

Longer lives and lower birth rates strain family structures

February 7 2020



Credit: City University London

A new report by Cass Business School and the International Longevity Centre UK (ILC-UK), reveals that longer lives and lower birth rates are putting increasing strain on our family structures.

The report, "100-year [family](#): Longer lives, fewer children," highlights how the role and resilience of UK families has changed over time, and

explores how it is coming under increasing pressure from external demographic and economic forces.

Key findings

- People are living longer and having fewer children later in life. Families are becoming older on average and top heavy in terms of the number of older members—something which has been dubbed the 'beanpole' family.
- A sandwich generation of (mainly women) are spending longer providing care by looking after children and elderly parents, squeezing out the opportunity to work in their high earning years.
- Longevity means we will be inheriting later. Inheritances are therefore failing to provide [financial support](#) to young families when they most need it.
- Older people who could transfer wealth such as housing while they are alive are failing to do so because they are concerned about care costs in later life. As a result, they are living alone in homes that are too large but cannot move because of the shortage of age appropriate accommodation and the high cost of downsizing. Meanwhile young families can't get on the housing ladder.
- Although people are living longer the extra years are not necessarily being spent in [good health](#) which means that care needs are being stretched over longer periods.

Key recommendations

- Staying healthier for longer. An aging population consumes an ever-greater share of national income and taxes to pay for health and social care. There is much we can do to prevent ill-health in later life, including through work to address the social

determinants of health and by supporting people to maintain their own health as they age.

- **Action on inheritance.** The report recommends more flexibility for transferring wealth and gifting other family members to pay for education, social care and housing deposits. It also recommends that greater flexibility in terms of gifting rules, and better access to financial advice.
- **Housing.** A crisis has been building for over two decades, with ever-higher house prices, high transaction costs and housing shortages. A re-focusing of policy to release under-occupied homes would make a difference to this and families could play a pivotal role, for example through home swaps or building "granny flats."
- **Social care.** Much like the high cost of housing, the spiraling cost of social care is rarely out of the news. This is another block to helping families thrive.
- **Greater family protection.** More innovation is needed from the private sector by producing novel ways of insuring. For example, providing [social care](#) and family-based policies that help carers, and flexibility in pensions to help carers build up adequate pension pots. The sector also needs help from government who need to pave the way with the right reforms.

Report co-author Professor Les Mayhew, Cass Business School, said: "We set up our welfare state with the assumption of a nuclear family where we all pitch in and help with care. Our state and private [welfare state](#) expects families to support care for older people or for children. But it also expects family members to work. Are we asking families to do too much and is the state and [private sector](#) failing us all?"

David Sinclair, director, ILC-UK, said: "We are living longer and having fewer children and as a result, our families look very different to what they did 100 years ago. Yet government hasn't caught up with this

change. Too much public policy is focused on the needs of individuals rather than modern families.

"And the insurance sector has failed to really understand how changing families might want and need different products. There is a potential longevity dividend for the industry if it can adapt products and services to better meet the needs of the modern family."

More information: The 100 year family: Longer lives, fewer children: ilcuk.org.uk/the-100-year-family/

Provided by City University London

Citation: Longer lives and lower birth rates strain family structures (2020, February 7) retrieved 26 April 2024 from <https://phys.org/news/2020-02-longer-birth-strain-family.html>

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