

Retiring into poverty?

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Some interesting issues were discussed at a recent conference organised by *Age Concern*. Indeed, a recent report entitled *Short Changed* argued that

"It is a common misconception that pensioners today are increasingly well off financially. In reality just over 1% pay the higher tax rate, while 66% pay no tax whatsoever. With the average weekly net income, after housing costs, at just £93 a sizeable proportion of single pensioners live in poverty by any definition. And a great many find it desperately hard to manage"

Ruth Hancock from the Institute of Gerontology at King's College presented some useful information regarding the situation of pensioners.

First, increases in the average income of pensioners does not entail that *all* pensioners are better off:

- In the 1980s incomes of the better off pensioners rose substantially more than those on lower incomes hiding the disparity between rich and poor
- Receipt of private pensions and/or savings income is a poor indicator of income levels as the amounts are often small

Second, with regard to Occupational Pensions, in 1993 while 58% had some income accruing, while the average amount was £72 per week that this figure was seriously distorted by well off and very well off pensioners. The actual situation was

- 50% had less than £39 a week
- 25% had less than £25 a week
- 10% had less than £7 a week
- 5% had less than £5 a week

Moreover, in 1993, 73% of pensioners had some savings income, but once again the figures were heavily skewed by those better and much better off. While the average income was £33, by contrast:

- 50% had less than £8 each week
- 25% had less than £1 each week
- 10% less than 37p each week
- 5% had less than 14p each week.