

**Sustainable Ageing Societies  
Indicators for Effective Policy-  
Making:  
A Framework**

**David Stanton**

# Summary

- **Real resources and associated financial flows:**
- **Flexibility**
- **Balance** today's and tomorrow's pensioners
- **Realistic about data**


$$cr \text{ pr } /Y = (cp/Y) \times (pr /p) \times (cr /c)$$

# Indicators

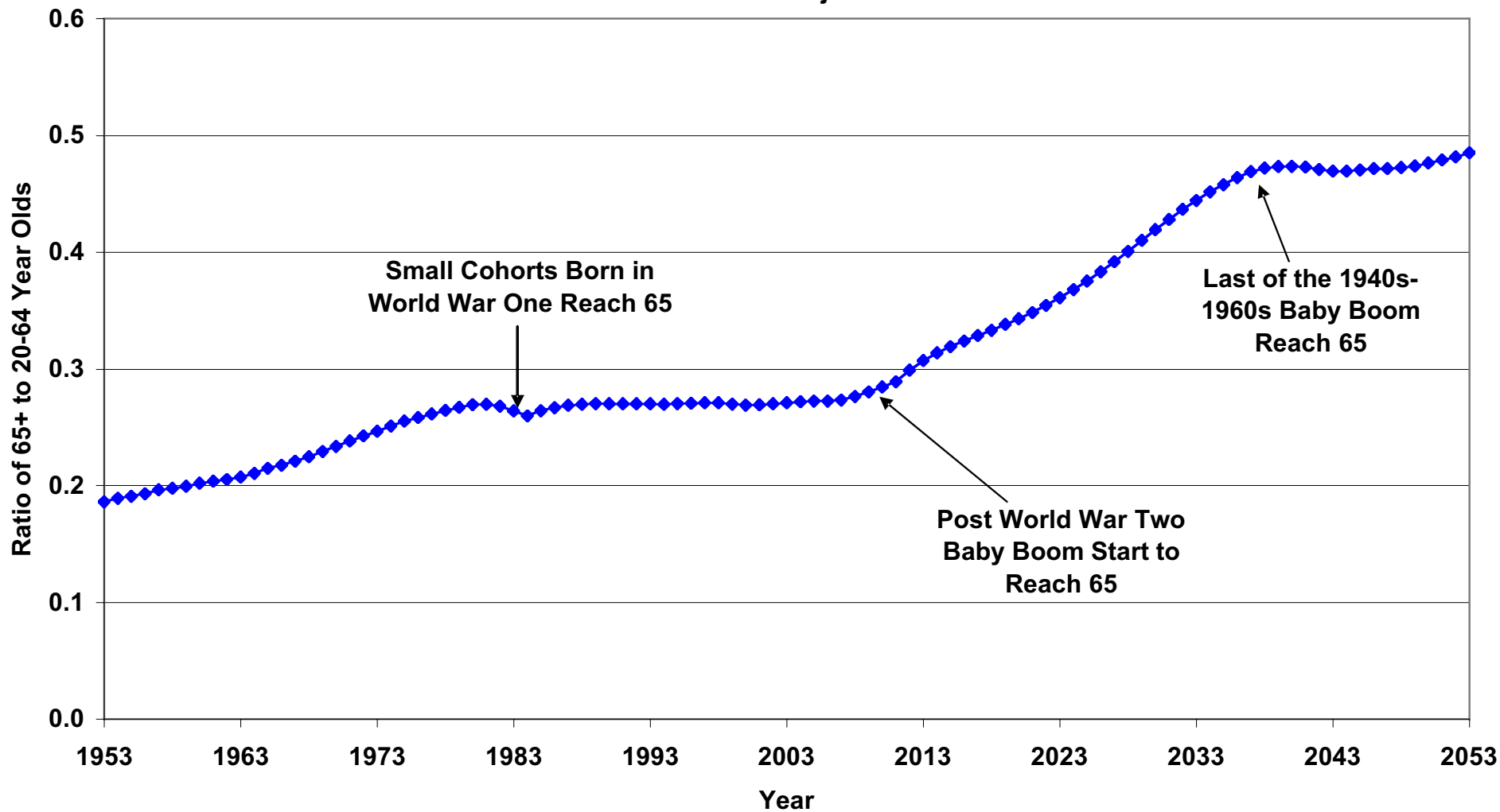
- **Demography**
- **Employment Rates**
- **Financial**
- **Poverty**

