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EXCELLENCE IN
**POPULATION
AGEING
RESEARCH**

Mental capital in an Ageing Society

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Estimates of costs of dementia

- Elements of cost
 - Out-of-pocket spending on medical and related services
 - Nursing home care
 - Medicare and private health insurance claims
 - Informal care (wages forgone by carers)

Incidence of dementia

- Australia: 250000 (1% of population); 8% of those > 65
- US: 14.7% of those > 70 (Hurd 2013)
- Risk factors:
 - Smoking, drinking, hypertension, obesity

Overall cost estimates

- US: USD157 – 215 billion (1.62% of GDP)
- UK: STG23 billion (1.58% of GDP)
- Australia: \$6 billion (2005) nearly 1% of GDP

- UK and Australia include productivity loss
 - Low, because of late onset
 - Increasing mature labour force participation may change this.

Behavioural motivators

- Links between investment in human capital and investment in health
 - CEPAR Research project linking human capital and health investment
 - High returns to HC → more investment in health
 - May have implications for health insurance contract design

Will better education matter?

- Education-health investment link
 - More education
 - ➔ people will deal better with behavioural risk factors
- Cognitive reserve
 - Better education among younger cohorts
 - ➔ lower incidence of disabling dementia



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