

Key Facts

Age, Demographics and Employment

This document summarises key facts about demographic change, age, employment, training, retirement, pensions and savings.

Demographic change

- The population of the UK was 62.3 million in mid-2010, up 470,000 (0.8 per cent) on the previous year – the highest annual growth rate since mid-1962. (*Annual Mid-Year Population Estimates, ONS, 30 June 2011*)
- In mid-2010, there were more people of state pensionable age than there were under-16s, a pattern first seen in mid-2007. There were 11.6 million people aged under 16 in mid-2010, accounting for 18 per cent of the total population, compared with 12.2 million people of state pensionable age, accounting for 20 per cent of the total population. (*Ibid*)
- The median age at mid-2010 was 39.7 years, compared with 37.9 in 2001. (*Ibid*)
- In the second quarter of 2010, there were 21.0 million people aged 50 and over in the UK. Of these, 11.2 million people were aged between 50 and 64, accounting for 28 per cent of people aged 16 to 64. (*Older Workers Statistical Information Booklet, Quarter 2 2010, DWP*)
- Life expectancy at birth in the UK has reached its highest level on record for both males and females. In 2007-2009, a newborn baby boy could expect to live 77.7 years and a newborn baby girl 81.9 years. (*Statistical Bulletin: Older People's Day 2010, ONS, September 2010*)
- Based on 2007-2009 mortality rates, a man aged 65 in the UK could expect to live another 17.6 years and a woman aged 65 in the UK another 20.2 years. (*Ibid*)
- The gender gap in life expectancy has been closing. Since 1980-82, the gap has narrowed from 6.0 years to 4.2 years. Based on mortality rates in 1980-82, 26 per cent of newborn males would die before the age of 65, but this has reduced to 15 per cent based on 2007-09 rates. The equivalent figures for newborn females were 16 per cent in 1980-82 and 10 per cent in 2007-09. (*Ibid*)
- The old age support ratio represents the number of people of working age to the number of people of state pension age and over. In 1971, there were 3.6 people of working age to everyone of state pension age and over. By 2009, the ratio had fallen to about 3.2. (*Ibid*)
- Under the Pensions Act 2007, state pension age is expected to rise for both men and women to 68 between 2024 and 2046. Despite this, by 2034 the old age support ratio is projected to fall to about 2.8 people of working age for each person of state pension age and above. Without the increase in state pension age, the ratio would have been projected to drop further to about 2.2 by 2034. (*Ibid*)
- In 2010, the birth rate in England and Wales increased. Women are having 2.00 children on average. This represents a small increase from 1.96 children in 2009. The last time this rate was this high was in 1973. There was a rise of 2.4 per cent in the number of live births, representing a continuation of the increasing number of live births recorded since 2001, despite a small fall in 2008 and 2009. (*Births and Deaths in England and Wales, 2010, ONS, July 2011*)
- The number of births in Northern Ireland is increasing again after a small dip in 2009. There was a 2 per cent increase in the number of births in 2010. However the number of births registered remains below that observed in the mid-1980s. The age profile of mothers is also continuing to change with over half of all mothers now aged 30 or older. (*Births in Northern Ireland 2010, Northern Ireland Statistics & Research Agency, March 2011*)

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- The number of births registered in Scotland fell by 0.4 per cent in 2010. The slight fall in the number of births was the second annual reduction, after six consecutive annual increases. (*General Register Office for Scotland, March 2011*)

