

January 2012

**A Manifesto for Younger and Future Generations
From The
Intergenerational Foundation
(if.org.uk)**

Younger and future generations depend on us to protect their interests - be they environmental, economic, financial, or educational. For too long, the interests of older generations have taken precedence over those of young people and those not yet born. This has to change.

The weakness of all postwar UK governments is short term-ism and this has encouraged British society to concentrate on its own immediate needs. As a result of this situation, and rising longevity, intergenerational unfairness, in terms of pensions, housing, education, welfare costs and the environment has reached critical levels and requires immediate action.

The Intergenerational Foundation (IF) manifesto is based on the idea that long term-ism and sustainability should be at the core of civil society. It sets out how Britain can protect the rights of younger and future generations, ensuring that their future is secure, and so that they can enjoy a similar standard of living to their parents.

This manifesto is put forward for society as a whole, for policy-makers and for the younger generation.

.../2

A Manifesto for Younger and Future Generations from the Intergenerational Foundation

[\(if.org.uk\)](http://if.org.uk)

1. Invest in the Educational Needs of Younger Generations

- Greater investment in the education of younger and future generations should be prioritised to ensure a legacy of a highly educated, motivated, skilled and productive workforce.
- Student fees should be very sharply reduced or a retrospective graduate tax introduced, since many older people enjoyed a free university education.
- Student loan interest rates should be revised down to a fairer rate.
- Re-introduction of the Educational Maintenance Allowance should be considered.

2. Support Youth Unemployment Initiatives

- Legal and organisational factors make it harder for young people to get jobs than for older workers to stay in them. With extremely high unemployment levels in the under 25 age group currently, this needs to be addressed.
- IF wants to see an increase in the number of apprenticeships and an agreement from industry and government to invest in them.
- National Insurance should be charged on earned income regardless of age, rather than having the NI exemption for those over state retirement age. Currently this gives older workers an unfair advantage over younger workers.

3. Ensure Pensions Are Sustainable

- In both the public and private sectors, the younger generation is getting a much worse pensions deal than the over 50s. This is a pressing issue that the government's recent proposed changes to public sector pensions do not go far enough in addressing.
- The government should be actively looking for measures to make the intergenerational distribution of pensions fairer and as a matter of urgency.
- Many young people face having to work until they are 70 for a pension half as generous as their parents have enjoyed. This is in addition to the extra taxes they are almost certainly going to have to pay over the next 20 years to ensure that the unfunded pensions in the public sector are paid.
- The government should move all public sector pensions to defined contribution schemes.
- Public sector pensions need to be changed radically to remove the current risk that the younger generation has an unsustainable burden from pension debts.
- IF is calling for a windfall tax on wealthy, retired public sector workers to ensure a fair and equitable contribution to the additional cost that their rising longevity is imposing on society.

4. Protect The Environment

- The government should use a discount rate of near to zero. In other words they should not treat the needs of current generations as more important than those of future generations, as Lord Stern argues.
- A National Wealth Fund for natural resources should be established so that oil and gas revenues are shared between generations.
- Government should ensure it meets the UK's EU emissions cuts targets and moves more quickly towards a greener economy.

5. **Re-balance Housing Wealth**

- The massive rise in house prices over recent decades is a key reason behind rising intergenerational unfairness. Many young people cannot afford to buy even a small flat while IF research has shown that over-consumption of housing by the over 60s has risen rapidly.
- The longevity revolution leads to more prolonged demand for housing amongst older owners and tenants. Official policy should therefore help those who want to downsize through provision of more suitable housing and fiscal incentives.
- Tax incentives on buy-to-let properties should be reduced. It is absurd, for example, that landlords do not pay National Insurance on their unearned income, and can fully offset any loan interest off against tax.
- Council tax should be reformed to reflect each property's true value and to make occupying a large house when you no longer need it more expensive.

6. **Fairer Taxation Across The Generations**

- The government should overhaul the tax system with regard to intergenerational fairness.
- The current tax system is systematically disadvantaging younger workers where older workers pay less tax (higher personal allowances and no National Insurance) and the light taxation of income from savings and property disproportionately helps the older generation.
- The government should consider reducing or scrapping universal benefits (which are not means tested) such as winter fuel allowance, free prescriptions and free bus passes.
- Pensioners on low incomes already have access to various tax credits and these universal benefits cost the taxpayer well over £6 billion each year.
- At the very least the government should make these benefits voluntary, so that wealthier pensioners may decide not to claim them.

7. **Transparency of Government Debt Recording**

- The build-up of public debt and liabilities is unfair on younger and future generations.
- All government borrowing should be **on** balance sheet.
- The government should calculate what the current obligation is for the state pension, and include it in official liabilities so that the burden being passed from one generation to another is more transparent.

8. **Legislate for Intergenerational Legal Protection**

- IF is calling for the introduction of an Intergenerational Ombudsman and other institutional and constitutional changes are needed.
- IF wants any new legislation and all government decisions to be systematically assessed in terms of their intergenerational impact.
- The legal definition of ageism should more explicitly include discrimination against younger generations, not just older generations.