

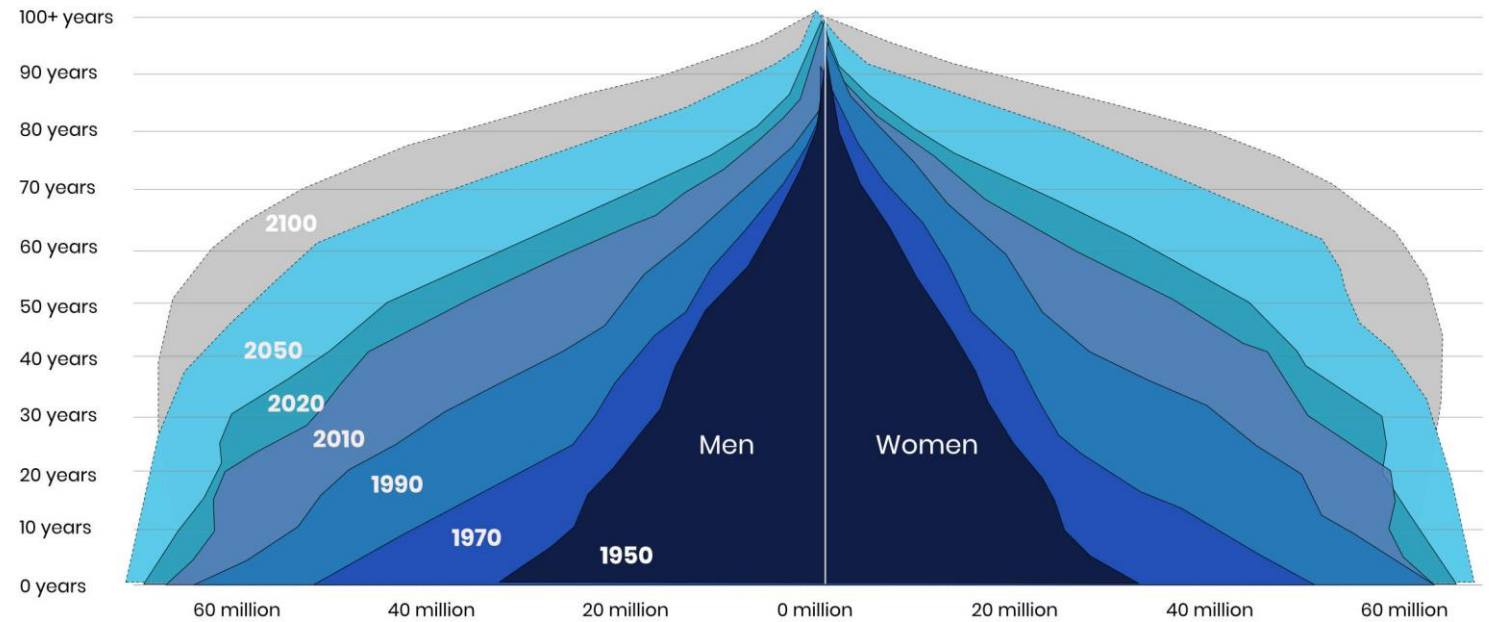
Investing in Our Future Selves

Building a Better
Society for Healthier,
Longer Lives



Andrew J. Scott

A Rising Population and an Ageing Society



World Population 1950 - 2100

Malthusian Problems

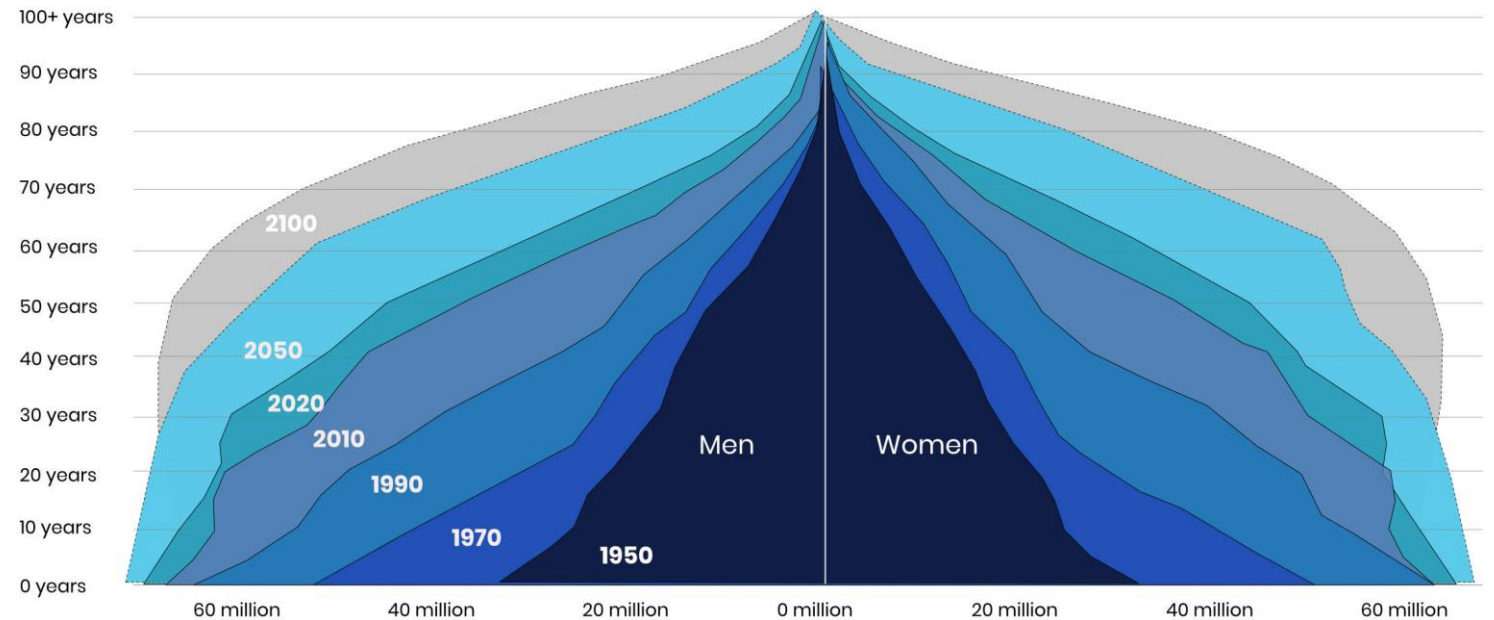
“The power of population is so superior to the power of the earth to produce subsistence... that premature death must in some shape or other visit the human race”





