

THE AGE+ PROJECT, 2005

AGE+

**Policy Research Institute on Ageing &
Ethnicity (PRIAE)**

The Financial Well-being of Ethnic Minority Women Aged 40+ in the United Kingdom

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Written by Professor Naina Patel OBE and Peter Traynor MA, PRIAE

AGE+

The AGE+ project. The AGE+ project is part of the European Action Program to combat Poverty and Social Exclusion and is co-financed by the European Commission. The project focuses on the multiple discriminatory effects of age, gender and ethnicity.

Organisations from five European countries – the United Kingdom, Germany, Austria, the Netherlands and Italy – worked together to investigate the socio-economic position of older migrant women in their country. Through research, interviews and networking they have been working to reach the main objective of the AGE+ project: to put on the agenda the alarming income situation of older migrant women, both now and in the future. At the final conference 'Poor, poorer, poorest' in Amsterdam on 22-23 September 2005, the results of the AGE+ project will be presented and strategies for improvement explored.

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Project partners

- NPOE - Netherlands Platform Older People and Europe, The Netherlands (project coordinator)
- E-Quality, Experts in Gender and Ethnicity, The Netherlands
- OWN Europe - Older Women's Network, Europe
- PRIAE - Policy Research Institute on Ageing and Ethnicity, United Kingdom
- EURAG - European Federation of Older Persons, Austria
- MERI - Mapping Existing Research and Identifying Knowledge gaps on the situation of Older Women in Europe, a European funded research consortium, represented by the Institut für Soziale Infrastruktur (ISIS), Germany
- COSPE - Cooperation for the Development of Emerging Countries, Italy



Policy Research Institute on Ageing and Ethnicity (PRIAE)

PRIAE Head Office:

31–32 Park Row, Leeds LS1 5JD, UK

Tel: +44 113 285 5990 Fax: +44 113 285 5999

<http://www.priae.org/>

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PRIAE is an independent registered charity working to improve pensions, employment, health, social care and housing, and quality of life for black and minority ethnic older people in the UK and across Europe. The Institute aims to influence national and European policy and increase and encourage good practice in work with black and minority ethnic elders. PRIAE does this through creating and leading on often 'first of its kind projects' in research, information, service developments, training and consultancy. PRIAE recently launched the largest European research in the area of health, ageing and ethnicity in ten countries called Minority Elderly Care (MEC) covering over 3,000 ethnic minority ethnic elders from some 26 ethnic groups and near 1,000 professionals and planners in health and social care with some 500 minority based organisations. The Institute's CEMESME European project on employment and enterprise is also another major initiative aimed at generating useful research information and developments including training and materials for use in organisations, to help policymakers and entrepreneurs.

This report forms the UK contribution to the Age+ project, European Commission funded project designed to provide an insight into the financial situation of ethnic minority women over the age of forty, in five European countries; the Netherlands, the United Kingdom, Germany, Austria, and Italy.

Contents

1.	Introduction	1
	<i>The AGE+ project</i>	1
	<i>Terms of reference</i>	1
	<i>Ageing and immigration in the UK and Europe</i>	1
2.	Ethnic minorities in the UK	3
	<i>General demographics</i>	3
	<i>Age and gender</i>	3
	<i>General living conditions</i>	3
	<i>Households</i>	4
	<i>Marriage, cohabitation and children</i>	5
3.	Education	6
	<i>Overview</i>	6
	Young ethnic minority women today	6
	<i>Secondary and further education</i>	6
	<i>Higher education</i>	6
	Older ethnic minority women	7
	<i>Education and qualifications</i>	7
	<i>Adult learning</i>	7
	<i>Language skills</i>	7
4.	Labour market participation and income	8
	<i>Overview</i>	8
	<i>Employment</i>	8
	<i>Occupation and industry</i>	8
	<i>Part time work and sources of income by marital status</i>	10
	<i>Enterprise & Self-employment</i>	10
	<i>Unemployment</i>	11
	<i>Unpaid work</i>	11
5.	Income and benefits	13
	<i>Overview</i>	13
	<i>Ethnicity, gender, age and income</i>	13
	<i>Income, Parental and Marital Status</i>	15
6.	Pensions and benefits	17
	<i>The current UK pension system</i>	17
	<i>Working age and pensions</i>	17
	<i>Retirement and pensions</i>	17
	<i>Changes to the current pension system – the Turner Report</i>	18
	<i>Ethnic Minority Elders and Pensions</i>	19
	<i>Ethnic Minority Elder Women and Pensions</i>	20
	<i>Recommendations</i>	21
7.	Conclusion	22
	References	24

Tables

Table 1 - The age distribution of ethnic minority women and men in the UK , 2001.....	4
Table 2 - Percentage of people in senior or management positions.....	10
Table 3 - Median individual income by ethnic group and age band All men and all women.....	15
Table 4 - Single people's median individual income by ethnic group and parental status.....	15
Table 5 - Individual income and composition of source of income for widows and widowers, by ethnicity.....	16

Charts

Chart 1 - Employment, ethnicity and gender: employment rates for men and women aged 16-74.....	8
Chart 2 - Industry by ethnicity and gender of all in employment aged 16-74.....	9
Chart 3 - Family and domestic responsibility by ethnicity and gender.....	12
Chart 4 - Percentage of adult women living in poverty by ethnicity.....	14
Chart 5 - Poverty, ethnicity, age and gender: median total of individual income by age.....	14

1. Introduction

The AGE+ project. This report forms the UK contribution to the Age+ project, a European Commission funded project designed to provide an insight into the financial situation of ethnic minority women over the age of 40, in five European countries; the Netherlands, the United Kingdom, Germany, Austria, and Italy. The project's title: Age + (Age + gender + ethnicity) refers to the fact that older ethnic minority women experience multiple inequalities: on account of their ethnicity; their age and their gender. Any one of these being a sufficient cause of inequality in its own right, but combined they provide for cumulative disadvantage for ethnic minority women: low pay, poor working conditions, existence of race, age and sex discrimination in reducing opportunities to obtain and/or progress in employment, being concentrated in specific jobs and sectors and the experience of differential pay; the provision of unpaid care, leaving the labour market to raise a family ¹ - these are just some of the factors which consign mid-life in poverty and its continuation in old age through low pensionable income and under claiming of entitlements. The project aims to highlight these issues and in doing so make some impact on European social policy so that future generations of ethnic minority women can look forward to a decent quality of life in old age.

Terms of reference. The Age+ report from the four countries (the Netherlands, Germany, Austria, and Italy) is an important contribution to the area but it did not include the UK. Towards the end of the Age+ project, PRIAE proposed that to omit a report on the UK would be a disservice to the area of ageing, ethnicity and gender – and marginalize considerable work progressed in the UK. Hence this UK report is produced under different conditions: a very short time span and with reduced scope. This report is complementary to the Age+ report and the aim is to give a brief snapshot of the situation of ethnic minority women aged 40 and over in the UK. This covers the many sources of statistics, and the main findings, that relate to the

living conditions of ethnic minorities in the UK, the status of ethnic minority women in education, the labour market and their levels of income and savings. Considered together, this information shall help us to analyse the issues for the present and the future generations of ethnic minority women. It is useful to state that we use the term 'ethnic minority' and/or 'Black and minority ethnic (BME) women/elders/groups' and not 'migrant'. This is because 'ethnic minority/BME' signifies that those who belong to these groups face specific issues as a result of their minority status through disadvantage and discrimination based on a number of factors and/or their combination. If these were absent there would be no need to focus neither on 'ethnicity' nor for that matter, the need for this Age 40+ project. In our view the term 'migrant' is a misnomer since many of these women though migrant in origin, have made their homes in Europe for many decades, and indeed many are born within it. In contrast, politicians and society at large wish them to 'integrate', which they do, but with greater difficulty if they are continuously defined as 'temporary' or 'transient' as the term 'migrant' implies.

Ageing and immigration in the UK and Europe. The changing demographic situation in the UK and across Europe (and indeed other parts of the world) is now an accepted phenomenon, for both the majority and increasingly the migrant population. People are living longer and the numbers of the old and very old are increasing, whilst the number of young people is decreasing. This is particularly the case for the majority ethnic population, whilst established and new ethnic minorities tend to have younger age structures. Europe's largest research on ageing and ethnicity in health and social care 'Minority Elderly Care, (PRIAE 2004)' produced a profile of ten countries and provides a good data source on this. The publication also helps us to understand who we are referring to as an 'ethnic minority'. The MEC research project defines minorities as coming from three sources:

¹ In PRIAE's work we are acutely aware that Ethnic minority elder women and men define themselves by experience of particular issues, with a strong desire to correct injustices. They do not necessarily single out specific inequality, though 'ethnicity' is usually their primary focus through which they trace explanations for facing particular issues and experiences (Age & Race discrimination seminar, PRIAE 2003)

first, from former colonial possession during the period of post-Second World War reconstruction; second as economic migrants, as refugees and asylum seekers fleeing wars, persecution and economic dispossession; third as those who have known no other homeland, like the Roma, regarded as 'traditional/national minorities', (ibid p.3) and are endemically discriminated against in their countries of origin.

For the UK since the 1950s post-war immigration largely came from the UK's former colonies - from the Caribbean, from the Indian sub continent, East Africa and later, other parts of South East Asia, as well economic migration within Europe from Italy, Spain and refugees for example from parts of Africa, Cyprus, Vietnam. Women and men from the Old Commonwealth countries (Australia, Canada, S.Africa) have long continued to migrate to the UK in search of work. And so the pattern continues today.

