

The implications of our ageing population

Natalie Jackson

**We are.
LGNZ.**

Te Kāhui Kaunihera o Aotearoa.



New Zealand Community Boards Conference 2019
Community Boards in a Time of Change

The implications of our ageing population

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Invited Address to the New Zealand Community
Boards Conference 2019: *Community Boards in a Time
of Change*

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Waikato; Professor of Demography, Massey University

Outline



1. Population ageing and its finer points

- Having confidence in projections in the absence of census update

2. Can migration 'solve' population ageing?

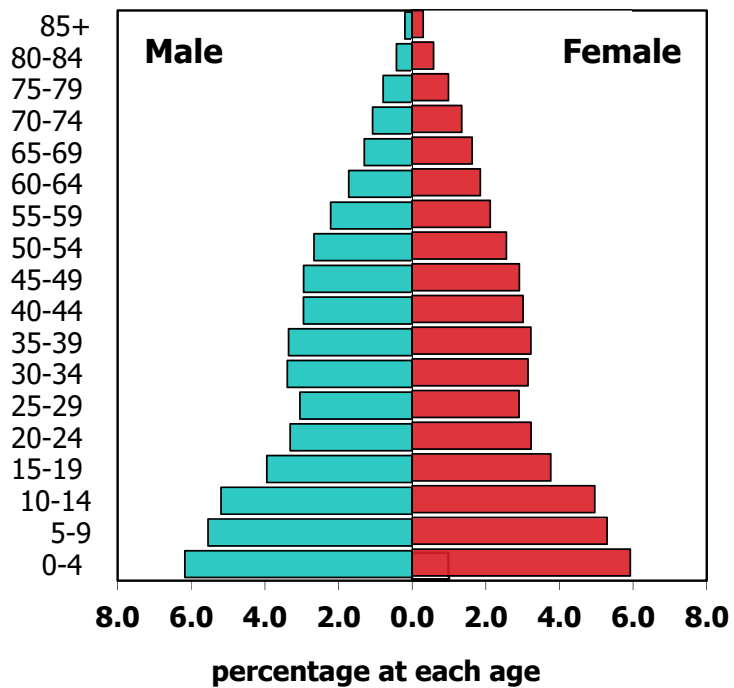
3. Ageing, housing, inequality and need



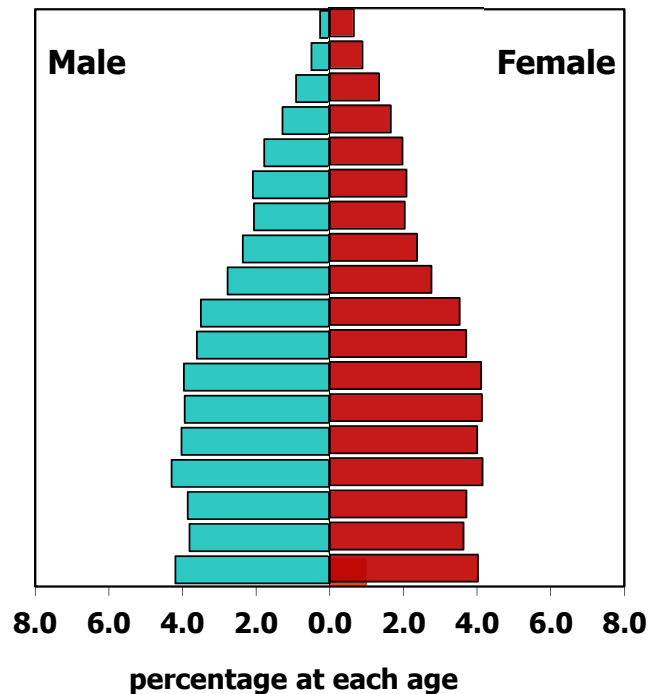
New Zealand's population ageing looks like this:



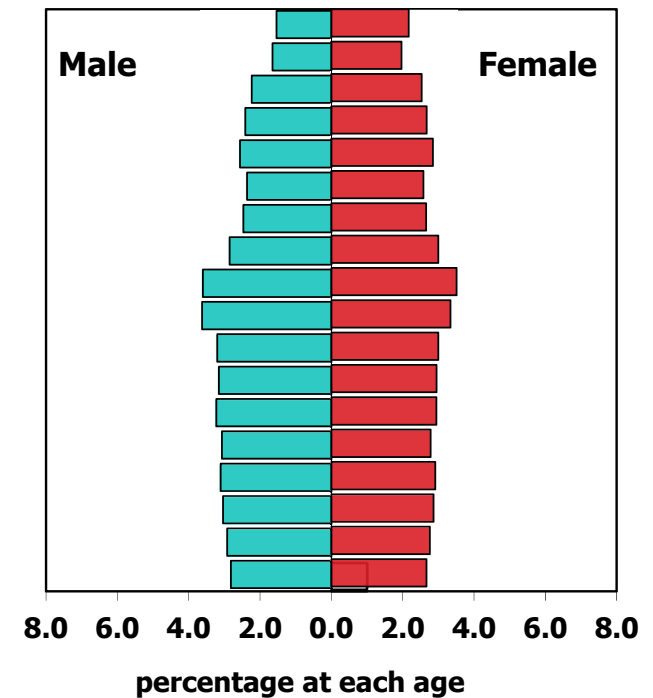
1961



1991



2038 (projected)





Population ageing in a nutshell

1. Numerical ageing

- Absolute increase in the number of older people, primarily due to increasing longevity.

2. Structural ageing

- Increased number at older ages becomes an increased proportion, primarily due to falling birth rates.

3. Natural decrease

- Once a population has more older people than children it is a short step – around one decade - to more deaths than births and the end of natural increase.

4. Depopulation/Shrinkage

- Once areas enter natural decrease, they can only grow via migration – but often it is migration that is driving natural decrease..

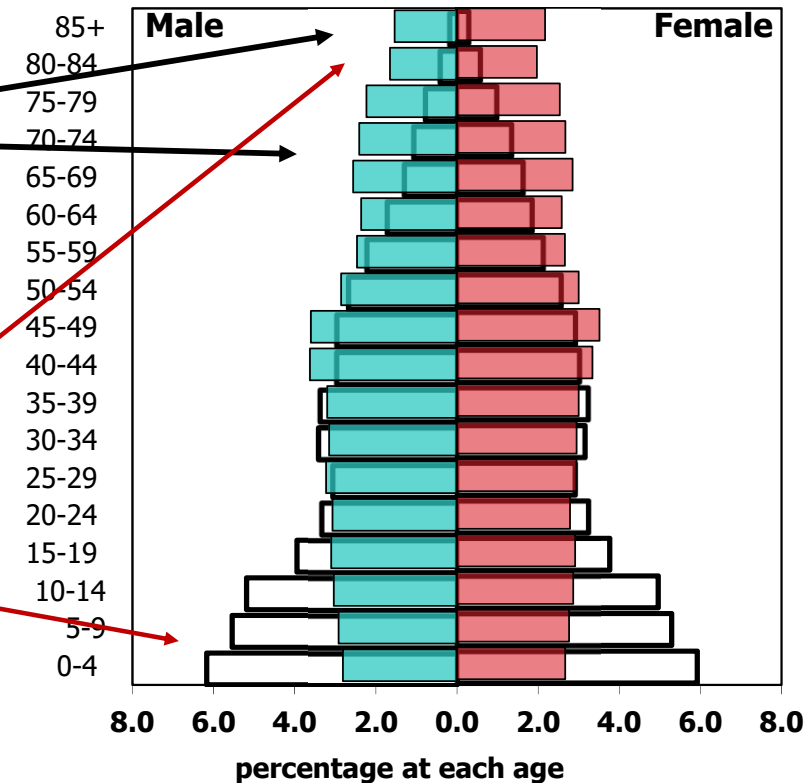
Population ageing - view II

Total NZ 2038
(1966 Unshaded)



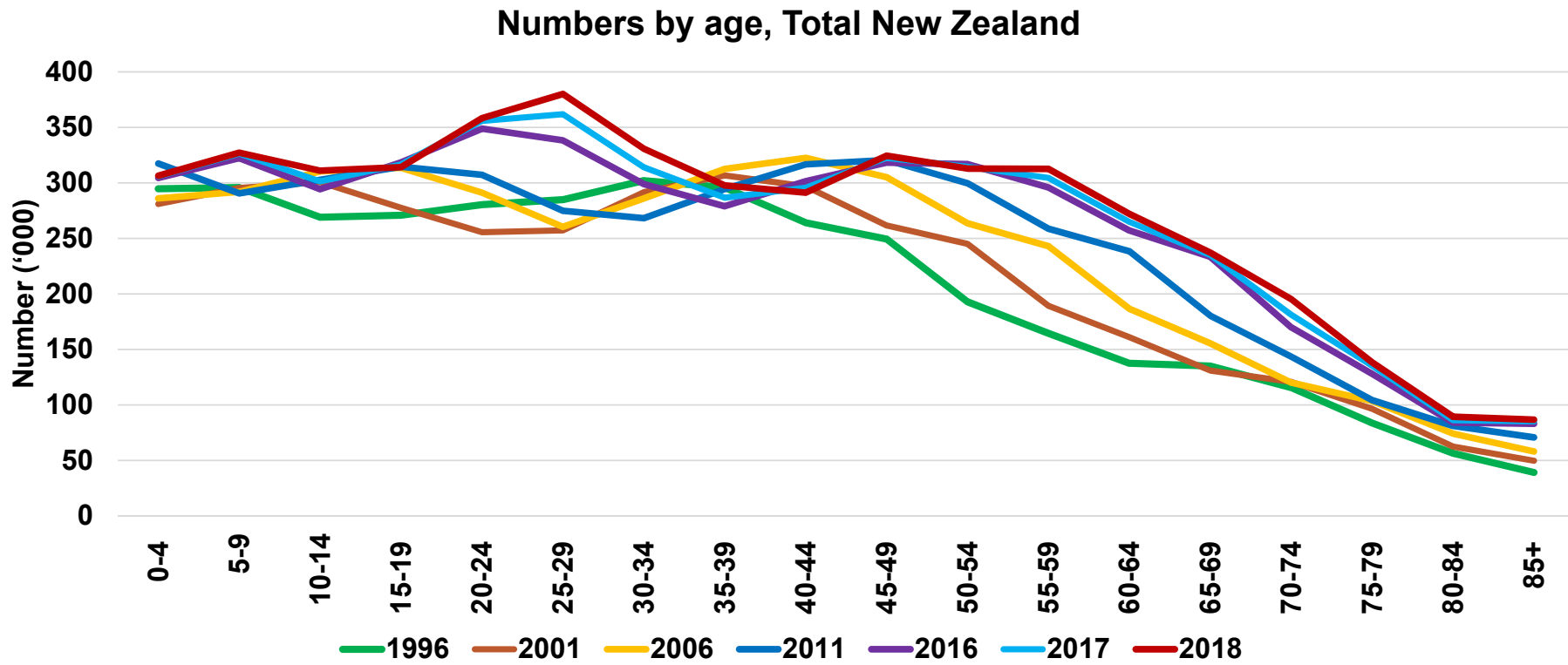
Numerical ageing

Structural ageing





Using the past to anticipate the future



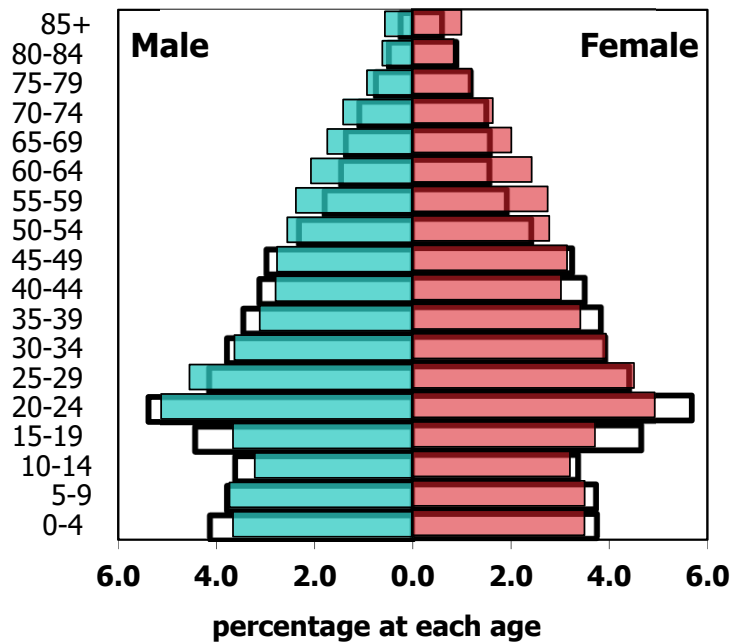
Huge subnational diversity in rates and extent of ageing



Age structures and rates of ageing are highly diverse across the country:

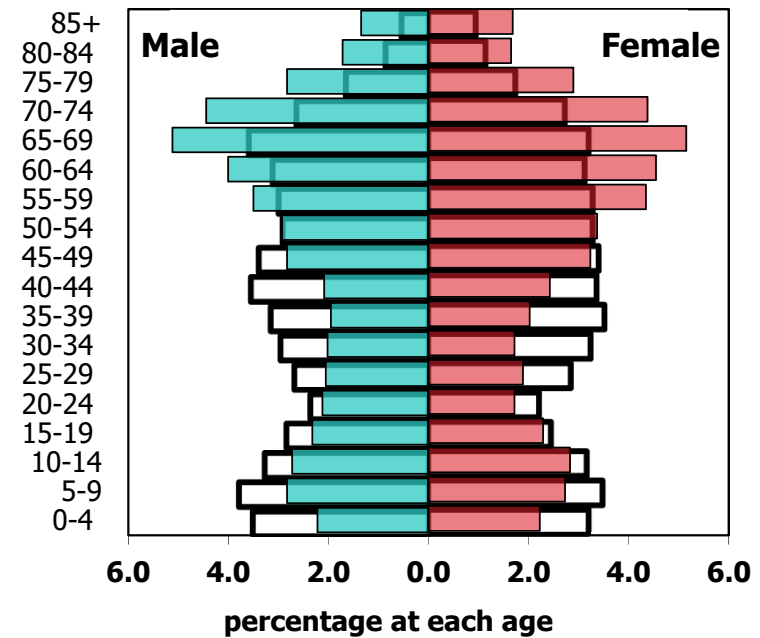


Hamilton City 2018
(1996 Unshaded)



65+ years: 11.9% (1996 = 9.7%)

Thames-Coromandel 2018
(1996 Unshaded)



65+ years: 31.2% (1996 = 19.0%)

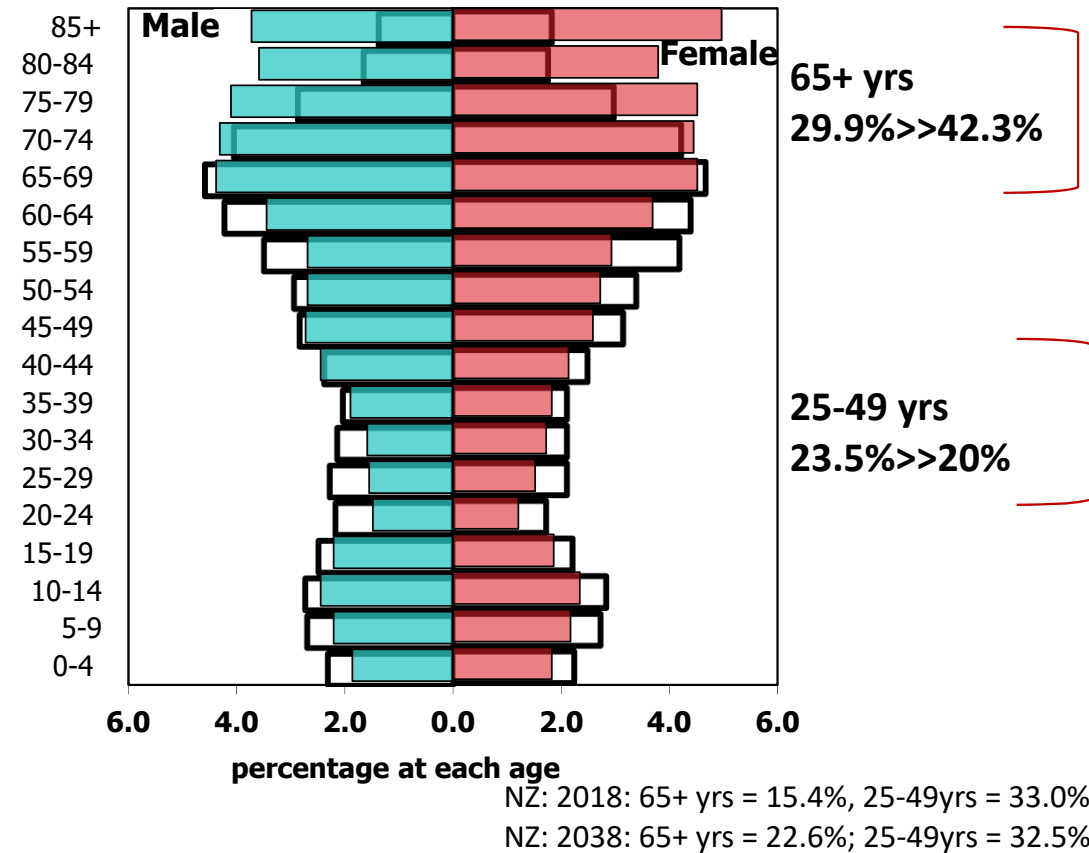


Hyper-ageing

Thames-Coromandel projected 2038
(2018 Unshaded)



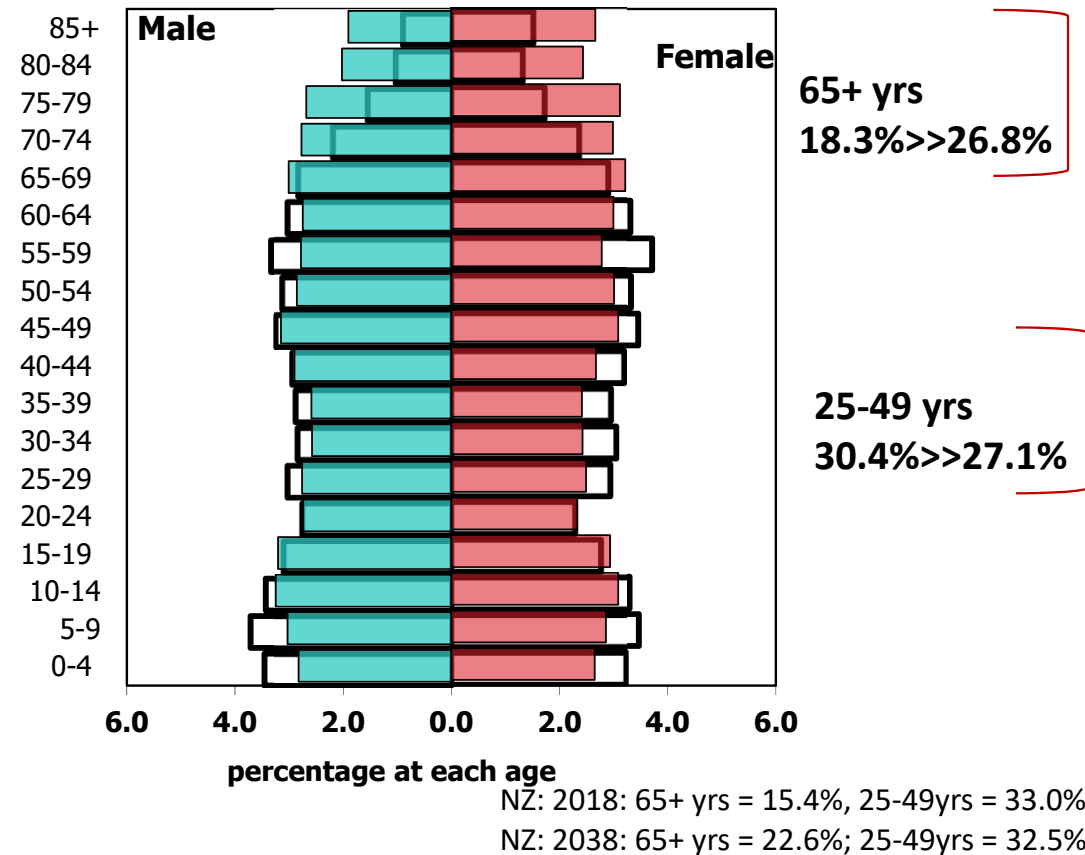
We already have 'hyper-ageing' populations.
What does this mean for current models of rate revenue gathering?
Resource and service provision? Housing demand and supply?