# Deconstructing Demography

- Acknowledge work of Trevor Huddleston:  
UK Pensions Commission

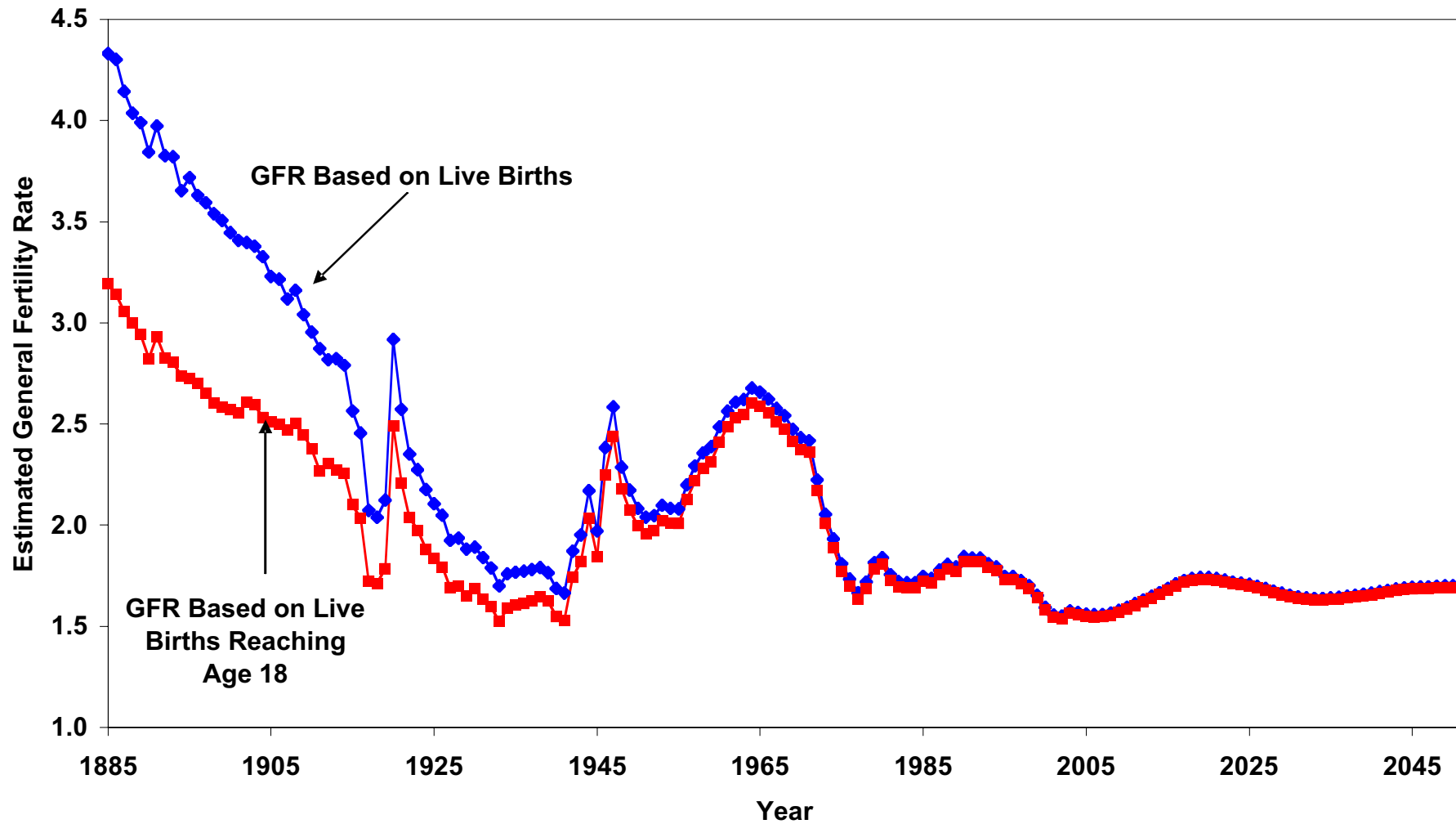
# Evolution of The GB Pensioner Dependency Ratio: 1953-2053

