



**The
Health
Foundation**

REAL Centre



Health is wealth?

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REAL Challenge Annual Lecture

9 November 2022



By (Health) Analogy

- “Why is it always us?”
- UK suffers disproportionately from global shocks – GFC, Covid, energy
- Bad luck or bad management?
- The latter – weakened societal immune system
- Reduced growth and shock-resistance and lengthened convalescence

Why is it always us?



Credit: Netflix

Health as an Endowment

- Society is a tightly-coupled set of complex sub-systems
- Economic, financial, social, community, health
- A society is only as strong as its weakest sub-system
- Lack of resilience in UK health and healthcare contributes to weak and weakening societal immune system
- Health is a societal asset, or endowment, like other capitals (human, physical, social)
- Resilient health systems require replenishment of this societal endowment



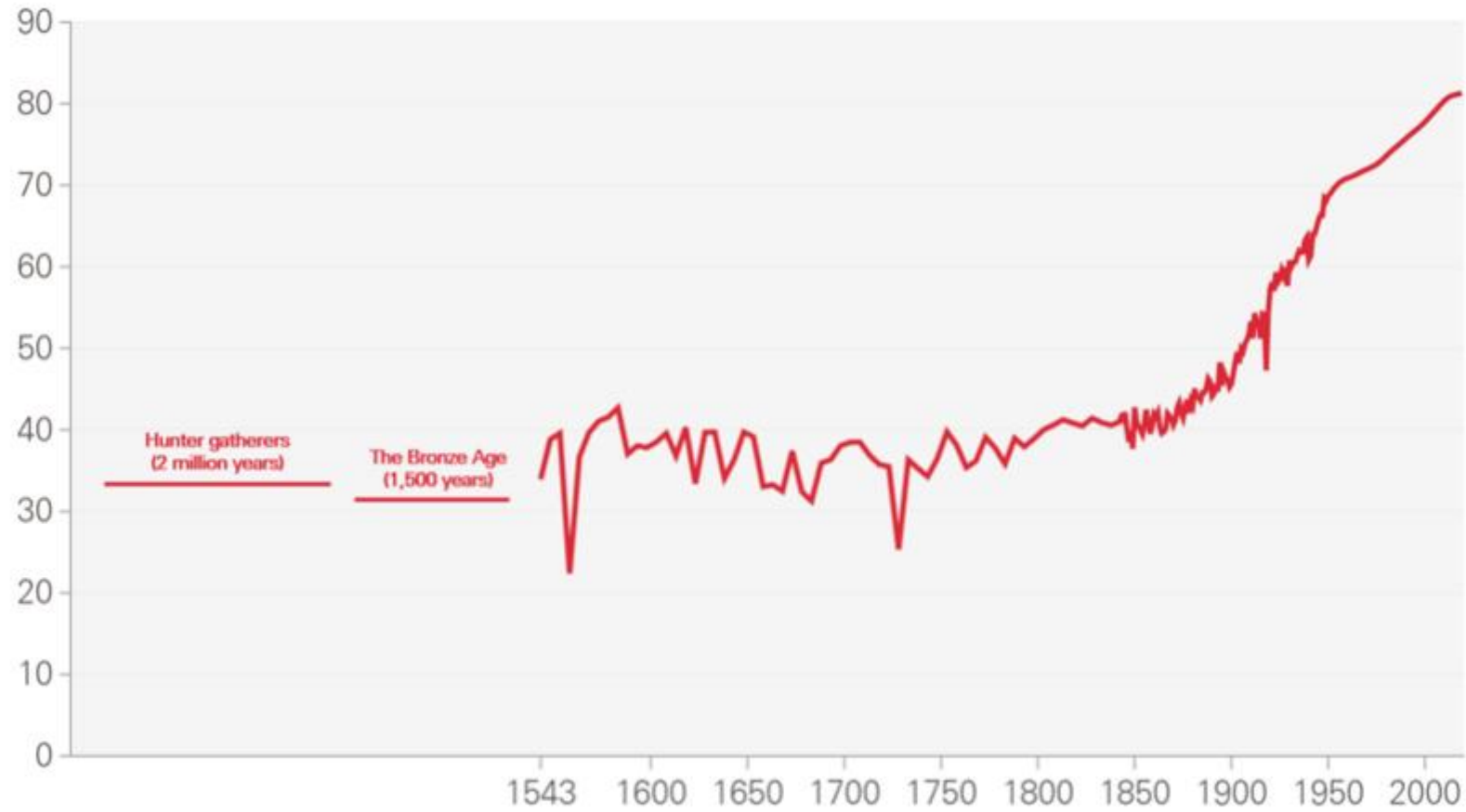
Plan

- Health and the Economy
- The Resilience of UK Health and Healthcare Systems
- Strengthening the Resilience of UK Healthcare Systems
- Conclusions

Health and the Economy

- Health, at best, implicit in standard economic growth models
- History suggests health a crucial factor driving growth
- Decomposing growth in economic potential:
 - Growth in labour force *activity*
 - Growth in labour force *productivity*
 - Health affects both of the growth cylinders, directly and indirectly
 - Since 1750, population rises just over 2% per year, driven by a doubling of average lifespans
 - Since 1750, productivity has risen around 1.5% per year, helped by rapid improvements in health

Life Expectancy, UK, 1623-2008



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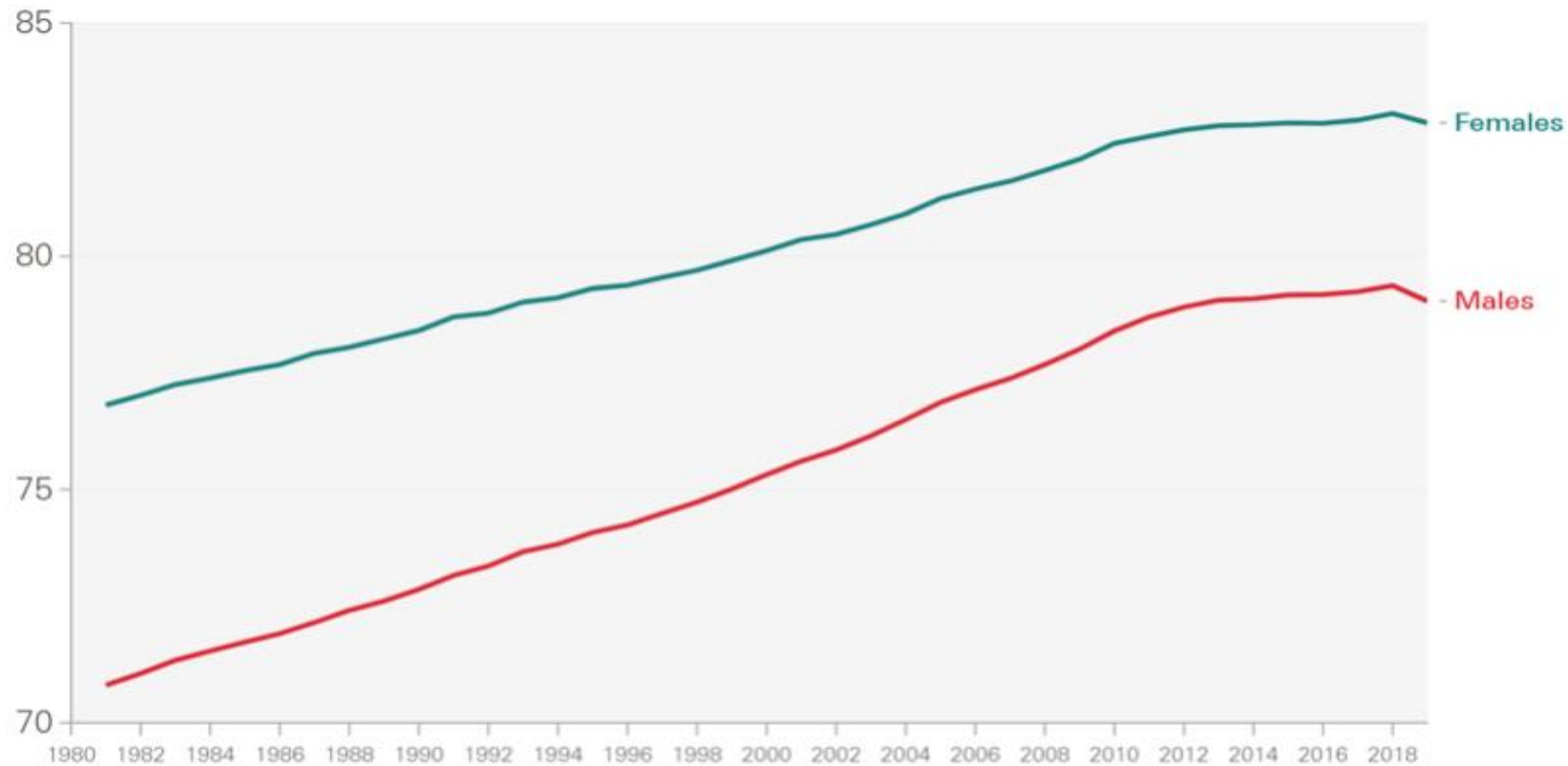
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Source: Our World in Data, Enlightenment Now