- Ingenuity
- Investment
- Innovation
- Institutions

Instead of an
Ageing Society
think of a
Longevity
Society

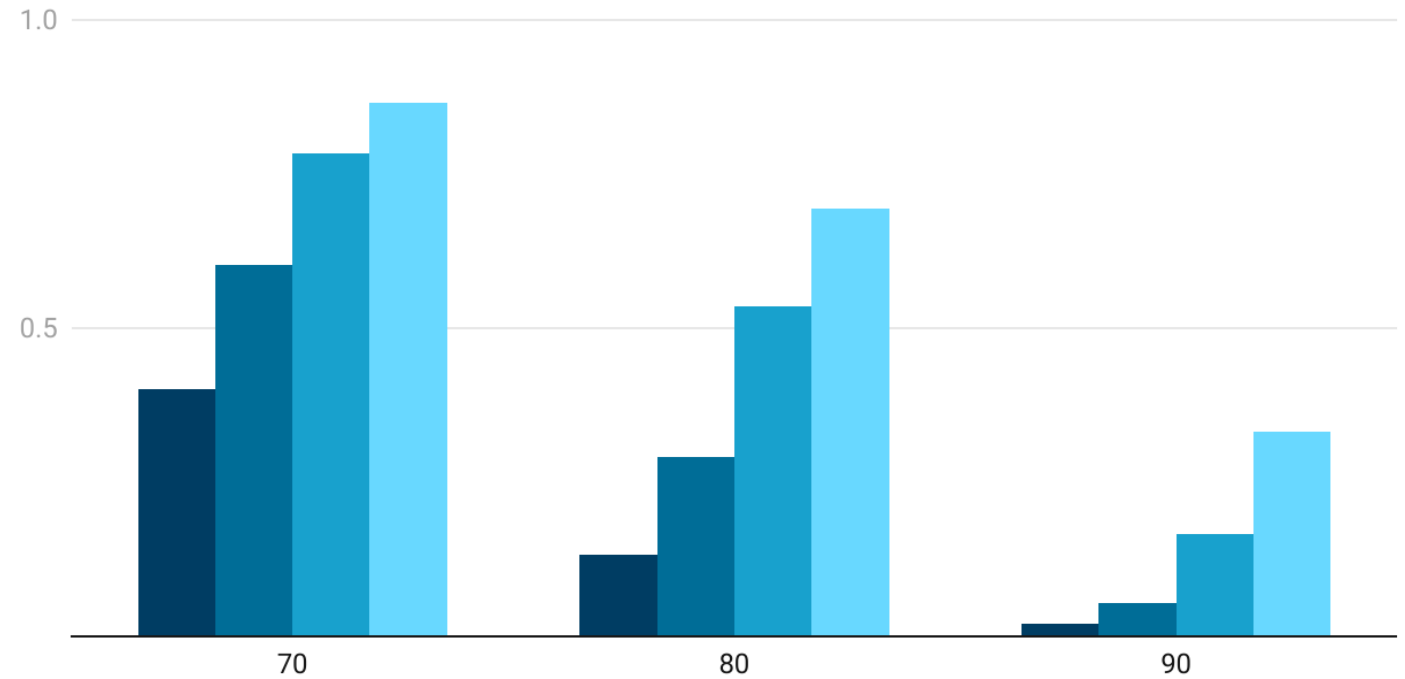


World Population 1950 - 2100

What has really changed is the young and middle aged can now expect to become the old

Probability 20 Year Old Living to Different Ages

1908 1950 1990 2021



Created with Datawrapper



The Longevity Imperative

- You are now likely to live to be old
- We fear getting old, outliving our health, wealth, relationships, sense of purpose and engagement
- What are you going to do now to support your ageing well?