Employment trends

- The employment rate of both men and women aged 50-64 in the UK increased between 1995 and 2010. In May to July 1995, 65 per cent of men and 49 per cent of women in this age group were employed. By May to July 2010, this had risen to 72 per cent and 58 per cent respectively. The employment rate of men and women aged 65 and over also increased in this period. In May to July 1995, 8 per cent of men and 3 per cent of women in the 65+ age group were in employment. By May to July 2010, this had risen to 12 per cent and 7 per cent respectively. (*Statistical Bulletin, Older People's Day 2010, ONS, September 2010*)
- The employment rate for people aged 50 to 64 in May–July 2011 was 64.9 per cent. More older men (70.7 per cent) are in paid employment than women (59.4 per cent). (*Labour Market Statistics, ONS, September 2011*)
- The employment rate of people aged 65 and over was 8.6 per cent in May–July 2011. More men aged 65 and over (11.6 per cent) were in work than women aged 65 and over (6.2 per cent). (*Ibid*)
- In the second quarter of 2010, the employment rate for men was highest in the 30 to 49 age groups, at over 86 per cent, falling to 76.0 per cent for those aged 55 to 59 and 54.2 per cent for those aged 60 to 64. For women, the employment rate was highest for those aged 45 to 49 (78.1 per cent). For women aged 55 to 59, the employment rate was 65.2 per cent. This fell to 33.5 per cent for those in the 60 to 64 age group. (*The labour market and retirement, Pension Trends, ONS, February 2011*)
- Historically, a higher proportion of women than men have continued to work beyond state pension age, largely because women's state pension age has been (and remains for the time being) lower than men's. In April–June 2010 (when state pension age had increased for only a small group of women), 13.4 per cent of women aged 60 and over were in employment compared with 11.0 per cent of men aged 65 and over. (*Ibid*)
- Employment rates for people aged 50 to 64 vary by English government office region and country. In the second quarter of 2010, the highest rate was in the South East of England (70.2 per cent) and the lowest in Northern Ireland (55.3 per cent). In Scotland the rate was 63.3 per cent and in Wales, 58.3 per cent. (*Older Workers Statistical Information Booklet, Quarter 2 2010, DWP*)
- Nearly a third (31.9 per cent) of people aged 50 to 64 (some 3.6 million) are classified as 'economically inactive' – neither 'in employment' nor 'unemployed' (men: 24.9 per cent; women: 38.6 per cent). (*Labour Market Statistics, ONS, September 2011*)
- The average age of withdrawal from the labour market has been rising. For men it increased from 63.8 years in 2004 to 64.5 years in 2009. For women it increased from 61.2 years in 2004 to 62.0 years in 2009. (*The labour market and retirement, Pension Trends, ONS, February 2011*)
- Part-time work is common at older ages. In April–June 2010, 59 per cent of employed men aged 65 and older and 68 per cent of employed women aged 60 and over worked part time. By contrast, 12 per cent of employed men aged 50 to 64 and 43 per cent of employed women aged 50 to 59 were doing part-time jobs. (*Ibid*)

- The incidence of self-employment increases with age. In the second quarter of 2010, 17.9 per cent of those in work aged 50 to 64 were self employed, compared with 12.6 per cent of 25 to 49 year olds and only 4.1 per cent of 16 to 24 year olds. (*Older Workers Statistical Information Booklet, Quarter 2 2010, DWP*)
- People aged 50 to 64 have spent on average 13.7 years in their current employment, compared with an average of 6.3 years for those under the age of 50. (*Ibid*)
- DWP research shows that the best chance for people to remain in work after state pension age comes from being in work immediately prior to it. In the fourth quarter of 2010, of those aged 65 and over who were working, 83 per cent had been continuously employed for five years or more; 41 per cent had been in the same job for 20 years or more. (*Older People in the Labour Market, ONS, March 2011*)
- In the second quarter of 2010, more people aged 50-64 worked in Public Administration, Health and Education than in any other industry sector. This was true for both women (52.4 per cent) and men (19.3 per cent). However, amongst those aged 65 and over, more men worked in Banking, Finance and Insurance (19.0 per cent) than in any other sector while the highest proportion of women aged 65 and over (40.4 per cent) worked in Public Administration, Health and Education. (*Labour Force Survey, ONS, Q2, 2010*)
- In the same period, the industry sector which employed the fewest people aged 50 to 64 and over 65 was Energy and Water. This was true for both men and women. (*Ibid*)

