

# Test-tube babies profitable business for the state

December 1 2008

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Increased financial support for IVF fertilization would be downright profitable for the state. Test-tube babies are an investment for the future, not an expense. This is shown by Anders Svensson, who studied this issue in a bachelor's thesis in economics at Lund University School of Economics and Management in Sweden. His article on the subject was recently published in *Scandinavian Journal of Public Health (SJPH)*.

In many countries in Europe, too few children are being born for the population to replace itself. In the future this can entail major problems when it comes to financing health care and pensions, for example. In Greece, Italy, and Spain roughly 1.3 children are born per woman, and in Sweden the figure is 1.88. At the same time, in Sweden, for instance, some 10% of all couples are unable to have children for various reasons, even though they wish to.

"Subsidized in vitro fertilization is not a total solution for aging populations, but it is part of a strategy. And it's important to have plan to make Sweden and other countries better able to deal with the future," says Anders Svensson, today a medical student, who is the lead author of the article and who was prompted by a suggestion from the American think tank Rand to look at state-subsidized IVF treatment.

The author of the article points out that there are great regional differences in Sweden today when it comes to how easy it is to get access to county-subsidized in vitro fertilization. Certain county councils will not pay if the couple already has children; some pay for two

attempts only, and others for three attempts.

"Actually roughly half of all test-tube fertilizations are paid for out of pocket, which means that only those who can afford it can undergo IVF treatment."

In the longer term the state benefits from subsidizing the costs of test-tube children for couples that are involuntarily childless.

"This is a group that could potentially help boost population growth. Our calculations show that in a long-term perspective in vitro fertilization doesn't cost the state anything at all since the state actually sees a return on its investment in the form of the tax monies the individual will pay during his or her lifetime."

Anders Svensson uses a scenario where every test-tube baby is an average person in terms of longevity and income, for example. The study is based on a net present value calculation, which factors in inflation and other parameters. If the state invests in a test-tube baby today, that investment today is worth SEK 254,000, calculated only on what the individual will pay in income tax and value-added tax – other taxes have not been counted, which means that the state's profit per individual is likely underestimated.

"The effect on the Swedish population curve is comparable to raising state child allowances by 25 percent, but at a lower cost."

In other countries, IVF children are probably even more profitable, since Sweden has a relatively costly welfare system. In a similar calculation based on British conditions, two co-authors of the article in SJPH, Federico Callo, Rand, and Mark Connolly, Global Market Access Solutions, have found that every IVF child yields a profit of GBP 160,069.

"The difference can largely be explained by the fact that schooling, elderly care, and health care are relatively higher costs for the Swedish state than for the UK state. In other words, the Swedish welfare system is more expensive, which reduces the profits," says Anders Svensson.

One third of all inhabitants in Europe will be older than 65 years old in 2050, compared with every sixth person today.

"If we want to maintain our various welfare systems as they look today, we need to reverse the downward population trend, since in the future fewer and fewer working people will be supporting more and more old people."

Increased subsidization would moreover reduce some of the personal suffering that comes from wanting to have children, but not being able to.

"Test-tube fertilization differs from all other medical treatment. It creates life instead of extending life. This is unique," says Anders Svensson.

Source: Swedish Research Council

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