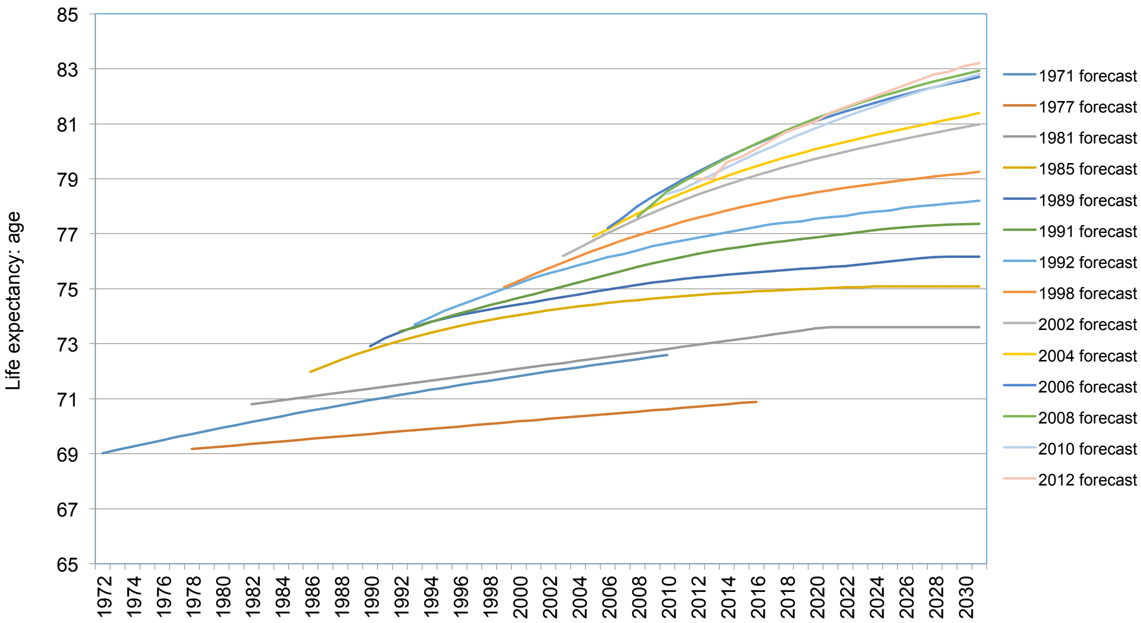
- A third of over 85s said they were at least partly dissatisfied with their health, while over three-quarters of the oldest old felt that their health limited even moderate activities
- About a half felt that pain had interfered with their activities over the past few weeks.
- 26 per cent of people aged 85 and over report being at least somewhat dissatisfied with their life



FOCUS BOX: The perils of forecasting life expectancy

- Future projections should only be used as a rough guide to what the future might hold. Over the last 40 years there have been significant revisions to life expectancy.
- Most projections have underestimated life expectancy with subsequent projections revising up their estimates about how long people are likely to live.
- Official forecasts from 1971 predicted that boys born in 2014 would live to 71 years of age. The most recent forecast (2012) predicts that boys born in 2014 will live to 80 years of age, 9 years more than the 1971 forecast (see chart).
- While most forecasts predict life expectancy to continue rising for future generations, the likely pace of this rise is much debated and will depend on a multitude of factors.

Figure 3: At birth life expectancy for males accross variation ONS forecasts



Source: IMF and ONS

How healthy are we likely to be?

Alongside predicting life expectancy, it is also possible to predict a person's healthy life expectancy – that is the amount of time that a person is expected to live free from significant health issues.

At birth healthy life expectancy

- For boys born during the years 2008-10, ***healthy life expectancy*** is 63.5 years compared with a ***life expectancy*** of 78.1 years. This means that for 14.6% of their life they are expected to be in poor health[12].

- For women born over the same period, ***healthy life expectancy*** is 65.7 years compared with ***life expectancy*** of 82.1. So while women are expected to live longer they are expected to live a greater proportion of their life in poor health – 20%[13].

At 65 healthy life expectancy

- Healthy life expectancy is also calculated for those at the age of 65. For men aged 65 during the years 2008-10, healthy life expectancy was estimated to be 10.1 years compared with a life expectancy of 17.8 years.

- For women aged 65 over the same period, healthy life expectancy was 11.6 years compared with life expectancy of 20.4 years.

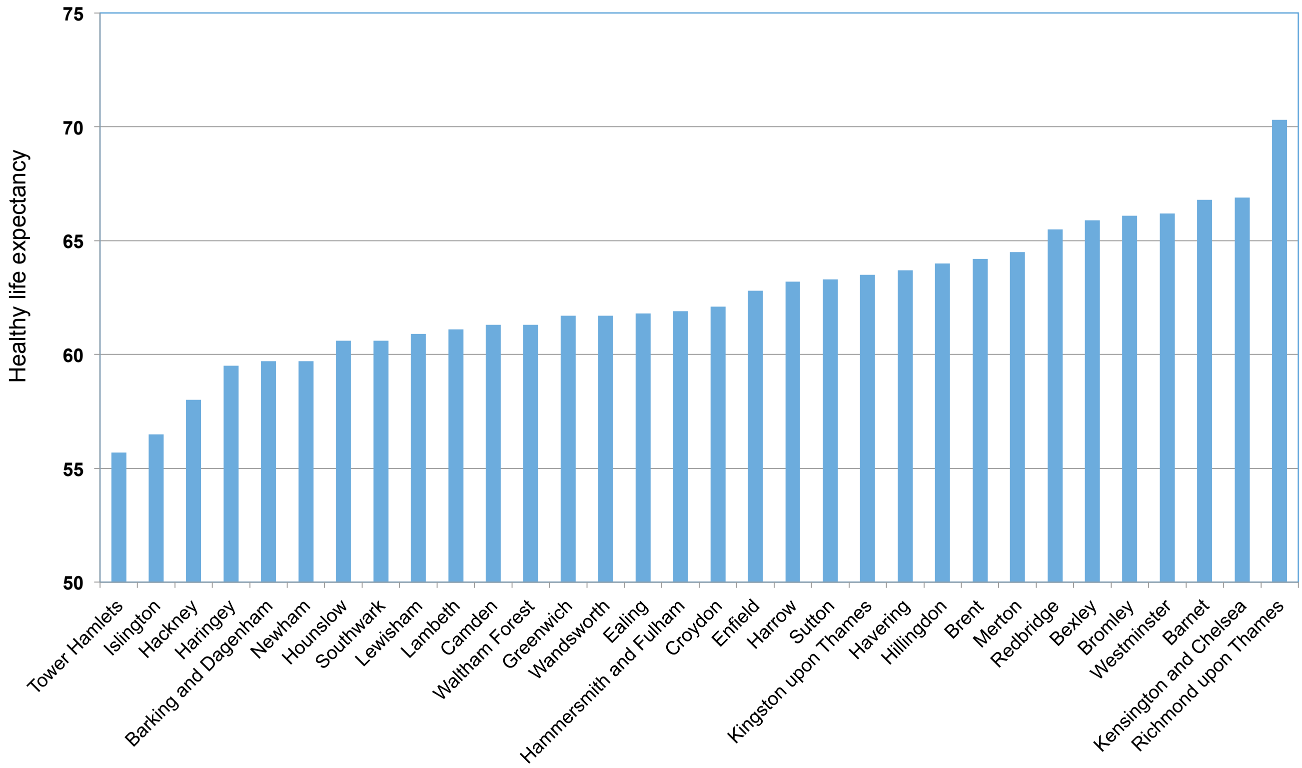
- Therefore, both women and men at age 65, will spend an average of 43% of their remaining years in poor health[14].

Regional inequalities in healthy life expectancy

- There are significant variations in healthy life expectancy by region – indeed even across London there are stark differences.

- As the chart below shows, boys born in Richmond upon Thames during the years 2008-10 are expected to live in good health for over 70 years by comparison to 56 years for those born in Tower Hamlets. That equates to 25% longer healthy life expectancy for those born in Richmond upon Thames than Tower Hamlets (see chart).

