

The Economy's Silver Lining

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Introducing N8 and the Research Programme.....

N8 research partnership

A partnership of the eight research intensive universities in the North of England

Origins lie in support from 3 RDA

With the capacity to make a difference

Achieve more through working together

Work in Sciences and (this project) Social Sciences

The research example – the economic implications of demographic change in northern functional economies

A major challenge

Issue is multi-faceted

Response multi-institutional

Economic effects could be positive or negative

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Context to the research.....

Economic conditions

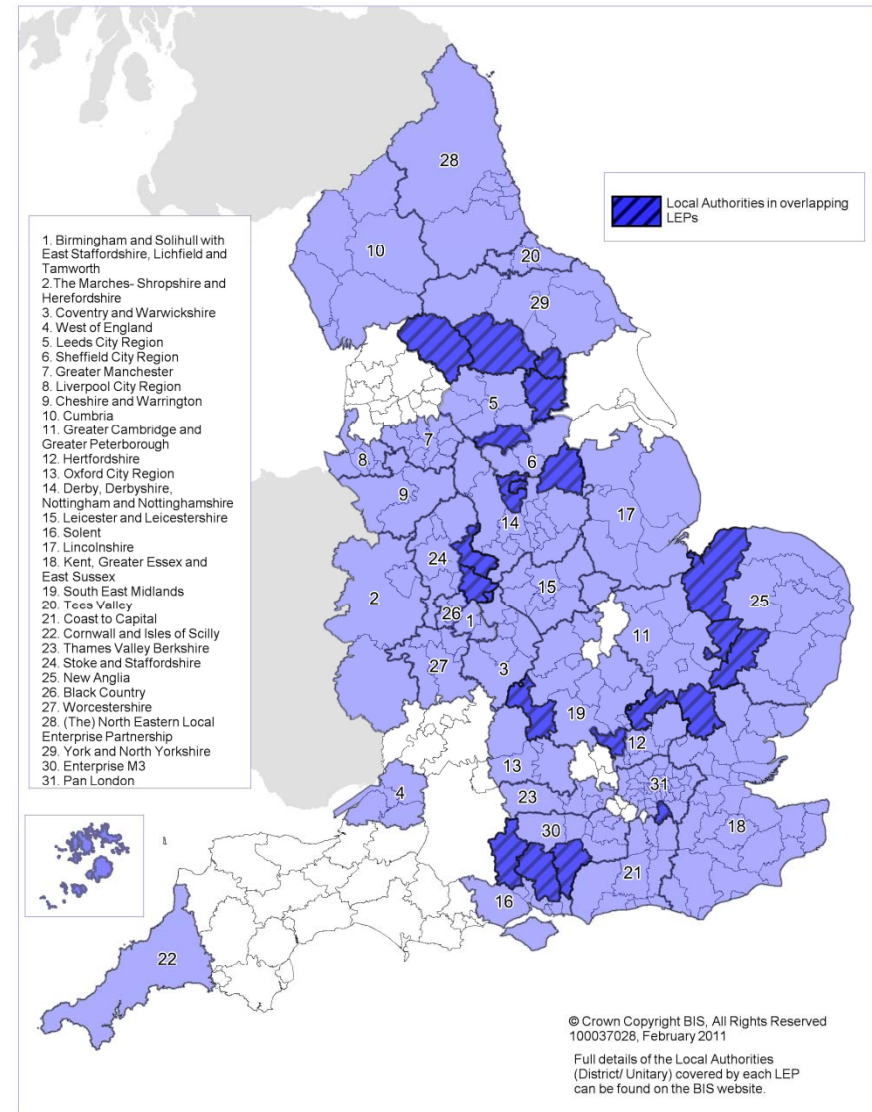
- Austerity
- Employment, unemployment
- Constrained growth

Demographic transitions

- Ageing
- Migration

Policy directions and institutional change

- Rebalancing
- Big Society
- Localism and Local Enterprise Partnerships



Diverse prospects for diverse economies: declining labour force....

