

A horizontal bar with a dark green segment on the left and a yellow segment on the right.

10 trends

Demographics



Overview

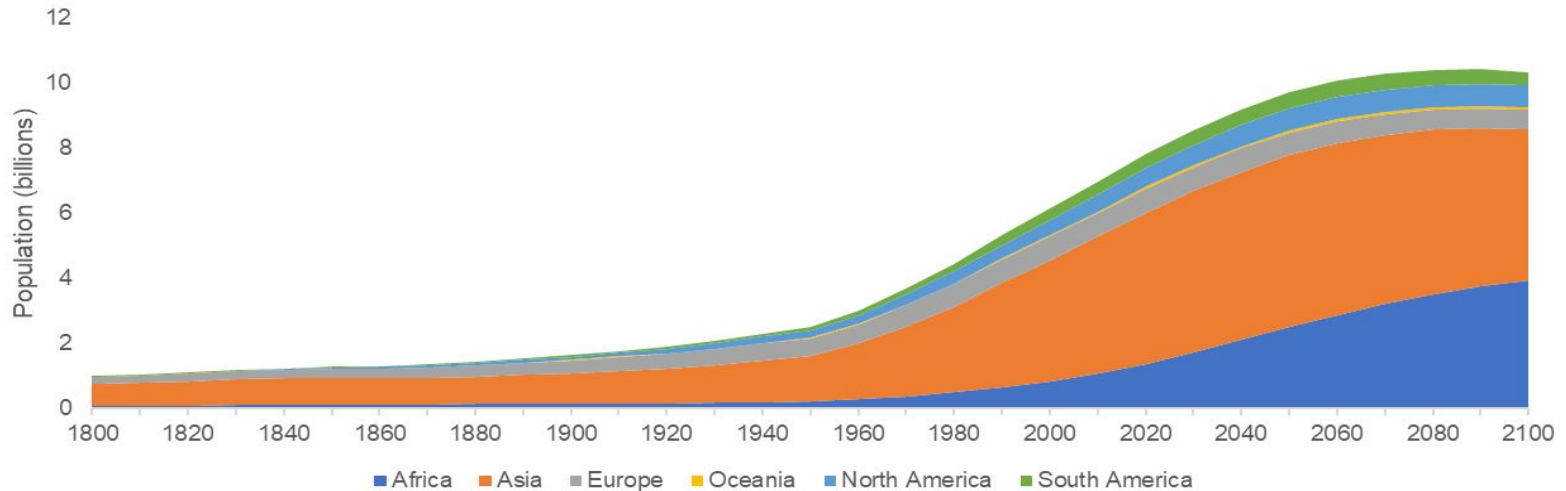
The composition of the population - in terms of the identities and demographic properties of its members - is one of 14 dimensions that we use to examine trends in UK consumers and society. Here we outline ten key trends in this area, from our larger trend bank, which will create both opportunities and risks to many organisations.

A number of global forces are influencing the trends within all nations. In the UK, we are seeing geopolitical factors and economics drive population change through a combination of immigration, emigration and declining birth rates, and indirectly through the UK's economy. In future, the changing global population will affect both the change and composition of the UK's.



Global context

The global population was 2.5bn in 1950 and is 8bn today. However, over coming decades, an era of rapid population growth is expected to end. The UN's "median scenario" predicts 10.8bn people by 2100. Population change will also be uneven: China will decline and India is on course to become the world's most populous country, while Africa will drive the world's population growth, before it also slows as its economy evolves.



10 UK trends



01. Growth

02. Aging

03. Declining fertility

04. Diversity

05. Emigration

06. Urban populations

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Growth

01



About: The UK population grew from 62,760,039 in 2010 to 67,736,802 in 2023 (World Population Review) and is predicted to rise to 75m by 2050 in the ONS’s “median” scenario. However, immigration policies, yet to fully materialise, will largely determine the trajectory (LSE).

Responses: Recent population growth has driven the need for new homes. Housebuilder Taylor Wimpey grew revenue by 42% from 2020-21. The demand has cascaded down the value chain, supporting new businesses like Yardlink that provide software to digitise the construction supply chains and help to address constraints.

Future business opportunities & challenges: Increased demand for housing, public services and infrastructure will create opportunities for new businesses or existing businesses to expand. Pressures will increase on nature, greenspace conservation and resource efficiency.

Aging

02



Image by [Peggychoucair](#) from [Pixabay](#).

About: Declining fertility rates and increasing life expectancies mean that the UK population is aging. In the 2021 census, over 11m people (18.6% of the population) were 65+. compared with 16.4% in 2011. 1 in 5 born today will live to 100.

Responses: Products and services dedicated to the older population are broadly growing. The UK care home market is growing at 1.4%/yr, and sub-sectors continue to evolve with providers like Saga catering for over 50s in areas as diverse as insurance and travel. The UK is also seeing a fast emerging remote e-health sector, featuring start ups like Yokeru and Lottie, to support older people retaining independence.

