

British pensioners over 75 increasingly likely to live in poverty

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A report by Independent Age, a charity for the elderly, reveals that 1.6 million older people live in poverty in the UK, with an increasing proportion of them over 75 years of age.

Around 950,000 or one fifth of pensioners over 75 live in poverty, compared to 14 percent of younger pensioners and 14 percent of working age adults. There are 11.8 million pensioners living in private households in the UK, of whom 4.8 million are aged 75 and over.

The average income of pensioners aged over 75 is £59 a week less than younger pensioners, and £112 a week less than working age adults. Just under a quarter (24 percent) of single pensioners are living in poverty.

Pensioners renting with private landlords are even more likely to be living in poverty—around a third, after housing costs are taken into account. This is the case for both younger and older pensioners.

While the amount of wealth going to pensioners has increased overall, it has primarily benefitted the wealthy, leaving large numbers of pensioners out. A disproportionate number of those left out are over 75.

A quarter of the over-75s have no savings at all. The maximum state pension is a derisory £119.30 a week, or around £6,200 a year. Those fortunate enough to have an occupational pension, invested in the stock market, have an average pension pot of around £60,000, giving an annuity worth only around £3,200.

Many over 75 (around a third) refuse to apply for means-tested benefits such as pension credit, even though they would qualify if they did. This is mainly because they see the process of means-testing as degrading.

Much has been made of the Conservative government's "triple lock" on yearly increases in the state pension (ensuring it increases by the higher rate of inflation, average earnings or a minimum 2.5 percent).

However, the lock does not apply to benefits relied on by an increasing number of pensioners: Pension Credit, Attendance Allowance or the winter fuel payment.

Almost one fifth (19 percent), or 350,000 single female older pensioners, live below the poverty threshold, and that goes up to a quarter (26 percent) before taking housing costs into account. More than one quarter (26 percent) of women over 75 receive Pension Credit and one quarter (25 percent) receive disability benefits. Among older pensioners, women tend to have lower incomes than men, and single pensioners have lower incomes than couples.

Those over 75 are most likely to have lived in poverty within the last four years, and are most likely to remain in poverty for the longest.

The report highlights the case of Jack, an 86-year old widower, who told the researchers he does not spend as much money now as he used to, nor does he buy any new clothes or go to the pub. He told them, "I know I have to [spend less] ... the thought of being without a penny would be terrible. I wouldn't ask anyone for help... I've got enough in the bank to bury me [and] pay for all the bills, so my daughter doesn't have to do it".

One in 10 pensioners is materially deprived, based on the criteria of the Department for Work and Pensions (DWP).

Despite being on a lower income on average, those aged 75 and over are no more likely to report material deprivation than younger pensioners, according to government statistics. However, this is likely to be the result of the way the questions on material deprivation are asked.

If someone reports not having access to one of the items on the deprivation checklist (for instance, having working heating, electrics and plumbing) they are asked

why, with answers to be selected from a range between “cannot afford” and “do not want”. Those over 75 appear the most likely to explain their lack of basic items as the result of not wanting them, even if they have no money to pay for them.

Pensioners over 75 are more likely than younger pensioners to go without holidays. They are also less likely to go out socially once a month or more, and less likely to have access to a car or taxi when they need one.

One of the reasons that older pensioners have lower incomes is the lower levels of pension savings they were able to make during their working lives. Another factor is that incomes tend to decline as people age.

Age UK (a charity for the elderly) gives another reason why pensioners can be hit by government rules—namely, that pensions are reduced by time out of employment, caused by such issues as caring responsibilities, disability or unemployment.

The report shows up the fraud of the “generational divide”—claims that the younger generation is suffering because the older generation are getting more than their “fair share”.

This myth ignores the actual conditions facing many elderly people and the fact that wealth is as unevenly distributed among the elderly as it is among the population at large. The “generational divide” is another attempt to create divisions in the working class and distract attention from the reality of the class divide—which has become an ever-widening chasm.

The authors of the report do not intend to draw attention to class issues—the words “working class” and “inequality” are noticeable only by their absence. It makes a long list of recommendations for changes, none of which will be carried out as government policy heads in the opposite direction.

After claiming to have “ring fenced” pensions for the last few years, sections of the ruling class have recently become more vocal in calling for a direct assault on the elderly as part of their programme of imposing austerity on the working class.

The discussions around the selling of British Home Stores and Tata Steel’s UK operations—in which the rights of those who paid into occupational pensions have been used as a bargaining chip, with a fall in payments of up to 10 percent being envisaged—show that pension arrangements are slated to be ripped to

shreds as the economic crisis begins to bite deeper.



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