

Inequalities in the older population: Evidence from ELSA

James Banks, Carl Emmerson, Alastair Muriel and Gemma Tetlow

18th November 2008

ELSA and inequalities in the older population

- **Multidimensional outcomes...**
Economic, social, biological, psychological, environmental
- **... and key dimensions of 'capabilities'**
e.g. Life; Bodily health, Bodily integrity; Senses, imagination and thought; Emotion; Practical reason; Affiliation; Other species; Play; Control over one's environment (Nussbaum, 2000)
- **... over time**
 - 6-10 years of panel data now available
 - Early life circumstances, including SES and geography
 - Selected life-histories, including employment and housing

ELSA and inequalities in the older population

- **Strengths**

- Multidimensionality means can measure correlation between dimensions
 - Breadth versus depth of poverty and inequalities
 - Targeting
- Subjective and objective measures of the same thing
- Link to mortality records (even for non-responders)
- Links to admin records, e.g earnings history, benefit take-up

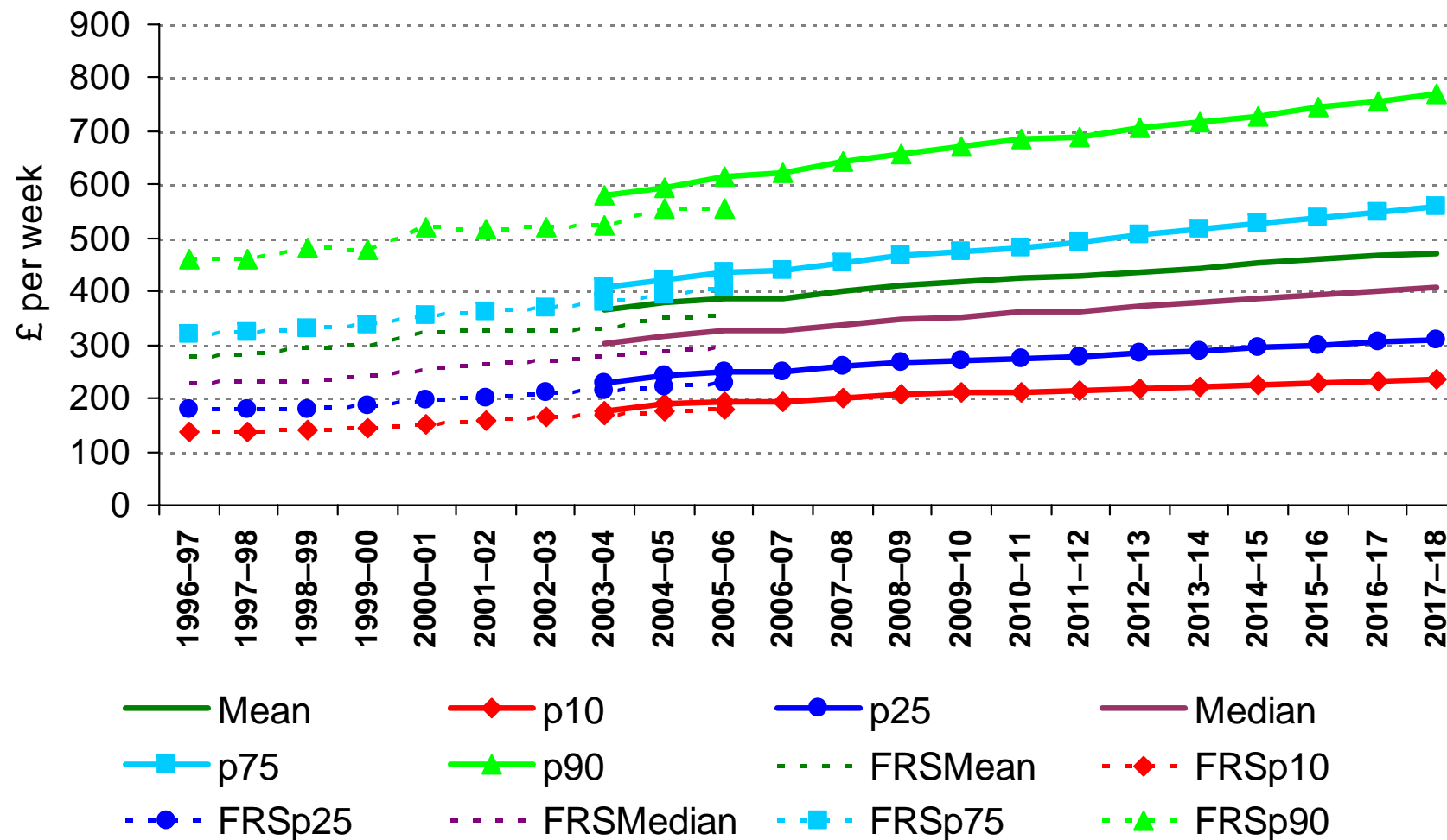
- **Weaknesses**

- Older population only
- Only available since 2002

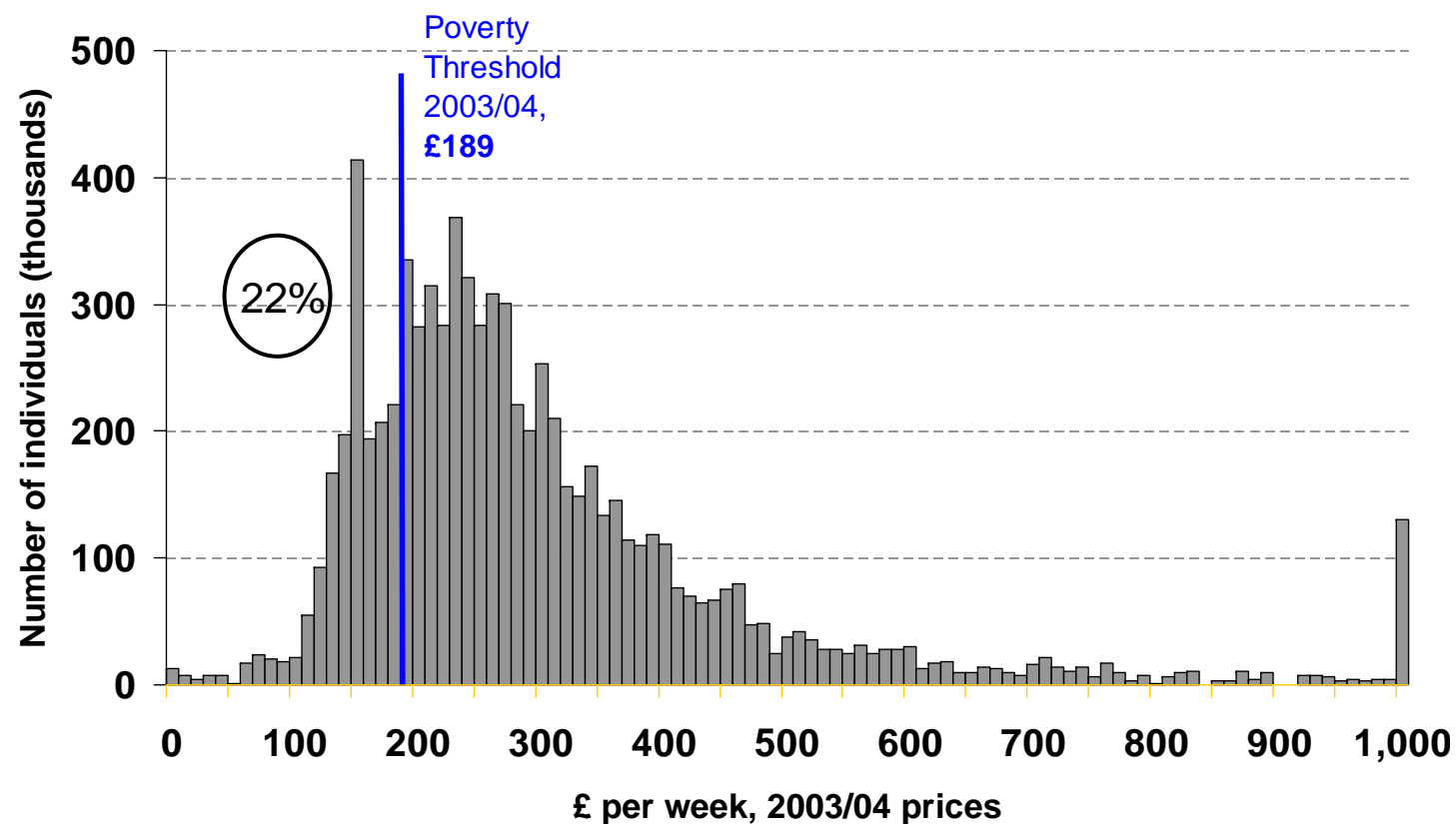
Overarching framework: A life-course approach to inequalities in the older population

