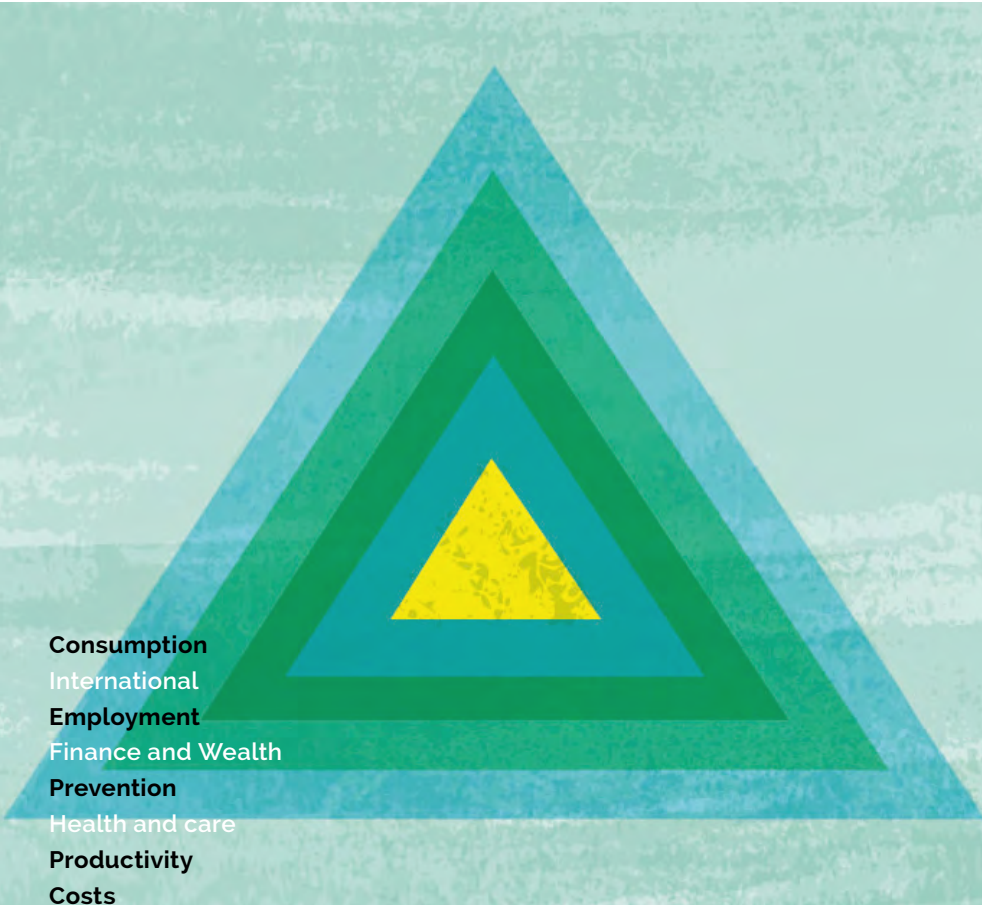


Health equals wealth

Maximising the longevity dividend in South Korea



At a glance: The longevity dividend in South Korea

- In 2018, 37% of South Korea's population was aged over 50. By 2035 that is **set to increase to 51% - more than half of the population.**
- By 2035, it is estimated that more than **6 in 10 South Korean employees** could be aged 50 and over.
- In South Korea, people aged 65 and over spend (on average) **50% more time** volunteering than people of other ages.

We've become accustomed to ageing populations being presented as a bad thing. But far from being a cost or drain on public resources, older people's social and economic impact is significant.

But it could be much higher if we remove avoidable barriers to working, spending, caring and volunteering, with the most important being poor health.

We know that countries that invest more in health see more people working, spending and volunteering and that investment in preventative health drives a return. Spending just 0.1 percentage points more on preventative health can unlock an additional 9% in spending by older consumers and an average of 10 additional hours of volunteering across the G20.

