

Catherine McDonald 0:08

Hello, and welcome to insights a podcast from [Understanding Society](#). The study that captures life in the UK in the 21st century, Understanding Society is a longitudinal survey. Every year we ask each member of thousands of the same households across the UK about different aspects of their lives. In each episode of this series, we're exploring how our data has been used in a key area. We'll look at what we found, what it tells us and what we can learn from it. I'm your host, Catherine McDonald, and in this episode, we're discussing how the experience of ageing in England and other parts of the UK is changing, and for many worsening. Here to discuss this are [Dr. Matt Barnes](#), senior lecturer in sociology at City University London, [Jemma Moulard](#), Deputy Director for Research Impact and Voice at the Centre for Ageing better, and [Stephen Pudney](#), professor of econometrics at the University of Sheffield, and Understanding Society's topic champion for ageing and social policy. So Matt, I'd like to start with you, if I may, and look at what's been dubbed pensioner poverty. How does pensioner poverty compare to poverty in the overall population?

Matt Barnes 1:20

Well it's probably best if I start by defining what we mean by poverty and how we measure it and how we looked at it in this project in particular. So we use a notion of relative poverty, which is quite a standard way of measuring poverty in the UK genuinely about not having enough resources to obtain what's widely seen as an acceptable standard of living, such as affording a decent diet, being able to heat your home - so lots of things that are being talked about in the current cost of living crisis. It's generally measured, though, by looking at your level of financial resources, and usually your household income, earnings, pensions, welfare benefits, things like that. Housing costs are then taken off, so rent or mortgage costs, and then the threshold for identifying poverty is set at 60% of the average income (after housing costs) of the entire population. And when we carried out our research, which was data from 2018 and 2019, that was around £750 a month for a single person, and about £1,300 a month for a couple. And when you use that measure of poverty, then it shows that the percentage of pensioners in poverty tends to be a bit lower than in the general population. And that's mainly because there's quite a lot of pensioners that don't have housing costs because they've paid off their mortgage. While many working people do so that cost gets subtracted from their income. But, as always, I guess those broad statistics have a quite a number of differences, particularly within the pensioner population. So there are around one in five pensioners that do have housing costs because they rent their housing. And so those pensioners are at higher risk of poverty. I think it's also worth saying that pension and poverty has been increasing a bit over the past decade. And that's mainly because pensioner's incomes flattened a bit after the financial crisis of 2008, mainly due to a squeeze on welfare benefits and on private pensions and investments.

Catherine McDonald 3:15

As I understand the latest estimates are that 18% of our pensioners live in poverty, which is obviously nearly one in five. Is that right? Is that still the case?

Matt Barnes 3:26

Yeah, so using that measure that we looked at, it was around one in five pensioners in relative poverty. As I suggested, though, that can vary quite a bit within the pensioner population. So certain subgroups of pensioners are more likely to be in poverty than others.

So I mentioned renters, those without a private pension, Asian and Black pensioners, older pensioners, women, those living alone. And then obviously, some pensioners have more than one of those characteristics. So if you're an older single woman in rented accommodation, then your risk of being in poverty would be particularly high.

Catherine McDonald 4:01

And you recently coproduced research with the charity independent age. Can you tell us what you looked at there?

Matt Barnes 4:09

Yeah, the aim of that research was to explore how the experience of poverty changes in older age, and in particular, to examine how pensioners move into poverty, or escape from poverty and what drives those changes. And we also wanted to see what happened when pensioners remain in poverty over the longer term.

Catherine McDonald 4:29

And what did you find?

Matt Barnes 4:30

So we found about one in 20 pensioners move into poverty from one year to the next, and a similar proportion move out. And again, we found that particular groups of pensioners were more likely to make that transition, so single women, Asian pensioners and those in rented accommodation. And we found that about three and five pensioners who entered poverty did so because their social benefit income changed some did because their private pension changed. And about one in five did because their housing costs went up. So when you try to understand why their income change, you're trying to see what event happened before that to trigger that. And that could be a sort of a life event. So for the younger pensions, it could be about stopping work. But I guess looking at pensions more broadly, it's things like couples splitting up or a partner dying, that then means the sources or amounts of income that the pensioner receives can change. So you know, pensioners who enter poverty, it could be that a separation or a bereavement meant that the income say for a benefit that your partner received is no longer accessible. For those who escaped poverty, it could be, you start to claim a benefit that you didn't know you're entitled to.

