

# Age UK London

Poverty amongst older Londoners

October 2022



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# Introduction

Poverty levels amongst older people in London have increased in the past decade and the capital continues to have the highest poverty rates of any region of the UK.

The purpose of this report is to shine a light on both the increasing levels of poverty amongst older Londoners and on the growing disparity in poverty, fuel poverty and food insecurity rates in London and the rest of the country.

Our findings are based on the latest available data on poverty amongst older Londoners but it is important to underline that the situation is likely to have become much worse since this information was gathered, and will continue to worsen over the coming months.

These findings should motivate all London decision makers, including the Mayor and London local authorities, to consider what more they can do to increase the incomes of older Londoners living in poverty and to mitigate the impact that poverty has on their quality of life. Age UK London also supports the work undertaken by Age UK on a national level calling on the Government to provide more financial support to older people on low and modest incomes.

## Headline findings

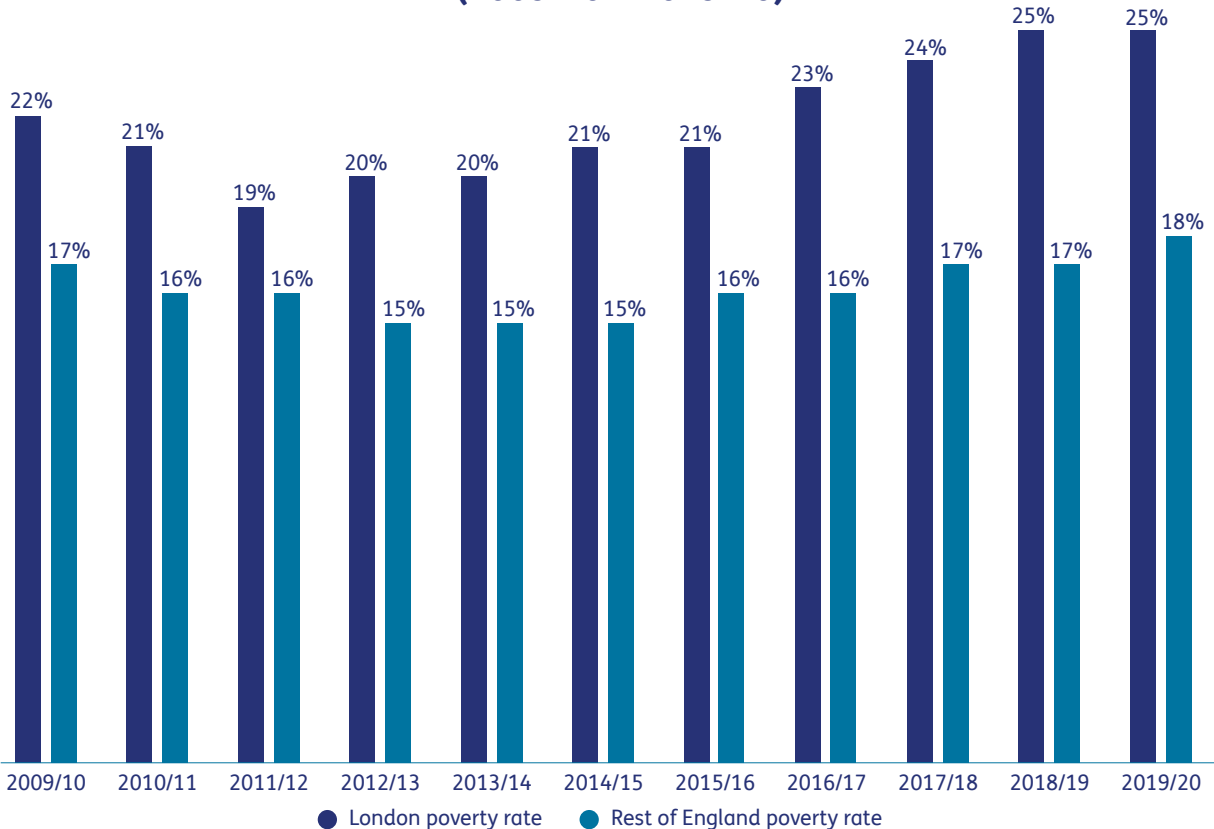
- 25% of older Londoners live in poverty, compared to 18% in the rest of England.
- 44% of older Londoners living in social housing are in poverty.
- 20% of Londoners in their fifties are in fuel poverty, compared to 15% in the rest of England.
- The proportion of pensioners in London living below the minimum income standard is 7 percentage points higher than for the rest of England. Ten years ago the gap was only 2 percentage points.
- Older Londoners are 50% more likely to be experiencing food insecurity than those in the rest of England (12% compared with 8%).

