

Advantage GM: Unlocking the longevity economy for Greater Manchester

Summary of interim findings



Infrastructure
Technology
Housing
Health and care
Carers
Economy
Life expectancy
Transport
Culture and society
Care homes
Inequalities
Productivity

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Greater Manchester (GM) is an international leader in ageing. As the UK's first WHO Age-friendly city region¹, it is at the forefront of global efforts to adapt to demographic change and promote healthy and active ageing for all. GM's new Local Industrial Strategy makes clear its ambition to seize the economic opportunities of ageing.²

This report sets out the findings of research by the International Longevity Centre UK (ILC), in partnership with the Greater Manchester Combined Authority (GMCA) Ageing Hub, into the nature of these opportunities, and how GM's innovation infrastructure and other key stakeholders can best respond to them. The report considers both:

- The opportunity within GM to capitalise on the growing 50+ consumer market, and
- The opportunity for GM to develop new products and services to meet the needs of an ageing society, and so support economic growth and prosperity.

The ageing market is increasingly significant. Globally, people aged 50+ spend approximately \$15tn each year.³ **In the UK alone, consumers aged 50+ spend over £500bn each year.**⁴ This market segment is also growing faster than any other - both in absolute terms, as the number of older people rises, and as a proportion of total consumer spending. In line with these trends, this report looks beyond the stereotypical "older" person to consider the whole 50+ population: people in mid and later life.

¹The World Health Organization Global Network for Age-friendly Cities and Communities was established to foster the exchange of experience and mutual learning between cities and communities worldwide. The WHO age-friendly cities guide highlights 8 domains that cities and communities can address to better adapt their structures and services to the needs of older people <https://www.who.int/ageing/projects/age-friendly-cities-communities/en/>

²HM Government (2019) *Greater Manchester Local Industrial Strategy* <https://www.greatermanchester-ca.gov.uk/media/2132/gm-local-industrial-strategy-web.pdf>

³Oxford Economics for AARP (2017) *Longevity Economy: United States* https://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2017/Longevity%20Economy/United-States.doi.10.26419%252Fres.00172.003.pdf

⁴Technopolis / Oxford Economics (2018) *The Silver Economy* European Commission <https://publications.europa.eu/en/publication-detail/-/publication/afef929-3ec7-11e8-b5fe-01aa75ed71a1>

What do we mean by older consumers?

This report focuses on people aged 50 and above; those in the second half of their life.

This is a highly diverse group of people, from those in mid-life who may still have dependent children at home and twenty+ years of work ahead of them, to those in much later life, who may be living alone on fixed incomes. It might seem to make sense to treat these different cohorts / market segments separately. However, in practice, people in mid- and later life are marketed to as a block, if at all. Just a glance at the imagery in adverts for consumers aged 50+ will confirm this.

The mid-50s is also the point at which long-term health conditions become more prevalent and caring responsibilities begin to peak. We also start to see clear evidence of structural age discrimination, with people who fall out of work at this age much less likely to return. So it makes sense to start with those in mid-life, while recognising the diversity and breadth of the 50+ population.

These demographic and economic shifts are driving increasing government and commercial attention to the potential longevity dividend. “Healthy Ageing” is one of the four Grand Challenges around which the UK Government has built its Industrial Strategy.⁵ Throughout the world, city and national governments, major corporates and investors are increasingly focused on the economic opportunities of ageing.

While much of this attention has focused on health and social care, consumers aged 50+ already outspend younger people across a wide range of leisure and recreation, food and beverage and home markets. There are significant opportunities on two fronts:

- **Inclusion:** designing and delivering age-friendly products and services that attract and retain older consumers
- **Innovation:** the development of new products, services and businesses that respond to the changing demands of an ageing population.

⁵<https://www.gov.uk/government/topical-events/the-uks-industrial-strategy>

The economic opportunities of ageing in Greater Manchester



against a total population of approximately **3,000,000**



The combined spending power of GM's **households aged 65 and over** is increasing by

£280m This is nearly as much
each year. as all other households
combined.

(The spending power of all households aged under 65 in GM grows by £286m per year.)⁷

GM's **households aged 65 and over** are currently saving

£1.8bn each year that
could be spent within GM's economy.⁸



⁶ILC calculations using household expenditure data (provided by the ONS using the Expenditure and Food Survey) and demographic profile of Greater Manchester (calculated using ONS projections accessed through NOMIS).