What about 'standard' structural ageing?

How will **sub-national differences** in the rate and extent of population ageing affect our typical one-size-fits-all policy development?

New Plymouth projected 2038
(2018 Unshaded)



What do Community Boards need to be aware of (demographically)?

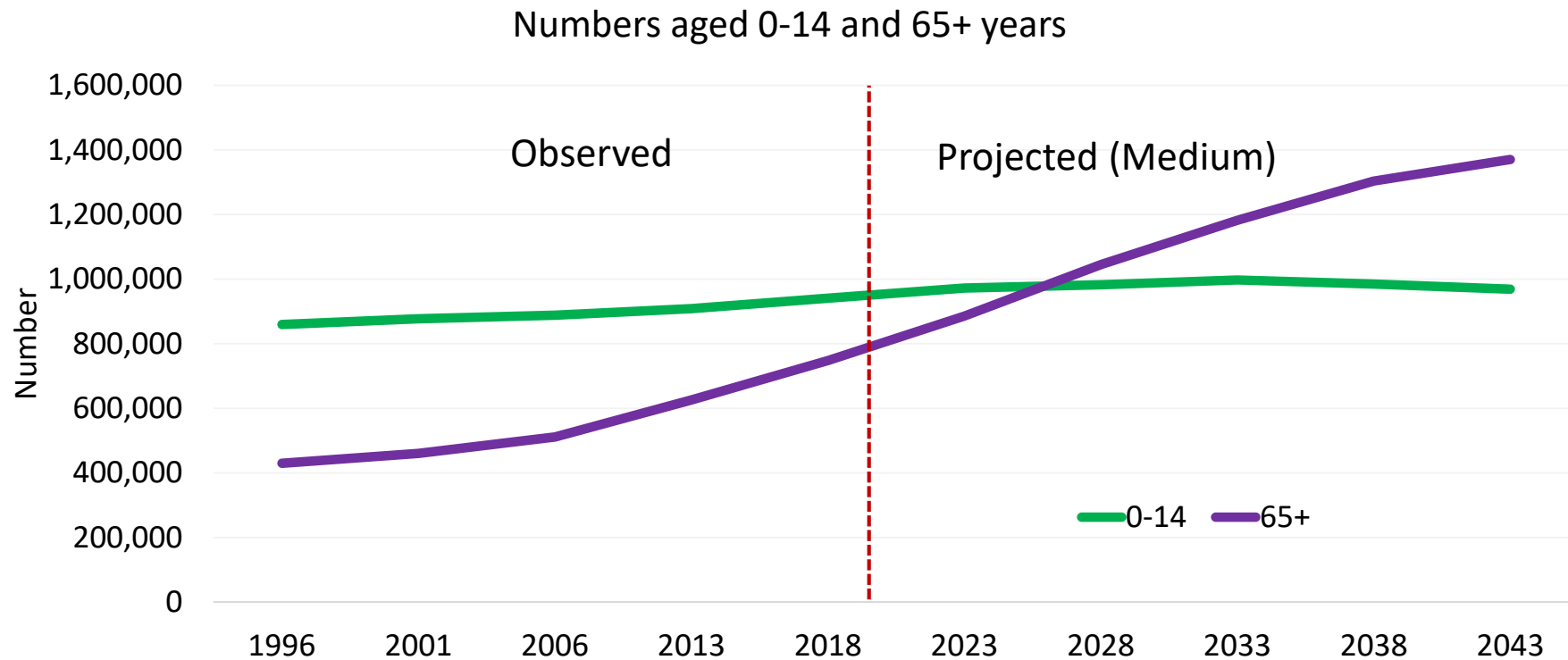


1. **Almost all towns/centres will have more older people than children within 10 years (total NZ within 8 years, already the case in 1/3 TAs)**
 - Most towns/centres will have declining proportions at **key parental ages**
 - Many schools will see **unsustainable student numbers**
 - Many towns will see **fewer young/middle-aged people available for service groups** – *this is not disinterest, it is demographic*
2. **Many populations will shrink in size (or remain static)**
 - Under current funding arrangements, growth is rewarded. **Declining areas will struggle to get sufficient resources and services.**
3. **Labour forces will be much older > and also shrink in size**
 - **Outside of the cities it will become ever harder to get sufficient local services**
4. **Many local ethnic compositions will change quite rapidly**
 - **Not simply a migration effect.** The structurally older European population will shrink from natural decrease, while younger populations will 'replace' them.
5. **Average household size will fall but demand will increase**
 - however there is also a **'tenure revolution'** to take account of



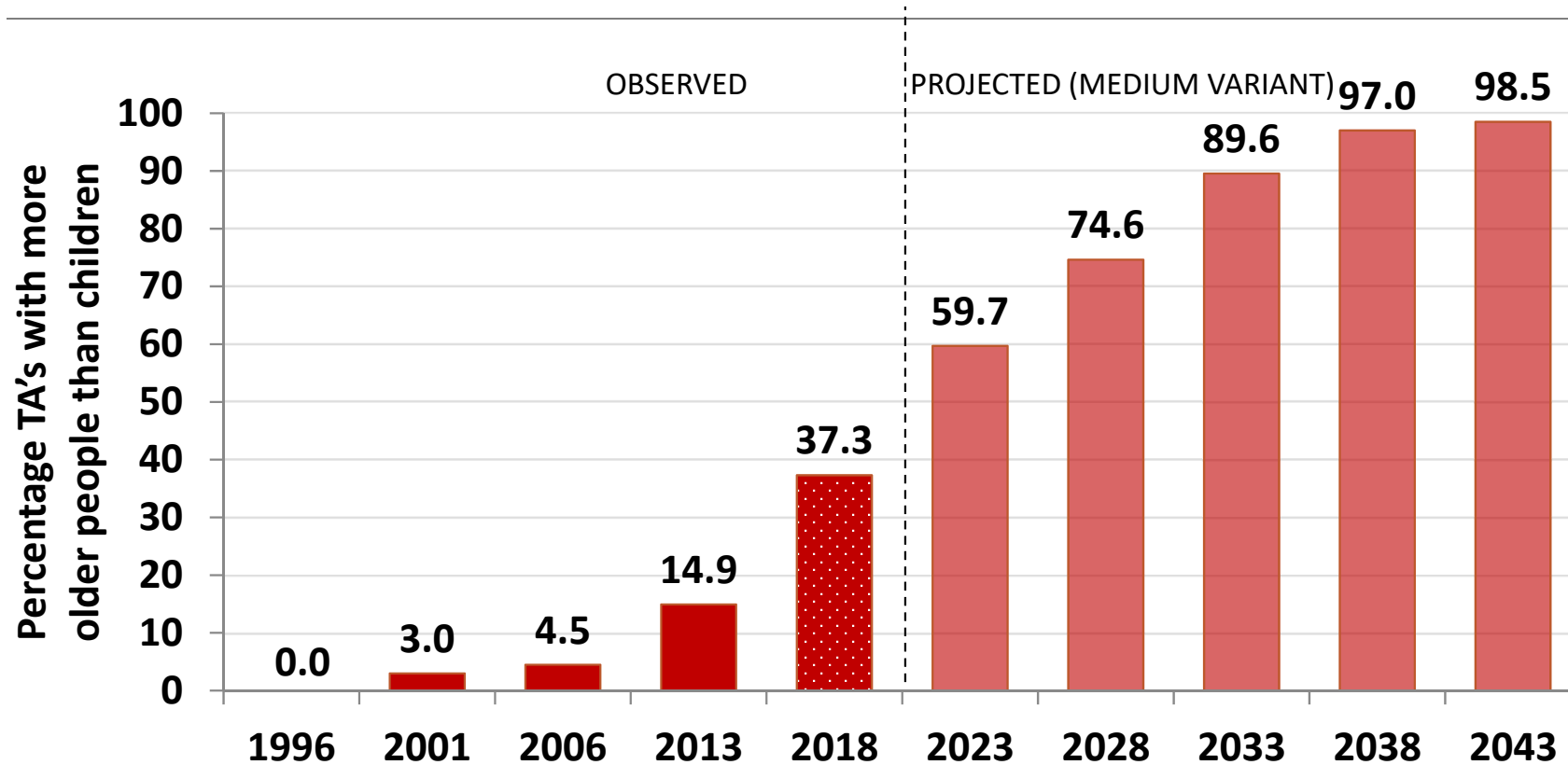
More older than younger people

NZ: one of the highest birthrates in the developed world, but **more older people than children** in 8 years (even with 15,000 net migrants every year)



Source: Author/Statistics NZ Estimated Resident Population (1996-2013); Projections 2013(base)-2043 Update

Most TAs and the towns in them will soon have more older people (65+ years) than children (0-14 years) – even with 15,000 net migrants every year..



Source: Author/Statistics NZ Estimated Resident Population (1996-2013); Projections 2013(base)-2043 Update

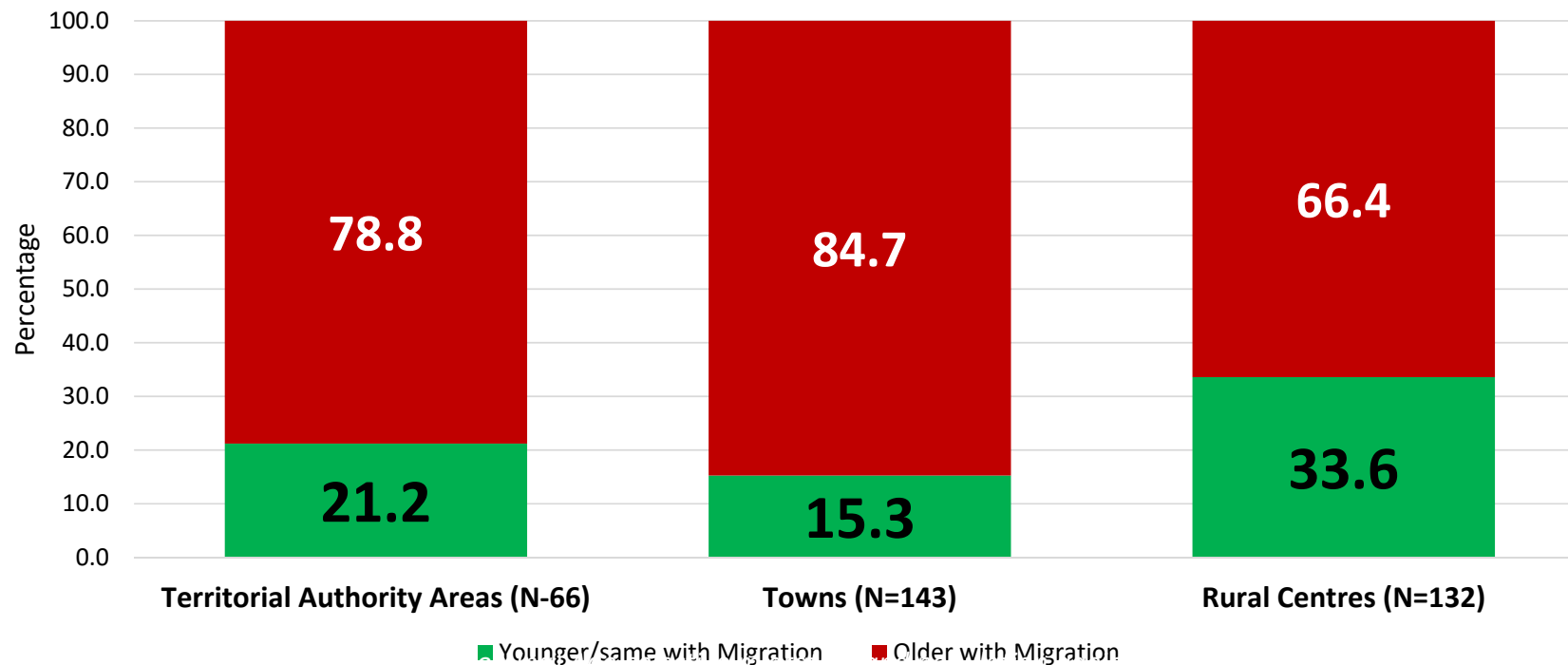


*Many townships will shrink in size
[due to ageing]*



Migration makes most subnational areas *older* rather than younger

Impact of migration on structural ageing, 1976-2013

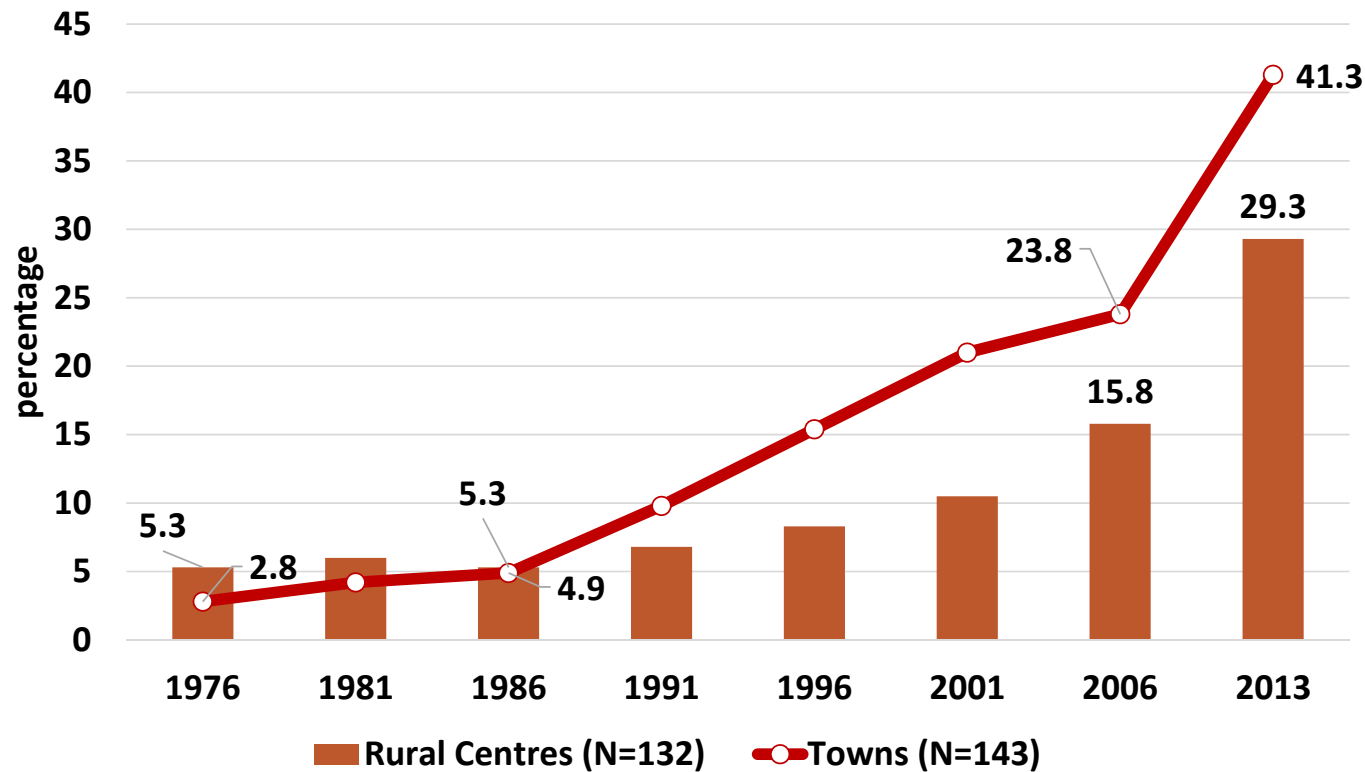


Source: (Jackson and Brabyn 2017) *Tai Timu Tangata: Taihoa e?*

NZ Towns are now more likely than rural centres to have >20% aged 65+



Percentage of TAs with greater than 20% aged 65+ Years



Projected onset of subnational depopulation



Medium Variant	2013-2033	2013-2033	2013-2043
Number	7	9	17
%	10.4	13.4	25.4

TA level decline is not the problem!