# Findings

## Poverty rates

The latest data for London, collected just prior to the pandemic, shows **poverty rates amongst the over 50s in London were 7 percentage points higher than the same age group in the rest of England**. To put this into perspective, if poverty rates for the over 50s in London were at the same rate as the rest of England, some 160,000 fewer over 50s in London would be in poverty. While in the rest of England poverty rates for the over 50s have increased by only 3 percentage points over the last decade peaking at 18% in 2019/20, in London they have increased by 6 points to 25% in 2019/20.

**Poverty rates after housing costs for people aged 50 and over (2009/10 – 2019/20)**



Data source: Households Below Average Income. Department for Work and Pensions.

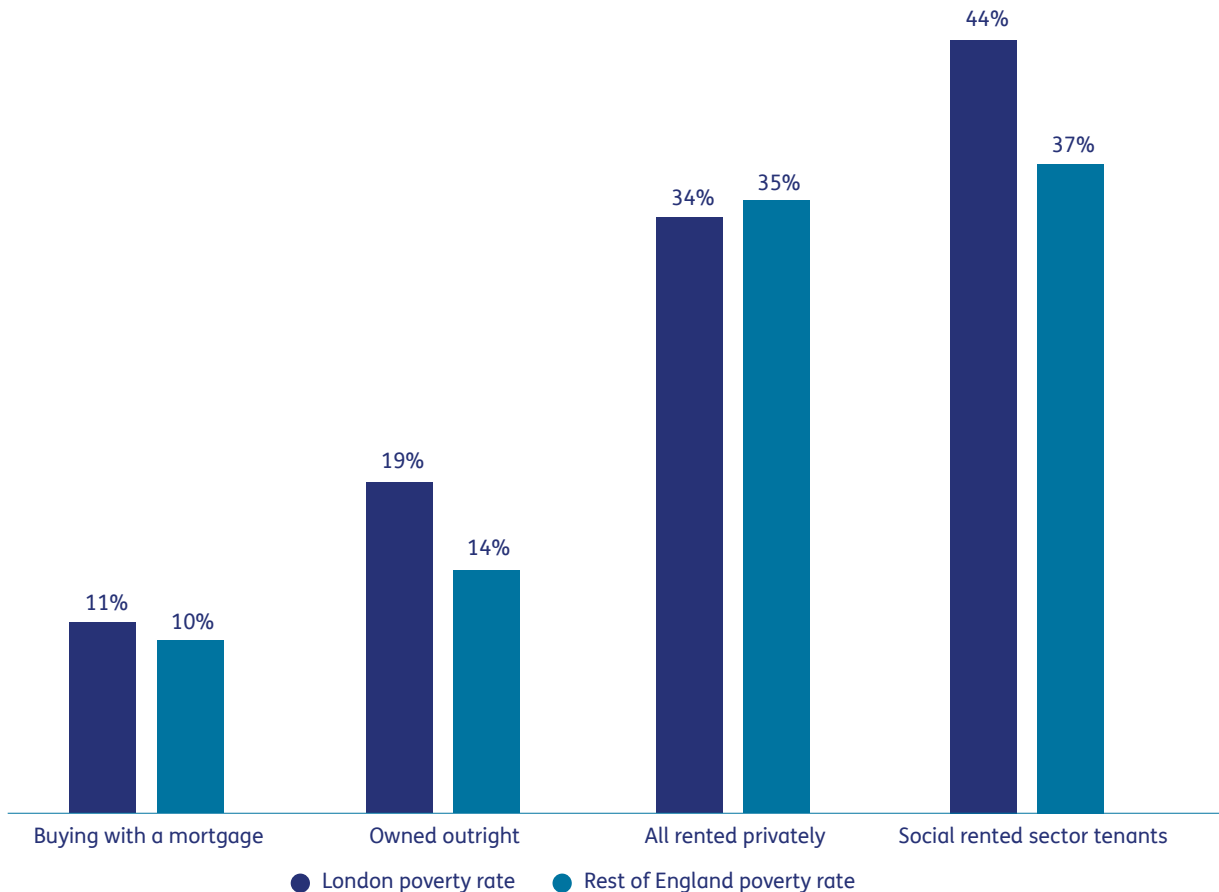
Note: This data uses three-year averages to the year mentioned. Poverty is defined as 60% of median household income for that year. WPI Economics on behalf of Age UK London, 2022

## Poverty rates by housing tenure

A wide range of factors contribute to this precarious position for older Londoners. Housing costs are a particular challenge in the capital.