Figure 4: Male healthy life expectancy by London Local Authority



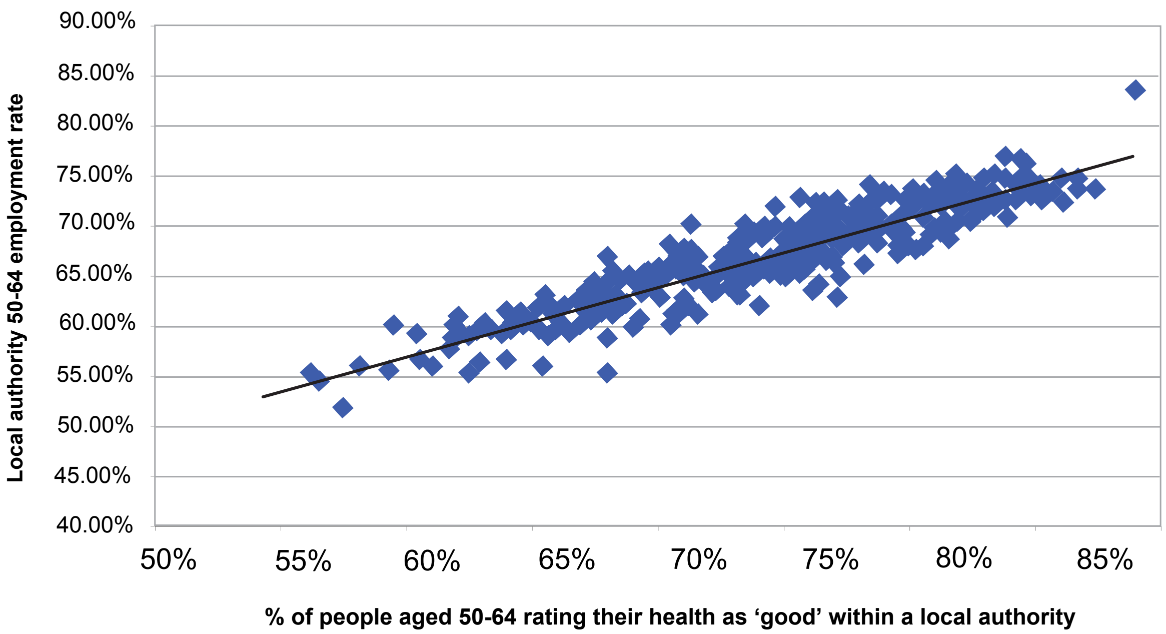
Source: Office of National Statistics

FOCUS BOX: Relationship between health and employment at older ages

- Regional health inequalities are likely to have regional-specific implications. One such implication is the ability for individuals to work into later life which could be a challenge if health problems emerge well in advance of retirement age.

- The below scatterplot shows the relationship between health and employment of the 50-64 age group across local authorities in 2011 (each blue dot represents a unique local authority). As the proportion of people aged 50-64 in “good” or “very good” health rises, so does the employment rate of this age group within a local authority. Indeed, according to our calculations, 85% of the variation in local authority employment rates for the 50-64 age group can be explained by variations in perceived health amongst this group (see chart).

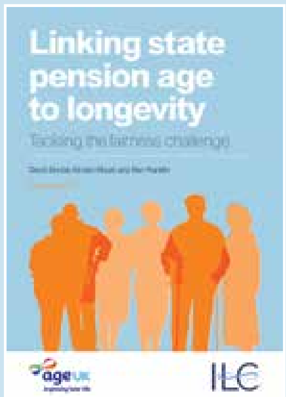
Figure 5: Scatterplot of self rated health against employment rate of local authority



Source: ONS Census and author’s calculations

For more details see: Linking State Pension Age to longevity. ILC-UK February, 2014

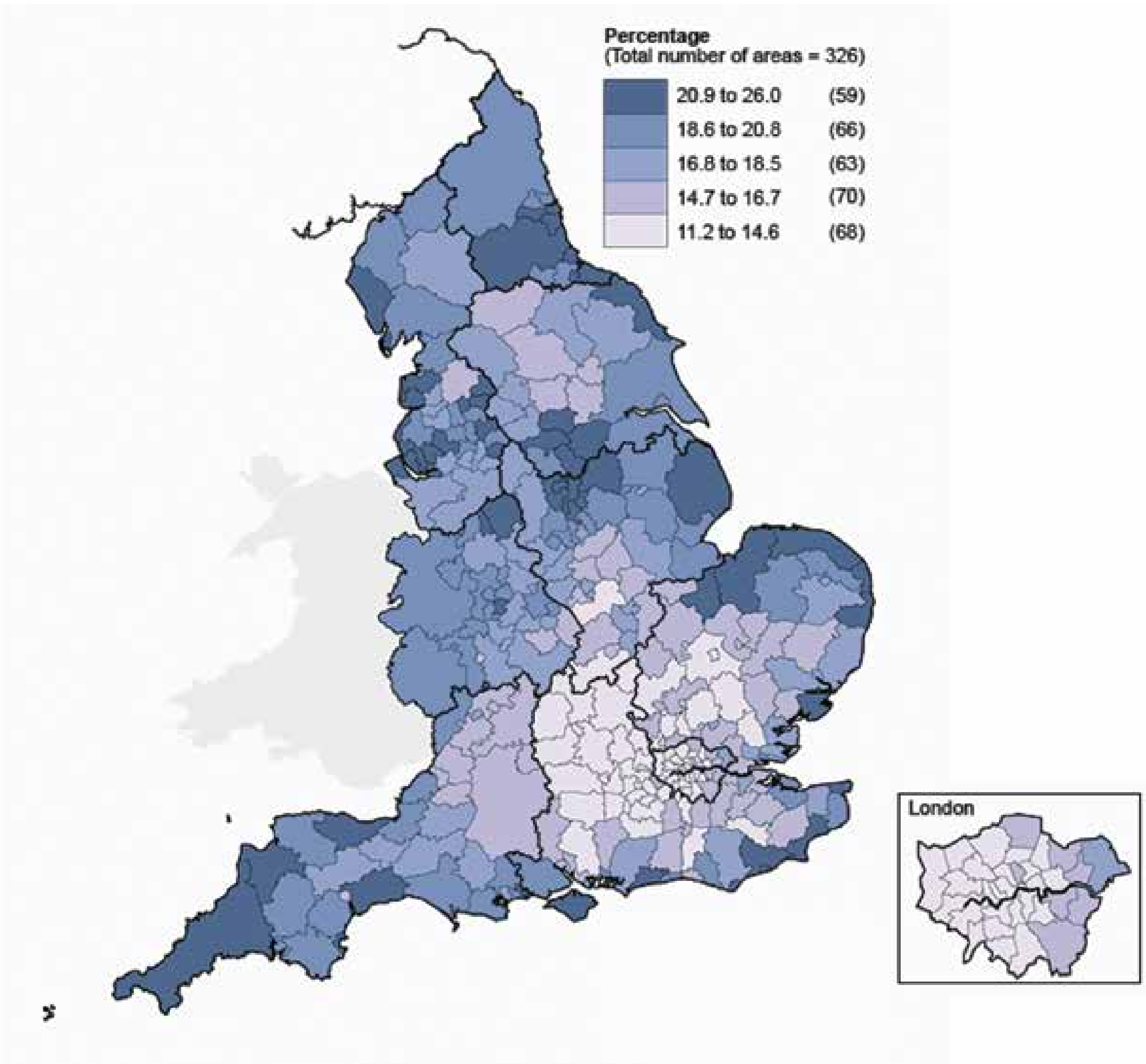
- Glasgow City has a healthy life expectancy of just 46.7 years – a near 20 year deficit from the current SPA of 65.
- The difference in disability-free life expectancy between women born in the most and least deprived areas was 11.6 years in 2001-04. By 2007-10 it had increased to 13.4.