Catherine McDonald 5:48

So presumably, then, if pensioners are able to move in and out of poverty in that way, it's fair to assume then that a lot are sort of teetering on the edge of poverty a lot of the time, is that right?

Matt Barnes 6:01

Yeah, I mean, because again, we're measuring poverty according to how much income people have. And the poverty line is kind of drawn towards the lower end of the sort of income distribution. And there's a lot of people around that poverty line. So you know, you could be a little way above the poverty line, and whether you're living standards are significantly different from those who are a little way below it, you know, it's probably unlikely. So you do, when you look at the income distribution, you see a big bulge of people towards the lower end. So it is skewed towards people with lower income. So there are a lot

of people that are living on low income, and quite a lot that are living, you know, either just below or just above the poverty line.

Catherine McDonald 6:48

So what policy recommendations would you make based on what your research has shown?

Matt Barnes 6:54

I mean, we can see that the main source of income for low income pension is the state pension and other social benefits. So going back to that discussion about people having a sort of decent standard of living, you know, the money that they achieved through those sources, needs to be enough to provide for that. So whether that's about pensions and benefits being uprated to reflect changes in living costs, the research that we did that actually looked at people that remain in poverty for long periods, suggested that those were the pensioners that were most likely to experience what we call material deprivation. So going without some of those things that people deemed to be necessities. So we looked over a nine year period, and the Understanding Society data lets you do that because it tracks the same people. So you can see how their incomes change from one year to the next. And, in fact, over this nine year period, we can identify pensioners that had remained below the poverty line for the majority of those years. And we could see, yeah, they were the most likely to experience material deprivation. So you'd think that it's those people that need particular help. So I think it's partly about identifying those in particular need. I think it's partly about providing them with more resources, if they don't have enough to cover what we think a decent standard of living is. I know that Independent Age, who we were doing the research for, have been calling for government to increase take up of pension credit in particular, but it's about ensuring poorer pensioners who are eligible for benefits are actually receiving them. So I think making poorer pensioners more aware of the support that's available to them, helping them receive that support, and particularly when they do experience a fall in income, especially if that comes after a life event, such as a separation or bereavement. I think that's important. And particularly so if that partner was the one who used to deal with family finances.

Catherine McDonald 9:00

Yes, absolutely. That's a really good point, isn't it? I think we can all relate to having had relatives or friends who've been in that position where it's the partner that's no longer there that used to deal with all of that kind of stuff. Steve, if I could bring you in here. You've recently completed research that looked at the personal costs of disability among the older population. What did you find there?

Stephen Pudney 9:21

Yes, there has been a big debate about pensioners incomes is particularly topical at the moment, because there's a huge debate going on about the triple lock by which pensions are operated in relation to the greater of the increase in earnings and the increase in the price level. So the state pension is protected by this triple lock. And there is a lot of debate at the moment about whether this can be afforded given the problems we have with government spending at the moment. Now, one thing about this debate about pensioner incomes is that it largely is just a debate about cash incomes. So it's pensions, it's benefits of various kinds, but it leaves out some quite important other factors. And the one we're really

