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50 YEARS

THE FUTURE OF POLICY EVENT SERIES

## THE FUTURE OF INCOME IN RETIREMENT

TUESDAY 25 JUNE 2019

18:30-20:00, ROYAL INSTITUTION, LONDON

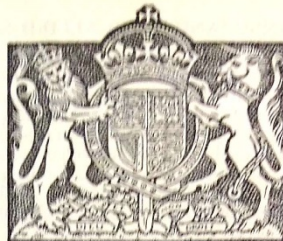
**Speakers**    **Carl Emmerson**, Institute for Fiscal Studies  
**Professor Sarah Harper**, Oxford Institute of  
Population Ageing  
**Sir Steve Webb**, Royal London and former Pensions  
Minister



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# SOCIAL INSURANCE AND ALLIED SERVICES

Report by  
SIR WILLIAM BEVERIDGE

*Presented to Parliament by Command of His Majesty  
November 1942*

LONDON

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

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without other means”**

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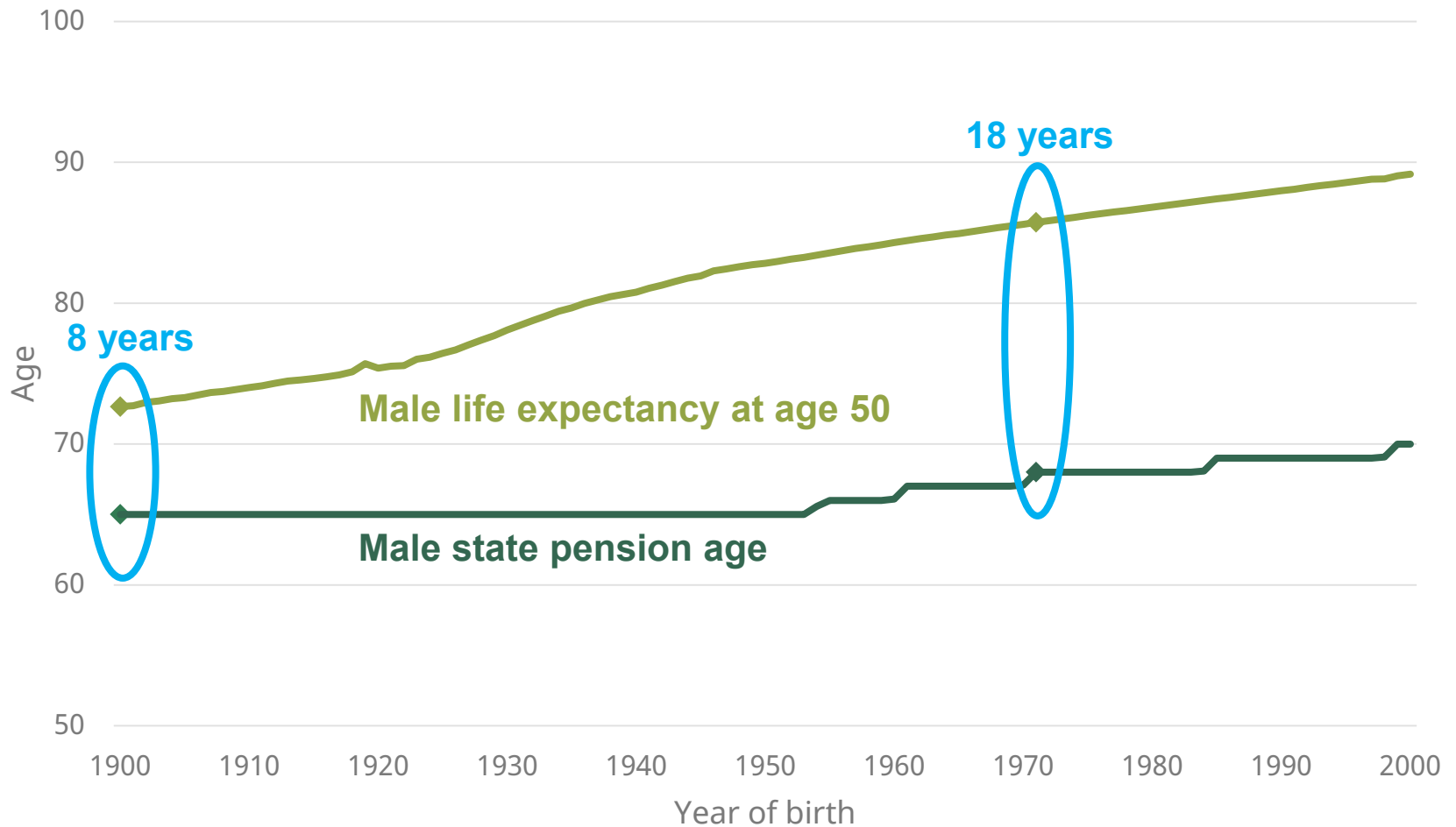
**“after reaching a minimum age for  
retirement, have in fact retired from  
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**“pensions adequate for subsistence without other means”**

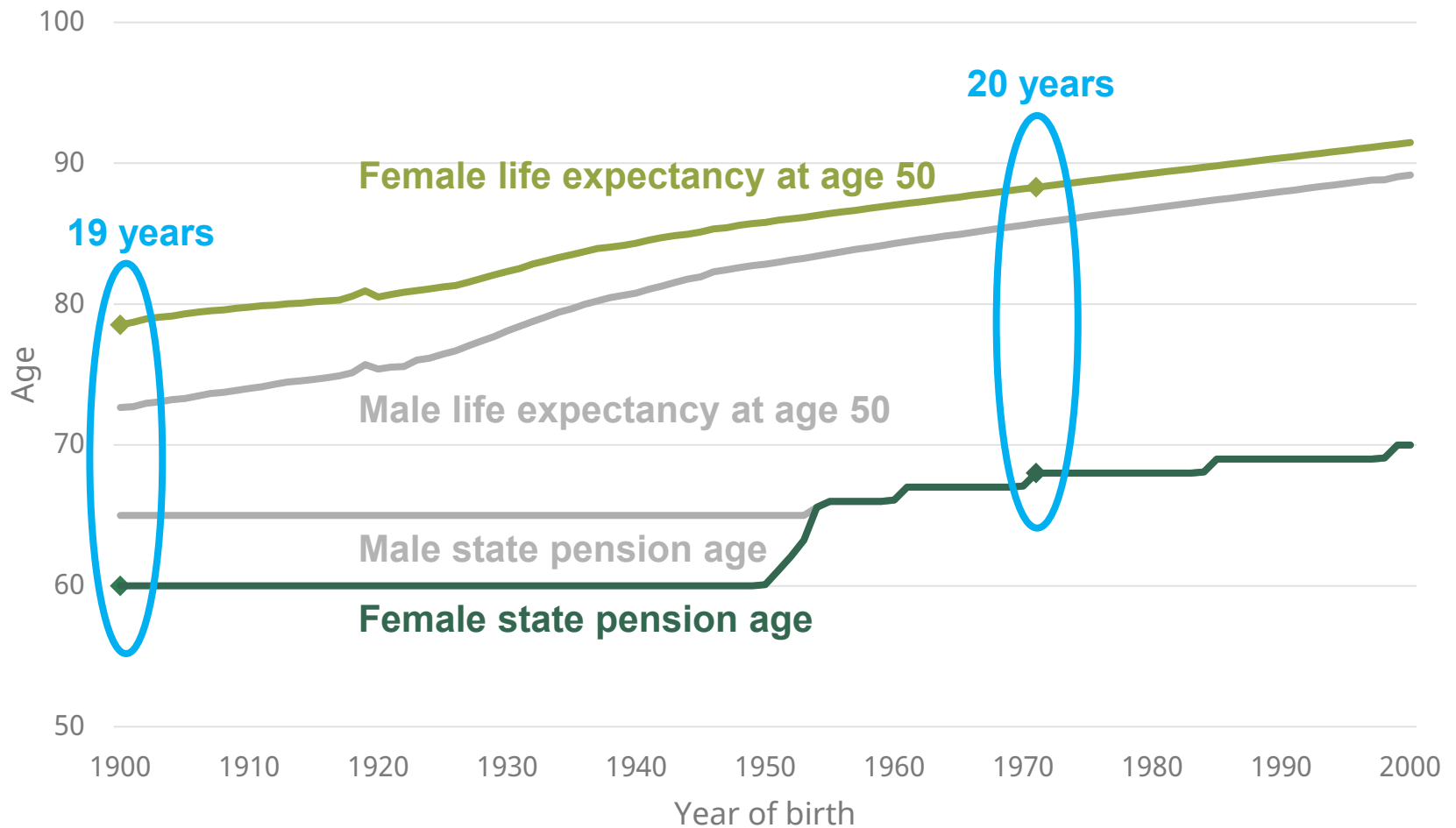
**“after reaching a minimum age for retirement, have in fact retired from work”**