The Turning of the 21st Century Tide

- Marmot Reports (2012 and 2022) suggest slowing in UK Health Life Expectancy (HLE), mirroring US evidence
- In some places/cohorts, HLE starts to fall in absolute terms
- Accompanying rise in long-term sickness in the workforce
- From 5.2 million to over 7 million since 2010
- Currently, 17% - or 1 in six – of the workforce!

Life expectancy at birth for males and females, England, 1981–2018

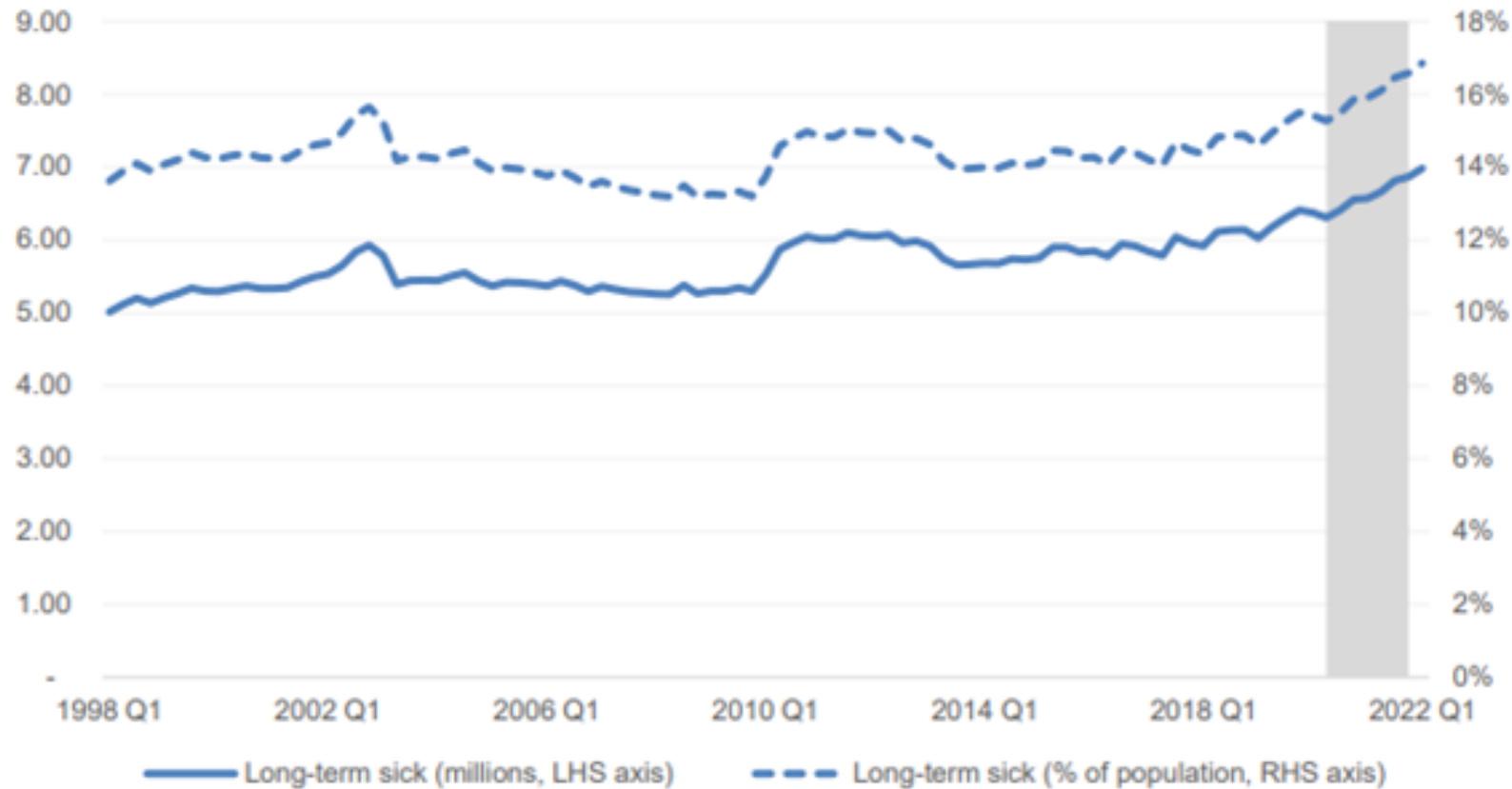


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Source: Michael Marmot, Jessica Allen, Tammy Boyce, Peter Goldblatt, Joana Morrison (2020) Health equity in England: The Marmot Review 10 years on. London: Institute of Health Equity

