

Ageing population no threat to economy

A House of Lords' committee has criticised the current state pension system for leaving many older people, particularly women and those from minority ethnic communities, in poverty while concluding that an ageing population provides no threat to the country's prosperity.

A report from the Lords Economic Affairs Committee, released on January 10, called on the Government to help the most vulnerable by considering the replacement of the basic state pension with a non-means tested citizenship pension. This pension would depend on the number of years of residence rather than National Insurance contributions. The committee argued that this would provide a foundation for a scheme of additional pensions funded by voluntary saving and would avoid the Government's "heavy and growing reliance on means testing", which was severely criticised by the committee.

The report warned that too many women relied on their husband or partner to provide for them in later life.

The inquiry into Aspects of the Economics of an Ageing Population, launched in December 2002, also examined pensions policy, the supply of labour, age discrimination and retirement age. Its report concluded that an ageing population posed no threat to prosperity and growth in the economy but said that ageism was still rife in the UK and called for an end to "blatant age discrimination."

A key recommendation to the Government was that its own policy and legislation should be vetted:

"Just as legislation is now scrutinised for possible infringement of, say, human rights, it should become routine for such scrutiny to cover the issue of age diversity, and for Ministers to certify that policy and legislation do not contain an ageist element."



Photo: Alex Segre/Rex Features

A bright future for an older workforce?

Lord Peston, who chaired the committee, said: "The UK has adapted well to the challenges and opportunities posed by an ageing society. New laws on age discrimination in 2006 should help empower and encourage far greater participation of older workers. Nonetheless, a bias against employing older people and of appointing them to public bodies remains; this is economically inefficient and ethically unacceptable. It should be ended, and the government in particular must take a lead."

The report also came out strongly in favour of abolishing the mandatory retirement age: "The Government should not permit the continued use of a normal retirement age by employers, whether at age 65, 70 or 75, unless the employer can provide an objective

justification for the use of age rather than performance criteria in determining employability."

It called on the Government to commission research on the relationship between age and job performance to inform future policy.

Gordon Lishman, Age Concern England's Director General, welcomed the range of issues the committee addressed, the report and the Lords' recognition of the inadequacy of the basic state pension. He said a powerful new body was essential to implement forthcoming age discrimination legislation.

He said: "The proposed Commission for Equality and Human Rights will be a major step forward in fighting for equality for all, including older people whose rights will be covered by such a body for the first time."

Ageing and the UK: facts and figures

- Average life expectancy has risen from 42 in the middle of the 19th Century to over 75 for men and 80 for women today
- The birth rate is falling: women born in the mid-1930s had an average of 2.45 children, while those born in the mid-1970s are expected to bear an average of 1.4
- In 2001, for the first time, there were more people aged over 60 in the UK than under-16
- By 2051 an estimated one in four people will be 65 or over
- The average employment rate among men aged between 50 and 64 is 70% – this rises to 78% in South East England and falls to 55% in the North East of England. For women of the same age the average employment rate is 55% (62% in South East England, down to 45% in Wales)

Inside this issue...

Ageing in the capital report • Nightingale home closes • Response to Lords' economics and ageing inquiry • Age Concern England to hold debate on the future of older people in Europe



Age Concern's David Mannion

Pensioners in poverty and a lost workforce – London in 2004

A new report from Age Concern London finds that inner-London has the highest proportion of pensioners living in poverty in the UK, while around 250,000 people aged 50 and over in the capital are not in work and want to be.

Making Age Work for London launches Age Concern London's campaign for older people's needs to be considered in the future economic and social planning of the city. It argues that this potential workforce of over-50s – equivalent to seven per cent of the capital's current workforce, could be the answer to the city's skills shortage and help future pensioners enjoy a better standard of living.

David Mannion, Director of Age Concern London, said: "Imagine if a significant proportion of this pool of workers was in employment, even of a part-time nature. The contribution to alleviating later life poverty might be significant. Some of the capital's skill's shortages might be addressed differently."

