

Government risks losing female vote

The Government's failure to act to improve women's pension rights could prove costly at the next general election, according to new research commissioned by Age Concern England and the Fawcett Society, the leading organisation working for gender equality.

The new findings, compiled by the polling organisation TNS, show high levels of dissatisfaction: three-quarters of women aged 55 to 64 said they were unhappy with the Government's performance on pensions. Women in this age group are more likely to be swing voters, undecided about which party to support at the next general election.

The survey of more than one thousand adults also found that 91 per cent of all women believe that the Government should make a higher basic state pension a priority. Sixty-four per cent of those aged 55 to 64 said it should be a "top" priority for the Government.

The survey was released as the two organisations launched *One in Four*, a new report on female pensioner poverty, at the House of Commons on February 2. Welcoming delegates to the event, Michelle Mitchell, Age Concern England's Head of Public Affairs, said the Government was failing women:

"More than a year after its pensions Green Paper *Simplicity, Security and Choice* identified that current policy was failing women, one in four single female pensioners continue to live in poverty, and



Baroness Hollis meets women facing poverty in retirement

for every £1 received by a man in a pensioner couple, a woman receives just 32p.

"The Government has turned its back on state pension reform in favour of means testing. But up to 380,000 of the poorest women pensioners are missing out on Pension Credit. There is growing anger from women of all ages that the Government isn't listening to them. If the Government fails to act it will break its promise to create opportunity for all. This could

prove costly at the ballot box."

Speaking at the launch Baroness Hollis, Parliamentary Under-Secretary of State at the Department of Work and Pensions, pointed out that pensioner incomes "have increased more than wages" but admitted that "pension poverty is a women's problem." She said that *One in Four* was a "valuable contribution" to "a debate that has just begun."

Katherine Rake, Director of

the Fawcett Society, which is working with Age Concern England on the *Let's Make Pensions Work for Women* campaign said:

"*One in Four* warns that if the Government continues to bury its head in the sand on pension reform future generations of women, particularly carers, full-time mums and low-paid workers, will spend their retirement in poverty.

"We have put a number of sensible, affordable reforms on the table. The Government must act now and send a clear message to women that their votes matter. People shouldn't be sentenced to a retirement in poverty simply because of an outdated and unfair state pension system. We urge the Government to act now."

• Vera Baird MP's Early Day Motion on Women and Pensions (EDM 523), tabled immediately after the launch of *One in Four*, calling on the Government to take action to reduce women pensioner poverty, has already gained more than 100 MP's signatures.

Photo: Nick Hayes

Age Concern England/Fawcett Society key reforms to state pensions:

- Make work pay for everyone – reduce the Lower Earnings Limit to enable low-paid workers to build up their right to a basic state pension
- Pensions not penalties for carers – replace Home Responsibilities Protection with a more accessible, flexible and fairer system of weekly credits for carers. Allow the State Second Pension element of the credit to be paid into the pension scheme of the individual's choice
- Make second pensions work for women – improve opportunities for women to build up better second pensions through a more generous and inclusive State Second Pension and encourage employers to develop occupational and private pensions that reflect the needs of women
- Pay all who put in – scrap the unfair rule which means that women who have paid fewer than ten years full contributions receive no pension and take away the unnecessary time limits for paying backdated pensions

Inside this issue...

Small firms lead the way on older workforce • Equal opportunities for carers • Women speak out on pension injustice • Over-50s create a quarter of the country's wealth

Small firms value older workers

Smaller businesses are taking the lead in recognising the skill and talents offered by older workers, according to Andrew Smith MP, Secretary of State for Work and Pensions.

Speaking at Age Concern England's conference *The Age Agenda* on February 10 he said: "As Age Concern's own research shows, the myth that older people are less effective workers is exactly that, a myth.

"We know that many people nearing state pension age do not necessarily want to stop working completely – instead they want to choose how and when they stop working. No only for the obvious financial benefits, but because older workers are more likely to enjoy high levels of job satisfaction.

"Employers tell us that including older people in their team not only makes for a more motivated, reliable and flexible workforce, it makes good business sense too.

