

The Cost-of-Living Crisis and Older People

Some statistics:

- According to Age UK analysis, around **65,000 older households** in Northern Ireland will have insufficient income to cover their essential spending this year (2022-23). Three in eight of these will be living in poverty or just above the poverty line and/or in receipt of benefits.¹
- Latest figures (2019-20) show that **18% of pensioners in Northern Ireland** (est. 52,000 people) are in relative poverty, a rise from 15% (2018-19), and 14% of pensioners here are in absolute poverty (est. 40,000 people), a rise from 12% (2018-19).²

Summary of key issues:

1. **Spiralling energy and living costs, rising inflation:** Older people are living on a fixed income with limited or no opportunities to source additional or new income.
2. **Targeting support:** It is right to target support to pensioners who receive a means tested benefit. This does not, however, address the impact on older people who are on a low income but not receiving or not eligible for a qualifying benefit. Ensuring that the support measures are accessible and easy to understand is key.
3. **Health and care impacts:** We are more vulnerable to the effects of the cold as we age. There are concerns about the impact on people living with frailty, long term health conditions and the consequences of increased demand on our health services.³ There are concerns that some older people may skip meals, switch off heating or their fridge, putting their health at serious risk. There are fears that unpaid carers, caring for a loved one, or people with a disability will face unprecedented financial hardship. The social care workforce is being adversely impacted by the level of pay and increasing fuel costs.
4. **Age sector networks and groups** are also facing spiralling costs, for example, in insurance, rising energy and running costs, including costs associated with materials, equipment, travel expenses etc. There continues to be ongoing concerns about funding of networks and groups and the extent to which older people's groups are becoming active again post Covid.

¹ <https://www.ageni.org/news/statement-on-the-cost-of-living>

² Reference for NI poverty figures for 2019-20: Poverty Bulletin: Northern Ireland 2019/20
<https://www.communities-ni.gov.uk/system/files/publications/communities/ni-poverty-bulletin-201920.pdf>

³ See also statement from NHS Confederation: <https://www.nhsconfed.org/long-reads/could-energy-crisis-cause-public-health-emergency>

What needs to happen:

1. Ensure people in Northern Ireland benefit from **energy measures** introduced by the UK government and waiting to be implemented in Northern Ireland.
2. A significant, **new financial package** to fully mitigate the impact of energy and cost of living increases.
2. Re-instate the **Triple Lock**.
4. Help households who are at **greatest risk of missing out on energy support**: those on pre-payment meters, for example.
5. Introduce a **social tariff** into the energy market, which discounts bills for those most in need, automatically enrolls eligible households, sits alongside existing support and is mandatory for all suppliers.
6. **Invest in household energy efficiency** for those on the low incomes.
7. Adequate resourcing to ensure the **sustainability of age sector networks and groups** that support older people in local communities.

Key issues for older people

1. Spiralling energy and living costs, rising inflation:

- While energy price increases have been trailed in advance, there will be many people for whom rising costs will come as a new and huge shock as they come to terms with the reality of what it means for them and the prospect of trying to get through the autumn and winter months.
- Older people live on a fixed income, with no scope to source additional/new income.
- Due to suspension of the Triple Lock in April 2022, the State Pension rose by just 3.1% this year. Inflation is currently running at over 10% and expected to rise further.

2. Targeting support

- Targeting support to pensioners who receive a means tested benefit is important. It fails, however, to address the impact on older people who are on a low income but not eligible for, or in receipt of, a qualifying benefit.
- Not all older people claim benefits they are entitled to, because they do not know they are eligible, are concerned about the process and privacy, or reluctant to ask for help.
- It will be important to ensure that support schemes are easy to understand and easy to access, with any barriers identified and addressed.
- Older people may be “asset rich” but have a limited income. Older people living in a cold, poorly insulated home will have higher heating costs.
- Digital connection: affordability of broadband or devices such as phone, tablet or laptop can mean older people are unable to access the internet or online services.

3. Health and care impacts

- We become more vulnerable to the effects of the cold as we age. There are particular concerns about the impact on people living with frailty and long term health conditions such as respiratory and cardiovascular disease and the consequences of increased demand on an already overstretched health and social care system.
- As energy and other costs soar, we are concerned that some older people will skip meals, switch off their heating or fridge, putting their health at serious risk.
- Rising fuel and transport costs will reduce participation of older people in social activities/community life, leading to increased levels of loneliness and isolation and significant impacts on physical and mental health and wellbeing.
- People caring for a loved one, already face additional costs/significant impact on their finances. The cost-of-living crisis is leading to unprecedented financial hardship for unpaid carers.

- Inadequate levels of home based support (domiciliary care) means that older people may be discharged from hospital to an interim care bed and then move into a care home on a permanent basis. Home based care is currently free. There will be a financial assessment and potential financial contribution towards care home fees.
- Increasing fuel costs coupled with low pay is having an adverse impact on the social care workforce, on the people requiring care and support and on those caring for loved ones.

• **Key issues for age sector**

1. Increasing costs:

- Insurance: challenge of rising insurance costs
- Rising energy and other costs: heat & light; food costs associated with providing a warm, nutritious meal; cost of materials/equipment etc associated with early intervention and wellbeing activities; transport costs and availability of transport to enable participation in activities and positive health and wellbeing outcomes.
- Staffing and volunteer costs: pay & mileage expenses to match rising costs and inflation.

2. Sustainability

- Short term, often ad hoc, nature of funding for Age Sector Networks and groups: while this is often a feature of the experience of the sector, there is more uncertainty around either new or continuation of funding.
- Many older people's groups stopped due to Covid restrictions and lockdowns. Anecdotal evidence suggests that some, particularly those run by older people, have not restarted.
- Building the confidence and trust of older people to leave their home and join with others.