

Struggling on

Experiences of financial hardship in later life



About this report

Debate on standard of living in retirement has tended to focus on the incomes of older people. We know from the national statistics that many older people have limited incomes and find it difficult to get by financially.

For example 2 million pensioners in the UK live in poverty¹ and in England, 3.8 million people aged 65+ (38 per cent) have had to stop certain activities, such as replacing or repairing electrical goods and having friends and family round for dinner, because they could not afford it.²

However, the statistics cannot tell us anything about what life is really like day to day when it is a struggle to make income stretch to cover essential outgoings, or when there are extra costs faced by those in particular circumstances. To explore this we carried out 15 in depth interviews with people who told us they were having difficulty managing financially or only just getting by.

Although this report is based on a small number of individuals, their experiences exemplify problems that we know apply to significant numbers of older people, which we explore further in this report. We are extremely grateful to our interviewees for their time and for sharing their stories with us.

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Foreword

Many older people face a difficult existence in retirement as a result of having a limited income combined with the extra costs of ageing. This is particularly true for those who are facing additional expenses associated with increasing health and care needs, unsuitable housing, and difficulties getting around. It is even harder for those who do not have a good support network to lend a hand, or any savings to fall back on.

If you were to listen in on our Information and Advice line or speak to an adviser from our network of local Age UKs, you would hear thousands of stories that are a far cry from the comfortable retirement many of us hope for. The fact is that far too many pensioners have precarious finances, with incomes that are insufficient to cover all their necessary costs. They are just about managing by budgeting carefully, but a few small changes can soon tip the balance towards misery. Maybe the free carpark in town starts charging, and the supermarket only stocks the expensive brand of incontinence pads. Maybe this quarter's energy bill is £100 more than expected, and the grandchild who used to cut their grass moves away so they have to find the money for a local gardener before it gets too overgrown.

This report is intended to highlight the financial hardship affecting too many people in later life. They may mask their hardship well by 'cutting back' or 'going without', and they do not complain easily.

Instead they 'struggle on', and we ought to be paying more attention.

Caroline Abrahams, Charity Director

Key findings

1. Our interviewees struggled to afford their day to day living costs and frequently ‘cut back’ or ‘went without’ in order to cope. This constant and careful financial management was a source of worry for many, making life difficult and often leaving people feeling financially insecure.

‘You really have to just sort of, struggle on.’

2. The financial hardship people were experiencing was as much about having increased costs in later life as it was about having a low income. In many cases people were spending more on utilities and healthcare items than they previously had done, and were paying for services and for jobs at home that they had previously been able to do themselves.

‘I can probably carry on [using up savings] for another three years – but it depends what goes up. It’s all pay out.’

3. Some people have a low income in later life because they do not have access to a full State Pension, are not receiving the correct benefit entitlements, or they have experienced a significant life change such as divorce or bereavement, which could have cut their household income by as much as half.

‘It’s no joke being short of money when you suddenly live on your own.’

4. Health conditions and care needs can entail additional costs that are not covered by disability benefits or formal care funding arrangements, such as increased spending on healthcare items, toiletries, energy bills, higher fees for routine appointments if they require home visits, and increased transport costs.

‘The washing machine has to go on every day because [the carers] use a lot of towels. And he gets clean sheets four or five times a week if his catheter bypasses. It all has to be paid for.’

5. Maintaining safe and suitable housing can be more expensive in later life in terms of keeping homes warm, carrying out repairs and maintenance, and making appropriate adaptations.

‘In winter the bills are very, very heavy. You go to my room now, it’s very cold. There’s nothing I can do to heat my room in winter, it takes ages to start warming up.’

6. Not enough people have savings to fall back on. Some people are relying on overdrafts or credit cards and are paying fees for these. Others are purchasing items on more expensive repayment plans because they do not have the money upfront.

‘I’ll have these debts until I die. It will take me that long to pay them off, I know I won’t.’

7. Many people have developed good coping mechanisms for living on a low income and adopt a mindset of ‘making do.’ However this resilient attitude can mask the levels of financial hardship they are experiencing, and just how difficult things really are.

‘It’s just about accepting and getting on with it. It’s no good wishing you had more, because you haven’t – so you have to try and work out, how can I do the best with what I have?’