Like elsewhere in Europe, ethnic minority labour, initially as migrant labour, has been a critical source for supporting European economies, as well as being contributors to the social and cultural fabric of individual societies.² In this way Europe's multicultural life has enriched both minority and majority communities.

The UK has been no exception. Ethnic minority women and men have long filled large labour shortages, undertaken work that the majority population was unwilling to undertake and at a lower rate of earnings. This was well illustrated by the recent summer dispute experienced by British Airways' passengers at Heathrow London with Gate Gourmet catering company – a majority of its workforce being Asian women and men, who were protesting against low income and immediate large scale sackings. It is clear that the workers caused immense disruption. Yet in spite of society's reliance on ethnic minority labour in key sectors, no European country is immune from the public perception that minorities are 'replacing their labour' and so the debate around immigration and Europe's large labour shortages is coloured by xenophobia and racism.

The subject of ethnic minority women and their financial conditions at 40+ cannot be discussed without the context of historical and political economy of labour. Nor can the effects and policy responses that are needed to counter poverty in mid and old age be understood and proposed without examining how ethnicity and race discrimination; gender and sex discrimination; and age and age discrimination in the context of class, combine to produce and reproduce particular effects for black and minority ethnic (BME) women and men, and in old age.

² This is why the Euro-project CEMESME (Contribution of Ethnic Minorities in Small & Medium Sized Enterprises) at PRIAE is considered so important by the EU Trade Commissioner Rt Hon Peter Mandleson (CEMESME flyer, see www.priae.org) The project aims to assess how the contribution of ethnic minority employees and enterprise could add to business performance and to Europe's economies in turn.

2. Ethnic minorities in the UK

General demographics. There are sixty million people in the UK. The 2001 Census (Office for National Statistics 2003a) shows that of these around four and a half million are from BME groups, nearly eight percent of the total population, 2.3 million of these are BME women.

The UK population is expected to grow by six million by 2031, and the Government Actuaries Department estimates that just over three million of these will result from the direct inflow of new migrants and a further 1.5 million as a result of births among existing migrant populations (ONS 2004c). The umbrella term 'BME group' contains many different ethnic, religious and linguistic groups with different patterns of migration and socio-economic circumstances.

The largest ethnic minority groups are Indian and Irish (although Irish is not strictly classified as an ethnic group in the Census), followed by other well-established groups such as Black Caribbean, Pakistani and those of mixed ethnic background (ONS 2003a). Less numerous but equally well-established minority groups include Bangladeshi and South East Asian (Chinese, Vietnamese) and there are new groups, from the EU accession countries, from Africa and the Middle East.

The majority of the UK's ethnic minority population lives in England, while only two percent reside in Scotland and Wales and less than one percent in Northern Ireland. Most live in large urban areas, with nearly half of the entire UK ethnic minority population based in London, comprising 30 percent of the city's residents. The next largest centre is the West Midlands, where 13 percent of the population is from an ethnic minority (ONS 2003a), followed by the South East (8%), North West (8%) and Yorkshire and the Humber (7%). The UK's concentration of ethnic minority populations in specific conurbations mirrors that of other BME communities across Europe (PRIAE 2004).

Age and gender. Britain is an ageing society, with one in five people over state pensionable age. Of these 2.6 percent are from an ethnic minority. White groups have an older age structure than other ethnic groups and nearly one in seven white British

people are aged 65 and over. The Black Caribbean group also has an older population, with one in nine aged 65 or over, reflecting the early migration of this group in the 1960s. By comparison, other groups, including Bangladeshi, Black African and Pakistani groups are relatively youthful, with as many as one in three under the age of sixteen (Summerfield and Babb 2004). Indeed, in 2004, 17 percent of children in maintained schools in England were from an ethnic minority group (DfES 2005). This pool of young BME people represents considerable scope for making sure that through opportunities, their full potential is realised in employment - to secure better old age in the future than their parents have today.

Although the number of pensioners from BME communities is relatively small, there is a growing proportion in the pre-retirement age group (45-65), particularly among Black, Indian and Pakistani groups. As a result the number of BME elders is expected to increase rapidly over the next few decades, faster than the already aged majority population (PRIAE 2003). This demographic change presents considerable implications for individual financial security for BME families and elder women and men, but also for the state. It is in this regard that the Pension Commission's interim statement that 'Women pensioners in the UK today are significantly poorer than men. An effective pension system for the future must be one in which the vast majority of women accrue pension entitlements, both state and private, in their own right' (Pension Commission 2004, p. 260).

Women have conventionally outnumbered men in the older age groups, because of differing mortality rates. However, varying immigration patterns mean that this is not always the case. Women over 65 for instance outnumber men in the white (58 % women), mixed (55 %) and Chinese (54 %) ethnic groups. In contrast women over 65 make up 45 percent of the Pakistani group and only a third (34 %) of the Bangladeshi group (ONS 2004b). We can summarise this in *Table 1* as shown below by ethnicity, age and gender.

General living conditions. Overall ethnic minorities experience worse living conditions than the

Table 1 - *The age distribution of ethnic minority women and men in the UK, 2001*

Age Group	Age Group										Total absolute
	16 - 19		20-39		40-59		60-79		80 +		
	absolute	%	absolute	%	absolute	%	absolute	%	absolute	%	
Women											
White British	1,054,596	5.5	6,175,306	32.5	6,079,965	31.8	4,292,443	22.6	1,418,195	7.6	19,020,605
White Irish	6,524	2.0	83,170	25.9	108,368	33.8	101,553	31.7	21,176	6.6	320,891
Mixed group	27,088	15.7	96,158	55.6	35,367	20.4	11,668	6.7	2,775	1.6	173,156
Indian	35,526	8.8	187,672	46.3	129,349	31.9	47,254	11.7	5,560	1.4	405,461
Pakistani	30,230	13.1	124,024	53.9	55,088	23.9	18,638	8.1	2,139	0.9	230,219
Bangladeshi	12,653	14.7	49,731	57.8	17,793	20.7	5,464	6.3	424	0.5	86,165
Black Caribbean	15,132	6.2	110,223	44.9	74,808	30.5	41,787	17.0	3,317	1.4	245,367
Black African	16,107	9.1	107,936	61.1	43,372	24.5	8,424	4.8	946	0.5	176,885
Chinese	10,261	10.5	47,130	48.4	30,758	31.6	8,056	8.3	1,206	1.2	97,511
Other ethnic groups	6,199	6.1	56,453	55.6	32,845	32.4	5,296	5.2	685	0.7	101,578
Men											
White British	1,103,689	6.3	6,086,548	34.6	6,040,403	34.3	3,699,702	21.0	679,704	3.9	17,610,146
White Irish	6,881	2.4	79,604	28.1	101,294	35.8	85,015	30.0	10,423	3.7	283,317
Mixed group	27,999	17.8	85,504	54.3	31,146	19.8	11,176	7.1	1,550	1.0	157,475
Indian	36,387	9.2	178,254	45.2	126,396	32.1	48,688	12.4	4,394	1.1	394,219
Pakistani	31,191	13.3	122,532	52.2	54,354	23.2	24,779	10.6	1,785	0.8	234,741
Bangladeshi	12,533	14.4	47,961	55.2	15,748	18.1	10,177	11.7	401	0.5	86,920
Black Caribbean	14,573	7.1	87,592	43.0	55,353	27.2	43,281	21.2	2,968	1.5	203,867
Black African	15,232	9.6	91,973	58.2	40,854	25.8	9,408	5.9	673	0.4	158,240
Chinese	10,986	12.5	43,926	49.9	24,501	27.9	7,905	9.0	630	0.7	88,048
Other ethnic groups	6,668	8.8	42,173	55.5	22,423	29.5	4,260	5.6	403	0.5	76,027

Table adapted by PRIAE (2005) from the Census 2001 (ONS 2003a p121/2)

majority population. Ethnic minorities are more likely than the majority to live in low-income households, although there are considerable variations between ethnic groups. Pakistanis and Bangladeshis are the most likely to be living on low incomes (60 %) followed by Black Non-Caribbean households (49%). The White British and Indian populations are the least likely (DWP 2003a). Housing status and owner occupation varies between ethnic minority groups, but on the whole BME groups are more likely to live in poorer quality and overcrowded accommodation,

regardless of tenure, and are also more likely to live in deprived areas, with higher than average crime rates and poorer access to facilities. Research has shown that ethnic minorities also experience poorer treatment in health and social care services and discrimination in a range of areas, both at an individual and an institutional level (PRIAE 2004).

Households. Asian households are larger than those of any other ethnic group, often multi-generational, 'family within families' as the common saying goes. Households headed by a

Bangladeshi person were the largest of all with an average size of 4.5 people in April 2001, followed by Pakistani households (4.1 people) and Indian households (3.3 people). Asian households are larger than households of any other ethnic group and are most likely to contain more than one family with dependent children. These types of households made up 2 percent of all households in Great Britain whereas among the Bangladeshi community they made up 17 percent of households. The smallest households were found among the White and Black Caribbean households (average size 2.2 people). This means that older people from ethnic minority groups, particularly Pakistani and Bangladeshi elders are more likely to live in households containing more than one generation, indeed only 2 percent of Bangladeshi elders live in pensioner only households, compared with 27 percent Irish elders (ONS 2002).

Marriage, cohabitation and children. Marriage patterns vary widely between ethnic groups. Marriage levels are universally high across all Asian groups, and very low among Black groups, particularly Caribbeans. However, trends are emerging among younger generations from all ethnic groups, including Whites, that suggest considerable changes in the future, and younger people in all ethnic groups are tending towards lower levels of marriage, and marriage later in life.

