

Baby-boomer concessions:

How ticket discounts for a wealthier generation reinforce unfairness

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September 2018

The Intergenerational Foundation (www.if.org.uk) is an independent, non-party-political charity that exists to protect the rights of younger and future generations in British policy-making. While increasing longevity is to be welcomed, our changing national demographic and expectations of entitlement are placing increasingly heavy burdens on younger and future generations. From housing, health and education to employment, taxation, pensions, voting, spending and environmental degradation, younger generations are under increasing pressure to maintain the intergenerational compact while losing out disproportionately to older, wealthier cohorts. IF questions this status quo, calling instead for sustainable long-term policies that are fair to all – the old, the young and those to come.

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Executive summary

- Over 75% of museums, galleries and attractions give discounts to the over-60s regardless of their ability to pay;
- Most attractions giving discounts by age offer reduced charges to those over 60 years of age, and few use the new state pension age of 65, or ages above that. Crucially, these attractions rarely give the same discounts to under-30s;
- The over-60s are the wealthiest cohort in the UK population and are significantly more likely to visit museums, galleries and historic houses than adults of other ages;
- These discounts send a damaging message to young people about the entitlements of the older generation. This affects wider attitudes to what different generations expect from the welfare state, such as the triple lock on state pension, universal benefits, and the generous tax treatment of older generations;
- Such discounts are significant in financial terms, exceeding £60 million and may cost as much as £100 million a year;
- The money spent on these discounts could fund the running of about 150 independent museums and pay for the equivalent of about 1,500 staff;
- In many cases the practice may well be illegal under European law, where it has not been proved that these concessions are targeted at those in need;
- The UK is behind other European countries in adjusting for wealthier older cohorts - Italy has abandoned senior discounts and France gives free admission for under-25s;
- “Establishment” organisations and government bodies are the most likely to give senior discounts, with English Heritage and the Church of England giving discounts to seniors for all properties and Parliament giving an 18% discount for over-60s on guided tours;
- Some UK institutions are leading the way in recognising intergenerational unfairness, with a few giving no discount for seniors but offering a discount for those under 26;
- Free access or reduced admission charges for poorer older people, the unemployed, the disabled, students, young people, and carers should be encouraged and welcomed;

- Everyone could benefit from reducing admission charges during periods of low visitor numbers, and it would be intergenerationally fair if discounts such as these were not age-specific, thus encouraging people of all ages to engage in cultural sites.
- **Attractions should be required to provide evidence of why old-age-related discounts are necessary, and “Bring-a-Granny” schemes should be encouraged. For organisations controlled or funded by government, discounted tickets should be offered to those under 30 and free tickets for those on Pension Credit.**

1. Why are old age concessions a problem?

Old-age-related price concessions are widespread in our society, and IF believes they reflect how older people are generously treated in myriad ways, particularly the tax and benefits systems. It is particularly important, therefore, that any age-related discounts should be well targeted and intergenerationally fair.

In the 1970s, when many of the discount arrangements were set up, it was appropriate to give discounts to older people because they were a much poorer cohort and inflation had stripped their savings of spending power. At that time, old age poverty was one of the most pressing socio-economic issues and life expectancy was much lower. The museums' and galleries' age-related discounts were an important way of helping poorer old people to afford to be able to visit these institutions and signal society's intention to help.

Wind forward forty years, and the UK has changed dramatically. The Baby Boomer cohort, which is now aged 54 to 72 years old, is the wealthiest section of society and indeed is the wealthiest cohort there has ever been in the UK. Over 70% of Baby Boomers own their own homes, most of which have appreciated enormously in value; a high proportion have generous final salary pensions; they had free education and a friendly job market. Moreover, we celebrate the fact that they have much longer life expectancies so that, for example, a woman of 60 years old will, on average, live for well over 20 years – and more if she is from a higher socio-economic background.

This study unpacks the current intergenerational inequity of admission ticket discounts and provides suggestions for reform which would make access to the UK's museums, galleries and heritage sites fairer across the generations, and make it free for poorer older people. It focuses on institutions which charge for admission, as opposed to those which offer free entrance.