Key recommendations

- **This report shows that there are people facing specific difficulties in later life, such as coping with the costs of disability, challenging a benefits decision, or experiencing a sudden drop in income, who need particular help.** It is essential that these people have free, independent and accessible information and advice when problems occur, and are encouraged and supported to claim the financial support they are entitled to, rather than falling into debt or going without in a way that damages their health. The Government should work with the advice sector to look at how independent information and advice – that goes beyond debt advice – is provided and funded.
- **Universal benefits such as bus passes and free TV licences provide essential additional support and must be preserved.** They are an effective way of reaching all who need help, including the very poorest who are not receiving the means-tested benefits they are entitled to and those with incomes above the level for benefits but who are nevertheless struggling due to high costs, often as a result of ill health or disability.
- **Services such as energy, water and household insurance are a hugely significant cost for this group.** Regulators need to ensure that prices are affordable and social tariffs are effective. Older people should also be supported to shop around for better deals on these and other essential services so they are not getting stuck on standard variable tariffs or paying a ‘loyalty penalty’.
- **Having some savings in later life is essential for financial resilience and peace of mind.** People need the opportunity to build and maintain at least a modest savings buffer. Policymakers need to recognise the importance of this and not expect people to have to use limited savings for day to day living, drawing on resources carefully set aside for emergencies and future expenses such as funeral costs.
- **The recent rise of pensioner poverty is partly driven by the increase in poverty among pensioners who rent.** The Government needs to work with local authorities to improve the suitability of housing, the security and length of tenure, and to ensure that housing support works effectively for older people.



The interviewees

Interviewees were recruited through Age UK's Your Voice Engagement Panel with the exception of one woman who we reached through a local Age UK.

Panel members were asked to indicate how well they were managing financially. We then contacted a number of those who had told us they were either 'just about getting by' or 'finding things quite or very difficult'.



Further details of participants and the Your Voice Engagement Panel can be found in the annex on page 25.

We spoke to **five men and ten women** from a range of backgrounds. They were **aged between 58 and 91 years old**, but the **majority were in their seventies and eighties**.

People were **roughly split between owning their own home and renting** it from either their local authority or a housing association. Of those who were renting their properties, **five people were in receipt of Housing Benefit to help with the rent, and three were liable for full rent**.

Most were living alone and were either single, divorced or widowed, but **four people we spoke to were married or living with adult children**.

All were receiving a State Pension, apart from **one person who was under State Pension age**. **Most (10) were receiving additional support from benefit income**; of these, **seven people claimed means-tested benefits** such as Pension Credit and **six people claimed a non means-tested benefit** such as Attendance Allowance or Disability Living Allowance. **Three people received both means-tested benefits and a non means-tested disability benefit**.

Three of the people who were receiving additional support from benefit income had some modest savings set aside and **seven had no savings**. The other five people received only their State Pension alongside a small private pension income; of these, **three people had some modest savings** set aside and **two had no savings**.

Most who gave us details of their income said they **received between £600 and £800 a month** – so mostly well below the current annual income tax threshold of £11,850.

Having insufficient income

Fundamental to being able to manage financially is having a secure and sufficient income. The positive news is that on average, pensioner incomes have increased over time and some people are financially comfortable in retirement often due to having a good occupational pension. However, many have a low or modest income and limited private resources; nationally around three-fifths (61 per cent) of pensioner households receive more than half their income from State Pension and benefit income.³

The people we spoke to described three types of circumstances that were making it difficult to maintain a secure and sufficient income.

1. Not receiving the full State Pension or eligible benefits

Seven people were not in receipt of a full State Pension because they had gaps in their work record. This was because two people had lived abroad, and others had stopped work to raise children or care for relatives. While people can receive credits to cover gaps in their State Pension record, in the past the protection was more limited and carers do not always know to claim available support.

'I worked abroad a lot and so I didn't make full contributions.'

Kath 67, Cambridgeshire

'I had a part time job [in her fifties], but my husband had to give up work so I became a carer for him.'

Jane 86, Herefordshire

As our interviewees were already in contact with Age UK prior to being interviewed for this report they were likely to be better informed about possible available benefits than most older people and more likely to know how to get support with claims.

It is therefore unsurprising that seven people were claiming Pension Credit to top up their State Pension, and others were claiming disability benefits or help with housing costs.

Given that even when people were receiving their full entitlements many still struggled to make ends meet, it is extremely worrying that many others are missing out on benefits.

In Great Britain, we know that each year around £3.8 billion Pension Credit and Housing Benefit goes unclaimed by older people.⁴

Age UK plays a vital role in helping people claim their benefit entitlements. In 2017–2018, local Age UK staff and volunteers identified £195 million in unclaimed benefits through their work.

2. A sudden or unplanned reduction in income

Six people had been forced to stop work unexpectedly either due to their own ill health or because they had taken on caring responsibilities. Often this sudden loss of a regular salary did not give people time to adapt their outgoings accordingly, and they found adjusting to a lower pension income difficult.

'While I was working I had a good credit rating and made payments [on credit cards]. But then I became very ill and had to give up work, so before I could pay it off my income just stopped.'

Anne 79, Buckinghamshire

'Any wage I had disappeared, and I had to rely on my pension.'

Jill 70, Yorkshire

We also know that divorce and bereavement can reduce income significantly and cause financial hardship. **Those aged 65+ in England living alone are 66 per cent more likely than those living with someone else to say they do not manage well with their finances.**⁵ Many women in particular may have planned for a jointly-financed retirement and may be placed in a very difficult position if circumstances change. This is explored in another recent Age UK report on women's pensions, expenditure and decision making in retirement.⁶

Each year around £3.8bn in eligible benefits still goes unclaimed by older people in Great Britain.



