



# Soldiering On:

## The Impact of the Recession on the Older Generation



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## Foreword

Working on behalf of older people in Warwickshire has always been both a reward and a challenge.

Locally and nationally, Age Concern and Citizen Advice Bureaux have brought about many benefits for older people, often through the provision of good quality advice. This report however has exposed new problems brought on by the recession which are hitting pensioners disproportionately hard.

The survey shows that instead of taking life a little easier and enjoying the fruits of their labour, many pensioners are in real trouble with little return on their savings, unable to find work when they need it and often supporting their adult children who are themselves unemployed. Frequently the over 60's are also having to support and care for their elderly parents.

The promise of a happy retirement is being shattered by poverty and debt – the two great evils which continue to be a stain on our society. I commend this report to you.



Elizabeth Phillips  
**Chief Executive**  
**Age Concern Warwickshire**

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## Introduction

Concerned that the older generation were quietly absorbing the burden of the recession, a survey undertaken by Warwickshire Citizens Advice Bureaux and Warwickshire Trading Standards Service has revealed the impact that the current economic climate is having on the financial well-being of the over 60's. Not only are they having difficulty in paying for essentials such as gas, electricity and food, the survey has also identified the hidden costs they incur as parents and grandparents, helping family members who have also been affected by the recession.

Pensioners are particularly vulnerable to rising prices when living on a low fixed income and many rely on income from savings to pay for essential services and utilities at a time when interest rates are at an all-time low. Supplementing their income through employment is rarely an option either through lack of availability of suitable jobs or because health issues begin to arise. Rather than seek help, the older generation are historically more inclined to conceal any financial deprivation they are experiencing from their families and to soldier on. As a result their problems remain hidden from the community at large.

To get an indication of the ability of the older generation to withstand the long term effects of a recession and to determine how Citizens Advice Bureaux in Warwickshire could best serve their needs, self-completion questionnaires were distributed by CAB's in North Warwickshire, Nuneaton & Bedworth, Rugby, Stratford-upon-Avon, Warwick District and Warwickshire Trading Standards Service between July and September 2009. They had a mixture of closed and open-ended questions.

## Summary of data and findings

182 people, aged 60 and over, responded to the call for evidence.

- **53% were aged between 60-69**
- **34% were aged between 70-79**
- **11% were aged between 80-89**
- **2% were aged 90+**

Out of 112 respondents who had received a Benefit check, 60% were receiving benefits. 41 were in receipt of Pension Credits and 43 were receiving Disability Living Allowance or Attendance Allowance.

Demographically, 56 questionnaires were received from North Warwickshire CAB, 52 from Stratford-upon-Avon CAB, 39 from Nuneaton and Bedworth CAB, 23 from Rugby CAB and 12 from Warwick District CAB, 25 from Warwickshire Trading Standards.

Respondents were first asked if they had difficulty in paying for specific items.

- **Half of the 163 people (50%) said they had difficulty in paying for gas and electricity – and this was before the worst winter in living memory**
- **1 in 3 (33%) had difficulty in paying for food**
- **1 in 5 (20% were having difficulty in repaying credit cards or loans**
- **1 in 6 (17%) were having difficulty in paying for their rent or mortgage**

They were then asked if they had difficulty in paying for anything else. The cost of petrol and motoring expenses drew the highest number of responses, followed by holidays - activities that the older generation traditionally look forward to enjoying in their retirement.

Respondents said:-

*“Petrol and social activities – unable to afford tickets to theatre, concerts, football etc.”*

*“Had to cut back on all social activities and holidays”,*

*“Holidays increasingly expensive”*

*“Cannot go out any more, cannot afford it”*

*“Can no longer afford any kind of entertainment, holidays or clothes”*

Whilst for others just surviving on a day-to-day basis was clearly proving to be a problem. Respondents across the county were experiencing difficulty in paying for

*“Clothes and shoes”,*

*“Clothes and pet food”,*

*“Paying large gas and electric bills on a pension. This leaves very little money to live on”*

*“Most things”*

*“Council tax, water rates, phone bill and heating costs”*

*“Service charge for sheltered accommodation”*

The impact this has on respondents’ physical and mental wellbeing is clearly apparent –