In this context of stagnant incomes, housing costs are a particular challenge. Less than three in 10 (29%) of London’s 55 to 64 years olds rented 10 years ago, but this now stands at 36%,<sup>1</sup> putting pressure on already squeezed budgets. Poverty rates in the private rented sector for the over 50s in London stand at 34%; some two times the rate of their home-owning peers in London (17% combined figure for owned outright and mortgaged)

**Poverty rates by housing tenure for London and rest of England aged 50 and over (2019/20)**



Data source: Households Below Average Income. Department for Work and Pensions.

Note: This data uses three-year averages to the year mentioned. Poverty is defined as 60% of median household income for that year. WPI Economics on behalf of Age UK London, 2022

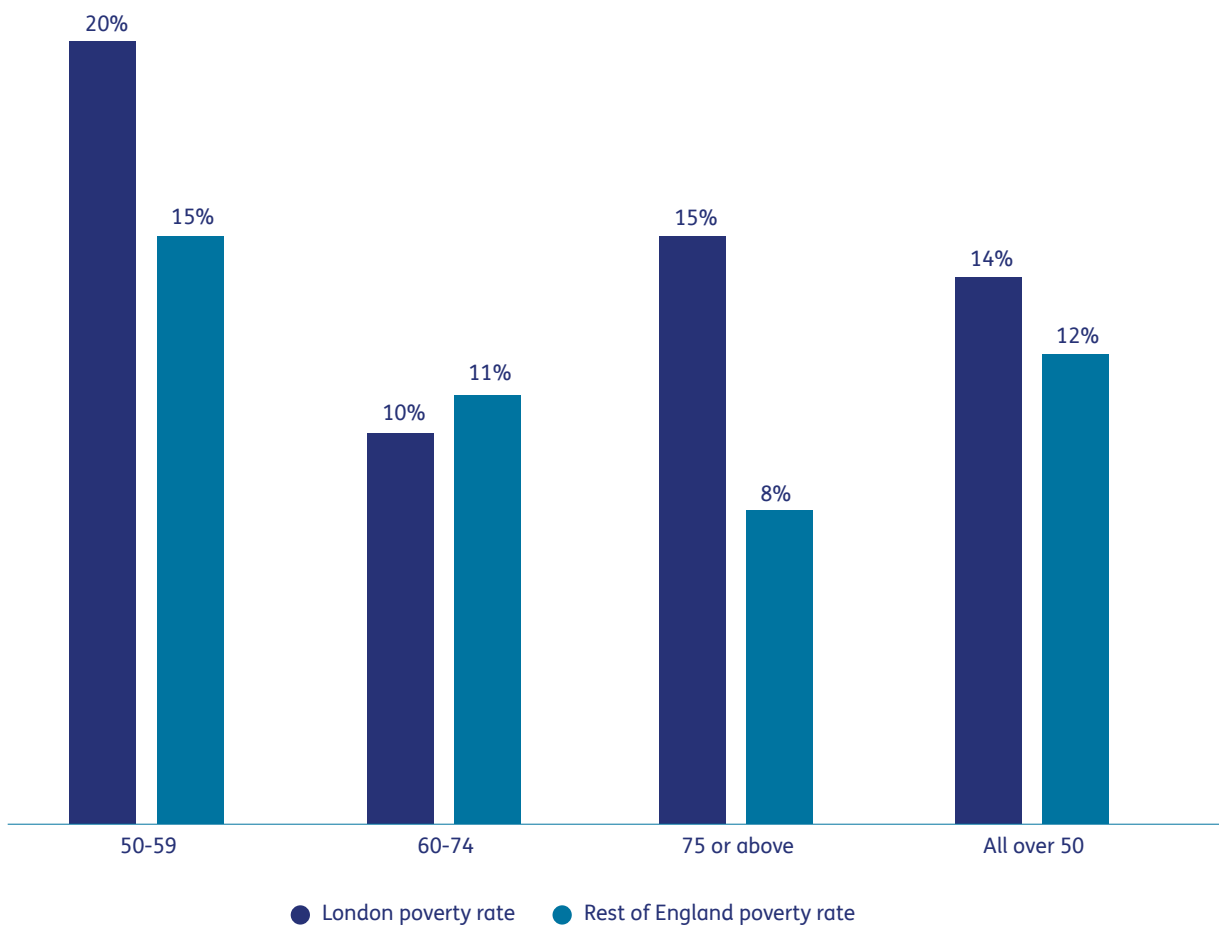
High housing costs and low disposable incomes makes the over 50s in London particularly susceptible to the cost of living crisis, especially in the wake of rising energy prices. In April 2022, the state pension amounted to £9,627 per year. With energy bills for typical usage in the energy price guarantee <sup>2</sup> ranging from around £1,750 for purpose built flats to £3,300 for detached houses, this means between 18% and 34% of a single pensioner’s annual basic pension could be being spent just on energy. This compares to 9% <sup>3</sup> for the average British household aged under 50 and part of the workforce and with bills still rising, this situation is only going to get worse. This means older Londoners are particularly vulnerable to fuel poverty.

