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Coverage

United Kingdom

Theme

Social and Welfare

Life expectancy gap at State Pension Age set to narrow

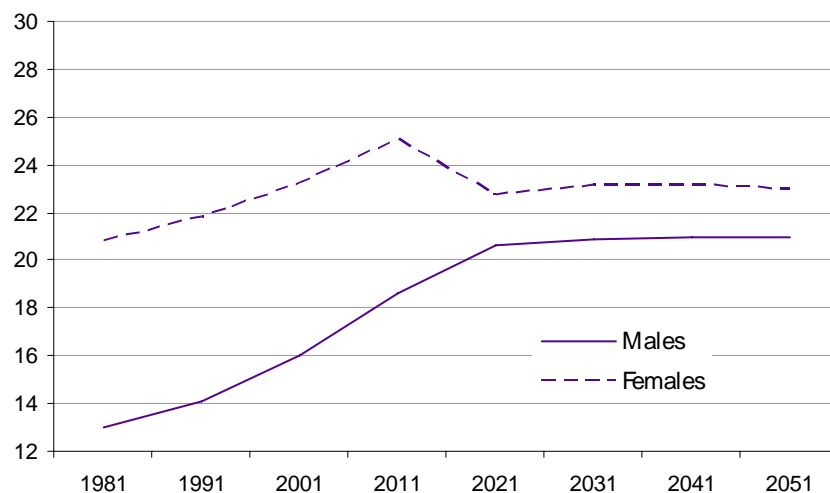
Pension Trends

The life expectancy gap between men and women at State Pension Age (SPA) will narrow; and life expectancies at SPA will stabilise from 2021 to 2051, according to analysis published today by the Office for National Statistics as part of an update of *Pension Trends*. It shows how planned changes in SPA as a result of the Pensions Acts 1995 and 2007 will interact with projected changes in life expectancies. Women's SPA is set to rise from 60 to 65 years between 2010 and 2020; then SPA for both sexes will rise gradually to 68 by 2046. Over this period, life expectancies for men and women are expected to continue rising. As a result, the life expectancy gap between the sexes at SPA will narrow; and life expectancies at SPA will stabilise from 2021 to 2051.

Pension Trends brings together statistics from a range of sources to illustrate trends in pension provision and the economic and social issues that shape them. Today's release comprises a new chapter on 'Life expectancy and healthy ageing' and an update of the existing chapter 'Non-pension wealth'.

Projected principal period life expectancy at State Pension Age: by sex, 1981 to 2051

Years



Estimates are ONS 2006-based projections.

Issued by
National Statistics
1 Drummond Gate
London SW1V 2QQ

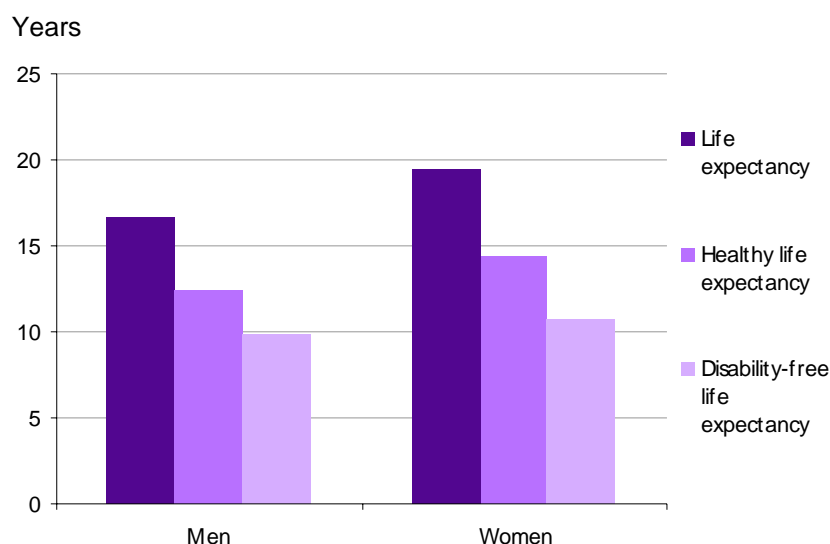
Telephone
Press Office 020 7533 5702
Email press.office@ons.gov.uk
Public Enquiries 0845 601 3034