**“full rate of contributory pensions is put accordingly at the same amount as the rate of working age benefits”**

# Rising longevity and state pension age: men



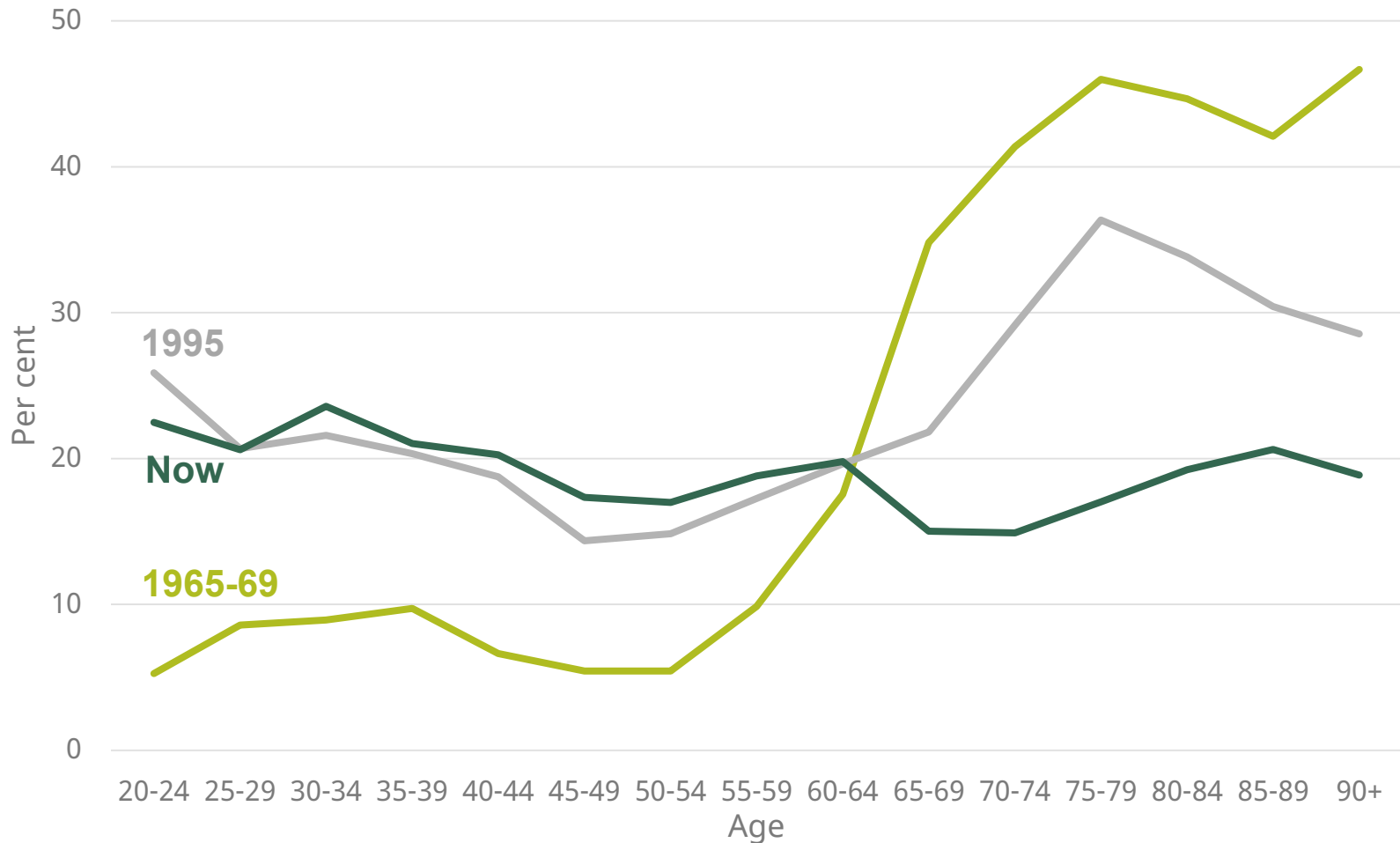
# Rising longevity and state pension age: women