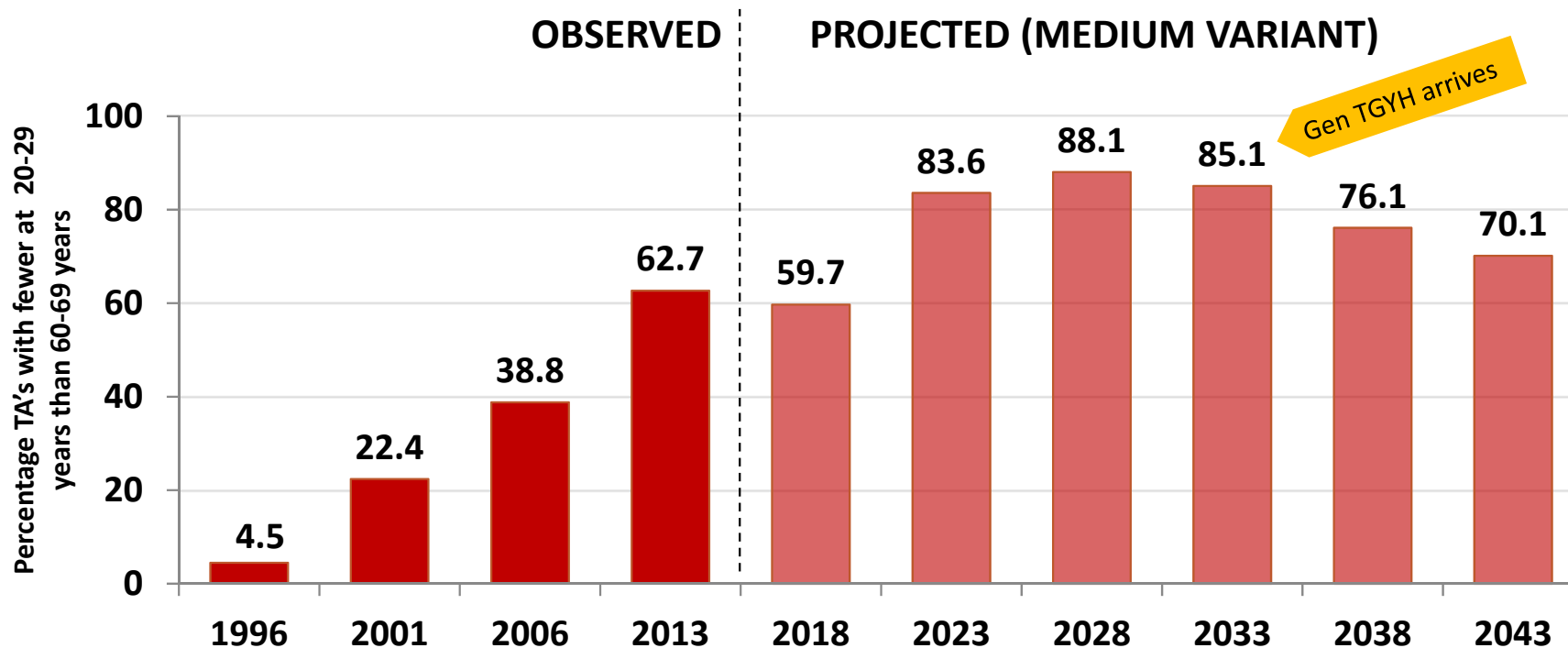
Medium assumption = 15,000 net migrants every year

Source: Author/Statistics NZ (2017) Projections 2013(base)-2043 Update

Labour forces will be much older and in many towns will be smaller



2/3 TAs already have fewer people at labour market 'entry' than 'exit' age (20-29 years : 60-69 years), and this will increase (even with 15,000 net migrants per year)

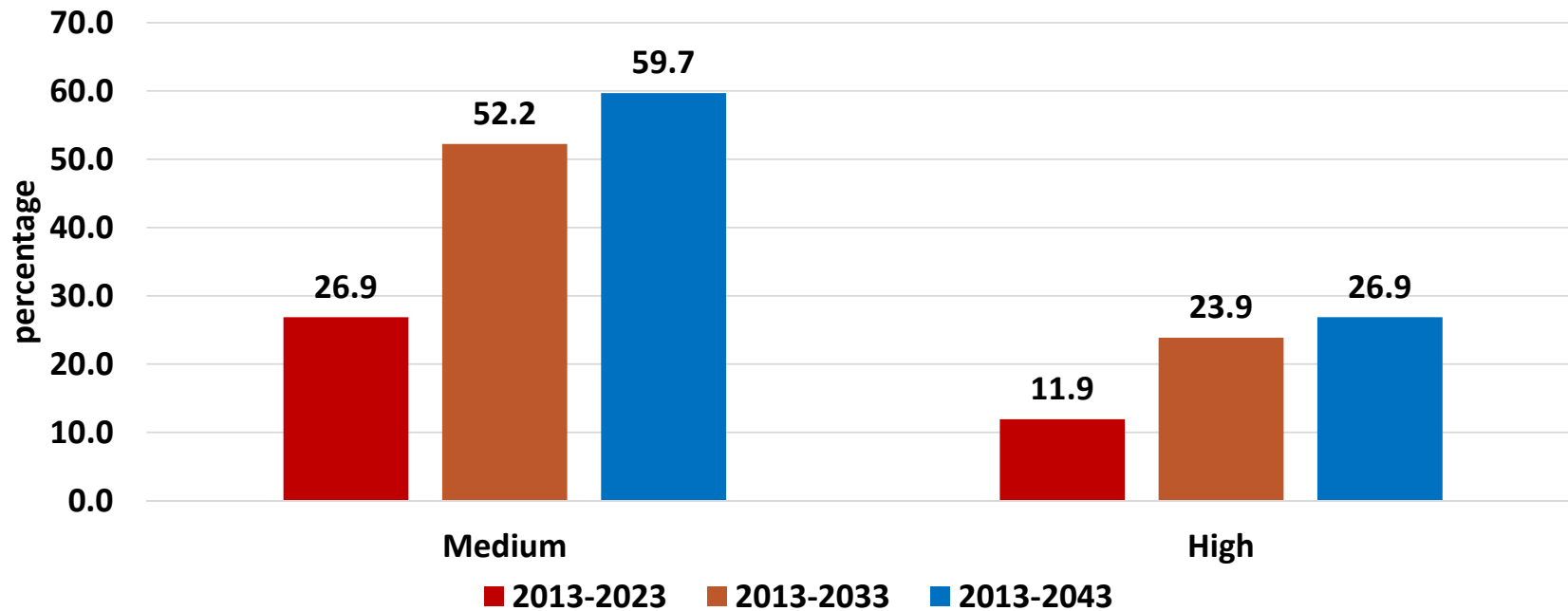


Source: Author/Statistics NZ Estimated Resident Population (1996-2013); Projections 2013(base)-2043 Update



Widespread shrinkage in **prime working age population** (20-69 years) is projected even under high projection assumptions

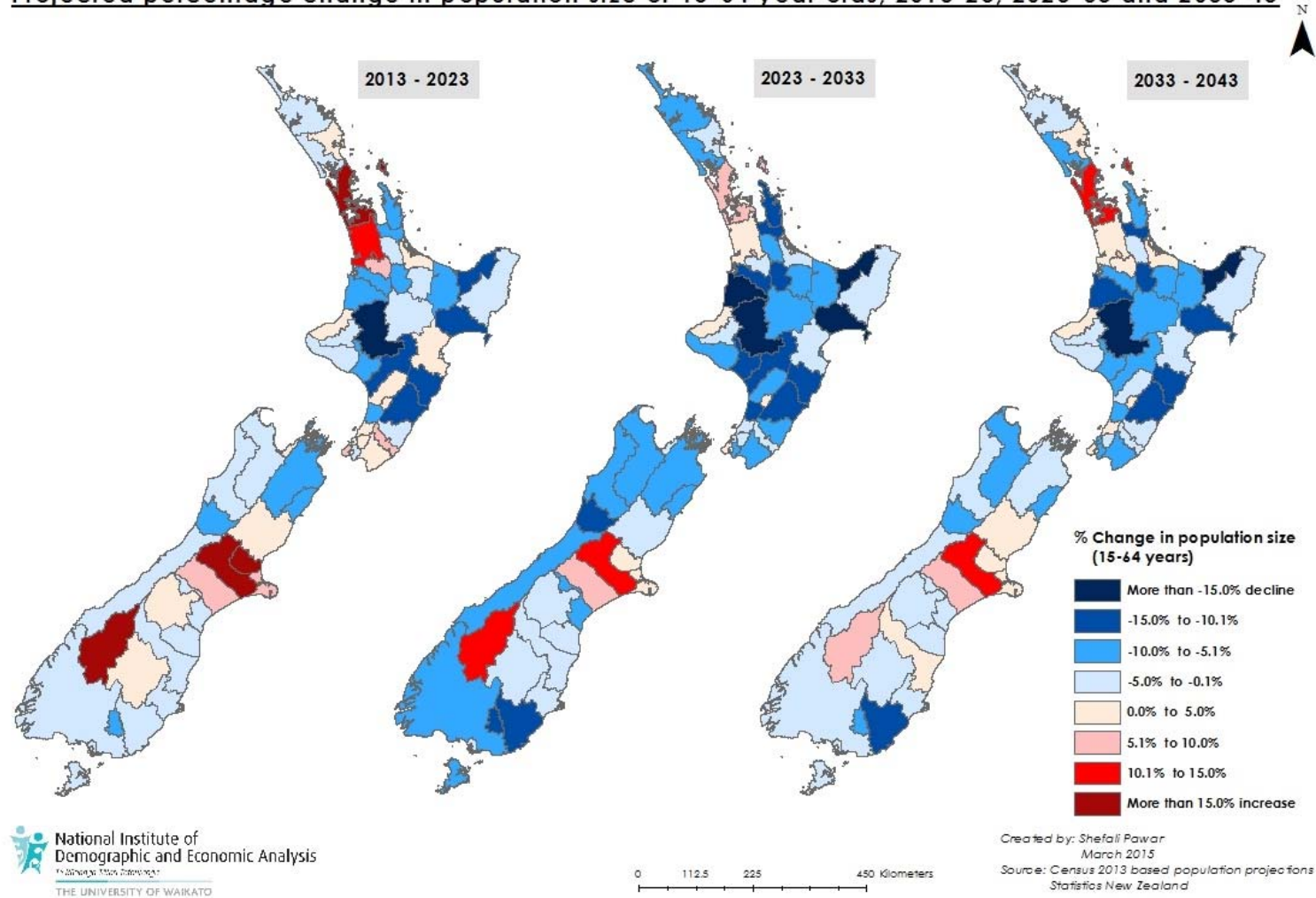
Percentage of TAs projected to experience decline in population aged 20-69 years, by projection variant



Source: Author/Statistics New Zealand (2017) 2013(base)-2043 Update (medium assumption = 15,000 net migrants per year; high = c.55,000 per year)

At 15-64 years, working age population is projected to shrink even more. In **2018**, WAP (15-64 years) projected to be 8% larger at national level, but 43% of WAPs are projected to be smaller than in 2013; by 2023, 61% WAPs smaller

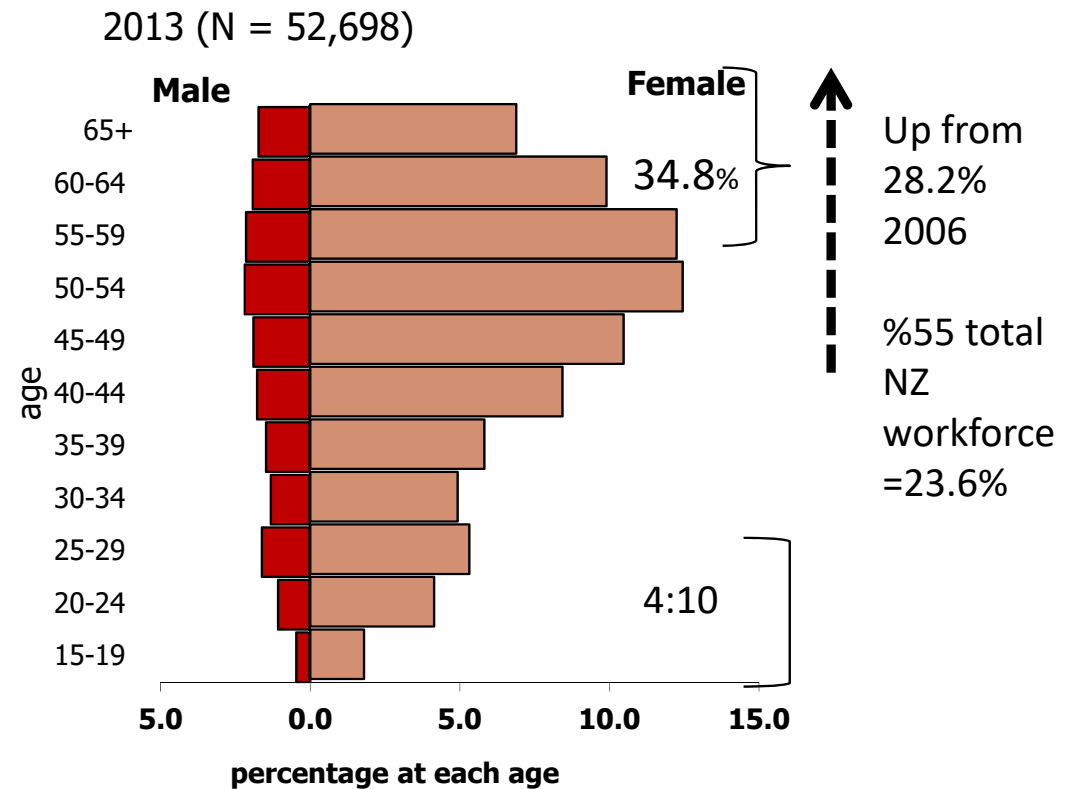
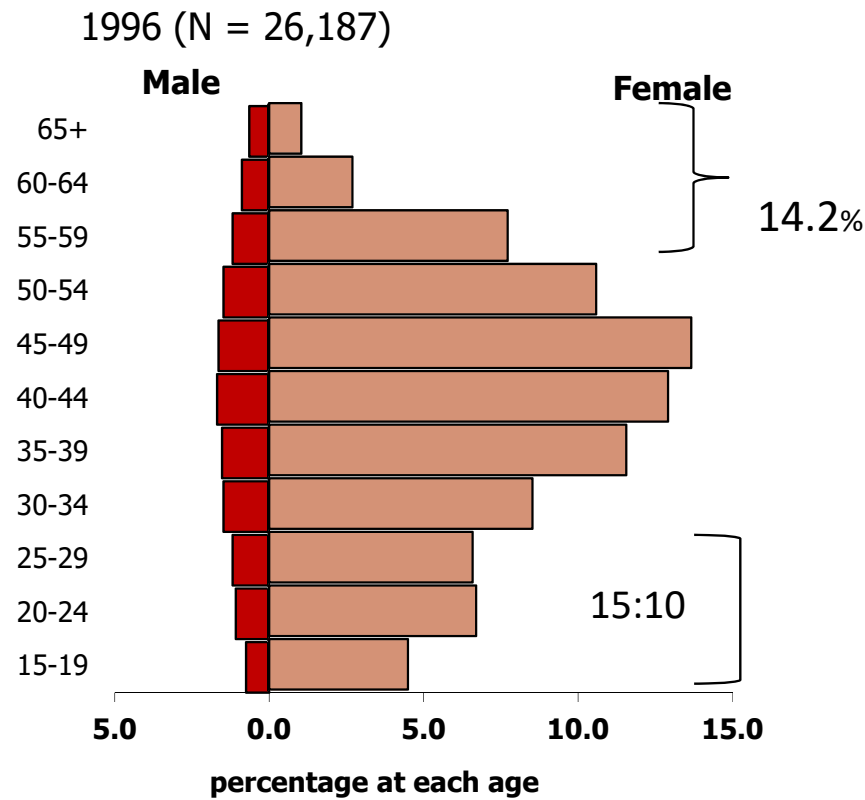
Projected percentage change in population size of 15-64 year olds; 2013-23, 2023-33 and 2033-43



National Institute of Demographic and Economic Analysis
Te Ahonga Whaka Ora, Te Wharewaka
THE UNIVERSITY OF WAIKATO