Will we require long-term care and what will it cost?

- There are currently 1.3 million people receiving state support for care services in England[15] and approximately 475,000 self-funders[16].
- On average, around one in three women and one in five men aged 65 will enter a care home at some point in the future and the chances of needing care increase with age[17].
- The average cost in England for a residential home is £29,016 per annum compared with £38,376 per annum for a nursing home.
- There are wide regional variations in the cost of care homes. In London, a residential home costs an average of £35,412 per annum by comparison to £24,284 in the North West of England[18].

Map 1: Population reporting daily activity limitations England local authorities, 2011, Usual residents



Source: National Audit Office analysis of Office for National Statistics census data

FOCUS BOX: Unmet care needs

- The Health Survey undertaken by the Health and Social Care Information Centre found that 30% of women and 22% of men aged over 65 who needed help to complete one or more activities of daily living failed to receive help with any.
- This increased with age to 44% of women aged over 85 and 43% of men.
- The most common activities with which help was needed but not received was getting up and down stairs, having a bath or shower and getting around indoors[19].

Who will provide us with care?

- The social care sector in England is relatively large, employing 1.5 million people (1.63 million jobs)[20]. This accounts for 5.5% of all employment across England[21].
- The majority of jobs relate to residential or domiciliary care, while a smaller proportion of jobs are in the community and day care.
- In addition to the adult social care workforce there were approximately 5.8 million people providing unpaid care in England and Wales in 2011, representing just over one tenth of the population[22].

Table 1. Number of jobs by service group

Main service group	Number of jobs	Percentage of jobs
Residential	650,000	40%
Domiciliary	685,000	42%
Day	66,000	4%
Community	229,000	14%
Total	1,630,000	

Source: National Minimum Dataset for Social Care 2013

FOCUS BOX: The crunch is coming - meeting demand in the adult social care sector

- The social care workforce is dominated by women (82% across England) and this is similar across all types of care (i.e. residential, domiciliary etc.)
- The adult social care sector in England will need to add approximately 1 million workers by 2025 in response to population ageing[23].
- From 2013 to 2025 there will be a 1.56 million increase in the number of working age women but even if a high proportion of this group (let us assume 20% for argument's sake) find jobs in the care workforce this will only account for 31.2% of the total increase required[24].

- Unless the sector successfully recruits from other demographic groups including older women and working age and older men, then there will not be enough people working in the sector to meet the demand.

For more details see:The Future care workforce. ILC-UK, February 2014

Total council spending on adult social care in support of older people rose steadily from 1994 to 2010 but it has since fallen by 6%. If the long term average annual growth rate in total council spending had been extended over the last three years, expenditure would be 27% higher than it is today.

What are our age-related employment prospects?

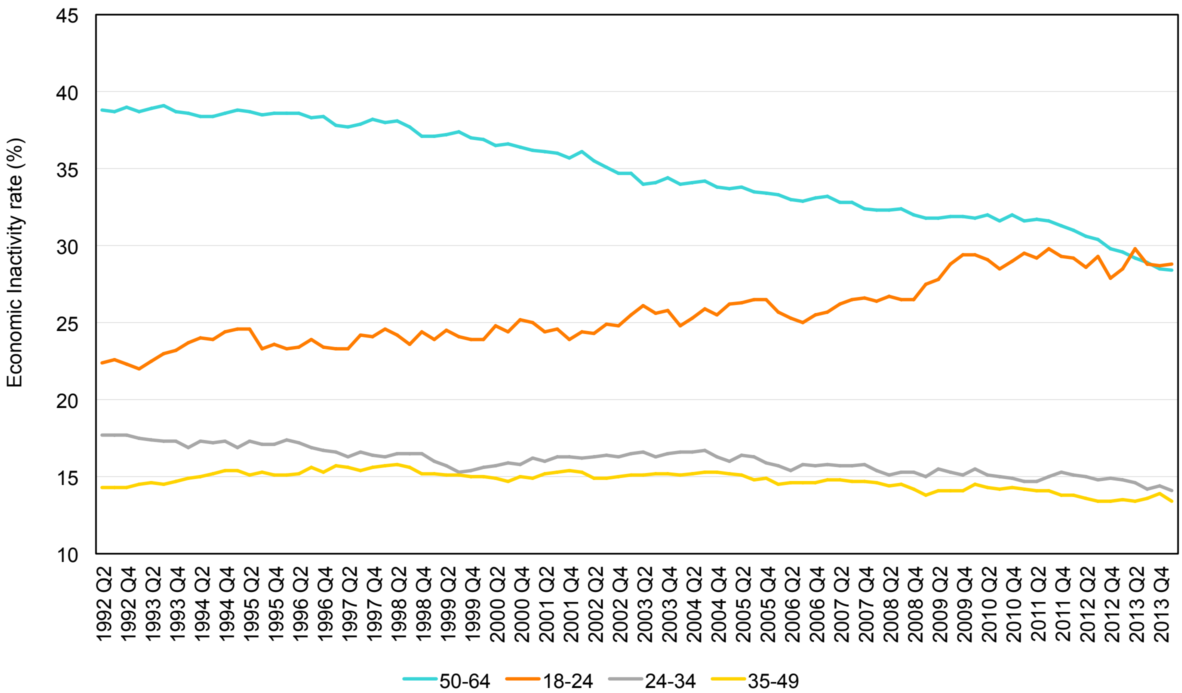
Since the financial crisis, different demographic groups have fared differently in the labour market.

- The 50-64 age group has seen the most significant increase in numbers of people in employment since Q1 2007 (+903,000) of any age group.
- This compares to a fall of nearly 500,000 across the 16-24 age group.
- The 65+ age group has experienced the largest percentage rise in the number of people in employment over this period (+73%) compared to a fall of 11.2% across the 16-24 age group.
- Despite the positive increase in the number and percentage of older people working, economic inactivity remains highest amongst those aged 65+ with nearly 90% of this age group having left the labour market[25].

FOCUS BOX: **Economic inactivity by age band**

Looking at the long-term trend data it is possible to observe stark changes in age-related economic inactivity rates for two groups – those aged 18-24 and those aged 50-64. While inactivity rates for those aged 50-64 have fallen from 38.8% in Q2 1992 to 28.4% in Q1 2014, inactivity rates for those aged 18-24 have risen from 22.4% to 28.8% over the same period. Therefore, for the first time in over two decades, a higher proportion of 18-24 year olds are economically inactive than 50-64 year olds.[26]

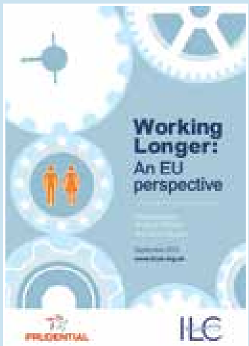
Figure 6: Economic inactivity rates by age band



Source: ONS, Labour Market Statistics

For more details see: Working Longer: An EU perspective. ILC-UK, September 2013

Across Europe, around 6 in 10 people aged 55-64 who are unemployed have been unemployed for 12 months or more.



Please also see: Working longer in Northern Ireland. ILC-UK, March 2014

Economic output for Northern Ireland could increase by a staggering £2.3 billion by 2037, which equates to an additional 4.4%, if employment rates for the over 65s continue to rise.

The changing face of housing in the UK

- In 2011 there were 23.4 million households in England and Wales – an increase of 1.7 million (7.9%) on 2001.
- 15 million of these households were owner occupied with 4.1 million privately rented and 4.2 million social rented.

- The number of households renting privately has increased by 63% since 2001 by comparison to a small 0.8% increase in owner occupied housing and a 0.9% decrease in social housing[27].