3. Difficulties with the benefits system

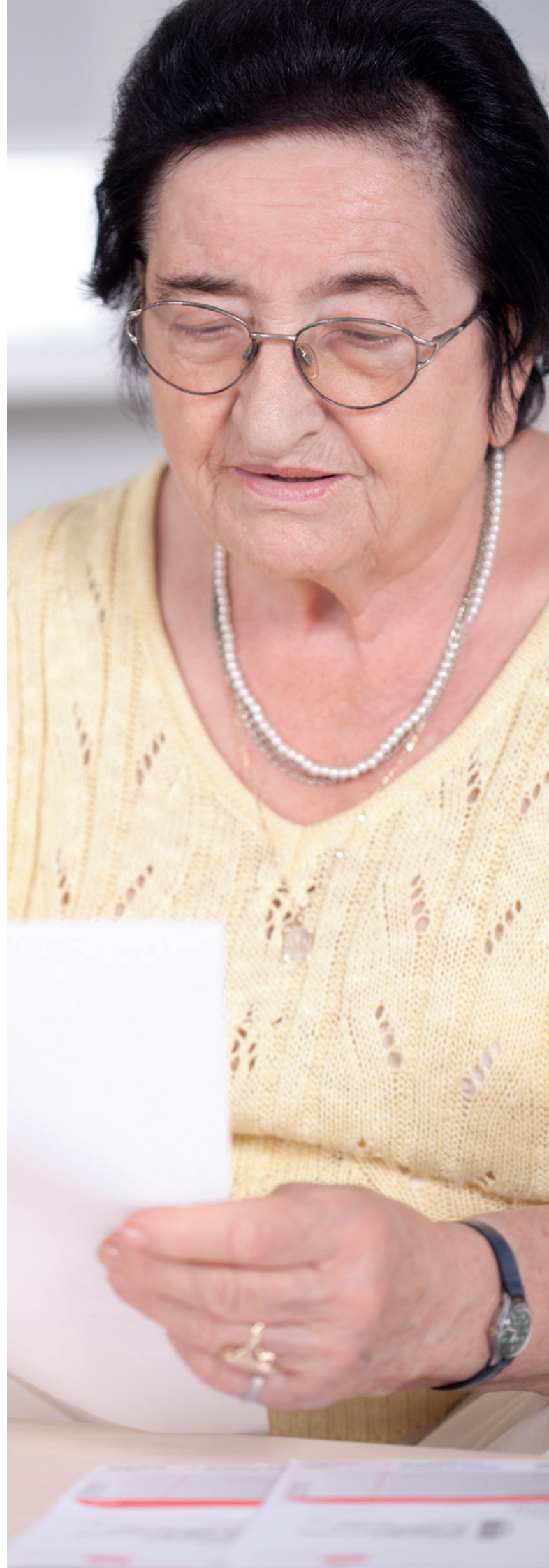
Ten people were receiving support through benefit income, and **in two cases had experienced assessment and administrative errors that delayed or prevented them from receiving the correct entitlements.**

Fiona, who is 58, was without her disability benefit for a year whilst she appealed a decision on her Personal Independence Payment (the replacement to the Disability Living Allowance she had previously been receiving). The benefit was eventually reinstated, but not before she had experienced significant financial hardship:

'It's taken since the beginning of the year to sort things out. It's going to take the whole year to get caught up again. It was not easy knowing you couldn't afford anything, we didn't expect to be in such difficulty for so long.'

Fiona 58, Cambridgeshire

Maureen, who is 76, was rehoused by the council due to the domestic violence she had experienced in her previous flat, and through errors she remained liable for two sets of rent for which she had claimed Housing Benefit. This resulted in a huge overpayment for which she had to seek debt advice, leaving her unable to buy food or furnish her new flat in the meantime.



The cost of health conditions and care needs

Those aged 65+ in England with a care need are twice as likely to say they don't manage well with their finances, and compared to those without a care need are 61 per cent more likely to find they have too little money to spend on their needs.⁷

Over a third (6) of the people we spoke to had a care need or health conditions for which they were receiving a disability benefit. Two people were full-time carers for their housebound spouses and received formal care services which they part-funded themselves (in one case topped up by the local authority and in the other by NHS continuing healthcare). However, whilst formal care packages and financial assistance such as Attendance Allowance were providing invaluable support to meet care and disability related costs, those we spoke to often face additional expenses day to day that this support was not able to cover.

1. Shopping and household bills

Dorothy's husband became paralysed following a blood clot on his spine. They have a joint monthly income of just over a thousand pounds but nearly half of this goes on their Housing Association rent. She is very happy with the care her husband receives but all the extra laundry increases their household bills:

'The washing machine has to go on every day. It's a full wash for him, so I mean the carers will use three bath sheets and three ordinary towels. Then of course he has little towels around him as a bib because when you're feeding him and all that. And he gets clean bed sheets four or sometimes five times a week, because his catheter bypasses and wets the bed.'