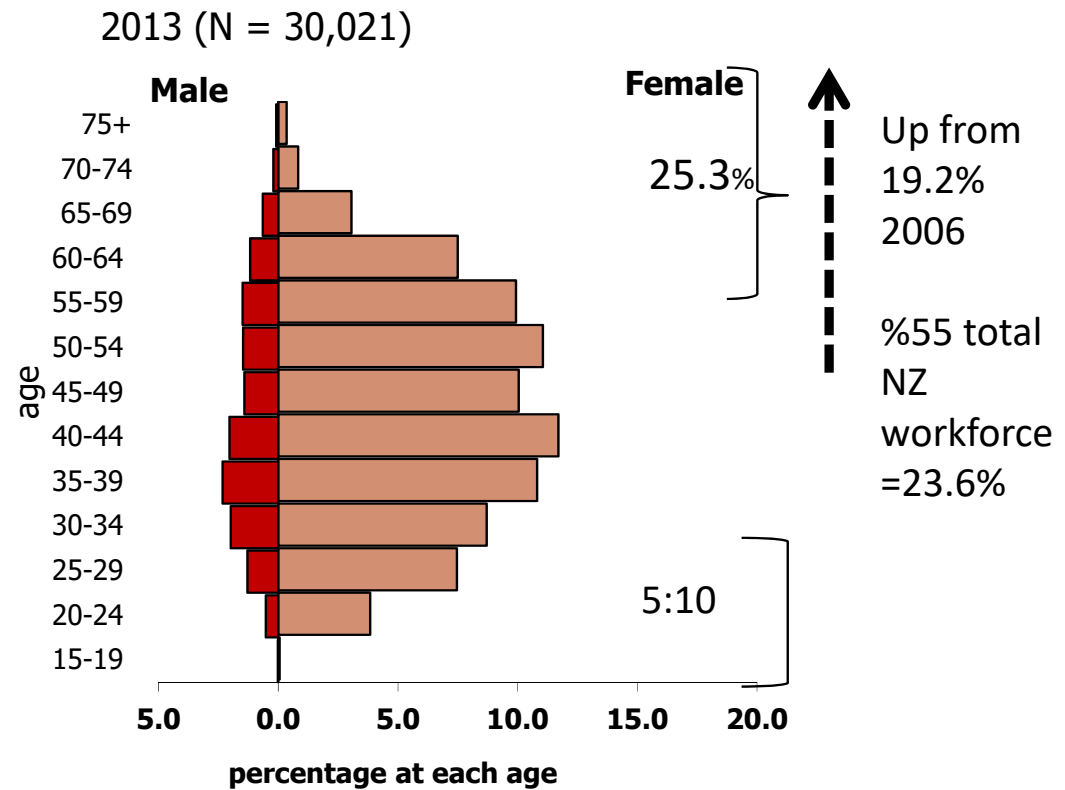
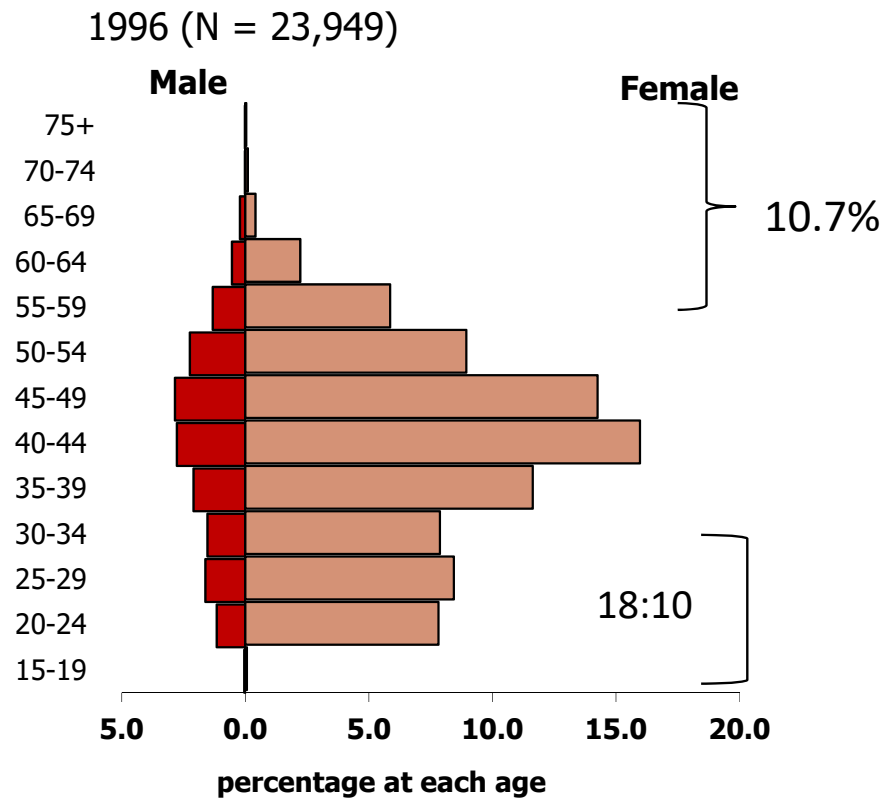
Community Care Services 1996-2013 (+101%)



Source: Jackson/Statistics New Zealand Customised Occupation Database

National ratio 15-29:55+ years from 27:10 in 1996 to 9:10 in 2013

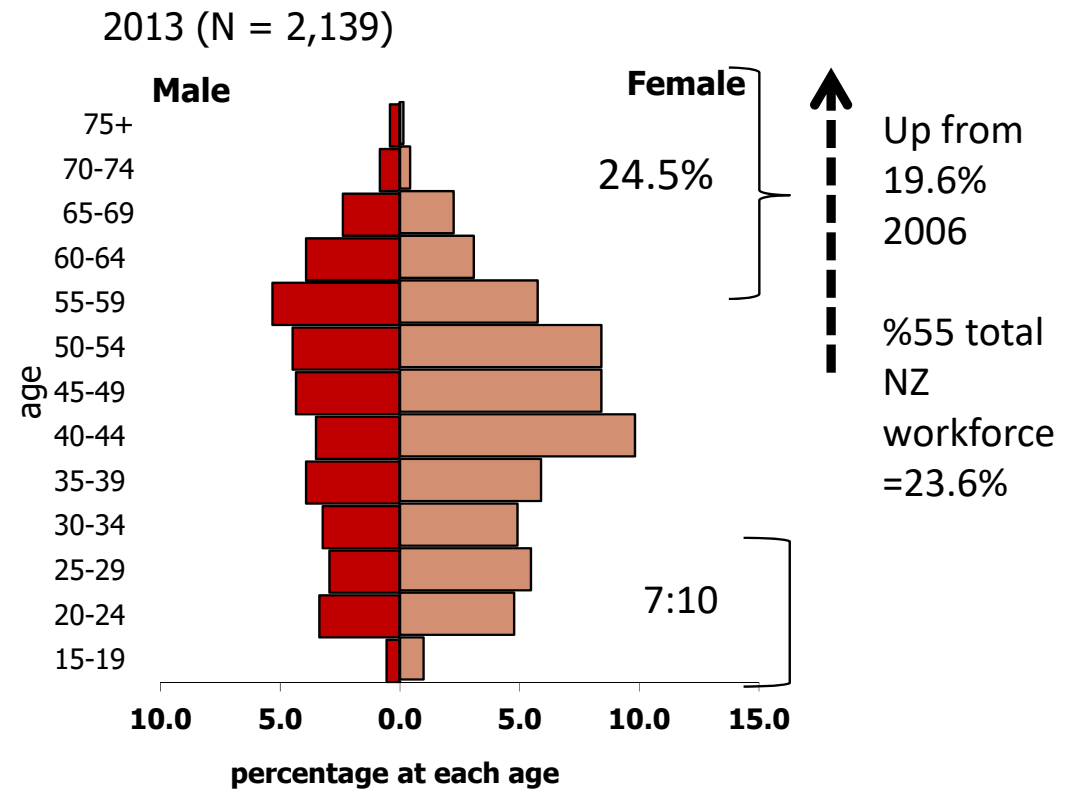
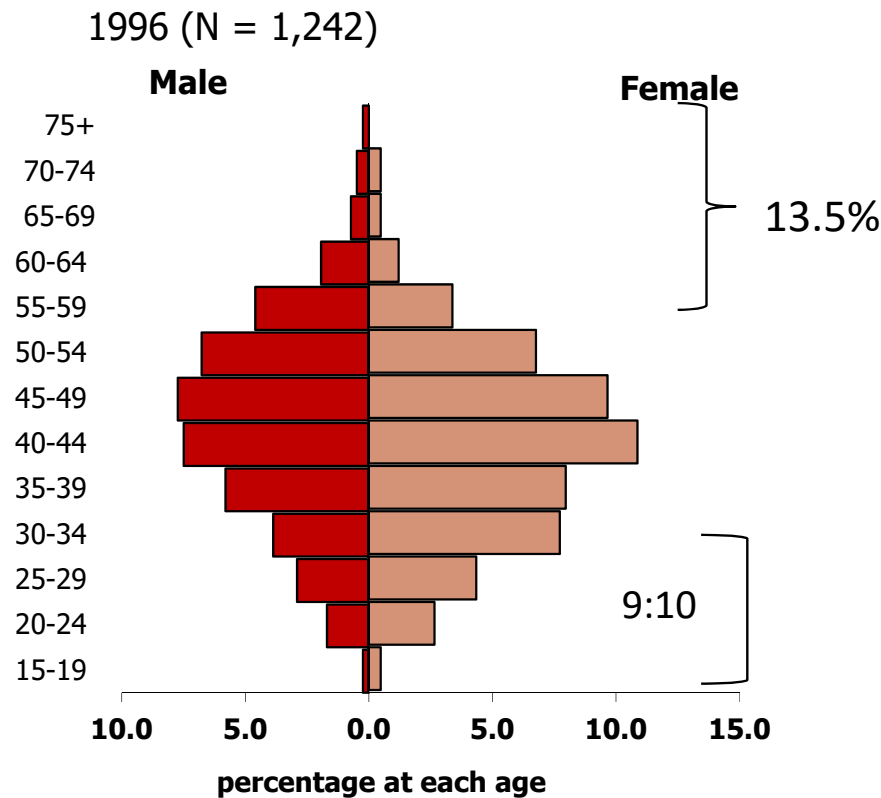
Primary School Teachers 1996-2013 (+25%)



Source: Jackson/Statistics New Zealand Customised Occupation Database

National ratio 15-29:55+ years from 27:10 in 1996 to 9:10 in 2013

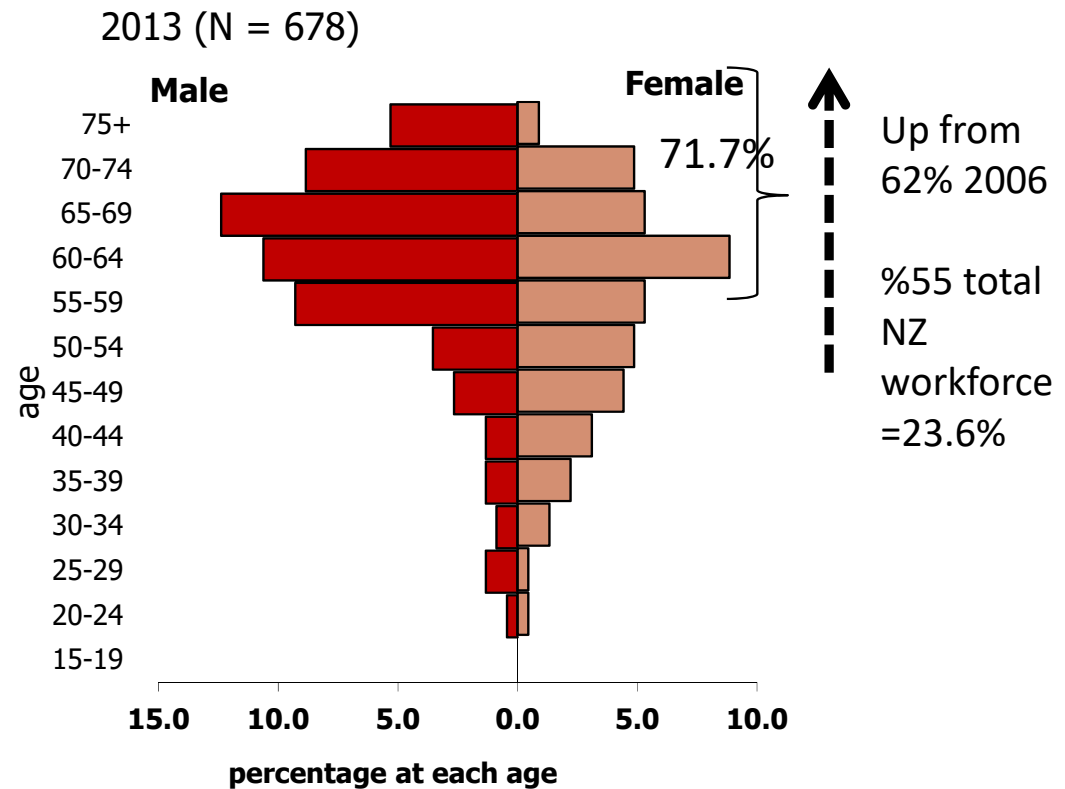
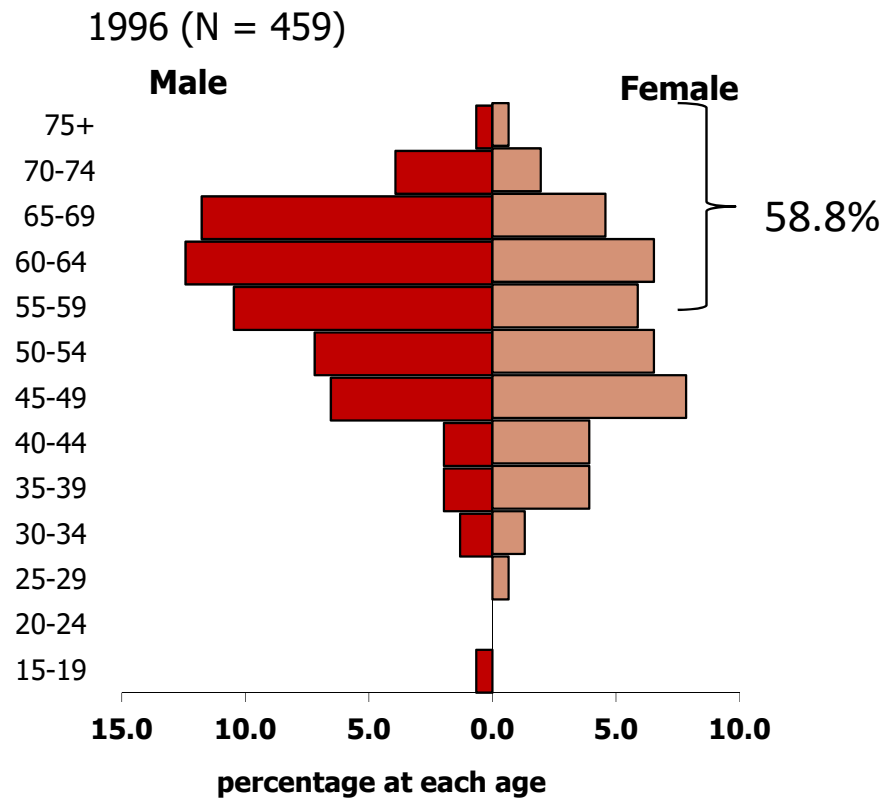
Special Interest Organisation Administrators 1996-2013 (+72%)



Source: Jackson/Statistics New Zealand Customised Occupation Database

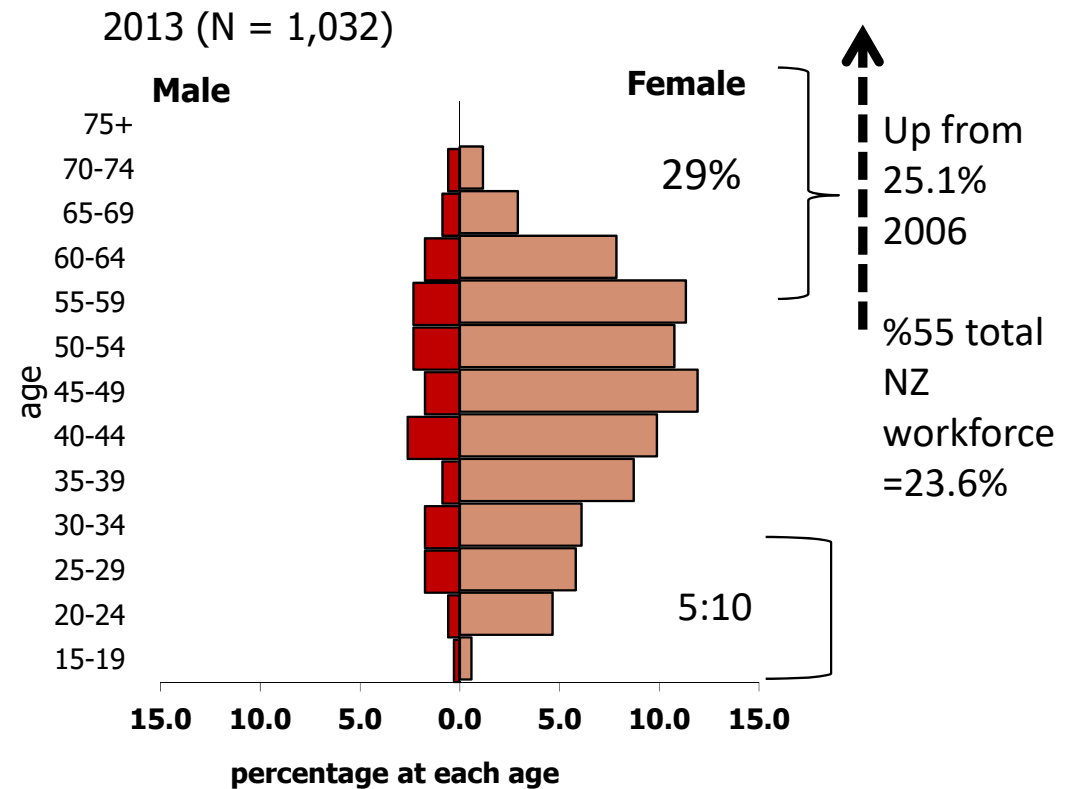
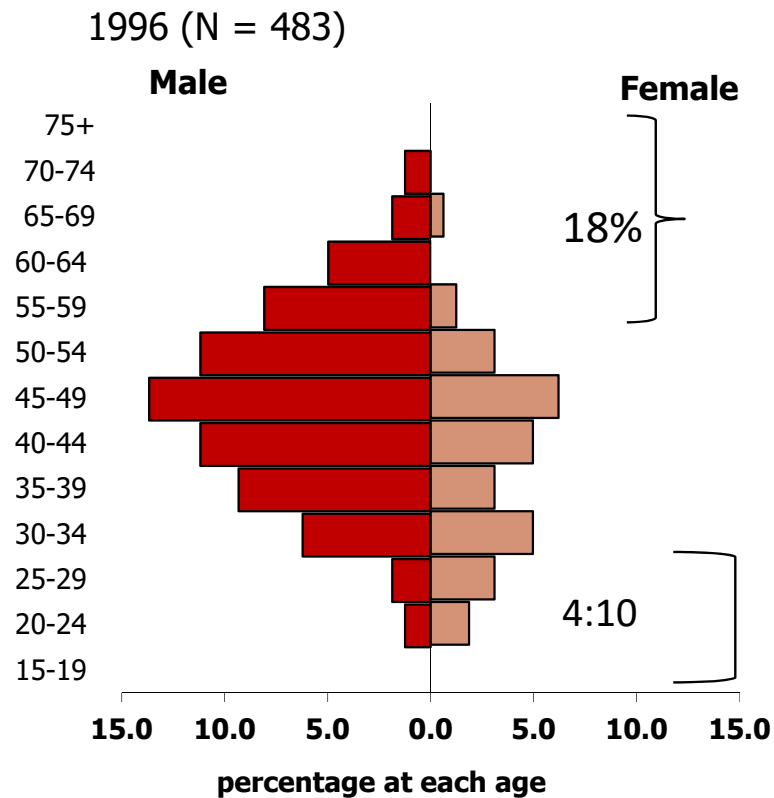
National ratio 15-29:55+ years from 27:10 in 1996 to 9:10 in 2013

Local Government Legislators 1996-2013 (+48%)



Source: Jackson/Statistics New Zealand Customised Occupation Database

CEO - Local Government 1996-2013 (+114%)