Attitudes to Work and Retirement

- Financial necessity is the most important reason for working for about half of people aged 50 to 59, one third of people aged 60 to 64 and only one in seven people aged 65 to 75. Just 9 per cent of people aged 50 to 55 say enjoyment is the main reason for working, but this rises to 27 per cent of people aged 65 and over. (*Survey of 1,500 people aged 50-75, Working Better: the over 50s, the new work generation, EHRC, 2010*)
- Another important reason for continuing to work appears to be that many people over 50 still have responsibilities for others. A quarter of over-50s provide financial support for their children, primarily to pay for education. While 50 to 55 year olds are most likely to have such financial responsibilities, 9 per cent of 70 to 75 year olds are still supporting their children financially. (*Ibid*)
- Around 60 per cent said they would like to continue working after state pension age but on a part time basis. Some 40 per cent would like to stay in their current jobs but with greater flexibility in hours or days worked. (*Ibid*)
- Only 4 per cent said they wanted to 'downshift' to a job with less seniority. (*Ibid*)
- Ten per cent of men and 7 per cent of women said they would like to start their own business once they reach state pension age. (*Ibid*)
- More than a third (36 per cent) of unemployed over-50s below state pension age were highly enthusiastic about wanting to have a paid job. (*Ibid*)

- In a survey of 2,965 working age adults (16 to 64 years old) across Great Britain, a large majority of those aged 51 to 64 said they thought paid work was generally good for physical health (85 per cent) and mental health (85 per cent). (*Attitudes to health and work amongst the working-age population, DWP, July 2011*)
- More than seven in ten (73 per cent) of those aged 51 to 64 said they had worked in the last 12 months when they were feeling unwell compared with 81 per cent those aged 16 to 50. But only 2 per cent of 51 to 64 year olds said they had called in sick when there was nothing the matter with them compared with 8 per cent of those aged 16 to 50. (*Ibid*)

Age barriers in employment

- Earnings of workers aged over 50 are lower than those of people in their 30s and 40s. This is true for gross annual, weekly and hourly earnings. (*Annual Survey of Hours and Earnings, 2010*)
- For employees aged in their 50s, median gross annual earnings are £22,308 compared with £24,015 for their counterparts in their 40s and £24,333 for those in their 30s. For employees aged 60+, median gross annual earnings drop to £16,396. (*Ibid*)
- Median gross weekly earnings are highest for those in their 30s (£473.1). They decline to £464.9 for those in their 40s, to £429.4 for those in their 50s and to £312.5 for those aged 60+. (*Ibid*)
- Median gross earnings of hourly paid employees also peak when people are in their 30s (£12.89). They then drop to £12.67 for those in their 40s, to £11.91 for those in their 50s, and to £9.91 for those aged 60+. (*Ibid*)
- Of those claiming Incapacity Benefit or Severe Disablement Allowance in the second quarter of 2010, 48.5 per cent were aged 50 or over. (*Older Workers Statistical Information Booklet, Quarter 2 2010, DWP*)
- Figures from a 2010 survey reveal there are more than 9 million (18 per cent) adults in the UK who have never used the internet. The percentages of those who have never used the internet increase with age, rising from 1 per cent of 16 to 24 year olds, to 22 per cent of those aged 55 to 64 and 60 per cent of those aged 65 and over. (*Internet Access 2010, ONS, August 2010*)
- A study into job search practices highlights the increasing trend in using the internet and social media to look for work, and concludes that many older jobseekers are at a disadvantage because of the digital divide. Use of the internet to search for work declines after the age of 25 and decreases with age. (*Job Search Study: Literature review and analysis of the Labour Force Survey, DWP, March 2011*)
- The CIPD Employee Outlook survey of 2,000 employees revealed that the majority of workers it surveyed have had their pay frozen in 2011, but older workers were more likely to have gone without a pay rise than their younger counterparts. The survey found that whilst nearly a third (31 per cent) of workers aged 25 to 34 had received a pay rise, fewer than a quarter (23 per cent) of those aged 55 had done so. (*Chartered Institute of Personnel and Development, August 2011*)
- An earlier CIPD Employee Outlook survey *Focus on Managing an Ageing Workforce* found that fewer than half of workers (46 per cent) aged 65 and over reported they had had a formal

performance appraisal either once a year or more frequently, compared to 65 per cent of all employees. In all, 44 per cent of employees aged 65 and above had not had a formal performance appraisal in the last two years or never, compared with a survey average of 27 per cent. (*Chartered Institute of Personnel and Development, June 2011*)