## Fuel poverty

The Department for Energy and Climate Change (DECC) estimates that almost 58% of those in fuel poverty are either single people or couples over the age of 60.<sup>4</sup> Households comprised of couples over 60 have the highest average fuel poverty gap<sup>5</sup> of £262.<sup>6</sup> With a fixed income and rapidly increasing energy prices, the over 50 demographic is particularly affected by fuel poverty.

**The group with the highest rate of fuel poverty is Londoners aged between 50 and 59, with around one in five (20%) in this situation.** This compares to 15% of those of that age group in the rest of England.

**Fuel poverty for households containing persons aged 50 and over (2019)**



Data source: Department for Business, Energy & Industrial Strategy. (2022). English Housing Survey: Fuel Poverty Dataset, 2019. [data collection]. UK Data Service. SN: 8891, DOI: 10.5255/UKDA-SN-8891-1

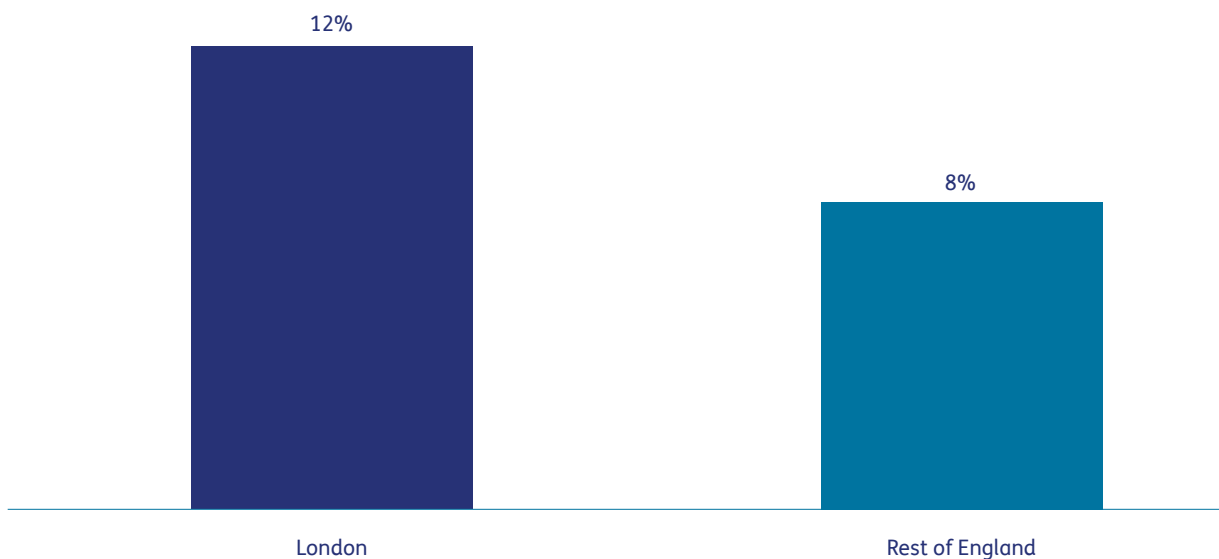
Note: Fuel poverty uses the official government Low Income Energy Efficiency (LILEE) metric  
WPI Economics on behalf of Age UK London, 2022