We need to be EVERGREEN



Long Life



Healthy Life
Expectancy



Productive
and Engaged

Three-Dimensional Longevity Dividend

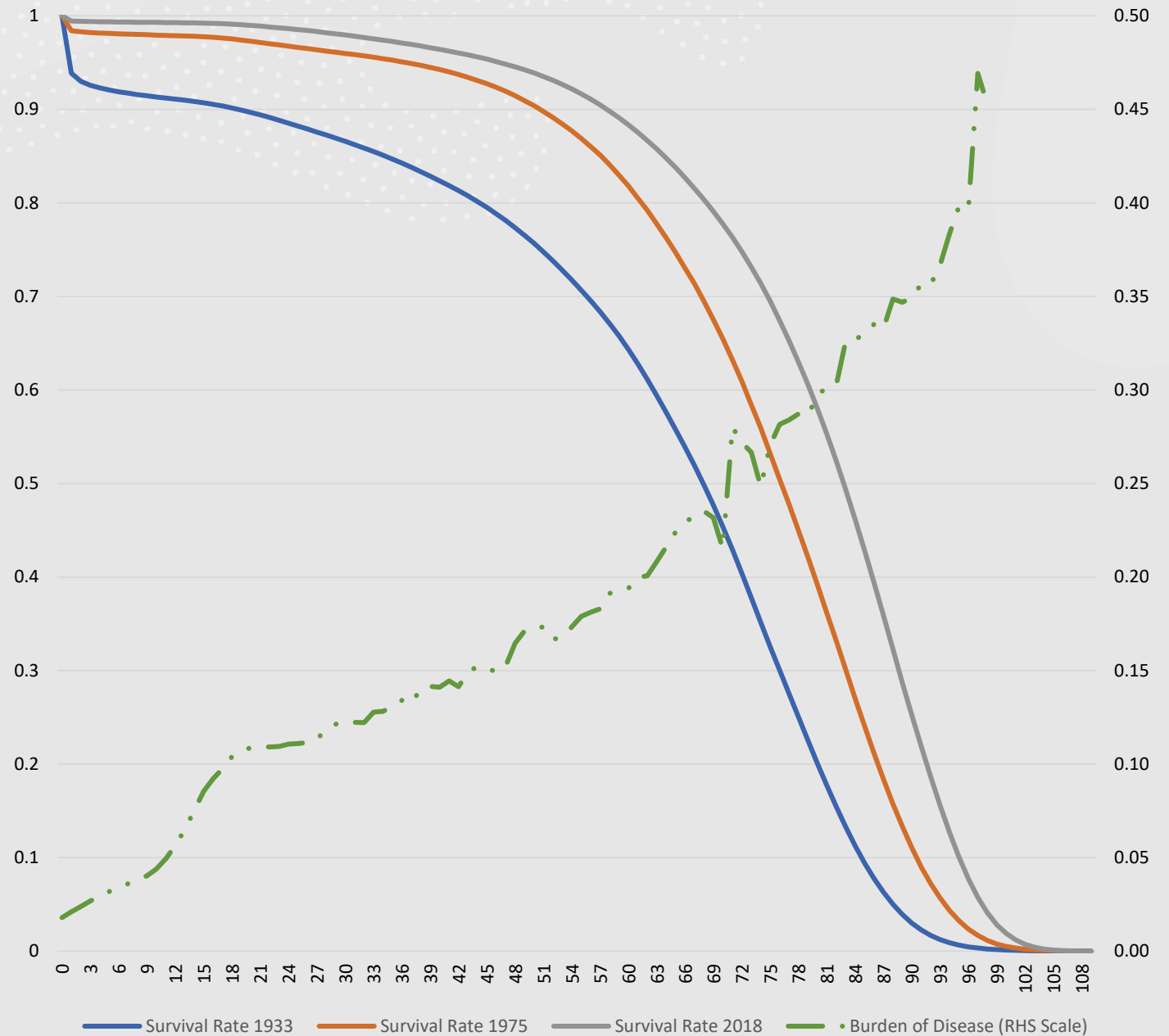
Health



Focus on improving
healthspan relative to
lifespan

We have slowed the dying
process

Now need to slow the
ageing process



The Welfare Case For Ageing Well

- Use the Murphy-Topel (2006, JPE) framework to calculate Willingness to Pay (WTP) for changes in S (*survival function – changes life expectancy*) and changes in H (*health function – changes healthy life expectancy*)

Scott, Ellison and Sinclair (2021), "The Economic Value of Targeting Ageing" *Nature Ageing*