Living alone in old age is associated with higher levels of poverty than living in a couple (Summerfield and Babb 2004), and research from PRIAE (2004) suggests that women are twice as likely as men to live alone. The ethnic groups with the highest proportion of women living alone were the African-Caribbean (45%) and the Chinese/Vietnamese (32%) compared to the South Asian group (23%). Ethnicity also impacts upon childrearing. Whilst White women are having less children later, women of Asian origin, particularly Bangladeshi and Pakistani, have higher numbers of children, and at an earlier age. Black Caribbean women conversely are more likely to be single mothers than any other group.

3. Education

Overview. There are a number of primary sources relating to education and ethnicity in the UK, including the Census, the Youth Cohort Study, the Labour Force Survey, and the National Study of Adult Learning. The Department for Education and Skills (DfES), collects and presents its own data from sources like the National Pupil Database, combined with analysis of other sources of data collected by agencies like University and Colleges Admissions Service (UCAS), which oversees the University application process in the UK. No study is comprehensive, but together they provide at least a partial picture of the nature of the relationship between ethnic minorities and the different parts of the UK educational system.

One distinction must be made between established ethnic minority communities, and refugees and asylum seekers. Much is known about the former in education, but little about the latter, and the data almost exclusively focuses on the generalized established ethnic groups within the UK. A further problem in trying to ascertain qualifications among ethnic minorities is the very fact that migration occurs at different stages in the life course. This makes true assessment difficult, particularly for new groups. In the context of this report, these studies provide some indication of the current situation of young ethnic minority women, and to a lesser extent, they give some insight into the position of ethnic minority women currently over 40.

Young ethnic minority women today

Secondary and further education. The fact that ethnic minorities have one and a half times greater unemployment than their white peers cannot be explained by poor educational performance. There are strong correlations between educational attainment, gender and ethnicity. Young women are outperforming young men at both GCSE and A-level attainment, and this applies to all ethnic

groups. In 2002, Chinese pupils were the most likely ethnic group to achieve five or more GCSE grades between A and C,³ with 77 percent of Chinese girls and 71 percent of Chinese boys respectively. This was followed by Indian (71% girls, 58% boys) and White pupils (57% girls, 46% boys). The lowest levels of GCSE attainment were among Black Caribbean pupils (38% girls, 23% boys), whilst Black African (47% girls, 34% boys) Pakistani (45% girls, 34% boys) and Black other (45% girls, 30% boys) occupied the middle range (Summerfield and Babb 2004). The picture is similar for CSE grades (A-levels).⁴ Of applicants accepted to UK universities in 2004, Chinese students (50%), were the most likely to have attained 21+ 'A' level points, followed by White (46%) and Indian (40%) whilst Pakistani (29%) Black African (28%) Bangladeshi (26%) and Black Caribbean (19%) students were the least likely (DfES 2005b). Little is known about the situation of other groups, including Gypsies and Traveller groups, refugees and asylum seekers, but children from these groups are thought to be particularly at risk of poor attainment particularly at secondary school (Bhattacharyya, Ison, Blair (2003), DfES (2005b)).

Higher education. Minority ethnic students comprised an estimated 15 percent of all undergraduates in Higher Education (HE) Institutions, the Open University and Further Education Colleges. While no minority ethnic groups are under-represented in HE compared to the general population, some groups, like Chinese, Indian and Black African groups, are much better represented than others. Figures from UCAS⁵ show that nearly twenty three thousand women in the UK applied to a degree course in 2004, an increase in excess of three thousand from 1996 and some four thousand more than men in the 2004. The figures also suggest that the proportion of women from ethnic minorities applying to

³ In England, Northern Ireland and Wales 15 and 16 years olds sit GCSEs – General Certificate of Secondary Education. In Scotland the equivalent is the Standard Grade.

⁴ The CSE or A Level is one of a number of UK post 16 qualifications, and the standard qualification for progression to Higher Education.

⁵ Analysis of University and Colleges Admissions Service (UCAS) figures, carried out by PRIAE.

a university is increasing year on year and is generally higher than the proportion of ethnic minority men applying. Whilst the majority of these are aged twenty or under, a growing proportion of older women are also applying.

Older ethnic minority women

Education and qualifications. In contrast to those of school age, men and women of working age tend to have similar levels of attainment at degree level, but overall educational attainment is substantially higher for men than women (ONS 2004). The likelihood of having no qualifications is lowest between the ages of 16 and 34 for men and women, and then increases with age. The likelihood of gaining a degree declines after the age of 34 (ONS 2003a). The effect of ethnicity is similar in working adults as in school children and Chinese, Indian and Black African adults are the most likely to have degrees, followed by White British. White British are the least likely to be unqualified however, suggesting a more marked difference between the educated and the uneducated in ethnic minorities. Furthermore, class of degree varies significantly and all minority ethnic groups are less successful than White students in obtaining a first or upper second class of degree. Pakistani/Bangladeshi women (7%) and Black Caribbean men (8%) are the least likely of all groups to have a degree, and Bangladeshi women are the most likely to be unqualified, with 48 percent saying that they had no qualifications, followed by 40 percent of Pakistani women (ONS 2004c)

Adult learning. Pakistani and Bangladeshi adults are much less likely than other ethnic groups to be participating in adult learning; women from these groups are even less so. By contrast, people of Black Caribbean, Black African and Mixed ethnic heritage have high rates of participation: Black Caribbean and Chinese women more so, than their male counterparts. Participation rates also differ by age. Only four percent of Bangladeshi adults over aged 65 participated in learning compared to 23 percent of all minority ethnic adults aged over 65. The participation rate for Black Africans aged over 65 was high, at 43 percent. Bangladeshi and Black Caribbean adults are the least likely to participate in job-related training but a higher proportion of Bangladeshi learners than other groups engage in self-directed learning, whilst Black Africans and

Black Caribbean's are much more likely to be engaged in taught learning (Bhattacharyya, Ison, Blair 2003). A survey of 400 refugees and asylum seekers found low participation in education and training: 15 percent were studying towards a qualification, compared to 22 percent of people from an ethnic minority group, and four percent were currently undertaking training, compared to 11 percent of people from a minority ethnic group. Just over a fifth were studying for a degree (Bhattacharyya, Ison, Blair (2003), DfES (2005b).

Language skills. There are differences in language skills among ethnic groups, and this can have a substantial impact on performance both in education and in the labour market. In PRIAE's European Minority Elderly Care research (2004), it was found for the UK that African-Caribbean elders, as expected, could speak and read English and for the majority this was their main language. By comparison, 64% of South Asians could speak and 49% could read English, 18% of the Chinese/Vietnamese older people could speak and 12% could read English. There were also differences in language ability by age with the older informants being less likely to speak English than the younger ones. There are sound reasons as to why such groups did not acquire English language skills in their earlier period of life. For example long working hours (for men and women), and caring for their family are most likely to have affected a large number of women. Learning opportunities at the time would have been limited and many probably could not use them.

Communication and access to information are important sources for countering barriers in pensioner poverty, in employment, in health, housing and social services. Information promotion in different formats and materials to increase awareness and improve access was stated as one of the key area for further development by the House of Commons Work and Pensions Committee on Pension Credit and the Delivery of Services to Ethnic Minority Clients (2005). While the issue of information and awareness is an old one, it is encouraging to see a government committee make actions specific and call for further report on progress made.

4. Labour market participation and income

Overview. There is a broad range of government research that covers various aspects of work participation, including employment rates, types of activity and conditions within paid employment in the UK. The 2001 Census is the most comprehensive source of data on employment figures by sex, age and ethnicity and provides data on type of participation including full-time/part-time, self-employed, unemployed, and so on.

Other ONS sources include the General Household Survey and the Labour Force Survey, the latter of which provides data for analysis in a range of ONS publications. In 2002 the House of Lords established a Select Committee to consider proposals for UK's ageing population taking economics of ageing as its main focus. PRIAE submitted written and oral evidence at the Committee's request, and this information source is used (PRIAE evidence, House of Lords Session 2003).

Employment. White men (68%) and ethnic minority men (56%) have higher employment rates than white women (55%) and ethnic minority

women (42%). As *Chart 1* below shows, while there exist differences in employment patterns between ethnic groups, and between women and men in the groups themselves, White and Black Caribbean women command similar employment rates, as is the case for White and Indian men.

Securing employment is not only a useful marker for receiving earnings but it also provides for one's self worth – an important element in mental well being. But this says nothing about the location of employment and types and their satisfaction. This varies considerable by both ethnicity and gender as we see next.