Source: Jackson/Statistics New Zealand Customised Occupation Database

National ratio 15-29:55+ years from 27:10 in 1996 to 9:10 in 2013



Ethnic compositions will change rapidly

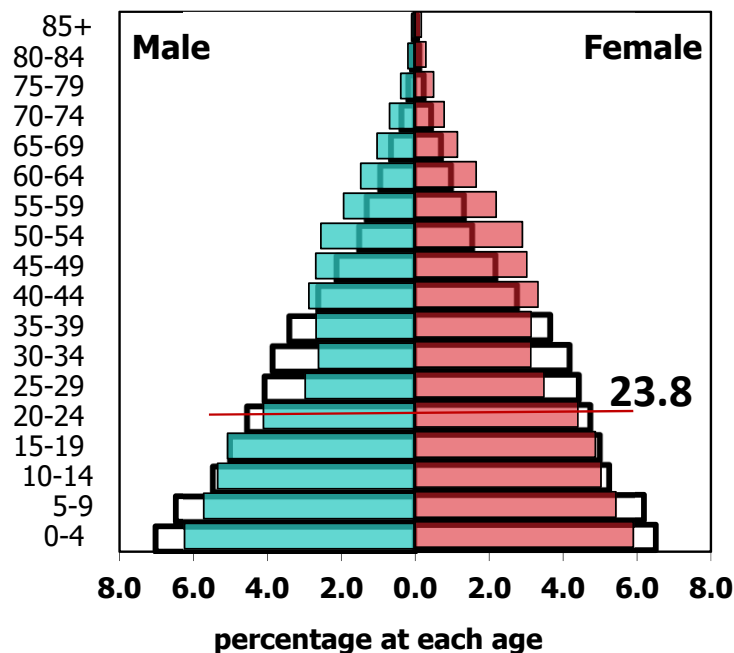
Maori (and Pacific Peoples) have very youthful structures cf. European (and Asian) >> different demand/resource needs



Statistics New Zealand ERP by major ethnic group 1996, 2013, *Multiple Count Total Responses

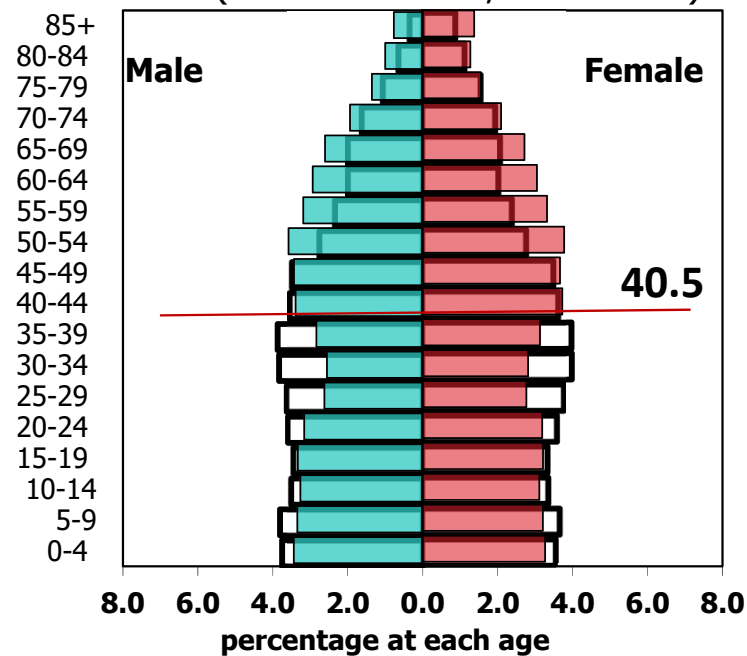
Total New Zealand

Māori origin 2013 (14% share*)
(1996 Unshaded, 14% share)



65+ years: 5.3% (1996 = 3%)

European origin 2013 (67% share*)
(1996 Unshaded, 75% share)



65+ years: 16.6% (1996 = 13.2%)

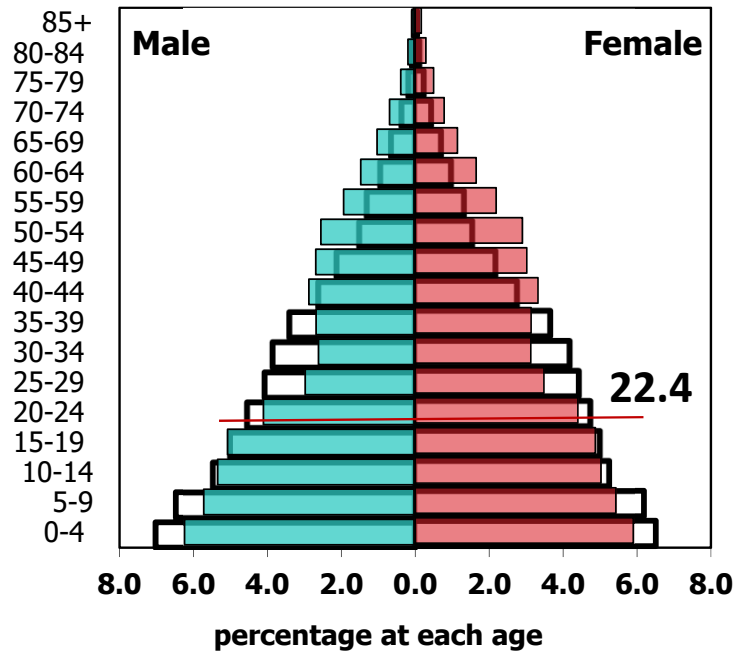


It's important to know the ethnic composition of your constituency

Statistics New Zealand ERP by major ethnic group 1996, 2013, *Multiple Count Total Responses

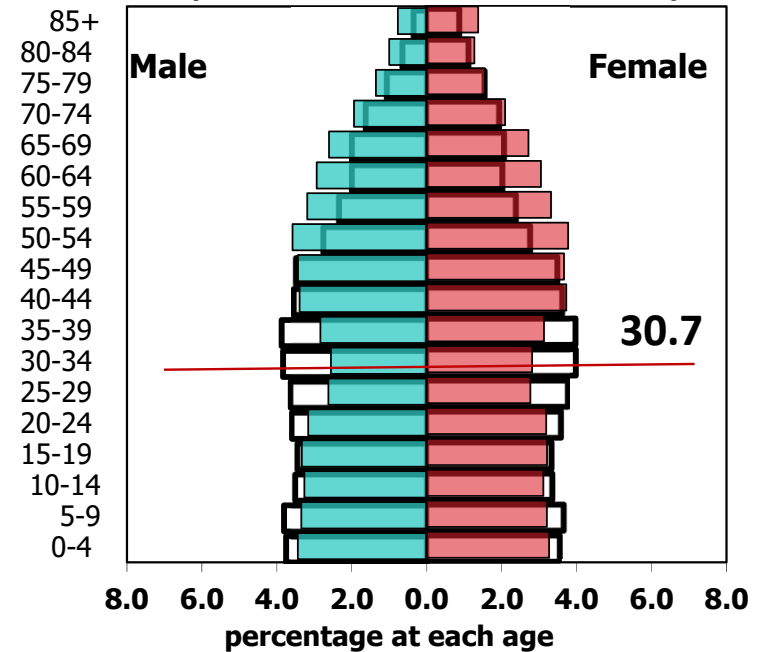
Total New Zealand

Pacific Peoples 2013 (7% share*)
(1996 Unshaded, 5.6% share)



65+ years: 4.7% (1996 = 3.1%)

Asian origin 2013 (11% share*)
(1996 Unshaded, 4.8% share)

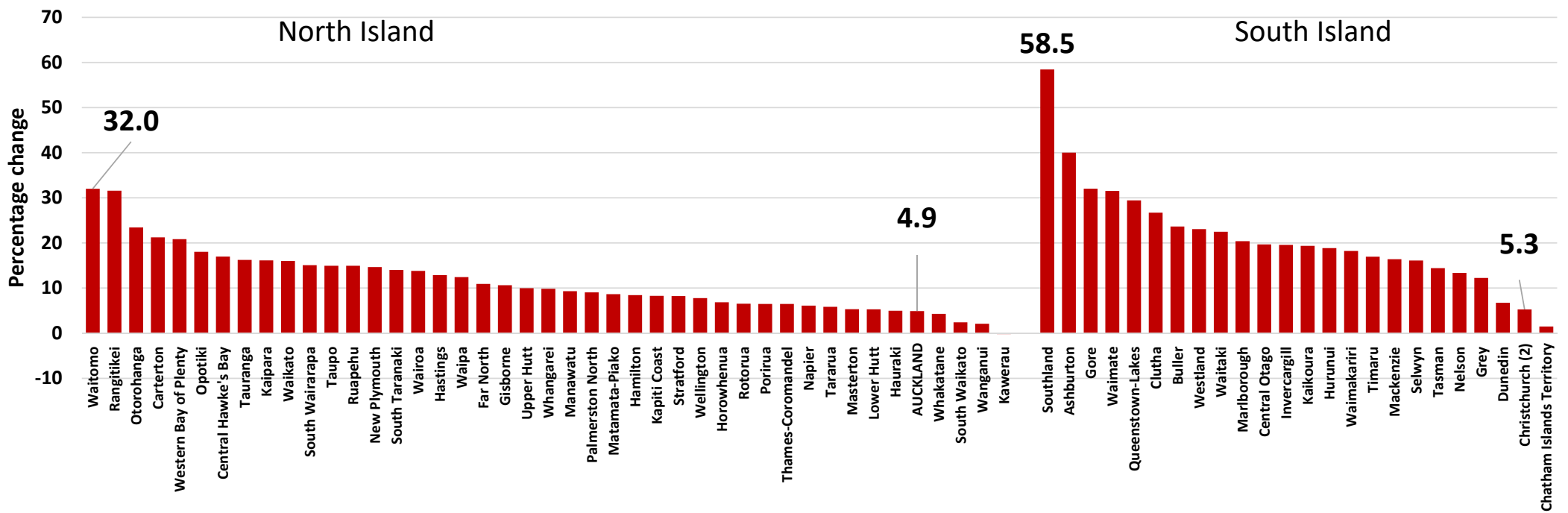


65+ years: 5.9% (1996 = 3%)

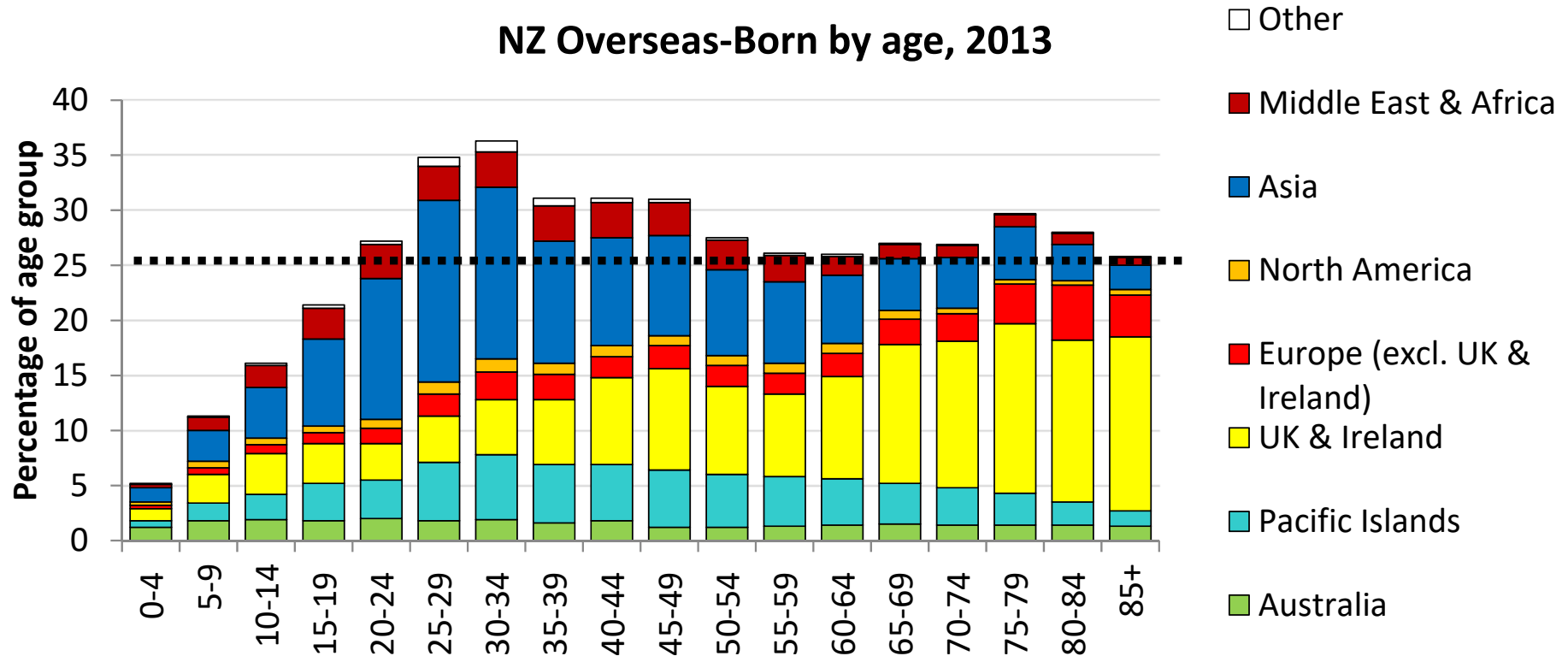
Overseas Born proportion is changing more rapidly in the South Island



Percentage Change in % Overseas Born, TAs of North and South Islands, 2006 and 2013



Composition of Overseas Born population is very different by age (and region)

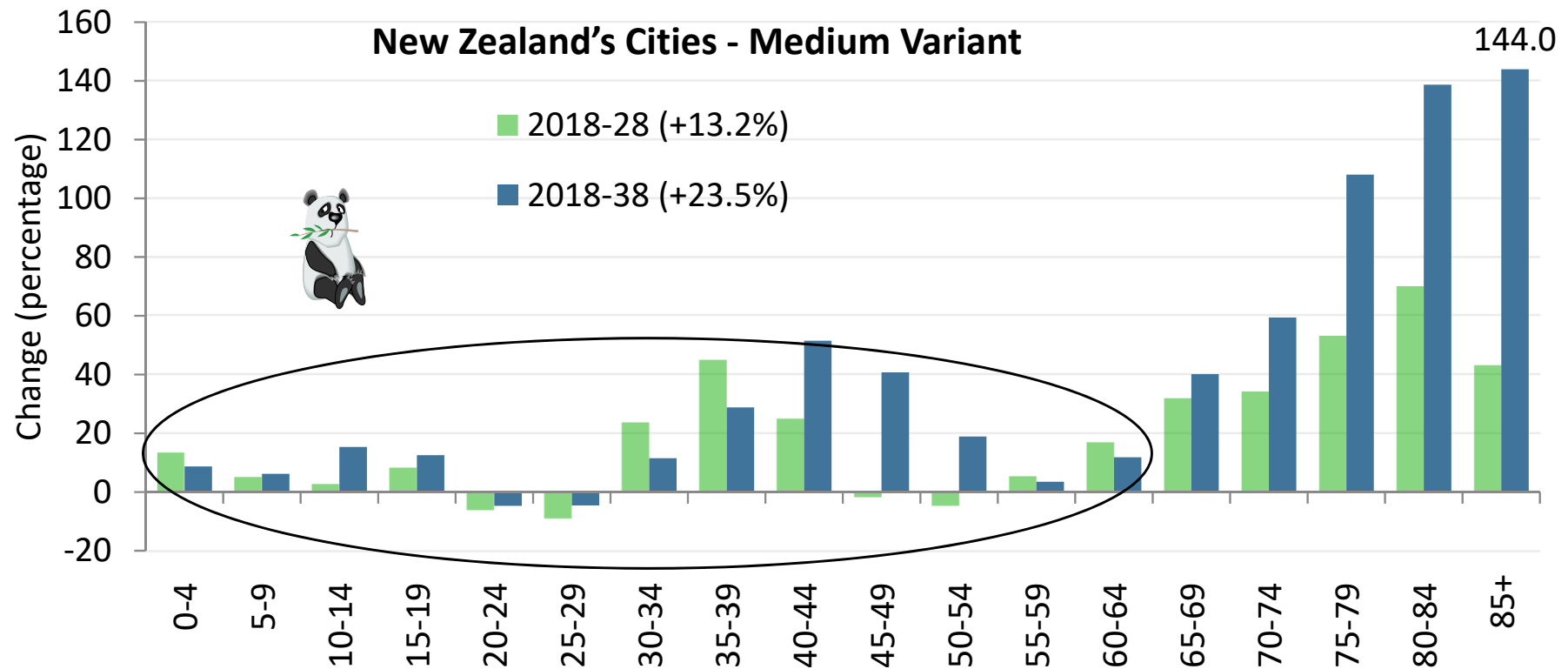


Source: Jackson/Statistics New Zealand 2013 Census QuickStats about national highlights, Table 5



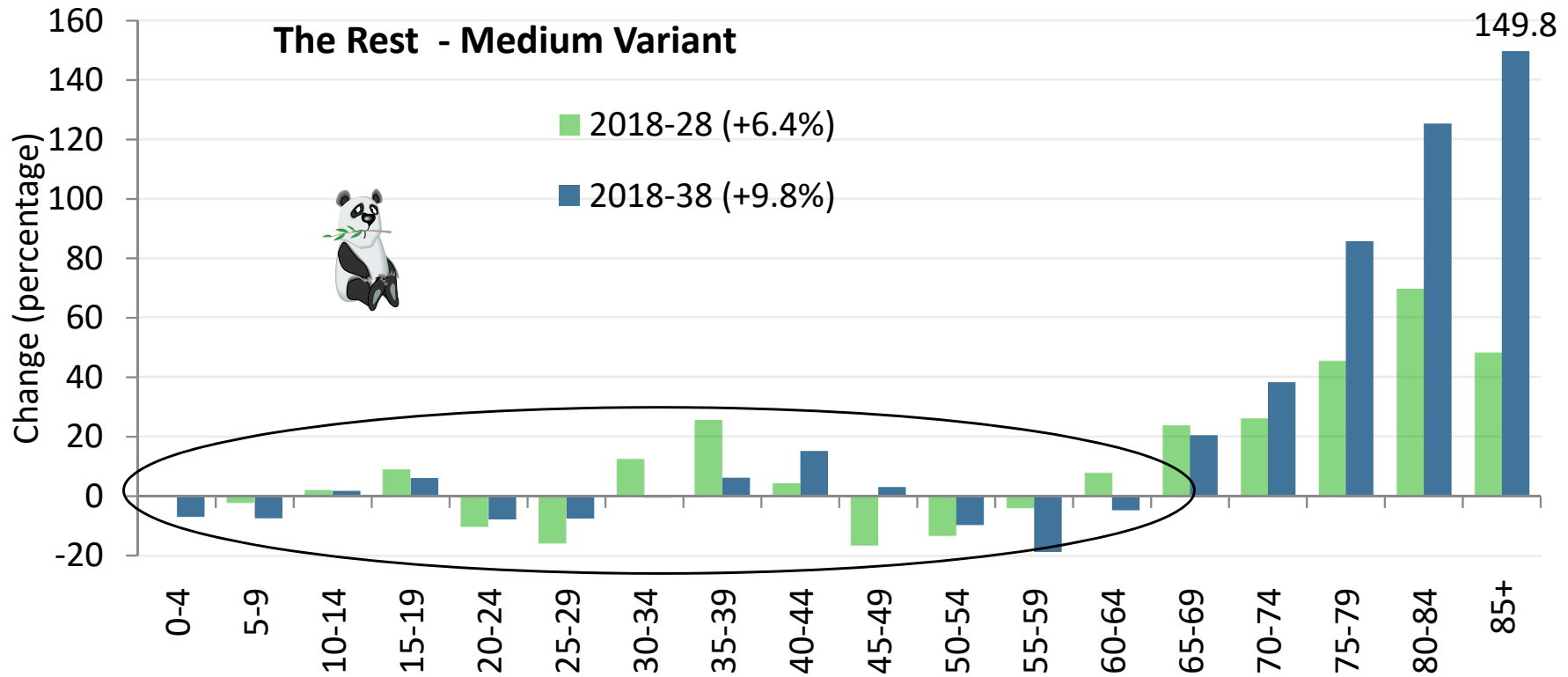
Maybe its time to re-think what is meant by population 'growth' – and what should/can be resourced..

