

**Exploding the Myths about Intergenerational Unfairness**

**National Pensioners Convention**

**Marchmont Community Centre**

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**A reply to the House of Lords**

**Summary**

* More than at any other period in our history, our society is divided and categorised in terms of the generation into which you were born. Such a divisive and simplistic approach incorrectly assumes that all those born into the same generation have the same life experience and outcomes. Like all age groups, health, property wealth and income are not evenly or equally distributed.
* There is considerable evidence that the inequality inside generations is greater than that between generations, yet there has been a strong focus on the need to redistribute both public spending and personal wealth from one generation to another.
* Members of all generations, and particularly some younger people have suffered over the last decade as a result of the financial crisis. Equally, those in today’s older generations have also experienced a number of such crises throughout their lifetime.
* There are specific policy issues that would assist younger generations to secure better economic prospects, but they do not involve reducing the pensions or benefits of the older generation.
* The media, think-tanks and some politicians have tried to create a phoney war between the generations, often as a way of advancing arguments that are really intent on reducing the role and scope of the welfare state. This often distracts us from looking at the real unfairness and inequality in society between the wealthy and the rest of the population.
* All generations need a decent state pension in retirement. Currently the UK state pension is the least adequate in the developed world, and even when occupational pensions are taken into account, British workers still have a replacement rate which is less than the European average. Suggestions that the state pension and its indexation through the ‘triple lock’ are therefore too generous are simply unfounded. In fact, today’s younger generations will increasingly come to rely on the state pension as one of their main sources of income in their future retirement.
* Universalism is the mark of a stable and more equal society in which its members contribute what they can, when they can and then draw out when they need to. In fact, it is vital that more wealthy members contribute, not only because of the money they put in but because they need to feel like they too have a stake in the welfare state. After a lifetime of paying taxes, we should accept that wealthier pensioners should still be entitled to the winter fuel allowance, and we should tax them accordingly. Failure to see the system as offering something to everyone means that benefits will eventually just be for the very poorest in society, and benefits for the poor eventually become poor benefits.
* The housing market in Britain is broken and there is an urgent need for a large house building programme of good quality, suitable and affordable accommodation for all the generations. Over the last few years, older people have often been portrayed as having unfairly amassed huge housing wealth and deliberately holding onto under-occupied properties to the detriment of younger generations that are struggling to buy their first home. In reality though, it is not older people, but central government who have failed to deliver for those just starting out.
* Everyone involved in the care sector now agrees that there is a crisis of funding which needs urgent attention. The long awaited Green Paper is however unlikely to offer the solution that’s needed. Like health, care should be delivered free at the point of need by a new public National Care Service, funded through a range of general taxation options.
* Since 2008, households across the UK have experienced unprecedented falls in their living standards. However, contrary to much of the public debate, it is actually those of working age, rather than pensioners, who are currently most likely to be wealthy, with a very large proportion of our national wealth held by a very few households, regardless of age. Solutions to young people’s problems will not therefore be found by reducing entitlements for pensioners. Instead, improving the new generation’s chances requires profound changes in how we structure our economy and distribute wealth.

**Introduction**

On 25 April 2019, The House of Lords’ Select Committee on Intergenerational Fairness and Provision published a report entitled *Tackling Intergenerational Unfairness*. The report attracted considerable amount of media coverage, and the chair, Lord true was quoted as saying: "We are calling for some of the outdated benefits based purely on age to be removed. Policies such as the State Pension triple lock and free TV licences for over-75s were justified when pensioner households were at the bottom of the income scale, but that is no longer the case."

The purpose of this report is to therefore challenge that assumption.

**Background**

Much of the debate around intergenerational fairness focuses on issues of housing, incomes and the funding of services which are predominantly used by one generation, more than another. It is also often suggested that one generation has done well at the expense of those who are younger, or that the plight of today’s twenty somethings is the fault of their grandparents. However, this approach tends to come from those who want to see a reduction in the welfare state and the role played by government in the provision of pensions, benefits and other public services. In effect, they wish to reduce support not just for today’s retirees, but for future generations as well and are using arguments around intergenerational fairness to achieve something completely different.

Now, more than at any other time in our modern history we categorise and label people depending on the era into which they were born. Terms such as ‘baby boomers’ (1945-1965) and ‘millennials’ (1980-2000) provide an easy shorthand that attempts to assign various attributes to a generation in a single phrase, but such approaches are woefully inadequate when it comes to making serious policy decisions. For example, there is an argument put forward that today’s younger workers are worse off financially than their counterparts were in the 1980s. Some have massive student debt, the vast majority have very little chance of buying their own property and the prospect of a secure retirement stretches long into the distance.