"Smaller employers are acting as trailblazers in the labour market. Research shows that workers over state pension age

are more likely to be working for smaller firms. Larger companies would do well to learn from their example in making more of what older employees have to offer."

He cited the good practice of one small employer, Stanair Industrial Door Services, which has no official retirement age and prides itself on retaining older workers with their "tremendous bank of knowledge and experience". Retirement dates at the company are mutually agreed between employer and individual employees.

Mr Smith outlined the Government's measures to promote older workers' employment: "Outlawing age discrimination, offering practical support to help people on incapacity benefits back into work and shattering stereotypes through our *Age Positive* campaign all show we are serious about developing a more age diverse workforce.

"We have much to be proud of already. The number of people aged 50 or over in work has increased by a million



Photo: Nick Hayes

The Secretary of State praises small employers for valuing older workers at Age Concern England's Age Agenda conference

[since] 1997. But we all need to work to change attitudes to planning for retirement and open up to new opportunities for working longer."

He said the forthcoming Pensions Bill would be a major step forward in the drive to improve pension security and restore confidence in the pension system and would reduce the layers of regulation.

"The Bill will set up a Pension Protection Fund – so that as we move forward people can be much surer that a pension promised is a pension honoured," he added.

Gordon Lishman, Director-General of Age Concern England, told the conference that it was "high time we lost our ageist attitudes, not our older workers."

"Sam's Bill" aims to improve life for carers

A Private Member's Bill to provide the nation's unpaid army of carers with better support was given an unopposed second reading in the House of Commons on February 6.

The Carers (Equal Opportunities) Bill aims to ensure that carers have better information on support services, equal opportunities in education and training and to improve co-operation between

health authorities and councils in their assistance for carers.

The Bill has become known as Sam's Bill because its sponsor, Hywel Francis MP and his wife Mair cared for their son Sam for 16 years until his death in 1997.

Opening the debate, Dr Francis said: "Carers need a life beyond their caring responsibilities and this is what this Bill seeks to achieve."

The Bill, which was prepared with the help of Carers UK, has the support of many charities. British Gas and British Telecom, along with the Metropolitan Police and other businesses, have also backed the Bill. Every year 2.3 million carers finish caring and, as 80

per cent are of working age, this represents a large pool of potential employees.

• Speaking to the All Party Parliamentary Group on Ageing and Older People on February 7, Emily Holzhausen of Carers UK told MPs that the peak age of caring is between 45 and 64. One in four people are carers, and 1.25 million of them work for more than 50 hours a week. Employers needed to be more flexible, with obstacles removed to make it easier for carers to work. She welcomed the Age Concern England/Fawcett Society campaign to improve pension provision for women, which includes a proposal to introduce a carer's credit.



Dr Hywel Francis MP: Personal experience as a carer

Photo: John Cobb

The reality of the women's pension crisis

Four women approaching state retirement age tell Hannah Pearce, Age Concern England's Parliamentary Assistant, about why they feel let down by the current pension system.

A tale of two sisters

Annie Brenton and her identical twin Susan Grindrod are 56. Their lives have followed similar patterns – they both stayed at home to look after their children, they even got married on the same day. However, their retirement plans and their future financial security are very different, as Annie explains:

“I have always been on a low income and have never been able, or been given the opportunity, to make adequate provision for a second pension. As a result I am extremely dependent on the basic state pension.

“It came as a complete shock to me when I found out I will only be eligible for 70 per cent of my state pension when I reach 60, despite having worked full-time for 20 years. Susan, my identical twin sister, has worked fewer years and will be entitled to a full state pension and therefore able to retire at 60.”

The difference arises because Annie had her children ten years earlier than Susan, and unlike her sister was unable to claim Home Responsibilities Protection. She was told that she could not sign on as unemployed, because she had no childcare and therefore was not eligible to work, and therefore could not be credited with National Insurance contributions.

“As a result I missed out on years of contributions and will now struggle to make ends meet in retirement. The current pensions



Annie Brenton and her identical twin Susan Grindrod look forward to very different futures

system is totally against gender equality. I've put so much in over the years – both in employment and voluntary work – and am furious that I will now have to work for at least another ten years in order to receive my full state pension.”