Ageing-driven growth is not the same as youth-driven growth



Statistics New Zealand, Projected population by age and sex, 2013 (base)-2043 Update

The effects of ageing are more pronounced outside of the cities

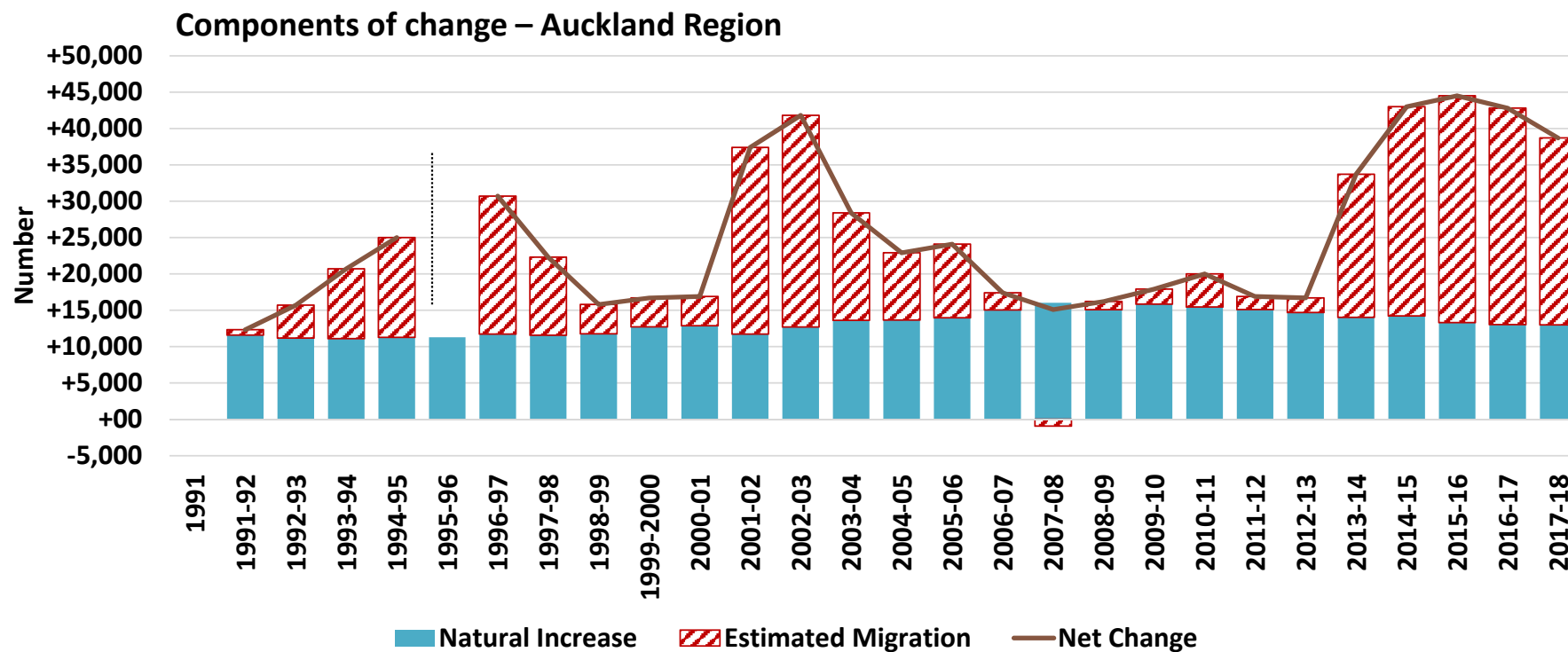
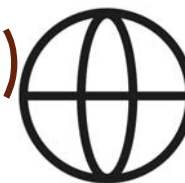


Statistics New Zealand, Projected population by age and sex, 2013 (base)-2043 Update



Can migration solve 'the problem'?

Auckland is one city where migration (mainly international) is [typically] high. It slows, but does not prevent, ageing

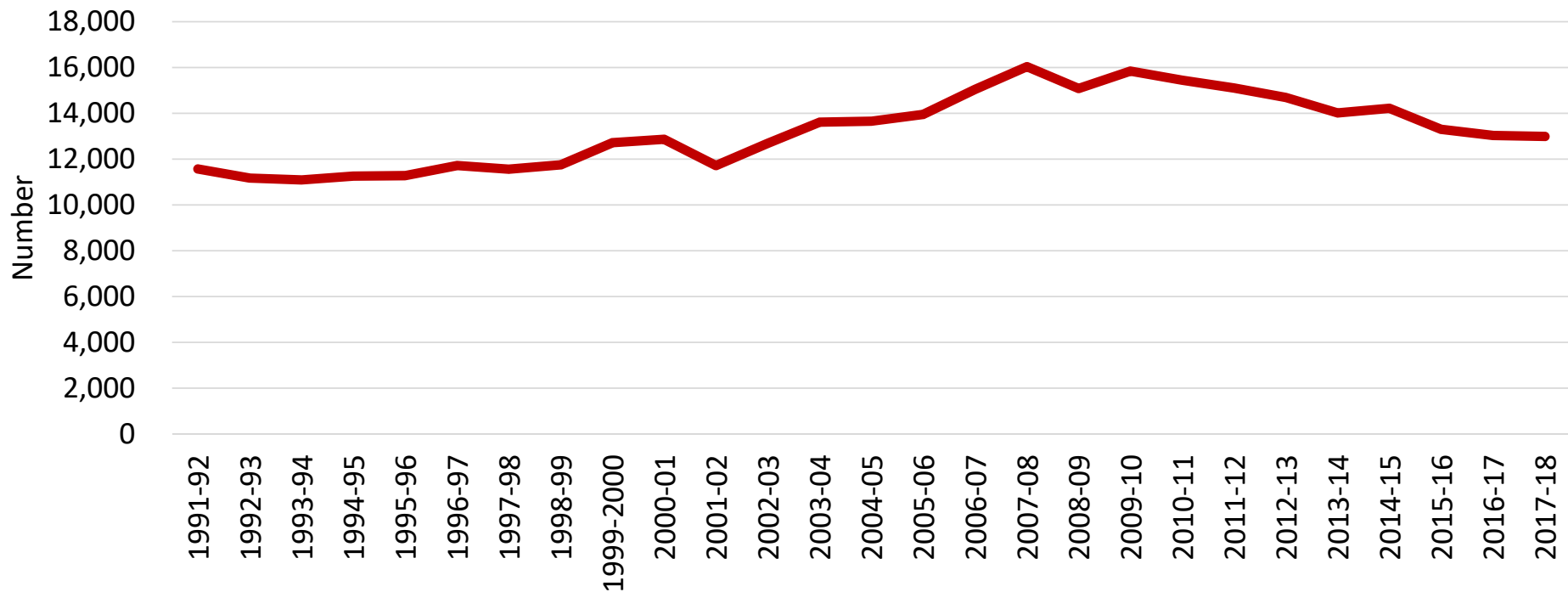


Source: Stats NZ Births, Deaths, ERP (Note change of timing and method of enumeration between 1995 and 1996 means that only natural increase can be shown for that year)

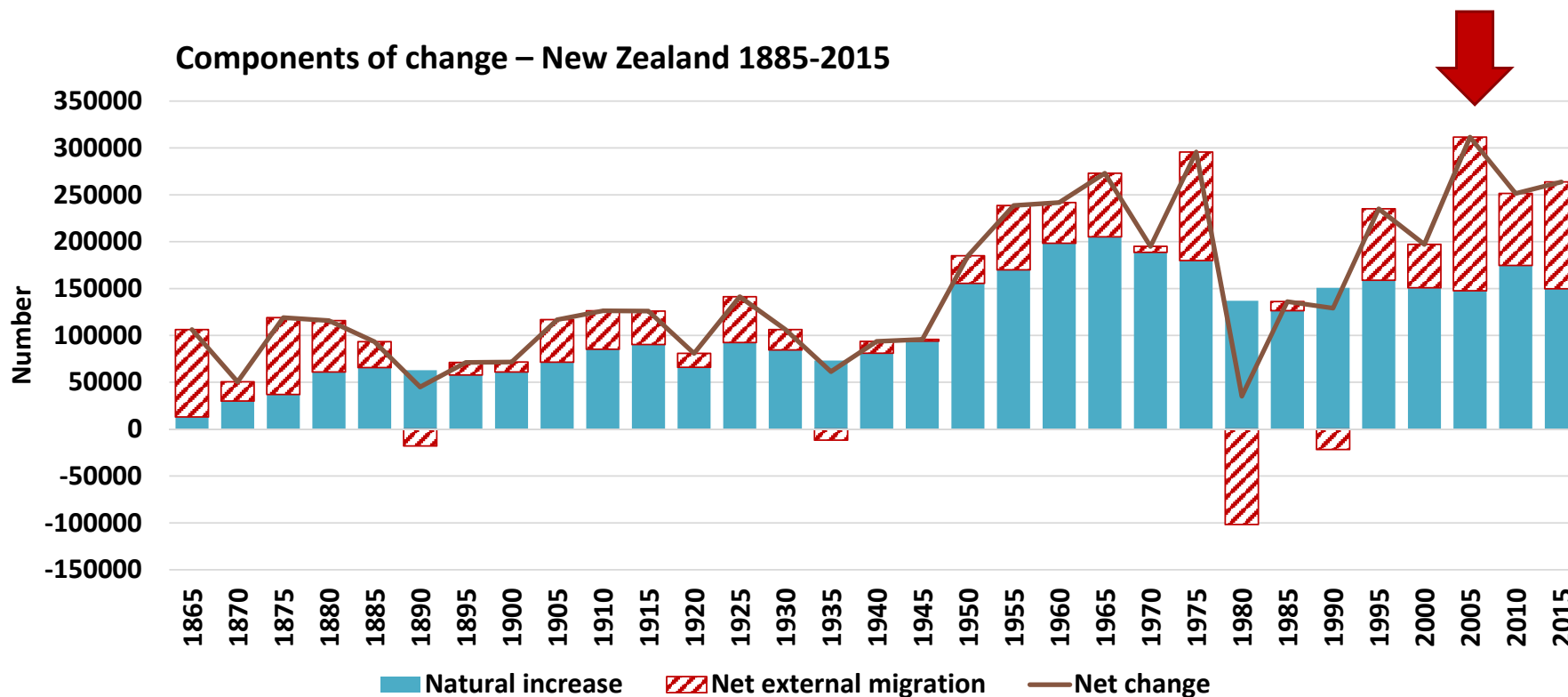
Despite increased migration, Auckland's natural increase has recently reduced (as most elsewhere)



Natural Increase – Auckland 1992-2018

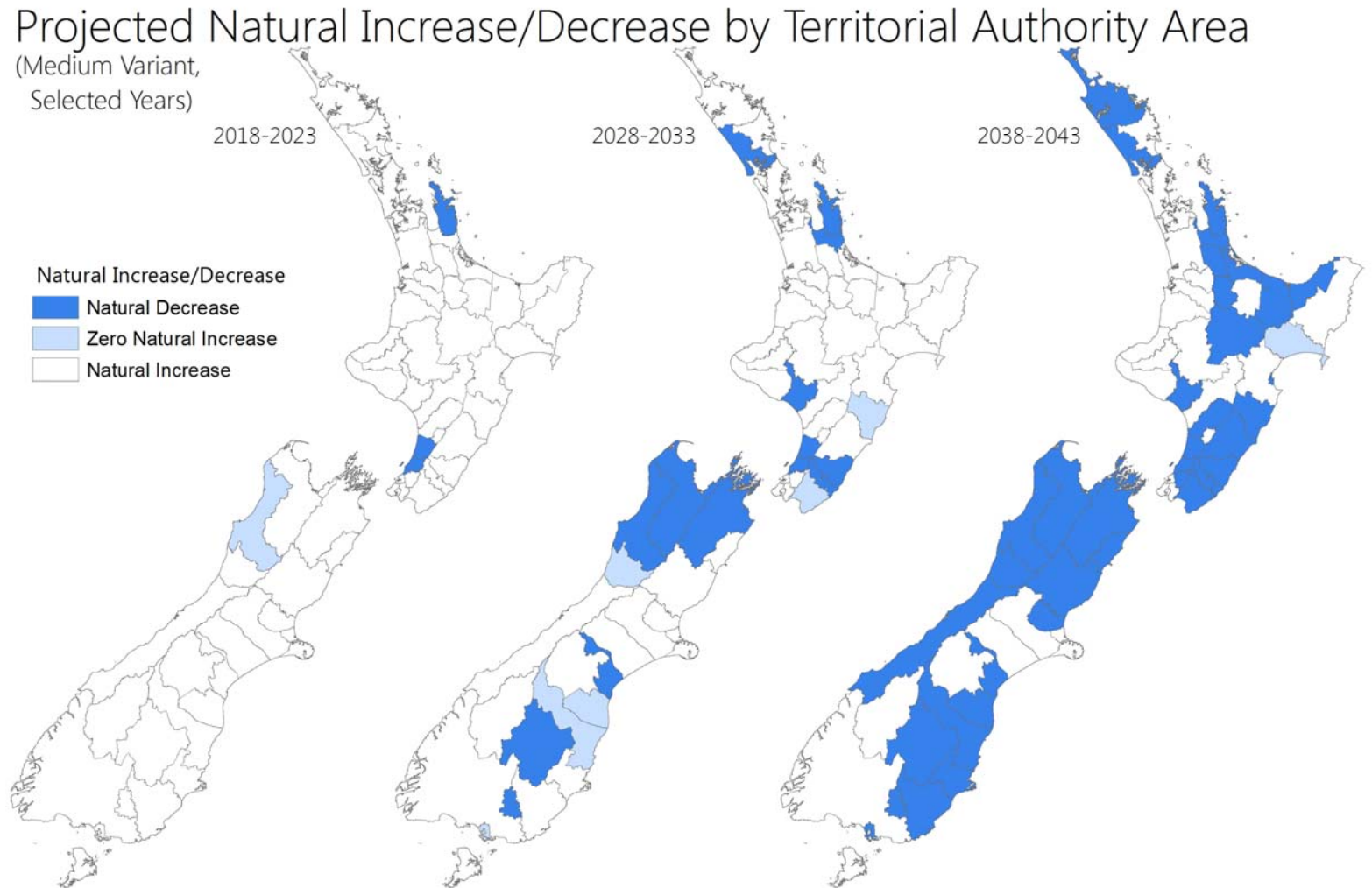


With one exception, natural increase has been the major driver of New Zealand's population growth since 1880



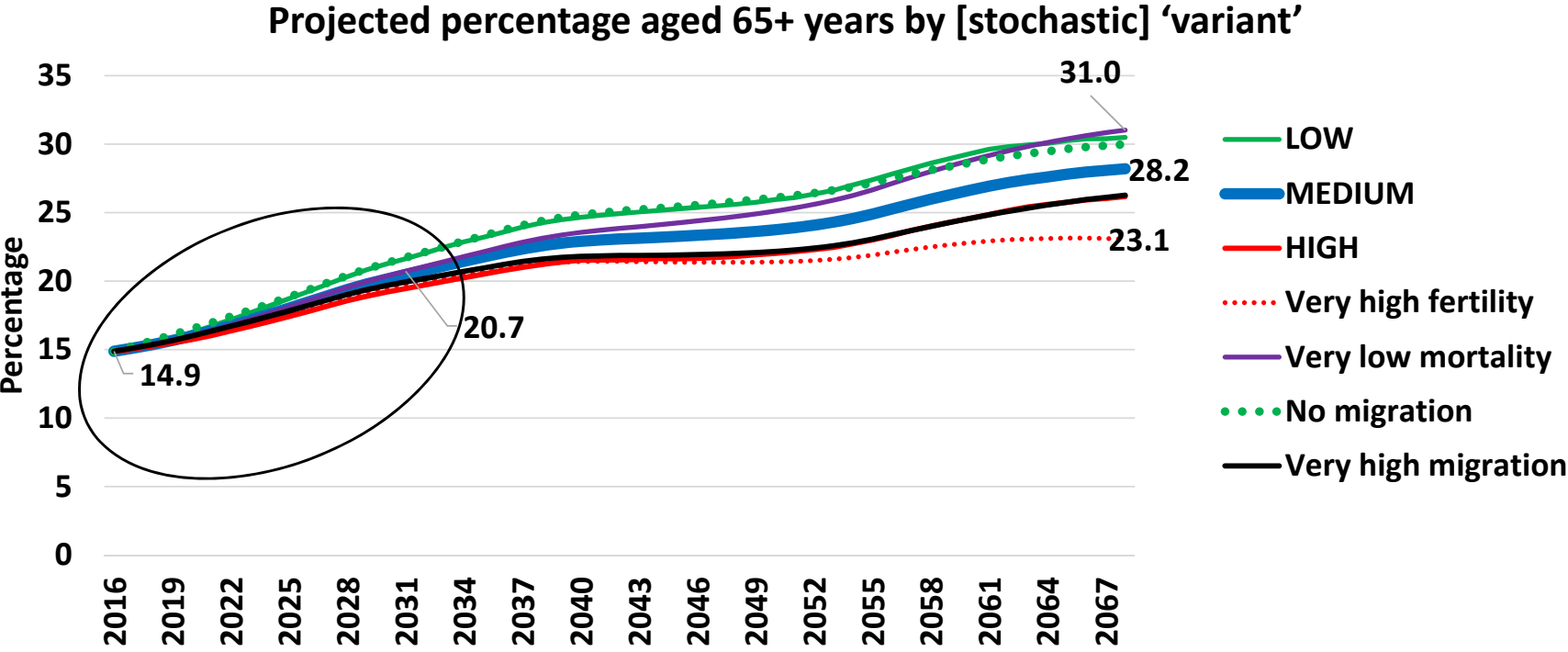
Source: Author/Te Ara/Stats NZ (<https://teara.govt.nz/en/graph/28726/migration-natural-increase-and-population-change-1865-2015>)