- Older workers are also much less likely than younger workers to have received training, with 51 per cent of those aged over 65 saying they had received no training in the last three years or never, compared to 32 per cent across all age groups. (*Ibid*)
- A survey of just under 8,500 adults in England and Wales conducted between April and September 2010 showed ageism continues to be the main type of discrimination people experience in the labour market. It found that 7 per cent of those interviewed felt they had experienced discrimination in the labour market in the past five years by being refused or turned down for a job. The percentage was unchanged on earlier versions of the survey conducted in previous years. (*Citizenship Survey, DCLG, January 2011*)
- An online survey of 765 jobseekers aged 50 and over revealed that only 9 per cent could say with certainty that they had never experienced age discrimination in seeking employment, 39 per cent were unsure while more than half (52 per cent) believed they had experienced such discrimination. Just 12 per cent thought age discrimination legislation, introduced in 2006, had helped older people find work. (*Survey of Jobseekers Aged 50+, TAEN, July 2009*)
- In the same survey, 40 per cent said they had experienced age discrimination at work and a further 33 per cent were unsure on the point. (*Ibid*)
- A majority (71 per cent) felt they had the right skills for today's job market but that employers put too much emphasis on qualifications rather than on skills and experience (62 per cent). (*Survey of Jobseekers Aged 50+, TAEN, July 2009*)
- On being asked which factors had contributed most to their difficulties in finding work, 68 per cent said they were seen as too old by employers and 45 per cent said they were seen as too experienced or over-qualified. (*Ibid*)
- Findings of a survey of 2,011 people aged 18 and over commissioned by an older people's housing and care provider revealed that ageist attitudes are endemic in the workplace, with two-fifths (41 per cent) of young Britons aged 18-24 years saying there aren't enough jobs for older people to stay in work, and 14 per cent claiming older people should retire to make way for younger people. One-fifth (21 per cent) believe the over-60s are slower and are less productive than their junior counterparts with one in 20 claiming they should be paid less because they work at a slower pace. (*ICM Survey for Anchor, April 2011*)
- A nationwide survey found that more than three quarters (77 per cent) of people aged 50 and over who had found a new full time job after being made redundant in the past three years, had had to take a pay cut. Nearly half (45 per cent) had needed to take a 'considerably lower' salary and 51 per cent had had to take a completely different role or work in a new sector to get back into work. Just under half (46 per cent) of the over-50s surveyed who had been made redundant in the last three years had still not found another job. (*Key Retirement Solutions, June 2011*)
- A third of retirees (33 per cent) surveyed by insurance company Aviva said they had been 'pushed' into retirement because their employer had suggested it or because they had reached the normal retirement age at their workplace. (*Real Retirement Report, Aviva, December 2010*)