However, the 1980s’ generation also faced financial challenges. Annual inflation stood at 18% in 1980, the unemployment rate in 1984 was 11.9% and interest rates on mortgages and loans were an eye-watering 17%. Likewise, that same generation then faced another recession a decade later, with annual inflation in 1990 rising to 9.5%, unemployment in 1993 standing at 10.7% and interest rates that reached 14.8%.[[1]](#footnote-1) To suggest therefore that this was somehow a privileged generation is clearly misjudged.

Similarly, it would also be wrong to assume that everyone in a single generation experienced these challenges in the same way. Not every young person in the 1980s was unemployed, just as not every young person today has student debt. The circumstances of your birth, your social class, who your parents are, your education, gender and ability still matter far more than when you were born. Nevertheless, some people, both young and old, have been protected from these periodic recessions and financial collapses.

While austerity measures in Britain continue to hit the poorest families hardest; a wealthy elite has seen their incomes spiral upwards. This is not a question of age, but of social class and wealth. For example, the five richest families in the UK are wealthier than the bottom 20% of the entire population.[[2]](#footnote-2) That’s just five households with more money than 12.6 million people – almost the same as the number of people living below the poverty line in the UK. As the Equality Trust and others have pointed out, in richer countries differences in health outcomes are closely related to differences in income inequality. The corollary of this, is that reducing poverty and inequality would improve health outcomes and reduce demand for social care, as greater numbers enjoy more years of better health. It is therefore a cost effective policy for government to invest to reduce poverty and inequality now to reduce some of the demands on the health and social care system in the future, rather than seeking to penalise older people and those who follow.

Contrary to the popular perception, there is clear evidence to show that inequality is greater inside generations, than between the different age groups. Among the wealthiest 10% of households, only a quarter are pensioners, whereas 65% of households with the top 10% of wealth are aged between 45-65. The majority of wealthy households are not therefore pensioners.[[3]](#footnote-3) Similarly, wealth inequality within generations shows that those aged 75-84 comprise 6% of the wealthiest pensioners as well as 6% of the very poorest. Interestingly, 3% of 25-34 year olds are also among the wealthiest in society.[[4]](#footnote-4) However, the House of Lords’ report did not consider the issue of inequality inside a generation.

**The myth of a generational conflict**

Despite the evidence, those who want to scale back the welfare state have been trying to pitch one generation against another, by suggesting that we need to determine who has suffered most from austerity. However, there is little to be gained from having such a race to the bottom. This is a divisive tactic that is often used to distract us from challenging those who are actually responsible for the austerity measures and their consequences.

Equally the notion of an unfair division between the amount of public spending that goes on different generations is fundamentally flawed. What is the case is that an underlying principle to the provision of public services – health and social care, education, local government services, state pensions, social housing and childcare – is that people make different calls on the system at different points over their lifetime. Some individuals will make much more use of these services compared to others – some may never make use of particular services at all. Nevertheless, the collective provision of such services is a way of pooling risk as a society that individuals both contribute to and benefit from when appropriate. It seems obvious that in the majority of cases two of the key periods in your life when you will make greater call on public services such as education, health and social security is when you are under 18 and in retirement. To compare this usage to that of younger, working age adults and argue that somehow it is unfair is therefore completely erroneous.

Research from the University of Birmingham has found that social, economic and demographic factors are generally pushing UK families together, rather than driving them apart. Instead of falling victim to inter-generational tensions, families are determined to support their own members financially, but some are much better placed than others to provide help – reinforcing the gap between rich and poor. Interestingly, the study also found that most families still think the state has a fundamental role to play in offering support. [[5]](#footnote-5)

Whilst the findings showed that financial gifts were far more common, and much larger within middle-class families, where members could usually find the necessary funds from their existing income or savings, older members of working-class families were more likely to support younger generations by selling possessions or taking out loans themselves. What is important is that we view financial inequality in intra-generational rather than inter-generational terms. As such, suggestions that the way to support younger people is to penalise pensioners is simply counter-productive.