Occupation and industry. *Chart 2* (next page) provides for a fuller sectoral location of employment by ethnicity and gender. Certain ethnic groups tend to be concentrated in particular industries and kinds of work. In 2001/02, forty percent of working Bangladeshi and Chinese women worked in the distribution, hotel and restaurant industry, twice the average for all women in employment. In contrast, 51 percent of Black Caribbean women worked in the public administration, education or health

Chart 1 - Employment, ethnicity and gender: employment rates for men and women aged 16-74

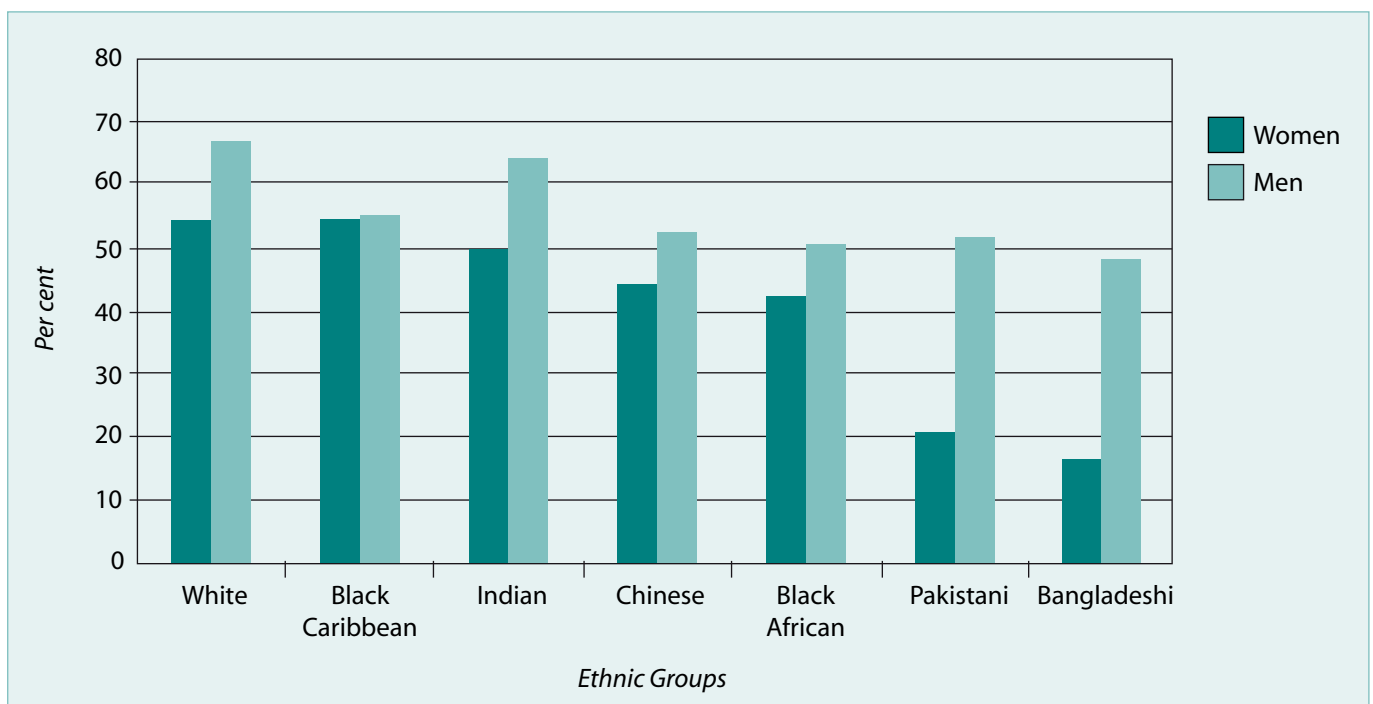


Chart extracted from the Census 2001 by the Equal Opportunities Commission (2004) p.7

sector. One in ten Black African women and White Irish women were working as nurses in 2001/02, compared with three in one hundred White British women, and Indian women were five times more likely than White British women to work as sewing machinists and packers, bottlers, canners and fillers (Littlechild and Goulden 2005).

Research shows that BME workers were concentrated in specific industries and types of work in the 60's and 70's. This determined their lower pensionable income for the present generation of 60+ years. Concentration in manufacturing and garments industries may also explain increased inactivity in later years due to ill health, apart

from closure of specific industries (Patel 1990). Concentration and segregation by ethnicity and gender is apparent today as the chart below shows: education, health and social work were the main areas to provide employment for all BME women with varying degree in comparison to hotels and restaurants where Chinese men (40%) and Bangladeshi men (45%) work in compared to white men (3%). As a service sector this is characterised by low wages, and we see high visibility of ethnic minority women and men as cleaners or waitressing, not only in the UK but across Europe (ibid).

We have seen sectoral location above but what can we discern from the data regarding the

Chart 2 - Industry by ethnicity and gender of all in employment aged 16-74

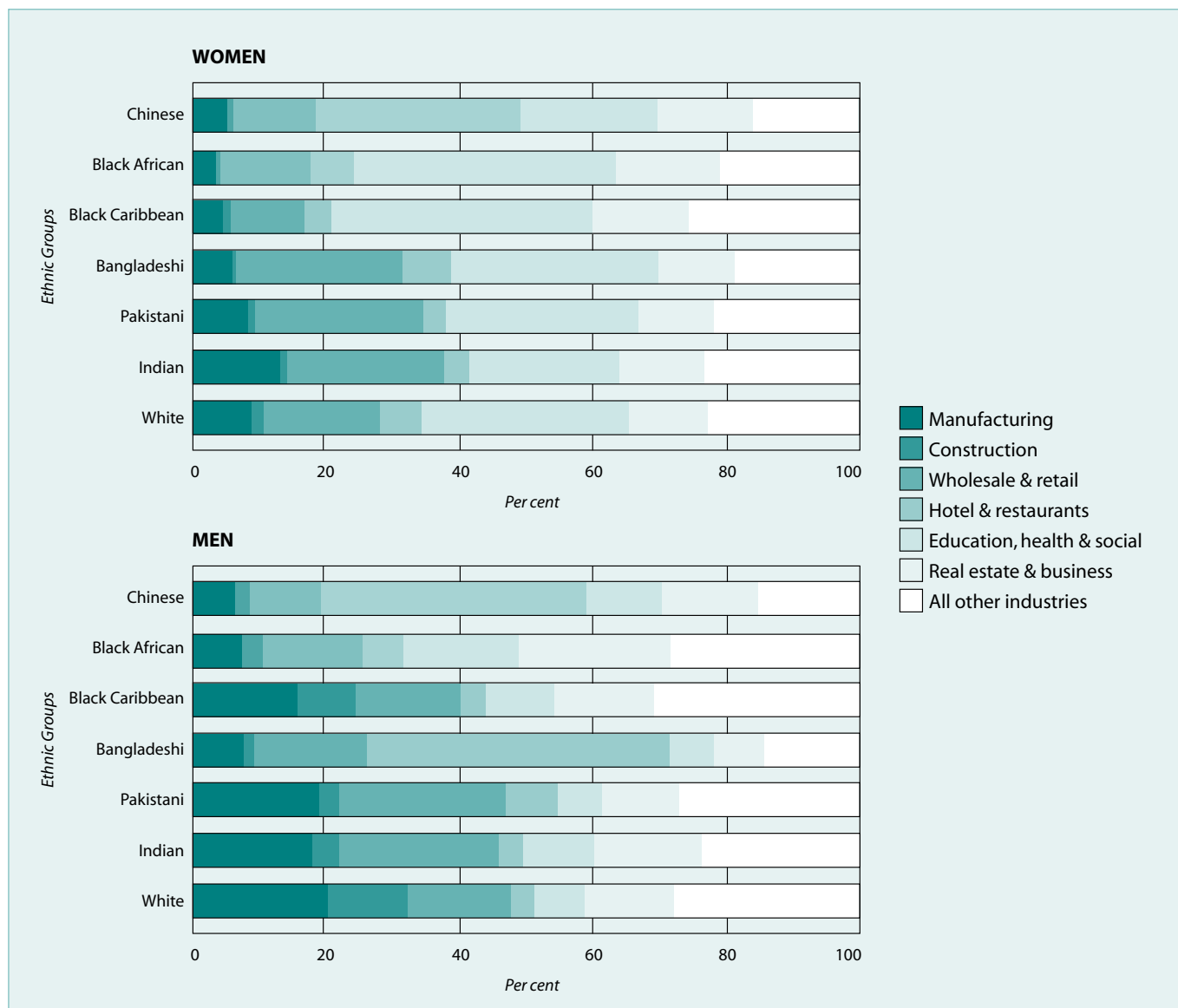


Chart extracted from the Census 2001 by the Equal Opportunities Commission (2004) p.10

types of employment held? There has been a slight rise in the proportion of all ethnic groups holding professional or managerial jobs. The table below shows the distribution of professional and managerial positions held by men and women of different ethnic groups.

Table 2 - Percentage of people in senior or management positions

Ethnic Group	Women	Men
Chinese	14%	20%
Indian	12%	21%
White	11%	18%
Pakistani	9%	15%
Black Caribbean	8%	11%
Black African	7%	12%
Bangladeshi	6%	14%

Table extracted from the Census 2001 by the Equal Opportunities Commission (2004)

Comparing majority and minority groups as a whole, more white women (11%) and men (18%) were in these posts in relation to ethnic minority women (10%) and men (17%). In addition we see that while Chinese and Indian women and men occupy a higher proportion of jobs in this category, the gender gap is 6% and 9% respectively compared to 7% for White women and men. Chinese and Indian women and men had higher concentrations in this group than other ethnic groups including white majority groups. Does this mean that minority women and men from Chinese and Indian backgrounds are breaking the glass ceiling? Not quite. As a study launched by an influential women’s organisation states: ‘Research by the Fawcett Society has revealed the true extent to which BME women are almost entirely absent from the ranks of decision-makers in the UK. Although BME women form about four per cent of the population, they make up just 0.3 per cent of MPs – there is now only one female BME MP (author’s adjustment); no Asian woman has been elected to Westminster; there are no black female chief constables and no BME women

judges in the House of Lords or court of appeal.... Despite some efforts to increase their numbers, BME women are also less likely to be represented in other areas of public life, filling less than 2% of quango appointments. (Fawcett Society Press release, February 2005).

Part time work and sources of income by marital status. Part time working is more pronounced among women than men. While there is a larger difference between white women and men on part time working, significant but smaller gaps exist between BME women and BME men except for Pakistani women (38% compared to 18% for men) and for Bangladeshi women and men at 38% (ibid 2003).