- The value of gains to life expectancy even with declining health are substantial – more time is good
- But if gains to life are spent in deteriorating health the value of extra years of life are diminishing
- Much more valuable is to improve health relative to life expectancy
- More valuable to ensure healthspan equals lifespan than to seek further gains to life expectancy

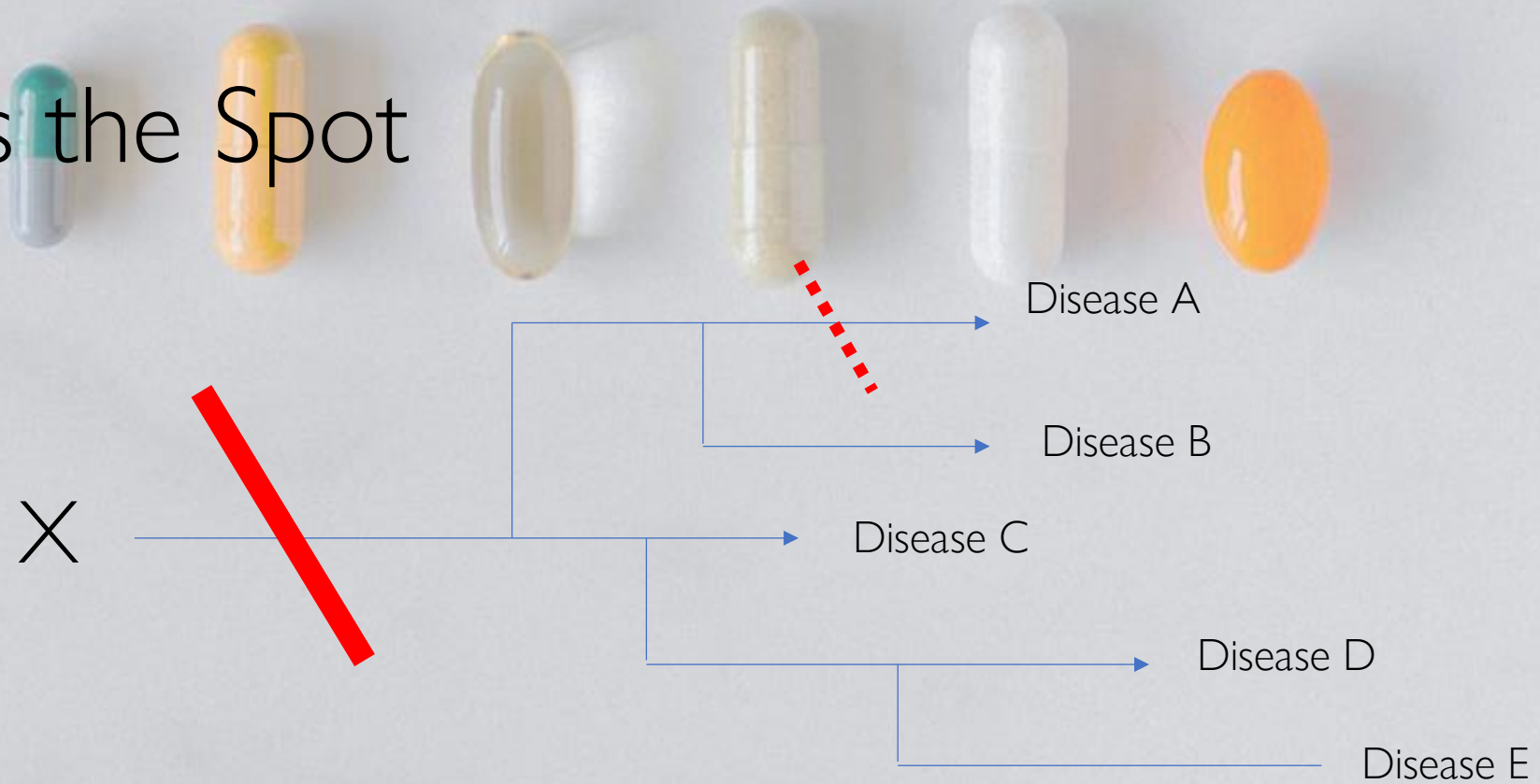


“Health is the
state about
which medicine
has nothing to
say”

W. H. Auden



X Marks the Spot



What is your favourite candidate for X – Ageing? Rapamycin? GLP-1's? Exercise? Education? Income?