Furthermore, in the same way that a lifetime of low pay will inevitably lead to a poor retirement, inherited wealth perpetuates inequality. For example, well over two-thirds of property wealth belongs to the wealthiest third of the population. Crucially, rising property prices do not directly raise the spending power of older people unless they realise the value of their properties via equity release or downsizing. However, if they simply translate into larger inheritances, then younger people will ultimately be the beneficiaries. So whilst a twenty-year old from a wealthy family might not be well off today, by their 40s they can be significantly better off than someone their age who came from a poorer background. Evidence suggests that within each generation of people who were born at the same time, inheritances have flowed unevenly towards those with the highest lifetime incomes, with those at the top income scale often inheriting four times as much as those at the bottom. [[6]](#footnote-6)

**The myth of rising longevity**

Of course we should celebrate the fact that social progress now enables people to live longer, but we must also recognise that the right to retire can only really be exercised when individuals have financial security as well. Otherwise working longer becomes a necessity for many and a choice for just a few.

Yet government plans to raise the state pension age (SPA) to 68 by 2036-38 now contradict a growing body of evidence of stagnant or falling life expectancy. New research from Oxford University suggests that life expectancy is now falling. In the first months of this year there has been a 13% increase in death rates. The latest projections estimate that life expectancy for women in 2041 will be 86.2 years and men 83.4 years. This is lower than previously predicted. The Longevity Science Panel (LSP) also found that on average, a boy born in one of the most affluent areas will outlive one born in one of the poorest by 8.4 years. That was up from 7.2 years in 2001.

Raising the SPA inevitably has the greatest impact on those with shorter life expectancies, often in lower paid jobs, doing manual or stressful work, in poorer health and in the more deprived areas of the country. Therefore linking a future SPA to average life expectancy is unlikely to help those whose longevity is already low. There is no justification or evidence that the SPA should rise beyond 66.

We also need to recognise that not everyone will be able to continue working up to SPA through ill health and some will find themselves out of work before they reach SPA and unable to get another job in the meantime. Effectively, they will be too old for work, and too young to retire. The latest evidence shows that almost half of all long-term unemployed are over 50[[7]](#footnote-7).

The House of Lords’ suggestion that entitlement to universal benefits be raised to 5 years beyond SPA – effectively 71 rising to 73 over the next two decades, clearly therefore fails to grasp the real concerns regarding life expectancy.

**Addressing unfairness in pensions and benefits, housing and care funding**

There are three areas of policy that regularly feature in the debate about generational fairness: that of income in retirement through pensions and benefits, housing wealth and the funding of care services. In the case of pensions, benefits and housing it is claimed that older people have secured more favourable outcomes for themselves than younger generations, whilst the current debate surrounding the future funding of care services often argues that poorer younger people are in danger of having to fund the care of richer pensioners. However, young people’s falling long-term economic prospects are not down to older people in society hoarding all the wealth. Increased university tuition fees, insecure employment, poorer job opportunities, lower pay, rapid house price inflation and the lack of affordable homes are the real causes of hardship amongst the young.

**Pensions**

A recent study by the Centre for Ageing Better found stark contrasts in people’s experiences of later life, with severe inequalities among older people largely a product of poverty and disadvantage throughout life. Older women are more likely to be poor, socially isolated, badly housed, unhealthy and die sooner because of a lifetime of lower pay and unequal working conditions than older men. In particular, women aged 65-69 suffered the worst discrimination of all, with only 36% of this age group receiving the full state pension in 2014. [[8]](#footnote-8)

Women workers clearly suffer from generally having lower wages (and therefore lower pension contributions), breaks in National Insurance or pension contributions due to caring responsibilities or insecure/part-time employment. The reality is that if you are low paid – you will have a poor pension in retirement. On average, pensioner women receive 25% less state pension than men – including many of those who before 1977 paid the Married Women’s Stamp (which didn’t entitle them to a state pension). In November 2017, the average weekly amount of state pension received by women was £126.45 per week, compared to £153.99 for men.

Among those aged over 65, 71% of men but only 43% of women received any private/occupational pension, and the median amount from these pensions is 53% that of men’s. Women in their 60s also have a fraction of the pension savings that men have. According to the Chartered Insurance Institute, the average 65-year-old woman has £35,800 in her pension pot, compared with £179,000 for the average 65-year-old man.

Most notable is that the gender pension gap is bigger than the gender pay gap: Women in the UK receive 39.5% less in pension income than men – twice as large as the difference in pay between the sexes. This equates to an average shortfall of £7000 a year. This was twice the level of the gender pay gap in 2017, which was 18.4%.

