

The economic and healthcare cost of dementia



- Commissioned by the Alzheimer's Society, CF has **developed novel contributions** to the body of evidence that demonstrates the **social and economic impact of dementia** in the UK.
- Along with updating current estimates of the total cost and prevalence of dementia in the UK, we leveraged a **linked, record-level healthcare dataset** to develop a detailed understanding of the **healthcare resource use** of people with dementia.

Increasing prevalence of dementia in the UK between 2024 and 2040



Our analysis found that the number of people living with dementia is expected to grow from **1m in 2024 to 1.4m in 2040**. This means that **prevalence will increase from 1.4% to 1.9%** between 2024 and 2040.

Mild progression of dementia

- 488k people in 2024 with an average cost of £28,700 per person annually
- 697k people in 2040 with an average cost of £45,000 per person annually

Moderate progression of dementia

- 366k people in 2024 with an average cost of £42,900 per person annually
- 523k people in 2040 with an average cost of £60,400 per person annually

Severe progression of dementia

- 128k people in 2024 with an average cost of £80,500 per person annually
- 182k people in 2040 with an average cost of £124,800 per person annually

Rising healthcare, social and economic costs of dementia in the UK



We estimated that the total cost of dementia in the UK is **£42bn** in 2024 and is expected to grow to **£90bn in 2040**. The £42bn spent in 2024 is equivalent to **23% of total NHS spend** and **3.4% of total government spend**.

Healthcare costs

- £7.1bn in 2024
- £13.5bn in 2040

Social care costs

- £17.2bn in 2024
- £40.7bn in 2040

Unpaid care costs

- £21.1bn in 2024
- £40.1bn in 2040

Quality of life costs

- £1.1bn in 2024
- £1.7bn in 2040

Economic costs

- -£4.0bn in 2024
- -£5.7bn in 2040

Healthcare costs in 2024 were concentrated in **secondary care** (£3.3bn) followed by **mental health** (£1.6bn), **community care** (£0.9bn), **medicines** (£0.7bn), and **primary care** (£0.6bn). The **total cost of diagnosis** across these settings was £80m.

The majority of costs were found to be paid for by people with dementia and their families. In 2024, approximately **63% of costs were self-funded**, which equated to **£40,674 per person**. This compares with 17% paid for by NHS and 20% by Local Authorities.

Growing need to prioritise dementia in government policy and decision making



Our findings suggest a pressing need to **drive change across the five key areas** outlined below. This will require the NHS and broader government to prioritise dementia in policy and decision making.

- 1 **Improve early and accurate diagnosis to enable people to manage their health, plan for the future and start treatment to improve their quality of life**
- 2 **Adopt existing and emerging therapies to delay the onset of severe dementia symptoms and support potential cost saving opportunities across the UK**
- 3 **Increase investment and support for unpaid carers to facilitate and secure their commitment to caring for people with dementia**
- 4 **Strengthen commitment to reform social care to enable the provision of high-quality and person-centred care for people with dementia**
- 5 **Improve the capturing of data related to dementia and its disease progression and care provision**