Future business opportunities & challenges: Wealth held by the aging population, along with evolving needs to prolong the quality of life, will continue to create opportunities for dedicated products and services.

Declining fertility

03



About: The UK's fertility rate fell from 1.94 in 2010 to 1.55 in 2021, attributed to policies and economic factors that acted to disincentive those under 35 from starting families. The ONS assume that it will only marginally increase over coming decades,

Responses: Many different “family friendly” business practices have emerged which have attempted to reduce penalties on family-age employees e.g maternity and paternity leave, unpaid parental leave, flexible working and non discrimination policies.

Future business opportunities & challenges: The wider UK economy might face stagnation from low fertility rates. Businesses that can adopt family friendly policies stand to gain from increased employee retention and competitiveness in the market.

Diversity

04



Photo by King's Church International on Unsplash

About: The white population decreased by 5% points between the 2011 and 2021 censuses, to 81.7%. The population composition has also changed over time, with the UK's largest immigrant communities now being Indian and Polish.

Responses: The diverse population is becoming increasingly reflected in the business population, with the emergence of more brands, such as black-owned fashion brands like LemLem and Lisou London. As well as implementing discrimination policies, other businesses are also partnering or supporting brands, such as We Are Nova that are running a start up programme for tech companies with South East Asian founders.

Future business opportunities & challenges: Minority businesses will find increasingly receptive consumers for food, fashion, cosmetic or other products that emanate from diverse cultures. Existing businesses will, similarly, find increased opportunities from collaborating or partnering with these brands.

Emigrants

05



Photo by Clay Banks on Unsplash

About: Emigration rates have risen over time from 250k in 1996 to 557k in 2022, also up markedly from 454k in 2021. Recent changes have been associated with high taxation rates and there being better employment opportunities overseas for highly-educated graduates. More EU and non EU citizens are amongst those leaving than British.

Responses: Organisations are needing to invest more in training and development to retain skilled workers, particularly for technical roles.

Future business opportunities & challenges: UK businesses may face a double whammy of seeing a decline in higher-income consumers and having to compete for skills. Increasingly the Government will be forced to increase immigration to counter the trend, creating new challenges for business to recruit the resources they need.

Urban populations

06



Image by [Paul Brennan](#) from [Pixabay](#)

About: The UK population continues to become gradually more focussed on urban areas, with the urban population now representing around 85% of the total. From the start of the C21st, inner London grew at about twice the rate of the average of UK cities.

Responses: Urbanisation improves the viability of many products and services where the economics depend on population density, notably Uber, food delivery services and maintenance services. It also creates the opportunity for businesses based on shared assets, like local energy production. Some businesses have also moved from London to reduce costs.

Future business opportunities & challenges: Denser populations and businesses will create onus on creating shared service models. Conversely, intense urbanisation is associated with poverty, congestion and pollution, which represent growing challenges for new business models to address.

Blurring ethnicities

07



Image by [Paul Brennan](#) from [Pixabay](#)

About: With increasingly diverse populations, forecasts have suggested that the population will invariably evolve such that “mixed race” will become the dominant group by the end of the century. In the meantime, ethical and cultural identities will become ever more blurred and fragmented.

Responses: A number of dedicated brands have created fashion or food brands inspired by cultural synthesis, such as the e-retailer Beautifully Biracial or the Banana Tree restaurant chain offering an Asian fusion menu.

Future business opportunities & challenges: Opportunities will be created for new cultural innovations. However, businesses will also need to navigate ever-more complex sensitivities around the identities of consumers and staff.

Indian influences

08



Photo by Naveed Ahmed on Unsplash

About: India remained the most common country of birth outside of the UK in 2022, with 920k people.

Responses: Indian-owned British companies are growing (with 924 in 2022 according to Grant Thornton), with the Government providing grants and incentives to new entrants outside of London. Several schemes have also sought to strengthen British-Indian ties such as De Montfort University who created a British-Indian business advisory network.

Future business opportunities & challenges: With India on course to become the world's largest country, British companies have growing opportunities for partnerships with Indian companies, as well as selling goods into Indian markets.

Temporary volatility

09



Photo by Haydon Curteis-Lateo on Unsplash

About: Although nearly impossible to calculate using a single objective method, percentages of temporary residents have been highly volatile in recent years, including inbound tourists, students, workers, family-visitors, and asylum seekers. For instance, inbound tourists numbered 31m in 2022, after only 6m visited in 2021. Study visitors about tripled from 2018 to 2022, to 360k.

Responses: Different sectors have been boosted or challenged by recent events. E.g., c30% of the 2.4m in post 18 education are foreign born, boosting education establishments. Conversely, councils have struggled to provide temporary housing as numbers of temporary households exceeded 100k for the first time in 20 years in 2023.

