

IF Budget 2013 Response:

Osborne Short-changes Future Generations

GDP Growth:

"The Chancellor's latest downward revision to his growth forecasts have enormous implications for future generations too. The government's over-optimistic projections for public sector and state pensions depend on continued rapid growth of around 3% a year. With the slump now into its sixth year, those pensions are becoming less affordable by the minute. This means either future workers having to pay much higher taxes to support this Ponzi scheme, or big cuts in pension payments."

"Today's budget shows the government expects to borrow a colossal £434 bn over the coming five years, £55 bn more than he forecast only three months ago. The Intergenerational Foundation is deeply worried about this ever rising burden that our children and grandchildren will have to pay."

"There is nothing in this budget to ease the jobs famine facing young people today."

Help to Buy:

"This is the latest in a long string of government attempts to further pump up an already over-inflated housing market. The money could be better spent on stimulating supply. The chancellor's confirmation of plans to devolve planning decisions to local authorities will put more power in the hands of geriatric local planning committees."

"A much better policy would be to encourage older people in large properties to downsize to smaller, warmer, more energy efficient, homes. IF research has shown that a third of Britain's bedrooms are unoccupied and those are mostly owned by older people. We think family homes should be used by families."

"IF welcomes the exclusion of buy-to-let from the Help to Buy scheme, as long as this is rigorously enforced. "

"IF regrets the lack of action on the rent-a-room allowance, unchanged since Margaret Thatcher's day. This would encourage older people to share their homes and reduce their isolation. "

Shale Gas:

"The government's tax cut on this dirty, controversial energy source will only serve to add to global warming. The money could be better spent on renewable energy sources."

Social Care Cap:

"The Intergenerational Foundation rejects the idea that younger and future taxpayers should pick up the bill for older people's care to protect the value of their often under-occupied houses worth trillions of pounds."

Budget overall:

"This budget has again considered the interests of those currently retired or close to retirement over those of younger people or those not yet born. The Intergenerational Foundation is disappointed that the Chancellor, who last year moved to equalise the tax rates for workers over retirement age, has in this budget left intact the £8 bn of universal benefits such as winter fuel allowance paid to pensioners each year."

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“Analysis from the Institute for Fiscal Studies shows that all the government's belt-tightening since 2010 has affected pensioners the least. The Chancellor says those with the broadest shoulders must bear the biggest burden. But younger people are carrying the biggest burden while struggling with high house prices, high and rising student debt and the prospect of decades of rising taxes to reduce the national debt.”

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Note to Editors:

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