

Introducing the...



Research Policy Network on the
Economics of Ageing and Longevity

<https://cepr.org/research/research-policy-networks/ageing-and-longevity>

Malthusian Problems

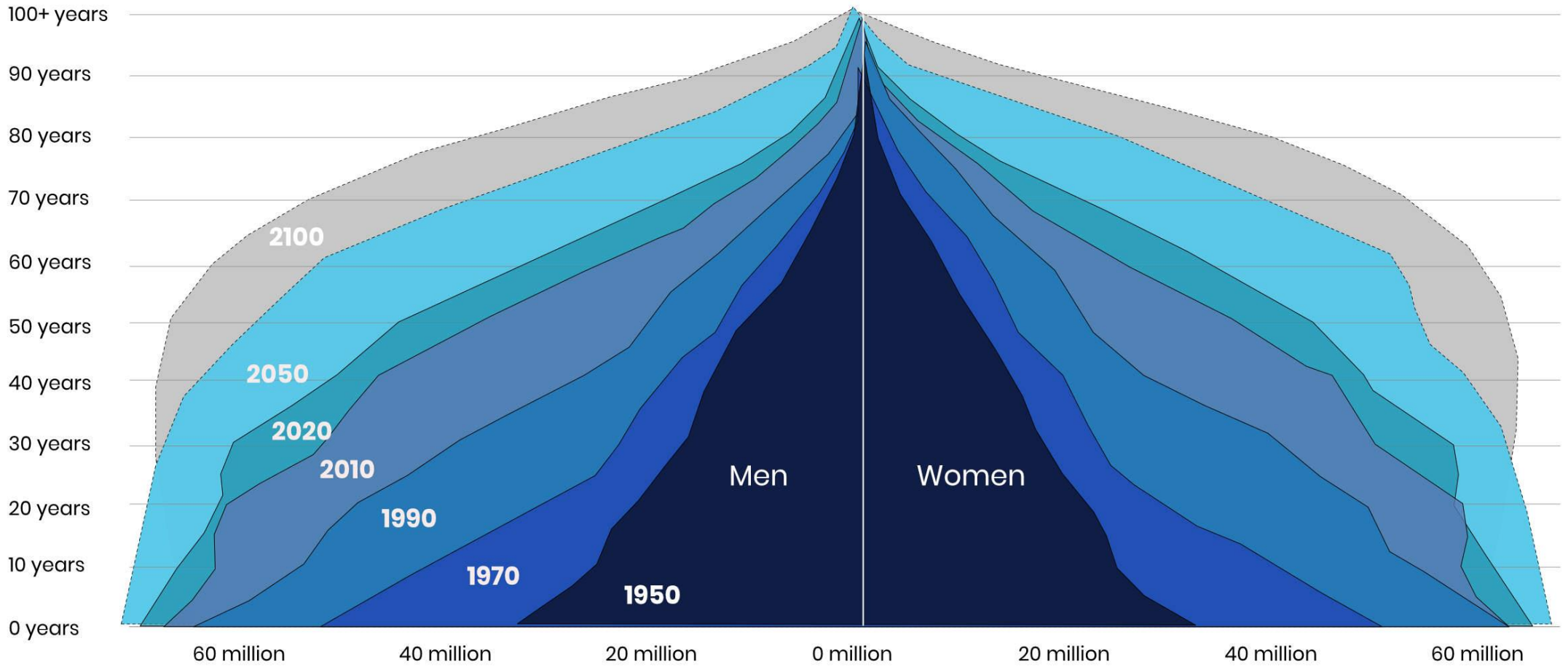
“The power of population is so superior to the power of the earth to produce subsistence... that premature death must in some shape or other visit the human race”