concerned with is disability. The reason it's relevant to this idea of incomes and poverty amongst the older population is that disability brings with it additional living costs. So if you're significantly disabled, you may need to pay people to help you look after the house to help you get into and out of bed, even, if you're very severely disabled. You may need adaptations to your home, you may need different kinds of transport provision, you may need to take taxis rather than driving or taking a bus, for example. Now, what these personal costs of disability mean is that a given income actually buys a lower standard of living for someone who is disabled than for someone who is not disabled. And that means that older people who are disabled are poorer than they appear to be if you measure poverty purely in income terms. And that's particularly relevant if you're comparing the incomes of older people with younger people. And that's because the older population, so the over 65s, for example, has a much higher rate of disability than the working age population. So depending how you measure it, you have roughly well over doubled the rate of disability amongst over 65s than in the working population. Now, that means any comparison between income of those two groups is potentially misleading because it ignores the higher disability costs that the older group experience and have to cope with. Now, public policy at the moment acknowledges the existence of these disability costs that people have to bear. So the older population, if they experience severe disability can claim disability benefits. So there are things like attendance allowance, which is just a monthly cash sum. And to claim that all you need to do is to pass a disability test. In other words, there has to be evidence that you are genuinely disabled and have care needs. That's one strand of public support. A second strand is local authority, subsidised social care services. And there's really quite a fierce means test, you have to be really quite low income, to be able to get free social care in your home from the local authority generally, and this dual system delivers disability benefits to something like 14% of over 65s, and the local authority Care Subsidies are received by only about 3 or 4% of over 65s people. Now, what we tried to do in this research is, first of all, to look at how well targeted this disability support is. In other words, does it go to people who are both significantly disabled and also have low income? And the second question is, how does it relate to the level of disability costs that these people actually experience? Does it meet those costs, for example, what we've found is that the targeting of disability support is pretty good in the sense that in general, pretty much everyone who receives either disability benefit or subsidised social care or both is significantly disabled, and also tends to have a low income. So it goes to the right parts of the population, that parts of the population you would hope it would reach. But on the other hand, it's badly targeted in the sense that a large proportion of over 65s people, about a third of the most severely disabled people in that age group, for example, receive neither disability benefit nor subsidised local authority social care, and this sort of matches what Matt was saying about takeup of benefits, there are quite a lot of people a distressingly large number of people actually, who are in quite a poor state, in this case because of disability, and yet received no public support at all, as far as we can see. So that's a worrying feature of the older population at the moment.

Catherine McDonald 14:52

And why is that and what do you think we can do about it? Why are these people falling through the net?

Stephen Pudney 14:57

It's very difficult to say we've done a lot of work on take up, or various aspects of take up of benefits, I think part of the explanation is information. The benefit system is amazingly complicated. So, to claim some of these benefits, you may have to fill in, say, a 40 page form, you may have to get information from your GP from some other informed carer, for example, it's not an easy process to go through. And because of the complexities of the system, you have to be a bit of a specialist to even understand it. So it's not a straightforward matter for someone who is not used to thinking about these things, to have a clearer idea of whether they might be entitled or not. And there has been some cutback in kind of advisory services that people can use. That's one thing, there's probably a bit of stigma, there are some people who feel, you know, there will be some sort of disgrace attached to them if they claim this kind of support. I think that may be overstated sometimes, but it's just a difficult thing to be sure you're entitled to. And it's a difficult process to go through. And a lot of claims for benefit are turned down initially by DWP, for example. And then if the person can get support and help with making an appeal, there's a very high success rate in appeals against turned down claims. A lot of it is to do with the process, I think. And one last point is this question of whether the level of public support disability benefits subsidised social care, how well does it match the level of personal additional living costs that disability brings? Well, we've done some work to try to estimate how large those personal disability costs are. What we found, for example, is that among the 10% of most disabled, older people, the average disability costs are perhaps as much as four to five times as great as the average level of public support they receive. So it is not true that the system of public support for disability is overly generous, if anything, it's the opposite.

Catherine McDonald 17:18

So that's a staggering shortfall that's being experienced by the most vulnerable people in our society, isn't it?

Stephen Pudney 17:25

I think you have to see it as a kind of safety net, the government is not promising to make you just as well off as you would have been without disability, the only ambition the system has really is to offset it a bit. There is no doubt that becoming disabled is really bad news in terms of living standards. And it's an event that isn't captured in income data. Because if anything, when you become disabled, your income goes up, because you start receiving disability benefits. The problem is that your living costs go up by even more

Catherine McDonald 18:01

Understood. Jemma, if I could bring you into the discussion now. So the Centre for Ageing better states that today people aged 65 and over accounted for 19% of the total population, but that in 10 years time this will have increased to 22%. So what are the key challenges face? Our ageing population given? That is the section of society that is only going to grow?