Code	Name	TRENDEF working age population		Time Series	UPTAPER Working age population		Time Series
		2011	2036	2036	2011	2036	2036
LEP1	Greater Manchester	1,170	1,120	95.7	1,153	1,052	91.2
LEP2	Liverpool City Region	635	559	88.2	630	545	86.5
LEP3	Leeds City Region	1,363	1,391	102.1	1,345	1,313	97.6
LEP4	Sheffield City Region	823	801	97.3	814	768	94.3
LEP5	Cheshire and Warrington	415	398	96.1	411	381	92.9
LEP6	Tees Valley	320	299	93.4	316	287	90.7
LEP7	Cumbria	243	250	102.8	239	233	97.3
LEP8	Hull City Region	473	458	96.9	468	446	95.2
LEP9	North Yorkshire	282	298	105.9	277	274	98.9
LEP10	North East	922	939	101.8	909	877	96.5
LEP11	Lancashire	712	719	101.0	702	681	96.9
LEP3a	Leeds City Region	1,130	1,157	102.5	1,114	1,090	97.9
LEP4a	Sheffield City Region	591	567	95.9	584	546	93.4
Totals	Northern England	6,891	6,764	95.9	6,804	6,411	93.4

Table: Projected labour force, 2011 and 2036 (defined as 18-60/65 Note: Populations are in 1000s. The time series starts at 2011 = 100. Constant labour force participation rates by age and sex applied from 2001

Key issues in accordance with Work Strand

The impact of demographic change on:

the stock of businesses,

new firm formation rates,

the profile of businesses by demographic group, sector (SIC where possible), location and other factors that might emerge,

the needs of businesses shaped or affected by demographic change,

the ways these trends and impacts have a differential effect on the North of England compared with other parts of the UK,

how these trends and impacts are spatially differentiated especially on key economic units (regions and city regions) within the North,

The policy implications especially in the light of the Coalition government's priorities for business support and regeneration

Images and Realities

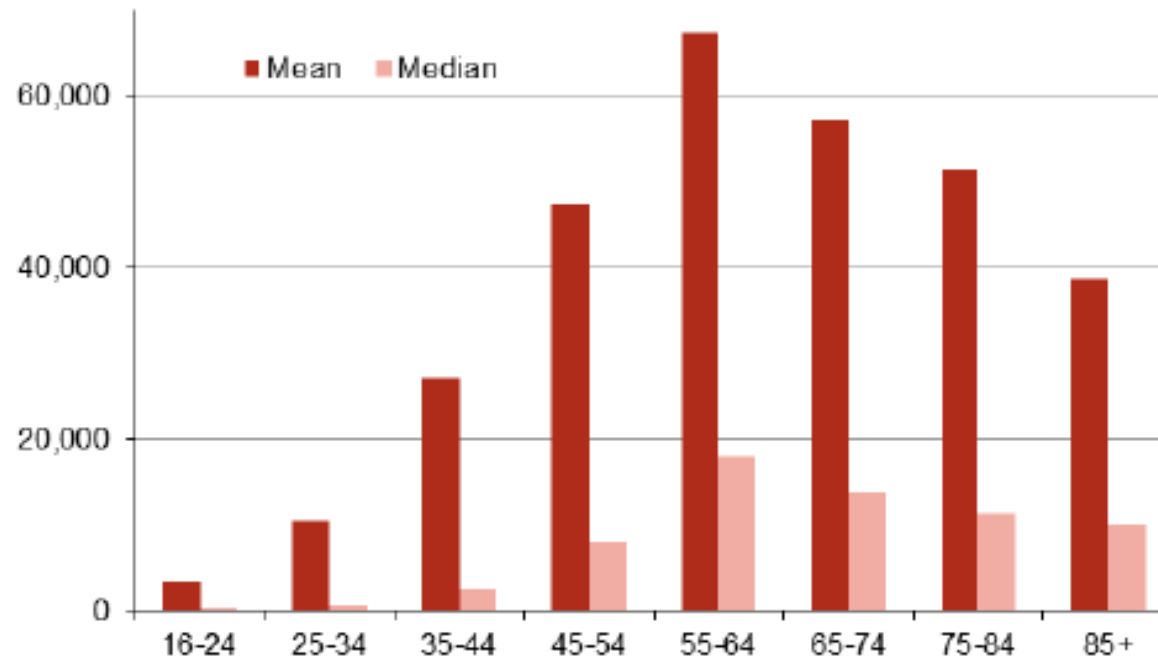


The Silver Market

- 25% of the population control 75% of the wealth
 - In the North 4 million people in the age range 50-74 with a annual discretionary purchasing power (after taxes, mortgages or rents) of over £1.5bn annually with the younger (50-64) age group accounting for over 70% of that spend.
 - The biggest purchases of toys, non-business travel, personal services.
 - They spend more per capita on food and drink.
 - They are the heaviest users of museums and galleries and the theatre.
 - They have more leisure time.
 - They eat out more often and are the fastest growing users of computers and new information technologies.
 - Spend more on cars and household electricals