Fuel poverty can affect the health of those experiencing it. For example, there tends to be an increase in mortality in winter (known as excess mortality), with respiratory and cardiovascular illness commonly cited as underlying causes.<sup>7</sup> There have been studies that have established fuel poverty as an indicator of need for hospitalisation due to respiratory ailments among older people.<sup>8</sup>

## Food insecurity

Another impact of poverty among the over 50s is increasing food insecurity. This is in part due to the COVID-19 pandemic and in part because of the current cost of living crisis. 1.4 million older people aged 60+ in England have been eating less since the start of the pandemic and could therefore be at a greater risk of becoming malnourished.<sup>9</sup> In addition to food insecurity, the rate of under-nutrition is also increasing in the country. Malnutrition has profound effects on health and well-being and can lead to long-term health problems for otherwise healthy and independent older people.<sup>10</sup> Again, **this is a more significant issue for older Londoners, with 2019/20 rates of food insecurity amongst the over 50s being 50% higher in London than the rest of England.**

Proportion of over 50s living with food insecurity (2019/20)



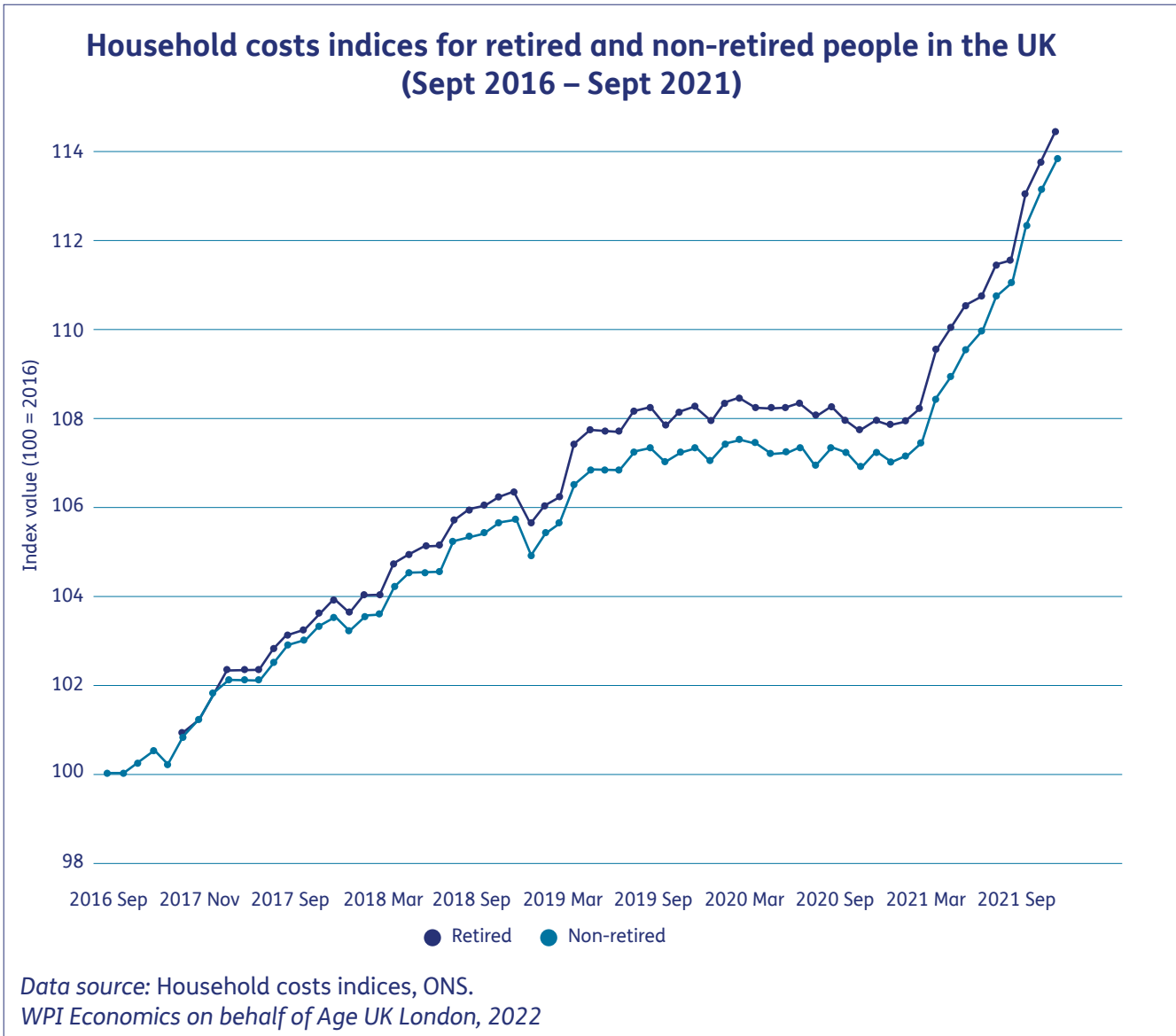
Data source: Households Below Average Income, Department for Work and Pensions