While highlighting the benefits of an age diverse workforce, the report points out the challenges to making this a reality in London. These include ethnicity, caring responsibilities, disability, the location of jobs, poor skills and qualifications and the lack of training opportunities. Age discrimination was also a major factor.

Mr Mannion said the implications of the report's findings were important for

those concerned with the wider equalities agenda – especially the impact of population ageing on black and minority ethnic (BME) older people's communities and their needs into the future.

"What this report reveals is how little research and understanding there is of the issues affecting older people in employment – productivity, the labour market and the contribution made by volunteers and the voluntary

sector to London's economy."

He added that *Making Age Work for London*, which was funded by the London Development Agency and the 3rd Sector Alliance Policy Development Fund, was a scoping report and called for more research into many of the issues it identified.

The report can be downloaded from www.aclondon.org.uk or ordered from Age Concern London on 020 7737 3456.



Working life in the capital must include an older workforce

Photo: Nick Hayes

Ageing in London

- While London is often seen as a "young" city, it actually has more people aged 65 and over than Scotland, Wales and all but three of the English regions
- London is home to nearly half the UK's minority ethnic population. The number of elders (65+) from Black and Minority Ethnic groups is predicted to triple in the years from 1991 to 2011
- More of London's pensioners live alone than in other parts of the UK, with 43 per cent of those in inner London and 34 per cent in outer London, compared to 33 per cent for the UK as a whole
- Thirty-six per cent of inner-London's pensioners live in poverty – the highest percentage in the UK. Throughout the capital an estimated 290,000 live in poverty

Life in London could be improved by:

- Acknowledging the strategic effects of ageing and demographic change in London within key planning documents
- Adopting a joined-up approach to planning, focusing on diverse populations – including factors such as age and ethnicity – and ensuring that health, housing and social needs are taken properly into account
- Tackling the consequences of stereotyping older people as "economically inactive" and explicitly recognising and planning for their contribution as carers, family supporters and consumers
- Preparing for, and recognising that, the abolition of age discrimination in employment will have an impact on recruitment and the labour market in London

Pensions wake-up call for twenty-somethings

People in their 20s are to receive combined state and private pension forecasts from the Government in an attempt to interest them in their future finances, according to Malcolm Wicks MP, Minister for Work and Pensions.

Mr Wicks was speaking to a meeting of the All Party Parliamentary Group on Ageing and Older People on December 16. He said that people needed more information to educate and enable them to think about their future before they reached their 50s.

Nigel Waterson MP asked the

Minister about the challenge of making young people consider their pensions. Mr Wicks said that the lack of trust in either state or private provision gave people an excuse not to take responsibility for themselves. He hoped that the pensions forecaster would provide them with a “wake-up” call to make proper arrangements.

Mr Wicks also told the meeting that the “politics of demography” were becoming “more and more important”. He said the ageing population had implications not just for pensions, it also raised serious questions about social welfare

and healthcare provision. He emphasised it was important not to see the ageing population in terms of a looming crisis but to see the opportunities and positive contribution older people make to society.

He said that while the Government was interested in extending working life it was not interested in increasing state pension age, only to equalise the position between men and women (the state pension age for women will be increased from 60 to 65 by 2010). The Minister pointed out that 30 per cent of people



Wicks: wake-up call on pensions

over the age of 50 and under state pension age are not working and a large proportion of these individuals are dependent on benefits. Incapacity benefit claimants had increased three-fold since the 1980s. “We need to enable those people to become economically active,” he said, adding that the Government was committed to outlawing age discrimination and making it more attractive for people to work past state pension age by offering the extra pension as a lump sum.

Turning to occupational pensions, Mr Wicks looked forward to the Pensions Bill, to be published early this year: “At the heart of the bill is the insurance for pension schemes,” he said. The pension protection fund would be modelled on, and draw lessons from, the US pensions corporation.

