PROJECTING THE FUTURE
A big conversation about the future of the project profession

CHALLENGE PAPER 3

AGEING AND DEMOGRAPHICS: THE 100-YEAR LIFE

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#projectingthefuture
As in the other areas considered in Projecting the Future, the project profession will be at the centre of the changes that lie ahead, tasked with leading complex projects and programmes that deliver transformative outcomes.

We want to work with you to start developing answers to the challenging questions raised throughout Projecting the Future about how the project profession can best prepare for the future. Whatever your stake in the profession – an individual, an employer, a ‘customer’ of projects, or an expert in a given field – we want you to hear your voice.

We look forward to your input, and to working with you to develop a shared view of how the project profession as a whole can realise its potential as a true leadership delivery profession.

The growth of the older population will affect politicians, policy makers, public services and businesses alike. It will have a major influence on the environment in which project managers work, and on the work that they are entrusted to deliver. It will also shape project professionals’ own careers, as longer working lives and less linear career paths become the norm.

The ageing population will drive changes across the economy, as demand grows for goods and services suited to their needs, reflecting the increasing purchasing power of older people as a demographic group. Those changes will invariably need to be achieved through projects.

As the older population's requirements, and as the balance between the traditional ‘working age’ population and old-age population shifts, tough questions emerge about how health and social care should be funded.

In the UK, the ageing society is one of the four Grand Challenges in the government’s 2017 Industrial Strategy, which sets out the aim of harnessing the ‘power of innovation’ to meet the needs of an ageing society. Part of the strategy is to accelerate the use of sophisticated technologies for ground-breaking medical research – for instance in mapping the human genome – allowing better anticipation, prevention, diagnosis and treatment of disease and chronic conditions.

The net effect of increasing longevity has been, to date, an increase in global populations: over 7 billion today, it is set to hit 8.5 billion by 2030 and 9.7 billion by mid-century. Most of the fastest-growing nations are in Africa, where enormous population growth is forecast. By contrast, population growth is slowing in many parts of the world, including the UK, as fertility levels fall: indeed, for many Western countries, populations are forecast to start declining before the end of the 21st century.

These dynamics are already resulting in significant changes in the age profile of the population in countries like the UK. Older people constitute an ever-larger proportion of the whole, with the working population shrinking by comparison. From an economic perspective, that is a change of profound importance. How can fewer working people support a growing older population? Statutory retirement ages have started to change across the Western world; how will the idea of retirement change in the years ahead? What contribution should citizens make to their own later-life care, and what is the state’s role? And what is needed by way of infrastructure and social support, for example in housing, transport, or care systems, as the population’s needs change?

These complex issues are connected to equally challenging questions around intergenerational wealth and asset ownership. Younger people today lack the levels of asset wealth enjoyed by previous generations at the same age. Is this ‘wealth deferred’, a temporary delay as the baby boomers grow old, or does it represent a more permanent structural shift in wealth? In either case, how should policymakers respond, and how will change be delivered?

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Longer lives are much to be welcomed but adapting to them will be far from simple.

"No other force is likely to shape the future of national economic health, public finances, and policymaking as the irreversible rate at which the world's population is ageing."

Standard & Poor's Global Ageing 2010: An Irreversible Truth
The global population is growing:

**Today** 7.6BN
**Forecast in 2050** 9.7BN
**Forecast in 2100** 10.9BN

The UK’s old age dependency ratio - the number of people of working age for each older person - is falling:

- **Today** 3.3
- **By 2030** 2.6
- **By 2070** 2.0

Average global lifespans rose from 64.8 to 70 years between the early 1990s and 2010-15.

Sources for the above graphics: 15,000 vii, 10M viii, 1 in 4 ix, 1 in 3 x, 1/2 xi, 66M to 73M xii, Global population xiii.
OPPORTUNITIES AND CHALLENGES

An older population

By 2040, the UK’s population is getting older. The average age passed 40 for the first time in 2014. Some 18.2% of the UK population was aged 65 or over in mid-2017, up from 15.9% in 2007; it will be over 20% by the end of the next decade, and by mid-century the proportion will be almost one in four.7 The ‘baby boomers’ born after World War II are hitting old age.

The old age dependency ratio

The proportional growth of the older population means that there is a falling number of people of working age for each older person. The UK has 3.3 people of working age today for each older person; but by 2030 this will be just 2.6, falling to 2.0 by 2070.8 This has major economic implications.

The 100-year life

Official life expectancy for babies born in the UK today is 79.2 years for men and 82.9 years for women. One in three can expect to live past 100 – and indeed, it is already estimated that 10 million people who are alive today will live past 100.9 Commentators like Lynda Gratton and Andrew Scott, authors of The 100-Year Life, go further. They argue that official expectations have historically been conservative compared to actual longevity gains, and suggest that more than half of today’s babies can expect to live past 201 in the UK and other rich countries. Others, however, are sceptical, and contend that extrapolating from the trends of recent decades is misleading: they point to slowing increases in life expectancy in recent years and to the rise of lifestyle related conditions and diseases, such as obesity and type 2 diabetes in children.10

Intergenerational wealth

One of the trends associated with the booming older population is the difficulty faced by younger generations in building asset wealth. The Intergenerational Commission found that millennial families are only half as likely to own their home by age 30 as their baby boomer predecessors. Millennials are four times more likely to rent, and they spend more of their income on housing.11 In his influential book on this generational shift, politician David Willetts accused baby boomers of “stolen their children’s future”.