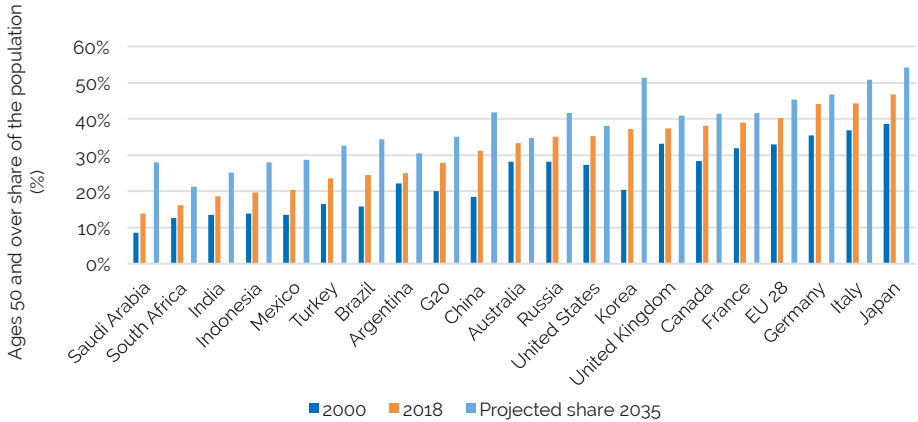
In this report, we highlight the economic contributions of older people in South Korea today and what more could be done to unlock a longevity dividend over the years to come, which could be instrumental in the post-COVID recovery.

To achieve this, we call on the Government of South Korea to adopt an Ageing Society New Deal that sees spend on prevention raised to 6% of health budgets, alongside greater support for older people's paid and unpaid contributions.

South Korea's population is ageing

- In 2018, 37% of South Korea's population was aged over 50. By 2035 that is **set to increase to 51%** - more than half of the population.

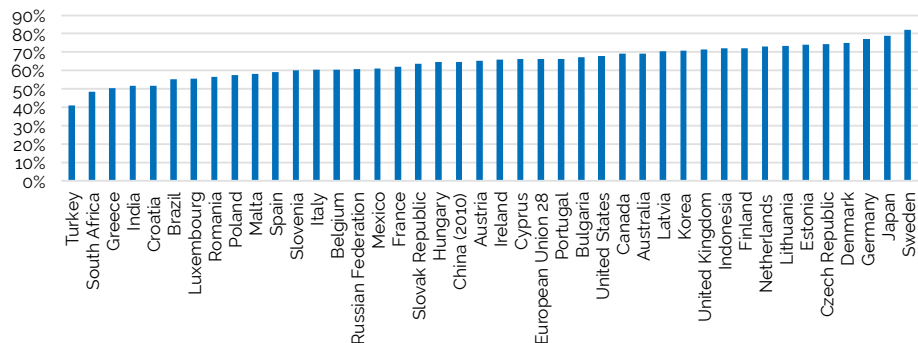
Estimated and projected share of the population aged 50 and over (2000 to 2035)



Older people are increasingly working, earning, and supporting a growing share of the economy.

- In South Korea, **71%** of people aged 50-64 were in employment in 2018.
- By 2035, it is estimated that more than **6 in 10 South Korean employees** could be aged 50 and over.

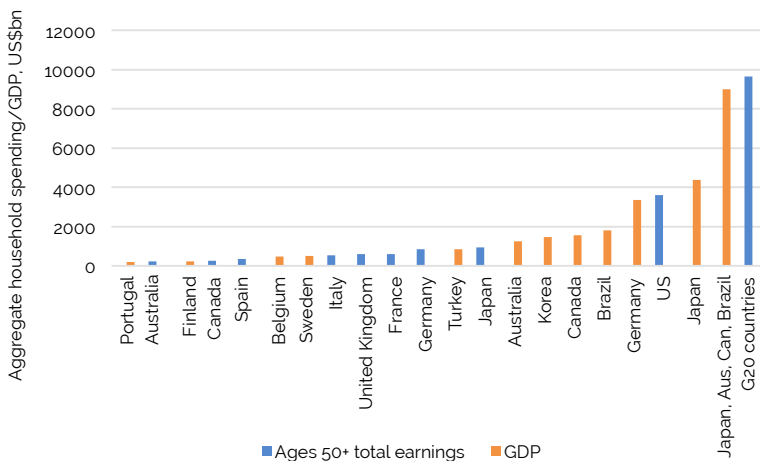
Employment rate for people aged 50 to 64 (2018)



Older people are spending more and accounting for a growing share of the consumer market.

- By 2050, **over 65s will account for over 34% of all consumers** in South Korea.
- In 2014, across the G20 spending by older households exceeded the **combined GDP of Japan, Australia, Canada and Brazil**.
- Across the G20, markets will evolve to reflect the tastes and preferences of older people, as they dominate consumer spending, with top sectors including housing & utilities; health; transport; recreation & culture; and household goods & services.