*“I have not been able to pay bills or to feed myself. Made me very stressed and my health is suffering due to this”,*

*“Just make do and try to live one day at a time”,*

*“Additional worry and stress”*

*“Pension not sufficient to buy food”*

*“My savings which I need the interest of to pay my service bills have drastically reduced. Next year I will be short of money and as I am spending my savings I will have no contingency money”*

*“Increase concern over family status and long term care for elderly relative”*

*“A sudden stop of income and after a lousy life – no reason. Depression and very demeaning”*

*“Cutting back on food and hot water”,*

Whilst many people living on a fixed income find it difficult to keep their heads above water during a time of rising prices, the older generation are unique in that they have an inbuilt sense of responsibility as head of the family to do whatever they can to help members of their family who were under increased financial pressure because of the recession.

118 respondents said they were worried about the effects of the recession on a member of their family. 101 respondents disclosed their reasons for their concern:

- **64% had a member of their family affected by unemployment.**
- **37% had a member of their family affected by debt.**
- **18% had a member of their family affected by child care issues.**
- **18% had a member of their family affected by housing issues**
- **16% had a member of their family with mortgage arrears**
- **11% had a member of their family with rent arrears**
- **84% of our respondents identified that family members were relying on them for financial help.**
- **27% were providing child care**
- **22% were providing accommodation.**

When respondents were asked for one example of the impact that the recession was having on their lives, sharing the burden of hardship of family members proved to be a common theme. Their testimony reveals the inroads this is making on their quality of life and the hard choices they have to make.

Respondents said:-

*“Double food bill and no social life”*,

*“Grandchildren unemployed”*,

*“Worrying about family members”*,

*“Relying on children’s help”*

*“My son was made redundant. I have helped them financially by buying their weekly food (£120 wk)”*

*“My son cannot afford childcare for his 2 children. I have to support their needs for childcare”*

*“My family have had to give up their rented house to live with me to save money”*

*“Generally depressing - empty shops everywhere, worry about families, jobs etc”*

Their testimony reveals the inroads this is making on their quality of life and the hard choices they have to make.

Across the county, our survey has revealed that a significant number of the over 60's have been dramatically hit by the recession. Whilst struggling to pay for the basics of life - utility bills, food, rent, mortgages, credit card debts and loans, they are also providing physical, emotional and financial support to family members. When these additional factors are incorporated into the overall picture of financial deprivation, it is clear that over time the savings of the older generation will be depleted even further. Child care duties will affect employment opportunities and feeding and housing additional family members will stretch a limited budget beyond its limits.

## Recommendations

If the older generation is unable to withstand the impact of the economic downturn in the short term, the long term effects could prove devastating.

This has led us to conclude that:

- **There is a compelling case for the introduction of mandatory social tariffs for those on a low income in order to reduce fuel poverty. This can be achieved by automatically placing older people on low incomes on the lowest tariff available from their energy supplier, irrespective of their payment method.**
- **There is a genuine need for an increase in independent, trusted information and advice services that can seek out and encourage older people to claim their entitlement to benefits.**
- **Working longer has become a financial necessity for workers in their 60's and many are forced to take inappropriate or low-skilled jobs, frequently through a lack of retraining opportunities and the failure of employers to eliminate discriminatory practices. Abolishing the Default Retirement Age of 65 would not only send out a positive vote of confidence to older workers in their ability to upgrade skills and become more assertive in their search for work but would also have a profound effect on changing entrenched attitudes within society towards the employment of older people.**
- **As Warwickshire County Council will be funding 2 Financial Capability trainers in every CAB in the county for 2 years from late summer, the opportunity to deliver training and advice on money management to those over 60's in need should be actively pursued. Financial education initiatives will not only help them to avoid financial crisis arising as a result of the current economic climate, but also enhance their financial wellbeing in the long term.**

## Contact Details

For further information about this research, please contact

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## Warwickshire County Social Policy Group members

Bedworth Rugby and Nuneaton CABx (Brancab)  
North Warwickshire CAB  
Stratford –upon- Avon CAB  
Warwick District CAB  
Warwickshire Trading Standards