Defending the new pension credit, Mr Wicks said that means testing ensured that the poorest pensioners were getting targeted help. An increase in the basic state pension, while ensuring 100 per cent take-up, would benefit the richest and poorest equally and he pointed out that two-thirds of those eligible for the pension credit were women. Answering a question from Eddie O’Hara MP, he agreed that more work needed to be done to “crack the problem” of pension credit take-up.



Lea Hurst, formerly the family home of Florence Nightingale, is to close as a residential home because the charity that owns it can no longer sustain losses of £100,000 a year, writes the *Matlock Mercury*.

The closure highlights the crisis in the care home sector. The sector’s problems caused the Consumer’s Association to make its second informal super-complaint on care homes to the Office of Fair Trading (OFT) on December 5. The association has worked with 28 specialist charities, including Age Concern England, represented by the Social Policy Ageing Information Network (SPAIN).

Its submission identifies two areas in need of particular examination: (1) Evidence shows that fees paid by public authorities to private and charitable organisations are often insufficient to cover the costs of care. This is of particular concern as it can lead to cross-subsidisation (private residents being charged more than local authority residents in order to make up the financial shortfall left by local authority payments); (2) Relatives of local authority residents being forced to cover the real costs of care by making up the shortfall in fees paid by local authorities. In some cases the residents themselves are expected to top-up inadequate local authority fees.

Les Bright, Chairman of SPAIN, said: “Shortages of homes in many parts of the country mean many older people are forced to move miles from partners and family, pay more to get the care they need or even move between homes at short notice, causing enormous anxiety.

“This is a major opportunity for the OFT to undertake a major investigation to make this market work. Everyone must stop burying their heads in the sand and ensure older people get the care they need, when they need it.”

The House of Commons debated a motion on care homes on January 7 when Simon Burns MP criticised the Government’s “over-prescriptive, expensive and beaurocratic regulation of the sector.” Speaking for the Government, the Parliamentary Under-Secretary of State for Health, Dr Stephen Ladyman MP, said: “Loss of care home capacity in areas where there is a significant over supply is not a problem, provided that closures are managed sensitively. There is a greater problem when losses occur in an unplanned way in areas where there are few other alternatives or where supply and demand have not yet reached a balance.”

Photo: Florence Nightingale Museum/www.florence-nightingale.co.uk

Government must lead in abolishing ageism



After an all-party Lords' committee said the Government should scrutinise all policy and legislation for ageism, Gordon Lishman, Age Concern England's Director General, considers the importance of leading by example.

Age Concern England was one of the organisations that gave evidence to the Lords' Economic Affairs Committee's Inquiry into the impact of an ageing population on the UK. The committee's report was published last month and found that our ageing population, in which the number of people over the age of 65 is now greater than those under 16, poses no threat to the future prosperity of the nation.

The Lords' thorough report reinforces Age Concern England's own beliefs – older people are an asset, not a drain on our society. Yet older people suffer discrimination, often forced to retire, undervalued and largely unprotected in the workplace, often living in poverty and subject to prejudice in all areas of life.

This clearly has to stop. Older people deserve the same rights and respect as everyone else in our country and it's time for the Government to take the lead to ensure that this happens.

A key Lords' recommendation reads: "Just as legislation is now scrutinised for possible infringements of, for example, human rights, it should become routine for such scrutiny to cover the issue of age diversity and for Ministers to certify that policy and legislation do not contain an ageist element."

We are calling on the Government to adopt this policy, demonstrating its real commitment to ending the pernicious ageism that permeates our society, devaluing the experience and talents of older people.

There are of course many other ways in which the Government can, and must, show it values older people. The Lords' report calls for a revision of the basic state pension system to make it fairer for those who are unable to build up long-term National Insurance contributions. Women are particularly disadvantaged: many spend years bringing up children or looking after older relatives and are unable to work, or work part-time in low paid jobs without the ability to build up pension contributions. Age Concern England and the Fawcett Society, the leading organisation working for equality between the sexes, are campaigning jointly on this issue. *Let's Make Pensions Work for Women* gives economically sound, practical solutions to the financial plight faced by millions of women both today and in the future.