'The carers come in and they'll just use whatever not thinking about the cost of anything. They'll put towels in the tumble dryer to warm for when he's had his shower and things like that. I don't say anything because I'm lucky I've got such good carers who think of these things – but it all has to be paid for.'
Dorothy 81, Buckinghamshire



Those with a care need are twice as likely to say they don't manage well with their finances compared to those without a care need.

Similarly the weekly shopping bill was often more expensive for people with health conditions or care needs as it involved buying extra toiletries, cleaning products and over-the-counter medicines.

Tony's wife had a stroke and became bedbound after a series of infections. He uses what is left over from her Attendance Allowance (higher rate £85.60 per week) after paying towards her care package to buy everything she needs from the supermarket, but he struggles:

'When she had the water infection the care came in, and it's a private lot, and they asked me to pay £250 a month from the Attendance money. So suddenly they leave her with £42 odd a week and it's not enough. Their assessment left me with £4.50 for baby wipes, pads – but this doesn't reflect reality. I spend £100 on a weekly shop alone. Daily I'm having to wash eight or nine soiled items when she is incontinent, and the expense adds up because it needs to be Dettol, and those Fairy liquid pods – all that, it can be £20 a time.'

Tony 84, Yorkshire

2. The cost of home visits

Dorothy's husband needed regular physiotherapy to maintain the little movement he still had. To pay for this, as well as his other essential appointments, she was using up their savings:

'See our problem is, because he's paralysed we can't get him anywhere. He has to have private physio three times a week, that's £240 a month. Then his chiropodist comes every ten weeks and that's £40. Then the dentist, they charge £38 for someone to come here and look at this teeth and clean them. Then when he has to have his eyes looked at I have to pay for someone to come in, so it all adds up.'

Dorothy 81, Buckinghamshire

To sustain these increased outgoings for as long as possible, Dorothy was offsetting the cost by reducing what she spent elsewhere, including what she spent on herself:

'You really just have to just sort of, struggle on really. I can probably carry on for another three years – luckily I don't buy myself anything and I don't go anywhere now, just shopping and to the church on Sunday. But it depends what goes up, the rent, council tax, if the physio puts her price up.'

Dorothy 81, Buckinghamshire

3. Reliance on cars and taxis

People with poor mobility and other health and care needs are often burdened with increased transport costs as they are unable to take advantage of free local buses and other public transport concessions aimed at older people.

Tony, 84, could not afford to replace his car when it was written off. He would not have objected to using the bus instead if he only had himself to think about, but he had been told by his wife's consultant that having a car was essential for her wellbeing. So he arranged a monthly repayment plan with the bank to purchase another one:

'The car broke so I had to buy a new one, borrowing money from Halifax and paying it back £95 a month. My wife's consultant took me to one side after the stroke and said 'you need to keep her life as near the same as it was, take her out still'. So I had to get the car, to maintain her quality of life.'

Tony 84, Yorkshire

Others had come to the difficult decision that they could no longer afford to keep their car going. But where they relied on taxis instead, these were still very expensive.

'I did have a car up until a year ago but it was beginning to get problems with the engine so I had to sell it, which was somewhat inconvenient to say the least because a car does give you a certain mobility and freedom!'

Peter 72, Staffordshire

'The car got so expensive to run, I gave it up in the end.'

Ruth 91, Yorkshire

4. Keeping a social life

We heard about the additional costs involved in maintaining even a modest social life for those with health conditions and care needs. People had to factor in, and pay for, things like alternative travel arrangements, extra expenses incurred by accompanying carers, and respite services for those who had caring responsibilities.

'A friend and I used to go out once a week for a bite to eat and to look at the market. But since my operation my walking is worse and I don't do this anymore. I couldn't afford the taxi to get there.'

Maureen 76, London

'I could take the grandchildren swimming then because I had slightly more money. But now I don't see them, and I can't take them out anyway because I can't leave the house. I have absolutely no social life.'

Tony 84, Yorkshire

'The consultant likes him to go out, so he goes twice a week in his wheelchair. The carers take him to John Lewis, but I have to provide the money for tea and cakes for them both. And then Saturday at the pub I have to buy their lunch as well as his.'

Dorothy 81, Buckinghamshire

The cost of housing

While only around a fifth of pensioners live in rented property, the proportion is much higher for those on lower incomes – nearly two-fifths (39 per cent) of the poorest pensioners in the UK rent their homes.⁸ And while tenants may receive Housing Benefit to help with their rent, the proportion of pensioners in low income households receiving full help with rent has fallen.⁹ Poverty rates are much higher among older tenants than home owners with 29 per cent of social tenants and 35 per cent of private tenants living in poverty compared to 16 per cent of all pensioners.¹⁰ Of those aged 65+ in England, people who rent are 3.5 times as likely compared to those who own their own home, to say they don't manage well with their finances and are twice as likely to think that they will not have enough financial resources to meet their needs.¹¹



39% of the poorest pensioners in the UK rent their homes.