Enterprise & Self-employment. An alternative to seeking employment with an organization, is to create one’s own. The existence of discrimination in securing employment is often cited as a motivator for creating small and medium size organisations (SMEs). Not all are in the private sector. We also see evidence of organisations created in the not for profit sector, the community based and voluntary organisations. In the face of discrimination, individuals pool resources and set up small businesses. Ethnic minorities of Asian origin are more likely to be self-employed than the majority white population, and this is the case particularly for Bangladeshi, Pakistani and Chinese people, whilst Black Caribbean’s are less likely than the majority to be self-employed.

Official figures (DWP, 2003) show that women are less likely to be self employed than men in all ethnic groups however the validity of this data has been questioned due to the small sample size (Number Ten Strategy Unit 2003). A recent survey from Global Entrepreneurship Monitor (Harding 2004) suggests that ethnic minority groups are generally more entrepreneurial than the majority population, and that ethnic minority women are generally more entrepreneurial than both ethnic minority men, and White British women. In 2004 this was particularly the case for ‘Other’ Black women who made up 29 percent of all female entrepreneurs, compared with Bangladeshi (10.9%), Black Caribbean (10.5%), and White British women (3.6%). Interestingly, the chances of being unemployed increase with age for ethnic minority women, yet the probability of being self-

employed is highest for people over 50, whether from an ethnic minority or not (ONS 2003c). It is in this area that we see several SME successes from BME women and men.

A new European initiative called CEMESME (Contribution of Ethnic Minorities in Small and Medium Size Enterprises)⁶ is focusing on increasing employment opportunities and mobility by concentrating on the supply side issues through research, training and development. It explores the nature of employment, enterprise and business culture in such organisations (Mandleson, P, 2005). There are related initiatives led by national and local organisations addressing the needs of entrepreneurs as well as employment within.

Unemployment. An indicator of poverty is the presence of unemployment where work is sought but the ability to secure it is not possible. Ethnicity is a defining feature and ethnic minority women and men both had higher levels of unemployment compared to white women and men. Age too has a substantial effect on both economic activity and employment. Being over 35 significantly increases the chances of inactivity for all ethnic groups, but especially for Pakistani and Bangladeshi women, and this is largely associated with marriage and having children. Conversely, young women under twenty five from all groups are substantially more likely to be unemployed than those over twenty-five.

Life stage also has an effect on whether women work part time or full time. As we saw above, women of all ethnic groups are more likely to work part time than men, but ethnic minority women are less likely to be working part time than their white counterparts. Whilst full time employment rates for ethnic minorities dip during child rearing years, part time employment rates tend to rise.

An interesting issue is highlighted in a report by the Number Ten Strategy Unit (2003) which suggests that first generation women of Black Caribbean, Indian and Pakistani origin, born in the 1940s and 1950s consistently experience higher levels of unemployment than their white counterparts, and

that this trend has continued for second generation women from these ethnic groups, born in the 1960s and 1970s. This is despite the fact that second generation women tend to attain higher paid jobs than first generation women, and for one ethnic group, Indian women, they are more likely to be in managerial or professional occupations.

This leads us to question why BME women and men have higher rates of unemployment. In the evidence given to the House of Lords Economics of Population Ageing Committee, PRIAE's evidence was accepted concerning the prevalence of 'ethnic penalty'. This is a term coined by the DWP work on unemployment. 'Ethnic penalty' refers to the fact that BME people are not inherently or intrinsically deficient in skills or qualifications but that there are external factors that prevent them from securing employment. This includes specific acceptance of racial discrimination by employers. This issue does not relate to simply gaining entry into the labour market but also being given equal opportunities to increase mobility within the employment ladder. BME elders also state that they can see patterns of racial discrimination in earlier employment leading to added discrimination based on age at 40+ (PRIAE DTI Seminar, 2003).

Unpaid work. In the UK in 2001, there were 5.9 million carers, of whom 3.4 million were women. Women are more likely than men in all ethnic groups to be providing informal or unpaid care to family members, friends or other relatives. White British and White Irish people were the most likely to provide unpaid care in 2001, followed by Indian, Pakistani, Bangladeshi and Other Asian (ONS 2004b). The higher proportion of White carers reflects the older age structure of these groups, because informal care is most likely to be provided by people aged between 50 and 60.

However, as the *Chart 3* (next page) shows, Bangladeshi and Pakistani women are most likely to be categorized as looking after the home, reflecting the large numbers of women from these groups economically inactive and caring for the family.

⁶ This is a cross-partner initiative with partners from the UK Trades & Investment, Chamber of Commerce, Centre for Ethnicity & Health at the University of Central Lancashire, Middlesborough Council with the Commission for Racial Equality in addition to Euro-partners.

Chart 3 - Family and domestic responsibility by ethnicity and gender: people aged 16-74 looking after the home and/or family

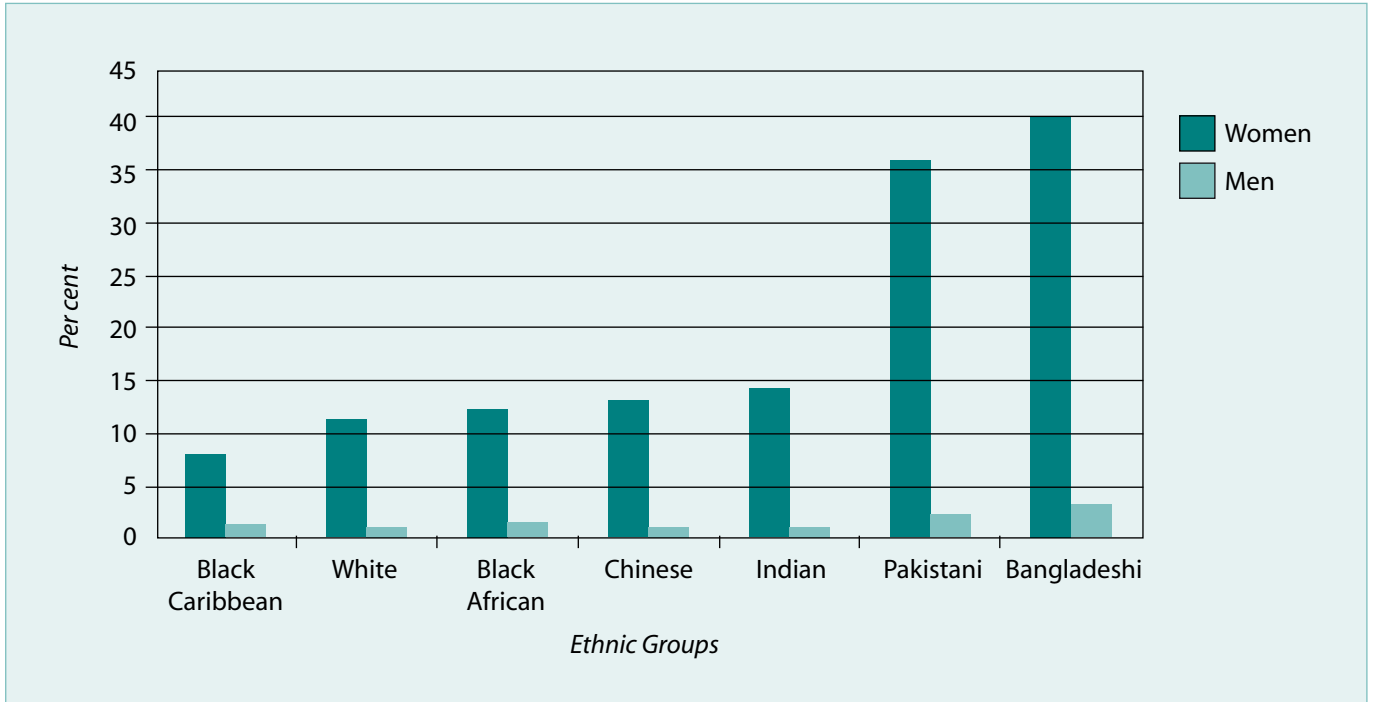


Chart extracted from the Census 2001 by the Equal Opportunities Commission (2004) p.8

5. Income and benefits

Overview. There is an array of sources relating to income and benefits in the UK, including the DWP Family Resources Survey, the General Household Survey and Households Below Average Income series, which is based on analysis of the Family Resources Survey (FRS) and the British Household Panel Survey, a longitudinal study conducted by the Institute for Social and Economic Research (ISER) UK Longitudinal Studies Centre at the University of Essex.

The nature of much of the data collected makes analysis difficult in the context of older ethnic minority women however. The Family Resources Survey (FRS) for instance provides data on income by age, by gender and by ethnicity, but there is little data combining these variables. The Households Below Average Income survey (HBAI) on the other hand, focuses on households and in particular the head of household, which again leaves limited room for analysis in the context of older ethnic minority women. When the various data are presented together however, it is possible to make some cautious assumptions about the financial status of ethnic minority women.

Ethnicity, gender, age and income. Poverty is a critical source for generating inequality for BME women in mid-and old age, which affects their decision making, influence and power within the family and in society. *'To remain active in old age, you need a lot of money, for transport, for activities. Best to stay at home?'* is how a BME elder put it at a PRIAE national event (Patel 1999).

Working age adults are less likely than those of pension age to have a low income. All those of pension age are at risk of low income, but particularly older pensioners, those living alone and those headed by a member of an ethnic minority (DWP 2003).

Whilst the relationship between income and gender is fairly clear, the relationship between income and ethnicity is more complex. Households headed by a member of an ethnic minority are more at risk of being below the defined low income threshold than majority households and one in six working age adults living in a low

income household in 2001 lived in a household headed by a member of an ethnic minority (ibid).

