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<http://www.publications.parliament.uk/pa/ld200203/ldselect/ldeconaf/179/179.pdf>

PRIAE is cited under various data used and commentary HOUSE OF LORDS SESSION 2002–03, 4th REPORT **SELECT COMMITTEE ON ECONOMIC AFFAIRS** Paper 179-I ASPECTS OF THE ECONOMICS OF AN AGEING POPULATION *Ordered to be printed 5 November 2003*

As quoted in the House of Lords Select Committee on Economic Affairs Report page 38, 8.20

“Minority ethnic communities

8.20. Public and private pension entitlements among minority ethnic elders are low. This is a function of:

- the impact of immigration on the number of years of contribution
- high levels of unemployment
- low wages
- high rates of participation in the informal economy
- cultural norms which prioritise intra-familial resource sharing rather than individual accumulation.⁸⁹

8.21. Although the low income of today’s minority ethnic elders is largely the result of the specific labour market experience of this cohort, the current high rates of unemployment and low skills among younger members of some minority ethnic groups (especially black and Pakistani/Bangladeshi) makes it likely that low pension entitlements will endure well into the 21st century for new cohorts of retirees.⁹⁰

8.22. The problem of unemployment and low earnings is compounded by a lack of targeted information about long-run saving. According to the Policy Research Institute on Ageing and Ethnicity, “the financial services sector does not currently connect with the ethnic minority community.”⁹¹ However, PRIAE pointed out that the DWP is now developing information on state pensions that is specifically targeted at minority ethnic communities, particularly in response to concerns about the low take-up of means-tested benefits by minority ethnic elders (QQ536-42).

8.23. In general, minority ethnic elders are much more likely to be in receipt of means-tested benefits than are white elders. Data for the period 1991-96 suggest that, whereas one third of white people aged 60+ were in receipt of means-tested income support, 45 per cent of Indian, 58 per cent of black Caribbean and 76 per cent of Pakistani and Bangladeshi elders received means-tested income support.⁹² Our proposal for a basic pension based on citizenship rather than a full NI contribution record would significantly improve the economic position of these ethnic elders.

8.24. A citizenship pension could also be designed to ensure that current and future immigrants who, because of their age on arrival, cannot accumulate a full NI contribution record, would qualify for an

adequate basic pension without the need for a means test. We believe that this would provide a significant incentive for such people to accumulate additional voluntary savings.

89 CRE, volume II, p 194; PRIAE, volume II, p 198

90 PRIAE, volume II, p 200

91 Ibid, p 198

92 Ibid, p 201