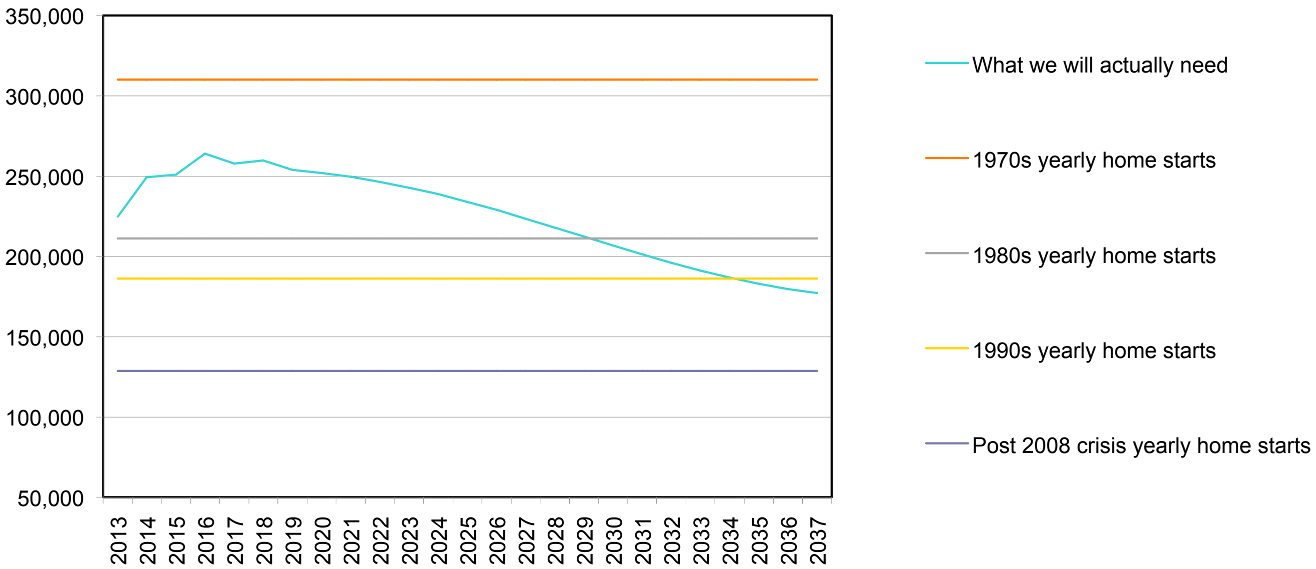
- The average age of a first time buyer without family assistance is now 33, compared to 30 in 2008[28].

FOCUS BOX: How may new houses will we need?

Since the end of the 1970s, the number of new dwellings started has failed to exceed 300,000 in any one calendar year. Indeed, for much of the 1990s numbers dwindled below 200,000. Housing starts then increased in the years leading up to the financial crisis – though still nowhere near 1970s levels – before falling below 150,000 since 2008 (the lowest level in over 40 years).

Analysis undertaken by ILC-UK suggests that just to keep up with population growth over the coming years, we will need to build well over 200,000 new homes per annum from now until 2030 (see chart)[29].

Figure 7: New homes required versus previous house building scenarios



Source: ONS , DCLG and authors calculations

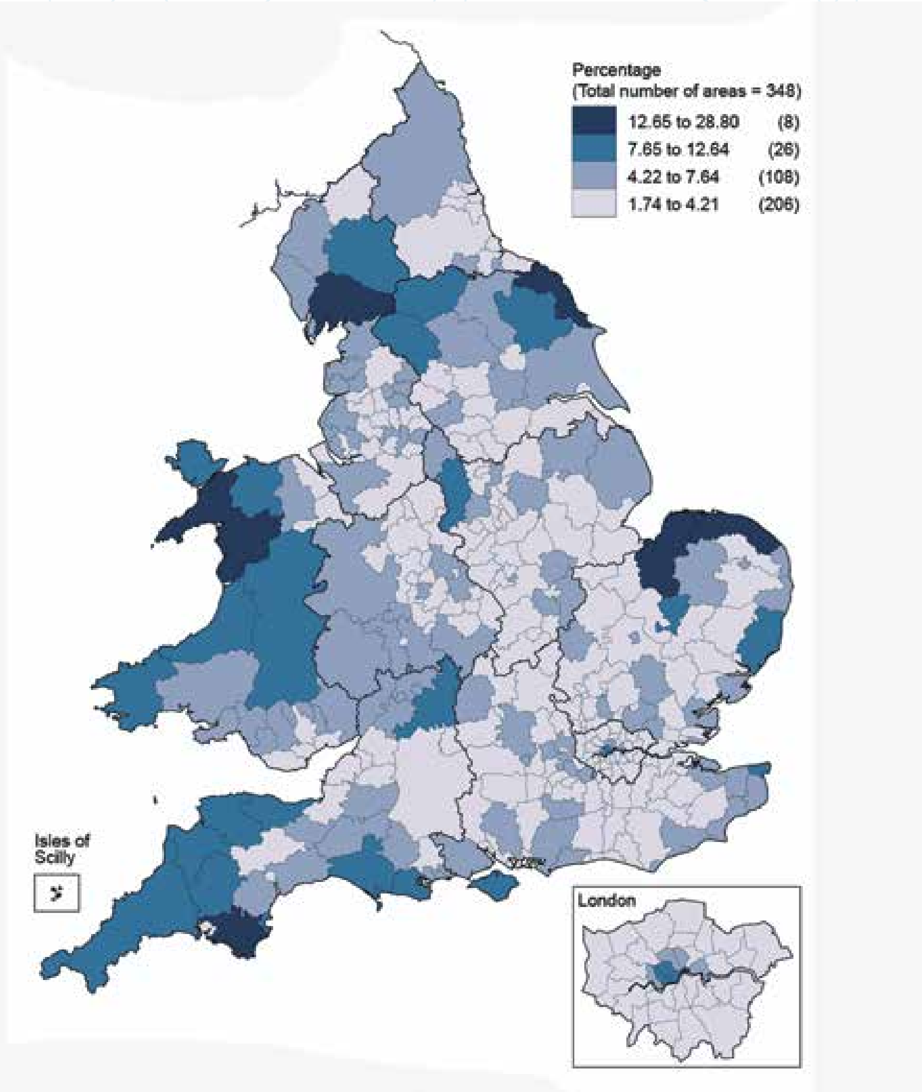
The state of under-occupancy in the UK

While the case for new houses in well known, there is also the issue of under occupancy – the number of spaces unoccupied by residents.

- In 2011 there were over 1 million unoccupied household spaces in England and Wales - a 21% increase since 2001.

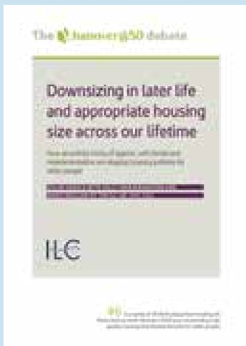
- 8 of the top 10 local authorities with the highest levels of under occupancy were in coastal areas (including 2 in Wales). 9 of these top 10 local authorities were previously identified as areas with the highest proportions of second addresses[30].

Map 2. Proportion of unoccupied household spaces by usual residents for local authorities in England and Wales; 2011



Source: National Audit Office analysis of Office for National Statistics census data

For more details see: Downsizing in later life and appropriate housing size across our lifetime ILC-UK 2013.



- Over half of English households headed by a person aged 55-64 were under-occupying housing; similar results are found for households headed by people aged 65-74.
- In 2009/10, greater numbers of households headed by a person aged 55-64 years were under occupied (1.9 million), followed by those headed by a 65-74 year old householder (1.6 million), then followed by those headed by a 45-54 year old (1.5 million).

Ageing in the Community

- The UK is 80% urbanised – above the global average.
- Just over ¾ of people aged 65+ live in rural areas[31].
- Rural areas are ageing faster – projected increase of the 65+ age group in rural areas to 29% compared to 20% in urban areas by 2021.
- In 2013, 7.7 million people in UK households lived alone, of whom 3.6 million were aged 65 or above.
- At age 65 the majority of people living alone (68%) were female in 2013[32].

For more details see: Making our Communities ready for Ageing. ILC-UK and AgeUK, July 2014.