When we look at earnings however, a more complex picture emerges. On average ethnic minorities earn less than the majority, with the exception of Chinese and Indian workers who in 2003 earned on average more than White workers, whilst Bangladeshi, Pakistani and those of Mixed ethnicity earned the least. Average gross weekly pay for Chinese workers was £470, for Indian workers £393 and for White workers £365. Average gross weekly pay for all ethnic minorities was £351, only £14 less than White workers. Bangladeshi workers earn substantially less than any other group, on average £200 a week, nearly one hundred pounds less than the next lowest earners, Pakistanis, who earn on average £197 a week (DWP 2003b)

This is illustrated diagrammatically in *Chart 4* (next page): BME women are more likely to experience poverty than men or White women. 64% of Pakistani and Bangladeshi women live in poverty. The factors used to explain why such inequality pertains is explained by:

- lower economic activity in employment;
- concentration of sectors and type of jobs once employment is secured;
- low paid sector where they are concentrated;
- education and qualifications' gap;
- cultural values and customs which prohibit external employment (Nesbitt & Neary 2001);
- caring family roles.

An alternative way of seeing the significant difference in income is shown in *Chart 5* (next page). It can be seen that the gap between White women and men is greater (17%) than the gap between White women (£9.58 on average) and ethnic minority men (£10.60 on average); and much less when comparing white and ethnic minority women (£9.72 on average). The gender pay gap was 8% for ethnic minority women and men. With increasing age all groups experience a decline in income with white and BME women nearly converging at 70+.

Chart 4 - Percentage of adult women living in poverty by ethnicity



Chart and diagram extracted from Bellamy and Rake K (2005) p.3

Chart 5 - Poverty, ethnicity, age and gender: median total of individual income by age

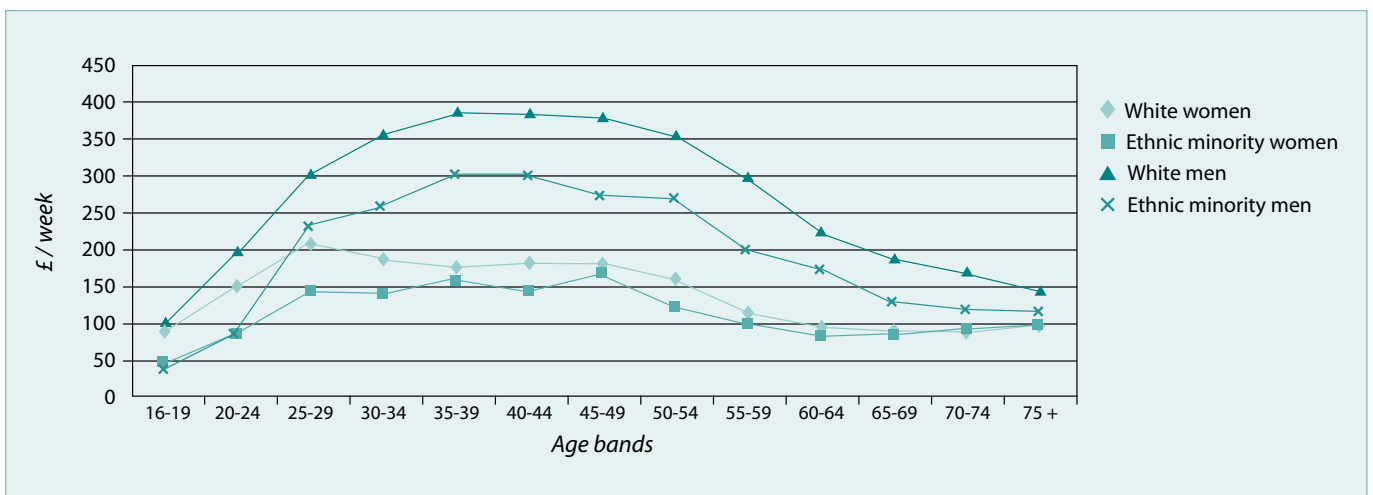


Chart extracted from Women's Equality Unit (2004) p.14

Table 3 - Median individual income by ethnic group and age band All men and all women

Marital Status	All men		All women			
	White Income (£ per week)	Ethnic minority groups Income (£ per week)	White Income (£ per week)	White Income as a percentage of men's	Ethnic minority groups Income (£ per week)	Ethnic minority groups Income as a percentage of men's
16-19	100	41	88	88% (12%)	46	112% (-12%)
20-24	199	85	151	76% (24%)	81	95% (5%)
25-29	307	236	210	68% (32%)	143	61% (39%)
30-34	359	261	190	53% (47%)	138	53% (47%)
35-39	391	304	180	46% (54%)	157	52% (48%)
40-44	390	300	185	47% (53%)	142	47% (53%)
45-49	377	276	184	49% (51%)	170	62% (38%)
50-54	355	269	158	44% (56%)	122	45% (55%)
55-59	299	200	112	38% (62%)	96	48% (52%)
60-64	228	172	96	42% (58%)	84	49% (51%)
65-69	191	132	93	49% (51%)	90	68% (32%)
70-74	168	118	94	56% (44%)	93	79% (21%)
75 +	144	116	101	70% (30%)	96	83% (17%)

Table extracted from 'Individual incomes men and women by ethnicity', Women's Equality Unit (WEU), DTI 2004

Table 3 shows the weekly income gap for women and men by ethnicity. It can be seen that age, ethnicity and gender combined do give rise to specific income differences. So white younger women (£88/week for 16-19 years; £151/week 20-24 years) experienced higher average incomes than ethnic minority men (£41/week; £85/week). This situation changes where the gap is larger between ethnic minority women and men at 25-29 years than for white groups. With increasing age comes further changes, both positive and negative where older men's income is £24/week lower than in the 40-44 age group. For women the income is higher to £28/week. However, post 40-54 years the gap is reduced.

Income, Parental and Marital Status. Since gender and parental duties are intrinsically linked, it is worth looking at the nature of income distribution. So is the nature of marital status particularly in view of women's longevity in comparison to men.

Table 4 uses 'single' to mean women and men not married and/or in a relationship. Again we see gender gap between white men and women and ethnic minority men and women when they have children. When ethnic minority women without children are considered, they have greater weekly income than ethnic minority men. Both however have much lower income compared to white women (£182 v £124) and for white men (£212 v £117).

Table 4 - Single people's median individual income by ethnic group and parental status

Ethnic Group	Men		Women			
	with children Income (£ per week)	without children Income (£ per week)	with children Income (£ per week)	with children Income as a % of men's	without children Income (£ per week)	without children Income as a % of men's
White	235	212	165	70%	182	86%
Ethnic minority groups	188	117	152	81%	124	106%

Table extracted from Women's Equality Unit (WEU), 2004 *ibid*

Ill health morbidity and early mortality are common features shared by BME elders in the UK and across Europe (PRIAE 2004). This explains in part higher levels of economic inactivity. However there are substantial differences between the marital status of BME women in retirement and dependence on different sources of income. BME women have higher rates of employment participation (25%) than white women (8%) as

Table 5 below illustrates. White widows and widowers rely more on occupational pension schemes for their income, than ethnic minority widows and widowers. Overall we see a greater reliance on benefits by all minority groups, followed by employment earnings for ethnic minorities and occupation pensions for white groups. Why this should be is an issue that we discuss further in the next section.

Table 5 - Individual income and composition of source of income for widows and widowers, by ethnicity

Source of income (expressed as % of income)	Widows		Widowers		Separated women		Separated men	
	White	Ethnic minority groups	White	Ethnic minority groups	White	Ethnic minority groups	White	Ethnic minority groups
Earnings	8	25	16	34	51	45	71	63
Self Employment	1	2	4	0	3	1	11	1
Occupational Pensions	22	8	29	14	1	2	2	7
Investment	7	1	9	2	1	0	1	
Tax Credits	0	0	0	0	7	4	0	
Total Benefit Income	60	55	40	49	26	43	16	12
Other	1	9	1	2	13	7	4	1
Total Income (£ per week)	160	153	219	163	238	196	367	223

Table extracted from Women's Equality Unit (WEU), 2004 *ibid*

6. Pensions and benefits

The current UK pension system. The UK has a broadly three tier pension system, comprising:

- a compulsory flat rate or means tested pension,
- a compulsory earnings related pension, and
- a voluntary pension system.

The State Pension forms the first and second tiers and is made up of the Basic State Pension (BSP) and the State Second Pension (S2P). The amount of BSP a person qualifies for depends on the number of years a person has worked or been treated as paying National Insurance contributions: these are called 'qualifying years'. Men need 44 qualifying years to get a full BSP and women who reach 60 before 2010 need 39 qualifying years, this will gradually increase to 44 years between 2010 and 2020 during which time the State Pension age for women will rise to 65.

The State Second Pension is earnings based and provides a more generous additional pension for low and moderate earners, and certain carers and people with long-term illness or disability. The Pension Credit provides additional means-tested support to poorer pensioners, depending on their income and capital, providing them with sufficient resources to maintain a minimum income. However up to 30% of people eligible for Pension Credit do not claim probably due to a lack of information, i.e. people unaware that they are eligible and the complexity of the system. Often the groups not claiming are among the poorest and according to DWP estimated this will include a high proportion of ethnic minority women (DWP 2005). This has long been confirmed by BME elders at 50+ (PRIAE Pensions conference report, 2003).