The Silver Market – The UK

Distribution of net household financial wealth¹: by age of household head, 2006/08



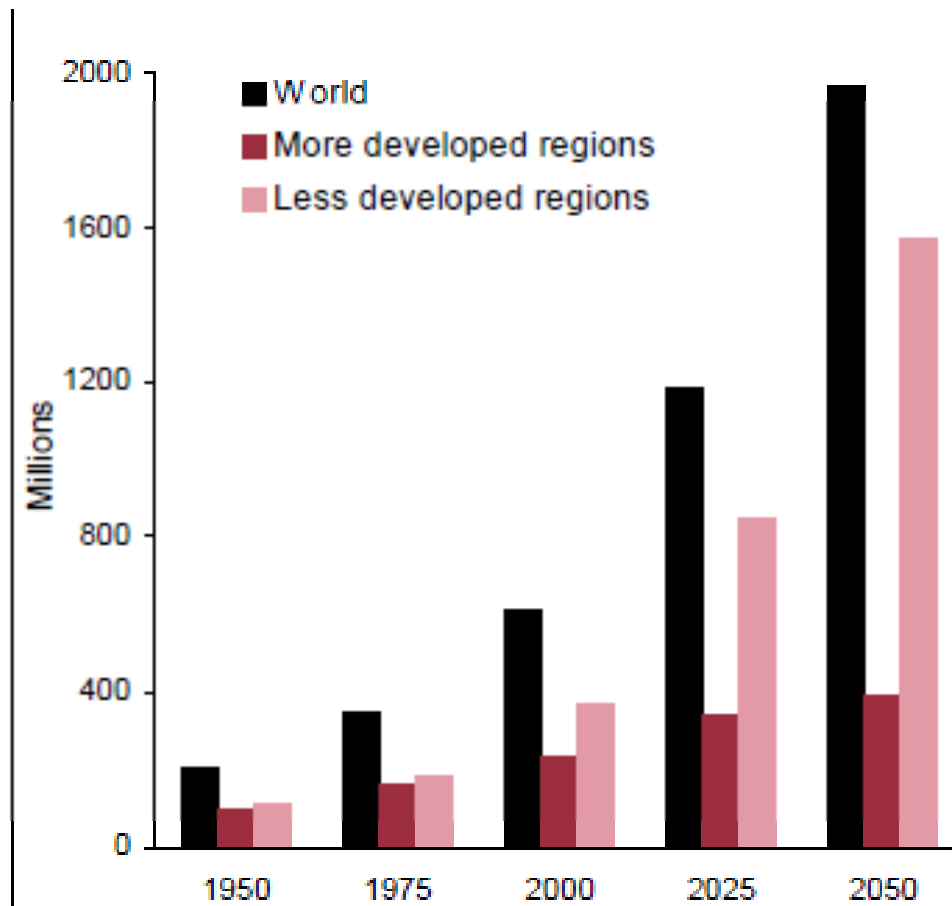
¹Results exclude households with zero net financial wealth.

Source: Wealth and Assets Survey, Office for National Statistics (Click-use graphs)

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A Silver World

Population aged 60 or over: world and development regions, 1950-2050



Over 50's

Europe (EU 26) 80M

USA 75M

China 235M

India 200M

Russia 70M

Brazil 95M

Silver Entrepreneurs

- strong association between holding a managerial occupation
- By a slight margin more self-employed women had a degree than self-employed males, and self-employed women had more education than wage- and salary-earning women,
- A high proportion of the self-employed women (over 30%) were “returners”
- More older women who were self-employed had a background in the public sector than men (28% against 12%).
- The range of businesses operated by self-employed women is narrower than those operated by all older self-employed in the North.

Concentrated:

Rural

Golden Triangles

The entrepreneurship challenge....

More entrepreneurship in older age across the UK

North-South divergence in older age groups

Some sectoral differences....