We need a measure of health to focus allocating health resources and drug development

Profound Change in Health System

- Prevention not intervention
- Outside current health system
- Innovation in prevention
- Blend ageing and health together
- Shift from disease model to focus on ageing and geroscience
- “Patient’ has a huge role to play
- Won’t spend less money – spend the same or even more but to keep us well not to treat us while we ill



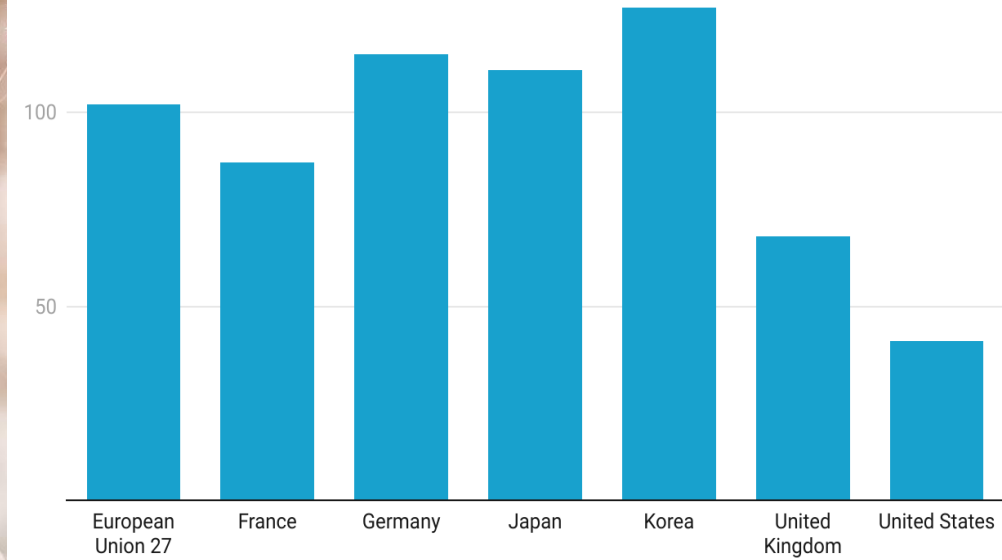


THE EVERGREEN ECONOMY



A Focus on Employment

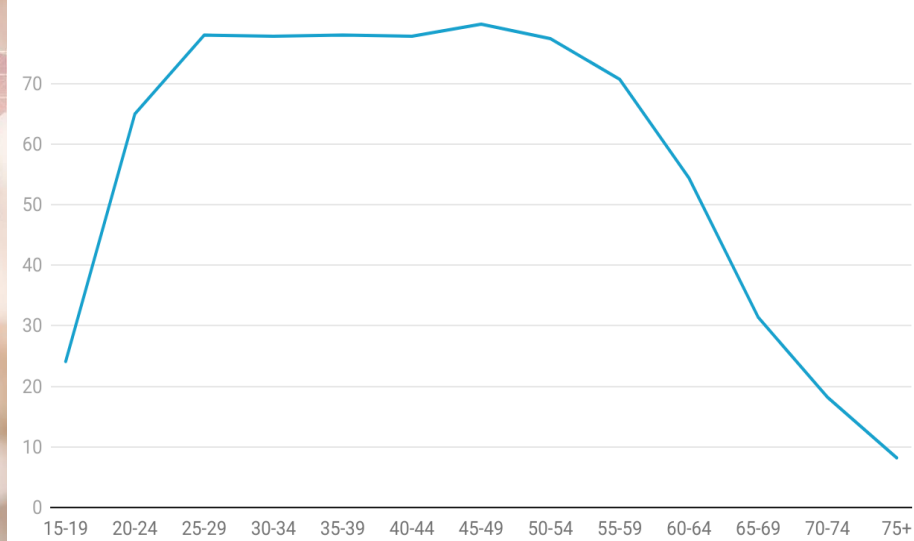
Employment Growth (%) due to workers 50+