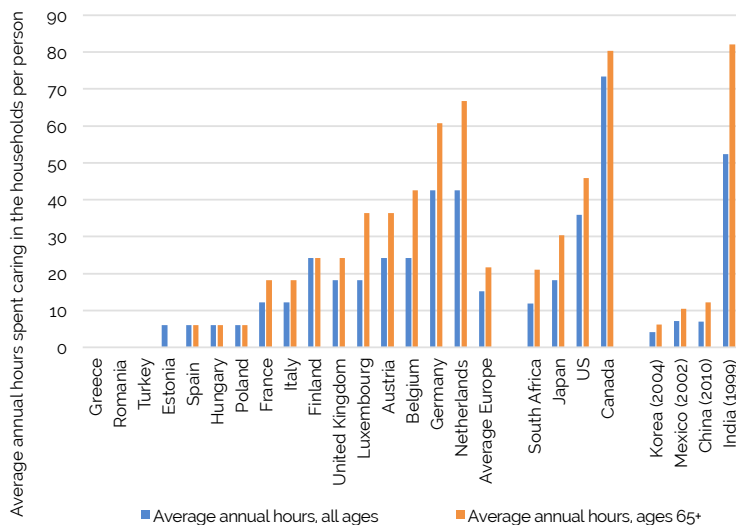
Aggregate consumption for households aged 50 and over in G20 countries (2015)



Older people's unpaid contributions are strengthening communities and helping to support the formal economy.

- Older people add significant value to their communities by undertaking unpaid contributions, such as volunteering, informal caregiving and looking after grandchildren.
- In South Korea, people aged 65 and over spend (on average) **6 hours** a year volunteering.

Average annual hours spent volunteering by age in G20 countries, in Europe (2010) and outside of Europe (other years)



But avoidable barriers, such as non-inclusive products and services, and most importantly poor health, are locking too many people out of working, spending, volunteering and caring.

Comparing countries across the G20:

- In G20 countries that spend more on health, older people **work more, spend more** and **volunteer more** (on average).
- G20 countries where more older people are vaccinated against the flu have **higher employment rates** for those aged 65 to 69 and **higher consumption rates** for those aged 60 and over.
- Across G20 countries, increasing preventative health spending by just 0.1 percentage points is associated with a **9% increase** in annual spending by people aged 60 and over, and 10 more hours of volunteering for each person aged 65 or over.

The COVID-19 pandemic has created an exceptional opportunity for society to further prioritise health and act to support older people. Amidst the devastation it has caused, it has shown us how our economies are linked to health, and exposed the dangers of under-investing in prevention. Let's use this shift in mind-set to commit the funds today that we'll need to realise a longevity dividend tomorrow.

It's time for an Ageing Society New Deal

1. Invest in health and recognise its economic value

- Spend at least 6% of health budgets on prevention (while Canada has already achieved this, most countries are far from this target).
- Tackle health inequalities: Tailor health interventions to meet the needs of disadvantaged groups and prioritise health spending on disadvantaged populations of all ages.
- Move towards complementing GDP with a measure that factors in health and inclusion (such as the Inclusive Development Index).

2. Support work in an ageing and changing world

- Incentivise employers to reduce barriers to employment for older people.
- Remove regulatory barriers (such as mandatory retirement ages), and incentivise and support people to work for longer in flexible roles.
- Invest in lifelong learning.

3. Unlock opportunities to tap into older people's growing power as consumers

- Support the health and care economy, in recognition of its economic value.
- Support businesses servicing older people.
- Reduce barriers to spending in local communities.

4. Recognise and support unpaid contributions

- Support informal carers and involved grandparents.
- Enable and incentivise volunteering at all ages.

This summary report has been produced with financial support from Sanofi.

All references are available in the full "Health equals wealth: The global longevity dividend" report: <https://ilcuk.org.uk/healthequalswealth>

The "Health equals wealth: The global longevity dividend report" is an independent ILC report, supported by Sanofi and Legal & General.

About ILC

The International Longevity Centre UK (ILC) is the UK's specialist think tank on the impact of longevity on society. The ILC was established in 1997, as one of the founder members of the International Longevity Centre Global Alliance, an international network on longevity. We have unrivalled expertise in demographic change, ageing and longevity. We use this expertise to highlight the impact of ageing on society, working with experts, policy makers and practitioners to provoke conversations and pioneer solutions for a society where everyone can thrive, regardless of age.



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