- There remains a clear trend for older age groups to live around the coast, particularly the East, South and North West, something which is predicted to continue to 2030.

Will I be poor in old age?

FEATURE SECTION

The current state of pensioner poverty

- The latest figures from the Department for Work and Pensions show 1.6 million pensioners in relative low income.
- The percentage of pensioners aged 65 and over that were living in material deprivation remained unchanged between 2011/12 and 2012/13 at 8 per cent.
- The oldest pensioner age group is the most likely to be in relative low income[34].

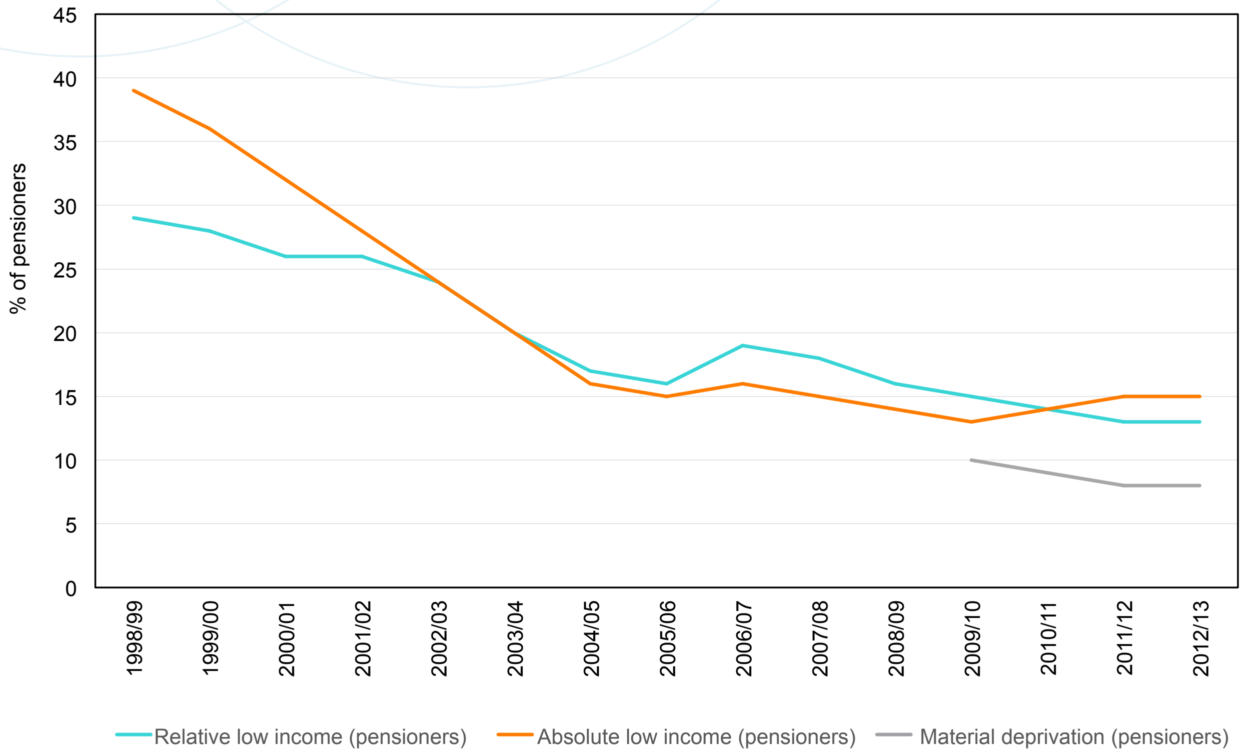
Where was pensioner poverty greatest?

- Pensioners in Inner London had the highest rates of relative low income, at 24 per cent, nearly double that of the whole pensioner population at 13 per cent. This reflects the higher housing costs in the area.
- Pensioners in Inner London were around three times as likely to be in material deprivation (24% in London were in material deprivation) compared to the whole pensioner population (8%).
- The North East had the lowest percentage of pensioners in relative low income at 10%[34].

FOCUS BOX: Trends in pensioner poverty relative to other demographic groups

- On average, levels of pensioner poverty have fallen substantially over the last 15 years. In 1998/1999, nearly 30% of pensioners were experiencing relative low incomes and nearly 40% absolute low incomes. This has fallen to 13% and 15% respectively (see chart).

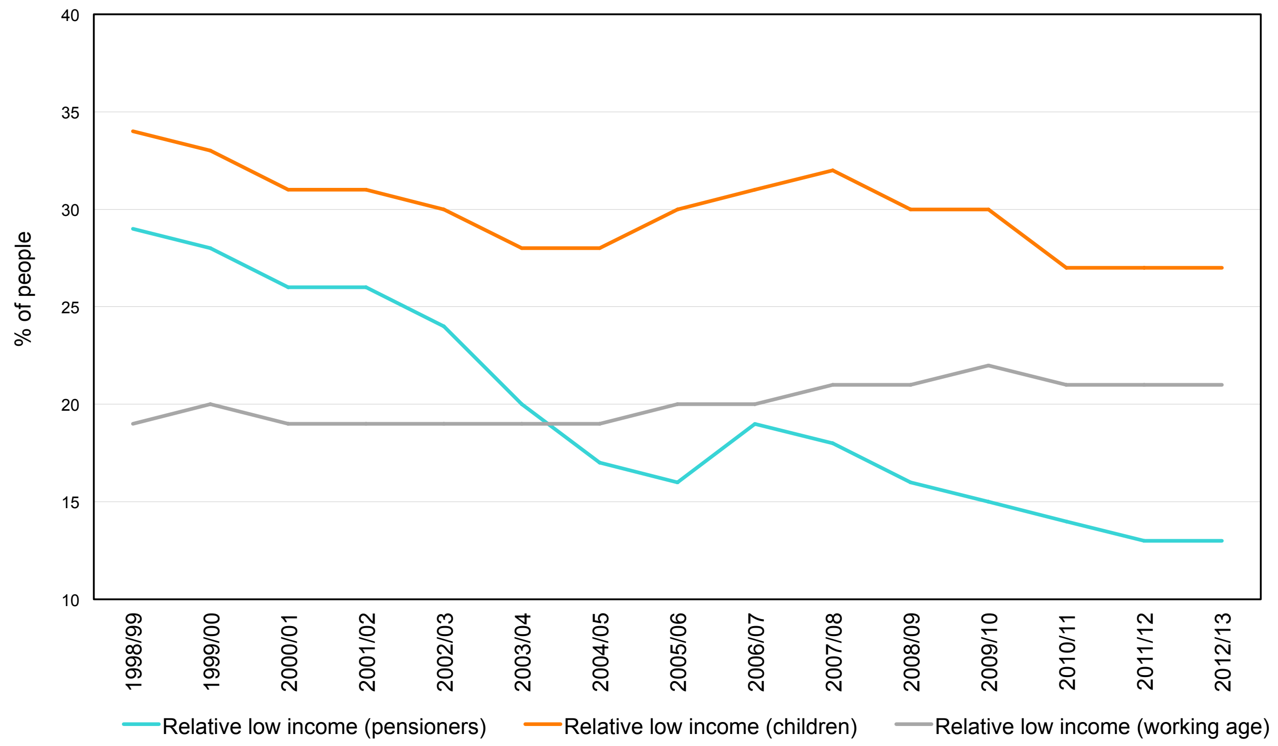
Figure 8: Main measures of pensioner poverty



Source: DWP, Housholds Below Average Income

- But while measures of pensioner poverty are moving in the right direction, the proportion of households with working age adults and households with children living in low income households has remained relatively stagnant.
- By 2012/13, there was a higher proportion of households with working age adults and households with children on low incomes than there were low income pensioner households. This is in stark contrast to 15 years ago when low incomes were far more prevalent across pensioner households than working age ones.

Figure 9: Proportion of people on relative low incomes after household costs



Source: DWP, Housholds Below Average Income

Why has pensioner poverty fallen faster since the recession?