Created with Datawrapper



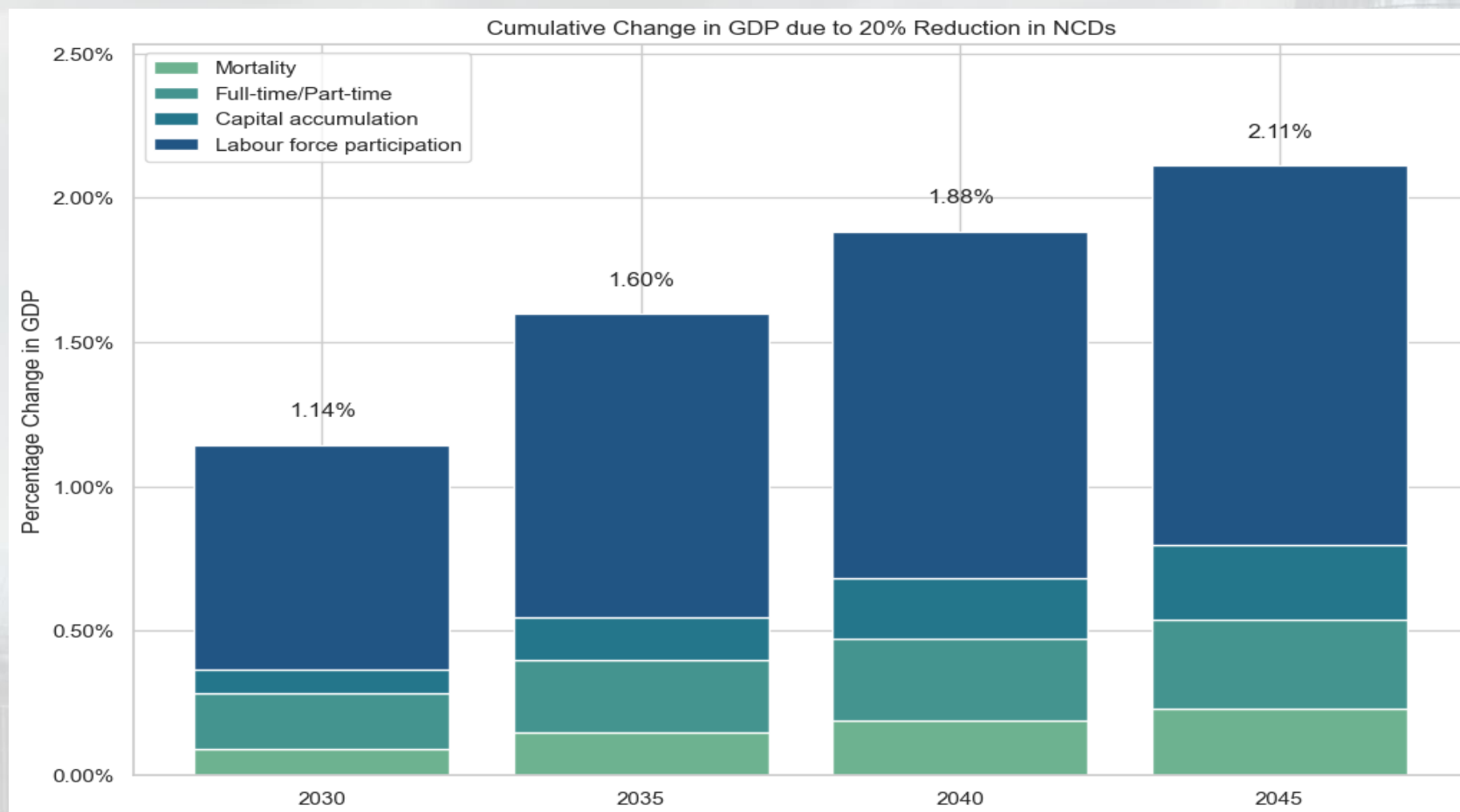
US Employment/Population by Age 2020 (%)