Age Concern is asking the Government to show its commitment to older people in the workplace, recognising the

quality of their work and their contribution to economic success by honouring its promise to put an end to mandatory retirement ages in the forthcoming legislation on age discrimination. Why should someone who enjoys work have to give up on his or her 65th birthday if they don't wish to? Not only would abolishing mandatory retirement allow many skilled and talented people to continue to enjoy a full and active life, it would help them to enjoy a wealthier retirement later.

The Government must also show that it values older people enough to invest in their education and training. Life expectancy is growing: it is nonsense to deny someone a student loan after the age of 54. Unemployment rates for the 55-plus age group are still far too high – a chance to retrain would benefit thousands of people, and the economy.

The Government needs to devote time and resources to getting the pensions system, both public and private, right. For retired people to enjoy equal status and a comparable lifestyle in an increasingly affluent population, we need to ensure that they receive a fair deal from the society to which they have contributed throughout their lives.

Photo: Nick Hayes

Other viewpoints:

"Demographic analysis confirms that the number of older people from ethnic minority groups is set to rise dramatically in the coming decades, and PRIAE calls on the Government to act now in order to ensure that the needs of this constituency are met in terms of income, health and social care, and quality of life."

PRIAE (The Policy Research Institute on Ageing & Ethnicity)

"By introducing a default retirement age of 65 we cater to individuals and allow business the necessary structure to the employment relationship. Without that structure businesses face significant difficulties predicting when they need to recruit and train – resulting in skills shortages, job blockages, low morale and decreased productivity. A default retirement age also protects against the unanticipated consequences of removing retirement ages."

The Confederation of British Industry (CBI)

"Of the major western economies which are trying to fund pensions, our Government is the only one which has yet to recognise the new role the modern state can play in protecting consumers. We need a secure, fair, and sustainable pension system – a decent basic state pension must be the foundation of that system, with better ways of providing access to pension schemes which act in the national economic interest, rather than the interests of the UK insurance industry."

Consumers' Association

"The use of age and age related criteria is so pervasive in the way employment decisions are made that employers can't afford to lose time in getting prepared for the new legal obligations. Good practise advice is available now to help them get off the starting blocks."

Chartered Institute of Personnel and Development



Ahead of the European elections in June 2004, James Bridge, Age Concern England's European Political Adviser, asks:

“Is the European Union creating opportunity for older people?”

Age Concern has been working for change at a European level for 25 years, independently as well as with international partners. In the UK and in Europe its work has influenced policy on age discrimination, employment, pensions and pensioner poverty in order to improve opportunities for older people in the UK. The coming elections to the European Parliament offer an opportunity for Age Concern to create debate and raise awareness of the rights of older people, to challenge age discrimination and to highlight barriers that create difficulties for them.

On March 1 Age Concern will host a debate on whether the European Union (EU) is working for older people. Denis MacShane, the Minister for Europe, has invited the charity to hold this cross-party *Question Time* style event at the Foreign and Commonwealth Office in London. MEPs will respond to older people's concerns. There will also be regional English events, and debates organised by the Age Concerns in Scotland, Cymru and Northern Ireland.

In his keynote speech Dr MacShane will focus on EU enlargement, which takes effect on May 1, 2004 and marks the biggest expansion in the EU's history, ending the divisions of the Cold War. The new European Union will create a single market bigger than the US and Japan combined, with 450 million consumers. In 2003, older people represent 16 per cent of the total population of the EU and 24 per cent of what is considered to be the working age population (15 to 64 year-olds). The ten new Member States will bring opportunities and challenges,

new approaches and different experiences.

The key issues to be debated include the growing influence of older voters, age discrimination, older workers, and income in later life. The debate is designed to promote understanding about the relevance of European policy to older people, and to enhance politicians' understanding of the views and voting behaviour of older voters.