Rising costs for health and social care

An ageing population is driving significant rises in expenditure in major areas of public spending, especially state pensions and healthcare and long-term social care.12 Of course, an ageing population is not the only factor behind soaring costs: leading health thinktank the King’s Fund has pointed out that overall population growth and the availability of more sophisticated treatments are bigger factors.13 Nonetheless, the Resolution Foundation thinktank estimates that public spending on health, care and social security is set to rise by £24bn by 2030 and by £63bn by 2050.14 It has called for this increase to be matched by increased revenues collected through National Insurance.15 The balance between public and private spending is a critical question for debate, and policymakers continue to wrestle with the challenges of funding later-life care equally: a government green paper promised in the 2017 Budget has still yet to appear.16

Chronic health conditions and funding

Health challenges will increasingly shift from acute illness to chronic for older populations. AgeUK forecasts that by the age of 85, some 80% of people can be expected to have at least two long term health conditions.17

Preventative healthcare

The NHS Long Term Plan, published in January 2019, recognises the importance of preventative healthcare and discusses the challenges of an ageing population. It states that ‘connected homes for the elderly’ and wearable monitoring equipment will enable the NHS to predict and prevent health events which would otherwise have led to a hospital admission. That might include scales to monitor a patient’s post-operation weight, a location tracker for a dementia patient, or a home testing kit for patients on blood thinners. The Plan recognises the need for ‘major work to digitise community services’ if the NHS is to take advantage of technological progress – work that will of course generate substantial projects.

Workforce supply challenges

Linked to the NHS Long Term Plan is its People Plan for tackling the critical workforce challenges facing the healthcare system.18 It aims to make the NHS the ‘best place to work’, to improve leadership culture, to attract and retain a workforce of 1.4m more households headed by someone aged 85 or over by 2037, an increase of 161% in a quarter of century.19 The rising numbers of mid- and late-life adults entering the workforce mean that the distance from adult children is driving innovative new living arrangements such as ‘second cohabiting communities’, or SCoCs – a form of communal living that integrates common areas and private residences.20

Transforming work

Longer working lives mean that multi-generational workplaces are here to stay. Career pathways are not just likely to be longer, but less linear too. Retirement may become a gradual downward shift in seniority and/or hours, rather than a sudden all-or-nothing type of move from full-time work. These changes will challenge employers’ current policies and practices and demand better management and leadership, improved knowledge transfer, and a renewed emphasis on employee engagement.21 Andrew Scott and Scott have forecast an ‘HR battle’ that will be “akin to the battles about the length of the working week and working conditions that marked the Industrial Revolution.”22 Ultimately, the result will be to break the present ‘lockstep’ link between age and life stage.23 As change happens, there will surely be a need for new frameworks that help people adapt to longer working lives and lengthy retirements, especially by supporting long-term financial planning.

Technology and health

Tech giants like IBM, Google and Microsoft are all engaged in health related initiatives, for example in the application of AI to design personalised cancer treatments.24 Digital technology will improve surgical precision. Cheaper genome mapping, and measurement of blood biomarkers will enable quicker diagnosis and treatment, even allowing prediction of potential risks and preventative measures. The use of apps and wearable technology could also enable monitoring of patients at home, reducing pressure on hospitals and budgets, and improving care.

Saving and retirement

Rising life expectancy means that it is increasingly tough for many people to accumulate the level of savings needed for a reasonable retirement income from the age of 65. Many people in their mid-40s might need to work into their mid-70s; those in their 20s may need to work into their 80s.25 This has been described as a three generation challenge to delineate the state pension and retirement. Mandatory retirement ages were abolished in the UK in 2011 and significant reforms have been introduced to pensions, including auto-enrolment in workplace pensions and new pensions freedoms which give people more control over their money at the point of retirement.

Living preferences

Longer life and changing social norms are being reflected in changing living arrangements for older people. It is projected that by 2025 almost half of those aged 60 and over will be living with someone aged 85 or over by 2037, an increase of 161% in a quarter of century.26 The rising numbers of mid- and late-life adults entering the workforce mean that the distance from adult children is driving innovative new living arrangements such as ‘second cohabiting communities’, or SCoCs – a form of communal living that integrates common areas and private residences.27

Aging and demographics

Are there any limits on the ability to extend life? Some of the wilder forecasts for human longevity suggest that the first people to live 1,000 years might already be alive today.28 Futurist Ray Kurzweil and David Grossman have identified three “bridges” to a multi-century lifespan. The first bridge to cross is to follow current medical best practice in order to prolong life long enough to benefit from the second bridge, the coming revolution in biotechnology – and from there, to the third bridge, through which nanotechnology will enable the repair of human cells at a molecular level.29

Data and trust

As in other spheres, access to data will be critical to generating technological progress. The exabytes of enormous datasets generated in the UK through the NHS could be used to improve care. Patients trust will be critical, as will be connected care systems, to underpin better care. What will states which have less concern for individual privacy, like China, have an advantage in using such data?