Jemma Moulard 18:25

Yeah, I mean, you're absolutely right, we are seeing a massive demographic shift. So what those percentages amount to is, there's currently around 10.7 million people aged 65 and over in England, and in 10 years time that will be 13 million people. But this increase in the number of older people itself, you know, that's not the challenge or the problem if we were

all to age, in good health and with enough money, and in a society that treats us fairly as we age, there wouldn't be a huge problem to speak of. The problem is, is that we have too many people who are entering their later life without good health with insufficient finances, and there are massive inequalities in our experience of older age. And as Steve has just highlighted, you know, some real complexities to how those inequalities play out as well. Our [State of Ageing Report](#) which is a comprehensive review of publicly available data, including Understanding Society data really highlights those massive inequalities in ageing and how those inequalities are actually getting wider. So wealth and income, as we've talked quite a bit about today is one of those big aspects of inequality. As Matt discussed, there's significant numbers who are living in poverty and many more who are close to the poverty line. And there's a real cause for concern actually about future poverty rates and financial inequality. So the state pension age is going up. But meanwhile, we're seeing drops in the number of people aged 50 to 65 in work. The number of people who rent their own homes in later life is increasing and we know that that creates much greater financial insecurity and pressure for many people as well. Health inequality is another huge area of concern, the number of years that we can expect to live in good health and without a disabling illness continues to decline and the implications of that I think, have brought into a whole new light when you think about the facts that Steve has just shared, millions of people are living in homes that are damaging their health and well being. You know, our housing stock, quite frankly, isn't fit for purpose. We've got some of the oldest and least energy efficient homes in Europe, less than 1 in 10 of our homes have the required accessibility features. And something kind of underpinning all of this is this pernicious and pervasive ageism in society. Actually, it's everywhere from the ages we see in our birthday cards that refer to someone as a little old lady or over the hill, or those very lazy and dehumanising depictions of wrinkly hands every time we write anything about ageing in our newspapers, but it also goes further than that. It's structural, our labour markets fundamentally ageist, you know, we're forcing older people out of the workplace failing to recognise the value that they add, and making the kinds of changes to the workplace that are needed to help people to stay in work for longer. Our housing market is also arguably ageist. You know, we failed to ignore or we have ignored, sorry, the needs of older and disabled people in building more accessible homes. So those are the real challenges, those inequalities and the underpinning driver of those. So we're really in quite desperate need of a long term strategic approach to addressing these inequalities. But, you know, in times like this, and there's political and economic instability at the moment, that's never been more challenging. But I'd say it's never been more important as well.

Catherine McDonald 21:36

And am I right in saying there's a geographic inequality here that again, in your report, you found key differences in regard to where an older person lives?

Jemma Mouland 21:45

Yes, absolutely. That is certainly one element of inequality. And that really comes to life when we look at life expectancy. So our life expectancy is quite closely related to overall levels of deprivation in an area and across the country, we see big differentiation in terms of levels of deprivation. So across England today depends on where you live, and how well off you are, there are differences of up to 10 years in how long we can expect to live and more than 17 years in terms of the time that we get in good health and without a disabling illness.

So where that is most extreme is in Blackpool, there we've got the lowest life expectancy for both men and women; 74 years for men, 79 years for women. By contrast, if you look in Westminster, we can live up to just short of 85 years for men on average, and the life expectancy for women is just shy of 88 years. So huge discrepancies there. And that reflects actually a broader and North-South divide that we have around life expectancy. And the same is also true for how long you can expect to live without a disabling health condition. So again, in the most deprived areas, people can expect to be living more than 17 years longer with a disabling health condition. So in other words, living 17 more years of their life with a health condition that affects their ability to go about their day to day life.

Catherine McDonald 23:03

Those figures are just they're absolutely staggering. You know, we've just experienced a global pandemic, in which older people were obviously particularly vulnerable. We're now in a cost of living crisis. And I understand the centre estimates that last year, almost 9,000 older people in England and Wales died because their homes were too cold. So going into this winter, there's a real cause for concern, obviously now isn't there?