- The Institute for Fiscal Studies has argued that since the 2008 recession, unlike wages, benefit rates broadly kept pace with inflation over the period, and benefits are a particularly important income source for low-income pensioners as well as children. On the other hand, relative poverty among working-age adults without children increased, driven by increasing levels of unemployment, and falls in real wages[35].

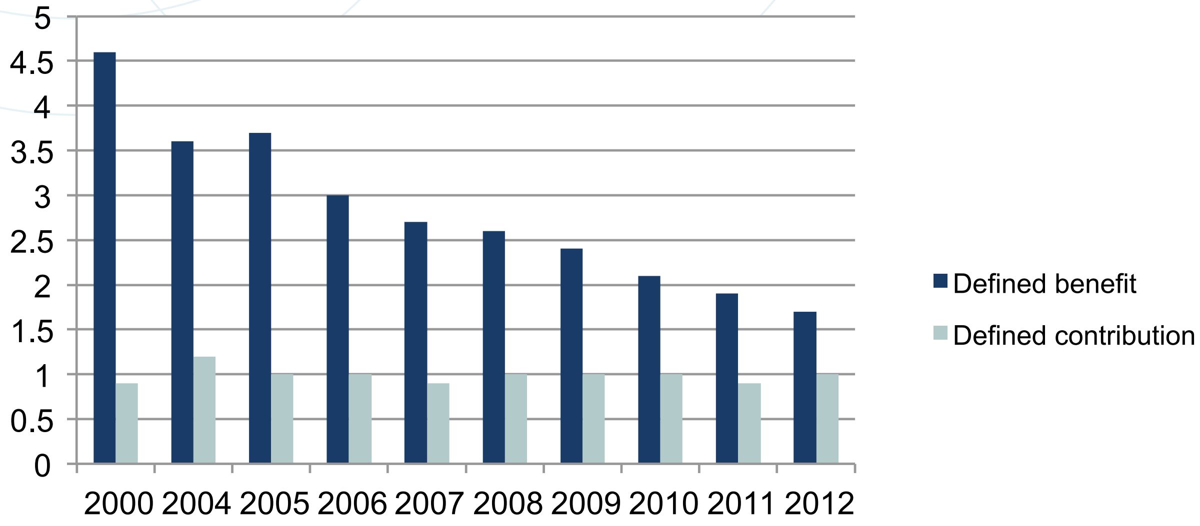
For more details about the debts of those aged over 50 see: Mortgage debt of older households and the effect of age. ILC-UK and PRFC, September 2013.

- One in five of all households (21 per cent) headed by someone aged 50 or over had outstanding mortgage borrowing on their main home in 2008-10.
- Among the over 50s with outstanding mortgages, the mean average owed was £62,200.
- 13 per cent of all older mortgaged households were struggling to repay their mortgage.

Charting the current and future potential sources of pensioner income

- The numbers saving into a pension dwindled over the last decade from over 5.5 million in 2000 to just 2.5 million in 2012[36]. This was largely a consequence of the fall in defined benefit members as schemes have closed in response to demographic pressures. Yet take-up of defined contribution pensions has remained stagnant.

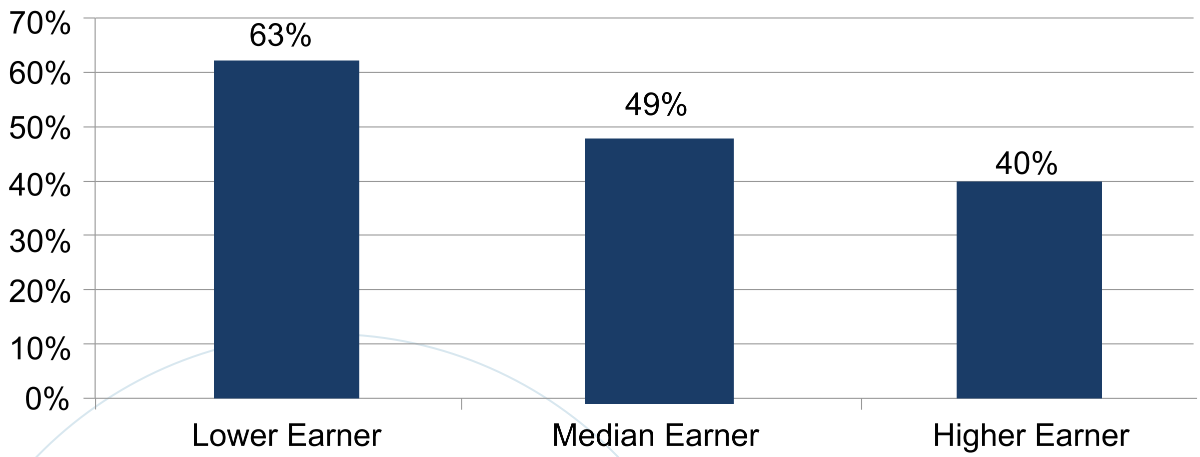
Figure 10: Number of active scheme members (million)



Source: ONS, Occupational Pensions Survey

- In response, the government is implementing auto-enrolment. But the success of this initiative will not just depend on increasing the numbers of savers, but also the amount saved. **Many employees will need to save beyond the minimum contribution rate of 8%.**[37]

Figure 11: Probability of achieving the target replacement income varies by earning level

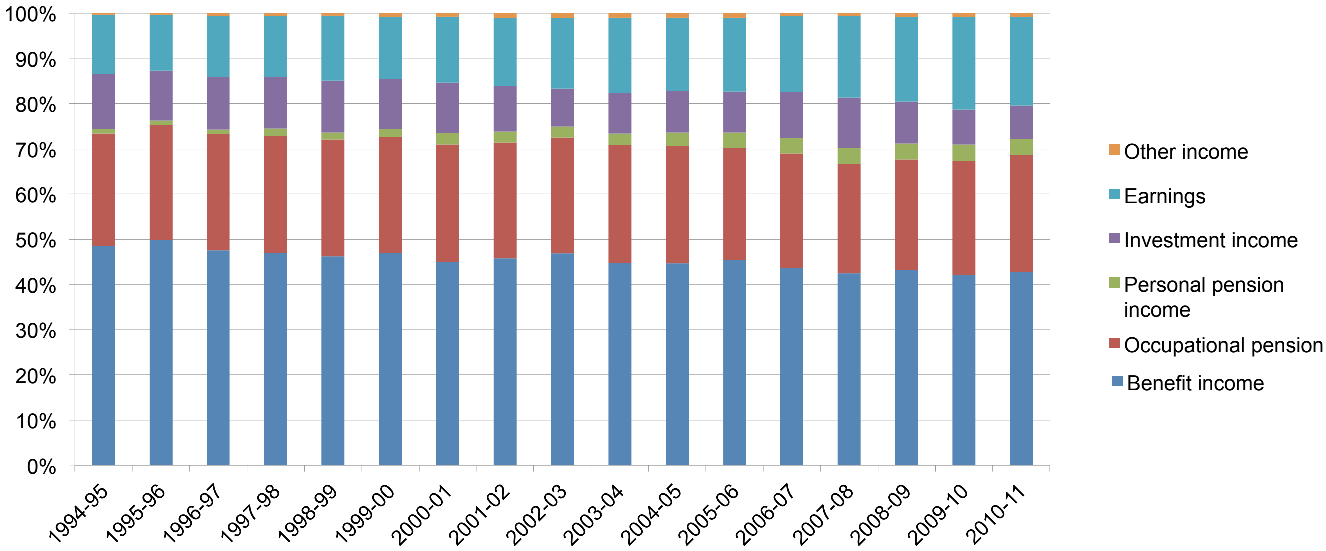


Source: Pensions Policy Institute

- In the meantime, a high proportion of people are failing to save adequately for retirement. During the period 2010-12, median total pension wealth for all those who have saved something into a pension was £46,900. However, 42% of adults have no private pension savings whatsoever[38].

