

REPORT: STILL GIVING AT 50

A report on the economic contribution of the age group 50 years and above

INTRODUCTION: WHAT IS THE ECONOMIC IMPACT OF THE 50 PLUS?

In 2008 there were an estimated 21 million people aged 50 or older living in the United Kingdom, 34.2% of the total UK population, with this share expected to rise to almost 40% in the next twenty years. Despite accounting for over one third of the entire population there is little information about the group's actual contribution to the UK economy. We have explored the socio-economic characteristics of 50 plus – their lifestyles, welfare and social participation. Economically, we analyse how much they earn, how they spend their money, and we have looked at the impact of 50 plus on the public purse by balancing their tax payments with the value of benefits and public services they receive.

WHO EXACTLY ARE TODAY'S 50 PLUS GENERATION?

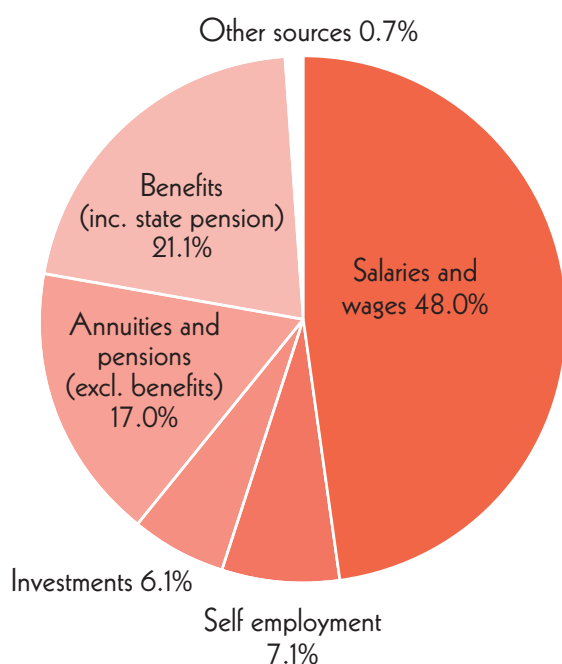
Accounting for 34.2% of the population in 2008, the research shows that 50 plus is a rather diverse group of the population.

- Men over 50 are now typically working until the age of 64.5 while women over 50 are likely to work until the age of 61.9 – this trend has been rising steadily over the recent decades. 87% of people above 50 are happy with their living standards and 63.9% are married

CASHING IN

Their average income is £294 a week – £5 more than someone under 50 – with only a fifth of this income made up from state benefits such as a pension.

- Another 17 per cent of the total income is generated by annuities and pensions, such as corporate pension schemes
- The remainder comes from investment incomes, such as interest on savings, and income from self employment, which account for six and seven per cent of the total income respectively



STILL GIVING TO THE TUNE OF £6.6 BILLION

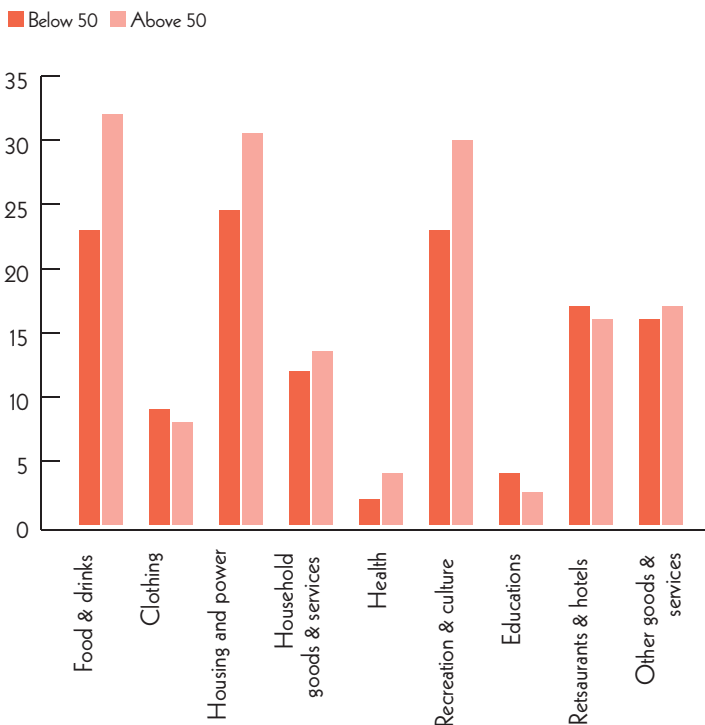
The emerging picture highlights the over 50s made a positive fiscal impact of £313 in 2008 – contributing more than £6.6 billion to the UK economy.