Future business opportunities & challenges: Some charities are now working with businesses to provide employment opportunities specifically for displaced refugees. Challenges create both an onus-on and opportunity-for businesses to be part of solutions to handling future migration challenges.

Fragmenting identity

10



Photo by Christian Lue on Unsplash

About: Transgender and non-binary people were counted for the first time in the 220-year history of the census for England and Wales in 2021, which has revealed that 262,000 people identify as a gender different to their sex registered at birth.

Responses: Organisations have been adapting to new gender norms, with healthcare providers on the frontline. More companies are adopting ‘gender expression statements’ to implement means of protection and support. Consultancies have emerged, like Global Butterflies, to support companies in adaptation.

Future business opportunities & challenges: Expressions of identity will continue to evolve. Research continues into neuroscience, DNA and the origin of identity itself, which may fuel further influences on the trend. Digital- and personal-identities may also fuse through new immersive (virtual reality) technology and AI. Organisations will need to continually monitor changing cultural and social sentiment.

Factors affecting the future

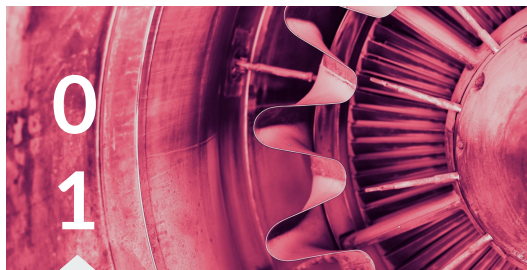




Perspectives on the future: UN World Population Prospects

Many countries are expected to experience declining birth rates and an aging population.access to education, urbanization, and the empowerment of women {will} contribute to lower fertility rates...{the} demographic shift poses challenges such as strain on healthcare systems, increased demand for elderly care, and potential labor shortages.

Key factors affecting the future UK trajectory



Physical and economic health

Birth rates have long correlated with economic prosperity. UK prosperity is currently declining, creating potential knock on effects to life expectancy and population.



Immigration policy

Post Brexit immigration policies, the extent of realignment to the EU, and the onus to accept internal migrants displaced due to conflict will affect growth.

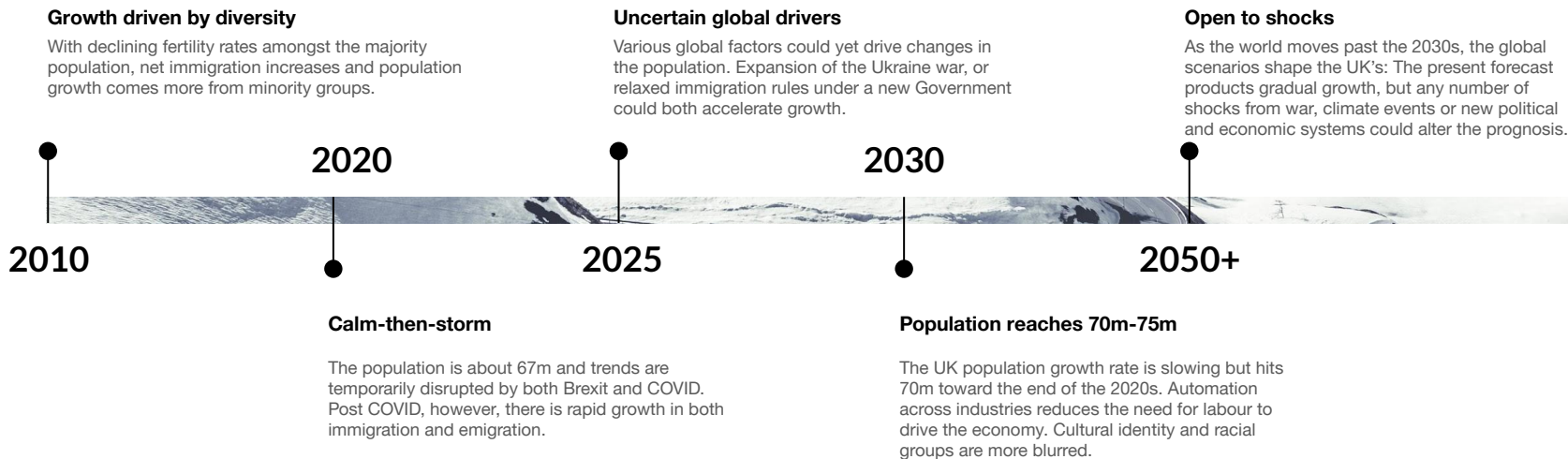



Social stability

The extent that Britain remains socially and democratically stable will influence the rate it attracts immigrants and, just as important, deters emigration.



Timeline





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