The third tier comprises private pensions, which can be either personal or occupational pensions. In the UK more so than in most other European countries, private pensions provide a substantial proportion of retirement income for many pensioners, and this has arguably lessened the effect on retirement incomes of recent demographic changes and a declining dependency ratio. The Stakeholder pension is a recent Government initiative to provide a low cost person pension to supplement occupational pensions, and is specifically aimed at low earners. Take up so far has been low.

Working age and pensions. Private pension arrangements vary by age, gender and ethnic group, and interaction with the labour market is a key factor in this. In general older workers are more likely to have personal and/or occupational pensions than younger workers, and in general men are more likely than women to have personal and/or occupational pension arrangements. Women from all ethnic groups experience a more fragmented relationship with the labour market than men, because of child rearing and other caring responsibilities; more likely than men to work part-time and in industries that do not favour occupational pensions; occupy jobs that have lower earnings which reduce the potential of pension commitments and many simply do not know about pension entitlements. These issues can effect entitlement to State Pension entitlement and also access to occupational pension schemes.

There are substantial differences however between ethnic groups, and between men and women in ethnic groups. In 2002 White British/Irish people of working age were more likely than any other ethnic group to have an occupational and or personal pension and this applies to both men and women. Forty percent of White British/Irish women had an occupational/personal pension, followed by thirty-seven percent of Black Caribbean women, (reflecting the high numbers of these working in the public sector), twenty nine percent of Indian women and twenty five percent of Black African women. By comparison, only nine percent of Pakistani and four percent of Bangladeshi women had an occupational and or personal pension. There were also differences between men and women in ethnic minorities. Only Black Caribbean and Black African women were more likely than their male counterparts to have an occupational/personal pension, whilst Pakistani/Bangladeshi men were almost twice as likely as their female counterparts to have these products (DWP 2003a/2003b).

Retirement and pensions. Elderly people in general are disproportionately represented in the bottom quartile of income distribution, and elderly people from ethnic minorities are even more so. One significant factor in the income of ethnic minorities in later life is differential access

to certain sources of income. The majority of older people are in receipt of the Basic State Pension, but there are wide variations between groups, with a substantially lower proportion of South Asian elderly people receiving a state pension than other ethnic groups, particularly those of Indian and Other Asian background (DWP 2004). This reflects the fact that many of today's BME had not been in Britain long enough in their working age to build up sufficient national insurance contributions for full entitlement, while many could only find employment in industries with lower earnings. Many have also experienced periods of long term unemployment when industries that relied on their labour in the 50'-70's then closed.

These factors, including evidence of lack of access to pension schemes, have been known for some years (Patel, N 1990; Patel N 1999). They have long warranted government action and response so that known lack of uptake of benefits can counter some of the disadvantage of the earlier employment period. We can therefore see how earlier disadvantage in the labour market continues into old age, and is reflected in the fact that a considerably lower proportion of older people from ethnic minority groups are in receipt of a pension from their former employer than White British or Irish elders, with the exception of older Black Caribbean people who are more likely than other ethnic groups to have worked in the public sector (Evandrou 2000).

Figures from the Family Resources Survey suggest that in 2003, components of pensioner incomes varied substantially by ethnic group (DWP 2004). Of the groups where the sample was large enough for analysis, benefit income made up the half of the total income of White pensioners, two fifths of the income of Asian/British Asian pensioners and nearly two thirds of the income of Black/Black British pensioners. By contrast, income from occupational pensions made up around thirty percent of White pensioners income, fifteen percent of Asian/British Asian pensioners income and around twenty percent of Black/Black British pensioners income. Income from investments made up around ten percent of White pensioners income, substantially more than for the other groups. Earnings related income made up about ten percent of income for White and Black pensioners, but nearly twenty percent for Asian pensioners, suggesting a higher proportion of Asian pensioners working past

retirement age (ibid). Women tend to be paid less during their working lives and are more likely to take time out of the labour market to undertake caring responsibilities. Women's earning's and employment patterns in the past mean that they are less likely to have their own State Pension, less likely to have savings and more likely to be in poverty (ibid).

In addition to the BSP a lot of poorer older people are on income support, a means-tested benefit which is payable to people on low incomes. The proportion of a group in receipt of Income Support is generally accepted as a good indicator of the financial disadvantage within that community (Evandrou 2000). Over three-quarters of older Pakistani & Bangladeshi and 58 percent of older Black Caribbean's are in receipt of Income Support compared with 33 percent of older people from the white majority population. A significant proportion of BME elders are financially disadvantaged and are dependent upon income from the State.

Changes to the current pension system – the Turner Report. In response to demographic changes and 'pension complexity and crisis', the Government established the Pension Commission in 2004 to review the current UK pensions system. The Commission published its First Report - referred to as the Turner Report (Pension Commission 2004). In the subsequent consultation period, PRIAE (2005) submitted a detailed response outlining its concerns about the report and the pensions system, and its recommendations for improving the system for ethnic minorities in general, but also with an assessment of the situation regarding ethnic minority women, both of working and retirement age.

The fundamental position of PRIAE was that any response to the demographic shift in the UK must take sufficient account of the experiences of BME elders who largely arrived in the UK as migrants. As has been discussed in some length above: migrants tend to have had shorter working lives than their UK-born counterparts, which impacts on their ability to build up adequate rights to a Basic State Pension, which is further compounded by the under-claiming of benefits among BME elders a lack of awareness of and disposition against claiming benefits and racial discrimination in earnings from employers. All these factors have

disadvantaged BME elders as they are unable to first, adequately contribute to pensions and second, access pensions when they are eligible or have made contributions. BME elder women many of whom have been out of the labour market, their pension position is acute. For these reasons BME elders are forced to live in greater poverty than their majority counterparts.

The Turner report presented a number of options:

1. No change to the current situation: 'future pensioners will on average be poorer relative to average net incomes than today'
2. Higher taxes/NI contributions
3. People saving more, including the possibility of compulsory occupational pensions
4. Raising retirement ages

PRIAE put its concerns regarding these options to the Commission. They are briefly summarised below due to the importance of the Commission's final report:

In relation to *option one* ('future pensioners will on average be poorer relative to average net incomes than today'), PRIAE highlighted the fact that BME elder's are already over-represented among the poorest pensioners because of an array of reasons discussed above and throughout this document. PRIAE therefore agreed that proposed solutions should not include reliance on greater poverty for pensioners and therefore maintaining the status quo was not an option.

PRIAE's concern about *option two* ('higher taxes/NI contributions') is that such changes could potentially lead to a disproportionate impact on BME's during their working lives because of their lower relative earnings. Unless taxes are only raised for those on higher incomes some BME's risk being pushed below the poverty line.

PRIAE is concerned that *option three* ('higher savings') will not be viable for some BME communities who experience lower income due to higher unemployment. There needs to be a greater appreciation and more realistic solutions for those who cannot save more, or afford to pay higher taxes, and therefore may simply be forced to suffer the health consequences of later retirement - or live in poverty.

Regarding *option four* ('raising average retirement ages'), PRIAE concurs with the Turner Report that this would have a disproportionate impact on certain socio economic groups, and PRIAE believes that this needs to be coupled with measures that enable choice and meet necessary expectations. BME elders participating in the DTI commissioned consultation on age discrimination by PRIAE asserted that with current low income and high unemployment, lengthening the retirement age would simply extend their current misery rather than offer real choices with increased quality of life. This issue also needs to be considered because of the high levels of ill health experienced by this group. BME employees are disproportionately concentrated in manual forms of labour. A later retirement age will therefore force them to stay in employment longer and therefore is likely to have an adverse effect on their health. There are a number of reasons why these communities are likely to work in these industries, including lower qualifications and discrimination in other types of employment. As it is also recognised that mortality rates differ among socio-economic groups this may also lead to a shortening of the retirement phase of their lives as compared to other more affluent socio-economic groups.

Ethnic Minority Elders and Pensions - as pensioners in general. PRIAE welcomed the reference to re-training in the Report and would urge that retraining and new skills training of older people and ethnic minorities should be encouraged. In seeking to re-employ ethnic minority workers over 50, consideration should also be made of the skills that may be possessed by this group, but never put to use in employment due to discrimination. Many older BME people, including refugee elders, had alternative careers and qualifications to support their professions in their countries of origin which could be put to use in their later lives. In the area of education: grants should be available to BME elders to ensure they are given an opportunity to acquire new knowledge and skills and therefore seek better employment which does not have an adverse effect on their health.

PRIAE welcomed the Commission's conclusion that a mix of options 2, 3 and 4 would be the most appropriate. PRIAE recommends that there should be a basic state pension irrespective of years in employment. As a developed country, such a

measure would ensure that no one experiences poverty in retirement. Improved financial education and awareness is key to the pension position of future BME pensioners. Although information on pensions may not be accessible to a large number of majority older people because of its complexity, such difficulties are exacerbated in the case of BME elders who may face additional barriers and are therefore less able to understand literature and communicate with officials.

Studies have shown that older Bangladeshis and Pakistani's for example have little understanding of whether they have contributed to an occupational pension scheme or accrued pension rights during their years of employment. There is also evidence that low wages and financial responsibilities towards families caused a number of BME elders in their younger years to place a low priority on saving for retirement. With guidance and information such decisions and priorities may have been different. The onus remains on the government to ensure that BME communities are fully informed of their state pension rights and contributions. This will raise awareness of how the system works and thereby allow individuals the opportunity to make informed decisions about pensions.