Note: This data does not use three-year averages to the year mentioned because the question was asked for the first time in 2019/20.

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# Household costs

More generally, rising energy, food and housing costs are all symptoms of the same cost-of-living challenge. In this respect, across the UK, retired adults have faced increases in costs that have outstripped the non-retired population. **Over the last five years, increases in costs for retired people have consistently been above those seen in the non-retired population.**

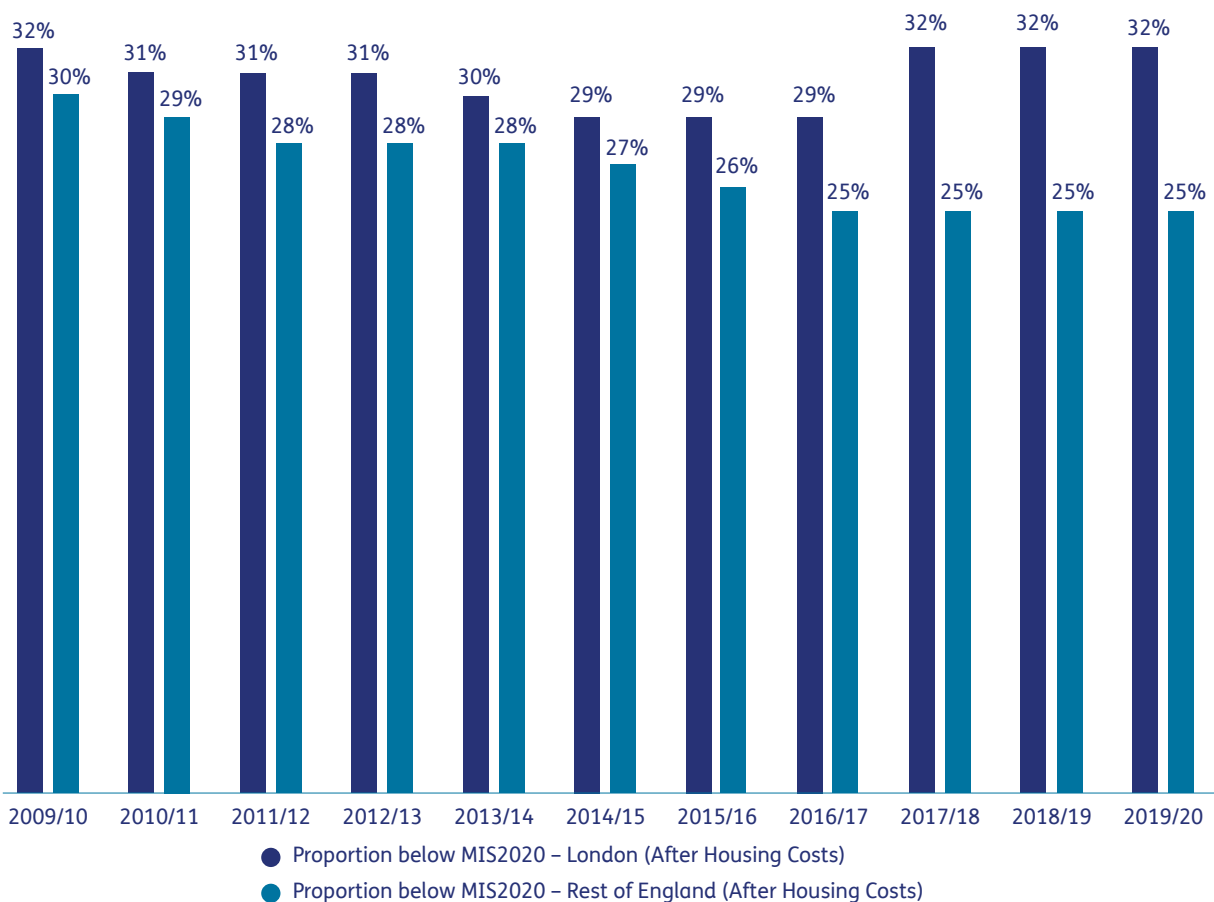




## Minimum Income Standards

The impact of rising costs of living have had an effect on retirement plans of older Londoners. There has been an increase in economically active<sup>11</sup> people over the age of 50 as almost 116,000<sup>12</sup> were seeking opportunities for work in 2021. More than one in 10 retirees say they would consider going back to work because of the increased cost of living.<sup>13</sup> Another way of looking at this is to consider the proportion of pensioners in London who are living below the Minimum Income Standard (MIS). This is the income that people need in order to reach a minimum socially acceptable standard of living in the UK today, based on what members of the public think. Here we see ***the proportion of pensioners in London living below the MIS are some 7 percentage points higher than for the rest of England*** - and a rise of 3 percentage points (to 32% of pensioners living below the MIS) between 2016/17 and 2019/20.

**Proportion of pensioners living below Minimum Income Standard 2020 (after housing costs) (2009/10 – 2019/20)**



Data source: Household Below Average Income, Department for Work and Pensions, Minimum Income Standard (MIS) for London, Trust for London 2020

Note: This data uses three-year averages to the year mentioned, Incomes are adjusted into 2019/20 prices. MIS 2020 thresholds from <https://www.trustforlondon.org.uk/data/poverty-thresholds/>. WPI Economics on behalf of Age UK London, 2022

## References

- <sup>1</sup> <https://www.centreforlondon.org/blog/poverty-older-people/>
- <sup>2</sup> <https://www.gov.uk/government/publications/energy-bills-support/energy-bills-support-factsheet-8-september-2022>
- <sup>3</sup> <https://www.chroniclive.co.uk/news/cost-of-living/heating-energy-october-cap-bills-24715496>
- <sup>4</sup> <https://www.londoncouncils.gov.uk/node/571>