➢ As a result, State Pensions and other benefits make up the most significant part of a pensioner's income. This has remained consistently the case for a number of years (see chart).

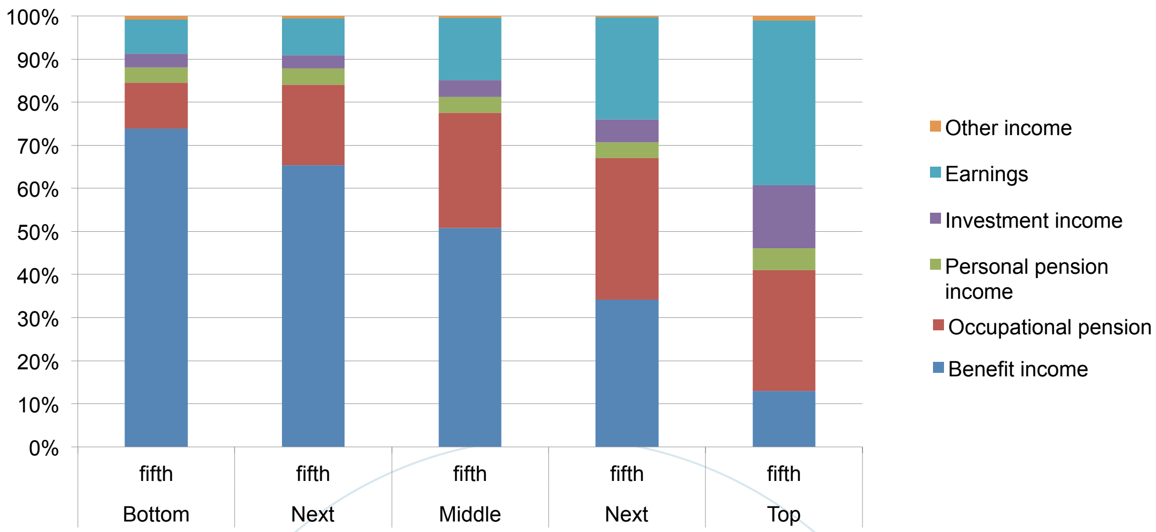
Figure 12: Contributions to gross income in retirement (1994-2011)



Source: DWP Pensioner Income Series and author's calculations

➢ Lower to medium income groups are particularly reliant on state benefits to fund retirement with nearly 75% of income for the bottom fifth coming from the State (see chart).

Figure 13: Components of mean gross income of pensioner units by quntile of income



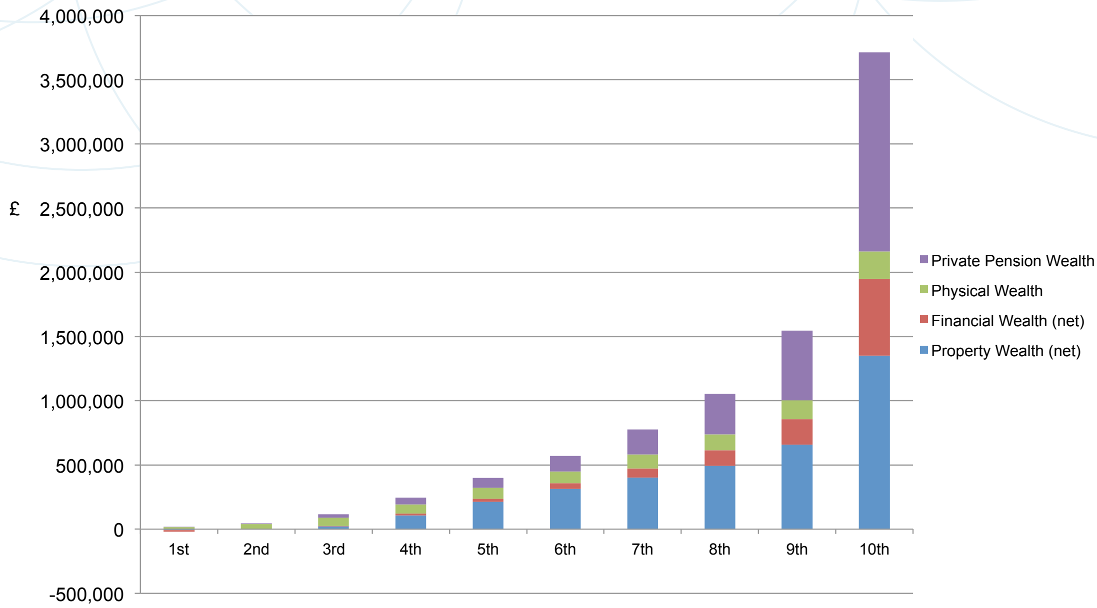
Source: DWP Pensioner Income Series and author's calculations

➢ Pensions and savings are not the only assets that can be used to fund retirement. Homeowners can also release equity from their home to generate an income.

➢ It is estimated that housing equity owned by the 65+ population is worth around £1.4 trillion or, put another way, £122,000 per person on average[39].

- Property wealth is also the largest component of total household wealth across most income deciles and the most evenly distributed in the UK.

Figure 14: Total wealth by component and decile



Source: ONS

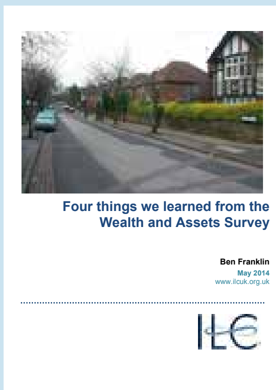
- Despite this background, a very small proportion of pensioners are releasing equity from their home through equity release. The commercial market has shrunk in recent years from 29,000 new plans in 2007 to 16,000 in 2011, although it is now slowly rising again reaching 19,000 in 2013[40].

FOCUS BOX: Will the large reductions in pensioner incomes be reversed?

- Unless there is a substantial rise in contributions to pension funds , people work for longer or there is better use of property wealth to fund retirement, individuals are likely to remain highly reliant on the state pension for some time to come. The implication of all this, is that if pensioner benefits are cut in future then the level of pensioner poverty could yet rise.

For more details about the wealth and assets of those approaching retirement please read: Four things we learned from the Wealth and Assets Survey. ILC-UK, May 2014.

- 28% of 55-64 year olds have no pension savings whatsoever
- 37% of women amongst the 55-64 age group have no private pension wealth compared to 19% of men.

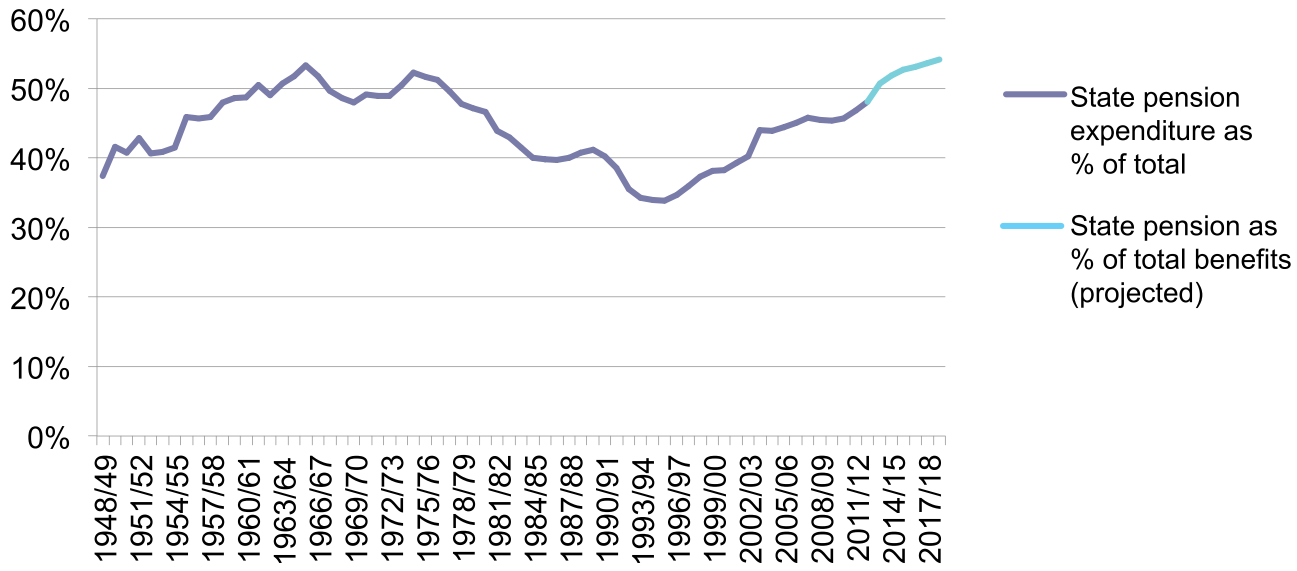


Government spending on pensioner benefits

State pensions

- In 1948, the UK spent £4.6bn on state pensions. By 2013 this had risen to £84.9bn.
- In 2012/13, spending on the state pension accounted for 48% of total benefit spending, but this is less than in the 1970s when spending on the state pension accounted for over 50% (during the years 1973-78) and in the 1960s (see chart)[41].