Many cultural attractions¹ in the UK offer substantial discounts to Baby Boomers, for no reason other than their age. As this report highlights, over 75% of paid-entrance attractions in the UK offer discounts for people aged over 60.² This in itself makes little logical sense, as reaching 60 years old does not qualify an individual for any state benefits; 60 is no longer in line with state pension age.

The primary issues with these concessions for Baby Boomers and older, if not counterbalanced by concessions for the young, are:

- They send a damaging message to young people about how the young are valued, and reinforce the idea of cultural attractions being a space primarily for older people;
- The discounts result in a loss of valuable revenue for budget-stretched attractions
- They do nothing to attract younger visitors, who are already disengaged with the sector;

¹ For simplicity, 'attractions' will sometimes be referred to. For the purposes of this report this means museums, galleries and heritage sites.

² See fig.2 for more information.

- The concessions could be better targeted at older people who need it most, for example isolated elderly people on Pension Credit.

To expand on the first point, these concessions for seniors send a perverse message to younger generations, who, despite lower incomes and lack of savings, are rarely awarded such generous discounts for admission to attractions. This damaging message has several elements to it: first, that these attractions value their older visitors more than younger ones, as they employ an enticement to attract potential visitors from this demographic. Secondly, it makes an assumption about levels of income across generations and assumes that pensioners are less well off than recent graduates, which is not generally true in 2018. And finally, this age-dependent pricing sends a message that these valuable attractions are spaces designed as a preserve of older generations, and younger participants are less welcome – possibly an explanation for the comparatively low visitor numbers in younger age brackets.

This paper also looks at the lack of discounts for young people, regardless of student status. Whilst we support discounts for students, we are concerned that these do not cater for the young people who do not study at University – recently estimated at 51% of all young people.³ This seems particularly ironic, given that degree-educated people are already likely to be more engaged with these attractions,⁴ and so arguably discounts are more important for the young people who are not students, in order to encourage them to engage with the cultural and heritage sector. Giving no discounts to the under-30s while giving discounts to Baby Boomers seems anomalous.

If nothing else, offering these discounts to people who can, and would, pay full price means that attractions lose out on a significant amount of revenue. Over the last ten years, funding has decreased by 13% in real terms,⁵ placing an immense pressure on museum and gallery spending. It is more important than ever to avoid giving discounts to relatively wealthy visitors. In discussion about these funding pressures, it is impossible not to mention Brexit. Since the EU exit referendum, museums have experienced a large drop in corporate sponsors, and a reduction in the amounts promised in funding.⁶ At a time of great uncertainty, with the current political climate posing questions over the future of arts and heritage funding, such attractions should not be ignoring this potential source of increased revenue.

We recognise the importance of all initiatives that help combat loneliness and encourage active lifestyles in older people, and our recommendations of free admission for those on Pension Credit and “Bring-a-Granny” schemes are intended to help with those issues.

³ Adams, R. (2017) Almost half of all young people in England go on to higher education. *The Guardian*.

⁴ Department for Digital, Culture, Media & Sport (DCMS). (2016) *Taking Part Survey*. DCMS.

⁵ Mendoza, N. (2017) *The Mendoza Review: an independent review of museums in England*. DCMS.

⁶ DCMS. (2017) *Strategic review of DCMS-sponsored museums*. DCMS.

2. Where did old age concessions originate?

These concessions have not always existed. Widespread old-age-related concessionary charges are a comparatively recent phenomenon. In 1973, the relative poverty of most older people was recognised when Margaret Thatcher, as Education Secretary, decided to introduce charges for the state-controlled museums. In a Commons debate in the same year, Jeffrey Archer, MP, addressed Mrs Thatcher on the subject of admission charges. He argued, to general agreement, that old people were “a group of people in this country who cannot afford ... these luxuries”. So the relative poverty of many older people was recognised through senior discounts, from the 1970s, right through to 2000 when over-60s were some of the first to benefit from free admission to national museums (a year before universal free entry was applied).⁷

Church buildings are a good example of sticking to the status quo of concessionary charges for older people, despite their general change of circumstance. These sites have only enforced admission fees in the last 30 years, which prompted discussions of a heavy OAP (Old Age Pensioner) discount. As with the consensus on Jeffrey Archer’s comments, this was widely assumed to be fair at the time. In 1999, Westminster Abbey gave a 40% discount for OAPs (£3 instead of £5). Charges have increased sharply since then but the percentage discount for seniors has reduced. Full price is now £20 and the senior discount is now down to 15%. Even though the discount has been reduced, a perverse message is still being conveyed - that over-60s should get price discounts regardless of their wealth.