⁷ILC calculations for GM drawing on ILC-UK (2018) *Understanding Retirement Journeys* <https://ilcuk.org.uk/wp-content/uploads/2018/10/Understanding-Retirement-Journeys.pdf>

⁸ILC calculations for GM drawing on ILC-UK (2018) *Understanding Retirement Journeys* <https://ilcuk.org.uk/wp-content/uploads/2018/10/Understanding-Retirement-Journeys.pdf>

GM is well placed to define and capture the new market opportunities of an ageing population. It has an established record of leadership in ageing among city regions and other areas in the UK, benefiting from long-standing local authority engagement on ageing, a strong and established movement to listen to the voices of older people and, since 2016, a dedicated Ageing Hub hosted by the GMCA. The Ageing Hub is a partnership forum which works to stimulate, coordinate and steer new approaches to ageing across GM's agencies and sectors, it is supported in its work by a strategic partnership with the Centre for Ageing Better, which is part of the What Works Network. GM was the first city region to publish a dedicated ageing strategy – the *Greater Manchester Age-Friendly Strategy* – which highlights the economic opportunities of ageing.⁹

GM also has world-class research capabilities, a large and growing older population, a strong voluntary, community and social enterprise (VCSE) sector, significant consumer demand, devolved institutions, and a wide range of assets and infrastructure to support innovation, notably the Growth Company and Health Innovation Manchester (HInM)¹⁰, as well as innovation centres in its universities. GM is also leading the way in a number of other key areas, including advanced materials and digital technologies, as recognised in the recent Greater Manchester Independent Prosperity Review.¹¹

GM has the potential to be a national and international leader in the ageing economy. However, it will need to take steps to capitalise on its current advantages, as several other cities and regions around the world are developing their own age-friendly initiatives.

⁹GMCA (2018) *The Greater Manchester Age-friendly strategy* https://www.greatermanchester-ca.gov.uk/media/1166/gm_ageing_strategy.pdf

¹⁰Health Innovation Manchester was formed in October 2017 by bringing together the former Greater Manchester academic health science network (GM AHSN) and Manchester academic health science centre (MAHSC) under one single umbrella, which also represents Greater Manchester's wider research and innovation system.

¹¹GM Independent Prosperity Review (2019) *Greater Manchester Independent Prosperity Review: Reviewers report* https://www.greatermanchester-ca.gov.uk/media/1826/gmis_reviewersreport_final_digital.pdf

In this research we have examined the opportunities for innovation and economic growth in four key sectors:

- Retail, culture, hospitality, tourism and sport
- Transport and mobility
- Housing
- Health and social care

We calculate that **consumers aged 50+ already spend approximately £3.4bn on retail, culture, hospitality, tourism and sport** in GM each year - **nearly half** of all consumer spending in these sectors.¹² However, GM businesses are still not focused on this customer group. We heard that awareness of the opportunities of ageing is low among businesses and those providing business and innovation support, such as the Growth Company, the Chambers of Commerce, GM Social Enterprise Network and small business advisors. This means that entrepreneurs and innovators who do see opportunities struggle to get appropriate support.

Transport and mobility act as *connectors*, enabling older people to get to shops and facilities and become active consumers. Transport for Greater Manchester (TfGM) is working with the GMCA Ageing Hub to explore promoting age-friendly transport, which has a clear economic value. We estimate that making GM town centres more accessible and appealing to older consumers could lead to an increase in high street spending of **over £50m each year**.¹³

Recently published research has identified a lack of suitably placed **housing**, which has led to large-scale unmet housing demand among older people. This is referred to as the “rightsizing gap”.¹⁴ Meeting this demand could be a significant boost to GM’s economy, unlocking private housing wealth, stimulating new

¹²ILC UK calculations drawing on ONS *Household Projections for England and Living Costs & Food Survey*

¹³ILC calculations for GM residents aged 50+, drawing on methodology and data from Urzi Brancati, C, & Sinclair, D (2018) *The Missing £Billions: The economic cost of failing to adapt our high street to respond to demographic change* ILC-UK <https://ilcuk.org.uk/the-missing-billions-the-economic-cost-of-failing-to-adapt-our-high-street-to-respond-to-demographic-change/>

¹⁴Hammond, M, White, S, Walsh, S (2018) *Rightsizing: Reframing the housing offer for older people* <https://www.ageing-better.org.uk/sites/default/files/2019-02/rightsizing-manchester-school-architects.pdf>

construction and home adaptation solutions, and encouraging innovative financial products and services. With the ambitious growth plans set out in its Spatial Framework, and a strong history of innovation in housing and place-making, GM is well placed to take advantage of this opportunity. However, more needs to be done to bridge the gap between small scale pilots and major developers and large scale developments. The GM Housing Providers Consortium occupies an important intermediary position and has a key role to play in incubating new solutions.

The Greater Manchester Health and Social Care Partnership (HSCP) gives GM a unique opportunity to take a whole-system approach to healthy ageing. With a devolved budget of £6bn for health and social care and ambitious plans for integration, GM has a significant lead in this area.