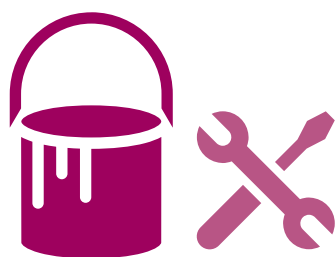
Most older homeowners own their home outright so have lower regular housing costs but meeting the cost of unexpected essential repairs and maintenance can put a great strain on those trying to manage on a low budget. Of the 3.8 million people aged 65+ in England who have had to curb their activities because they do not have enough money, 1.3 million stopped being able to keep their home reasonably decorated and 788,000 stopped replacing or repairing broken electrical goods.¹²

1. Insecure housing

Seven of the people we spoke to were homeowners and eight were renting either from their local authority or a housing association. Five of these received benefit to help with rent and council tax. While none were currently renting in the private sector two had done so in the past and were relieved that they were no longer having to do so. Comments showed how important having security of tenure or being a homeowner is to protect against high rent rises as well as general wellbeing.

'I've always been brought up "you pay your rent and you starve in comfort." Up until twelve months ago we were renting privately and just couldn't afford it anymore. So my sister took us in until we could get our heads above water.'

Fiona 58, Cambridgeshire



1.3 million people aged 65+ stopped being able to keep their home reasonably decorated and 788,000 stopped replacing or repairing broken electrical goods.

Another woman living in social housing who had previously been a private tenant told us:

‘That was the awful thing about private renting, only one year leases and they put the rent up every year.’

Kath 67, Cambridgeshire

Many people gratefully acknowledged the security of their housing situations now, particularly those who owned their own houses or who had been accepted into sheltered housing schemes.

‘I’m lucky to be living here [in sheltered housing]. It stabilised me after I was ill.’

Anne 79, Buckinghamshire

‘The main reason I get by is because I own the house. I would be in a different situation if I had housing costs to factor in.’

Jane 86, Herefordshire

2. Staying warm at home

We know there are 723,000 older households (where the oldest person is aged 60+) in England in fuel poverty, and many of these will have cold, poorly insulated homes.¹³ Older people often need to have the heating on for longer periods of time – either because they are at home during the day or because their health conditions are exacerbated by the cold. There were an estimated 46,000 excess winter deaths in 2016–17 for those aged over 65+, many attributable to combinations of ill health, poor housing and high energy prices.¹⁴

Some people told us their energy bills were particularly high and that they dreaded winter.

‘There’s nothing I can do to heat my room in winter, it takes ages to start warming up.’

Maureen 76, London

‘The bills were always a worry. Heating was the main issue because my mother required it to be on all the time, so bills were very high.’

Jill, 70, Yorkshire

The cost of housing

Two people mentioned switching utility companies but felt this was not worth the effort because they did not think they would actually save any money:

'You know you look around and you can move to a cheaper tariff but then within six months they usually put that up as well.'

Heather 72, Cornwall

'I did switch once but then I found that because I'm on Pension Credit and I want to claim the [warm homes discount] bonus, some of them don't do it.'

Jane 86, Herefordshire

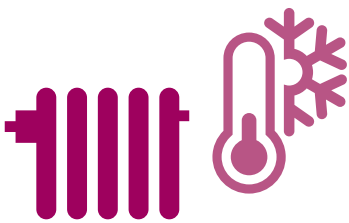
Instead, to make their bills cheaper people were cutting back on the heating they used.

'I will not put the heating on unless I absolutely have to. I sit there and think, no I can't afford this. So I have a shawl wrap thing, I've even worn gloves indoors. I'll have the heating on when my husband gets home just to take the chill off the place – then we get ready to go to bed. It's just ridiculous cost wise.'

Fiona 58, Cambridgeshire

'I keep it down as much as I can. I cut back as far as I can.'

Arthur 87, Lancashire



723,00 older households are in fuel poverty, many with cold, poorly insulated homes.

3. Carrying out repairs, general maintenance and adaptations

When it came to maintaining their home environment and getting repairs done, people were finding it increasingly difficult to do things themselves and were having to pay someone else to assist with household jobs. This significantly increased their expenditure on regular outgoings (for jobs such as gardening) and on one off expenses (for repair jobs).

'I have to pay for a gardener every three weeks, because I can't do it. So it's all 'pay out' really.'

Dorothy 81, Buckinghamshire

'I had to get a kitchen door screen (to stop flies coming in). A handyman did it for me for £240. Then there's the curtain rails and the locks. I just try and find the money slowly, slowly. When the money is there I fix it and I save for another two weeks to buy the next thing and call again.'