- **Short-medium term horizons**
 - Address current pensioner inequalities
 - Alleviation of immediate pressures
 - Address current employment/disability of older workers
 - Quality of life and wellbeing more generally
 - Health care and social services
- **Medium-long term horizons**
 - Address the causes of poor health, disability, social exclusion and material poverty in the elderly
- **Very long term horizons**
 - The long shadow of early life circumstances
- Considering past trends in returns to education, within-pensioner inequalities may well increase over next 20 years

Simulating pensioner income to 2017-18

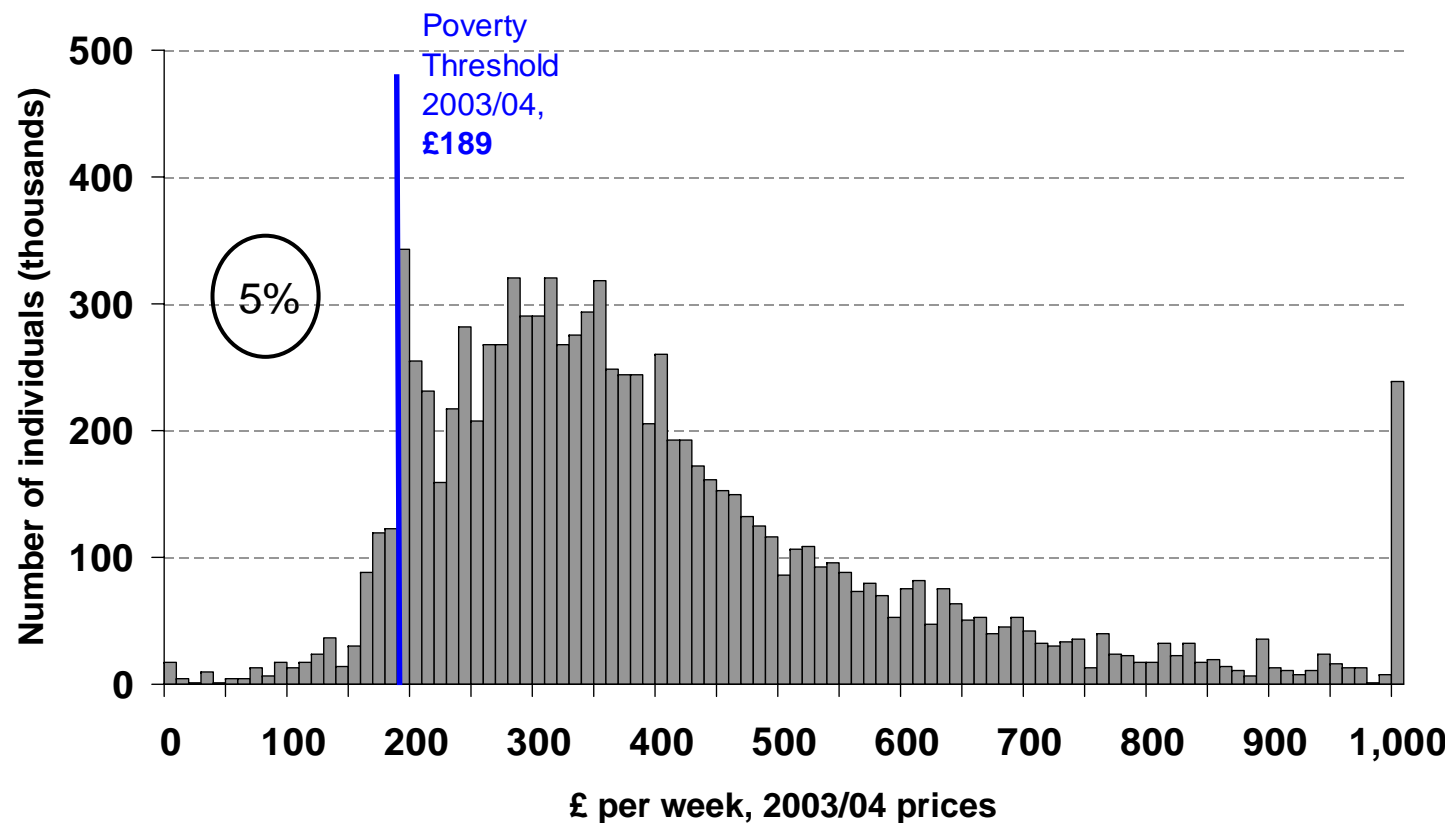


Net income distribution: 2003



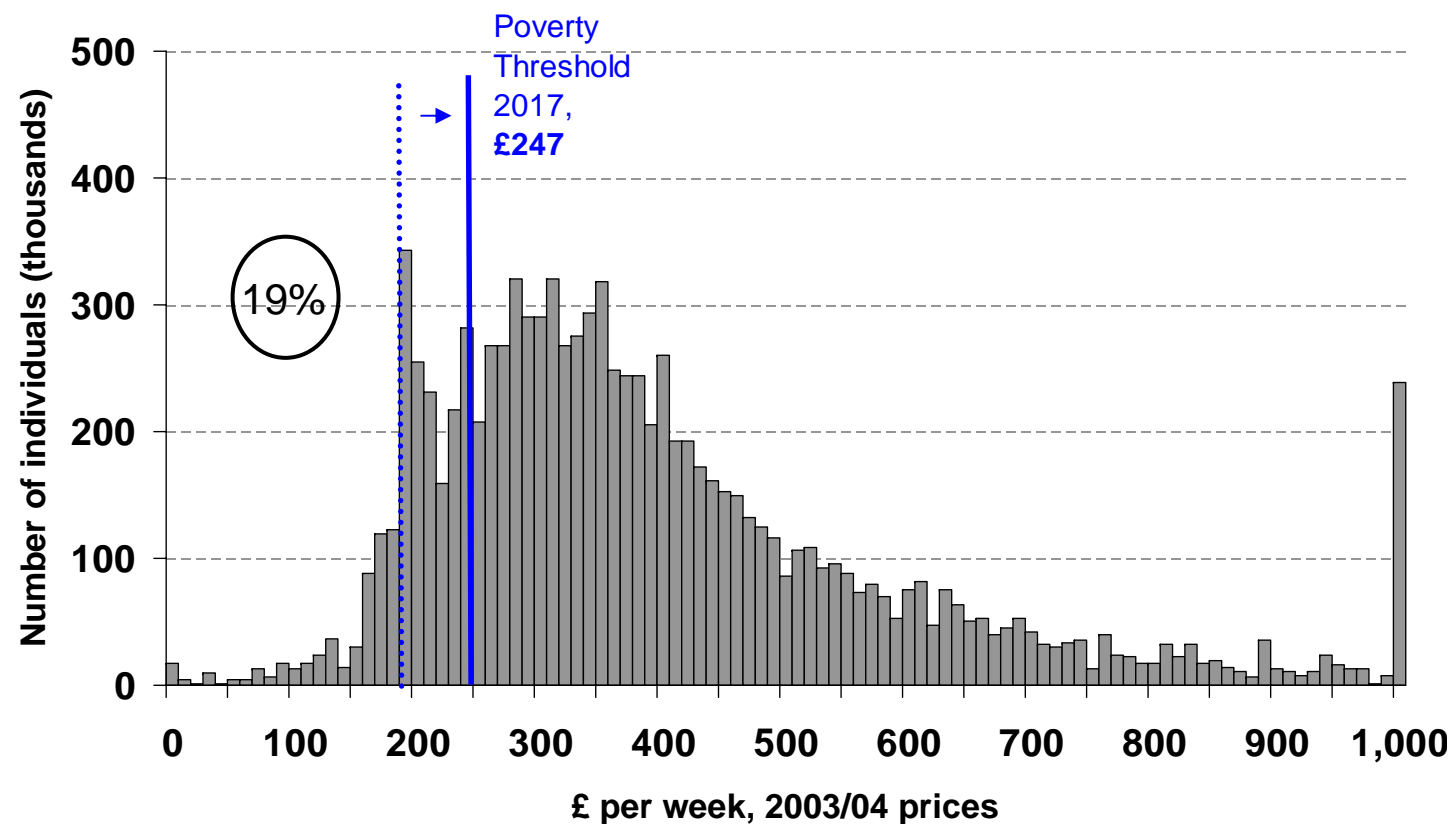
Note: net incomes shown under “White Paper” policy baseline