Aging is a global trend

Similar population trends to those of the UK are to be found in other industrialised nations around the world, and globally, the old age population is soaring. In 2017 there were 962m older people around the world, up from 382m in 1980; the number is set to reach 2.1bn by 2050. That represents a proportional shift from one in eight of today’s population to one in five.30 Europe’s current 1.4m more households headed by someone aged 85 or over by 2037, an increase of 161% in a quarter of century.31 The rising numbers of mid- and late-life adults entering the workforce mean that the distance from adult children is driving innovative new living arrangements such as ‘second cohabiting communities’, or SCoCs – a form of communal living that integrates common areas and private residences.32

Areas of population growth (and decline)

While many industrialised nations face the challenges associated with ageing populations, other parts of the world have booming younger populations and are on course for dramatic population growth during the 21st century. African nations make up six of the 10 fastest-growing countries in percentage terms – and eight of the top ten in terms of absolute population growth. Niger, for instance, is expected to grow by 587% by 2100; Nigeria by 547m people. India, meanwhile, is set to overtake China as the world’s most populous country as soon as 2027. In fact, China’s population is set to contract by 37m – not by 3% in 2050 – Japan has by some distance the oldest population in the world today, with challenging implications for economic growth, productivity, healthcare and society.33

The multi-century life

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A PROJECT PROFESSION VIEW

We look at some of the potential implications of the revolution in human longevity for the project profession. Agree? Disagree? Whatever your perspective, we hope you’ll add to the debate.

Any assessment of the impact of ageing populations and changing demographics has to start with the fact that ageing populations are a trend to be celebrated: the result of human ingenuity and triumphs in diverse fields across science, medicine, and economic development. Undeniably, though, these successes also bring with them a host of complex issues.

There are close links to the other Challenges that will be covered in Projecting the Future. Progress in medical research and care, for example, will be driven by the ongoing revolutions in AI, and technology. But taking advantage of the potential of new technology will demand major work in the NHS, for example in digitising systems to enable connected home-based care and the use of wearable devices to allow patients to be monitored with fewer trips to hospital.

Transformative projects will also be needed to deliver reform of social care for older people with chronic conditions and isolation. What is the role of the state, and what will individuals pay? Any assessment of the impact of ageing populations and demographics to the project profession needs to be discussing in relation to the impact of ageing, demographics and the 100-year life.

Of course, the workplace will also be profoundly affected, as employers are confronted by the implications of the ageing society and the emergence of truly multi-generational workforces. Traditional links between age and career stage are already being smashed, and in this respect, the project profession will be affected as much as any other. Longer working lives will make it imperative that professionals learn, train, retrain and relaunch throughout their careers – a theme that will be explored in the sixth Challenge paper – especially at a time when work is being rapidly transformed by new digital technology. Could project professionals’ planning skills help chart a path through the complex and fast-changing environment for work and retirement in the decades ahead?

The growth of the older population is set to create enormous opportunities and challenges for the project profession for years to come. Project professionals will be at the heart of how successful change is delivered.

DISCUSSION QUESTIONS FOR THE PROJECT PROFESSION

Throughout Projecting the Future, we will want to explore the questions that matter about the future of the project profession.

We want to hear from you: from individuals, teams, departments, organisations, institutions and communities. We want your views, ideas and evidence relating to these questions – and we are keen to hear about case studies that show how the project profession is starting to adapt to these challenges.

1. How do you think that demographic change and longer lives could affect the project profession? How will the issues covered in this paper affect you personally?

2. Should the key challenges raised by the changing demographics and increasing longevity be reflected in project management toolkits? How?

3. Do public or consumer-facing products and services currently take adequate account of older people’s needs? How could projects that you are involved in be adapted to better suit an older population?

4. How will the emergence of more multi-generational workplaces and teams, and less linear career paths, affect career progression for project professionals? What advantages are there from more age-diverse project teams?

5. How will project professionals need to develop their skillsets over the course of their careers? How does the prospect of a longer working life shape your own expectations and plans for your professional development? How could you use project management skills to plot your own route through an extended working life and lengthy retirement?

6. If more professional development will be needed throughout life, who will be responsible for making it happen? What are the responsibilities of employers, professional bodies, government, and individual professionals?

7. Which sectors will be impacted most by demographic change? Are the challenges vastly different across different societies, and can lessons be learned from other parts of the world?

8. How will the changes associated with the ageing society be impacted by other cross-cutting challenges, like climate change, new technology or changing work patterns?

9. Is there anything else not addressed here that the project profession needs to be discussing in relation to the impact of ageing, demographics and the 100-year life?

See page 2 for details of how you can join the big conversation.
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