Number and proportion of working-age population long-term sick, UK



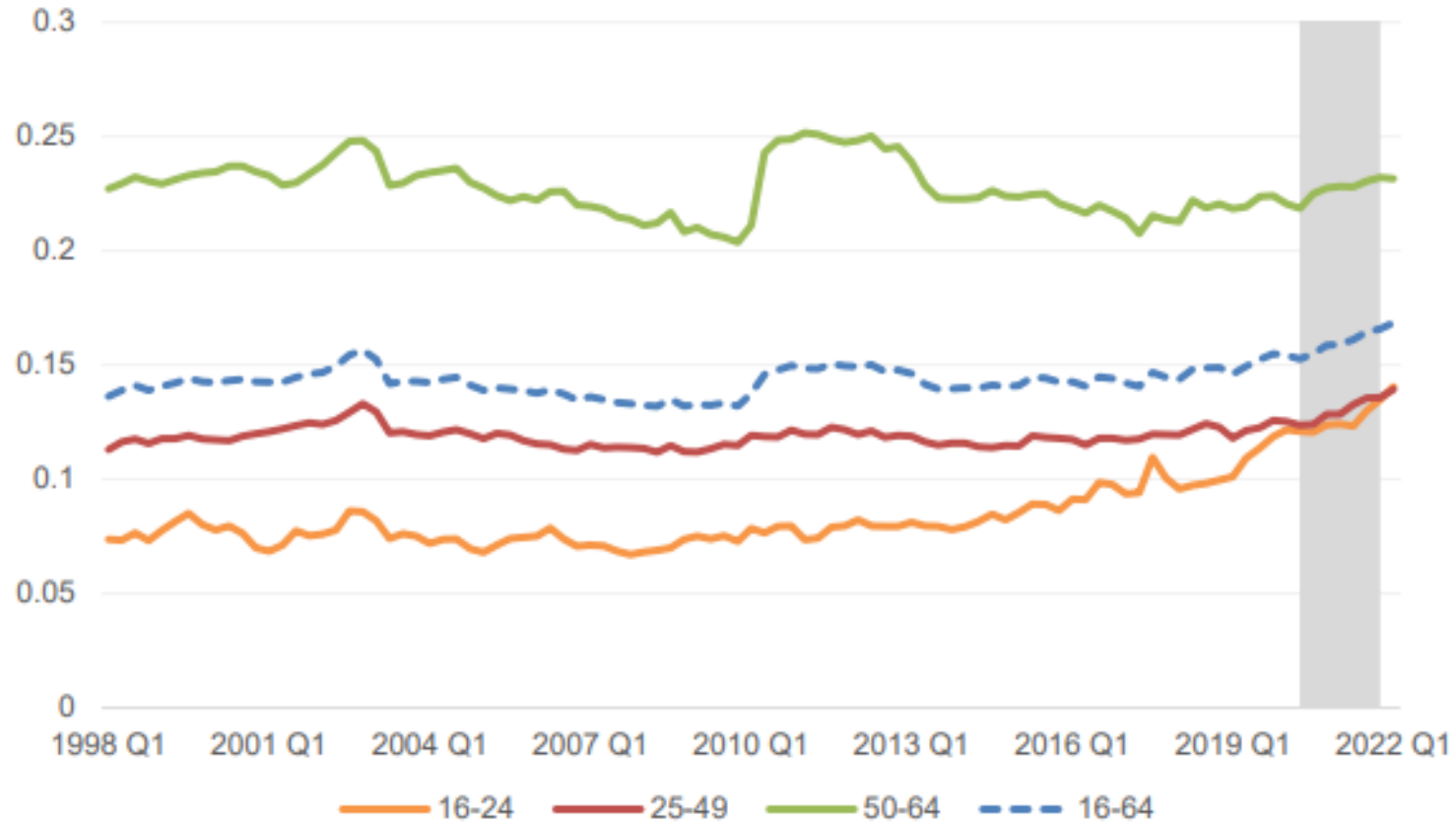
Source: Haskel J, Martin J. (2022)



Long Term Sickness and Young People

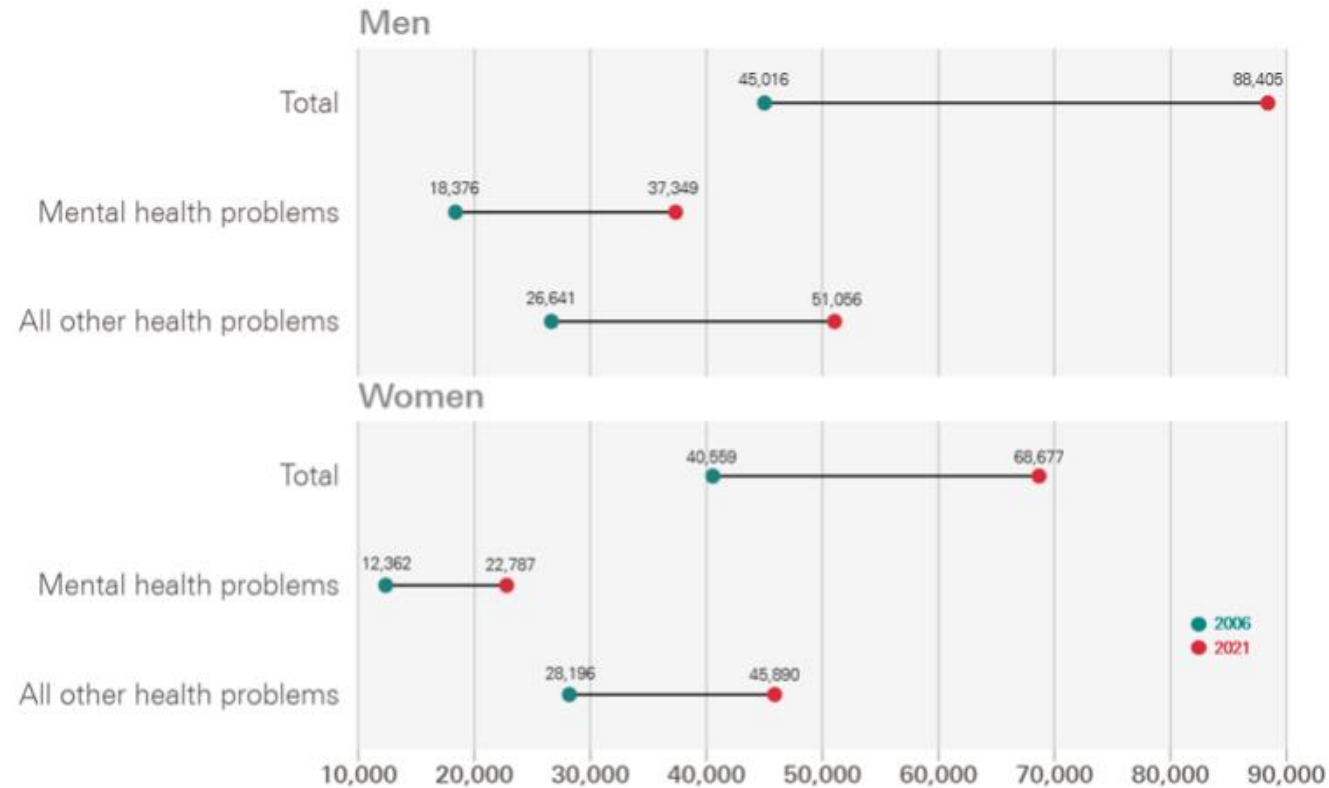
- The rise in long-term sickness has been largest among 16-24 year olds – 50% rise since 2006
- Among “healthiest” cohort, 1 in 8 now report long-term sickness
- Within this, reported mental health problems a large contributor
- Mental health problems risen rapidly among both women, but especially men
- Accompanying rise in levels of inactivity among 16-24 year olds

Age Distribution of Long-Term Sick



Source: Haskel J, Martin J. (2022)