Full-time carer

Brenda Goodwin is 56 and has spent the last 35 years working as a carer. She brought up her three children, nursed her mother, who had breast cancer, for 16 years and provided 24-hour care for her second husband for the last months of his life.

“I have never been in a position to pay my own National Insurance. While my second husband was alive he claimed a dependence allowance on his pension for me which meant I was unable to claim Carer's Allowance. Since then I've found out that if I had claimed Carer's Allowance I would have been entitled to NI credits, but no one told me this until it was too late.

“I believe that all carers should have the opportunity to build up their pension provision for the future, regardless of other benefits.”



Brenda Goodwin has spent a life time caring for others

Low-paid worker

Fifty-eight year-old Frances Gascoyne has worked for years in low paid jobs – and has had many problems trying to build up her pension provision over the years.

“It is so difficult to receive a full state pension as a woman. I've had a number of jobs, both full-time and part-time, but because individually none of them paid more than the Lower Earnings Limit I wasn't included in the National Insurance system for years. This is despite that at times I was juggling three jobs and earning more than the Lower Earnings Limit overall.

“I feel angry that I worked so hard to make ends meet and yet still found myself in this position. I think it's a disgrace that the current pensions system discriminates against low paid workers in this way. The Lower Earnings Limit is scandalous and must be reassessed.”

Part-time worker

Christine Dunn, 57, worked for the NHS for 23 years, with a 14-month break to have children. Although she fought hard to get into an occupational pension scheme, for many years she was denied access because she worked part-time.

“I think it should be made easier for people like me to sign up to a second pension. I naively paid the “married women's stamp” thinking this would secure me a decent retirement income, but am now set to receive a state pension of 71p per week when I retire at 60 – despite paying £58.54 each month in National Insurance contributions.

“Everybody should be given the chance to build up a decent retirement income. The Government must make all second pensions obtainable.”

Photos: Brendan Kelly/Mousetrap Media

Women pensioner poverty: a problem that isn't going away



As Age Concern England launches a new report as part of a joint campaign with the Fawcett Society, its Head of Public Affairs, Michelle Mitchell warns the Government that action on state pensions is needed now

During our research for *One in Four*, our new report on female pensioner poverty, it became increasingly clear that the current pension system is failing many thousands of women. We came across countless cases of injustice: women who had given their lives to the care of others facing an impoverished future because they had never been able to build up National Insurance contributions; women whose, often significant, contributions counted for very little because they had worked part-time, or taken a break to raise a family; women who worked in two or three low-paid jobs at once and missed the chance to make contributions.

By the end of this decade, when women as well as men will claim their state pension at 65, we need a pension system that delivers a secure, adequate income to all, enabling everyone to plan and prepare with confidence for retirement. If men and women are to be treated equally in this new system then we need radical reform of the state pension, to reward all contributions, no matter how small, and to include low-paid workers and those who chose caring over their career.

The current state system clearly isn't working. Its structures are more suited to the social structures of Britain in the 1940s – when few women worked, divorce rates were low and couples relied on the man's income during his working life and beyond.

At the moment only 13 per cent of all women pensioners have managed to build up entitlement to a full basic state pension. Women are also less likely to benefit from occupational pension schemes. The average married man receives £103 per week from an occupational pension while his wife can expect just £17 a week.

While the pension credit has made a difference in the short-term by getting extra cash into the pockets of some of the poorest pensioners (pensioner incomes have increased by £7 billion a year since 1997, reducing poverty by a fifth) the improvements have not been delivered to everyone. The Government's own figures show that up to 380,000 single women pensioners fail to claim what they are entitled to.

To tackle pensioner poverty in the long-term, pension policy must be built around a higher and more inclusive basic state pension. The Government

must move away from means testing: it is costly, complex and leaves out too many people. Instead it must address the causes of poverty.