Jemma Moulard 23:29

We have really significant concerns that some older people living in the least energy efficient homes will not be able to meet rising costs, even with the help of this energy price guarantee, mentioned before that millions of people are living in homes that pose a risk to their health already. And we know that people over the age of 75 are also the most likely to be living in homes that are too cold and lack modern facilities. We also know at the moment that households with older people who are already cutting back more than any other age group. So even when winter has passed, the universal energy price guarantee expires that actually many older people are still going to have a higher energy demand than the average because of the kind of home that they're living in. So to put it simply cold homes cost lives and the human cost of this current crisis just could not be more immediate. We've been calling for a long term and permanent solution to this energy crisis. And as part of that, a rollout of a national retrofit programme, we need to be making our homes warmer, safer and more energy efficient, that's become never more apparent than in this current crisis. And that's something that we believe should be supported by a network of good home agencies across the country which provide advice and access to finance and practical support that will help people make the much needed changes to their homes.

Catherine McDonald 24:48

And the overall recommendation that you made, I believe is that the government should appoint an older persons Commissioner for England. What would you have them do?

Jemma Moulard 24:57

Yes, so Center for Ageing Better and Independent Age are calling for a commissioner for older people and ageing. And this is really going back to that point I raised right at the start about this need for a long term strategic approach to addressing the inequalities that we're experiencing in our older years. And also just making sure that we are proactively preparing for an ageing society. So we see this Commissioner as someone who can help develop that broad cross government strategy to make sure that we're developing policies that work for an ageing society, you know, and making sure that we're not just thinking about ageing in

the context of health, but also in transport, work homes, communities. So really holding a focus on a joined up, long term, strategic approach to ageing and making sure that we keep that focus on the long term, even when we go through these these kind of immediate crises. I think the other thing that's really central to that recommendation is also giving older people an independent voice, particularly those who are often marginalised. It's about bringing that voice into the centre of government and helping older people to actually have a say in the way that society is shaped. And finally back to that earlier point I raised about this very widespread ageism, that we're experiencing, someone who can really stand out and challenge that ageism, identify where discrimination is happening as a result of age and bring that to an end.

Catherine McDonald 26:25

Steve, to bring you back in here, then how has policy regarding older people and their retirement changed in recent years, you know, how have we got to where we are now?

Stephen Pudney 26:35

I've had to think about this quite a lot in my role as topic champion for Understanding Society relating to ageing. Understanding Society is a survey that needs to remain relevant and to ask the right sort of questions to generate evidence about policy. And thinking about the survey is a good way of sort of coming to terms with what changes there has been in the policy environment in recent years. And there's been an absolute avalanches, policy reforms affecting Work and Pensions in later life, over the last well 30 years, really, but certainly in the last dozen or so years. For example, in I think it was 2011, compulsory retirement ages essentially became unlawful. Around about 2014, we have the process being completed for raising of the state pension age and the equalisation of state pension ages for men and women. And that's been quite a big change, particularly for women. Then again, in 2014, a big new dose of flexibility was injected into the pension landscape, when people were given the flexibility to use private pension pots, essentially, in any way they want from age 55 onwards, so they no longer have to buy a retirement annuity, the pension pot doesn't have to be converted necessarily into a regular pension payment. And these changes over a period of time has really changed the meaning of retirement enormously, at least for people who are better off who have private pension provisions. For example, employers pensions, in particular, what it's done is has been to disconnect the two events that used to define retirement. So once upon a time, retirement meant that you stopped working, usually at age 65 if you're a man, or 60 if you're a woman, and at the same time you started receiving a pension. Now those two things have been completely disconnected, you can start drawing a pension before you end working. And that means that retirement now does not really have a meaning. But all of this, of course, is not much help to someone who is entirely dependent on state pension, who is living in rented accommodation, the people who are most seriously affected by the current cost of living crisis. The changes in policy on pensions and retirement are mainly about increasing the flexibility for decisions which are going to be made by people who are in a relatively favourable position. In other words, people with decent pension schemes and so on.