Maureen 76, London

Arthur, who is 87, was keen to make adaptations to his home so that he didn't have to go upstairs to use the toilet, but he couldn't afford the additional fees he was told this would entail on top of paying the cost of the job itself:

'I've been trying to get planning permission to make alterations, for a little room at the back with a downstairs toilet. Apparently I have to pay the council to give me permission, and they're telling me I need a solicitor. It's at the back of my mind because there are one or two things I want doing to the house, but I can't afford them. Someone from the council came around yesterday and raised that the bathroom upstairs wanted doing too, but I'm not going into debt for that. Anyway, to get a loan – people are reluctant to give me one now.'

Arthur 87, Lancashire



Social networks can make life easier.. and harder

Friends and family members are often able to offer support, such as a lift to the shops or a hospital, paying for a meal out or helping with odd jobs around the house. We heard a few cases where children had stepped in to provide financial support to a parent experiencing hardship, particularly for things like clearing debts or paying for ‘lumpy’ expenditure:

‘The debts on my credit cards my son eventually paid off. It was only £600 but that was a horror to me.’

Kath 67, Cambridgeshire

‘I would have to ask my children to help. I did this recently actually with a new fridge freezer. They all chipped in with that.’

Anne 79, Buckinghamshire

Two people relied on regular financial support from the person they live with – in one case a daughter and in the other a friend.

‘My daughter contributes £200 a month, which allows me to keep running the car.’

Kath 67, Cambridgeshire

‘[My friend] covers the cost initially and then I repay her monthly. She is generous in terms of paying for odd things that we need.’

Heather 72, Cornwall

Social networks can make life easier... and harder

However, we also found examples of older parents supporting their children through precarious financial circumstances by providing free accommodation or taking out a loan to help children, sometimes with significant and ongoing financial consequences for themselves.

Alice, who is 76 years old and on Pension Credit, was allowing her son, daughter-in-law and grandchild to live with her rent-free so they could save for a deposit on their own home. She has not been able to pay off her bank overdraft since they moved in three years ago:

'[My money] would be adequate if I was just on my own, but I'm essentially having to run a family home on my income. My son is working trying to get enough money together to rent his own place. I do ruminate over it a bit, and that's not a good thing because it just makes you depressed. Once I'm on my own it'll be a bit easier.'

Alice 76, Bristol

Arthur is 87 years old, recently widowed and receiving an income of just under £700 per month. He had attempted to limit the difficulties his daughter experienced when her small business went bankrupt, by taking a loan out so they didn't lose the house they all lived in:

'I had to take a loan out from the bank, for eight thousand [and buy the house back]. That put me in debt. And since then I've had all the solicitors to pay, and I don't know whether I'm coming or going to be quite honest. And then my health started going a bit.'

Arthur 87, Lancashire



No savings to fall back on

A third of the people we spoke to had some modest savings set aside for emergencies and funeral costs. However they were actually using this money to either mitigate the additional day to day costs they found were increasing, or to cushion themselves from unplanned, ‘lumpy’ expenditure. Nationally, 25 per cent of pensioner households do not have any savings,¹⁵ and this was the position for ten of those interviewed. Unsurprisingly, six people told us they would simply not be able to find £200 in an emergency, and others said they would have to cut back on essentials or use credit in order to find this money.

Everyone recognised the importance of having a savings cushion and were trying where possible to either create one or maintain the one they felt was diminishing. We asked how people would spend an additional £20 per week if they had it, and the most common answer we heard was that people would want to ‘put it to one side’.



25% of pensioner households do not have any savings.

‘If I had another £20 a week, I’d probably bolster the savings.’

Peter 72, Staffordshire

‘I wouldn’t spend it – I’d put it to one side, I’d probably save it.’

Arthur 87, Lancashire

‘I’d probably put it aside to let it mount up! As much as I could.’

Alice, 76, Bristol

Some of the people who did not have any savings had resorted to the regular use of credit cards and overdrafts instead. Managing these debts then became another ongoing expense for them, and simultaneously prevented them from building up a savings cushion because any ‘spare’ money they found went on the debts.

‘I try to reduce my overdraft by £20 a month if I can, but if something crops up I have to go back into it.’

Anne 79, Buckinghamshire

‘I use the Barclaycard – I have two credit cards and I use one to pay and then transfer to the other where you can have 18 months no interest.’

Kath 67, Cambridgeshire

‘I have no disposable income, so I’m using up my agreed overdraft by the time the end of the month comes. I’ve been in the overdraft for three years.’

Alice 76, Bristol

Coping mechanisms

The people we spoke to were coping with the financial hardship they were experiencing by actively maximising their income wherever possible and reducing any expenditure they considered to be inessential or not urgent.

This constant and careful financial management was a source of worry for many, and was not always effective in making their lives feel less difficult or more financially secure.

1. Carrying on working

One person was working a few hours a week even though he had been advised to retire on health grounds, and another was doing occasional consultancy work to top up her income. Two others, aged 75 and 67 were actively seeking new employment having already retired.

'I see no way to survive financially otherwise. I have an interview this afternoon, for a job as a care worker.'