**1. How have pensioner incomes fared?**

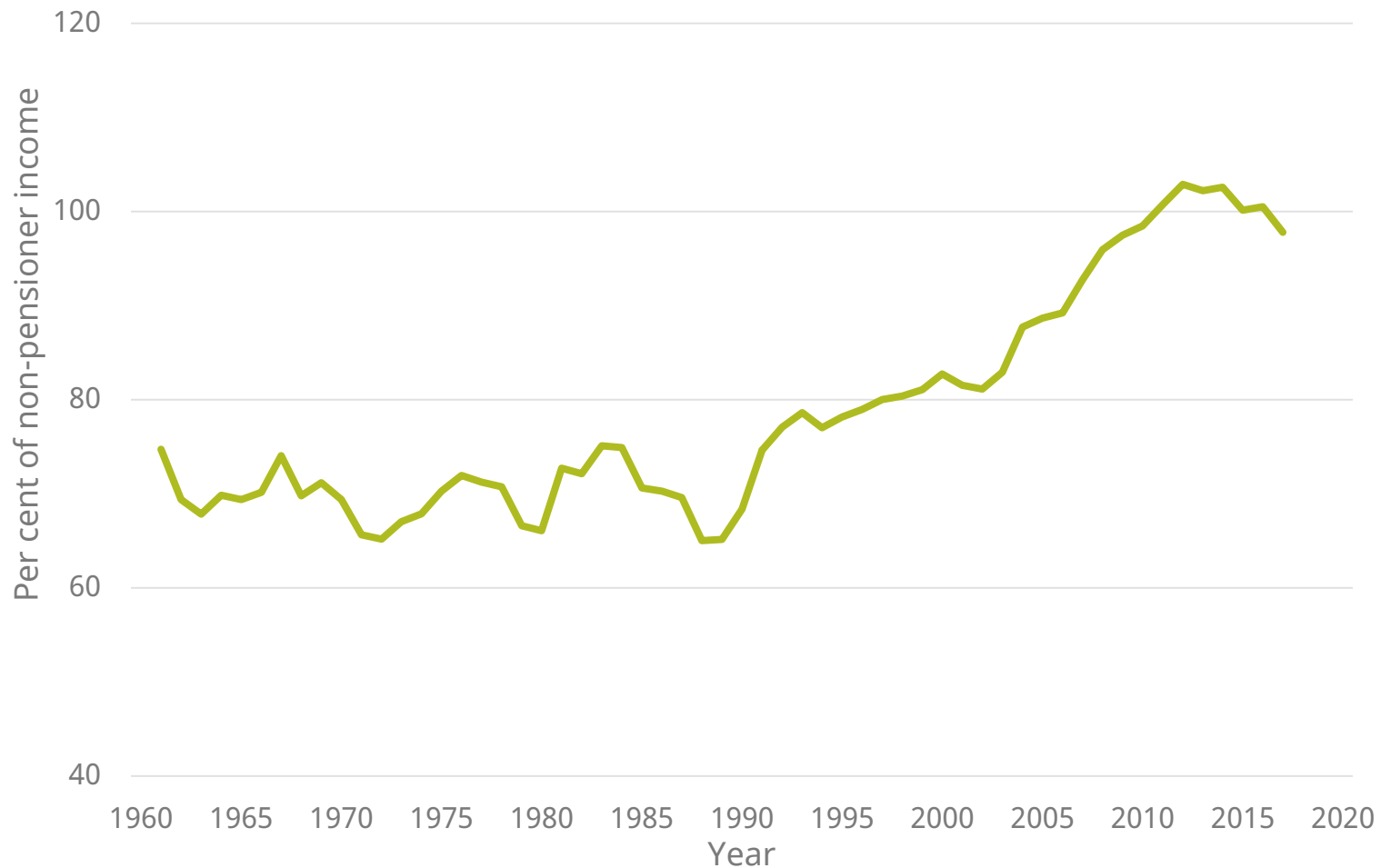


# Relative income poverty and age



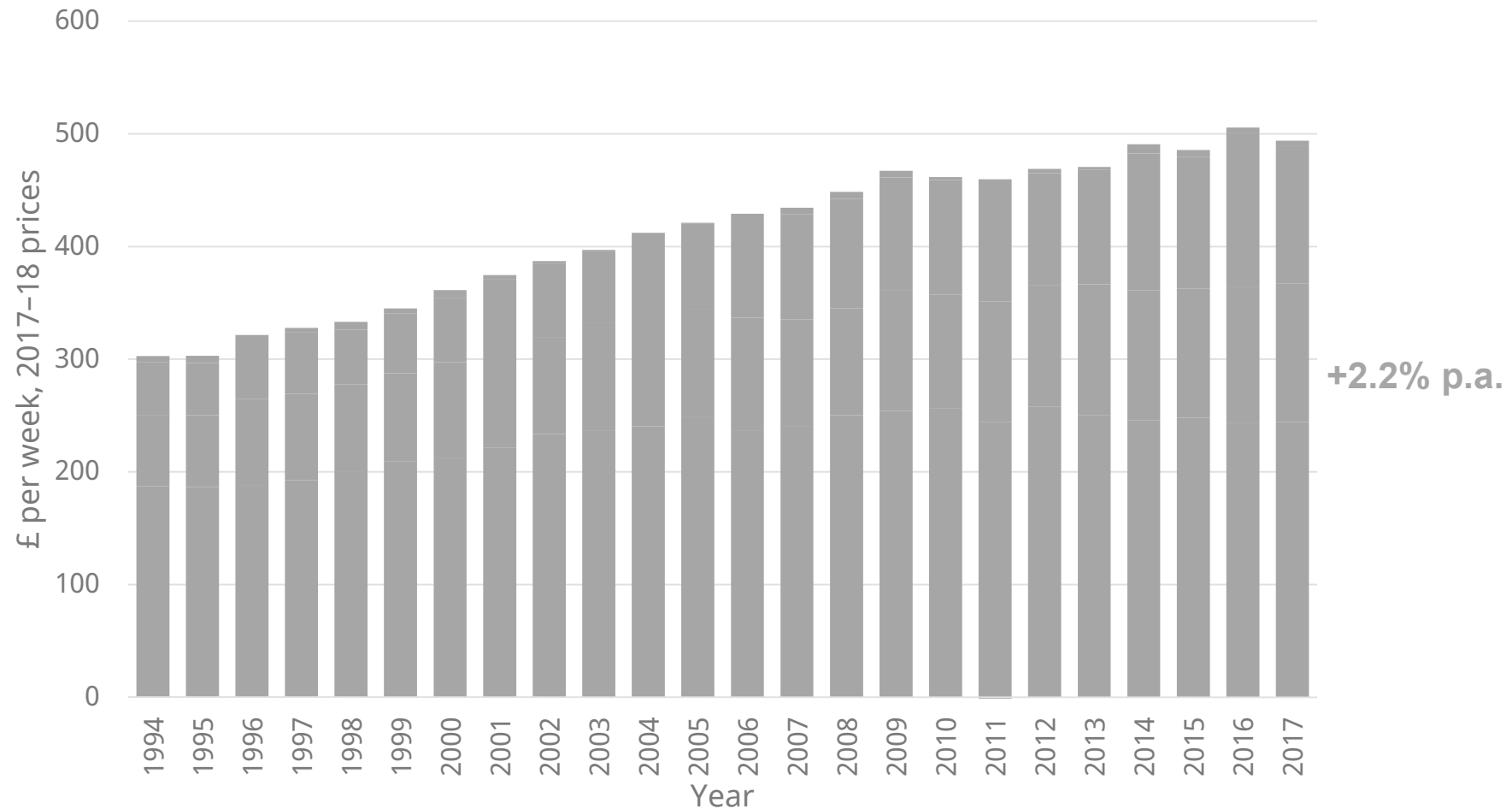
Note: Income measured after housing costs; income poverty defined as below 60% of contemporaneous median income.  
Source: Author's calculations using the Family Expenditure Survey and Family Resources Survey.

# Average pensioner incomes much improved



Note: Chart shows median pensioner income as a share of median non-pensioner income. Income measured after housing costs.  
Source: Author's calculations using the Family Expenditure Survey and Family Resources Survey.

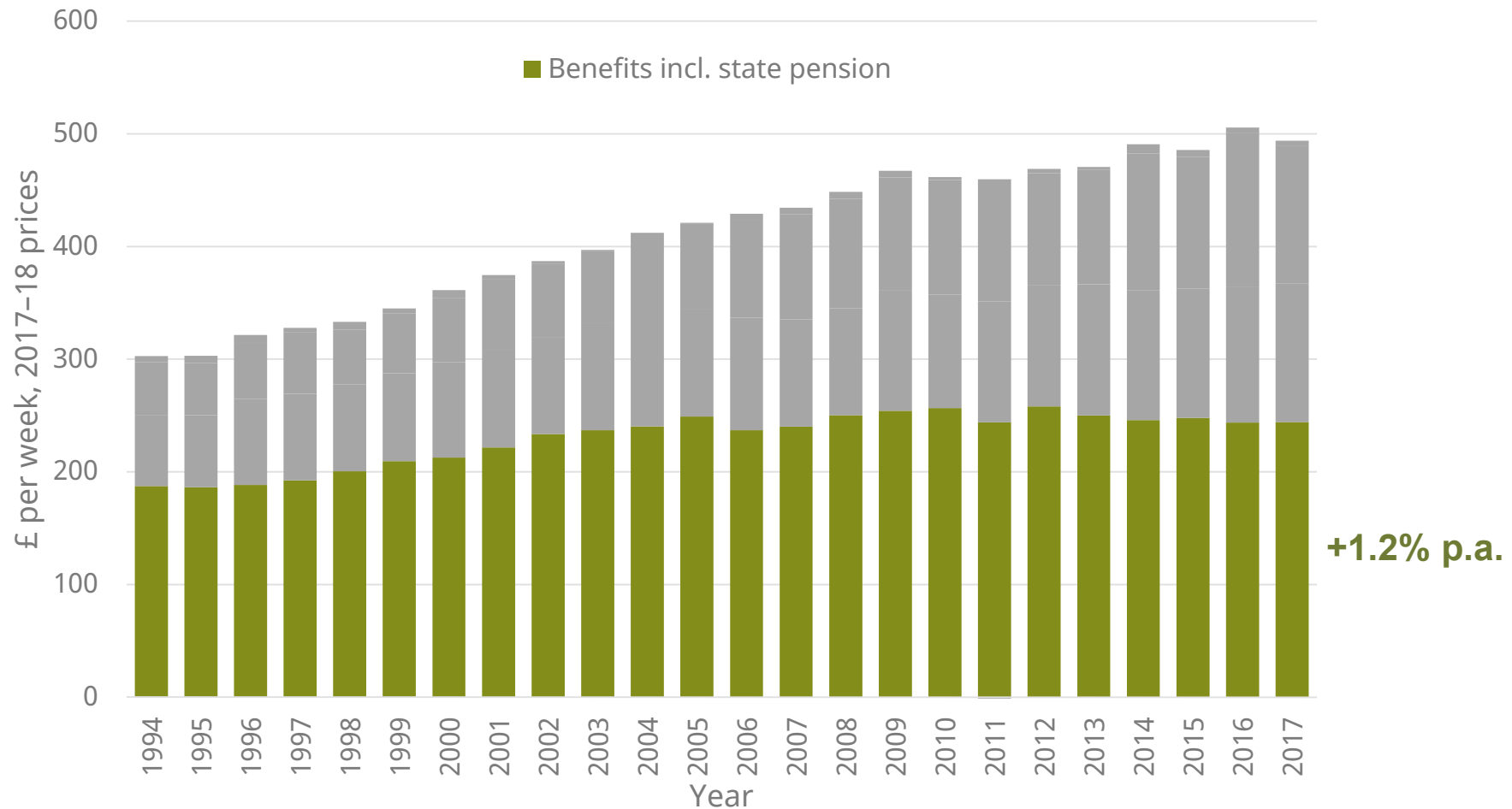
# Growing middle incomes of 60 to 74 year olds



Note: Average income among those in the middle income quintile. Income measured before housing costs.

Source: Author's calculations using the Family Resources Survey.