- 73% of over 50s are satisfied with their financial situation while only 55% of those aged below 50 are satisfied
- In 2008, the over 50s out-spent the younger generation by almost 13% (equivalent to £21 per week) with the majority on food, drink, entertainment and hobbies. They spent almost a third more on food and drink and 30% more on recreation and cultural activities

For further information on this report, please contact: Jo Carr, Dylan Watkins or Vaneetha Balasubramaniam at Seventy Seven PR on 020 7492 0977 or email rias@77pr.co.uk



Estimated weekly spending for someone aged 50 or above, in £



WORKING LIVES

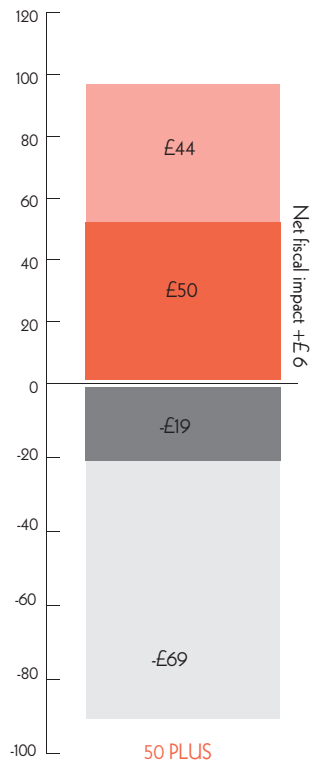
- 1.7m over 50s currently own their business and 860,000 people are planning on starting a new venture in the near future
- A quarter (26%) have retrained past the age of 50 and have taken a different career direction

50 PLUS CONTRIBUTES £95 IN TAXES PER WEEK

We estimate that someone aged 50 above pays on average £95 in taxes per week. Of this £51 is paid in direct taxes such as income tax and NI contribution. Additionally members of 50 plus pay £44 in indirect taxes – this is paid in the form of VAT on goods and services but also vehicle excise duty and TV license fees.

Weekly tax and benefit payments per person, in 2008

■ Direct taxes ■ Indirect Taxes ■ Cash benefits ■ Public services received



NO TIME FOR STEREOTYPES

- Eight out of ten (81%) strongly disagree with the sentiment that they are a 'drain' on society
- 4 million have taken up a new sport or learnt a new language
- 147,000 have broken a record, either a Guinness, World or UK record since turning 50
- Three out of ten want to grow old disgracefully, and almost one in ten (8%) 'feel younger than ever before'

APPENDIX

The fiscal impact is calculated as the balance of taxes paid and benefits received annually. It is assumed that state pensions received equal National Insurance contributions made over a person's working life. 21m people over 50 with a weekly positive fiscal impact of £6 equates to £313 each year.

RIAS commissioned The Centre for Economics and Business Research Ltd (cebr) to analyse the economic impact of the age group 50 years and older in August 2009. The analysis for the economic impact of the age group 50 years and older is based on data from the Office for National Statistics. The main data sources are the Family Expenditure Survey 2008, The Effects of Tax and Benefits report and GAD population estimates. Data has also been collated from a 'Still Giving at 50' survey by Opinion Matters (with 1022 over 50s interviewed from 21st to 26th August 2009).

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