Apart from an increase in older people’s wealth in recent years, the other big change is a steep rise in life expectancy. This is illustrated in fig.1:

Fig.1 – Table showing sharp increases in life expectancy since 1950.⁸

Year	Male life expectancy at age 65 (years)
1950	9
1970	12
1990	14
2010	18

Essentially, life expectancy for male 65 year olds has doubled over the last 60 years, meaning that the value and the costs of old-age-related concessions have increased significantly.

⁷ Centre for Public Impact. (2016) Universal free admission to the UK’s national museums. *Centre for Public Impact*.

⁸ ONS, Decennial life tables.

3. Who offers these discounts?

To illustrate the prevalence of discounts for older people at cultural attractions across the UK, the Intergenerational Foundation (IF) has reviewed their age-dependent pricing structures. Examining the top 35 museums, galleries or heritage sites in the UK⁹ which charge for entrance reveals just how widely senior discounts are employed, and the notable lack of provision for the younger generations.

Fig.2 – Pricing structures of the most visited museums, galleries and heritage sites in the UK which charge for entry.¹⁰

Site	Total visits 2017	Senior discounts?	Young person discount?	Student discount?
Tower of London	2,843,031	60+	N	Y
Edinburgh Castle	2,063,709	60+	N	N
Chester Zoo	1,866,628	65+	N	Y
Royal Botanic Gardens, Kew	1,802,958	60+	N	Y
Stonehenge	1,582,532	65+	N	Y
St Paul's Cathedral	1,571,197	60+	N	Y
Westminster Abbey	1,547,001	60+	N	Y
Royal Albert Hall	1,495,387	N	N	Y
Roman Baths and Pump Room	1,318,976	60+	N	Y
RHS Garden Wisley	1,143,175	N	N	N
ZSL London Zoo	1,102,790	60+	N	Y
National Museum Royal Navy	1,081,909	60+	N	Y
Royal Academy of Arts	1,049,962	N	N	Y
Eden Project	1,024,156	N	N	Y
Giants Causeway	1,011,467	60+	N	N
Houses of Parliament	1,007,568	60+	N	Y
Hampton Court Palace	999,313	60+	N	Y
The Royal Shakespeare Theatre and Swan Theatre	999,041	60+	Y	Y

⁹ Top 35 museums, galleries and heritage sites based on ALVA (Association of Leading Visitor Attractions) sites with the highest visitor numbers in 2017. Includes all attractions which charge an admission fee. Information about discounts taken from the website of each individual attraction, and refers to discounts applied to entrance fees.

¹⁰ Data from: ALVA (2017) Latest Visitor Figures. ALVA.

Site	Total visits 2017	Senior discounts?	Young person discount?	Student discount?
Shakespeare's Globe	924,220	N	N	N
Blenheim Palace	917,741	60+	N	Y
Canterbury Cathedral	875,447	65+	N	Y
Tower Bridge Exhibition	806,950	60+	N	Y
Titanic Belfast	771,038	60+	N	Y
National War Museum, Edinburgh	764,079	60+	N	N
York Minster	691,716	60+	N	Y
ZSL Whipsnade Zoo	658,200	60+	N	Y
Kensington Palace	645,370	60+	N	Y
Edinburgh Zoo	642,677	60+	N	Y
Leeds Castle	572,195	60+	N	Y
Stirling Castle	567,259	60+	N	N
Westonbirt, The National Arboretum	538,605	N	N	Y
Churchill War Rooms	534,723	60+	N	Y
Bristol Zoo Gardens	523,166	65+	N	Y
RHS Garden Harlow Carr	498,933	N	N	N
Urquhart Castle	488,136	60+	N	N

In this comparison of attractions, 80% of the sites offer a discount for seniors, with nearly 70% offering these discounts to people above 60, despite this cohort still being a part of the working-age population. The age threshold for these discounts has evidently not risen in line with rising life expectancies or even the increase in state pension age, despite their supposed purpose of targeting retirees. In stark contrast, only one attraction offered discounts for young people, regardless of student status.