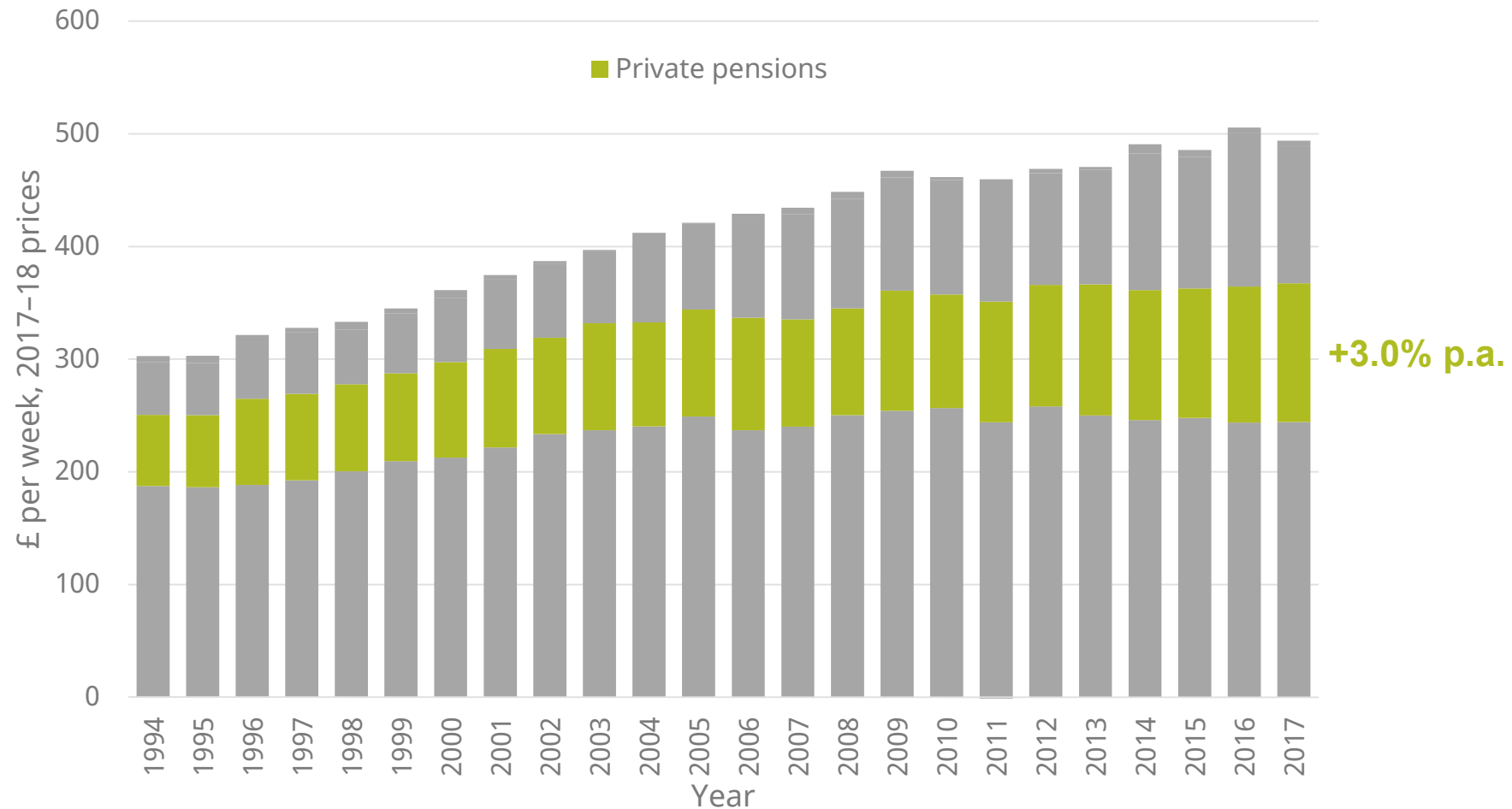
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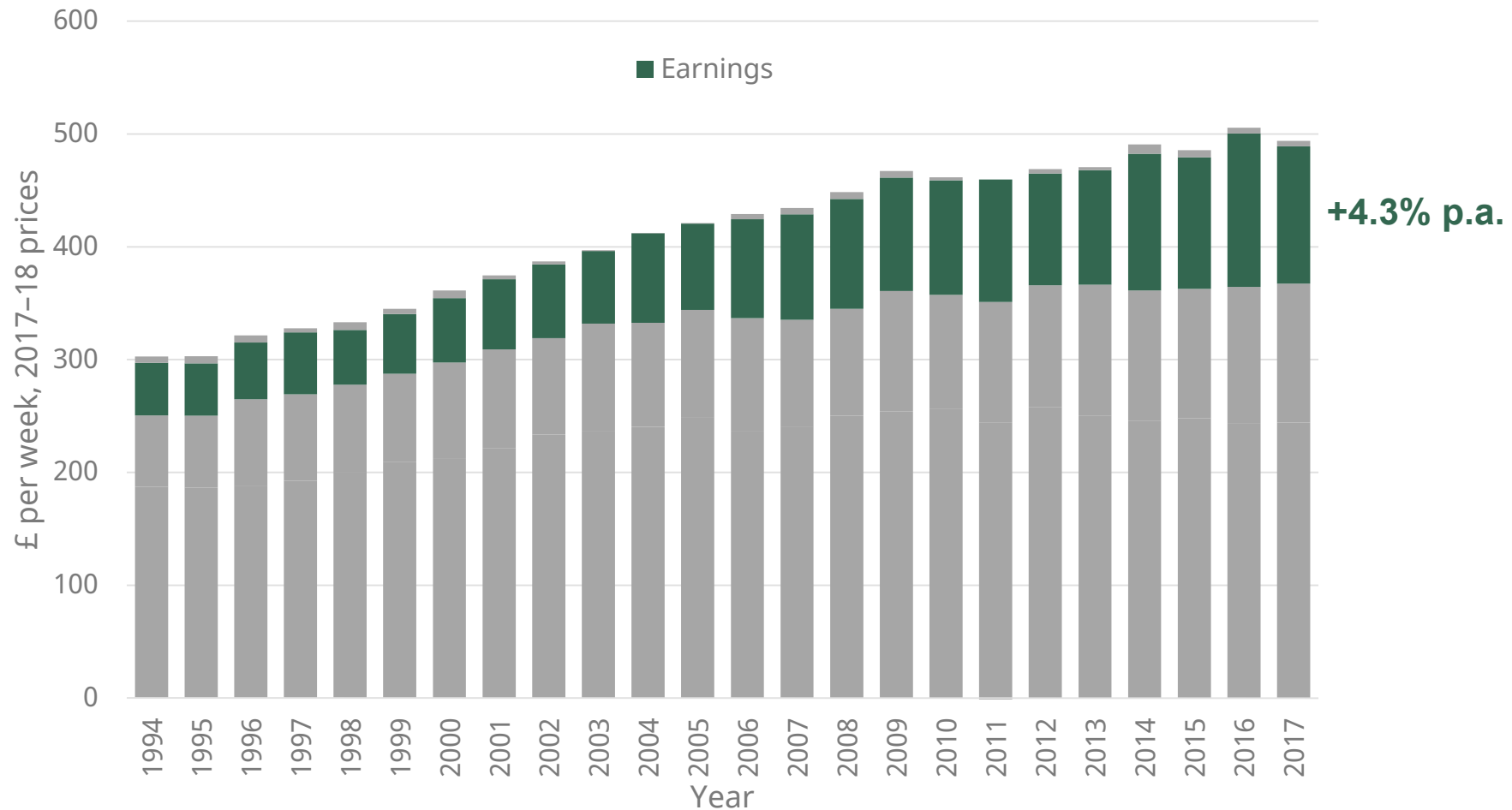
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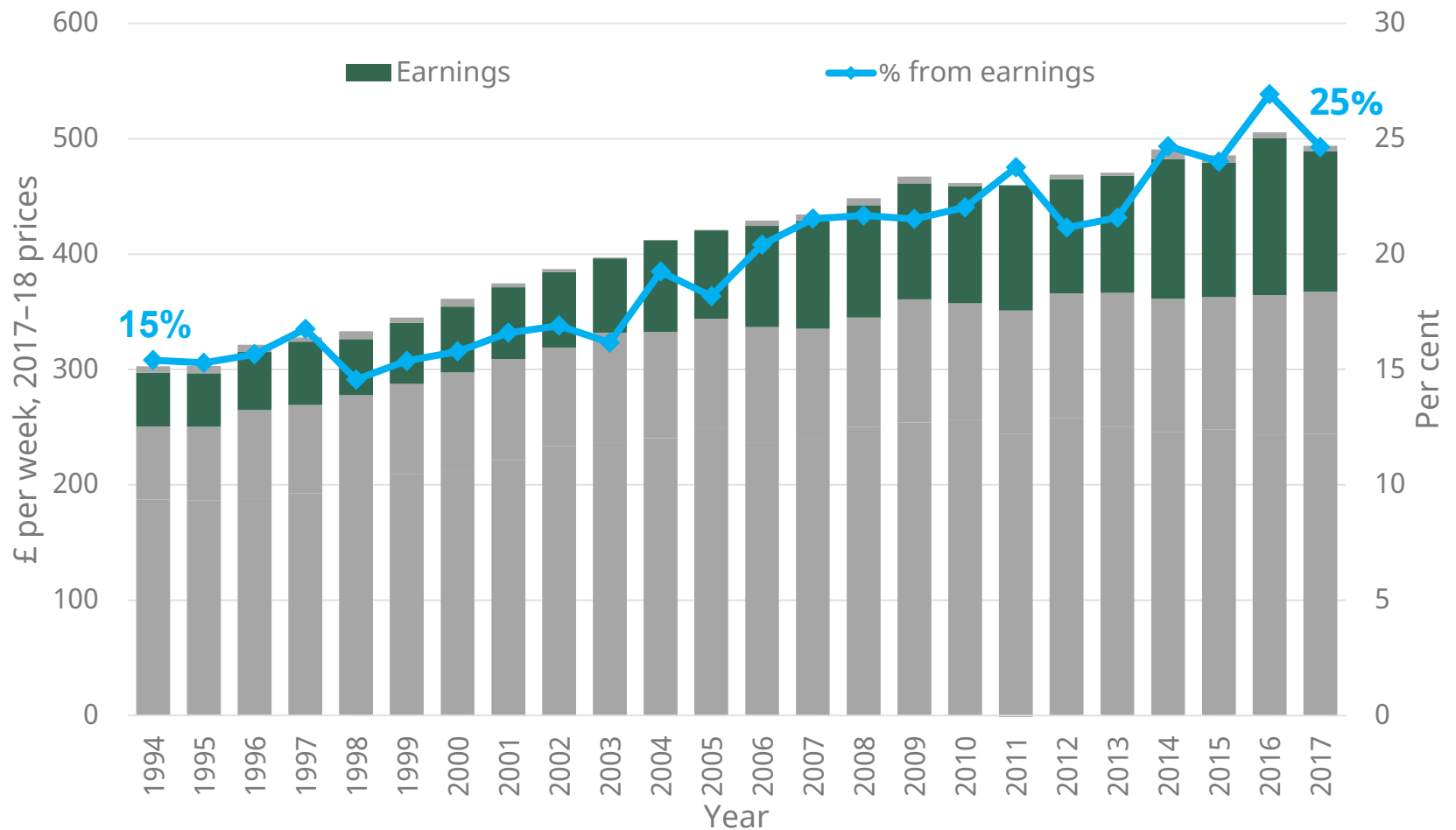