In the short term a few changes could form the basis for more radical reform. They include reducing the Lower Earnings Limit to bring low-paid workers into the National Insurance system, introducing a fairer, more accessible system of credits for carers and paying pensions to everyone who pays into the National Insurance system. Pension entitlement should reflect a broad notion of participation including caring and other unpaid work.

In 2010 the age at which women claim their state pension will be raised to 65. When women will have to work as long as men before they can claim a pension, this must be matched by better rights to a decent pension.

Pensions will be a big issue at the next General Election, and the female "grey" vote will be a key factor in its outcome. Older women's votes are vital because they are one of the groups most likely to use their vote, and to change their allegiance. Politicians of all parties would do well to remember this.

Photo: Nick Hayes

Age Concern England's Report: Other Viewpoints

"The Government welcomes this report and recognises the disadvantages that may be faced by women in retirement. Action is in place to tackle this, including a new option to transfer pension rights built up in one job and take them to another, benefiting a large number of women who have interrupted work records because they have been bringing up children, looking after elderly relatives, or working for short periods in different jobs."

Department for Work and Pensions

"Any sustainable pensions reform must take into account the basic state pension and the incentives provided for people to save for a second pension on top of this – this is not just an issue which affects women."

The Institute of Directors

"The more we can strengthen entitlements and plug some of the gaps identified by this report, the less we should have to rely on means-testing. Perhaps the most important of the proposals is a stronger system for pensions for carers, and this means moving more decisively away from a model of pensions simply recognising paid work rather than the other contributions that people make."

Joseph Rowntree Foundation

"Women do badly from pension schemes, whether state or private. Most schemes were designed for a world where women stayed at home minding the family, and remained married to a faithful and supportive husband all their lives. Times have changed."

Help the Aged

Over-50s create a quarter of the country's wealth

The over-50s currently create a quarter of the UK's wealth and could produce more, given the opportunity, according to independent research commissioned by Age Concern England.

Far from creating a demographic time bomb, an ageing population should be celebrated and utilised to bring increased prosperity and economic benefit to our society, according to *The Economic Contribution of Older People*, by Pamela Meadows, a leading economist researching the effects of an ageing workforce. Unpaid work by older people, including grand-parenting, caring for partners and volunteering is valued at £24 billion a year.

The research also finds that up to one million older people not currently in paid work could be employed, adding up to £30 billion extra to the annual economic output. Ms Meadows said: "A rise of just a third of a per cent per year in workers from 50 to 69 will be more than enough to meet the economic challenge of the ageing population. The increase would add an additional £63 billion to

economic output by 2021.

"Yet despite the output of older people, under-employment of the over 50s rather than the ageing demographic itself poses a serious threat to the future of the UK economy. By 2021, 40 per cent of the population will be over 50, yet many older people cannot get jobs."

She added: "A debate that characterises older people as dependent on others in society is misleading. Existing contributions to national wellbeing, whether through paid employment or through unpaid work, are significant. But the economic contribution by older people could be greater still."

The report points out that the Government needs a clear strategy to effectively reduce under-employment of older workers, scrapping mandatory retirement ages and making New Deal accessible to all over 50s who are unemployed. At the same time, age discrimination should be tackled to help ensure older people are not denied opportunities to work because of their age.

Ms Meadows cited the case of Mr W, an engineer in

Lancashire, made redundant at 49 after working for the same employer for 26 years, who said:

"I quickly became aware that I was not finding work because of the "age" limit factor. Companies wanted 30 years of experience but on 35-year-old shoulders."

Gordon Lishman, Director-General of Age Concern England, said: "This landmark report clearly identifies the amount older people in the UK put into the economy and their untapped potential. Our research shows an annual loss of between £12 and £30 billion to the UK economy through older people's unemployment. We must provide greater opportunity and equal



Economist Pamela Meadows

protection to older workers to help plug this enormous gap and take advantage of the skills and experience an ageing demographic presents.

"When the Government introduces its planned Commission for Equality and Human Rights it must ensure that it is given the ability to promote age equality ahead of new age discrimination legislation in 2006. Failure to value older people's skills means that the whole country suffers."