While women suffer these inequalities more than men, people from black and minority ethnic (BME) backgrounds and some from LGBT backgrounds are also disproportionately disadvantaged. It’s clear that cumulative years of poverty and disadvantage throughout life mean that many people will suffer poor health, financial insecurity, weak social connections and ultimately a shorter life in retirement.

Contrary to the suggestion that older people have done well in recent years, the OECD now ranks the UK state pension for the first time ever, as the least adequate in the developed world. Elsewhere the average worker can expect 63% of their salary as a state-funded pension, but in the UK that figure is just 29%. The OECD also acknowledges that current poverty levels among those aged 75 and over are 18.5%, compared to 11% among the population as a whole. [[9]](#footnote-9)

The Joseph Rowntree Foundation also recently reported that pensioner poverty is now on the rise for the first time in twenty years, with an additional 300,000 more pensioners now living in relative poverty than four years ago. The latest House of Commons research gives the current number of older people living below the poverty line (before housing costs) as 2.1 million. [[10]](#footnote-10) Suggestions that somehow the vast majority of the country’s older generation is doing well at the expense of the young is therefore both inaccurate and misleading.

As well as claiming that pensions are high, there is also a suggestion that the annual indexing of the state pension through the ‘triple lock’ guarantee of the best of inflation (CPI), earnings or 2.5% is too generous. However, this ignores the very real reduction in value that the state pension suffered when the link with earnings was broken by the Conservative government in 1980. In 2010, when the triple lock was introduced, the pension would have stood at £161.30 a week had the earnings’ link still been in place, compared to the actual figure of £97.65. This loss, including when the triple lock has been in place, has never been recouped.

The actual growth that has taken place in the pension and average earnings over the last 15 years also reveals that the gap between the two has widened. As a result, average wages now stand at £26,260 compared with a basic state pension of just £6359.60 a year. Using percentage increases often paint an inaccurate picture of how much money people actually receive. For example, a 10% increase on £6000 is less than a 5% increase on £20,000, and yet this is being used as an argument to say the triple lock has been too generous. Any suggestion that state pensions have therefore risen by more than average earnings in real terms is simply incorrect. If anything, the state pension is falling behind.

For example, in April 2019 the basic state pension increased by 2.6%. This meant a full basic state pension (pre-April 2016) rose by £3.25 a week to £129.20 for a single person and by £5.20 a week to £206.65 for a couple (where a wife relies on her husband’s contribution record). For millions of women this actually means an increase of just £1.95 a week on their state pension.

The state second pension, such as SERPS, S2P or Graduated Pension which are linked to the Consumer Price Index (CPI) also went up by 2.4% based on the September 2018 figure.

By comparison, the new State Pension that was introduced after April 2016 also rose in April in line with the July earnings’ figure of 2.6%. This took the £164.35 a week to £168.60 – a rise of £4.25. This effectively means that whilst all of the new state pension will rise by earnings, only the basic element of the older state pension will do so. In effect, older pensioners on the pre-April 2016 state pension are effectively being penalised by receiving a lower annual increase. Over time this widens the gap between the new and the old state pension, and forces increasing numbers of older pensioners into potential hardship.

It should also be recognised that suggestions about the unacceptable cost of providing universal pensioner entitlements such as concessionary bus passes and the winter fuel allowance are massively outweighed by both the amount that older people contribute back to the economy (either directly or indirectly) and the money such benefits save by reducing need for other state support. The latest figures show that older people contribute £160billion annually to the economy in various ways, including income tax and National Insurance payments from the increasing numbers of people working past their retirement date which amount to £54bn a year, a further £95bn in caring for sick or frail loved ones, £7.7bn in informal childcare and £2.7bn in unpaid volunteering in local communities. [[11]](#footnote-11) In addition, it is widely recognised that one of the main reasons why older people are entitled to a number of additional benefits is because successive goverments over many years have refused to increase the value of the state pension, yet still recognised that older people needed some form of additional income.

**Universal benefits**

Politicians, peers, think tanks and even the BBC have all suggested that they wish to reform universal pensioner benefits in order to remove them from “wealthy” pensioners who are undeserving at such times of economic pressure. Much of their argument has promoted the idea that a large amount of money could be saved if for example, the bus pass was taken away from millionaires. However, out of 11m pensioners, less than 200,000 are millionaires, and only 8m older people have actually applied for a bus pass. We can therefore assume that most older millionaires don’t travel by bus.