% of Economically Active who are Self-Employed		
	2002	2009
England		
16-19	2	2
20-24	4	4
25-34	10	9
35-49	13	14
50-64	17	18
65+	33	35
Northern Regions		
16-19	2	2
20-24	4	5
25-34	9	9
35-49	11	12
50-64	14	16
65+	21	29

New demands in an ageing population

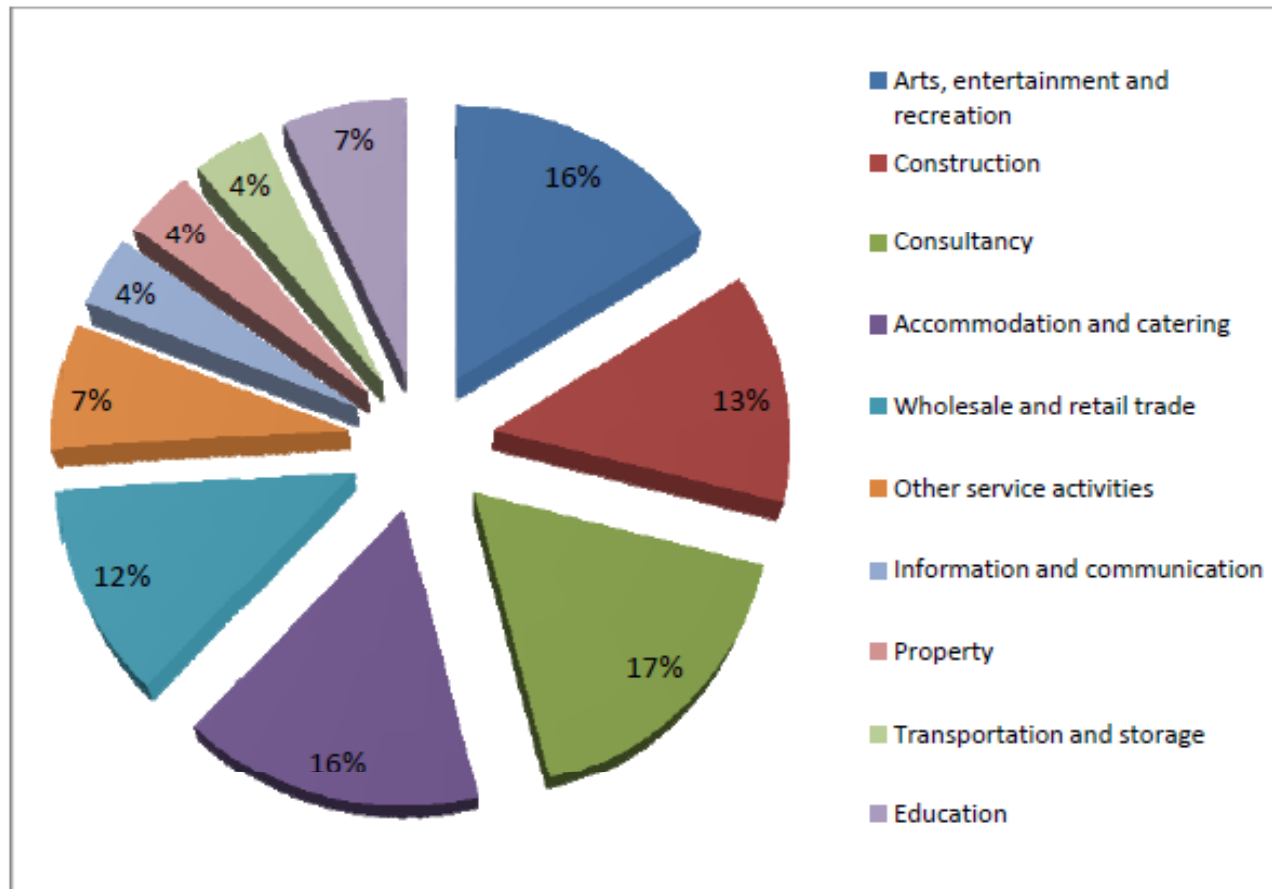
Markets		Products
Lifestyle and quality of life	Products and services targeted on self-actualisation, health and leisure	Tourism, leisure, retail, Housing & accommodation, catering, personal services, Arts, entertainment, recreation, travel Clothing, cosmetics and other targeted products
Personal development	Filling gaps in opportunities, experiences and skills	Formal and community education Information and related technologies Health, fitness, nutrition and medicines
Assisted living	Electronic and physical devices and personal services to enable independence and ongoing active lifestyles	Personal alarms, home robots Smart metering and touch technologies Call centres, resource centres, book and reading Groups Rehabilitative Technologies and services, Electronic readers, wireless smart pillbox Cleaning services, respite services, live in carers, hairdressing Advisory services, emergency numbers
High Intervention Personal Care	Older couples Community care Older disabled	Support equipment Bone Mineral Measurement Rehabilitation Engineering Low wear hip, shoulder, knee replacement and related materials technologies Heart valve transplants
Medical Interventions	The very old Seriously disabled	Heart valve transplants Geriatric services Critical Care Physics Services for dignity