- In another survey carried out by Aviva, 39 per cent of people surveyed over the age of 55 said they had seen significant and often unwanted and unplanned changes to their careers in the ten years before their 55th and 65th birthdays. One in seven (15 per cent) reported being made redundant, 11 per cent were forced to stop work due to illness, and 11 per cent were forced into early retirement. Of those who had been made redundant, 8 per cent believed their company had chosen to replace them with someone that they could pay less. (*Real Retirement Report, Aviva, June 2011*)
- In a survey of 50-75 year olds, among the unemployed who wanted to work, 37 per cent of men and 50 per cent of women said they needed flexible working arrangements to enable their transition back to work and 85 per cent of people over state pension age said greater availability of part time or flexible jobs would be key to getting a job. (*Survey of 1,500 people aged 50-75, Working Better: the over 50s, the new work generation, EHRC 2010*)
- Around 5 million or 12 per cent of adults in England in 2009-10 were looking after or giving special help to a sick, disabled or elderly person. Over two-thirds (67 per cent) were aged 45+ in 2009-10. More than one in four (42 per cent) were aged 45-64 whilst a quarter (25 per cent) were aged 65 and over. (*Survey of Carers in Households 2009/10, The Health and Social Care Information Centre, December 2010*)
- Once out of work, older people remain unemployed for longer than younger people. In May–July 2011, 41.7 per cent of those aged 50 to 64 who were unemployed had been unemployed for more than 12 months, the highest percentage for any age group. This compares with 38.5 per cent of 25 to 49 year olds who were unemployed. (*Labour Market Statistics, ONS, September 2011*)

Age and Learning

- Since 2010, participation in learning has increased among young adults aged 17 to 24 but has decreased across all other age groups. (*The NIACE Survey on Adult Participation in Learning, 2011*)
- Participation in learning declines with age. The decline is particularly steep for those aged 55 and over. In 2011, more than 40 per cent of those aged 35 to 54 described themselves as current or recent learners, compared with only 29 of those aged 55-64 and 17 per cent of those aged 64 to 74. (*Ibid*)
- As with participation in learning, future intentions to learn tend to decline with age. Just 26 per cent of 55 to 64 year olds and 13 per cent of 65 to 74 year olds said they were likely to take up learning in the next three years. (*Ibid*)
- More than four in ten 55 to 64 year olds said they had not participated in learning since leaving full time education. (*Ibid*)
- A majority (56 per cent) of current or recent learners aged 55 to 64 reported they had engaged in learning for work-related reasons. (*Ibid*)
- The number of adult learners in some form of government funded Further Education fell by 4.5 per cent to 4.6 million in the 2009-10 academic year, compared with the previous year. (*ONS, May 2011*)

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- According to provisional figures, just under 10 per cent of people starting apprenticeships in England in August 2010 to January 2011 were aged 45 and over. This includes nearly one per cent aged 60 and over. Although these provisional figures cannot be directly compared with those for previous years, the number of people aged 45 and over starting apprenticeships in the period above is already more than double the number who started in the whole of the 2009-10 academic year and the number of those aged 60 and over has more than quadrupled. (*The Data Service, April 2011*)

Qualifications and Earnings

- Less than half of all people who have no qualifications are in work. In 2008, those people with no qualifications experienced unemployment rates of 18.0 per cent compared with just 4.2 per cent for people with degrees or equivalent level qualifications. (*State of the nation report: poverty, worklessness and welfare dependency in the UK, Cabinet Office, May 2010*)
- In October to December 2010, on average employees with a minimum of a degree earned 85 per cent more than those educated to around the GCSE level. Employees with a higher education (but not degree) qualification earned around 45 per cent more and those educated to around the A-level or equivalent qualification earned around 15 per cent more. (*News Release, ONS, August 2011*)

Age and Qualifications

- There has been a fall in the percentage of people with no formal educational qualification, from 25 per cent in 1993 to 11 per cent in 2010. This was mainly driven by people aged 50 to 64 in 1993 who, because of the education system at the time, were less likely to have stayed on at school to obtain a formal qualification. (*News Release, ONS, August 2011*)
- The 50 to 64 year old age group have a high level of people with no qualifications. In the second quarter of 2010, 17.7 per cent of people aged 50 to 64 in the UK reported they had no qualifications (14.3 per cent of men and 21 per cent of women), compared with 8.6 per cent of those under 50. Of those in employment, 10.6 per cent of 50 to 64 years olds said they had no qualifications. This proportion rose to 22.3 per cent of those aged 65 and over in employment. (*Older Workers Statistical Information Booklet, Quarter 2 2010, DWP*)
- The percentage of those aged 50 to 64 who reported they had no qualifications was highest in Northern Ireland (34.2 per cent), and lowest in England (17.1 per cent). In Scotland the figure was 18.8 per cent and in Wales 18.5 per cent. (*Ibid*)
- Within the workforce too, those aged 50 to 64 have lower formal educational qualifications than those aged 25 to 49. In the second quarter of 2010, 75 per cent had NVQ level 2 qualifications or above (v. 83 per cent of those aged 25 to 49); 57 per cent had A Level qualifications or above (v. 63 per cent of those aged 25 to 49); 33 per cent had NVQ level 4 (higher education) qualifications or above (v. 42 per cent of those aged 25-49); and 21 per cent had degrees or the equivalent compared with 31 per cent of those aged 25-49. (*Ibid*)