Moreover, we know that for every £1 subsidy on the bus pass, it generates £2.87 in economic benefits, and research from University College London has shown that those older people actively using their bus pass are mentally, physically and emotionally healthier than those who don’t – further saving money in health and social care budgets.

In relation to the winter fuel allowance, we know that this has failed to keep pace with rising energy costs. When the allowance was first introduced around 15 years ago, it covered a third of the average bill. Today, it will barely cover an eighth. During the last winter, a staggering 50,100 people in England and Wales died from cold related illnesses – the highest figure for forty years. Fuel poverty is a national scandal which touches around one in three pensioner households and results in some of the poorest older people having to choose between whether they buy food or put the heating on. The main causes of the problem are low pensioner income, high energy costs and a lack of energy efficient housing. Rather than suggesting that the winter fuel allowance should be scrapped, we should actually be raising it to £500 per pensioner household.

The most serious suggestion to date, is that concessions such as the free TV licence should only go to those on means-tested Pension Credit. This implies that anyone with an income of more than £8700 a year is presumed to be well off. Clearly such a suggestion is laughable. The effectiveness of means-testing is also extremely controversial. Considerable evidence exists to show that even after nearly two decades, Pension Credit still fails to reach up to 1.3 million people who are eligible to claim. A combination of complexity, intrusion, pride and a distrust of officialdom prevent the very people who need it most coming forward to claim financial help. Given this experience, there is very little to suggest that the same pattern would not be repeated with universal benefits. In fact, if the bus pass were means-tested, there would be a considerable number of those eligible who simply would lose it, despite the claims that the means-test was being introduced to safeguard their interests and deter the rich from claiming.

Not only that, but wherever the means-testing line is drawn, those who are just above will end up being the biggest losers. The small number of wealthy pensioners would of course be largely unaffected, but those with very modest incomes would find that after they had paid for bus passes and additional fuel costs, their incomes would be below the poverty threshold but they would be unable to claim any additional assistance.

It is also well documented that a means-tested system of paying benefits costs around 10 times as much as a universal payment, and requires the introduction of a large bureaucracy to administer the system which would offset some of the savings that would flow from scrapping universal benefits. In truth, those who advocate the means-tested approach, such as the BBC have not quantified exactly how much they think their system would raise, and have said nothing about the inevitable additional costs of administration and enforcement which would result.

Moreover, we need to make the case for universalism more widely. It is the mark of a stable and more equal society in which its members contribute what they can, when they can and then draw out when they need to. In fact, it is vital that more wealthy members contribute, not only because of the money they put in but because they need to feel like they too have a stake in the welfare state. After a lifetime of paying taxes, we should accept that wealthier pensioners should still be entitled to the winter fuel allowance, and we should tax them accordingly. Failure to see the system as offering something to everyone means that benefits will eventually just be for the very poorest in society, and benefits for the poor eventually become poor benefits.

**Housing**

The housing market in Britain is broken and there is an urgent need for a large house building programme of good quality, suitable and affordable accommodation for all the generations. Over the last few years, older people have often been portrayed as having unfairly amassed huge housing wealth and deliberately holding onto under-occupied properties to the detriment of younger generations that are struggling to buy their first home. In reality though, it is not older people, but central government who have failed to deliver for those just starting out.

In fact, current government policy is focused on expanding home ownership, in particular amongst young people – at the expense of the housing needs of other age groups. However, this approach has failed and has led to severe funding cuts in the social housing sector, with the lowest number of new social rented homes since records began. We now have an urgent need to invest in a public sector-led new house building programme to increase the supply of all types of housing – with a specific focus on the housing needs of older people, the vulnerable and those on low and modest incomes.

The current housing crisis dates back to the late 1970s, the repeal of the Fair Rent Act in 1980 and the imposition of constraints on local authorities which prevented them from building and retaining an adequate housing stock. In addition, the lack of protection for tenants, combined with the failure to regulate property speculation has made the situation worse. The inability of local and national government to deliver the housing needs of the country is linked to the emphasis that has been placed on privatising social housing, and failing to replace it.

The price of housing has since been driven up by the inadequate supply of truly affordable homes from the private sector, while at the same time local authorities have been prevented from providing new social housing or properly maintaining existing stock. It is this lack of supply of affordable social housing to rent which has therefore affected the cost of housing in the rest of the sector.