2017



Note: net incomes shown under “White Paper” policy baseline

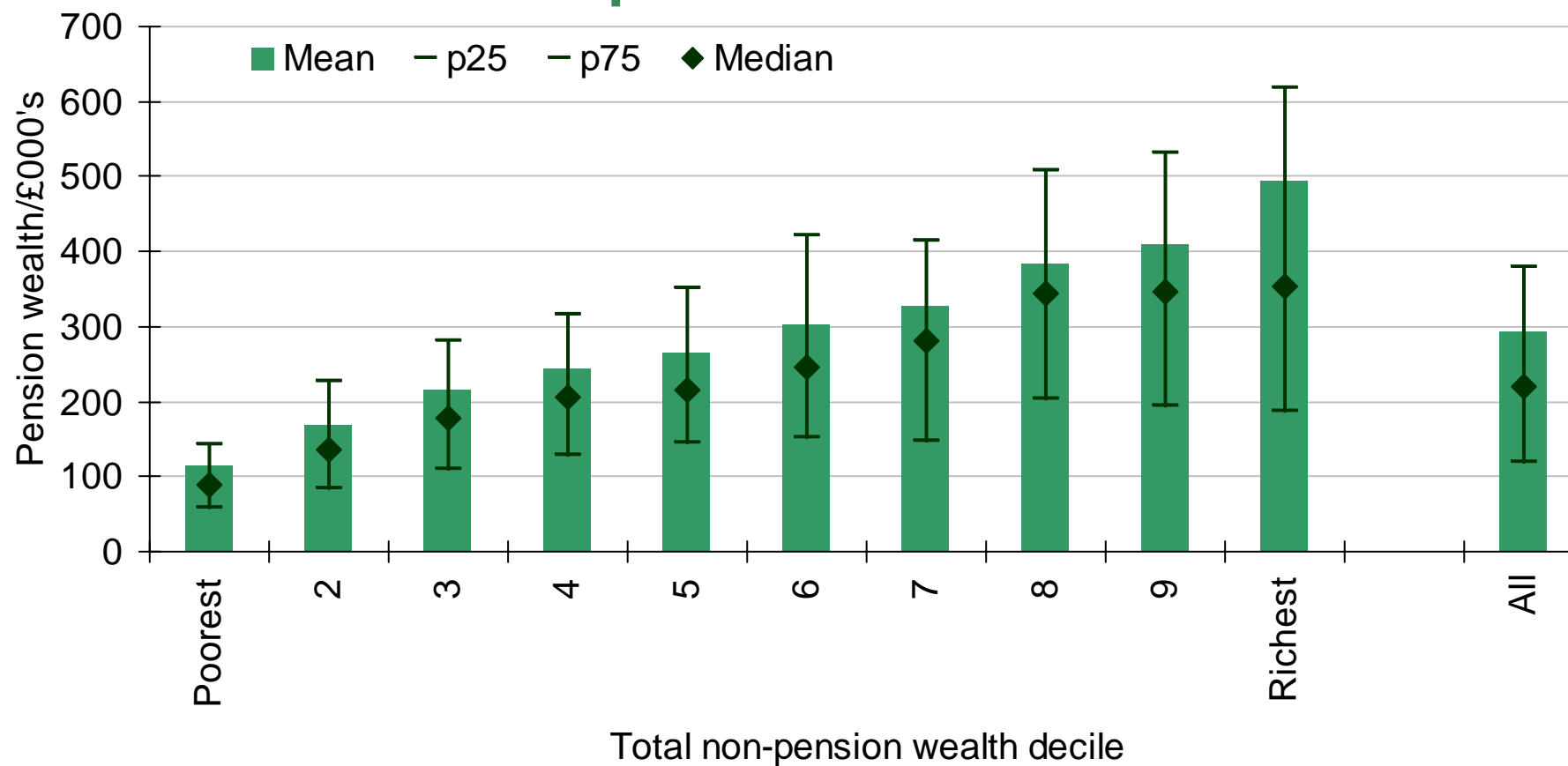
2017



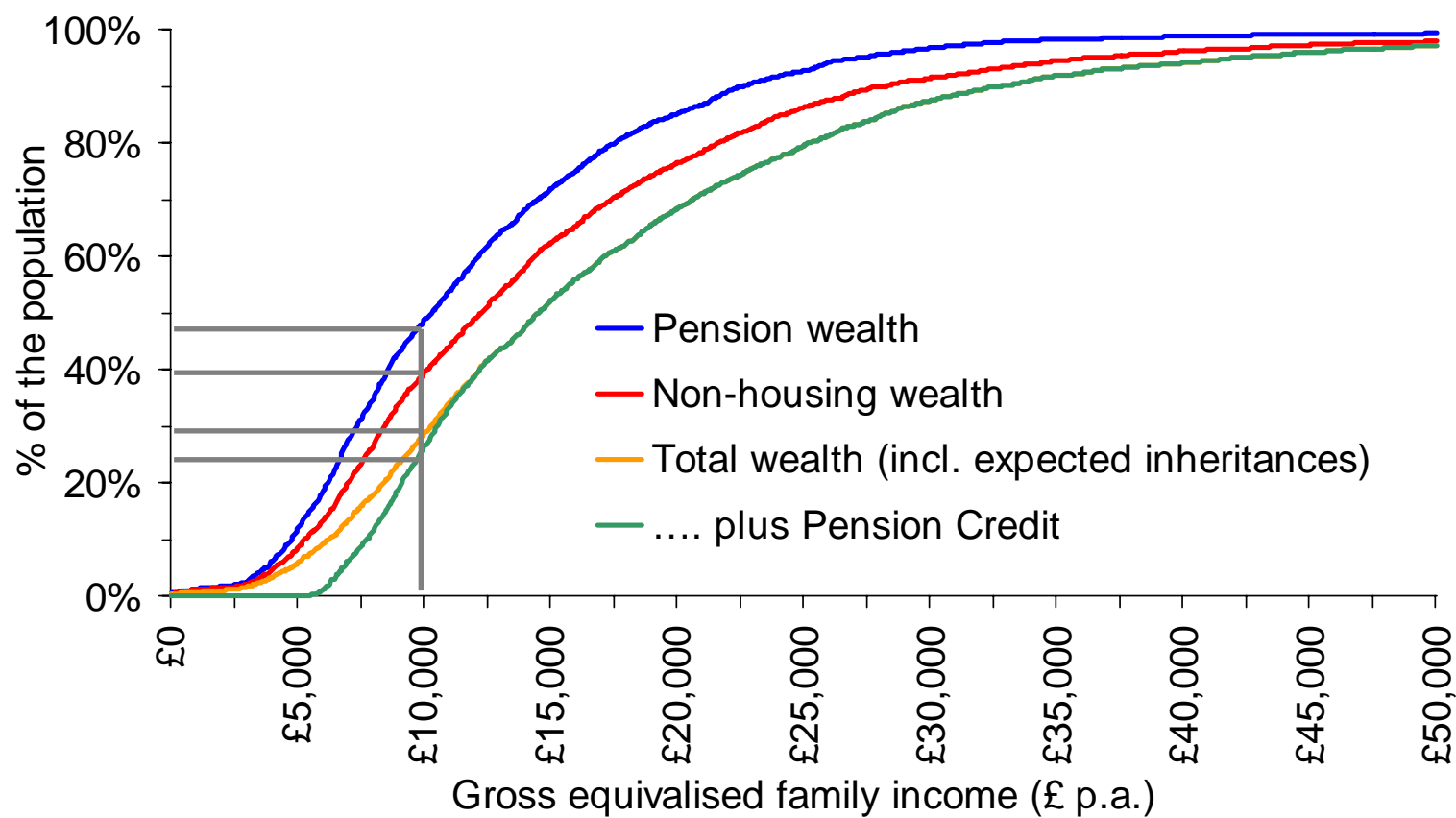
Note: net incomes shown under “White Paper” policy baseline