The impact of not working

- Workless households are significantly more likely to experience poverty than households in which at least one adult is in work, and evidence shows that children growing up in poor or workless households are more likely to be workless or poor themselves as adults than children who grow up in households where someone is in work. (*State of the nation report: poverty, worklessness and welfare dependency in the UK, Cabinet Office, May 2010*)
- Employment offers the best and most sustainable route out of poverty: children in households where two adults are in full time work have a 1 per cent chance of being in poverty, compared with a 64 per cent chance for children in two-parent households where neither adult works. (*Ibid*)
- There is extensive evidence of a link between unemployment and poorer physical and mental health and early mortality. (*Is Work Good for your Health and Well-being? Waddell/Burton, DWP, 2006*)
- In the UK, life expectancy at birth in 2007-2009 for both males and females is generally higher in the south of England and lower in Scotland and the north of England, although there are distinct areas of lower life expectancies in local authorities within each nation/region. (*Life expectancy at birth and at age 65 by local areas in the United Kingdom, 2007-09, ONS, October 2010*)
- Across the UK, the highest life expectancy at birth in 2007-2009 for males was in the South East of England (79.4 years) and for females in the South East and South West of England (83.3 years). The lowest life expectancy for males (75.4 years) and for females (80.1 years) was in Scotland. (*Ibid*)
- In the same period, the local area with the highest life expectancy at birth for both males (84.4 years) and females (89.0 years) was Kensington and Chelsea. And the local area with the lowest life expectancy at birth for both males (71.1 years) and females (77.5 years) was Glasgow City. This represents a difference of 13.3 years for males and 11.5 years for females between the two local areas. (*Ibid*)
- Life expectancy at 65 follows a similar regional pattern to life expectancy at birth. For males, it is highest in the South East of England (18.7 years) and lowest in Scotland (16.5 years). For females, it is highest in the South East and South West of England (21.3 years) and lowest in Scotland (19.1 years). (*Ibid*)
- The local area with the highest life expectancy at age 65 for both males (23.7 years) and females (26.5 years) is Kensington and Chelsea and the lowest for both males (13.9) and females (17.6) is Glasgow City. (*Ibid*)

Pensions and Savings

- In the UK, average gross pensioner incomes increased by 44 per cent in real terms between 1994-95 and 2008-09, ahead of the growth in average earnings. (*Pensioner income and expenditure, Pension Trends, ONS, September 2010*)