- <sup>5</sup> The fuel poverty gap is the additional income which would be needed to bring a household to the point of not being fuel poor.
- <sup>6</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1056777/annual-fuel-poverty-statistics-lilee-report-2022-2020-data.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1056777/annual-fuel-poverty-statistics-lilee-report-2022-2020-data.pdf)
- <sup>7</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/excesswintermortalityinenglandandwales/2020to2021provisionaland2019to2020final>
- <sup>8</sup> A study of residents aged over 65 across the London Borough of Newham observed hospital admissions for respiratory diagnosis, ranking these against the Fuel Poverty Index (FPI). The FPI included factors of housing energy efficiency, low income, householder age and under-occupation (living in properties larger than household needs). The study found the FPI to be a predictor of hospital admittance, indicating that a relationship exists between the energy efficiency of the home and winter respiratory symptoms among older people. Moreover, cold homes have been associated with lower strength and dexterity and exacerbated symptoms of arthritis, which can increase the risk of falls and unintentional injury (<https://www.instituteofhealthequity.org/resources-reports/fuel-poverty-cold-homes-and-health-inequalities-in-the-uk/read-the-report.pdf>)
- <sup>9</sup> <https://www.ageuk.org.uk/latest-press/articles/2021/1-in-10-1.4-million-aged-60-have-been-eating-less-since-the-start-of-the-pandemic/#:~:text=New%20analysis%20from%20Age%20UK,to%20eat%20healthy%20and%20nutritious>
- <sup>10</sup> <https://www.ageuk.org.uk/information-advice/health-wellbeing/conditions-illnesses/malnutrition/>
- <sup>11</sup> Those in the workforce or looking for work
- <sup>12</sup> <https://www.standard.co.uk/news/uk/more-over50s-returning-to-work-amid-costofliving-crisis-b1014407.html>
- <sup>13</sup> <https://www.peoplemanagement.co.uk/article/1794086/older-workers-returning-labour-market-amid-cost-living-crisis-analysis-suggests>





Age UK London is a charity that campaigns for an age-friendly London. Working with older Londoners themselves, we campaign for specific change to improve the lives of those over 50 living in the capital and ensure that their experiences, needs and contributions are heard and taken into account by decision makers.

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