Indeed, the second most visited attraction in the UK – Edinburgh Castle – does not offer any form of young person discount but does give a generous senior discount. To make matters worse, this discount is applicable to anyone over the age of 60 – a seemingly arbitrary age that is now well below state pension age. This is not the only site to practise such age-dependent pricing discrimination. In

fact, all of the sites in Scotland offer a senior discount, but no young person discount – not even one for students.

Particularly conspicuous in fig.2 is the discrepancy in how levels of wealth are assumed across the generations. These attractions assume that, upon graduation, a young person has sufficient disposable income to spend on these tickets. Slightly incongruously, they also assume that all older people are poorer, while in fact they may well be working full-time or in receipt of a generous pension. It seems unfair that young people's discounts are based on their occupation, whereas there are no such criteria for older people. Of course, discounts do provide incentives to increase sales, which is vital for independent museums, galleries and heritage sites. However, there is a significant discrepancy with how these discounts are delivered across generations.

Fig.3 encapsulates this attitude – note the requirement for students to produce I.D. cards, but no stated requirement for seniors' proof of age. This is carried through in practice – students almost always have to produce a student card, whereas seniors are rarely asked to prove their eligibility. Whilst it may be sensitive to stipulate that seniors must prove their age, the inconsistencies between how generations are treated in order to receive what discounts do exist does little to foster feelings of belonging in these spaces for young people.

Fig. 3 - photograph of Westminster Cathedral admission prices. Taken by the authors May 2018.

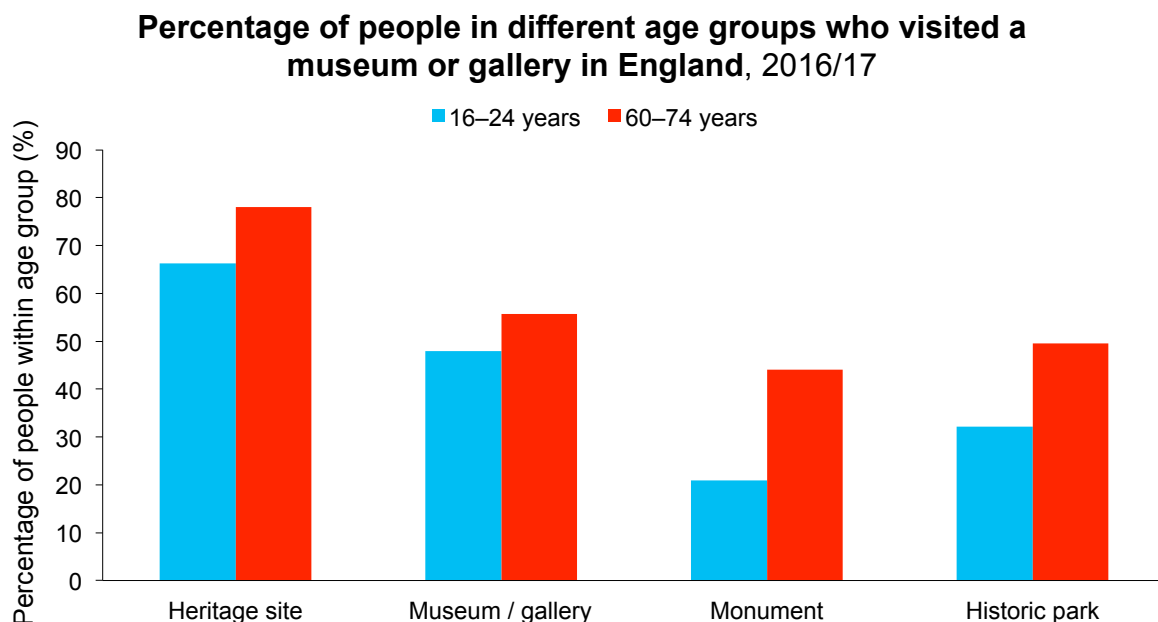


Visitor admission	
Adult	£22.00
Seniors 60+, Student (with valid full-time student card)	£17.00

4. Who visits these attractions?

Older people hugely dominate the demographics of visitors to these attractions. Fig.4 below shows just how much people above 60 years outnumber young people aged under 24, in every category of attraction.