- Ingenuity
- Investment
- Innovation
- Institutions

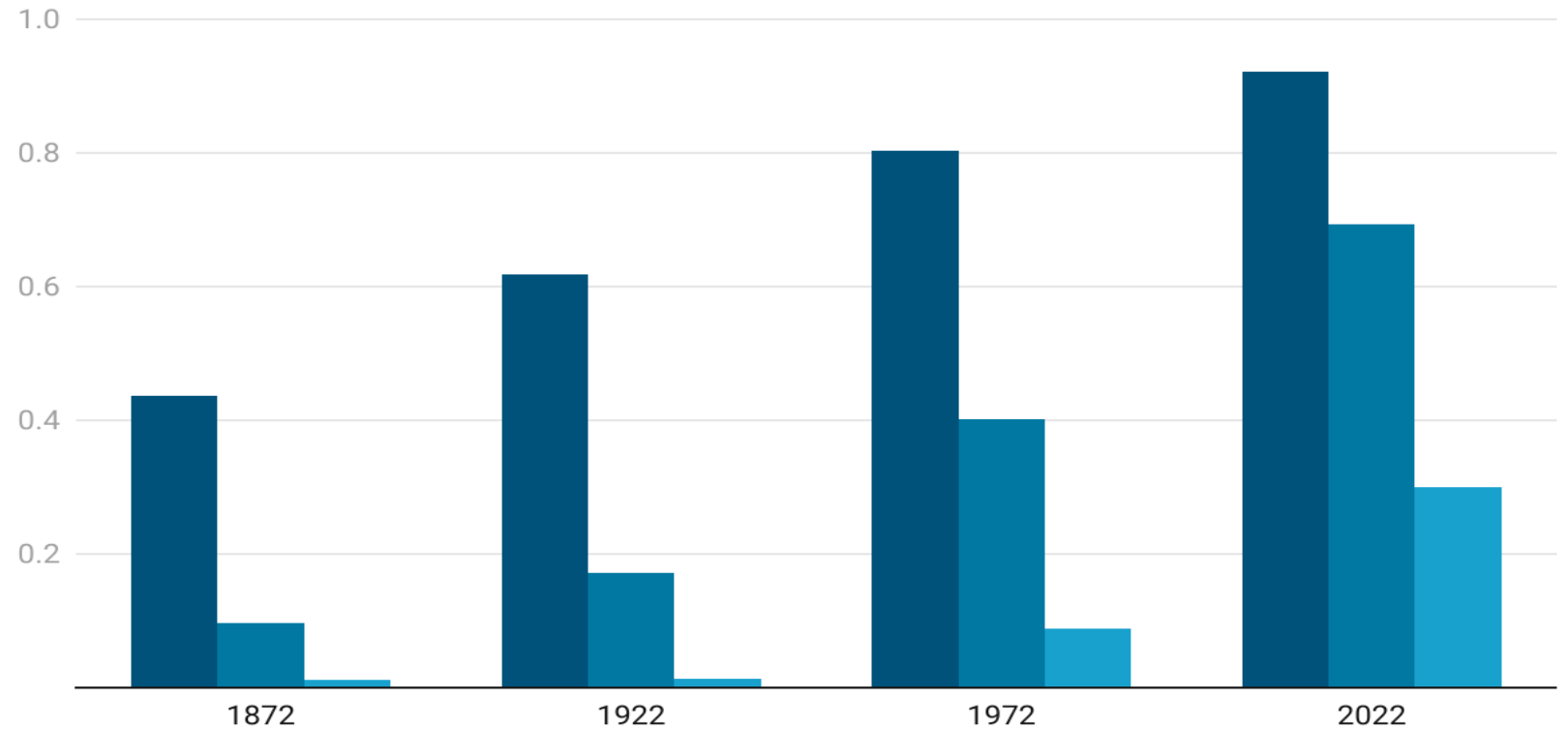
A Longevity Society



The profound change is not the number of older people but the probability of the young becoming old