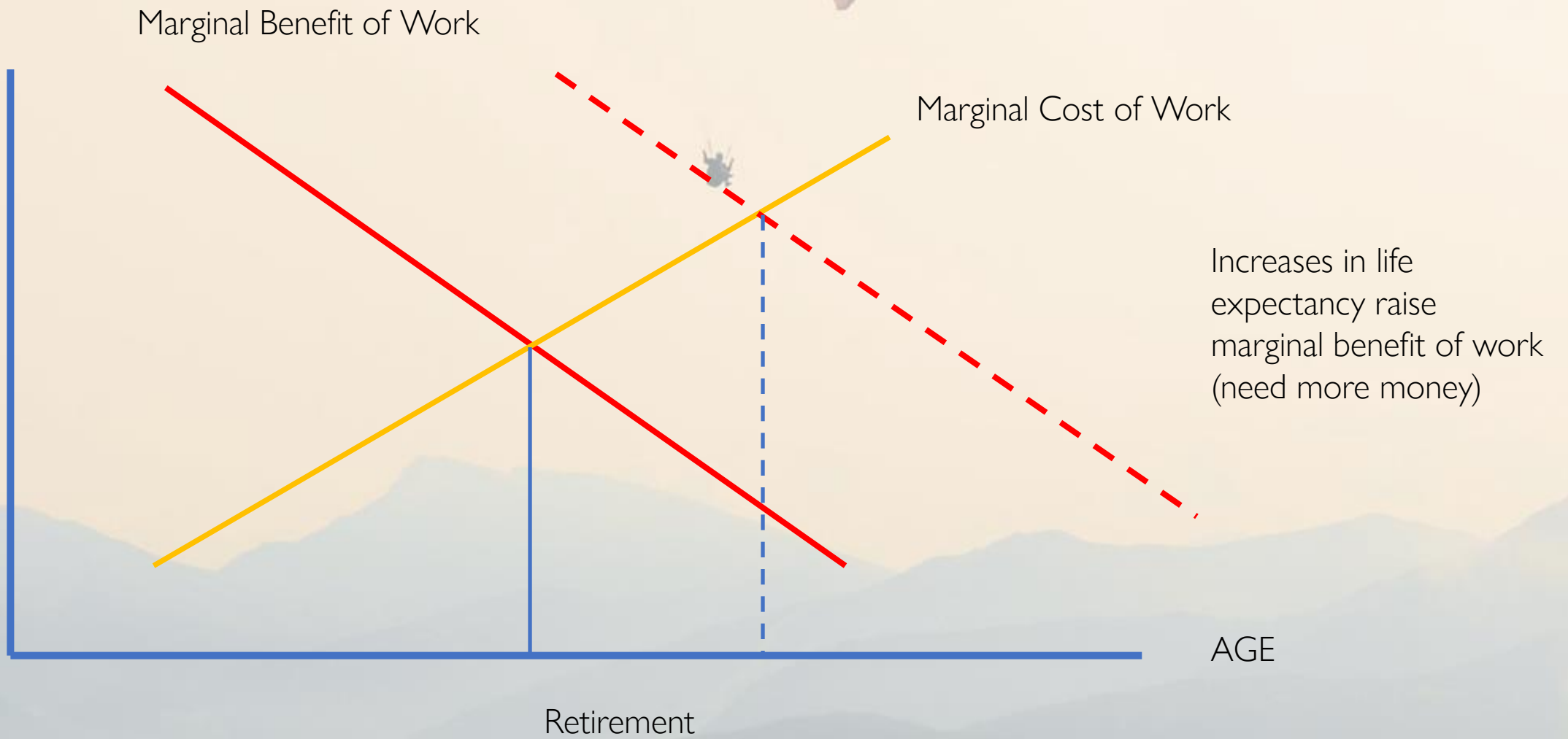


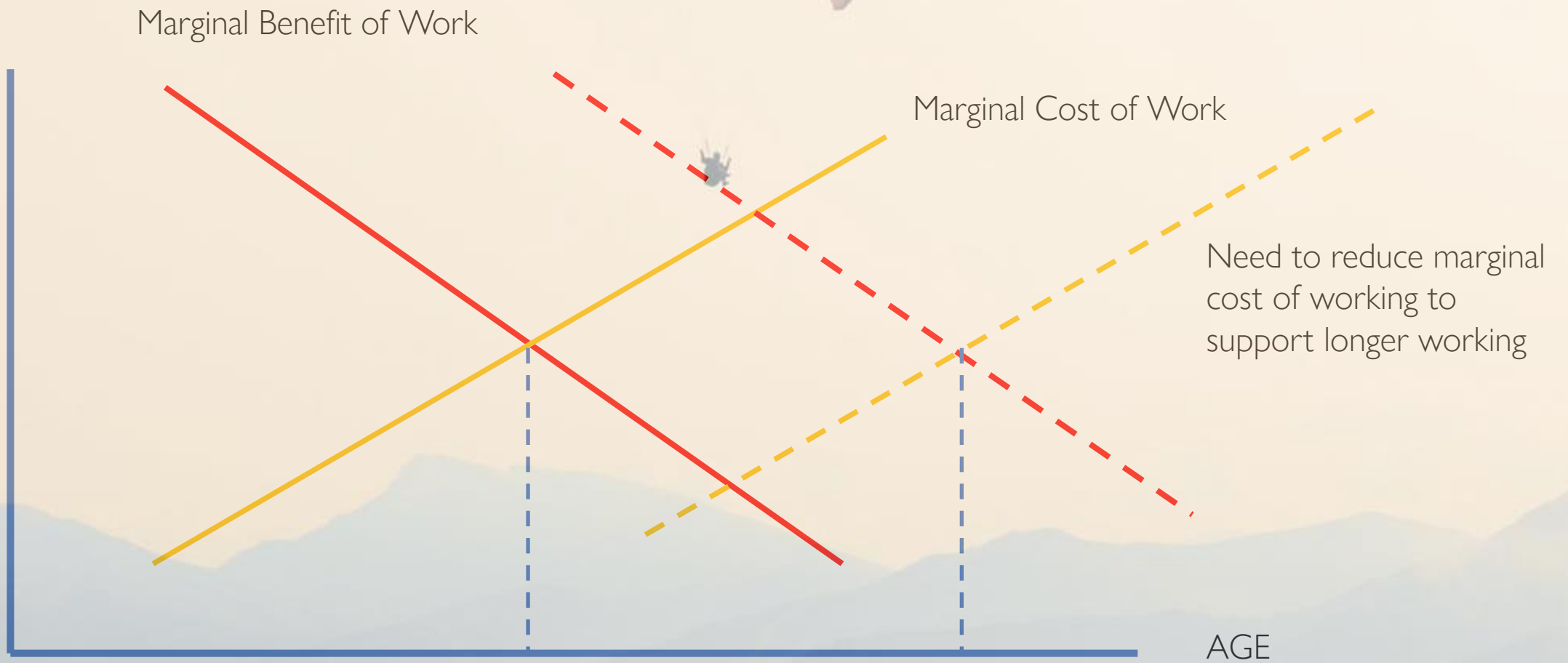
Source: BLS • Created with Datawrapper

A Focus on the
Economy

Impact of Reducing Chronic Disease on UK GDP







Profound Change in Work and Careers

- Is your job age-friendly? (Active Labour Market Policies)
- Will your skills and motivation last? (Education)
- Multi-stage lives (end of three stage life)
- Retirement should depend on healthy life expectancy
- Avoiding gerontocracies and career blockages
- How to maintain innovation?



Retirement and Financing

Existing pensions very much a product of three stage life

Longer live requires more resources which is not the same thing as more savings (rate of return, depreciation)

Main need is to invest in human capital not financial capital – more resources, key to mitigating risk

For some, working longer will mean they need to save less (compounding)

Shift towards different distribution of leisure across the lifetime and more complicated pattern of accumulation and decumulation