Correlation between pension wealth and non-pension wealth

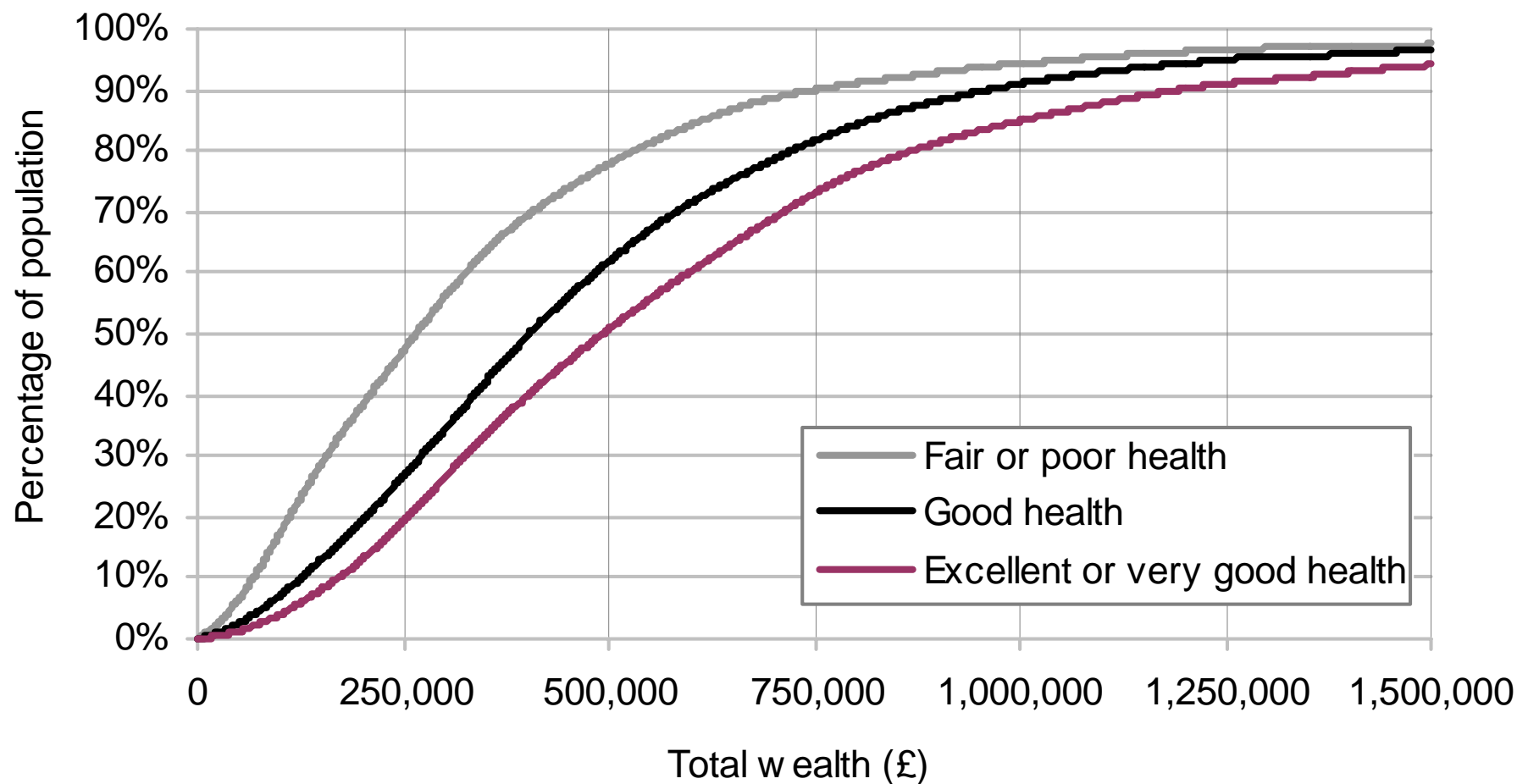
Total pension wealth



Distribution of predicted retirement resources

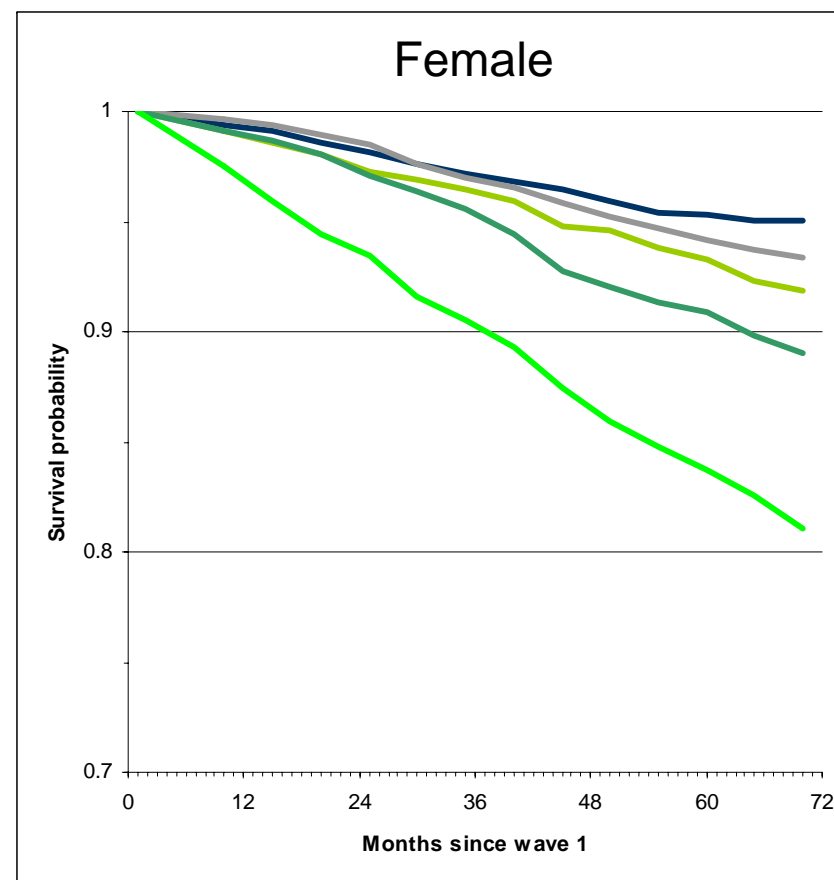
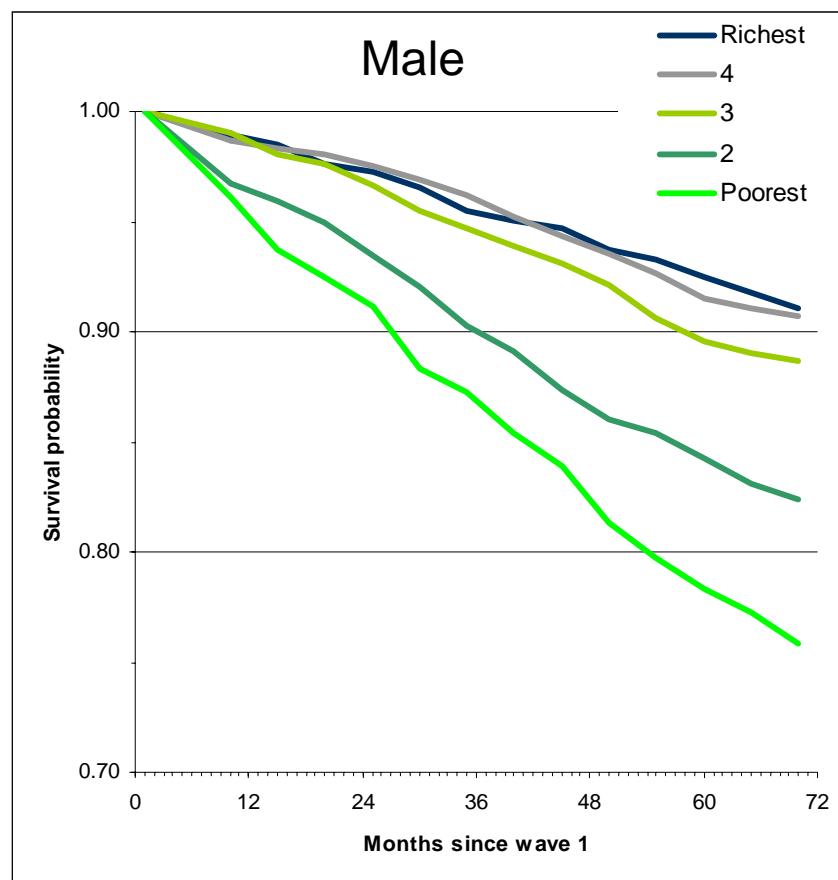


Health and wealth at older ages



Survival after wave 1 (months)

by wealth quintile; age adjusted



Odds for 5-year mortality after wave 1

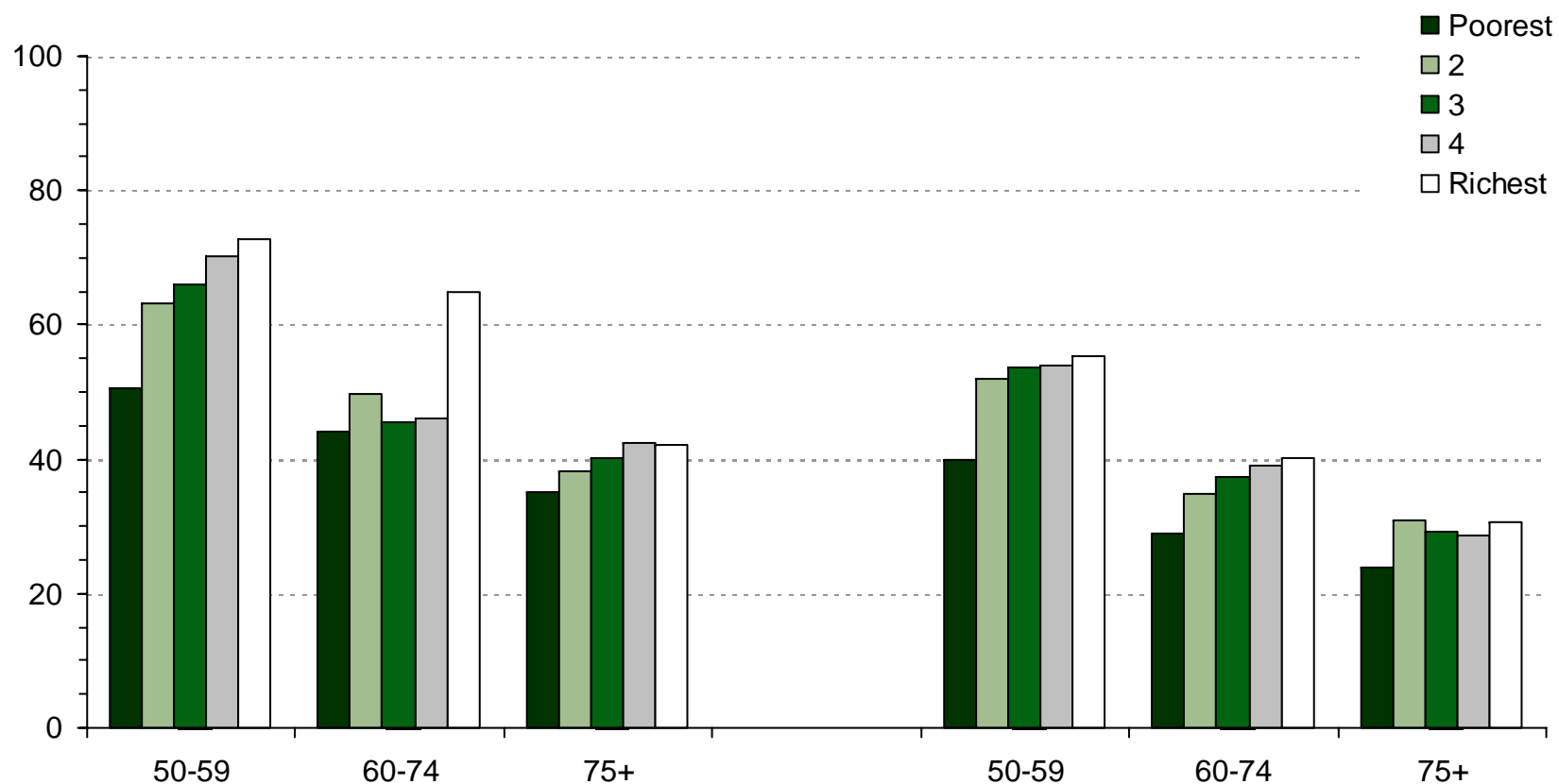
	Hazard ratio	95% ci	p-value
Separated/Divorced	1.39	[1.11,1.74]	<0.001
Widowed	1.18	[1.02,1.37]	<0.001
Never Married	1.49	[1.18,1.89]	<0.001
Wealth quintile 4	1.03	[0.82,1.31]	0.775
Wealth quintile 3	1.15	[0.92,1.45]	0.223
Wealth quintile 2	1.46	[1.17,1.82]	<0.001
Wealth quintile 1	1.56	[1.24,1.95]	<0.001
Educ: Intermediate	0.91	[0.70,1.18]	0.488
Educ: No qualifications	0.90	[0.68,1.18]	0.455
Class: Intermediate	1.06	[0.88,1.28]	0.559
Class: Routine/manual	1.16	[0.98,1.38]	0.090