Probability Italian 20 Year Old Living to 65, 80 and 90

20 to 65 20 to 80 20 to 90

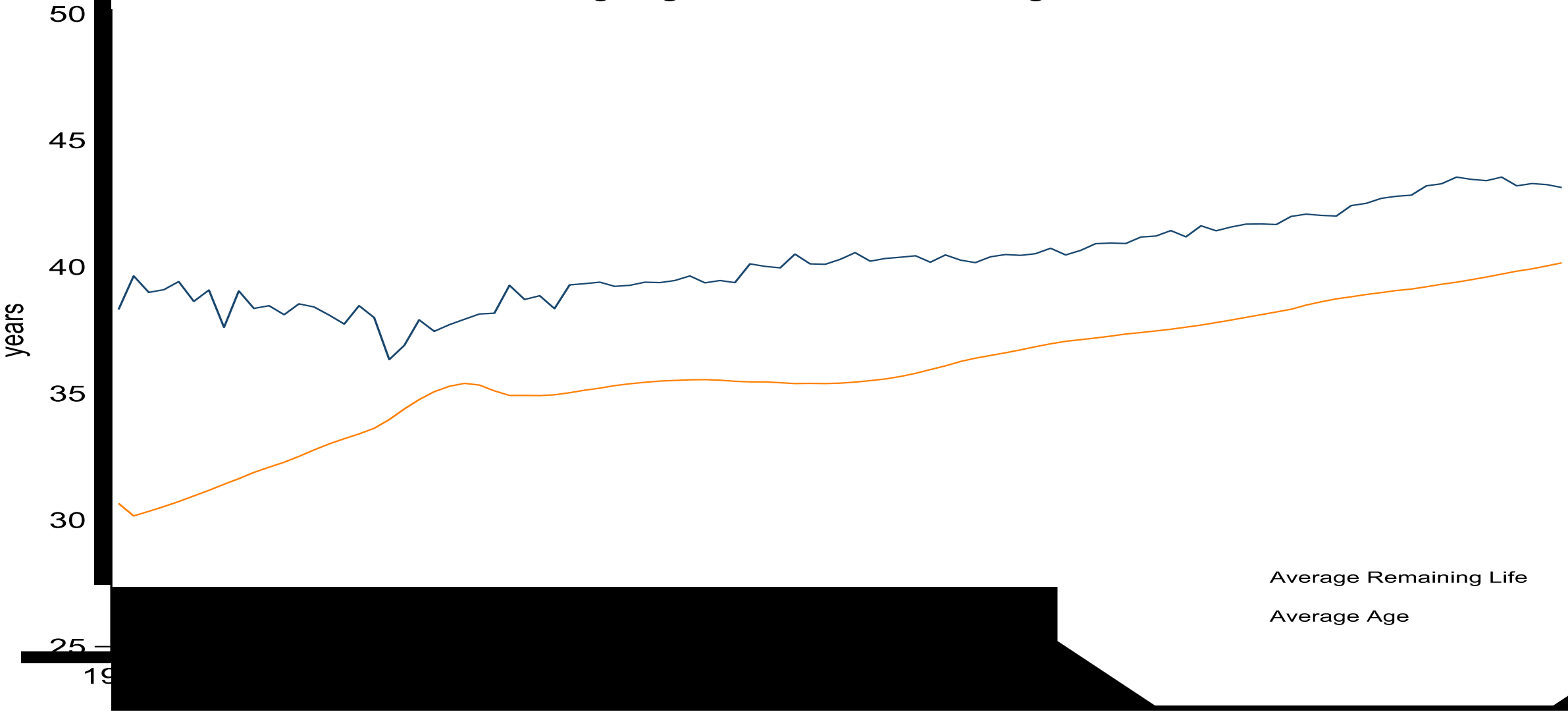


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Economics suggests we should change behaviour if life expectancy increases

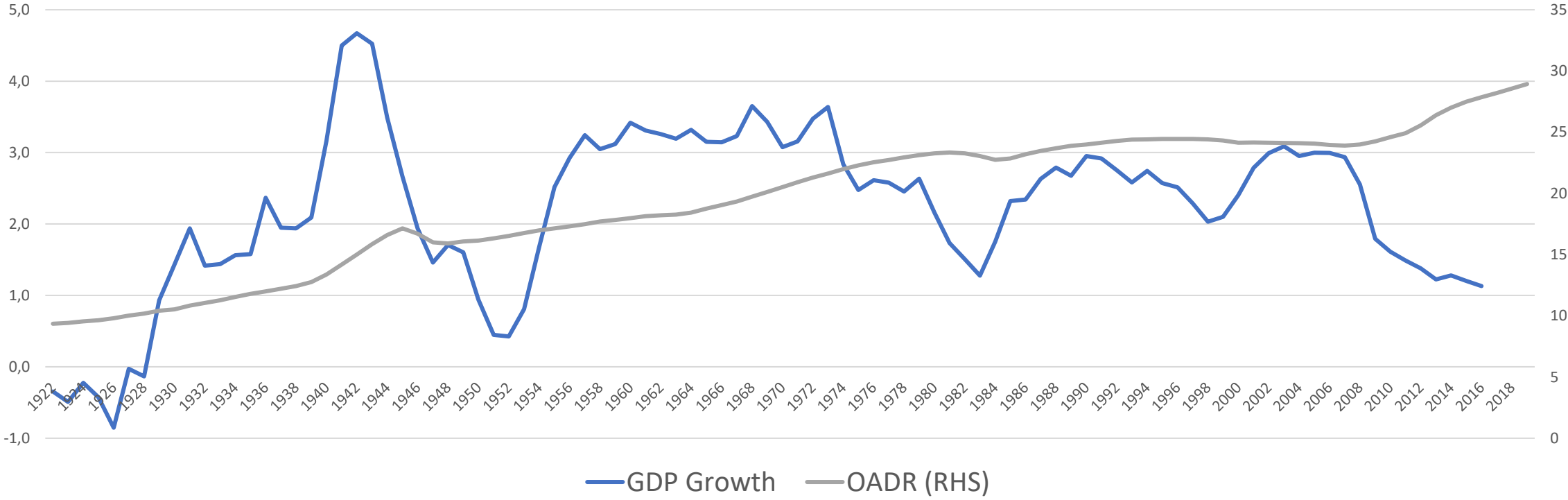
- **Consumption** A simple life cycle model with lifespan T . Set retirement age proportional to T . Average lifetime consumption and per period consumption changes with T (compounding effects)
- **Optimal Retirement** (Bloom, Canning, Moore). Retirement age set to equate marginal benefit of work equal to its disutility. Change T then increase retirement age
- **Health** (Strulik). Individuals can spend time or money to improve their current health. Ageing related frailty rises exponentially. Increase T spend more on health and have better health
- **Education** (de La Croix and Lecandro, Hazan). Overlapping generations model with human capital. Increase T invest more in education.