Relationship between economic inactivity and mental health problems

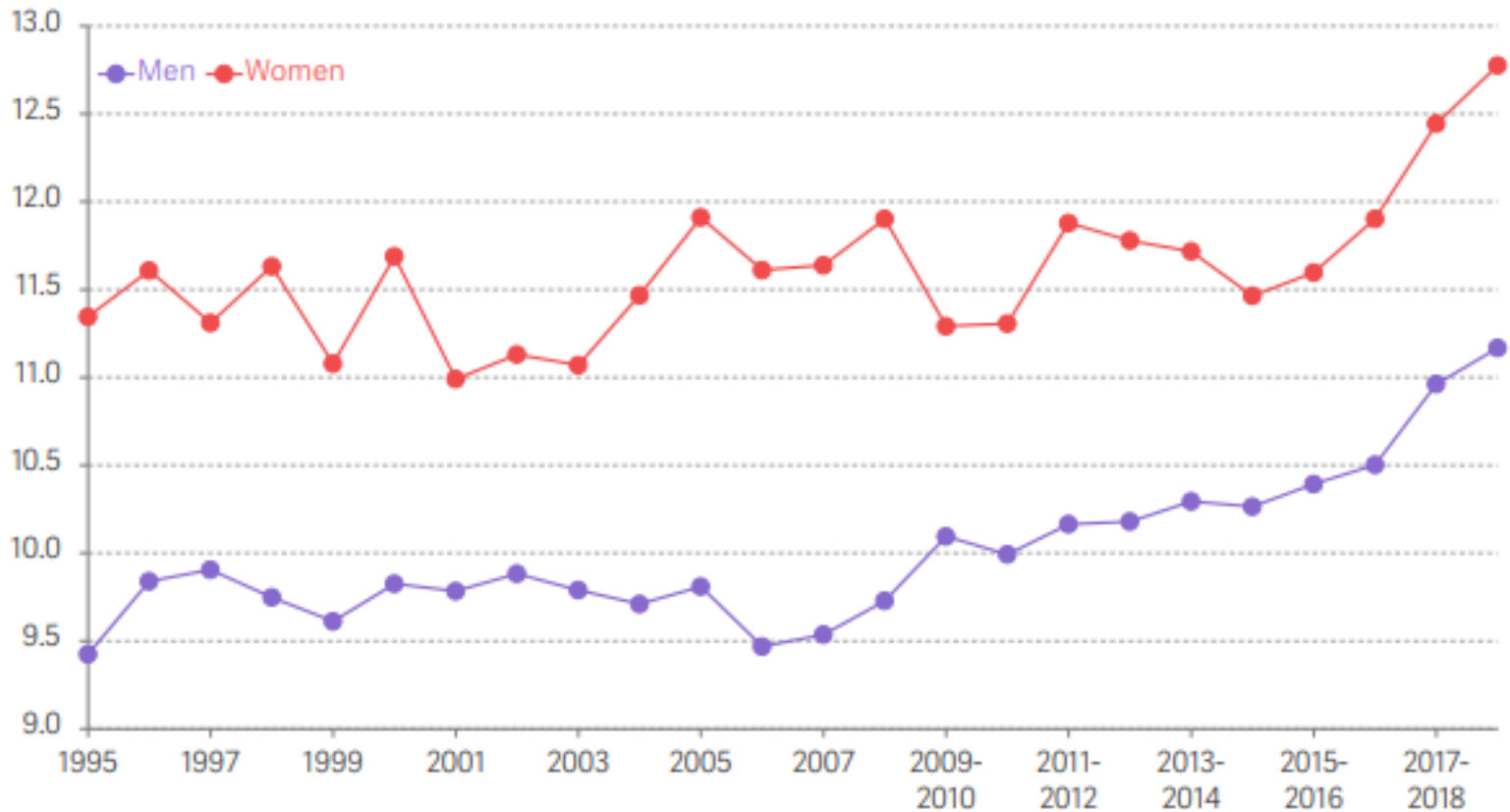


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Source: Louise Murphy (2022) Not working: Exploring changing trends in youth worklessness in the UK, from the 1990s to the Covid-19 pandemic (Resolution Foundation)

Rise in mental health problems amongst young people, 1995-2018



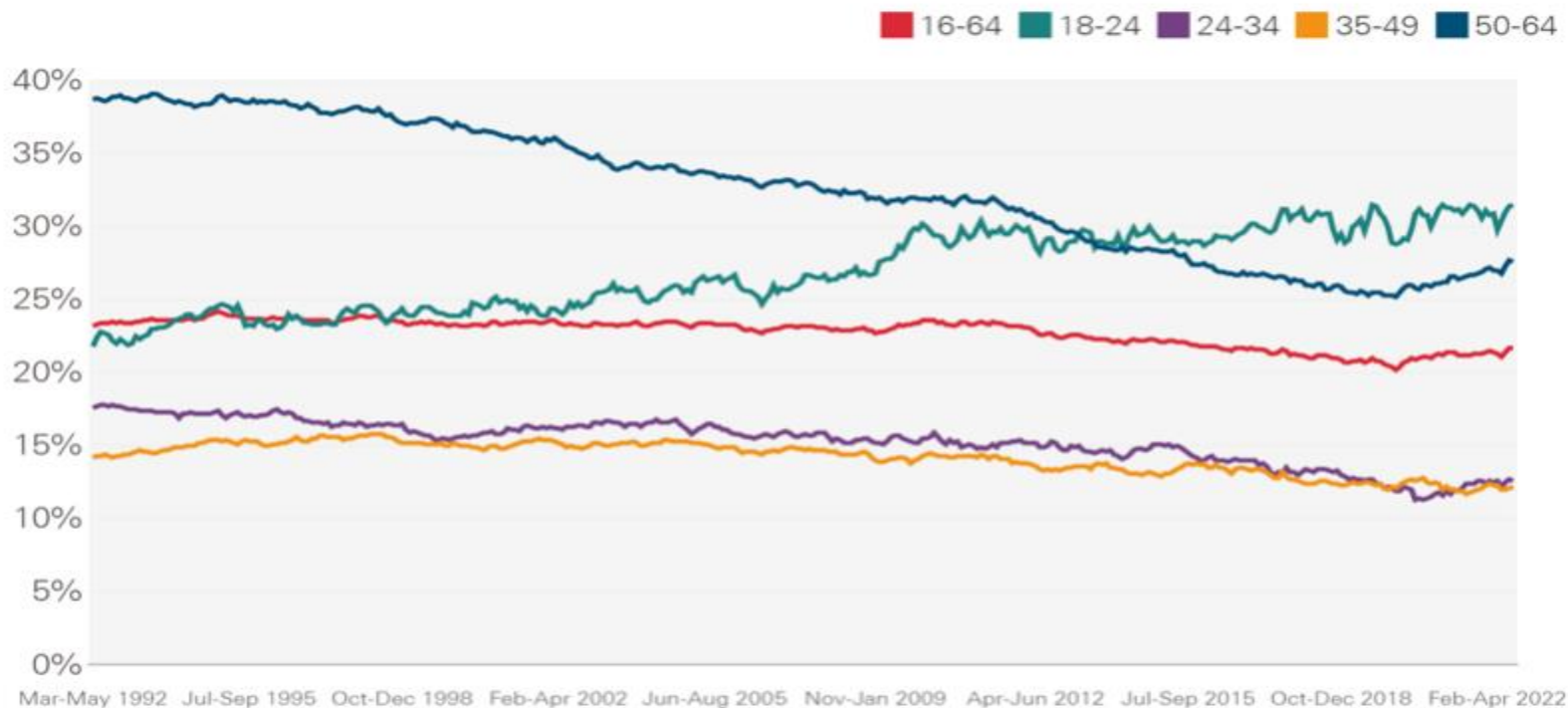
Source: Murphy L. (2022)

How Did this Affect Economic Growth?

- Prior to Covid, rising inactivity among young more than counterbalanced by rising activity among older cohorts, especially 50-64 year olds
- Overall participation in the workforce rose by around 3 million people between 2006 and 2019
- Just as well – this pretty much fully accounted for all UK economic growth!
- But since Covid, participation trends among 50-64 years olds has gone into reverse
- Around 650,000 fewer people in the workforce, two-thirds aged 50-64.
- The single cylinder engine of UK growth has gone into reverse

Long-term trend in economic inactivity since 1992

Economic inactivity by age since 1992 (% of age cohort)