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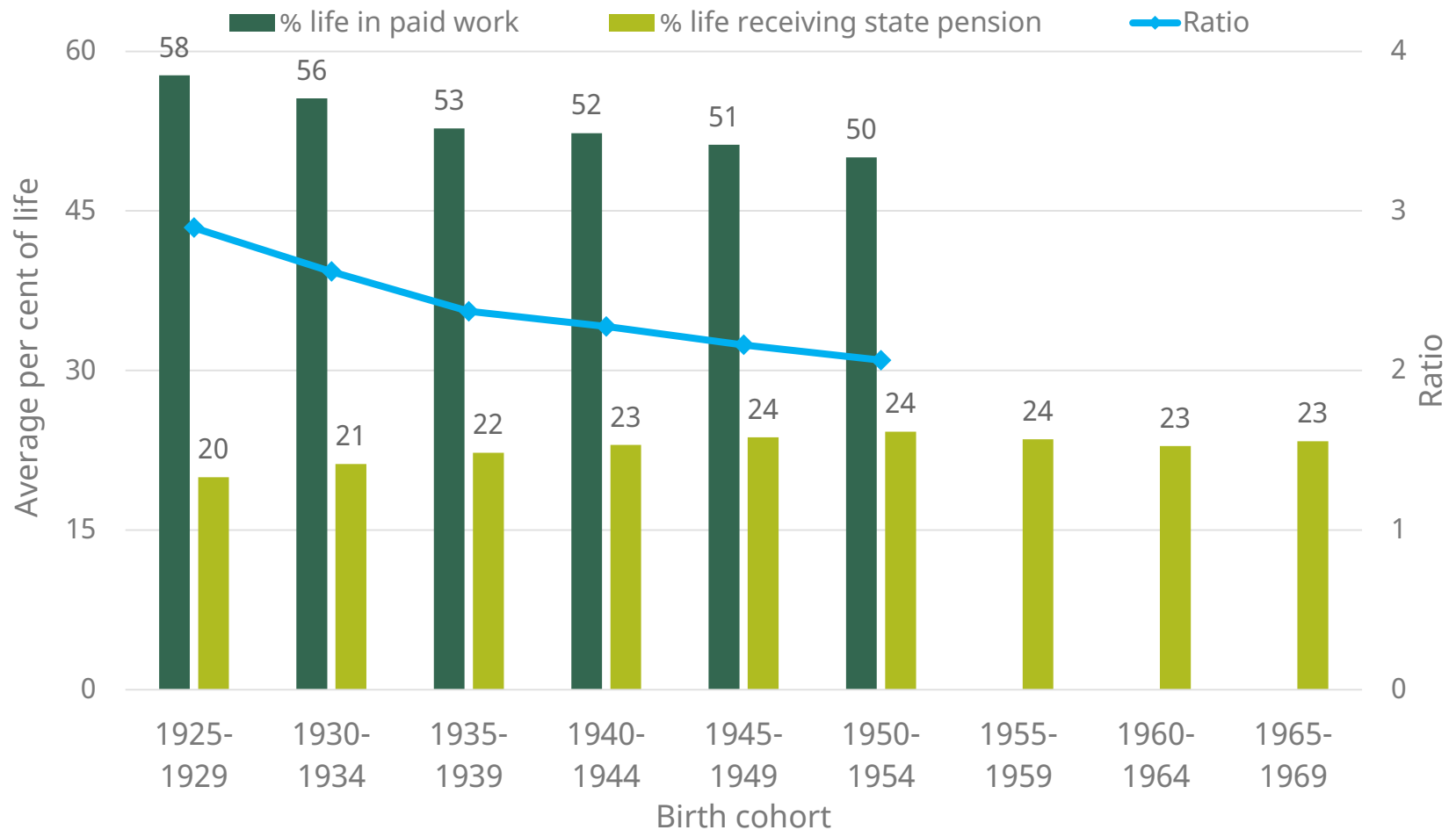
Note: Average income among those in the middle income quintile. Income measured before housing costs.