Natural Decrease:
Currently only three
TAs experience
natural decrease
(Thames
Coromandel, Kapiti
Coast and
Horowhenua);
between 2028-2033
that will be c.22%,
between 2033 and
2038, c.44%, and
between 2038 and
2043, c.58%



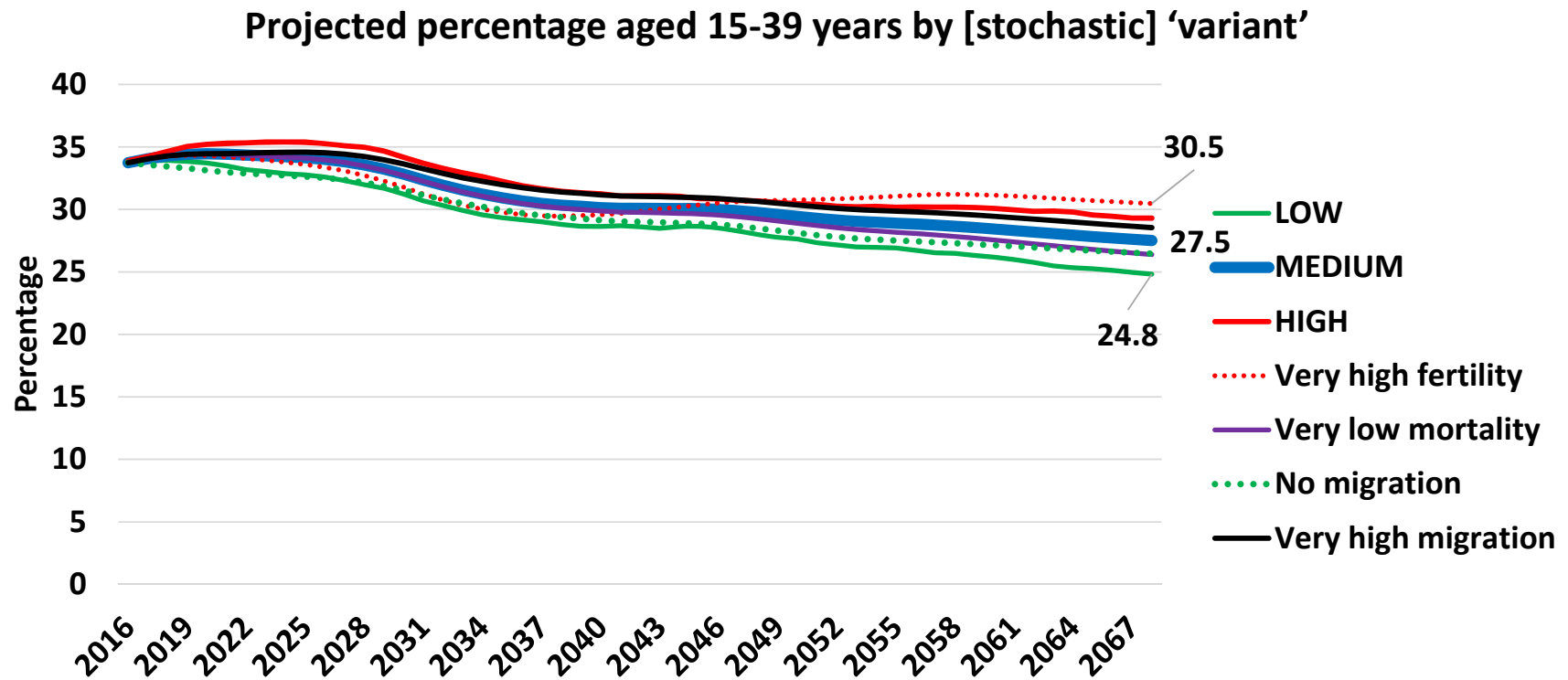
Source: Statistics New Zealand (2017) Subnational population projections, characteristics, 2013(base)-2043 update

Projected Structural Ageing under different conditions



Source: Stats NZ 2016-base – 2068)

Percentage aged 15-39 years projected to decline under ALL migration scenarios



Source: Stats NZ 2016-base – 2068)



So.. Accept population ageing.

Now - thinking about ageing and housing – and inequality and need in your communities



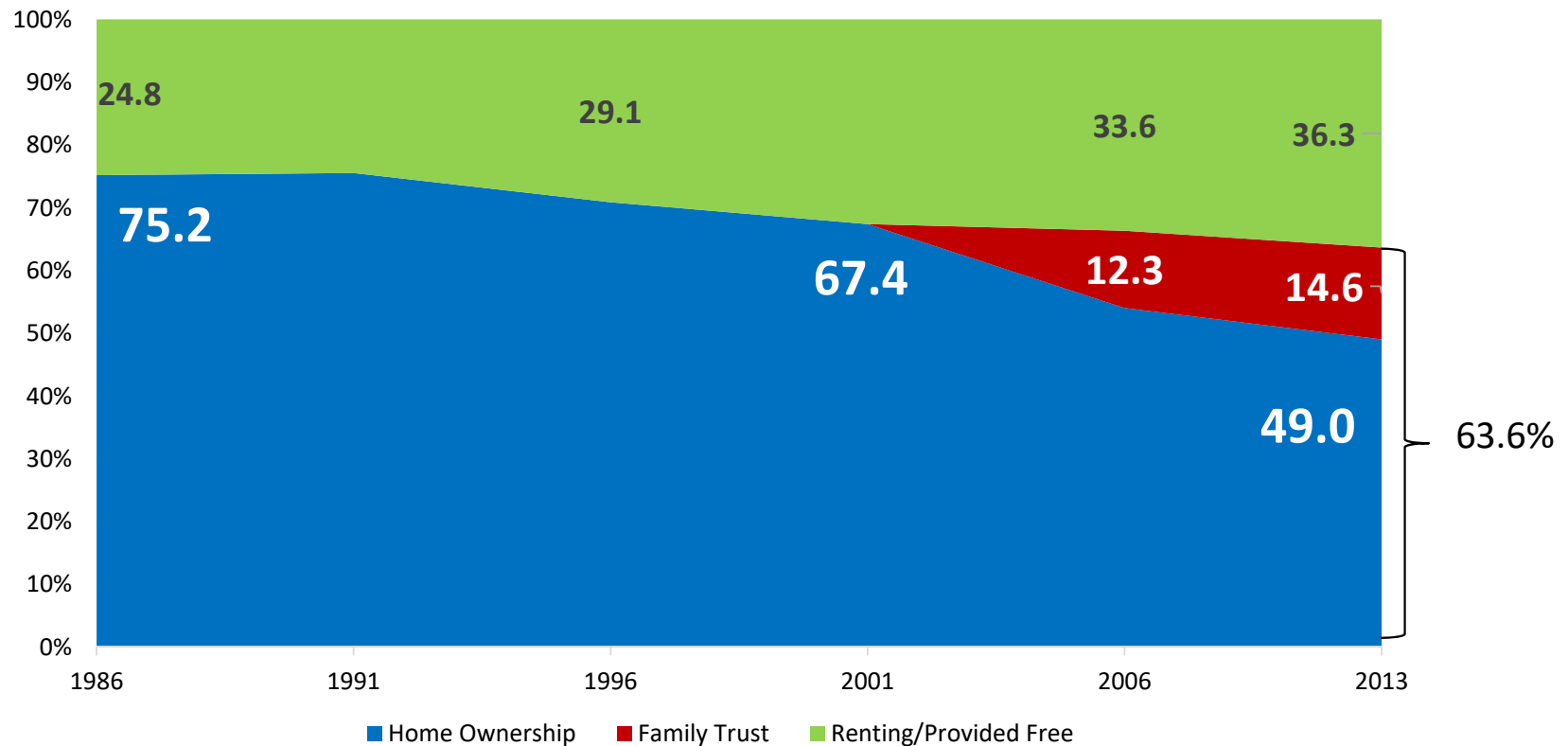
Ageing and housing >> anticipating need

1. As structural ageing progresses, average household size falls
 - ❖ More older people are widowed, live alone
 - ❖ Later family formation/fewer children means fewer people per HH
 - ❖ Fewer children means empty nest stage is reached earlier
2. NZ's current average 2.6 persons per HH will fall to around 2.5 around 2022, but ranges from 2.1 for Thames-Coromandel to 2.9 for Selwyn
 - ❖ Ageing/Family and HH type differ by Area Unit. Household projections by Councils must take these differences into account.
3. There is currently a **tenure revolution** in progress. **More people are and will be renting at all ages**
 - ❖ The biggest change will be at [future] older ages, where ownership was previously almost a given.

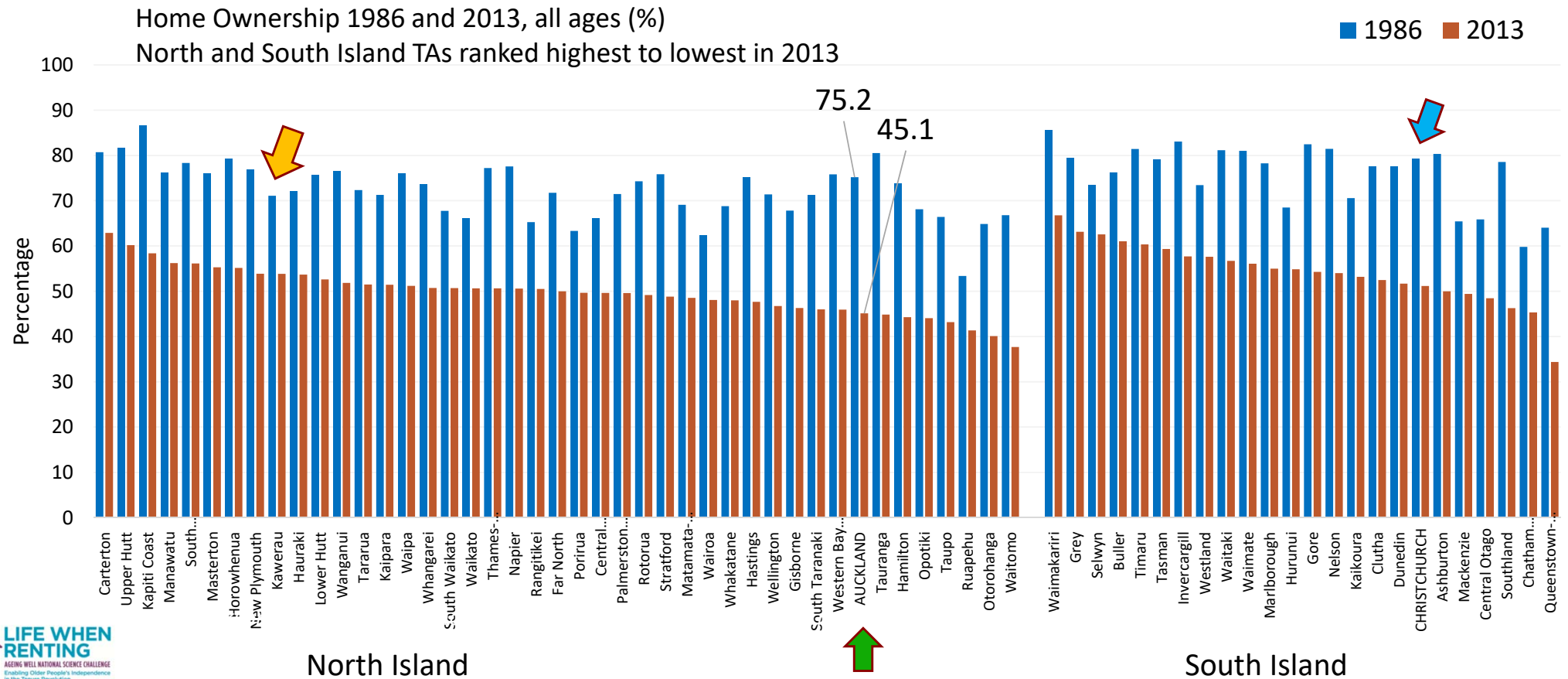
The descent of home ownership, 1986-2013



Total New Zealand 1986-2013



Home Ownership (%) has declined in every TA. Ownership is generally lower/decline has been greater in North than South Island TAs

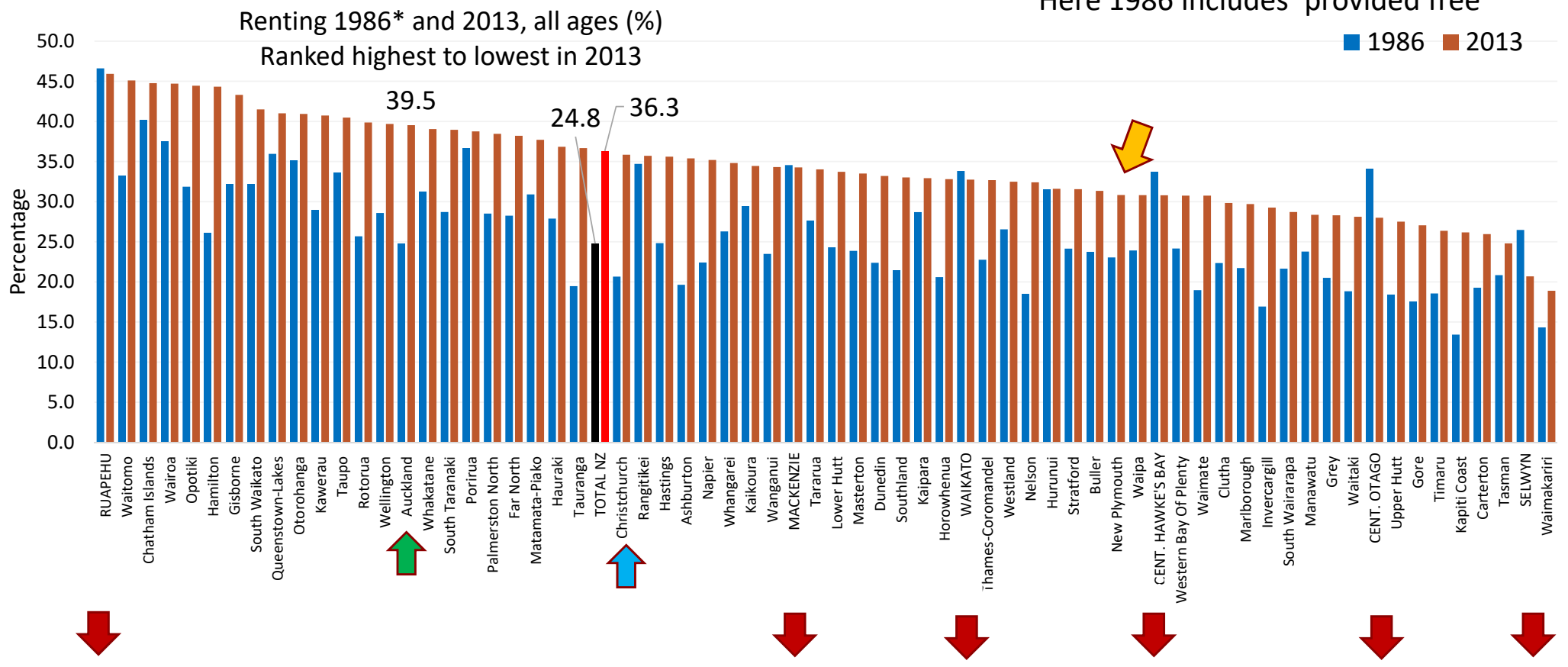


SOURCE: AUTHOR/STATISTICS NEW ZEALAND, CUSTOMISED CENSUS DATABASE, HOUSING TENURE 1986-2013



Renting has increased in all but six* TAs

* Here 1986 includes 'provided free'