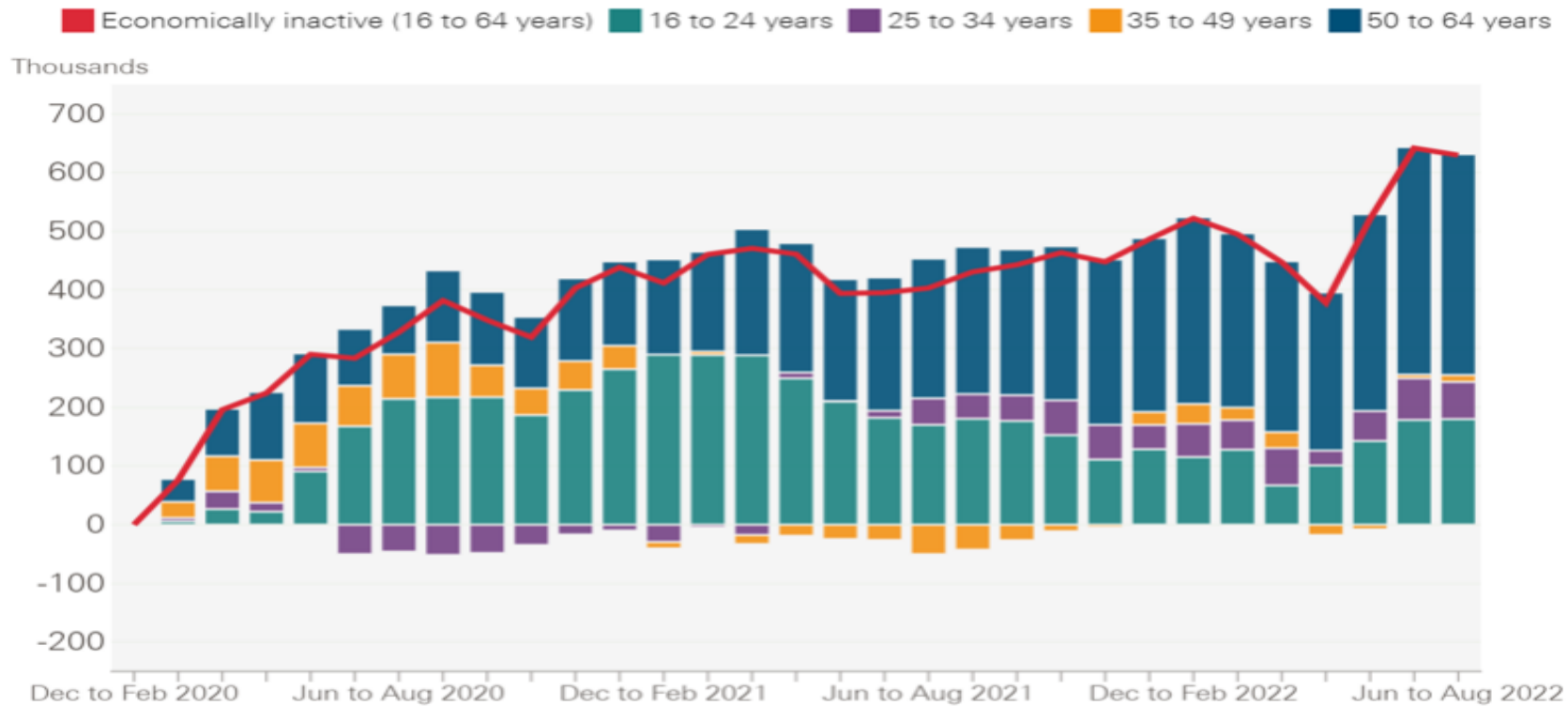


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Source: ONS - Labour Force Survey 2022

Economic inactivity by age, people aged 16 to 64, United Kingdom, 2020-2022



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Source: ONS

What Explains these Trends?

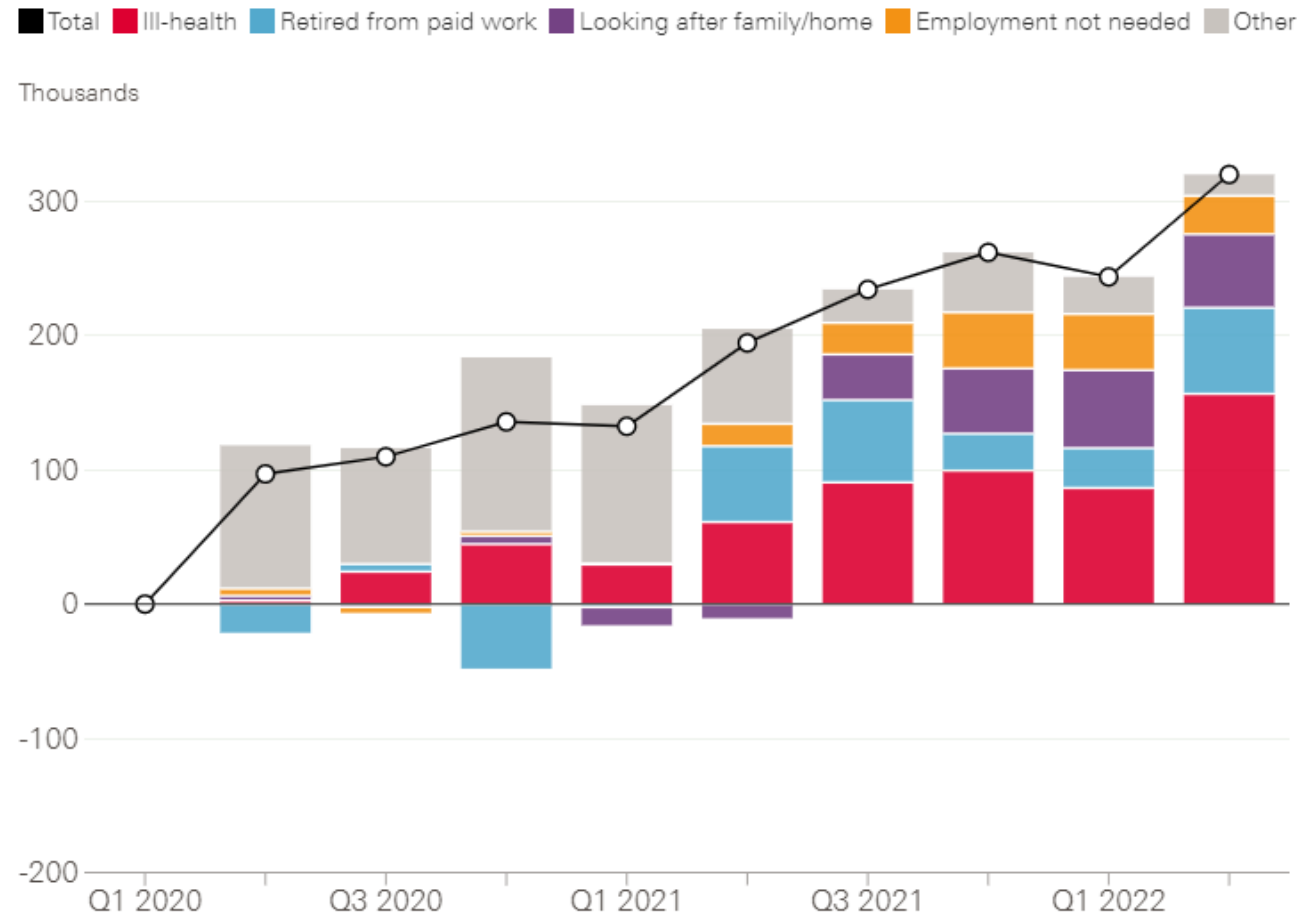
- Active debate among researchers on importance of health and Covid-related factors to rising labour force inactivity
- Some surveys point strongly to health being the most important factor, even for those citing other reasons (retirement, social care)
- Not a long-Covid or delayed treatment effect per se
- Rather, accumulated long-standing health issues – including mental ill health and cardiovascular problems – made worse by Covid
- “Tipping point” feature of complex systems



Implications for Growth and Well-Being

- Contracting workforce now creates a second headwind to UK growth, alongside stalling productivity
- Record unfilled vacancies and staff shortages elongate and accentuate cost of living pressures
- Accompanying hit to lived experience – well-being – from these pressures larger still, especially for those with lowest wellbeing
- Clear evidence of health detracting from both growth and well-being - for first time since Industrial Revolution

Change in number of 50-69 year olds who are inactive by reason for inactivity, United Kingdom, 2020-2022