Source: Author's calculations using the Family Resources Survey.

**2. How much capacity is there for retirement ages to increase further?**

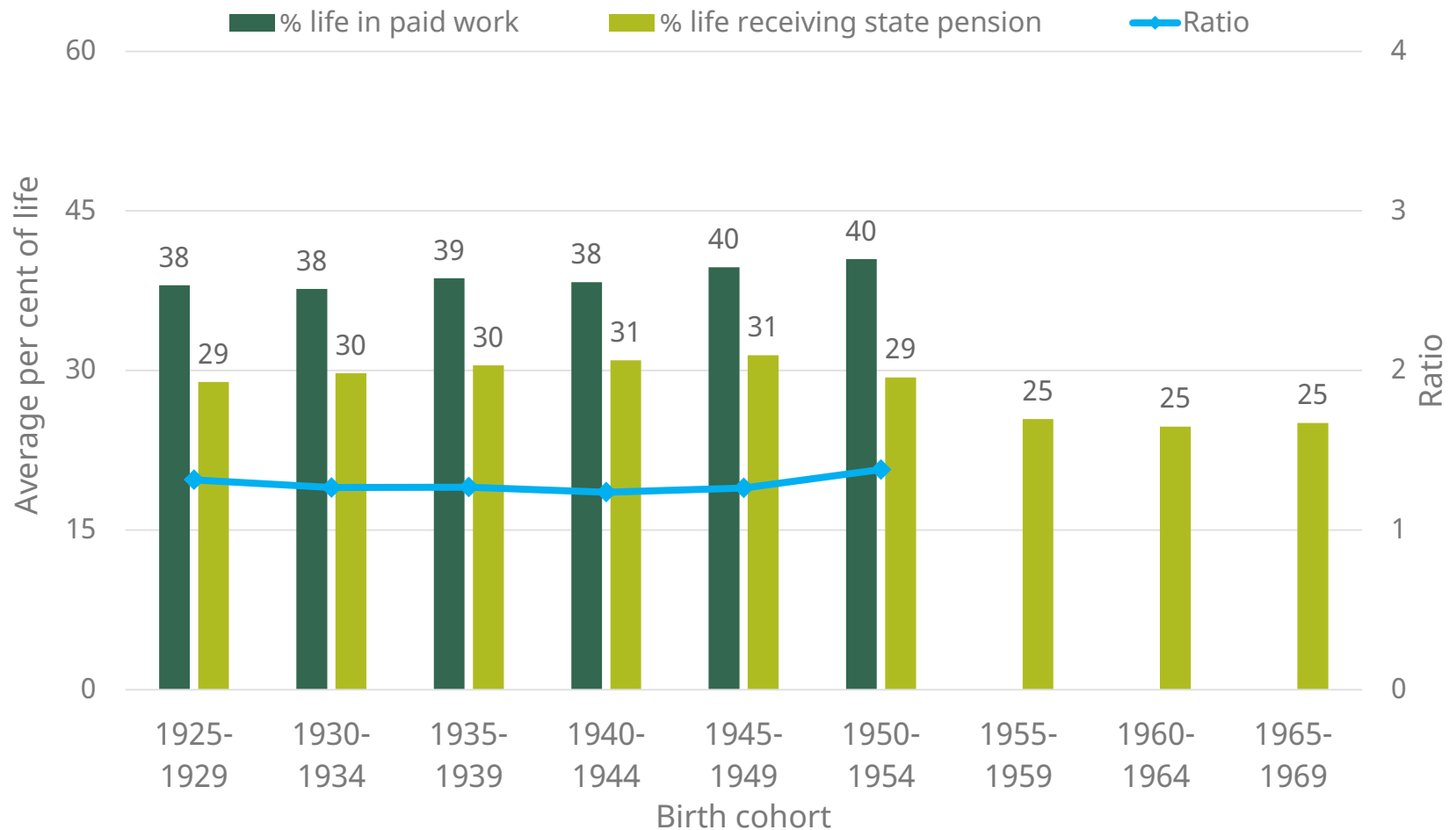


# Years working and years receiving state pension: men



Note: Years of employment calculated up to age 65. Life expectancy also taken at age 65.  
Source: Author's calculations using data from the English Longitudinal Study of Ageing.

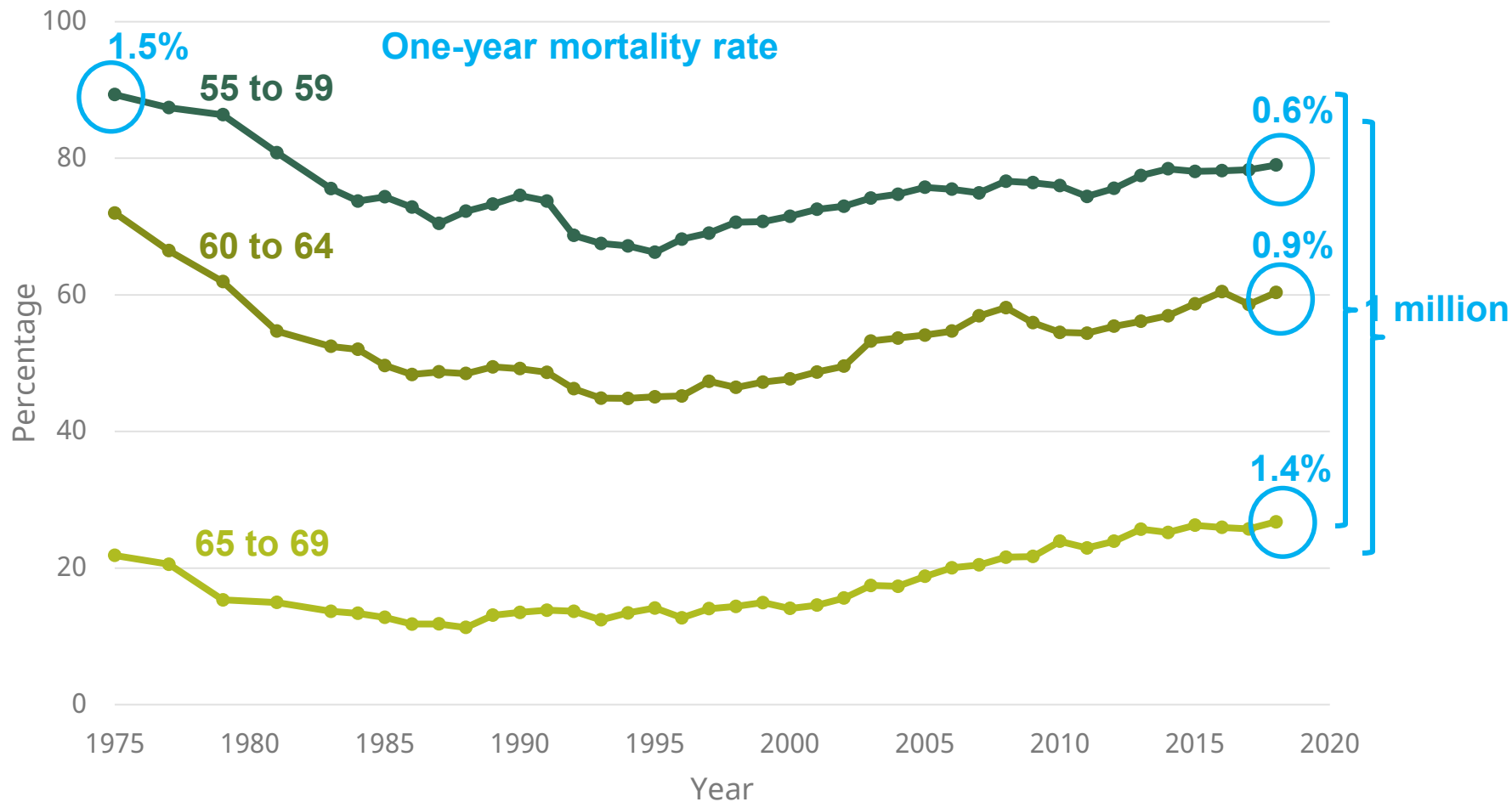
# Years working and years receiving state pension: women



Note: Years of employment calculated up to age 65. Life expectancy also taken at age 65.  
 Source: Author's calculations using data from the English Longitudinal Study of Ageing.

# The fall and rise of male employment rates

60% of men aged 60 to 74 in paid work in 2016–17 report not being in a physical or heavy manual job

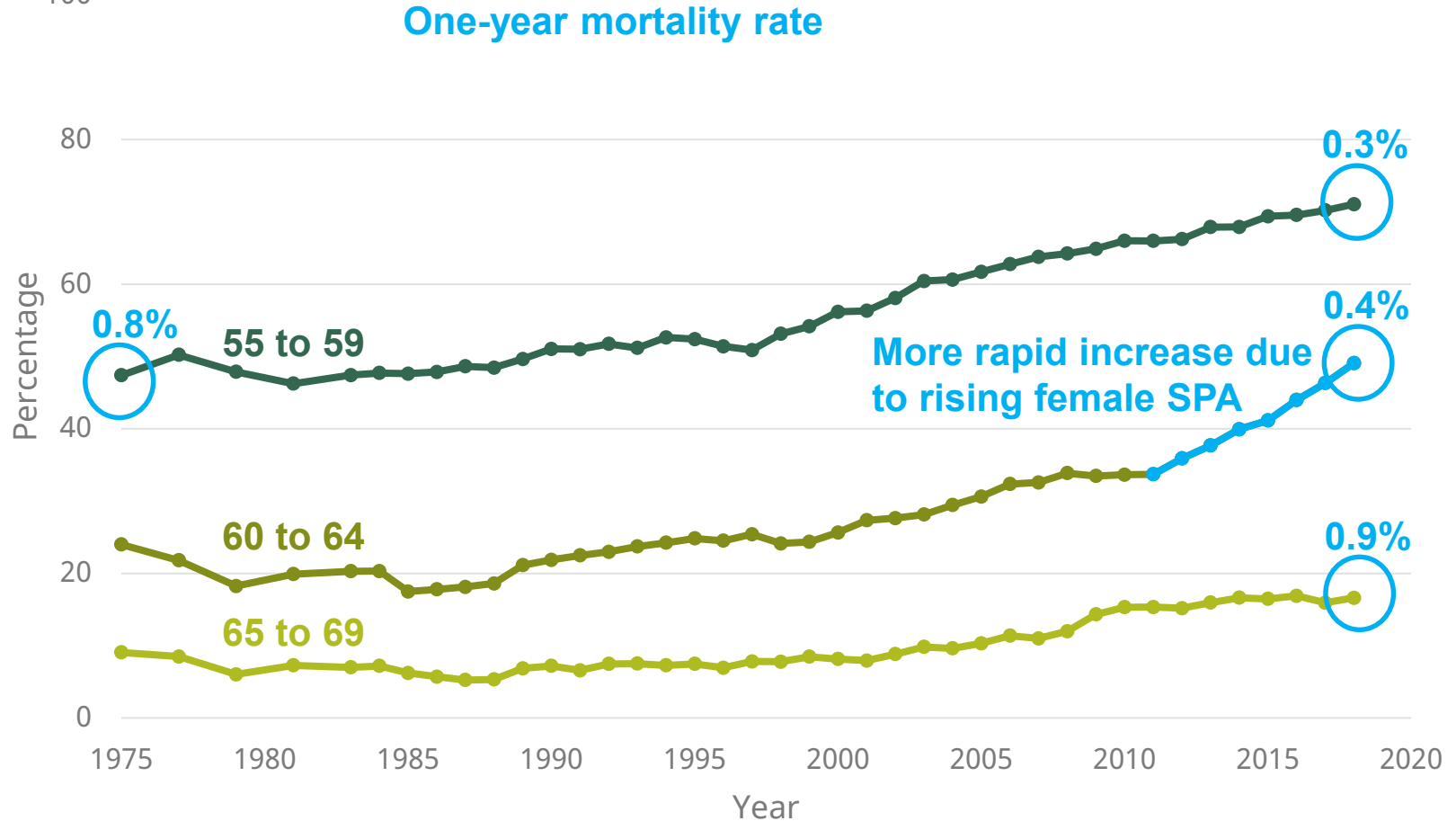


Note: Includes self-employed.