Average Age vs Years of Remaining Life: UK



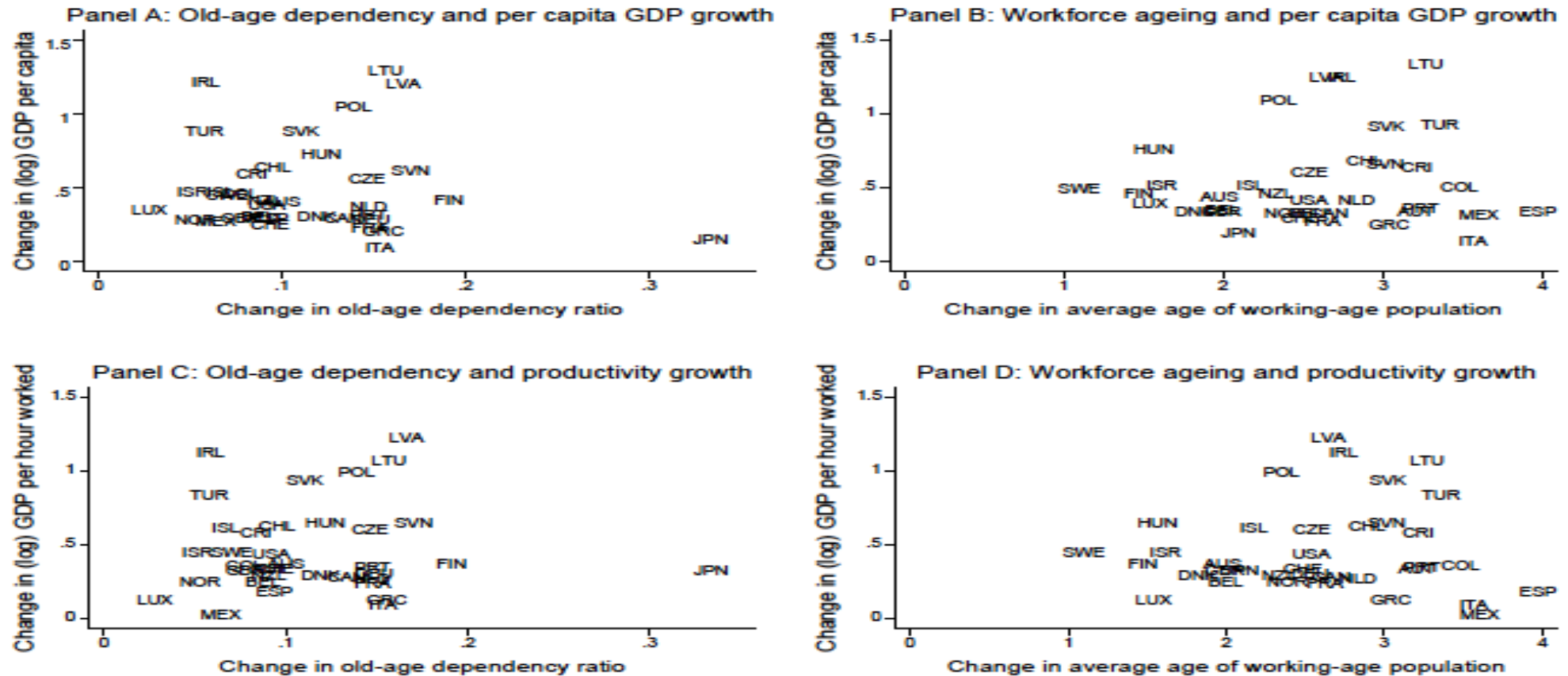
Average Remaining Life
Average Age

UK GDP Growth and "OADR"



Demography Isn't Destiny

Figure 19. Ageing, GDP per capita and productivity growth in the OECD (1995-2022)



Note: Old-age dependency is defined as those aged 65 and above as a ratio of the working age population. Working age population is defined as those between 20 and 64 years old. Workforce ageing is defined here as the rise in the average age within the working-age population.
 Source: UN data on population and OECD national accounts data.

Ageing Society

Changes in the Age Structure

Tends to be negative

Living too long, fewer children,

Doom, loss of vitality etc.

About the old not the young

Intergenerational conflict

Rich country problem

End of life

Longevity Society

Changes in how we age

Tends to be positive

Adapt to make most of longer lives

Exploit malleability of age to improve health

Its even more important for the young

Shared problem

Important for all countries

All of Life



Long Life



Healthy Life
Expectancy



Productive
and Engaged

Three-Dimensional Longevity Dividend