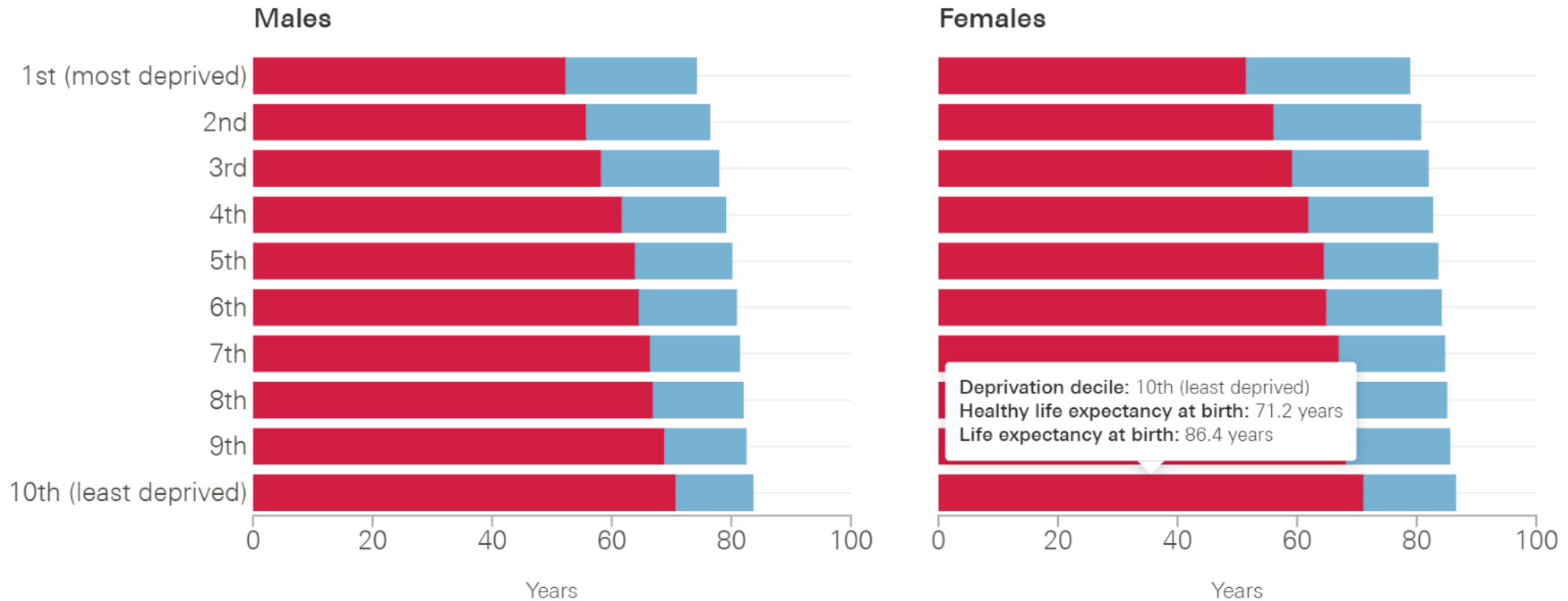
Source: Tinson A, Major A, Finch D. (2022)

Resilience of UK Health and Healthcare

- Evidence points to an increasingly fragile health and healthcare system
- Some examples:
 - Rising disparities in HLE by income cohort
 - Low spending per head by comparison with advanced Western economies – second-lowest in G7
 - Fewer doctors and beds per person than OECD average – NHS beds fall 50% in past 30 years
 - Rapid rises in waiting list and waiting times – 7 million on waiting list?
 - Rapidly falling levels of satisfaction among both patients and healthcare workers
 - Projections suggest 160,000 person shortfall in NHS staffing by 2030

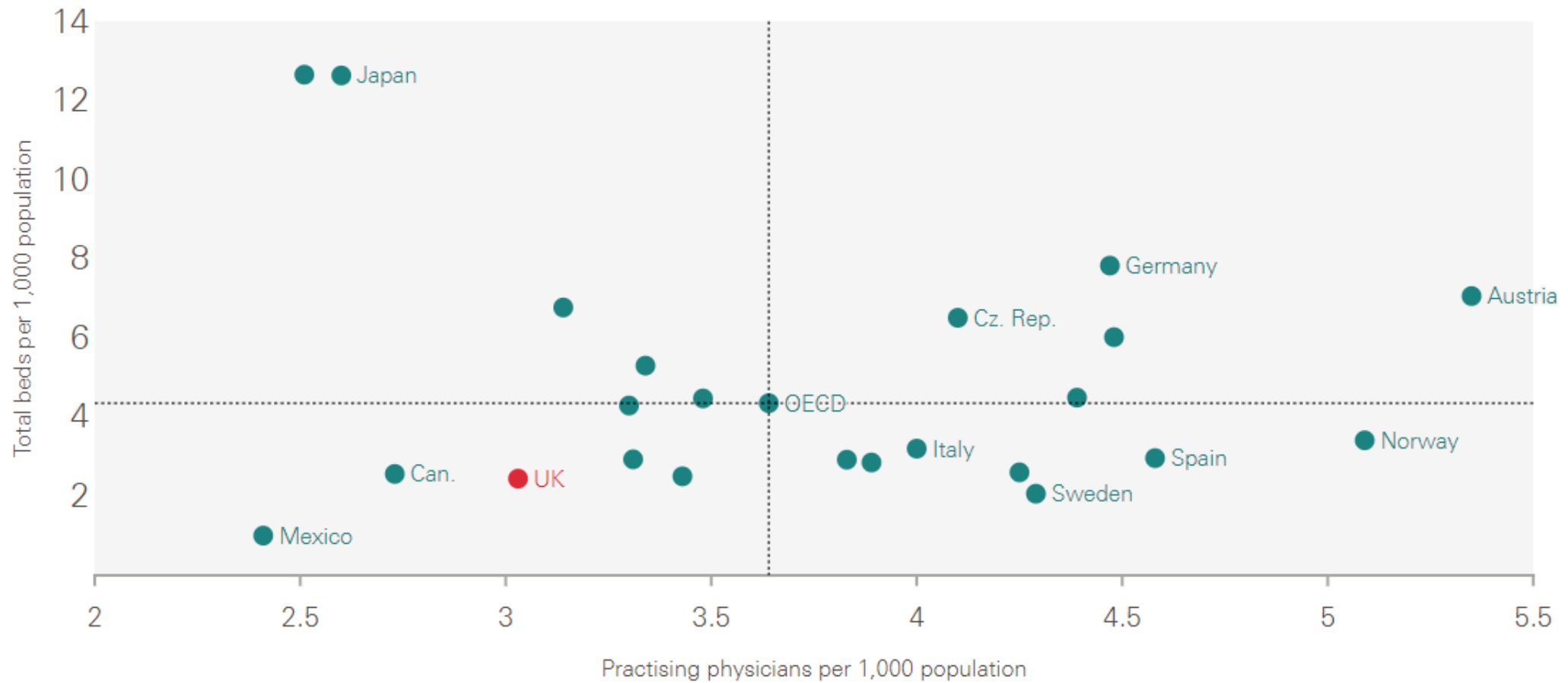
Life expectancy comparison based on level of deprivation