Kath 67, Cambridgeshire

'I'll stay in work as long as I can, until I couldn't manage. I need the money really.'

Peter 72, Staffordshire

'I do the consultancy work in all honesty because it brings in money. By choice I probably wouldn't.'

Heather 72, Cornwall

2. Claiming benefits

Some had sought to maximise their income by ensuring they were claiming the benefits they were entitled to and taking advantage of relevant government schemes available to them. While people were grateful for this extra money, life could still be difficult and people didn't always feel comfortable having to rely on benefits to top up low incomes.

'I'm certainly grateful to those people who brought out these schemes covering rates and rents and basic living needs. Do I like being dependent on benefits? No. Would I prefer to be independent? I think that's a resounding yes. But alas I'm not exactly in the position to be so.'

Phillip 75, Cornwall

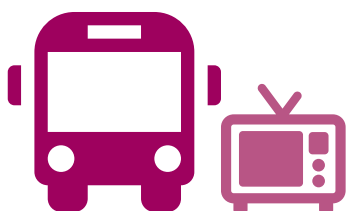
'I don't want to be at the mercy of people. I was financially independent my whole life, but then I was really happy when I got the DLA [Disability Living Allowance] because I got help and it was acknowledging the suffering.'

Kath 67, Cambridgeshire

Universal benefits, such as the bus pass and free TV licence for those 75+, which are based on age rather than a detailed assessment, can make big difference.

'The bus pass – my godsend, without that I don't think I would go out of the house. [Later] It's a relief I don't have [to pay for] my TV licence anymore. I love my television.'

Maureen 79, London



Universal benefits, such as the bus pass and free TV licence for those 75+, which are based on age rather than a detailed assessment, can make big difference.

3. Putting off expenditure

For some, putting off expenditure entailed only purchasing items such as electrical goods and furniture through repayment plans, even though this meant they might ultimately pay more for these things.

'I do Littlewoods and Argos – because they do a twelve months interest free repayment scheme. So I take advantage of that.'

Tony 84, Yorkshire

'I have a wardrobe, table and chairs – which are paid off now, and the coffee table all from Bright House. I paid off £15 here £20 there where I could until I had bought it and then they delivered it.'

Maureen 79, London

4. Spending less on food

Some of the people we spoke to were careful about when and how they did their weekly food shop, and how they planned this to ensure they were not tempted to buy things they 'didn't need' or couldn't afford:

'Now I definitely have breakfast before I go out shopping – because then I know if I don't need it I won't buy it. I just get what I really need. If I have anything left I might get a cheap tin of biscuits from Poundland.'

David 66, Lancashire

Others looked for offers or used vouchers to reduce the cost of their shopping:

'I get these food vouchers from various shops and I've got a nectar card which all helps to reduce the food cost. My food bill per month now is £120. If it weren't for the vouchers I think it would be closer to £135.'

Peter 72, Staffordshire



Clothing and social occasions were often the first thing to be scaled back or stopped altogether.

5. Doing without new clothes or outings

Most felt that clothing had become an inessential expense they found difficult to justify or could do without, though for two women in particular this was a source of sadness and regret.

'I really haven't bought any clothes for many years – I like them but I don't need them the way I live now. I haven't bought a coat for twenty years.'

Ruth 91, Lincolnshire

'Spending on clothes would be pure excess! I've reached the age I think it's not worth spending it.'

Jane 86, Herefordshire

'Hand me downs for me – or my sister will buy me a jumper as a birthday or Christmas present. We try not to use any of the free income on clothes and things unless we have to. We wait for those times of year. It's not easy.'

Fiona 58, Cambridgeshire

Social occasions were also often the first thing to be scaled back or stopped altogether as a way to offset the increased cost of other things. Over half of the people we spoke to reported having turned down invitations for social occasions, due to concerns about money. Others felt that it was not so much the money but about the practical difficulties of going out, or a case of not receiving invitations at all.

'Once a month I might have a meal with the centre as a treat [at a cost of £5]. But if I go out apart from that it's because someone else is paying!'

Anne 79, Buckinghamshire

'I know a little shop that sells coffee and cake and after 2pm the cakes go down to 95p from £2 so I'll wait and go there then.'

Alice 76, Bristol

6. The right state of mind

The people we spoke to appeared to be resigned to the increasing costs they encountered in later life, and accepting of the fact they were having to undertake such careful financial management as a result. There was some pride in those who felt they had developed the 'right state of mind' to cope with this, which seemed to be a matter of accepting your lot and making the best of it. This was particularly likely for those who were older and had been managing on their low income for a long time so were used to it and had adjusted their expectations.

'It's just about getting on with it. It's no good wishing you had more, because you haven't – so you have to try and work out, how can I do the best with what I have?'

Dorothy 81, Buckinghamshire

'There's a lot of things I would do if I had more money, but I'm surviving quite well considering how little I have.'

Anne 79, Buckinghamshire

'I'm alright, I'm living. It's not a high standard of living, but er... I do as I can. I do feel sorry for myself at times, but no – I'm alright.'

