

# Election 2016 Briefing

## DEMOGRAPHIC CHANGE

**Policy Objective :** To develop long-term policy and budgetary planning to ensure that public policy and public services in Ireland adapt and change to the pressures that demographic change will bring in the coming decades.

### Investment required

Demographics in Ireland are changing and this will have a significant impact on public policy. It will mean increased pressure on education places at all levels, increased pressure on our health and community services as our population ages, and a changing labour force in the longer term. Significant additional expenditure will be required to meet the demands of our changing population profile. Long term policy planning, adequate resources and predictable revenue streams are required to ensure our public services can adapt to meet demand.

### Children and Young People

Despite Ireland having the youngest population in Europe with 28% of the population aged 0-19, Ireland spends relatively limited amounts on education. Government expenditure on education as a proportion of total government expenditure is the ninth lowest in Europe.

The Department of Education<sup>1</sup> now projects the following possible increases in enrolment across the system:

- an additional 25,000 students will enrol at primary level between now and 2017;
- an additional 15,000 students will enrol at second level between now and 2017;
- at third level, the number of full-time students is expected to continue to rise every year between 2015 and 2028.

The demographic pressures outlined above will require a significant increase in expenditure on education at all levels in years to come.

### Older People

Although Ireland's population is young in comparison to those of other European countries, it is still ageing. Figure 1 shows the projected population to 2031, and below are some key figures in relation to ageing in Ireland:

- There will be nearly 1 million aged 65 and over by 2031;
- There will be some 136,000 people aged 85 or over by 2031;
- The old age dependency ratio is projected to increase steadily and will be more than double that of 2011 under all scenarios by 2046<sup>2</sup>;
- 27.2 per cent of all persons aged 65 and over are living alone (CSO, 2012);
- The percentage of the population aged 85 and over who have a disability is 72.3 per cent (CSO, 2012);
- The number of people aged over 65 is increasing annually by approximately 20,000 per year (Department of Health, 2014);
- By 2026 the number of people over 85 years will have almost doubled (Department of Health, 2014).
- There will be more older persons (over 65) than younger persons in Ireland (under 14) under all scenarios by 2036<sup>3</sup>.

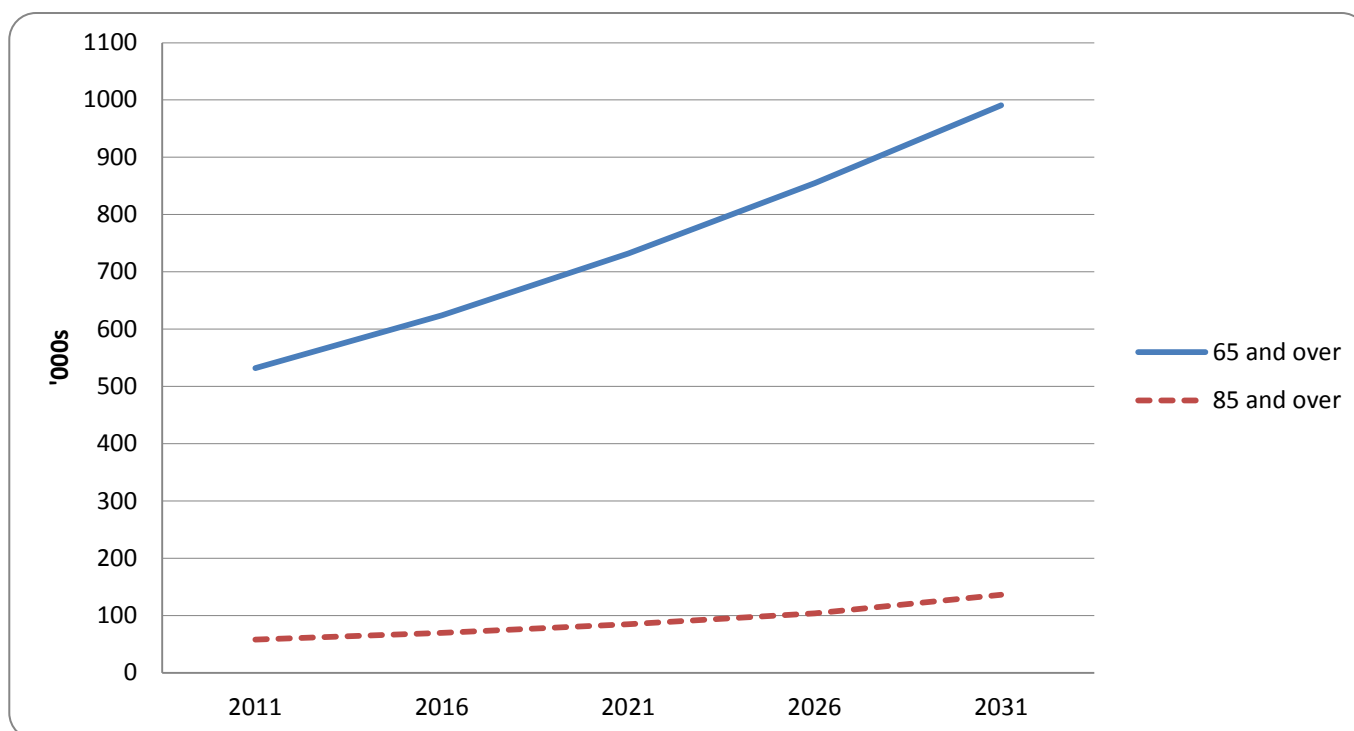
<sup>1</sup>

<https://www.education.ie/en/Publications/Statistics/Statistical-Reports/Projections-of-Full-Time-Enrolment-Primary-and-Second-Level-2015-2033.pdf>

<sup>2</sup> The **old age dependency ratio** is calculated by dividing the number of persons aged 65 and over by the number of persons aged 15-64.

<sup>3</sup> CSO (2013) *Population and Labour force Projections 2016-2046*

**Figure 1: Projected Population, 2011 to 2031; ages 65+ and 85+ ('000s)**



**Source:** Department of Health 2014, Table 1.4. Actual figure for 2011

Figure 1 outlines the level of projected population ageing. This change will be associated with higher levels of disability and long-term ill-health<sup>4</sup> and this requires planning and investment. This means that our health service and social care services will have to adapt to the needs of an ageing population.

Planning to meet this challenge requires a comprehensive approach to care services that would include integrated services across the areas of GP care, public health nursing, home care supports, acute hospital care, rehabilitation and long-term care.

### Seven things Government can do

1. Develop medium-term financial and budgetary planning which incorporates demographic projections.
2. Develop a long-term policy framework to ensure that planning for demographic change is a key component of all public policy.
3. Outline a pathway to ensure long-term sustainable financing for public services that will be most impacted by demographic change.
4. In education this means ensuring that there are sufficient places at primary, second and third level for all those students who require them. This will require increased capital and current spending for all levels now and into the future. It also requires a long-term sustainable funding strategy for all levels of education.
5. Restructure the health budget so that far greater priority is given to primary care and community care to ensure that older people can lead as much of their lives as possible disability free and in their own community.
6. Adequate resources and funding will have to be made available on an ongoing basis to ensure that Ireland has the necessary Home Help hours, Primary Care Teams and Home Care Packages available to meet future demand.
7. Ensure smart housing units are at the core of all new build housing units. Smart housing units are units which are adaptable to people's needs. This means that these units can be adapted to support people with a disability or older people with mobility issues for example.

<sup>4</sup> Normand, C. (2015). *Funding Universal Health and Social Care in Ireland: Ageing, dying and affordability*. Presentation at NERI Research Seminar, 11 February.