

Vanishing Trick: How to make married women disappear from pension statistics

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The misuse of statistics to serve political purposes has been well illustrated in this journal for performance indicators in health care and education. In this article I show how figures on occupational pensions have been constructed by public officials in a way that would undermine the case for maintaining and improving the basic state pension (amplifying my brief note in *Radical Statistics* no. 53).

Over the last year, the British press and other media have made frequent reference to the growth in the elderly population and the strain this could place on the economy. Such references are often coupled with the assertion that pensioners are no longer poor since the majority can supplement their state pensions with an occupational pension, and with the suggestion that the basic state pension for all is no longer appropriate. Both major parties are considering means-testing the basic pension and in addition the government is planning to raise women's age of eligibility for state pensions to 65. I argue, first, that elderly people in Britain are less well-off than has been implied and are poorer than in most EC countries; secondly, that recent statements on occupational pension coverage are misleading and that these statements are part of the process of manipulating public opinion to accept more cuts in state provision for elderly people; and finally, that cuts already made and those planned bear particularly hard on elderly women.

Elderly people's Income

The portrayal of elderly people as affluent has been most pronounced in the US, where Americans for Generation Equity (AGE) has mounted a campaign to limit federal spending on social security for elderly people; but in Britain also, some have attempted to blame elderly people's consumption of public resources for budgetary crises. For example, a recent British book (Johnson et al, 1989) argued that generous state pensions, together with a rise in the ratio of elderly people to those of working age, would lead to intolerable taxation levels and intergenerational conflict in industrialised societies. Leaving aside for the moment the major weaknesses of this thesis in neglecting class and gender inequality of pension income as well as the continued popularity of state pensions shown by attitude surveys (Phillipson, 1990), we need to examine how well-off pensioners are in Britain.

On average, British elderly people are poorer than younger people. In the 1980s, those aged 65-74 had a mean disposable household income, adjusted for family size, which was 76 percent of the national average household income, while the figure for those aged over 75 was only 67 percent (Hedstrom and Ringen, 1987). In 1985, only a tiny minority of those over 65, less than 5 percent, were in the top income quintile (top 20 percent) of the population of Britain (assuming that married women share their husbands' income equally). Income inequality among the elderly population is structured by gender and class; elderly individuals with the highest incomes were predominantly healthy middle class males under age 75 (Falkingham and Victor, 1991). Elderly women predominate among those with low income and were twice as likely as men to receive Supplementary Pension in 1985-6 (15 percent compared with 7 percent). At the median, elderly women's personal income was under £40 per week compared with over £50 for elderly men (Ginn and Arber, 1991).

Elderly people in Britain are more likely to be poor than those in most other industrialised European countries; only Portugal, Spain, Ireland and Greece have a substantially higher percentage of elderly people below the EC poverty line (Eurostat, 1990). However, in all EC countries elderly working class people, especially women, are disadvantaged; gender inequality of pension income is least in Scandinavia (Ginn and Arber, 1992).

Occupational pension coverage

Assertions in the media that two thirds of British pensioners have occupational pensions tend to be made as if they were uncontroversial 'facts'. They are rarely attributed, referenced or explained, let alone questioned. However, they are likely to have emanated from government sources, as have the following statements:

'Now almost two thirds of those who retire can do so with an occupational pension'
(Social Security Advisory Committee Report, July 1992: 12).

'...the additional element of occupational provision comes into play. Nearly 70 percent of those now retiring in the UK will have supplemented their income in this way'.
(Peter Lilley, September, 1992: 8).

'57 percent of all pensioners and 69 percent of recently retired pensioners had occupational pensions in 1988'
(DSS official, September 1992).

The authorship and context of these statements is relevant. The first statement was made by a government-appointed committee as part of its argument in favour of equalising the state pension age at 65 (SSAC, 1992). Although the importance of state support was acknowledged for those lacking occupational pensions, such people were referred to as a minority for whom special provision could be made. The second statement (Lilley, 1992) was part of a speech against the levelling up of British social security benefits to those in the major EC economies. The third was a reply on behalf of the Prime Minister to a national pensioners' petition for an increased basic state pension. Thus all the statements linked occupational pension coverage with playing down the importance of the state pension as a source of financial security in later life.

Research on occupational pensions has found rates of receipt much lower than those quoted above, and has also revealed a substantial gender difference (Groves, 1987; Ginn and Arber 1991). Among those aged over 65, fewer women than men had an occupational pension (26 percent compared with 62 percent in 1985-6) and among married elderly women only 12 percent had their own pension. For both men and women, working class elderly people were far less likely than middle class to have an occupational pension (Ginn and Arber, 1991).

More recent analyses of occupational pension coverage tell a similar story: Among those over state pension age, 57 percent of men and 26 percent of women have an occupational pension (see Table 1a). Among those near state pension age two out of three men have an occupational pension entitlement but the corresponding proportion for women is less than one in three (see Table 1b).