- Despite increases in pensioner incomes, in 2008-09, an estimated 1.8 million pensioners were living in poverty in the UK, according to the most commonly used official measures (less than 60 per cent of equivalised contemporary median income after housing costs). However, the number of pensioners in poverty has declined over the last decade from an estimated 2.8 million. *(Statistical Bulletin: Older People's Day 2010, September 2010)*
- In 2008-09, pensioner couples received average weekly incomes of £564 per week, single men pensioners £304 per week, and single female pensioners £264. *(Pensioner income and expenditure, Pension Trends, ONS, September 2010)*
- The largest source of income for pensioners is 'benefit income', which includes state pension income and benefits. Occupational pensions are also a significant source of income, particularly for pensioner couples. *(Ibid)*
- In 2008-2009, 53 per cent of single pensioners had total annual pension income (state benefit income and private pension income) of less than £10,000 while 36 per cent of pensioner couples had less than £15,000. *(Household pension resources, Pension Trends, ONS, September 2010)*
- In 2008-09, 38 per cent of pensioner couples, 55 per cent of single men pensioners and 62 per cent of single women pensioners with private pension income had annual private pension income of less than £5,000. *(Ibid)*
- There is a widening gap in occupational pension scheme membership between employees in the private and public sectors. In 1997, 52 per cent of male employees and 37 per cent of female employees belonged to a pension scheme in the private sector. By 2010, this had fallen to 39 per cent of male employees and 28 per cent of female employees. *(Pension scheme membership, Pension Trends, ONS, June 2011)*
- In the public sector, however, the picture is different. From 1997 to 2010, the proportion of male employees in the public sector belonging to a pension scheme remained unchanged at 87 per cent, while for women it went up from 75 to 82 per cent. *(Ibid)*
- Membership of employer-sponsored pension scheme is closely related to income. Employees with high earnings are more likely to be a member of a pension scheme than those lower down on the wages ladder. *(Ibid)*
- Men and women in their 40s and 50s are most likely to be members of their employer's pension scheme. In the 50-54 age group, 65 per cent of male employees and 62 per cent of female employees were members in 2010. *(Ibid)*
- The Aviva's Real Retirement Report, which reviews the finances of the UK's over-55s, found that since February 2010, average incomes had fallen by 4 per cent, average mortgage debt had risen by over £10,000, and the number of households with savings of less than £500 had jumped from 21 per cent to 30 per cent. *(Real Retirement Report, Aviva, March 2011)*
- Out of the age groups tracked in the Real Retirement Report, the long-term retired (over 75) saw the most significant dip in their mean monthly income (£1,136 to £1,057), followed by the pre-retirees (55 to 64), whose mean monthly income fell to £1,361 (February 2011) from £1,433 (February 2010). The income of the retiring (65 to 74) remained relatively stable at £1,385 (February 2010) and £1,386 (February 2011). *(Ibid)*

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- While the number of over-55s who own their own home (either with a mortgage or outright) only fell by one percentage point to 80 per cent in February 2011, the average mortgage debt rose to £65,107 (February 2011) from £54,567 (February 2010). (*Ibid*)
 - There has been an increase in the percentage of people saving nothing each month (up from 39 per cent to 43 per cent). In addition, the proportion of those with no savings at all has risen over the past year to 20 per cent, an increase of 4 per cent. The problem is worse amongst the pre-retiree group (55 to 64 year olds) where just over a quarter (26 per cent) have no savings. (*Ibid*)
 - In January 2011, a man aged 65 would have needed to have around £125,000 in retirement savings to buy an annuity giving £5,000 a year, and a woman of 65 would have needed £135,000. To receive an annual income of £25,000, a 65 year old man would have needed just over £629,000 and a 65 year old woman just under £670,000. (*Pension Trends, ONS, April 2011*)
 - Half of all retirees surveyed by financial institution Scottish Widows admitted they faced a funding gap when they finished work, a third discovered they “did not have enough money to enjoy their new free time to the full”, and one in ten said they had no choice but to get a part-time job to make up their retirement funding short-fall. (*Retire-Easy Report, Scottish Widows, January 2011*)
 - However, the pre-retirees aged 50+ seemed to have a more realistic grasp on their financial situation with 81 per cent aware that their current finances were not enough to sustain the lifestyle they wanted in retirement. Nearly 38 per cent planned to take on a part-time job to make extra money and 37 per cent wanted to work on past state pension age. (*Ibid*)
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Reference Key:

DCLG: Department of Communities and Local Government

DWP: Department for Work and Pensions

EHRC: Equality and Human Rights Commission

ONS: Office for National Statistics

TAEN – The Age and Employment Network works to promote an effective labour market that serves the needs of people in mid and later life, employers and the economy.

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