Silver Entrepreneurs – More on Why

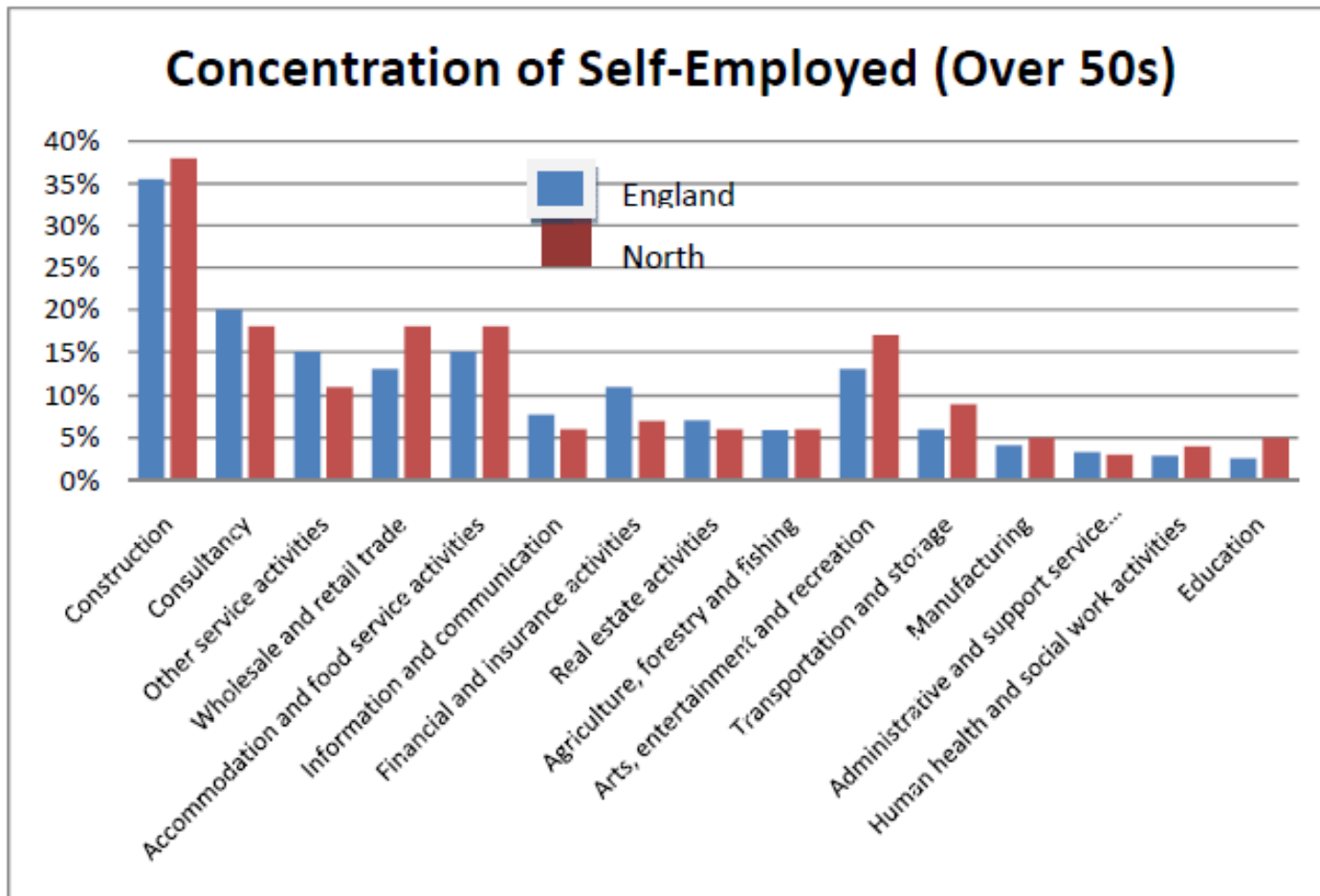
Age	You Started Because You Came Across an Opportunity	You Started Because of Necessity
North		
50 to 64	66	24
65+	38	35
EU		
40-54	57.4	27.4
55+	48.9	34.9