It is also important to remember that home ownership does not always equate to wealth. Figures from the Ready for Ageing Alliance show that 2.6 million older people who have assets greater than £100,000, survive on an income of less than £15,000 a year. Two in ten households aged 60-64 have outstanding mortgage debts of £50,000 and fewer than 48% of 55-64 year olds own their property outright. So even in a generation that apparently has had the best of everything from free education to final salary pensions – less than half own their homes outright.

Furthermore, Britain’s older generation face a contradictory approach from government towards their housing wealth. For example, the government’s existing approach relies on older people having housing wealth which they can use in order to fund their long-term care, whilst at the same time, politicians accuse older people of having accumulated housing wealth, and portray it as a deceitful act for which they should, in some way be punished. The myth of older people having vast housing wealth which they can use to fund a lavish lifestyle therefore has to be challenged.

The government therefore needs to facilitate more affordable housing to meet the needs of an ageing population. Research conducted by Heriot-Watt University recently showed that England alone needed to build 340,000 properties a year until 2031, and at least a quarter of these should be for older people. This is achievable within a context of a sustainable economy with healthy growth, accomplished though investment in our country’s infrastructure. Such projects have large economic multiplier effects that grow the economy and provide a return on investment and can be used to create decent work.

For every £1 spent on housing construction, an extra £2.09 is generated in the economy that creates a direct saving in future tax and benefit payments for the government. For each home built 1.5 direct jobs are created and between an additional two to four jobs in the wider supply chain. If public funds were invested in building homes for social rent on a large scale not only would the public purse receive the return on this investment – and therefore have a surplus that could be used to lower the deficit – but it would decrease the demand for Housing Benefit/Local Housing Allowance in the future as well as providing good homes.

**Care funding**

In the last year or so, the crisis in care has risen to the very top of the political agenda. Local authorities, health professionals, carers and families have all highlighted how the system in many parts of the country has begun to collapse – and at the heart of the debate is the question of how care services should be funded in the future, and whether younger people should be asked to meet some of those costs.

At present, around 450,000 older people and their families are funding their care costs in full. Over the average stay in a residential or nursing home, this cost can easily exceed £100,000. Young people also pay for the care of the older population in three obvious ways: council tax, income tax funding of Attendance Allowance and the loss of inheritance if their parent/grandparent spend their savings/property on care. In reality, most people - whatever their age make some kind of either direct or indirect payment towards the cost of social care. The solution therefore has to be a system of funding that shares the costs in a fairer way, based on the ability to pay.

In truth, the public has little understanding of how social care operates and even less understanding of how it is funded. Many people think the current funding system is more generous than it actually is, whilst others assume social care will be free when they need it. Any proposed solution that is not free will be viewed negatively while this remains the case. When people are given more detailed information about how social care works, they recognise that there is a significant problem and believe the current system is not fit for purpose.[[12]](#footnote-12)

It is also widely felt that the public would be willing to contribute more towards care services, providing it meant widening access to more people and that the money raised was earmarked solely for its intended purpose. “Earmarking” taxation in some way will therefore be essential to command the public’s confidence and support in the new system.

In fact, in June 2018 the Health and Social Care Select Committee’s Citizens’ Assembly expressed strong support for a care system that was free at the point of use, like the NHS. A National Care Service must therefore ensure that care delivered at home or in the community meets this demand.

**Conclusion**

Since 2008, households across the UK have experienced unprecedented falls in their living standards, with young people hit particularly hard. High unemployment, declining job quality, rapidly rising rents and house prices and rocketing student debt have left many young people locked out of the slow economic recovery. Milestones like finding a steady job, setting up home, starting a family and saving for a pension are now beyond the reach of many.

At the same time, public spending cuts have also hit many of the poorest pensioners too, particularly as services including social care have been pared back. It is also those of working age, rather than pensioners, who are currently most likely to be wealthy, with a very large proportion of our national wealth held by a very few households, regardless of age. Solutions to young people’s problems will not therefore be found by reducing entitlements for pensioners. Instead, improving the new generation’s chances requires profound changes in how we structure our economy and distribute wealth.

Rather than fixating on taking away the entitlements of today’s and future pensioners the focus should be on how to deliver continuing improving living standards and entitlements for all, now and into the future. It is not the case that there is a fixed size cake available for ‘welfare spending’ – by growing the economy overall we can increase the size of the cake. There are then different choices that can be made that are more efficient and deliver better social justice outcomes. Government policy going forward must therefore seek to address these inequalities for all generations.

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