Innovation in **health and social care** is urgently needed, to ensure the sustainability of services for GM's population, and to unlock GM's productivity challenge. Solutions would find eager customers across the UK and internationally. There are also growing consumer markets in health and care where GM could establish a significant advantage.

Health innovation is already a strength for GM; it has a well-established research base across the universities, and substantial investment and infrastructure through the HSCP and Health Innovation Manchester (HiInM). Yet we heard that attention is focused primarily on health tech and clinical treatments, with less focus on much-needed prevention and social care solutions. Closer integration between innovators, research and innovation support structures, and the health and care system will ensure that innovation serves system-wide priorities. The commitment to developing an Innovation Partnership on Healthy Ageing in GM's recently published Local Industrial Strategy provides an ideal vehicle for doing this.¹⁵

In summary, **GM is well-placed to play a leading role in the development of the ageing market. Our research has identified a number of steps that can be taken to harness the potential of GM's existing innovation assets, in order to realise the opportunities of the longevity economy.**

¹⁵HM Government (2019) *Greater Manchester Local Industrial Strategy* <https://www.greatermanchester-ca.gov.uk/media/2132/gm-local-industrial-strategy-web.pdf>

We found that the bodies responsible for supporting innovation and entrepreneurship in GM do not yet have enough understanding of the potential economic opportunities associated with ageing. There are also gaps and disconnections between supply and demand that prevent ageing innovations from taking root or going to scale across GM. It is hard for older people to engage with businesses or services to articulate what they need or shape what is provided. Within the statutory system, even commissioners and system leaders can't always influence GM's research and innovation agenda.

From an innovator's perspective, there is a lack of clear "front doors" to access research and insight into the needs and aspirations of ageing consumers, or get funding and support. It is difficult for promising ideas to find their way to market, whether these are consumer-facing, business-to-business or statutory commissioning. Even entrepreneurs with proven innovations still struggle to identify entry points to GM's structures, and good pilot projects struggle to scale up.

We therefore recommend action by GMCA, the GM Ageing Hub and GM agencies (such as TfGM and the Growth Company, the GM Health & Social Care Partnership, GM Housing Providers), local authorities and other stakeholders, such as the GM Chambers of Commerce and the GM Social Enterprise Network and the wider VCSE sector. They should connect their efforts and GM's many assets into an infrastructure that can promote and direct innovation to respond to the economic opportunities of ageing, and support those innovations with the greatest economic and social potential to go to scale.

Specifically, we recommend that:

GMCA and GM's local authorities encourage and support retail, hospitality, leisure, culture and sport businesses to recognise and embrace the opportunities of the older consumer market:

- Create a centre of expertise on ageing markets within the Growth Hub, drawing on expertise within the GM Ageing Hub, GM's universities and the VCSE sector.
- Build ageing issues into wider business engagement activity, communicating the opportunities of ageing, promoting age-friendly business initiatives and connecting local businesses to share good practice.
- Explore the potential for developing a network of "Customer Champions", building on the model of GM's culture champions, to link local businesses to older consumers.
- Focus ongoing built environment improvements on making high streets more accessible and promoting more age-friendly town centres.
- Use social value requirements to promote age-friendly services e.g. as local authorities commission sport and leisure activities.
- Broker links between GM's innovators and larger retailers, investors and other significant market actors.

GMCA continues to work with GM Housing Providers and other stakeholders to promote innovation in housing for later life, building on existing age-friendly initiatives:

- Use GMCA's planning and spatial powers to promote new models of housing for later life that recognise changing market demands.
- Convene developers, architects and designers, the wider construction industry, and the financial services sector, to develop new solutions to meet the requirements of these models.
- Use GM Housing Providers' collective purchasing power to incubate new models for housing, home improvements and adaptations, and scale successful models across GM.

TfGM completes the implementation of the recommendations of its age-friendly transport report, to enable older people to access shops and facilities, and support them as active consumers:

- Define tighter requirements for public transport providers to make existing services more age-friendly and accessible.
- Roll out good accessibility practices and local initiatives across GM's transport systems.
- Support the development of innovative solutions to meet the needs of older people currently less well served, such as community transport initiatives.

The planned Innovation Partnership on Healthy Ageing (including the GM HSCP, Ageing Hub, HInM and others) is used to create and strengthen the structures and processes that can translate system-wide challenges into innovation opportunities related to ageing:

- Articulate and promote a small number of priorities where innovative solutions are needed and support their development.
- Convene commissioners and funders to create a coherent marketplace to test and scale effective ageing-related innovations.
- Foster engagement on ageing between innovation bodies like HInM, policy makers and commissioners, and frontline staff across health and social care, to align cultures and build mutual understanding.
- Develop a clearer "road map" or "front door" for innovators and entrepreneurs in the ageing marketplace within and beyond GM to bring their solutions to the system.



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