50+	Start-up		Self Employment		Active Enterprises	
	Male	Female	Male	Female	Male	Female
The constrained entrepreneur	18	19	20	20	25	24
The rational entrepreneur	12	25	10	25	22	24
The reluctant entrepreneur	53	19	45	15	20	10
The lifestyle entrepreneur	12	35	17	37	28	37
N/A	5	2	8	3	5	5

Silver Entrepreneurs - What



Silver Entrepreneurs - What



Source: Department of Business, Innovation and Skills 2010

Silver Entrepreneurs - What

Ambition

Younger founders	Low growth	79
	High growth	88
Older founders	Low growth	70
	High growth	85

Importance of Innovation

	Founders' age		
	All ages	Under 50	Over 50
All business	45	49	30
High growth	61	62	58
Low growth	43	49	30

Note: i) Estimated by weighting the survey results by the population of businesses in the high growth/low growth categories by age of founder. ii) The difference between those under and over 50 in the Low Growth businesses is statistically significant.

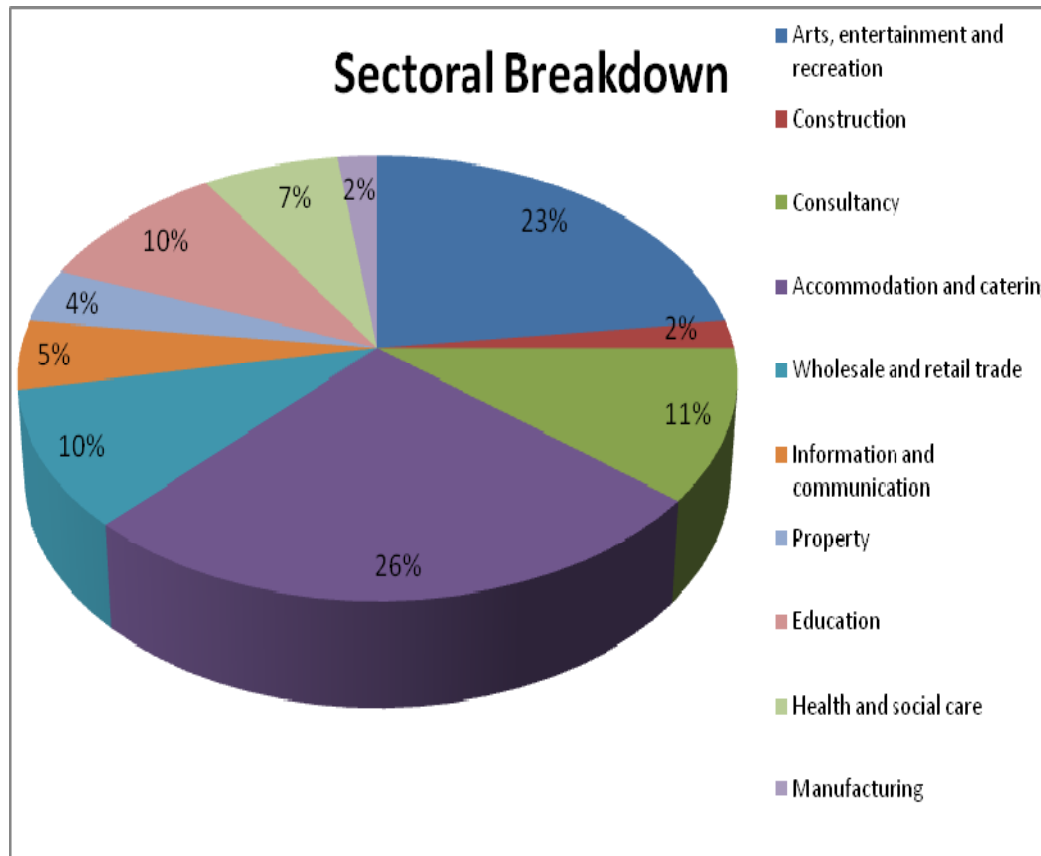
NESTA

The grey economy

How third age entrepreneurs are contributing to growth

Gender differences in motivation and sector.....