Table 1 Percentage of Men and Women with an Occupational Pension

Age	Men	Women	All
a) 65+ (men) and 60+ (women)	57%	26%	37%
b)* 55-69	68%	29%	48%
64-66 (men), 58-60 (women)	72%	30%	49%

* includes those entitled to a pension, but not yet drawing it

Sources: a) General Household Survey, 1988-89 (own analysis)
b) Bone et al, 1992, Table 6.2

The mean amounts of occupational pension income received show the same pattern of class, gender and marital differences noted above for coverage rates, with working class married women in the worst position. For example, Bone et al (1992, Table 7.18: 129) show that in 1988 retired women aged 65 to 69 had a mean weekly occupational pension income of £7 compared with £33 for similar men. For married women such income is particularly low: Among women aged 65 to 74, the mean weekly income from occupational and personal pensions in 1988-9 was £40 for single women, £11 for divorced and separated women, £6 for widows and only £4 for married women. For those aged over 75, these amounts were all approximately halved (Ginn and Arber, forthcoming).

My reason for dwelling on the extremely disadvantaged position of elderly married women is that these are the 'vanishing ladies' who have been magicked away to produce the high figures for occupational pension coverage quoted by government sources. The latter figures, as can be established only by making lengthy enquiries, refer to receipt of occupational pensions by 'pensioner units' (ie. married couples and non-married individuals) so that married women's very low rate of receipt vanishes from the statistics.

While married women usually benefit from their husbands' pensions, research has shown that income is not shared equally between partners (Pahl, 1989; Brannen and Wilson, 1987); married women do distinguish between their own and their husband's pension and are concerned to have their own independent income in later life (Peggs, 1993). It is also misleading to make the statements quoted above without making it clear that married women are effectively excluded from the figures. Excluding married women as individuals gives an unrealistic forecast of the future financial well-being of the elderly population, and of elderly women in particular since marriage cannot be regarded as a reliable source of financial support for women. Women's life expectancy is five years longer than men's, with the result that half of women over age 65 are widows, who have only patchy rights to a share of any occupational pension secured by their deceased husband. Today's elderly married women are likely to be tomorrow's widows for whom an adequate state pension will be vitally important, something that is conveniently obscured by figures on occupational pension coverage of recently retired 'pensioner units'.

The presentation of misleadingly optimistic figures helps to legitimate the government's policy of dismantling the collective benefits of the welfare state and promoting private provision instead. The campaign by AGE in the US (in which it was claimed that elderly people were relatively affluent and that public pensions should be cut) had a similar motive: AGE was founded and funded by a consortium of banks and insurance companies with an interest

in expanding their private pensions business (Quadagno, 1989). It is a moot point whether serving the interests of finance companies or privatisation for its own sake is a more important motive for the British government.

Prospects for elderly women's income in the future

The occupational pension position of elderly women in the next century is unlikely to improve greatly. Although more women are now employed than before, their occupational and personal pension scheme membership continues to lag far behind that of men, due both to constraints on the type of employment they can undertake if they have domestic commitments and to the persistence of a gender gap in wages for similar work (Ginn and Arber, 1993).

An adequate state pension is crucial for those who lack a substantial occupational pension, predominantly women. Yet cuts in state pension provision have already been made, as detailed elsewhere (Groves, 1991; Arber and Ginn, 1991); particularly detrimental to women is the change whereby, from the year 2000, widows will receive only half, instead of all, their husband's State Earnings Related Pension (SERPS). Of all women retiring in Britain after 2023, it is estimated that 2 out of 3 will have an income on the margins of poverty (Joshi and Davies, 1992).

Means testing the basic pension is being considered on the grounds (mistaken, as I have argued above) that the majority of pensioners will have an occupational pension. This would deprive many married women of their state pension because their husbands' income would be taken into account; non-married women, although most would probably qualify for a means-tested pension due to their low income, would have to face the stigma and difficulty of claiming what they now receive as a right stemming from their National Insurance contributions. If women's state pension age is raised to 65, as has been proposed by the influential government-appointed Social Security Advisory Committee (1992), women will have to wait an extra five years for the state pension, losing up to £14,500 (at 1992 rates) in pension income. Since the majority of women aged 60 to 64 are unlikely to obtain jobs, due to the lack of employment opportunities for older people, raising women's state pension age would force them either into total dependence on their families or onto Income Support until they reached 65.

Alarmist portrayals of elderly people as an increasing 'burden' on society, combined with the broadcasting of misleading statistics as to their financial resources, may make public opinion more receptive to further cuts in state pension provision. These, in turn, are likely to increase the market for personal pensions and other investment plans which, like occupational

pensions, are less available to women than to men. Unless this process is resisted, the effect will be to substantially worsen elderly women's financial pension position in the future.

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