Additional controls not reported: Sex, age (5-year dummies), Physical activity, Smoking, drinking

Reference group: 50-54 yr old, male, non-smoker; high physical activity, non-drinker, highest wealth quintile, education: degree, class: managerial/professional

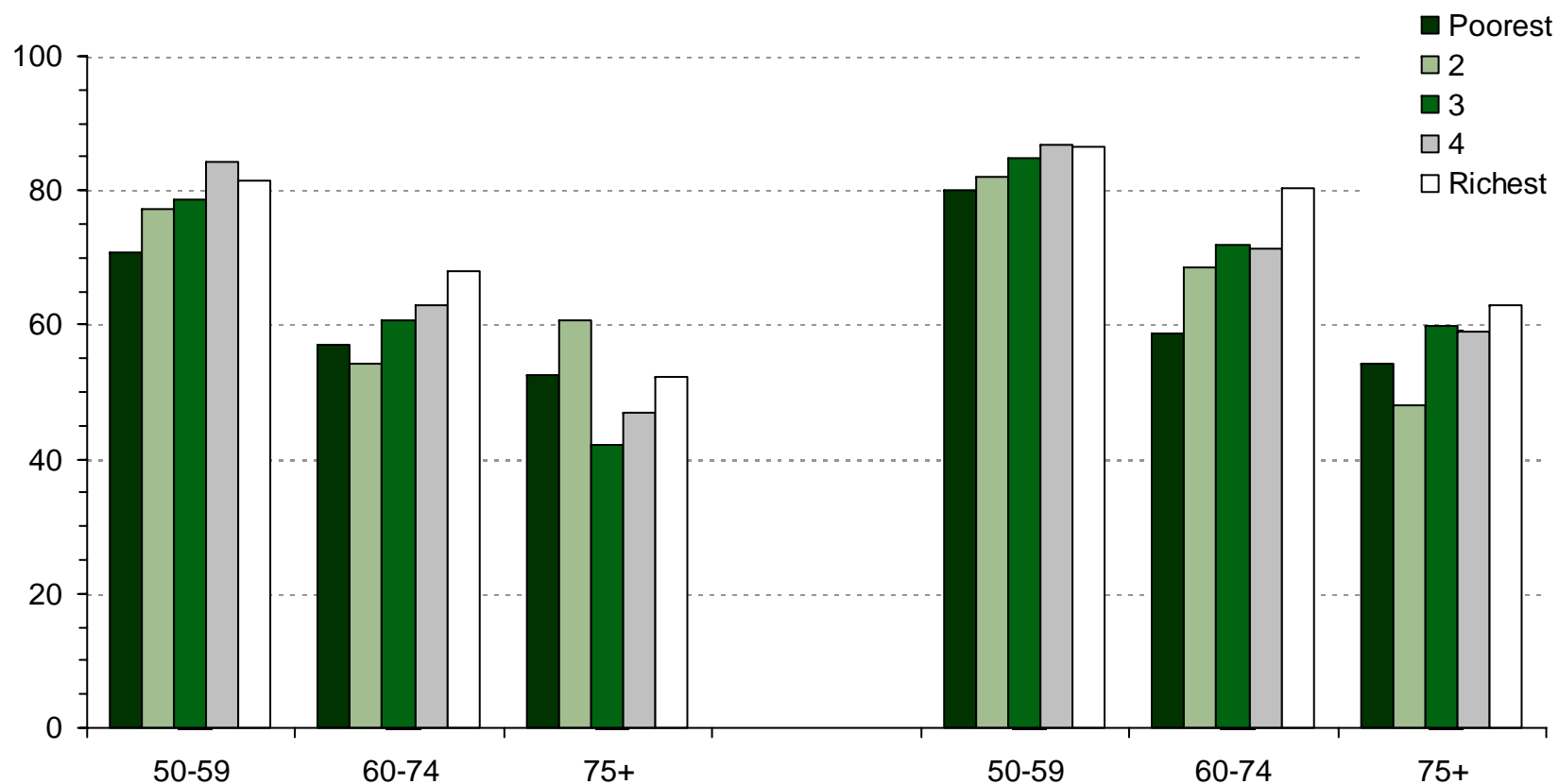
Per cent without any CVD-related disease by age-specific wealth quintile, sex and age

Angina, myocardial infarction, stroke, heart failure heart murmur, abnormal heart rhythm, diabetes



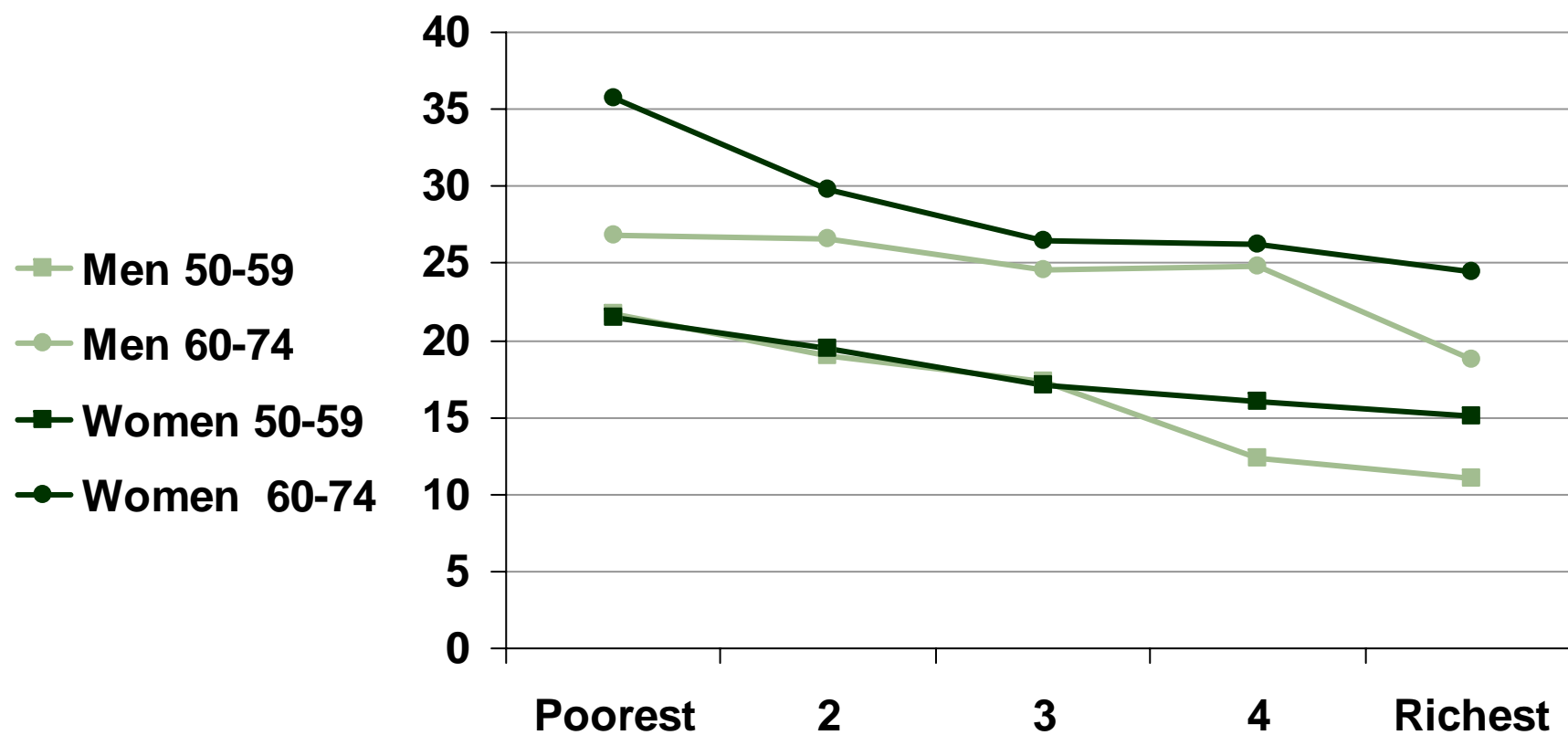
Per cent without any of six selected chronic physical diseases by age-specific wealth quintile, sex and age