Figure 15: State pension expenditure as % of total benefits (2013/14 prices)

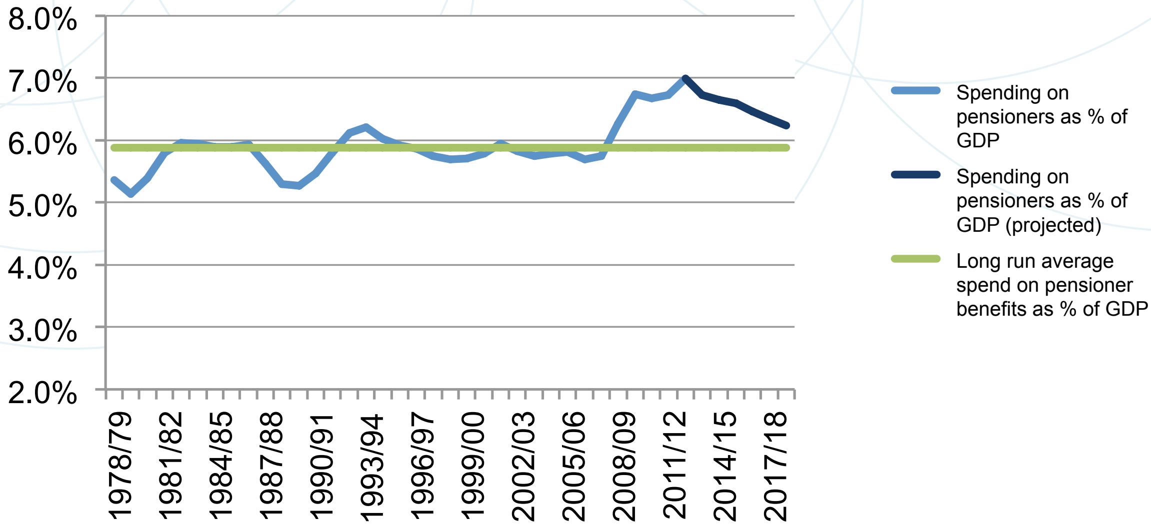


Source: DWP

Total pensioner benefits

- Earliest official figures for total spending on pensioner benefits date back to 1978. At that time, the UK was spending £38.9bn on pensioner benefits. By 2013 this had risen to £113.1bn.
- In 2013, total pensioner benefits accounted for an estimated 66% of total benefit spending. This compares to an average of 57% over the entire period since 1978. It is forecast to rise to 69% by 2018.
- In 2013, pensioner benefits were equivalent to 6.7% of GDP. This compares with an average of 5.9% per annum since 1978 (see chart)[42].

Figure 16: Pensioner benefits as a proportion of GDP



Source: DWP and author's calculations

FACKPACK TIP

Looking at benefit spending to GDP rather than overall levels of spending is a better way of assessing the affordability of Government policy. Simply put, the higher the level of GDP, the easier it is to increase benefit spending without it increasing government indebtedness.

The economic and financial consequences of an ageing population

The economic forecasting agency the Office for Budget Responsibility, has just published its projections for public spending over the next 50 years.

- Health spending is expected to rise from 6.4 per cent of GDP in 2018-19 to 8.5 per cent of GDP in 2063-64, rising smoothly as the population ages.
- State pension costs are expected to increase from 5.5 per cent of GDP in 2018-19 to 7.9 per cent of GDP in 2063-64 as the population ages.
- Long-term social care costs are expected to rise from 1.2 per cent of GDP in 2018-19 to 2.3 per cent of GDP in 2063-64, reflecting the ageing of the population and the Government's announcement of a lifetime cap on certain long-term care expenses incurred by individuals.
- By 2063-64 it is estimated that total age-related spending will equal 25.1% of GDP by comparison to 20.4% in 2018-19. Spending on education, other welfare benefits and other items will remain broadly level over this period[43].

OBR spending projections

	Per cent of GDP							
	Estimate[1]		FSR Projection					
	2013-14	2018-19	2020-21	2023-24	2033-34	2043-44	2053-54	2063-64
Health	7.9	6.4	6.5	6.7	7.5	8.0	8.4	8.5
Long-term care	1.2	1.2	1.4	1.4	1.7	2.0	2.2	2.3
Education	5.3	4.3	4.3	4.4	4.3	4.2	4.2	4.2
State pensions	5.8	5.5	5.4	5.7	6.7	7.4	7.6	7.9
Pensioner benefits[2]	1.0	0.8	0.8	0.8	0.9	1.0	1.0	0.9
Public service pensions	2.2	2.2	2.1	2.1	1.9	1.6	1.4	1.2
Total age-related spending	23.3	20.4	20.6	21.2	23.0	24.2	24.8	25.1
Other welfare benefits[2]	5.8	5.2	5.3	5.3	5.2	5.2	5.3	5.3
Other spending[2]	11.4	8.6	8.7	8.5	8.5	8.5	8.7	8.7
Spending[3]	40.5	34.3	34.5	35.0	36.7	37.9	38.8	39.1

[1] Spending consistent with the March 2014 *Economic and fiscal outlook*.

[2] Last year's pensioner and welfare benefits projections included council tax benefit. This has now been devolved to local authorities, and so is excluded from our benefits projections, and is now implicitly included in 'other spending'.

[3] Excludes interest and dividends.

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About the ILC-UK

The International Longevity Centre-UK is the leading think tank on longevity and demographic change. It is an independent, non-partisan think tank dedicated to addressing issues of longevity, ageing and population change. We develop ideas, undertake research and create a forum for debate.

Much of our work is directed at the highest levels of government and the civil service, both in London and Brussels. We have a reputation as a respected think tank which works, often with key partner organisations, to inform important decision-making processes. We are aided in this work by our Chief Executive, Baroness Sally Greengross, former director-general of Age Concern and now a cross-bench peer.

Our policy remit is broad, and covers everything from pensions and financial planning, to health and social care, housing design, and age discrimination. We work primarily with central government, but also actively build relationships with local government, the private sector and relevant professional and academic associations.

About Partnership

There is a simple belief at the heart of our business: people with lifestyle and health issues deserve a better retirement deal.

We are usually able to offer our customers – people whose health or lifestyle means their life expectancy is likely to be reduced – more money than a standard insurer can, both at and during retirement.

We can offer more because, over 19 years, we have cultivated extensive expertise and an in-house dataset that enables us to see our customers as individuals and tailor our products to meet their needs.

In addition to creating innovative and beneficial products for our customers, we make sure that we manage our risks well, and run our company efficiently and with integrity. As a result, we have gained a leading position in our market.

This means we can offer more customers a better income in retirement. We can offer our people fulfilling and challenging careers and we can offer our shareholders a meaningful, and growing, return on their investment. We can change the conversation, and we can reshape markets.

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