

## Experiences of poverty in later life

# Financial support

**Benefits such as Pension Credit can push older people out of poverty and support them to live well – but, each year, billions of pounds of this support doesn't reach the people entitled to it.**

More than two million older people are living in poverty in the UK.<sup>1</sup> Research commissioned by Independent Age has found that increases to benefit income are the biggest single cause of people exiting poverty in later life. Benefits such as Pension Credit, Housing Benefit and Attendance Allowance can support people to exit poverty and live well, with dignity, choice and purpose. Despite this, only 66% of older people who are eligible for Pension Credit currently receive it, meaning that each year billions of pounds of this entitlement goes unclaimed.<sup>2</sup>

In our research exploring experiences of poverty in later life, the people we spoke to told us how much receiving benefits such as Pension Credit or Attendance Allowance improved their lives. They told us that finding out they were entitled to this money could be a life-changing moment. We heard stories of people using this extra income to arrange desperately needed care and support, to turn the heating on in their home, and to get out and about more and spend time with friends and family.

During these discussions, we also heard about some of the barriers preventing older people from accessing the money they are entitled to. This included things like lack of awareness about what support was available, assumptions around ineligibility, difficult application processes, reluctance to ask for help or assistance, and stigma around receiving support from the state. In all these stories there was one common theme – that removing these barriers, and supporting older people to receive the money they are entitled to, can push people in later life out of poverty and allow them to live well.



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According to latest figures, only **66%** of older people who are entitled to Pension Credit are currently receiving this entitlement.<sup>2</sup>

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I was managing before but I knew that I needed more help. And that's what the additional benefits...meant, that I can actually buy things which I need but that I've gone without.

**Anonymous, 70–80**

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My argument is, why on earth does DWP know exactly how much pension you're going to get each week, because they write and tell you, so why on earth don't they tell you you can apply for Pension Credit in the same letter?

**Yvonne, 76**

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It's funny, sometimes you have to bite your pride a bit... you think, 'No, I'm going to manage [without any help]'.

**Linda, 77**

## Brenda's story

Brenda is 71 and lives alone in the Midlands. When she reached State Pension age, she started receiving a small State Pension. The money she received wasn't enough for her to live on, so she carried on working to make ends meet. As she grew older and found it harder and harder to keep working, she became increasingly anxious about money and worried about her future. When she found out she was entitled to Pension Credit, she was able to retire fully, feel less anxious about money and enjoy a better-quality later life.

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When they said I could apply for Pension Credit...I thought this is wonderful...I'd been receiving it for about six months and then I thought, 'Wow, this is, this is just heaven'.

**Brenda, 71**

## Policy recommendations



The government should make sure everyone in later life receives the full range of benefits and entitlements they are eligible for. This should include the Department for Work and Pensions producing a written strategy to increase the uptake of Pension Credit. This strategy should include realistic, measurable targets, and short-term activities like targeted awareness-raising campaigns, including at the local level, and new research on how best to target people missing out. It should also look at longer-term solutions such as automatic payment, better government data sharing to identify people missing out, and reviewing the name 'Pension Credit'.



The role of an Older People's Commissioner should be established in both England and Scotland, to hold the government to account and make sure that all older people receive the benefits they are entitled to.

This poster is part of the **Experiences of poverty in later life** series. It draws on research Independent Age conducted into the experiences of people aged 65+ living on a low income. You can find out more at [independentage.org/experiences-poverty-in-later-life](https://independentage.org/experiences-poverty-in-later-life).

<sup>1</sup>Households below average income: for financial years ending 1995 to 2020, Department for Work and Pensions, 25 March 2021, see [gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2020](https://gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2020).

<sup>2</sup>Income-related benefits: estimates of take-up: financial year 2019 to 2020, Department for Work and Pensions, 24 February 2022, see [gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020#pension-credit-2](https://gov.uk/government/statistics/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020/income-related-benefits-estimates-of-take-up-financial-year-2019-to-2020#pension-credit-2).