Older People in the Workplace

- In 2001 6.7 million people were in paid work
- In 2001 workers over-50 contributed £201 billion to national economic output – around one quarter of the total economy
- Of those older people between 430,000 and one million could enter the labour market
- If those people were in work, between £12.4 billion and £29.7 billion would be added to annual economic output
- Workers over 50 years of age are as productive as those aged 25 to 49 in almost all occupations
- Employers reported 113,000 vacancies that could not be filled due to skills shortages
- By 2001 the number of people aged 16 to 49 will fall by almost one million, while the number of people aged 50 to 69 will rise by a million and a half

Older people in the community

- Unpaid work by older people is worth an estimated £24.2 billion – or 2.9% of the economic output of the UK
- Three million people over 50 care for a sick, frail or disabled person
- Caring by older people is worth £15.2 billion per year
- One quarter of families rely on grandparents to provide child care each week
- Grandparenting saves the economy £3.9 billion a year
- More than five and a quarter million over-50s provide unpaid voluntary work
- Older volunteers save the community £5.01 billion, with each individual contributing £965 a year to the economy



Grandparents save the economy £3.9 billion a year

Information

Diary Dates

March

17 **Budget Day.** The Chancellor of the Exchequer Gordon Brown MP will present his 2004 budget. Age Concern England is urging him to make a commitment in his budget to address the complexities in the pensions system penalising women.

Age Concern Events

March 1, **Creating Opportunity – is Europe Working for Older People?** Regional Events: March 19, Yorkshire; March 26, South East; April 2, London and South West. Contact bridgej@ace.org.uk for further information.

March 13, 1.15 to 2.15pm, Labour Spring Conference, Age Concern England and the Fawcett Society will host **Let's Make Pensions Work for Women** with speakers to include Rt Hon Dawn Primarolo MP; Paymaster General, HM Treasury (invited), Michelle Mitchell; Age Concern England and Katherine Rake; Fawcett Society

March 16, **Ageing & the Countryside Conference**, organised by Age Concern England. To be held at the Victoria Park Plaza Hotel. Of interest to politicians, policy makers, academics, students and researchers as well as organisations representing older people and rural communities. For booking details go to: www.ageconcern.org.uk/ageingcountryside

Spring Party Conferences

Conservative: March 5 to 7, Harrogate

Labour: March 12 to 14, Manchester

Liberal Democrats: March 19 to 21, Southport

New Early Day Motion

EDM 602, set down by Dr Hywel Francis MP, February 10

That this House notes that seven million carers who look after family, partners or friends in need of help because they are ill, frail or have a disability do so unpaid; places on record the country's appreciation of their invaluable sacrifice, which is estimated at £57 billion, the equivalent of the cost of the National Health Service; further notes the progress made in the last decade in advancing the status of carers through the enabling legislation of successive Conservative and Labour Governments and the National Carers Strategy; and welcomes all new efforts to achieve equal opportunities for carers, particularly in relation to their health and wellbeing, lifelong learning, work and leisure.

Reports

The Costs of Care – report by the Coalition on Charging which explores how the new guidance on charging for home care (Fairer Charging Policy) is impacting on the lives of older and disabled people and their carers.
<http://www.disabilityalliance.org>

Implementing Building Capacity and Partnership in Care: from Principles to Practice – Discussion report on care services for older people, from the Association of Directors of Social Services. It aims to help local partnerships adopt practices that will bring stability to local residential, nursing and domiciliary care markets.
<http://www.adss.org.uk>

Does Money Matter? Older People's Views of their Monetary Resources – Joseph Rowntree Foundation report on views and experiences gathered from groups of older people and others.
<http://www.jrf.org.uk>



Claiming what's rightfully yours shouldn't just be down to luck. However, knowing what you're entitled to and how to go about getting what you're owed can be confusing. This year's Age Concern **Your Rights** week runs from April 16 to April 23 and is there to help all older people ensure they are claiming correctly. Information and advice on a wide range of issues, from council tax reductions and help with fuel bills to free TV licences and claiming disability living allowance, is covered in the **Your Rights** booklet. It's available free from local branches of Age Concern.

www.epolitix.com/forum/age-concern

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