Politicians, policy makers and strategists know that like the rest of Europe, the UK is getting older. By 2021, 40 per cent of us will be over 50, compared with one third of us now. An older population means an older electorate. Older people have been shown to be more likely to vote than any other age group: more than half of over-55s say they intend to vote in this year's European Parliament elections, while only a quarter of people aged 18 to 40 said the same.

In 2003, the think-tank Demos conducted a study into

the baby-boom generation. The results showed that older people's expectations are changing and that voting patterns amongst this group are now less fixed than was previously the case. This means there will be more competition for their votes.

The EU Employment Directive has already been implemented in some EU member states. When implemented in the UK (by October 2006) it will be illegal to discriminate against anyone because of their age in the workplace, when they apply for a job, vocational training, or courses in further or higher education. The EU was given the power to legislate on age discrimination in the Treaty of Amsterdam, demonstrating the importance of the need to influence EU legislation in the interests of today's and tomorrow's older people.

More than two million pensioners in the UK live in poverty. Around one in five live

in low-income households, with women most likely to face poverty in retirement. The debate will ask what the EU is doing for them.

Age Concern England will be urging older people to use their vote in the European Parliamentary elections. Candidates for the European Parliament must recognise that this group of people has a powerful voice that must be heard. All politicians must listen to the issues that concern older people, including the barriers which older people face in work, the discrimination they face in the supply of goods and services and ensuring that they enjoy a decent pension in retirement. It is time politicians recognised that older people are a political force to be reckoned with and act accordingly.

For further details contact James Bridge at the European and International Unit on 020 8765 7712 bridgej@ace.org.uk.



Europe: building a brighter future for older people?

Information

Diary Dates

February

2 Age Concern England's parliamentary launch of *One in Four*, a new report on Women and Pensions, and part of its ongoing joint campaign with the Fawcett Society, *Let's Make Pensions Work for Women*. Work and Pensions Minister Baroness Hollis will speak at the launch, which is from 3.30 to 5pm in the Jubilee Room of the House of Commons

3 Emily Holzhausen (pictured right) of Carers UK will speak to the All Parliamentary Party Group on Ageing and Older People in Committee Room 7 of the House of Commons from 4 to 5pm. A number of carers have been invited to contribute their experiences and views to the discussion.



Age Concern England is campaigning for a flexible carer's credit to provide an accessible and fair system of weekly credits to enable carers to build up their pensions, rather than being penalised for their inability to carry out paid work

Reports

Crossroads After 50: Improving Choices in Work and Retirement by Donald Hirsch for the Joseph Rowntree Foundation. An overview of the findings of the Foundation's 'Transitions After 50' research programme
<http://www.jrf.org.uk>

Factors Affecting the Labour Market Participation of Older Workers: Research Report No. 200 by Alun Humphrey *et al.* National Centre for Social Research findings of research conducted on work and retirement issues for people aged between 50 and 69
<http://www.dwp.gov.uk>

The Under-Pensioned by Chris Curry for the Pensions Policy Institute. A report on those whose retirement income is likely to be less than that of the average individual; it identifies groups most likely to be disadvantaged
<http://www.pensionspolicyinstitute.org.uk>

Growing Older in the 21st Century by Malcolm Dean for the Economic and Social Research Council. A guide to the research material generated by the Growing Older Research Programme
<http://www.esrc.ac.uk>



Thirty-five cyclists, aged 18 to 71, braved daily temperatures of 110 degrees in October last year on a 400 km cycle through the Egyptian desert from Luxor to Aswan and back. The scenic route took in the Valley of the Kings and the Aswan Dam and has raised £120,000 to date. For those keen to cycle for Age Concern England without sweating quite so much there's a more sedate two-day event on March 27 and 28, with the Palace to Palace challenge. The route will take riders from Buckingham Palace in London to Sandringham House in Norfolk. Further details from Jane Holman, Fundraising Challenges Manager for Age Concern England on 020 8765 7447, or visit www.ageconcern.org.uk/events

www.epolitix.com/forum/age-concern

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Reportage

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