Chronic lung disease, asthma, arthritis, osteoporosis, cancer (excl. primary skin cancer), Parkinson's disease



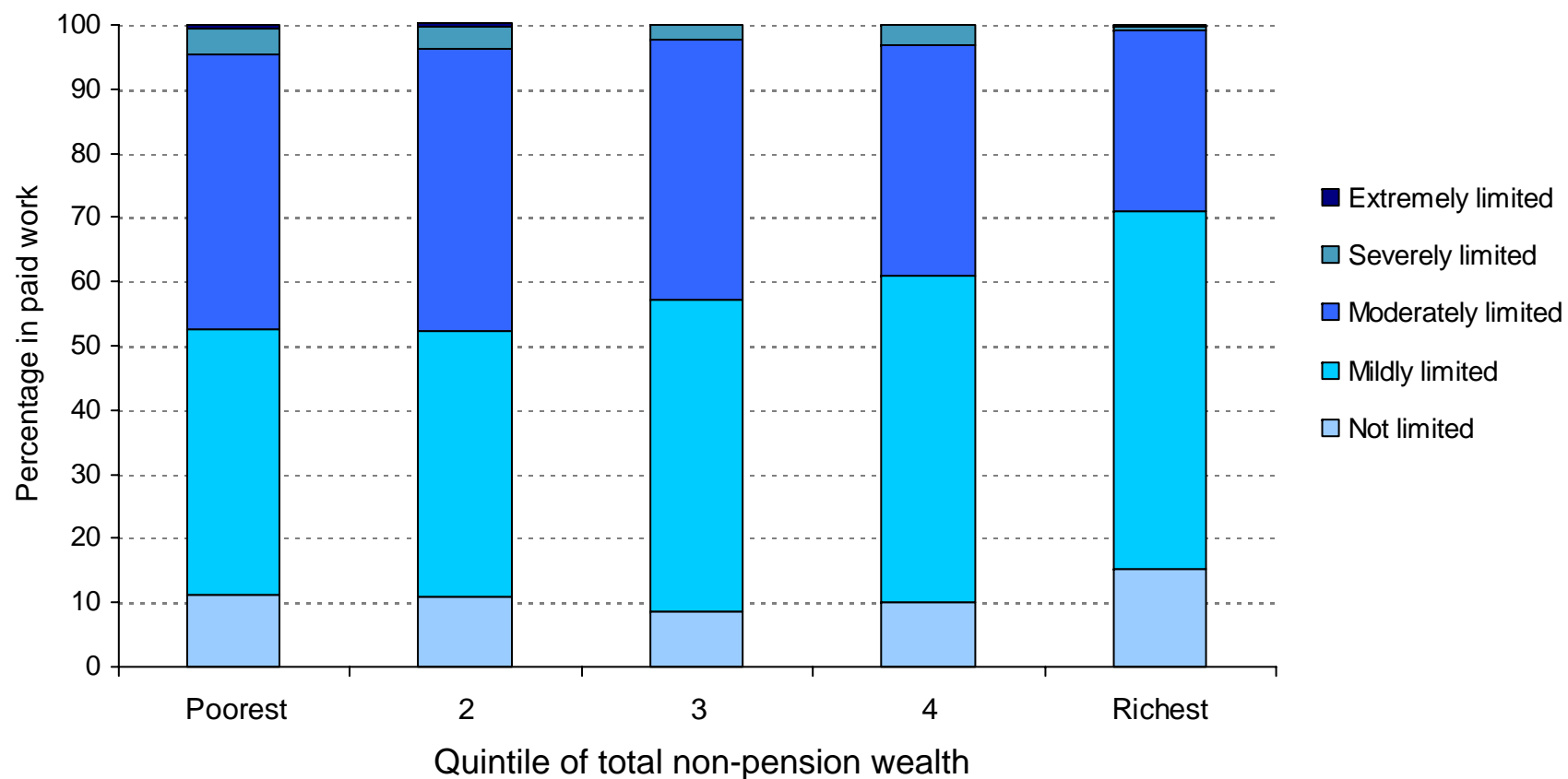
Incidence of at least one major condition between 2002 and 2004

