



[By 2031, the number of people aged 65 and over will double to 1bn globally](#), raising concerns for overall labour market productivity and the ability of existing fiscal systems to withstand the pressures of ageing. As the proportion of elderly people increases across economies, they will challenge the affordability of social welfare systems such as pensions and healthcare.

Ageing is not happening uniformly across the globe and will consequently change the balance of power. Europe will be the oldest region in 2031 with a median age of 44.7 years.

[Dependency ratios – the number of over 65s per hundred population - place Europe \(36\), the US \(33\) and China \(24\) significantly ahead of Latin America \(18\), India \(12\) and Africa \(7\)](#). Some commentators have highlighted India's demographic as ideal for sustaining economic growth to 2050.

In the UK, because the post second world war "baby boom" generation is about to retire, [the number of people at state pension age and older is set to swell almost a third by 2039 to 16.5m — despite the Government's decision to raise the pension age. The number of people aged 75 and over is projected to rise almost 90% to 9.9m by 2039, while the number of people aged 85 and over will more than double. The number of centenarians will rise almost six-fold to 83,000.](#)

The UK's dependency ratio will increase from 31 today to 37 by 2039. This will significantly strain public finances. The [Office for Budget Responsibility predicts that, because of these demographic pressures, the UK will be running a budget deficit again as early as 2023-24 if nothing else changes.](#)

This increase in the number of older people will have a profound impact on a wide range of public services. Many people are not saving enough and will need to work longer. Health and social care costs – already challenged - will rise. It is expected that there will need to be fundamental changes to the health and social care systems to ensure their future sustainability. There will also be a deepening onus on the working-age population to support the ageing; higher levels of taxation may be an inevitable outcome.

Ageing is already creating distinctive consumers – the so called silver economy – and will create a new class differentiation between the more affluent and the less affluent. This may result in a continuing divergence in life expectancy between communities, as already seen in parts of Gwent.

### Implications for Gwent

The population of Gwent is ageing as elsewhere in the developed world. This is, and will, present significant challenges to public service providers. Whilst increases in life expectancy have slowed in recent years, the full impact of the post-war 'baby-boom' population coming through to retirement has not fully worked through. There will undoubtedly need to be an evolution in the models of service delivery in many areas of health and social care, with areas of provision moving to the private domain. This process has obviously already started over the past few years and the trend is expected to continue.

These particular pressures will not happen evenly across Gwent, with Blaenau Gwent, Torfaen and Monmouthshire tending to have slightly older populations.