Source: Labour Force Survey; English Longitudinal Study of Ageing.

# Rising female employment rates

80% of women aged 60 to 74 in paid work in 2016–17  
report not being in a physical or heavy manual job



Note: Includes self-employed.

Source: Labour Force Survey; English Longitudinal Study of Ageing.

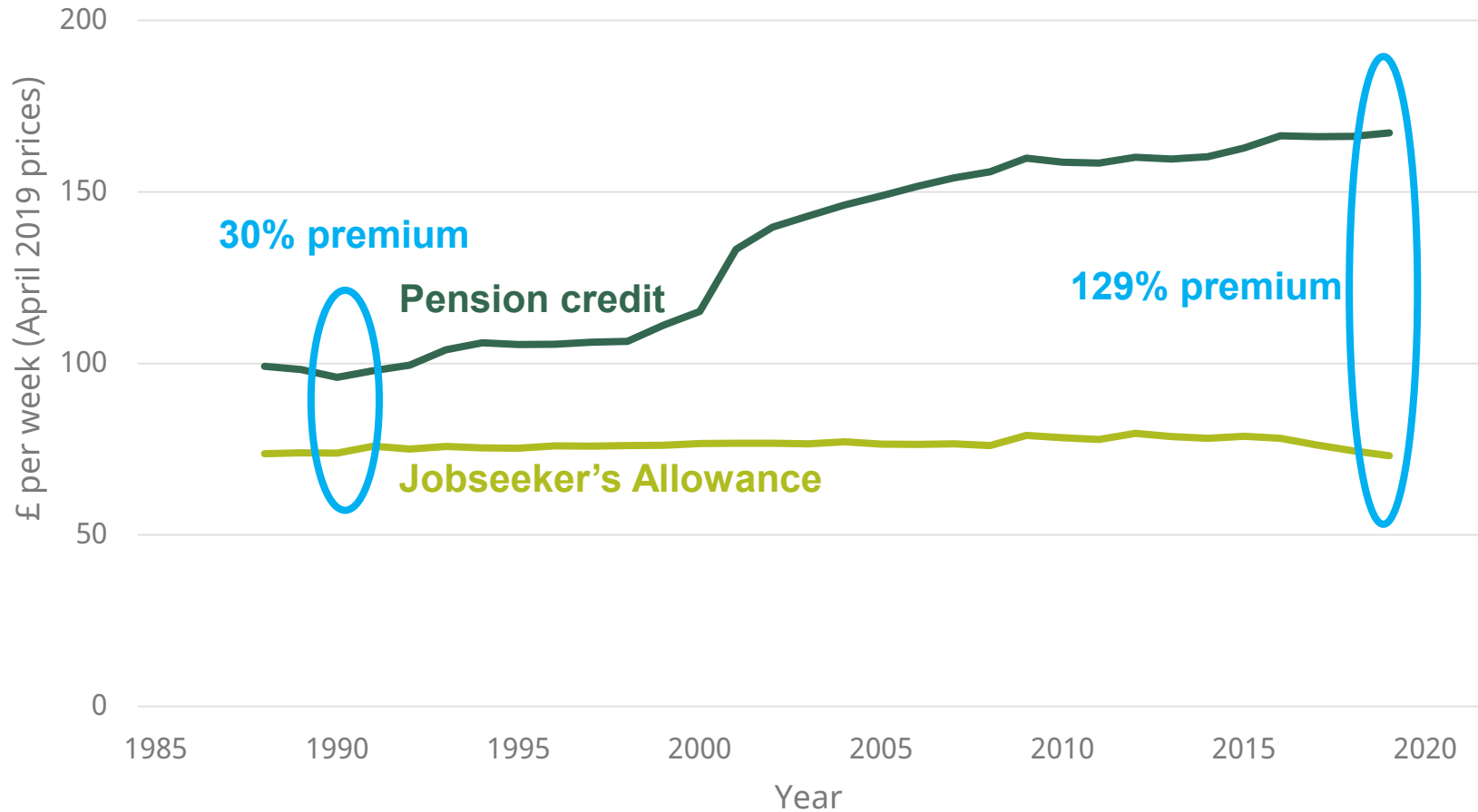
**3. What about those who  
can't retire later?**

# % of 60 to 74 year olds reporting that their health is fair or poor



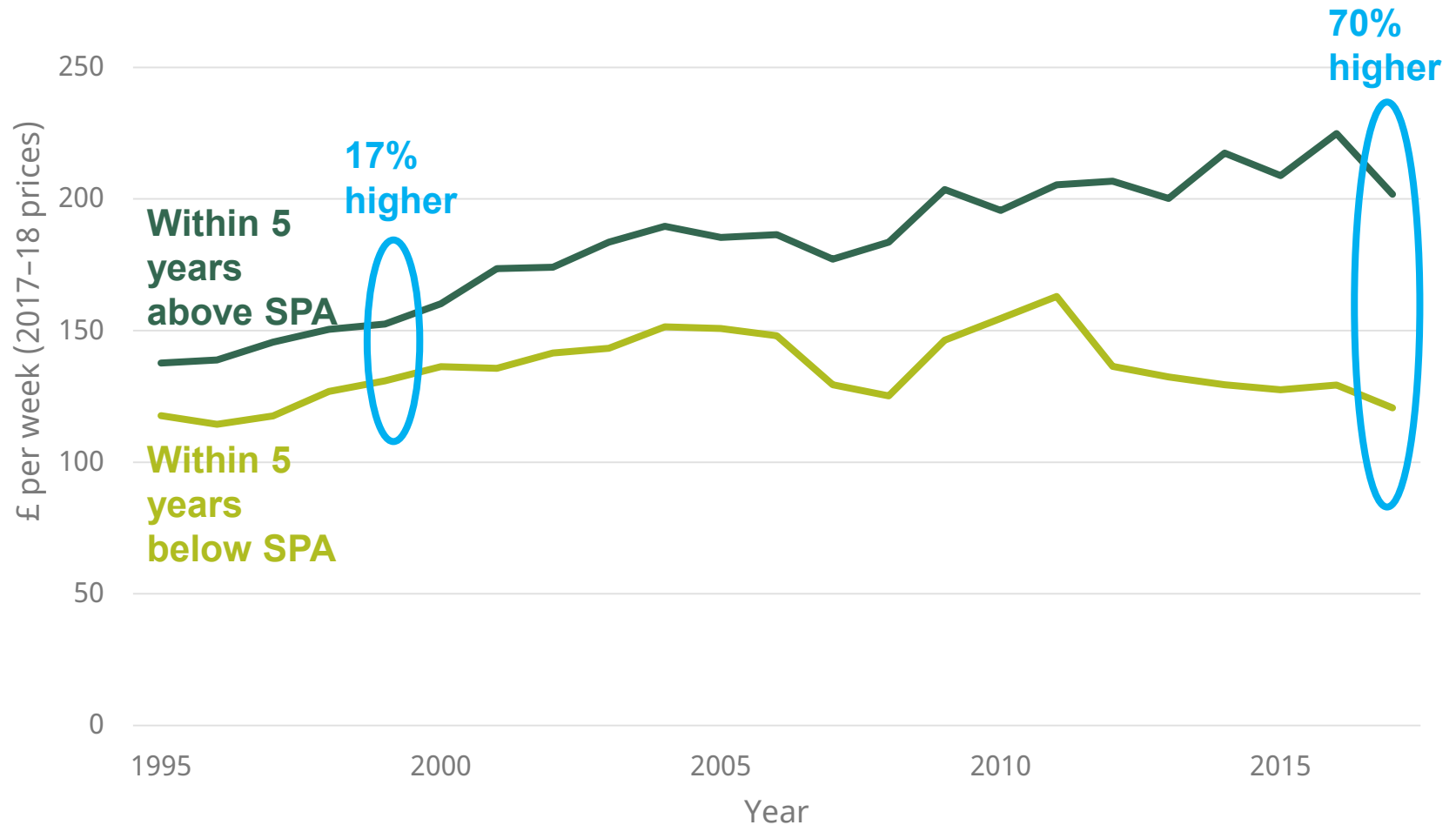
Source: Author's calculations using data from the English Longitudinal Study of Ageing.