by gender and age-specific wealth quintile in 2002

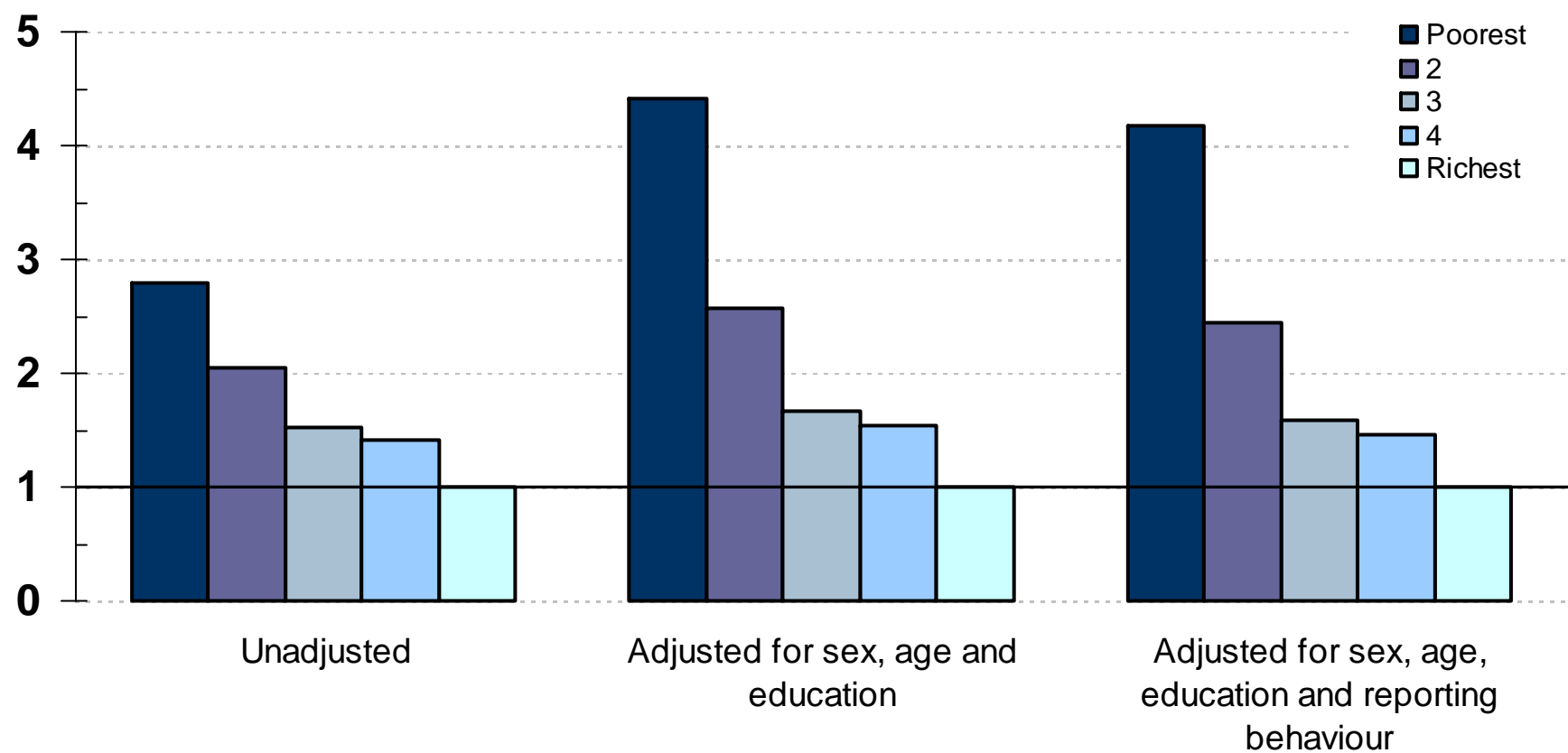


Perceptions of work disability by wealth quintile

e.g. Geoffrey suffers from back pain that causes stiffness in his back especially at work, but it is relieved with low doses of medication. He does not have any pains other than this general discomfort. How much is Geoffrey limited in the kind or amount of work he could do?

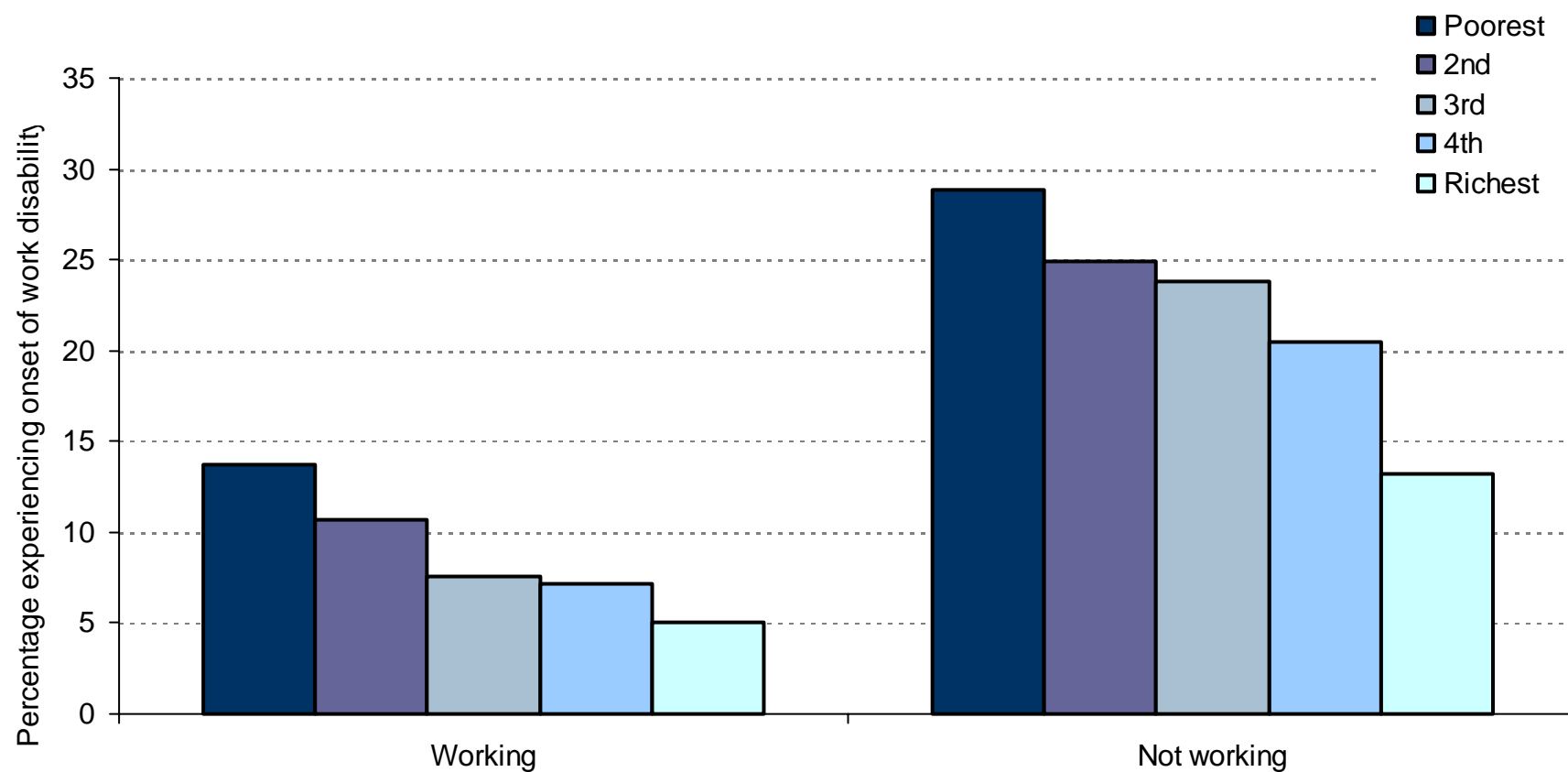


Odds of work disability by wealth quintile



Probability of work disability onset; by work status and wealth

Percentage who experience the onset of a work disability between waves 2 and 3



Average annual real earnings growth over ten years

Excludes those with earnings truncated at the UEL in either year and those with no earnings above LEL in either year

Data removed awaiting approval for external dissemination

Earnings mobility: Men aged 23–28 in 1975, transitions from 1975 to 1995

1975

Data removed awaiting approval for external dissemination

Ongoing ELSA work

- **Some analysis already underway:**
 - Late life consequences of previous employment/earnings differences
 - Health and mortality differences and links to education/income/wealth
 - Further understanding of disability and employment prior to SPA
- **Other possible issues:**
 - More work on multi-dimensional inequalities
 - Link between 'objective' inequalities and subjective well-being measures
 - Within-household spillovers, e.g. caring
 - Household versus individual financial inequalities
 - Pensioner specific equivalence scales

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Well-being and quality of life (GHQ and CASP)

Factors associated with self-reported well-being/quality of life:

- Income (+)
- Physical functioning (+)
- Being above retirement age (+)
- Marital status:
 - Women in couples report highest quality of life...
 - ... but men in couples report highest level of well-being.
 - Divorced/separated/widowed individuals report lowest quality of life
 - (It is **not** 'better to have loved and lost...'?)