■ Healthy life expectancy at birth ■ Life expectancy at birth



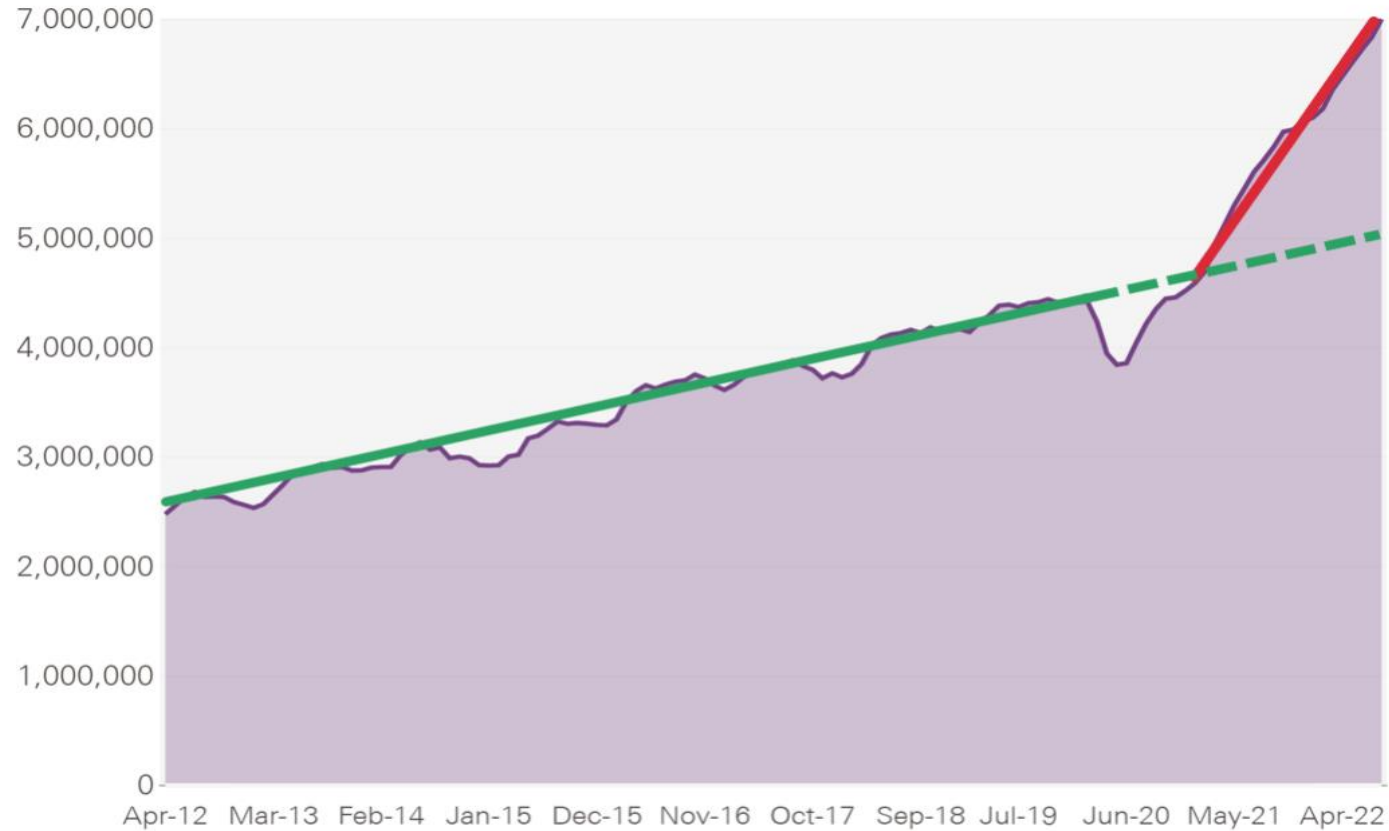
Source: The Health Foundation (2022)

Doctors and beds per 1,000 population across developed economies



Source: Charlesworth C. (2022)

Waiting times for elective care in the United Kingdom, 2012-2022



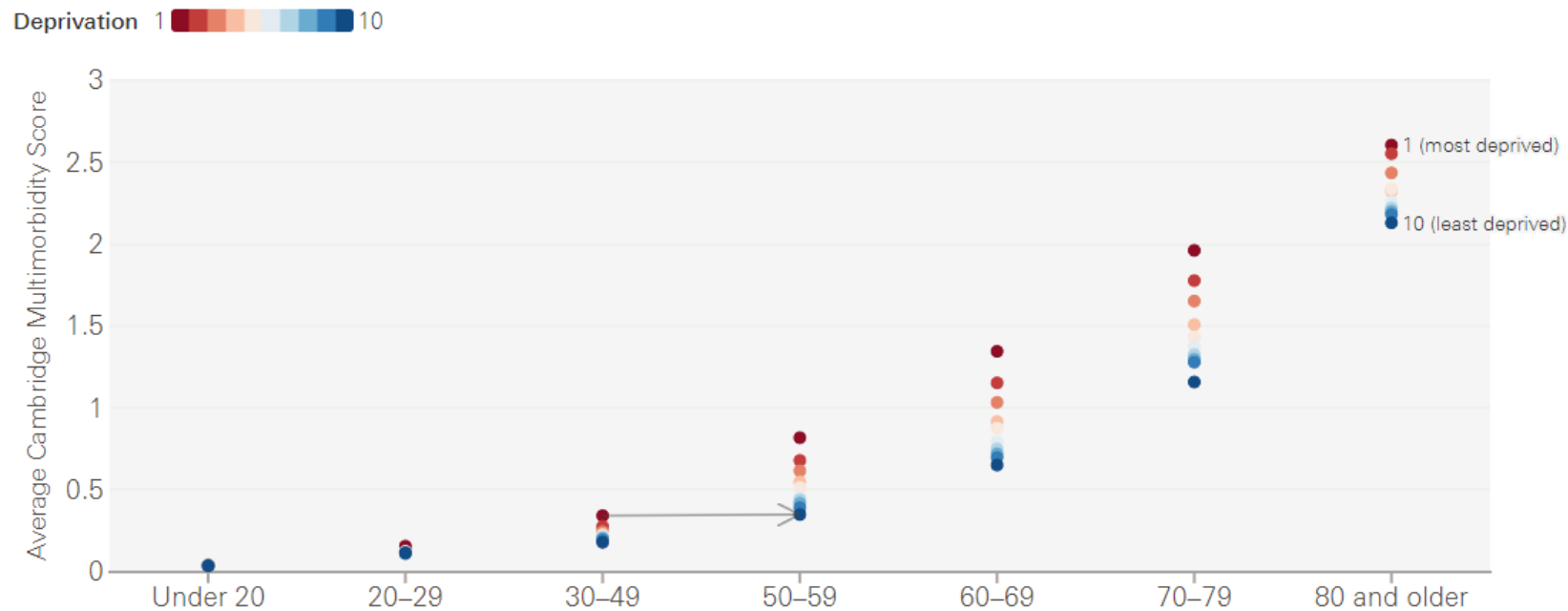
Source: NHS Digital, Estimated England total count of appointments

Source: Morris J, Reed S. (2022)