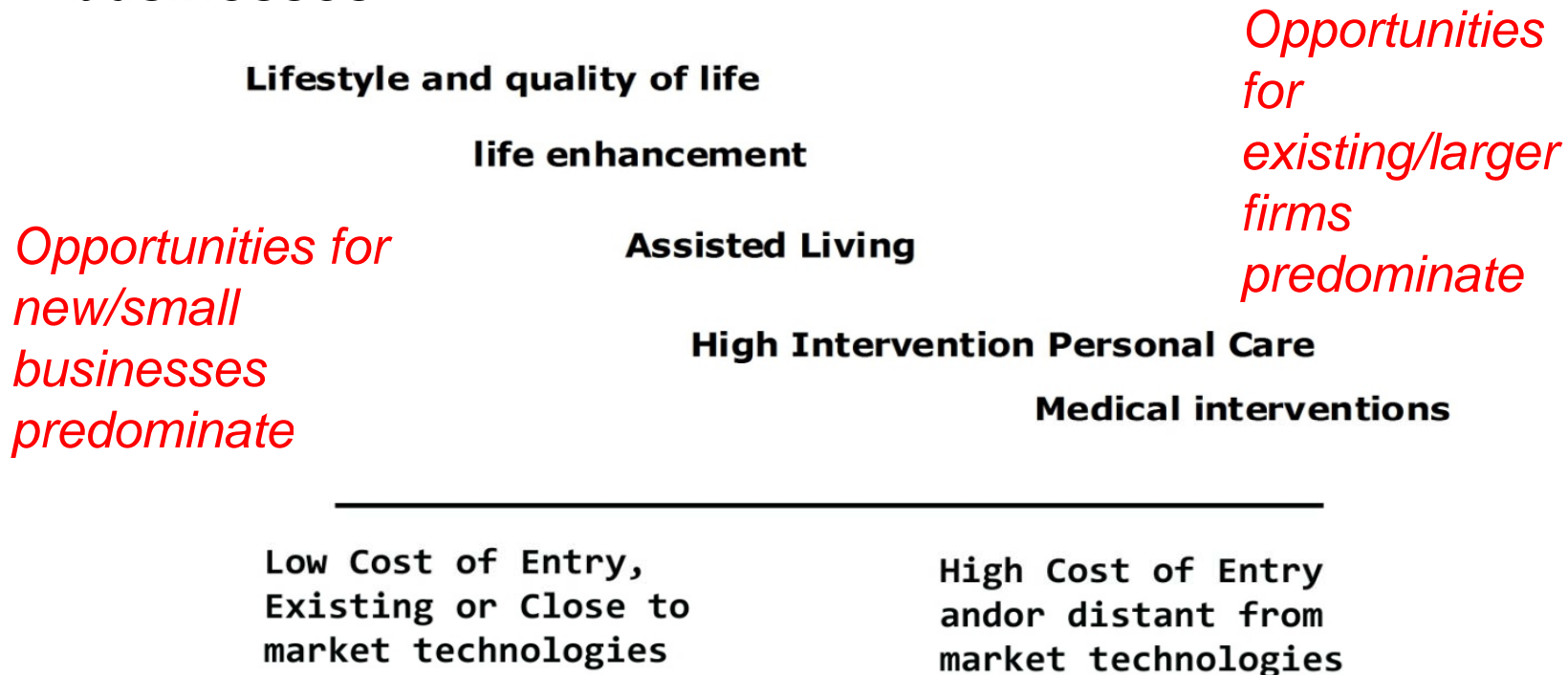
Entrepreneurship amongst women more concentrated
Motivation different



	Men	Women
Supplement Income	42	39
Replace income	36	19
Build a business	16	32
D/K	6	10
	100	100