PRIAE is familiar with culturally specific forms of saving practices, household patterns of living which do impact on decisions regarding pensions and future commitment to expenditure in retirement. Often the practice of 'committee' where savings are pooled together among the 'committee' members for individual use in rotation are effectively co-ordinated and decided by women. Such practices are an important source for securing durable items which left to individual households may not secure the outcome. Such finance customs coupled with using resources within an extended family together with preferences of engagement with the banking sector for example will determine how BME elder women and men cope financially in old age.

As with the majority population, BME elders and families are also experiencing changes in family structures and decisions about forms of savings etc. PRIAE therefore believes that the recommendations outlined need to be carried out with a good level of understanding of cultural norms and practices concerning the management of finances in retirement.

Ethnic Minority Elder Women and Pensions.

Many parallels can be drawn between the experiences of women and ethnic minority groups in accessing pensions, in terms of lower overall employment, employment in lower paid industries, employment discrimination and restricted access to private and occupational pension provision due to types of employment.

This combination of factors leads to lower pension accrual and consequently to poverty in later life. However married women pensioners, unlike BME women pensioners, are more likely to be able to offset their low levels of pension accrual by accessing their husband's pensions.

As we have seen, there is diversity in the pattern of women employment among different BME groups (Pakistani and Bangladeshi women have lower employment than Indian and African Caribbean for example) - differences which need to be addressed in targeting information and measures. However the contributory nature of the state pension is a key to the inadequacy of women's pensions as women are unable because of lower earnings and unemployment to make the same contributions as men.

The income gap between men and women is arguably even more acute for BME women, many of whom have remained outside the formal paid employment altogether. The industries where such women have tended to work have often been in the 'hidden' economy for example, from home based tailoring to factory based garments. Such practices render them without National Insurance contributions or access to an occupational pension scheme. The higher prevalence of self-employment among Chinese and Pakistani communities also means that women do not have an income of their own, although they may work in the family business. This in turn often masks under-employment within families.

PRIAE advocates the principle of pension accruals for women in their own right and changes to the state system to improve the relative position of women pensioners. We recommend that reforms such as the right to accruals for those earning below the Primary Earning Threshold and the improved treatment of the low paid should be also aimed at improving the position of BME elders.

Recommendations

1. Increase general disposable income: there should be a basic state pension irrespective of years in employment. As a developed country, such a measure would ensure that no one experiences retirement in poverty. The state basic pension should be raised to 'at least £109 per week' – proposed by Age Concern and Fawcett Society, to which PRIAE subscribes.
2. The pension reforms should be designed to increase the potential for BME women to increase the pension entitlements and to build this up as a source of income. Those workers who do not currently have enough National Insurance contributions should be given the option of 'buying back years' of contributions. This would allow them to improve their future financial situation in retirement.
3. Any plans to increase retirement ages must be coupled with measures to eradicate race and age discrimination and ensure that BME elders are able to take up suitable employment that will not adversely affect their health.
4. Education and training should be made available to those BME elders who do not have qualifications but wish to re-train in other professions so they are able to take up different types of employment.
5. In recognition of a complex benefits system and specific barriers that BME elders face, BME age organisations should be supported to undertake specific work on the provision of financial information and inclusion of BME elders and their families. Such a programme may also be useful for majority white groups.
6. Cultural practices in elder and family practices and decisions on saving and spending should be considered and good information strategies from the government should be geared to both BME elders and their families.
7. There should be targeted provision of information to BME elders to establish the viability and options of using housing assets to support retirement.
8. Reforms such as the right to accruals for those earning below the Primary Earning Threshold and the improved treatment of the low paid should be also aimed at improving the position of BME elders as well as women in general.

7. Conclusion

Poverty and principles of change

'Thinking about money all the time'

A common expression for those in poverty.

If you haven't got enough money you can't put food on the table, you can't look after the family... so the kids get stressed to the mother and the mother gets stressed to the husband.

Bangladeshi man, Sandwell (Yandle et al, 2003)

Poverty blights lives, of women, men, children and families. It should not be accepted as 'normal' in our times.

It is a fact that migration is necessary to meet UK's growing labour deficits. It is also a fact that poverty has ethnic, age and gender face: combined we see the effect on BME women and men at 40+, and yet with some hopeful signs for better progress.

It is also a fact that labour markets and ethnic minority labour – and ethnic minority women's labour - are interconnected, bought at a lower wage. So begin the consequences of entrenched poverty in early age and its continuation in old age. Since women live longer, this adversity continues for much longer.

BME women – women do not accept this passively. We see historically countless examples of resistance to escape poverty, wherever possible. However they are not always met with success and/or peaceful resolution as we mentioned earlier (British Airways and Gate Gourmet). 'Financial well-being' is what we all achieve, albeit in relative terms. To achieve this state of affairs, it requires some simple measures: decent earnings and employment in working period to enable savings and pension provision; effective arrangements to address gender and age based inequalities for BME women and having a decent pension in old age for all, would make some difference. As PRIAE's MEC research (2004) identified, BME women and men elders find the pension and benefit system confusing and complex - sharing the same problem faced by white elders, though communication difficulties, staff racism or differential service, and general phobia of dealing with 'officials' may compound the problem further. Then there are training issues that increase the

skill base and give opportunities to all women to increase their potential. 'Flexible working/flexible employers' are deemed 'good' for being responsive in particular to women who have caring roles. Yet the means to achieve this diverse set of changes has not been straightforward. To overhaul the entire pensions system we must await the report from the Pension Commission at the end of year 2005. Ensuring 'decent earnings' requires a different system of arrangements between owners of capital and consumers. Minimum wage legislation is an important measure to ensuring some 'decent wage', but it is unclear how far the legislation is enforced.

In the public, private and voluntary sectors, there can be no denying that progress has been made in the UK in education, in employment and growing awareness of ageing among BME groups, by policymakers and by different communities - majority and minority. There has been relatively higher level of investment in equality of opportunity programmes encouraging positive race relations climate. No doubt determined efforts by those responsible for managing such work have generated some successes. Chinese and Indian women and men now occupy higher proportion of managerial and senior positions. Yet they are not quite at the top of the establishment.

Earnings gap between BME women and white women is still present, as is the lower pension participation. Less pensionable income means that many services, which are means tested and/or require some payment will not be within easy reach when poverty is experienced. Often it is such groups who need the services most, given higher levels of ill health (PRIAE 2004). Discrimination free employment is not a reality for many as the annual report of the European Monitoring Centre

on Racism (EUMC) indicates: direct and indirect discrimination still exist today. To reduce this, there are several measures which are explained in the annual report. What remains missing is a concerted action since we have shown in the previous sections, diversity in education performance, in employment, in earnings, in knowledge of finance provision and pensions do not happen in a discrete one-off ways. They are often continuous patterns with some divergence for some BME women as we saw in earnings. But they also show that disadvantage and discrimination gives rise to cumulative effects. So the position of BME women at 40+ may well worsen than today's BME elders, unless decisionmakers make appropriate policy, information and promotion changes. We suggested some recommendations presented to the Pensions Commission.

Today, new migrant labour, ethnic minority women and men of tomorrow, are increasingly maintaining the National Health Service. The elders of today will recall the same, many of whom are women, who came in the 50's and 60's to contribute significantly in nursing and in medicine. They do not form the pool of manual labour: they are trained and qualified by their country of origin representing a saving to the UK.

Meanwhile on the manual labour supply chain, the summer crops to bring 'quality and cheap prices to the British customer' bring forth the pressures on businesses to recruit more workers - many of whom will be from ethnic minorities as they struggle to earn a living and send 'some money back home'. Again no different to the BME elders of today who worked in the textile mills, steel and other industries, having come from Ireland, the Caribbean, Indian sub-continent. Women and men jobs have been different, as is/was the case for BME women.

Increasingly for the ageing population, the debate of workers' ethnicity is no longer confined to 'ethnic workers' to meet growing needs of BME elders. This is because white elders are also demanding the ability and capacity to speak to staff in their own language, which is perfectly understandable. In curious ways, multicultural care which called for an increased number of employment of (often) BME women may lend to greater acceptance as the debate extends to majority groups also. This is progress.

This cycle of continuous demand for labour and a reliable pool of supply for a particular wage is what has determined the pattern of 'migrant' labour to date. Over time they settled, brought families and have become British citizens. Today just as the economy has changed and has needed labour to supply increasingly service industries, it is the minority women and men workforce that is satisfying this hunger. What has changed is the mobility for some - those who have established for some period and now enter different industries and occupations. As we saw earlier, there are concentrations in employment as there are variations between BME groups - and between BME women.

Such data suggest that policymakers need to improve their targeting of policy measures as well as recognize that ethnicity and gender need always to be considered through the interaction of class. So while the mobility of BME women from certain ethnic groups is to be welcomed, this should not overlook the fact that BME women and men's earnings are lower in comparison as is the reliance on state benefits.

The future of BME women at 40+ cannot be the same as BME elder women of today who face ageing in considerable adversity. BME women and men are significant contributors to the economy in spite of some of their high unemployment. They are entitled to expect a decent living wage and pension in old age, when work may have ceased.

It is clear from our data that this goal requires significant effort by the government, by the pensions industry, by employers and by organisations who work with BME communities, with elders and women's organisations. It is only now - and PRIAE takes some credit for this as a specialist organisation in the area - that the combined effects of ethnicity, age, gender and class are even considered when examining financial inclusion.

As mentioned in the terms of reference, we have prepared this report in a very short time. Nevertheless, we have ensured that the reader has a good range of information to digest the situation faced by BME elders - and BME women in particular - in order that our collective knowledge and understanding may help to shape all our futures with greater hope and comfort, for all.

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For more information:

NPOE, PO Box 222, 3500 AE Utrecht, The Netherlands.

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