Catherine McDonald 29:38

Absolutely. Now, Jemma, you've already made a lot of points about what you think policymakers should be bearing in mind right now, and things that we could and should be

doing right now. Have you got anything to add to that, by way of sort of wrapping up the discussion that we've had today?

Jemma Mouland 29:39

I would bring it back to that overall recommendation at about an Older People's Commissioner for England and what that stands for. So that is about us protecting and promoting the rights of older people now and in the future. So it's that focus on the current and the needs of our older population now, but also making sure that we are really always looking ahead and focusing on the needs of our future population and what it means for us to be having and experiencing this massive demographic shifts. And that really does, you know, Steven spoken to all of the issues around kind of social benefits and pensions, but also about thinking about how we support people, as they move into their later years about what needs to be done and huge changes in the workplace about how people can access work, better support for people who were over the age of 50, who are out of work, we need much better support to help them return into the workplace, but also tackle that age discrimination that so often is around when people are applying for work, we just need to be thinking about our workplaces and making them easier and more accessible for people as they age. If they develop a disability or health condition or carrying responsibility, we need to be thinking differently about our workplaces to support our longer working lives. And as I've talked about before, and it's come up across today's conversation, but our housing stock really needs to be paid attention to we need really focused action from across governments to tackle the national crisis, really, that is our poor quality housing stock, whilst also again, thinking ahead in terms of introducing regulations to ensure that our new homes are fit for future.

Catherine McDonald 30:08

And, Matt, what would you say to the points that Steve and Jemma have made? What would you add?

Matt Barnes 31:39

I think I just endorse those points. Really, I mean, as I said earlier, I think the priority has to be on those with the greatest needs. And I think as Steve has identified, you know, those pensioners that are having to rely on the state pension primarily, maybe some additional benefits as well, you know, with no other sources of income to support themselves, you know, are the ones in the greatest need. And so it's about trying to increase their standard of living, presumably, by somehow increasing their incomes. I think that I mean, I'm particularly interested in the way we measure poverty. And I think that if it's not measured, as well as it could be, then that's not only of interest to people who are, you know, sociologists, researchers that are trying to conceptualise this notion and then trying to measure it as best that they can. But it also plays out in policy. I think so in statistics that identify groups that are in poverty, as Steve has already said, you know, that underpays the role of disability. So older people with disabilities are not appearing in those statistics. And then, you know, we know those statistics sometimes guide where policymakers look and how they make policy. So I think there's benefit in always trying to think about what we mean by poverty and how we can measure it as best as we can to then identify those people who policy should focus on.

Catherine McDonald 33:08

Absolutely. And across the discussion today, a huge example of why longitudinal research is so important. On that final word to you, Steve, what would be your final word on this podcast about how we help our ageing population?

Stephen Pudney 33:22

I think there's one really important thing, there's a group of people that must never be forgotten. And those are the people who are in care homes, there is an absolute crisis at moment in the care home sector, there is a huge shortage of care staff, there's low pay poor training, which means that a lot of care in some care homes anyway is poor quality. There's a tremendous problem of deadlocking in NHS hospitals, people who are in hospital because it's not possible to send them into a good care environment. And what's more, the prospects are that this is going to get worse, there is clearly a rising future need for social care. And that need is going to grow particularly strongly for low income people. And one thing we definitely know is that free market provision of care homes and care services is not going to meet that need. There aren't huge profits to be made from supplying care services to very low income people. So there is a crisis in the social care sector, the care home sector, which really needs to be addressed. And one of the shocking things about policy over well, the last 25 years at least is the way this problem has just been kicked down the road by a succession of governments. Someone at some point needs to take responsibility and to actually do something about this.

Catherine McDonald 35:03

My thanks to Dr. Matt Barnes, Professor Steven Putney and Jemma Mouland, you can find out more about how the data from Understanding Society is changing practice and informing policy by visiting the website understandingsociety.ac.uk. This was a [Research Podcasts](#) production. Thank you for listening and remember to subscribe wherever you receive your podcasts