Fragility in Supporting Sub-Systems

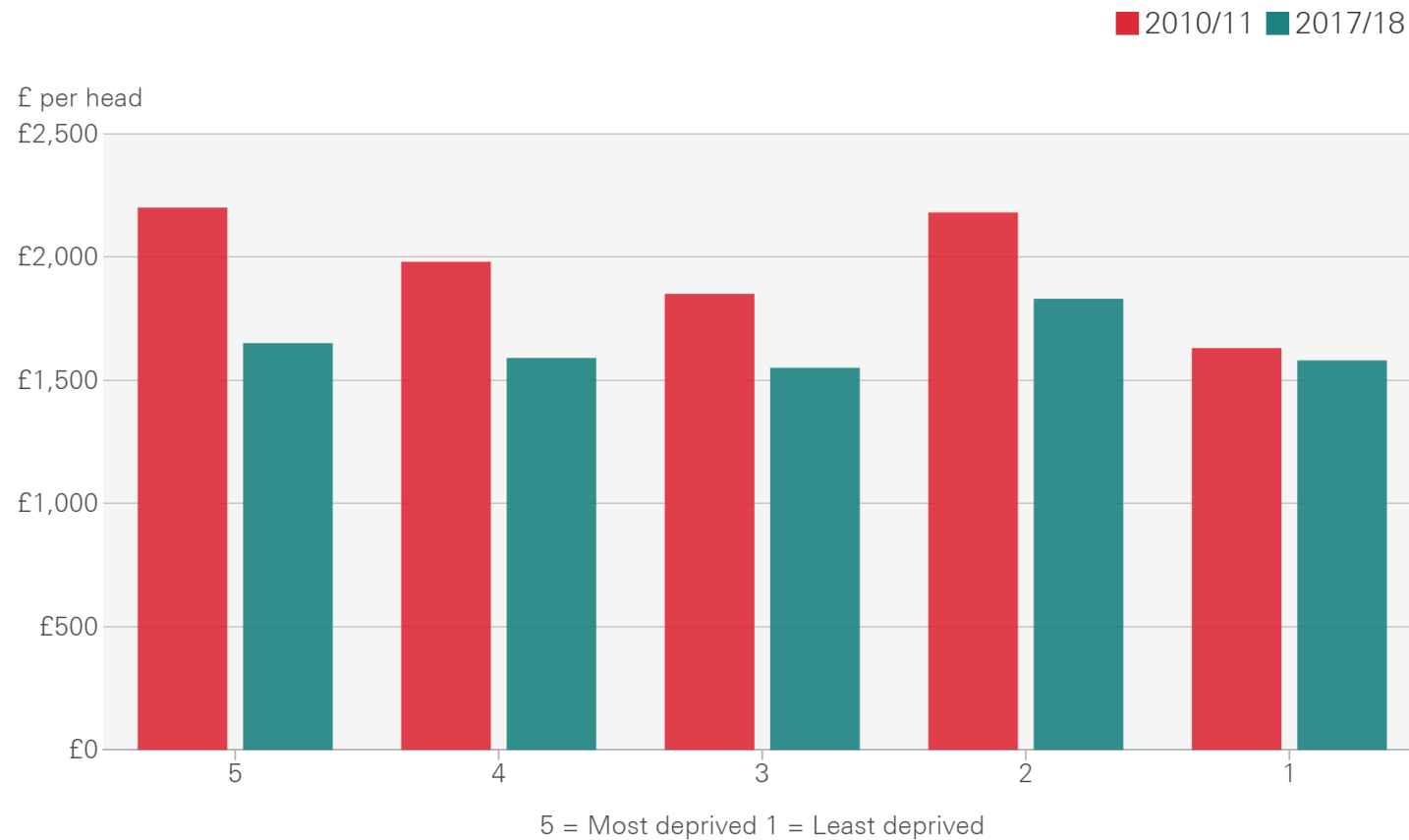
- Seeds of ill-health sown early
- UK levels of children's poverty high by international standards
- Government spending on children has fallen - and fallen fastest - for poorest families
- Spending on children in rich and poor areas now roughly equal
- Increasing economic and financial fragilities facing poorer and younger people, made worse by cost of living crisis
- Evidence suggests this is having a significant effect on mental health

Diagnosed illness (average Cambridge Multimorbidity Scores) by age group and deprivation (IMD decile), 2019/20



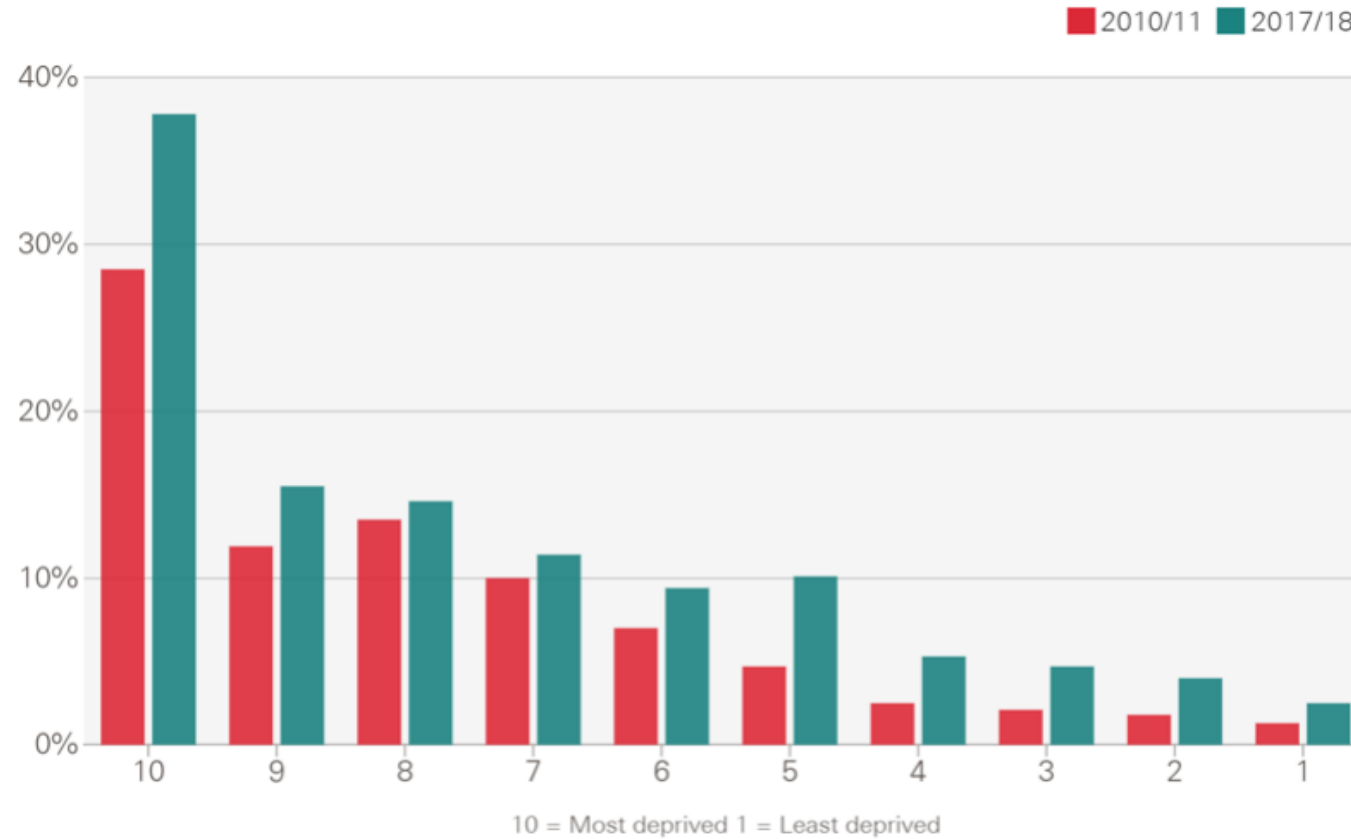
Source: Watt T, Raymond A, Ratchet-Jacquet L. (2022)

Spending on Children and young people's services (per head), by deprivation, in real terms, England, 2010/11 and 2017/18.



Source: Michael Marmot, Jessica Allen, Tammy Boyce, Peter Goldblatt, Joana Morrison (2020) Health equity in England: The Marmot Review 10 years on. London: Institute of Health Equity

Percent of families spending more than one-third of their income on housing costs, by income decile, UK, 1996/97 and 2016/17.



Source: Michael Marmot, Jessica Allen, Tammy Boyce, Peter Goldblatt, Joana Morrison (2020) Health equity in England: The Marmot Review 10 years on. London: Institute of Health Equity

Strengthening the Resilience of UK Healthcare Systems

- **Measurement and Health**
 - A new National Accounts for the Wealth, Health and Happiness of Nations
- **Stress-Testing and Health**
 - Comprehensive, systematic assessment of resilience and redundancy in healthcare systems
- **Devolution and Health**
 - Greater Manchester experience points to success of local health solutions to local health problems
- **Policy Integration and Health**
 - Comprehensive rollout of social prescribing?
 - Marmot towns and cities everywhere?

Strengthening the Resilience of UK Healthcare Systems

- **Food Standards and Health**
 - Full implementation of Dimbleby Report
- **Education and Health**
 - “A nurse in every school” campaign?
- **Business and Health**
 - Putting the H in ESG?
- **Fiscal Finances and Health**
 - Reclassifying current and capital spending better to reflect our health endowment?
- **Social Safety Net and Health**
 - How best to protect the financially insecure?

Conclusions

- Health matters – has never mattered more? - to growth and wellbeing
- Healthcare fragilities are adding weakness to an all already-weak societal immune system,
- Constraining growth, amplifying cost of living crisis, reducing shock-resistance
- Multi-pronged and multi-year strategy needed, bridging across economic, financial, social and health systems
- “Why is it always us?” It need not be.