From GAD 2002 Projections



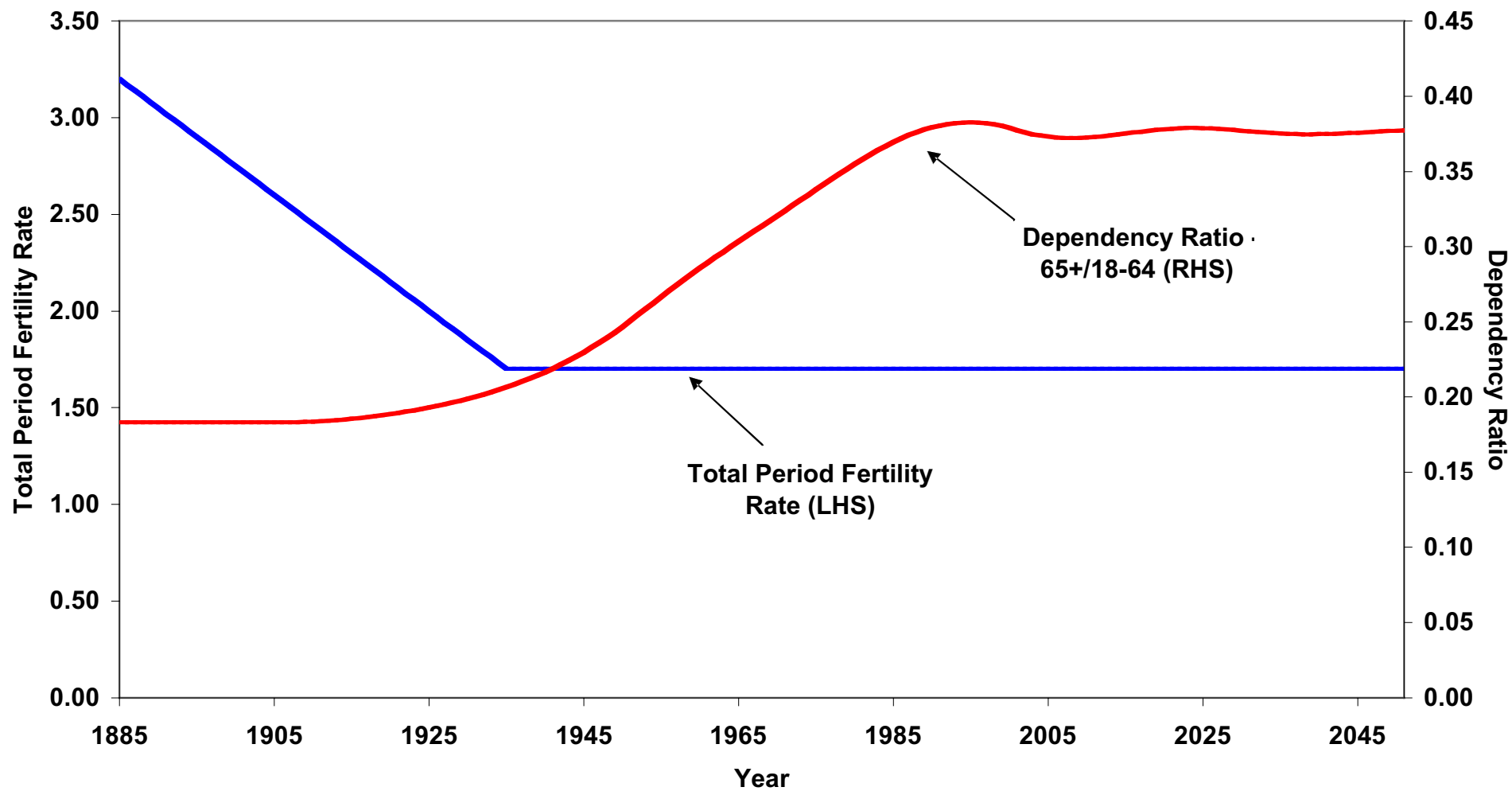
# The Long Run Evolution Of The General Fertility Rate