Arthur 87, Lancashire

7. Low expectations

We also asked everyone what a 'treat' would be for them. Two people told us they had cut out treats altogether, and everyone else described things that either cost nothing or very little, suggesting they had adjusted their ambitions to suit their financial limitations.

'I might have fish and chips – Sainsbury's do the best fish and chips I've ever tasted.'

Phillip 75, Cornwall

'I think I would go to the cinema or something, I hear it's quite expensive. And the cost of going on the train would be about £5.'

Ruth 91, Yorkshire

'I may occasionally buy a plant, or some soil [for the communal garden her ground floor flat overlooks]. I think that's really nice.'

Anne 79, Buckinghamshire

'There's a lot of things around that don't cost anything. In the hot weather we just went and sat out on the beach.'

Heather 72, Cornwall



Conclusion

This research highlights the circumstances of just a handful of the many people we know are experiencing financial hardship in later life.

For those we spoke to, it had become difficult and expensive to stay living well because issues around health and care, housing, and social networks crept up and compounded over time, as did their associated costs. Many were offsetting their increased costs by 'cutting back' and 'going without' elsewhere, as if this was simply par for the course. At times this meant just not having nice things anymore, like treats and new clothes. At other times this meant cutting out essential things, like having the heating on and getting repairs done. This is not the existence any of us hope to have in later life. We ought to be paying more attention to those who are quietly, uncomplainingly, struggling on. The recommendations set out at the beginning of this report suggest some ways of doing so.



Annex: Interview participant profiles

Anne 79: separated, lives alone in sheltered housing. Has significant credit card debts. Receives Pension Credit and help with housing costs. Has no savings. Has supportive children.

Maureen 76: divorced, lives alone in social housing, recently rehoused due to domestic violence. Receives Pension Credit and help with housing costs. Has no savings. Has good social network of friends.

Tony 84: married and full time carer for wife, lives in owned property. Has a small private pension and no savings. Has carers visiting four times a day, funded by himself and the local authority. Is not able to leave the house very often.

David 66: single, lives alone in sheltered housing. Receives State Pension and help with housing costs. A welfare officer is helping him apply for Attendance Allowance. He does not have a family. Has no savings.

Phillip 75: single, lives alone in Housing Association property. Receives Pension Credit, a disability benefit, and help with housing costs. He has a few thousand savings kept to one side to pay for funeral costs. Has no family, no social network.

Fiona 58: married, lives in Housing Association property with husband who works full time in a low paid job. Pays full rent. Lost benefit income for 12 months whilst appealing decision. Has no savings.

Arthur 87: widowed, lives alone in owned property. Has a small private pension and no savings. Has supported his daughter financially in the past and is still paying the costs associated with this. She cleans for him, and a grandson does his gardening.

Jane 86: widowed, lives alone in owned property. Downsized seven years ago to a bungalow. Receives Pension Credit and has a few thousand pounds in savings. Has a supportive son.

Kath 67: widowed, lives with daughter in social housing. Receives Pension Credit, a disability benefit and help with housing costs. She has no savings. Retired five years ago due to ill health but is currently looking for work again.

Annex: Interview participant profiles

Dorothy 81: married and full-time carer for husband, lives in Housing Association property and pays full rent. Has her husband's small private pension, and a few thousand pounds in savings. Has care package which is jointly funded between themselves, the local authority, and NHS continuing health care.

Heather 72: single, lives with friend in a jointly-owned property. Receives small private pension and is still working part time. Has no savings. Her friend contributes more to household costs.

Peter 72: single, lives alone in owned property. Receives small private pension but still works on a zero hour contract. Has no family but good neighbours. Has a few thousand in savings.

Alice 76: divorced, lives with son and his partner and child in her owned property. Receives Pension Credit and a disability benefit. Has been in overdraft for three years. Has no savings.

Ruth 91: widowed, lives alone in Housing Association property and pays full rent. Downsized from owned property eleven years ago. Receives a small private pension and has some savings.

Jill 70: single, lives in owned property. At time of research had given up working three jobs to become full time carer for mother. Received small private pension and income from a rented property.

Note: names have been changed.

Age UK's Your Voice Engagement Panel

Interviewees were recruited through Age UK's Your Voice Engagement Panel via fieldwork which took place in May 2018, with the exception of one woman who we reached through a local Age UK. The Your Voice survey asked 'How well would you say you are managing financially these days?' and all those responding either 'just about getting by' or 'finding it very or quite difficult to manage' were eligible for recruitment. Interviews were then carried out by telephone. 'Your Voice' is a self-selected panel of over 700 people aged 50+. It is not representative of the 50+ population and is particularly weighted towards those aged over 75 and those perhaps less likely to engage with other research or panels. 'Your Voice' aims to include 'seldom heard' voices and actively seeks to recruit carers, the older old, those with reduced mobility, those offline, those living in very rural areas or care homes, and those from minority groups.

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