Tighter integration of health and wealth – as service and in products

“Living Insurance” ever more important – how to ensure against running out of money due to longevity

“Personal” finance as accumulation/decumulation becomes far more bespoke

Major life cycle changes – worst asset position early in life. Younger generation likely to be even more dependent on human not financial capital



A close-up photograph of two open, cupped hands, palms facing up, holding a small, rectangular piece of bright yellow paper. The paper has a torn, deckled edge. The hands are light-skinned with visible palm lines. The background is a dark, textured surface.

WHAT'S NEXT ?



“People are often advised to ‘prepare’ for old age. But if that merely applies to setting aside money, choosing the place for retirement and laying on hobbies, we shall not be much the better off for it when the day comes”

Simone de Beauvoir



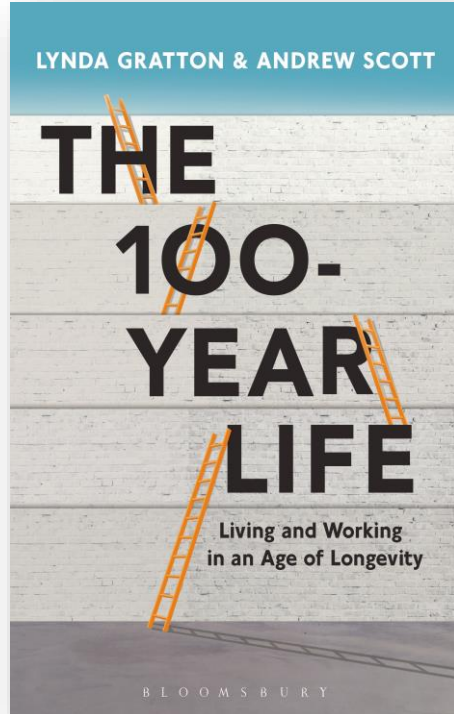
POLICY



Target Healthy Life Expectancy

Focus on 50-65 employment





Thank You