# Increase in support at the SPA is much much bigger than it used to be



Note: Figures show benefit level for a single childless individual aged just below or just above the female State Pension Age.  
Source: Department for Work and Pensions.

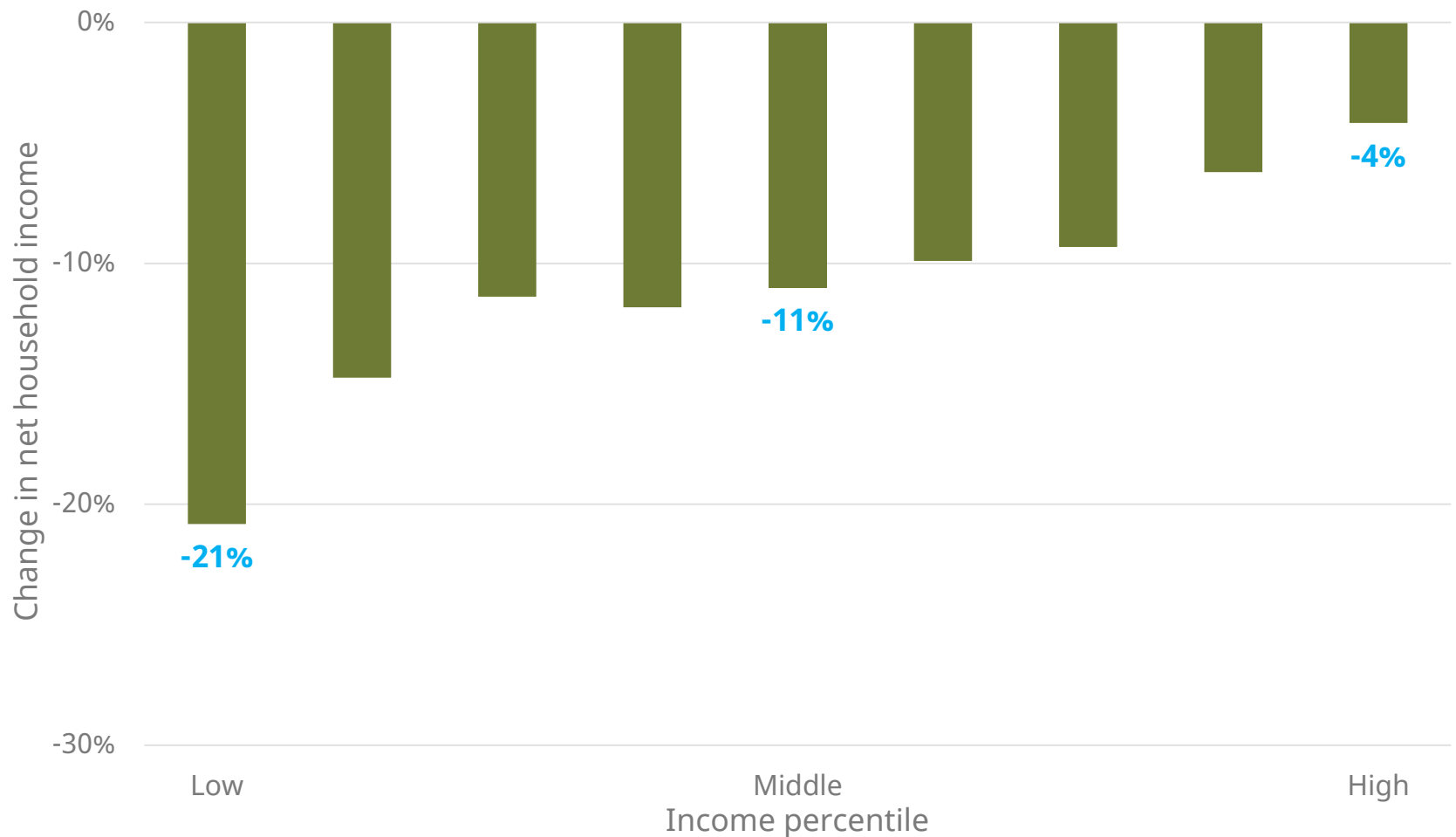
# Average incomes among the poorest fifth are now much lower below the SPA than above it



Note: Mean household income among those in the lowest income quintile in each age group. Income measured after housing costs.  
Source: Author's calculations using data from the Family Resources Survey.



# Evidence on the impact of increasing the female state pension age



## Conclusions

**Strong growth in pensioner incomes since the mid-1990s, with earnings among those aged 60 to 74 growing particularly strongly**

**But future generations unlikely to benefit from the same growth in incomes from state and private pensions**

**Employment rates of older men and women have risen since the mid 1990s, and good reasons to think this can continue**

**Large and increasing gap in generosity between working age and pensioner benefit system: unfair on those who can't retire later?**



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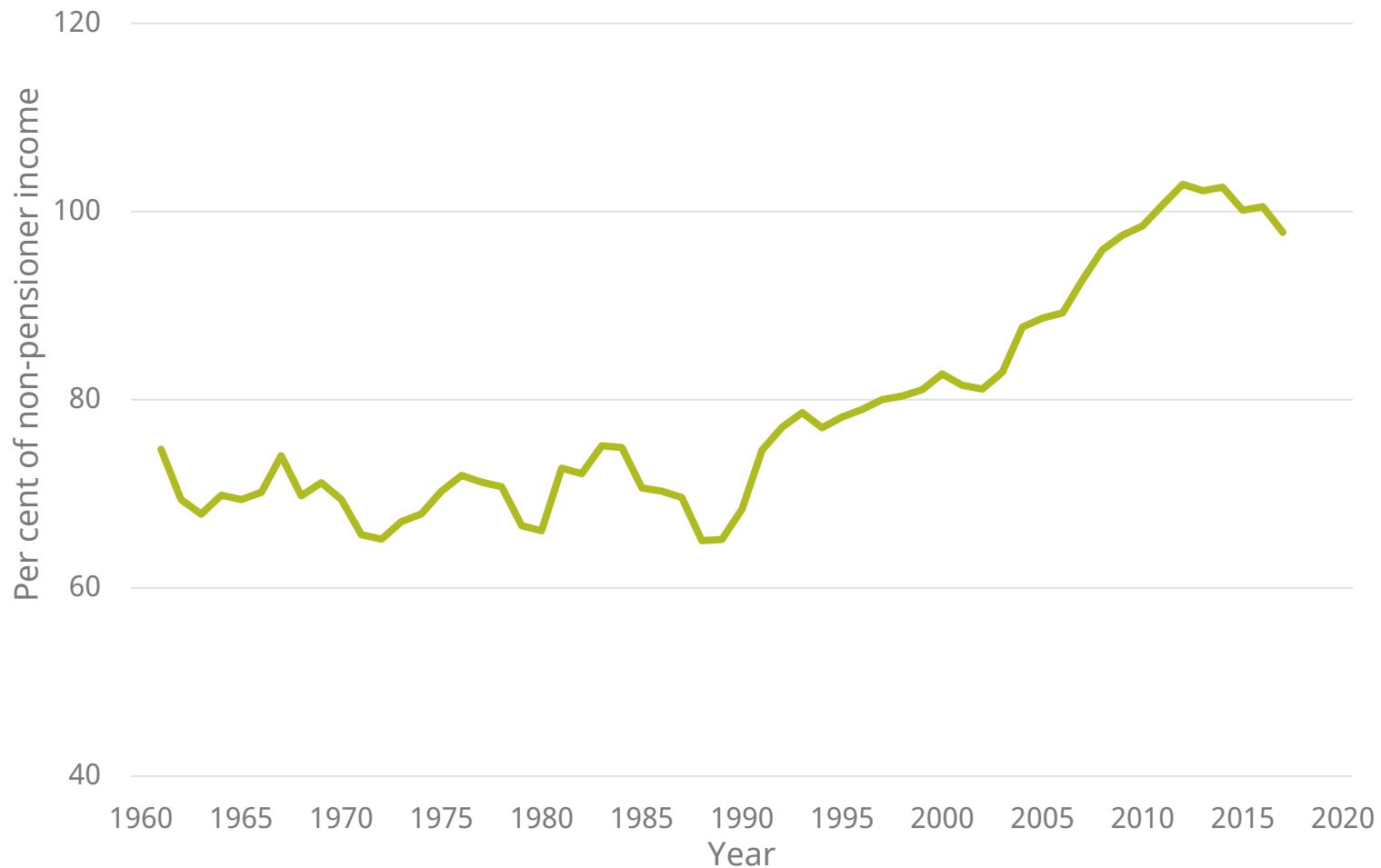


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