Silver Entrepreneurs - Where

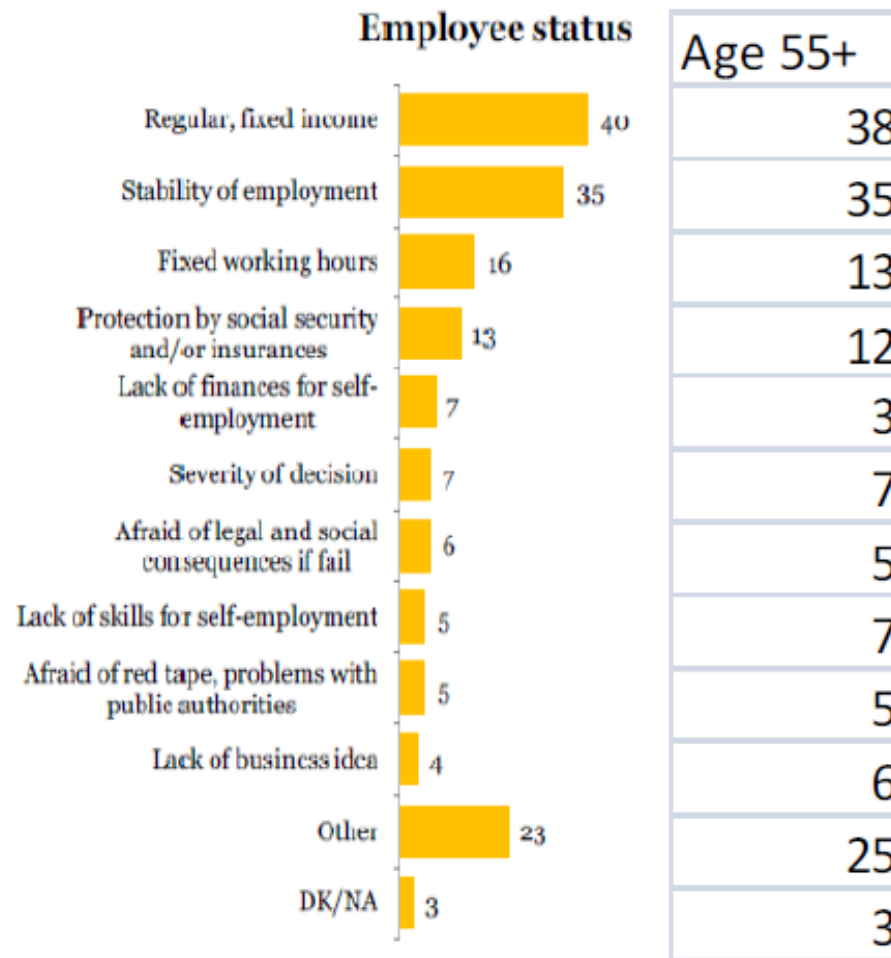
Opportunities for new/small businesses and existing/large businesses



Silver Entrepreneurs - Where

	"Spotted An Opportunity"	"Had No Choice"	Other	Total
	Number	Number	Number	
Calderdale	19	16	12	47
Stockport	13	11	12	36
Knowsley	4	11	6	21
Halton	3	6	7	16
Tyneside	3	9	6	18

Silver Entrepreneurs – Barriers?



Silver Futures

- Recognition and prioritisation of the extent of change and the scale of the opportunity
- Recognise diversity
- Better co-ordination of existing resources, rather than new resources, is crucial
- Particular opportunities exist for newly formed firms including those by the “over 50s” in the lifestyle and quality of life, life enhancement and assisted living markets
- The restructuring of the public sector presents real opportunities but there are major barriers to capitalising on these opportunities
- There important gaps in the evidence base

N8 Research Partnership.....

A strategic partnership of the eight most research-intensive universities in the North of England:

Durham	Manchester	Lancaster	Newcastle
Leeds	Sheffield	Liverpool	York

Encouraging innovation of global significance through collaboration research and development.

University	Focus and/or Unit		
Lancaster	Centre for Ageing Research	Arthritis diagnosis and treatment	Low wear hip replacement and related materials technologies
Leeds	Institute of Medical and Biological Engineering	Assistive technology	Microvascular Measurement
Liverpool	Institute for Ageing and Chronic Disease	Bioengineering	Musculoskeletal Science
Manchester	Geriatric Psychiatry	Bone Mineral Measurement	Rehabilitation and Assistive Technology
Newcastle & Durham	Institute for Ageing and Health	Critical Care Physics	Rehabilitation Engineering Mobility Service
Sheffield	Rehabilitation and Assistive Technology Research Group	Devices for Dignity	Signal processing and sensors
York	Ageing Society Research Network	Electronic assistive technologies	Speech-controlled Environmental Control Systems
		Eye and Vision Science	Spinal disk replacement
		Geriatric psychiatry	The treatment of amyloid-related diseases
		Heart valve transplants	Tissue engineering
		Treatment of inflammatory rheumatologic diseases	Usable Home Technologies
		Joint replacement and biotribology	
		Knee joint replacement	

Thanks for Listening

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For N8 Demographic Change Study



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