Based on a synthetic model of the England and Wales population



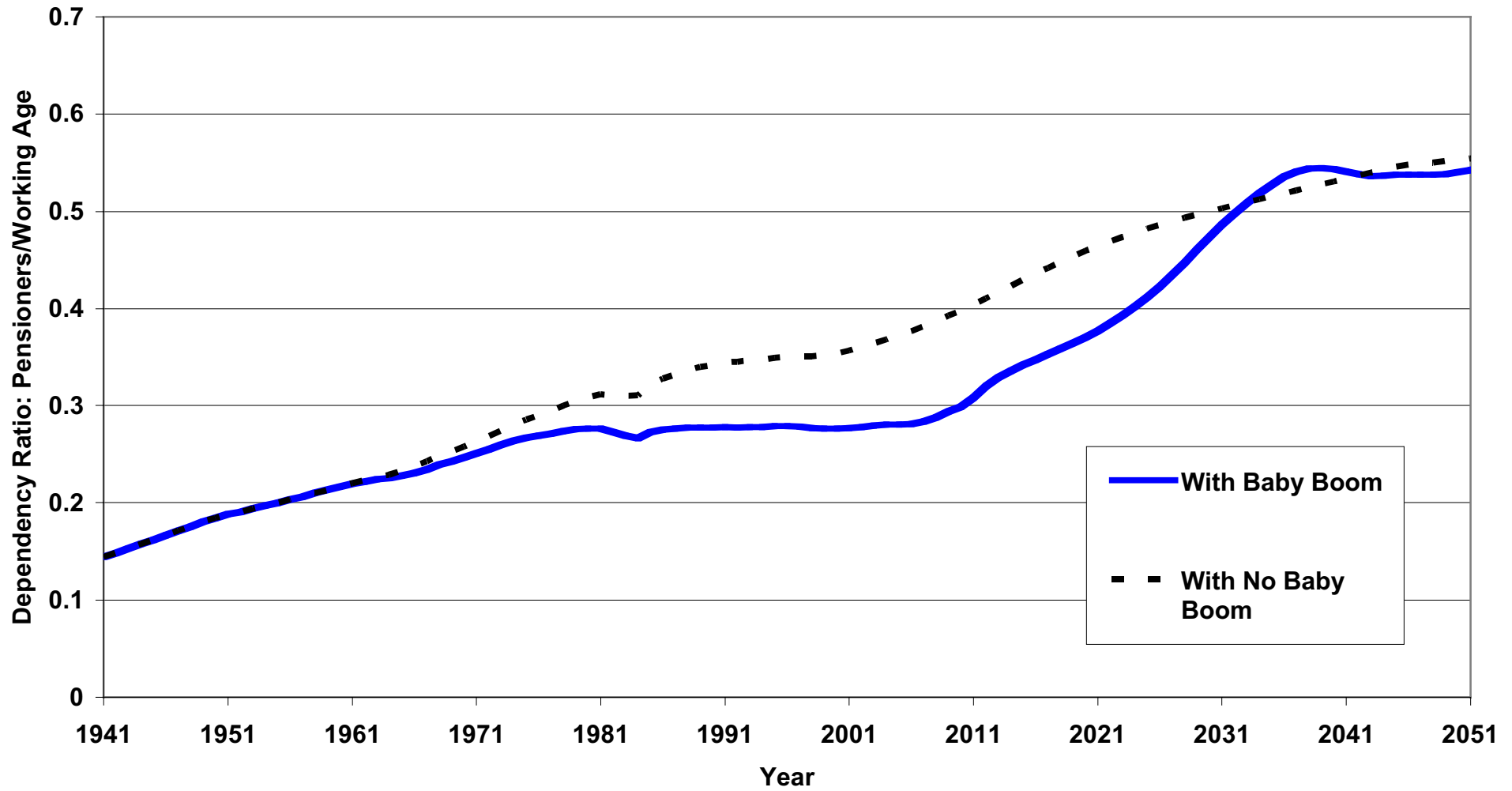
# IMPACT OF FALLING FERTILITY ON DEPENDENCY RATIO: 1885-2080

From Thought Experiment Generator



# The Impact of the 1940s-1960s Baby Boom On the Dependency Ratio

Based on a synthetic model of the England and Wales population



	<b>Change In Dependency Ratio</b>	<b>Role of Falling Fertility</b>	<b>Role of Increasing Longevity Above 1941 Levels</b>	<b>Role of Baby Boom</b>
<b>1961-1971</b>	<b>3.4</b>	<b>3.5</b>	<b>0.9</b>	<b>-1.2</b>
<b>1971-1981</b>	<b>3.1</b>	<b>3.4</b>	<b>1.3</b>	<b>-2.3</b>
<b>1981-1991</b>	<b>0.0</b>	<b>2.2</b>	<b>1.6</b>	<b>-3.1</b>
<b>1991-2001</b>	<b>0.0</b>	<b>-0.3</b>	<b>1.8</b>	<b>-1.3</b>
<b>2001-2011</b>	<b>2.0</b>	<b>-0.4</b>	<b>2.7</b>	<b>-1.7</b>
<b>2011-2021</b>	<b>5.9</b>	<b>0.6</b>	<b>4.3</b>	<b>1.0</b>
<b>2021-2031</b>	<b>8.0</b>	<b>-0.2</b>	<b>5.6</b>	<b>7.0</b>
<b>2031-2041</b>	<b>4.5</b>	<b>-0.2</b>	<b>4.7</b>	<b>2.4</b>
<b>2041-2051</b>	<b>0.6</b>	<b>0.2</b>	<b>2.3</b>	<b>-1.9</b>

**Much of the increase in the dependency ratio over the last 40 years was the lagged effect of falls in fertility up to the 1930s.**

**Over the last 30 years, the 1940s-1960s baby boom has acted to offset the impact of earlier fertility declines and improvements in longevity.**

**From now until 2035, 40%-50% of the increase in the dependency ratio is due to the unwinding of the 1940s-60s baby boom. This is why increases in labour supply in proportion to increased longevity will not be sufficient to keep the dependency ratio stable.**

**Increases in longevity since 1981 are driving most of the long run increases in the dependency ratio**

# Conclusions

- An indicator of resource burden
- Employment
- Deconstruct demography – baby boomers, fertility and longevity
- Financial flows for private as well as public pensions
- Poverty