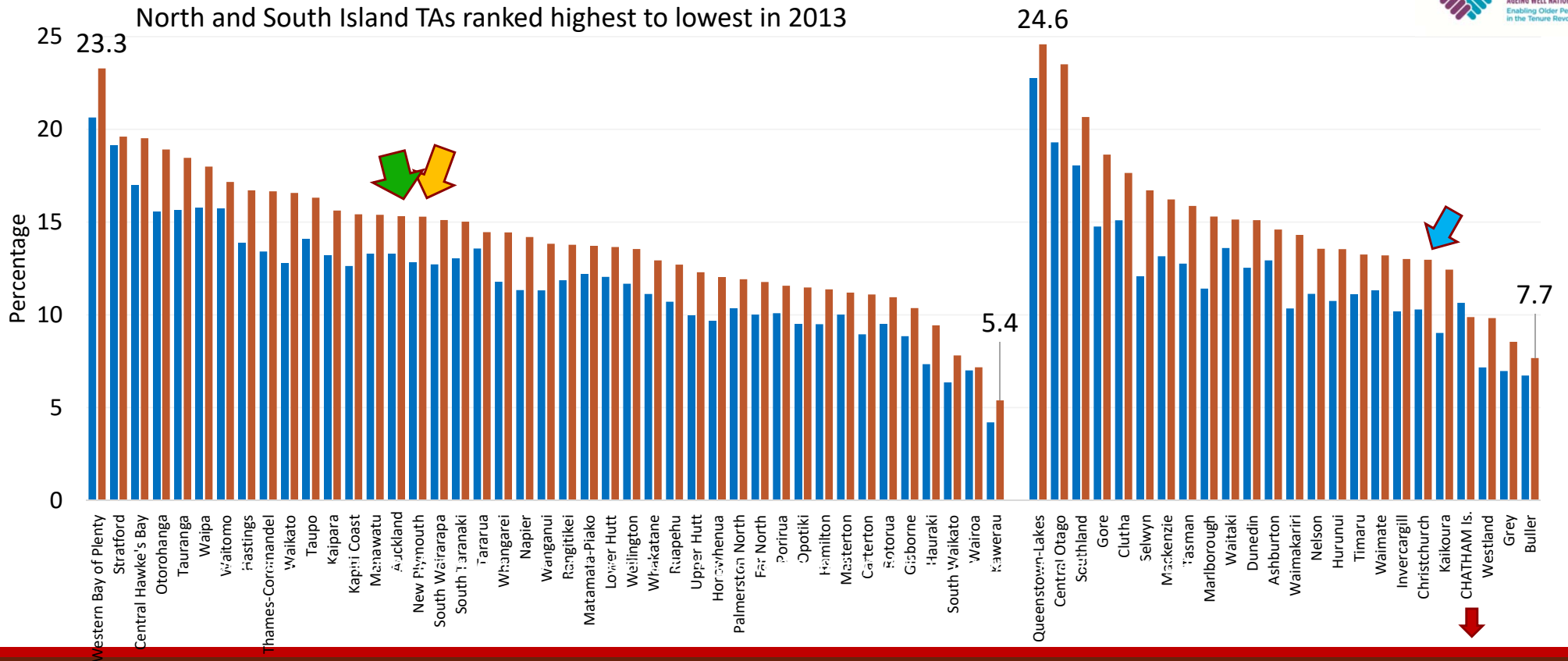
FAMILY TRUSTS* have increased in all but one TA. %'s generally lower and have increased by a smaller margin in North Island TAs



*Family Trusts 2006 and 2013 only, all ages (%)

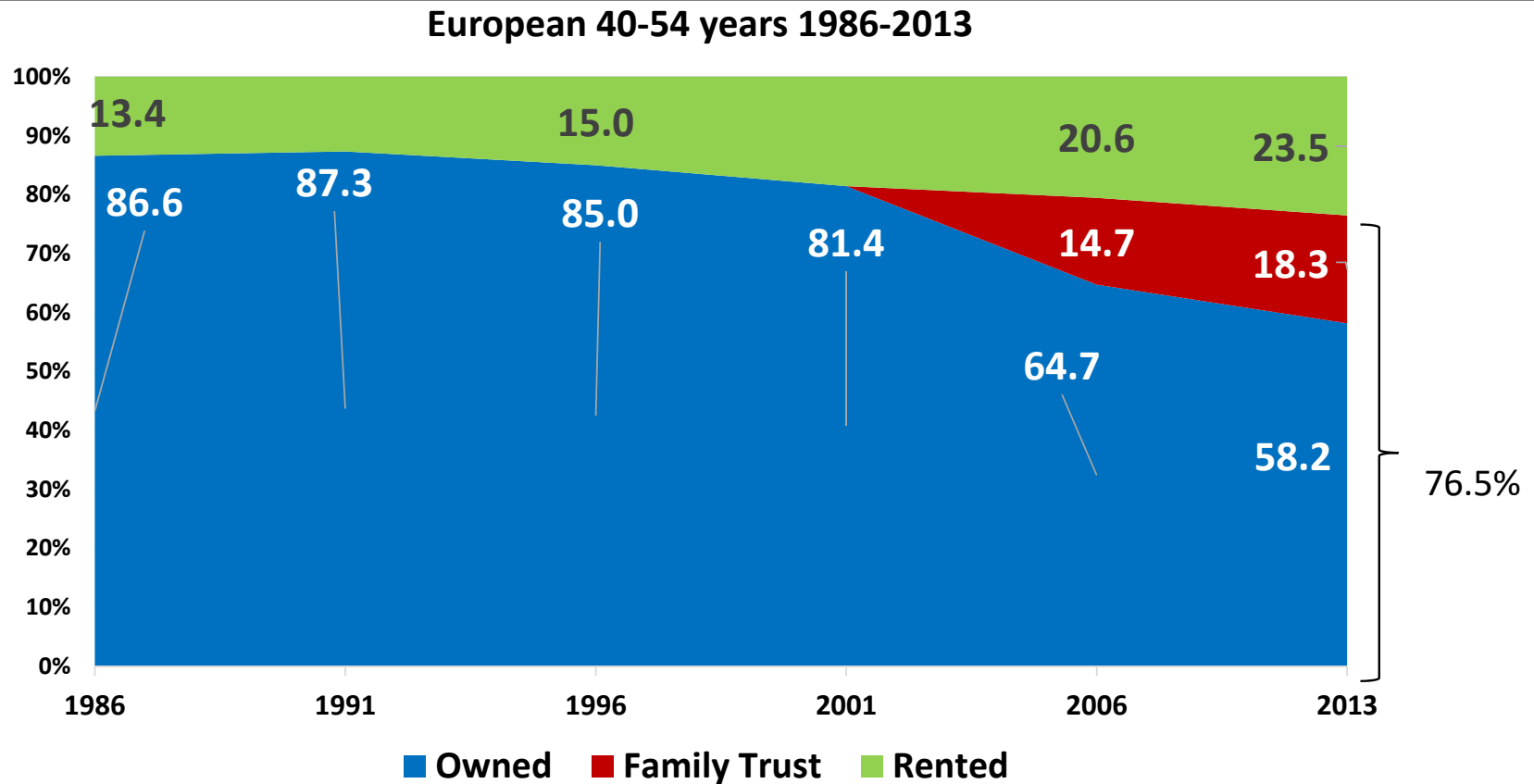
North and South Island TAs ranked highest to lowest in 2013

■ 2006 ■ 2013



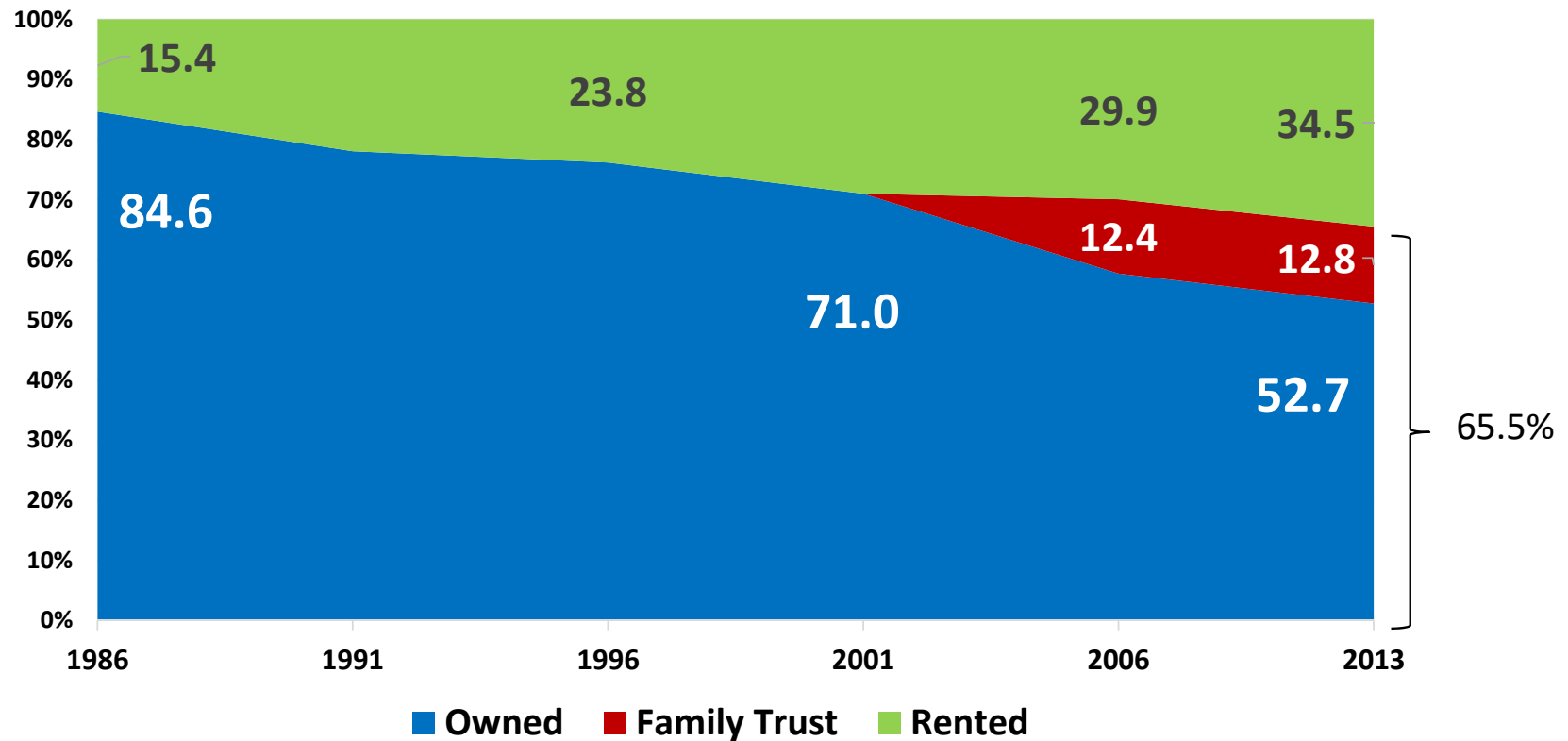
SOURCE: AUTHOR/STATISTICS NEW ZEALAND, CUSTOMISED CENSUS DATABASE, HOUSING TENURE 1986-2013

European aged 40-54 years, 1986-2013



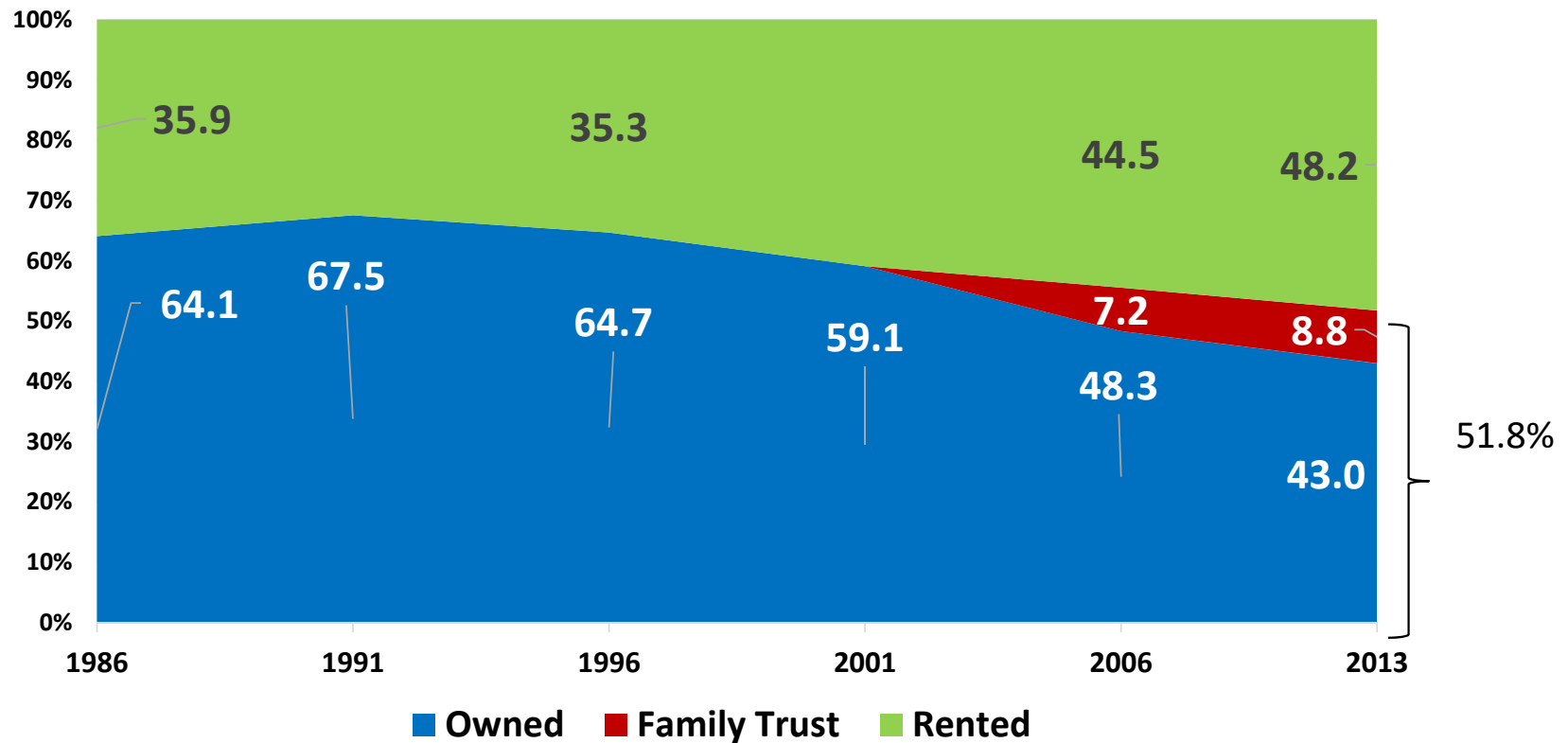
Asian aged 40-54 years, 1986-2013

Asian 40-54 years 1986-2013



Maori aged 40-54 years, 1986-2013

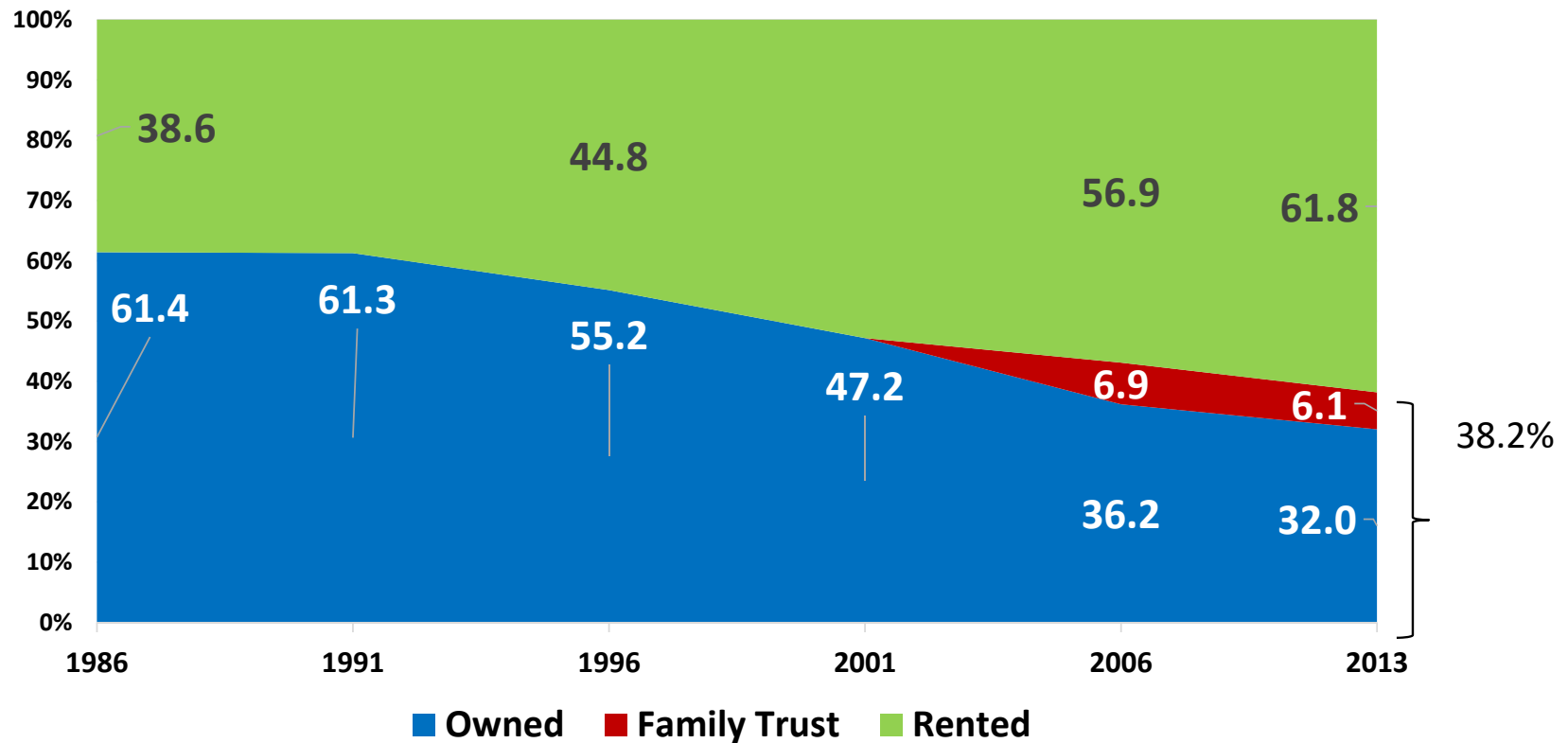
Maori 40-54 years 1986-2013



Pacific People aged 40-54 years, 1986-2013



Pacific People 40-54 years 1986-2013

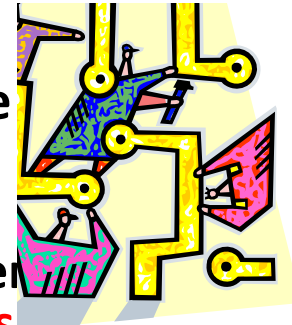


SOURCE: AUTHOR/STATISTICS NEW ZEALAND, CUSTOMISED CENSUS DATABASE, HOUSING TENURE 1986-2013



Times of change - Joining the dots

- ❖ Population ageing must be built into your work, planning, thinking
- ❖ Most of your constituencies will/have more older people than children, fewer labour force entrants than 'exits'; many towns and labour forces will shrink in size.
 - ❖ There will be increasing competition for resources between growing and declining areas - **many current funding models are inappropriate.**
- ❖ Our communities are changing in ethnic composition – **not only because of migration - older European populations are reaching natural decrease faster**
- ❖ The trends will generate many challenges, but also many opportunities for those who work with their demography.





*Planning for a
changing world*

Thank you - enquiries welcome

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