

Why abolishing age-related benefits would improve later life

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*Older people are widely-varying in assets and vulnerability and are on aggregate enormous contributors to society, yet, through universal age-related benefits, policy differentiates between people according to age. **Will Horwitz** argues for replacing this focus on chronological age with an analysis of the major transitions in later life, which would do better in differentiating between the vulnerable and the resilient.*



In childhood we all develop at roughly the same rate (give or take a year) so it makes some sense to align public policy with chronological age. We start school at five, move at 11, can leave at 16, vote, drink and smoke at 18. This is not the case in middle or older age since environmental influences have long since overridden the genetic effects of aging – sixty five year olds are incredibly diverse in health, wealth, social connectedness, family structure, and wellbeing.

There is little sense, then, in differentiating between people based on their age. One of the clearest examples of where public policy does this now is in the provision of ‘universal’ age-related benefits, for example the winter fuel allowance and free bus passes and TV licenses, where people over a certain age are deemed inherently more in need of support, or in lower tax rates on income for retired people.

Of course many older people survive on low incomes. Fourteen per cent of retired people live below the poverty line (1.6m) and 8% live in ‘severe poverty.’ The wealthiest 10 per cent of 55–64-year-olds all have more than £1.3 million in assets, compared to the least wealthy 10 per cent who all own less than £28,000. However older people are less likely to live in poverty than working age adults – a dramatic turnaround from the situation at the start of the millenium when older people were far more likely to be poor – and income inequality is greater among working age people than pensioners. Meanwhile the average income for older people – traditionally much lower – is rising just as average income for working age adults falls, and they are predicted to be equivalent in ten year’s time.

The Fabian Society’s Andrew Harrop has used this to argue that “older age is no longer a proxy for poverty so there should be a ‘presumption of equality’ across age groups.” He suggests incomes in retirement should be taxed at the same rates as working age income (at least at the median), and that “less protection from the austerity cuts for older people could be part of a ‘grand bargain’ – with revenue used to fund health and wellbeing.”

There is another argument in favour of this presumption of equality. Equating older age with vulnerability – as the argument in favour of the winter fuel allowance implicitly does – further reinforces stereotypes which exert a pernicious effect on our wellbeing in later life. One study found that people with a positive attitude to their own ageing lived 7.5 years longer than those who viewed it more negatively. Another study conducted over 23 years found a difference of five years.

Negative stereotypes of older people also go some way to explaining why older people find it more difficult to get and keep jobs, why research to tackle conditions that affect older people – like sight loss or dementia – receives far less funding, and why older people with mental health problems are treated far worse than younger sufferers.

In [a new report launched yesterday for the Early Action Task Force](#), I suggest we replace this focus on chronological age with an analysis of the major *transitions* in later life, at which some are ready to seize opportunity, deal with setbacks and thrive, while others struggle. Traditionally these include retirement, bereavement, the onset of ill health and the loss of mobility, becoming a grandparent, and taking on caring responsibilities. It is our readiness in advance, not access to services provided afterwards, that have the most significant impact on how successfully we navigate these.

There are some legitimate concerns about ending age-related benefits: that it undermines the principle of

universalism (although the core argument here is that an age-bound benefit is not universal at all) and more practically about the stigma attached to means-tested benefits which could affect take-up rates for those who need them. Indeed if all means-tested benefit entitlements were taken up now, pensioner poverty in 2011 would have been 9%, rather than 15% according to Age UK.

On the other hand, every time the winter fuel allowance is defended on the basis that ‘vulnerable pensioners’ need it to survive it perpetuates the stereotype that older people are vulnerable and in need of our support, rather than – as are people of any age – widely-varying in assets and vulnerability and on aggregate enormous contributors to society and community.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting. Image credit: [Bromford](#)

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