Statistician
Chris Daffin 01633 455858
Email chris.daffin@ons.gov.uk

Internet
www.statistics.gov.uk

Women will continue to have longer life expectancy at SPA than men in the period to 2051. Moreover, in 2004, women had longer 'healthy life expectancy' and 'disability-free life expectancy' than men at age 65, allowing them to enjoy their retirement in good health for longer. However, between 1981 and 2001 trends for people of both sexes reaching age 65 showed slower increases in healthy life expectancy than in life expectancy.

UK period life expectancy, healthy life expectancy and disability-free life expectancy at 65: by sex, 2004



Estimates calculated using life table data from the Government Actuary's Department, and health related data from the General Household Survey for Great Britain, Continuous Household Survey for Northern Ireland and the Census.

There are inequalities in life expectancy estimates between occupational social class groups. For instance, men in the 'professional' class have the highest rates of life expectancy at age 65 among men, and in 1972-76 could expect to live 3.4 years longer than 'unskilled' men. By 2002-05 this gap had increased to 4.3 years. If this trend continues, those from the lowest social class groups may experience declining life expectancy at SPA from 2021 to 2051. There is also evidence of social inequality in 'health expectancy'.

People save for retirement in the form of financial, housing and physical wealth as well as through pensions. Today's release includes an update of the *Pension Trends* chapter 'Non-pension wealth' looking at individuals' non-pension saving and wealth. Popular saving vehicles in 2005/06 were Individual Savings Accounts (ISAs), premium bonds and stocks and shares. Nearly half of all individuals in the pre-retirement and retiring age groups (55 to 59 and 60 to 64) had an ISA in 2005/06. The market value of ISA holdings tends to increase with age, as people build up their savings. In 2005, over one third of the 65+ age group had ISAs worth £15,000 or more.

For individuals aged 50 and over in England in 2004, median total net non-pension wealth (financial, housing and physical wealth) was estimated at £137,900 for men and £123,800 for women.

BACKGROUND NOTES

1. Both today's new chapters are available to download at: www.statistics.gov.uk/pensiontrends/
2. The period method of calculating life expectancy applies mortality rates based on deaths in the year in question. For example, to estimate the average life expectancy of a man aged 65 in 1940, the calculation would use the mortality rates for men aged 65, 66, 67 and so on in 1940. The period method is a hypothetical measure as it assumes that mortality rates remain constant over time. The full analysis presented in the 'Life expectancy and healthy ageing' chapter shows that similar results are obtained when using the cohort method of calculating life expectancy.
3. Health expectancy is estimated by combining the age and sex specific mortality rates, used to calculate life expectancy estimates, with age and sex specific rates of 'good' and 'fairly good' general health or freedom from limiting long-standing illness (Sullivan's method). When health expectancies are calculated for a specific age such as 65, the measure is based on the proportion of person years lived in good or fairly good health or free from disability in all age groups aged 65 and older, divided by the number of people surviving to age 65. Health expectancy can be expressed in terms of 'healthy life expectancy' (years in good or fairly good health) or in terms of 'disability-free life expectancy' (years free from a limiting long-standing illness).
4. The figures on inequalities between social groups presented here are based on the Registrar General's Social Class based on Occupation (RGSC). RGSC is divided into non-manual and manual occupations, with three levels within each. The highest non-manual class is 'professional', including occupations such as doctors, accountants and engineers. The lowest manual class is 'unskilled', mainly comprising labourers.
5. Information on total net non-pension wealth for individuals aged 50 and over in England is taken from the English Longitudinal Study of Ageing (ELSA). Figures for the UK are not available. Total net non-pension wealth can be broken down into net financial wealth, net housing wealth and a component which is small for most people known as physical wealth (business assets, land and jewellery). The 'Non-pension wealth' chapter also presents results for net financial wealth and net housing wealth.
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