Fig.4 – Chart showing that older people are more likely to visit a cultural attraction.¹¹



Numbers of young people declining

Fig.4 highlights that younger people are significantly less likely to visit a museum, gallery or attraction. Across all types of cultural attraction, they are less likely than older cohorts to have visited in the last 12 months, with some particularly concerning percentages for historic parks and monuments. Not only this, but their numbers have been dwindling in the last several years. Since 2014, there has been a fall in the percentage of younger people visiting a museum or gallery – a trend not observed in any other age group. Numbers of 16 to 24 year olds who have reported visiting a museum or gallery in the last few years have fallen from 49.3% in 2014/15, to 47.3% in 2016/17.¹² The same figures show that for everyone under 75 years old, those aged 16 to 24 years old are least likely to have visited a museum or gallery in any given year since 2012. Some differences between generations are to be expected, but these gaps are worryingly large.

¹¹ Data from DCMS (2016) *Taking Part Survey*. DCMS.

¹² DCMS. (2016) *Taking Part Survey*. DCMS.

What are the causes of this?

It is easy to hypothesise what is causing these trends in visitor age demographics:

- Retirees generally have more time / inclination to travel away to attractions;¹³
- These attractions gain a reputation for being the preserve of older, wealthier people;
- Paid entrance museums, galleries and attractions tend to be quite expensive relative to a young person's weekly budget.

The arts have also been downgraded in the school curriculum and there are suggestions this may have permeated to younger people's engagement with museums and galleries. In 2016, for example, there was a 6% drop in young people visiting galleries for educational purposes.¹⁴ Creative industries are the fastest growing sector in the UK, and there are worries that a decline in young people engaging with artistic attractions may be stunting the potential for future generations to develop creative skills. This report's recommendation to introduce discounts for young people across the board may help deliver creative inspiration, which has the possibility to benefit the UK economy – creative industries contributed £92 billion to the UK economy in 2017¹⁵, and there is huge opportunity for this to be increased if we start to value young people's engagement in the arts.

Furthermore, museums and other attractions must find a way of engaging younger generations to ensure their own longevity. With the average age of visitors ever increasing, it is vital that a new generation of museum-goers are interested in these institutions, otherwise these attractions will face difficulties with their future visitor base.

Young adults pay twice as much, when measured by disposable income

These attractions are also more expensive for young adults, relative to their average weekly budgets, as seen in fig.5. This may also be a cause of their low numbers.

Assuming an adult ticket price is £22, and for the over-60s it is discounted to £17. For a young graduate earning £19,000, they will pay national insurance (leaving annual income after HMRC deductions of £16,303). They then spend roughly 30% of their post-tax income on rent,¹⁶ and another 6% on travel to work, giving a weekly net income of about £200. **One ticket costs young people 12% of their weekly disposable income (even before the travel costs of getting to the attraction).** And for higher incomes the position doesn't improve very much because once the young graduate is earning £25,000 per annum they face an extra 9% "tax" in the form of student debt repayment charges. These figures also assume they have opted out of auto-enrolment pension saving, but if they have opted in then their disposable income would be noticeably lower.

By contrast, for a retiree on a pension of £19,000, their weekly after-tax income would be about £340. Considering only 5% of mortgagors are over 65,¹⁷ and that free travel is very common for older people, this net income is unlikely to decrease very much through housing and travel expenses.

¹³ Cudworth, K., Boiling, S., Davies, R. (2015) *National Visual Arts: 2014/15 Cluster Benchmark Report*. The Audience Agency and Contemporary Visual Arts Network.

¹⁴ Ellis-Petersen, H. (2017) British museums and art galleries hit by 1.4m fall in visitors. *The Guardian*.

¹⁵ DCMS. (2017) *Creative industries' record contribution to UK economy*. DCMS.

¹⁶ Booth, R. (2017) *Millennials spend three times more of income on housing than grandparents*. *The Guardian*.

¹⁷ Ministry of Housing, Communities and Local Government (MHCLG) (2018) *English Housing Survey: Home Ownership, 2016-17*. MHCLG.

One ticket will cost over-60s only 5.6% of their weekly net income, or half what it costs the young person in terms of disposable income.

Fig.5 – Table comparing ticket prices as a percentage of weekly disposable income across generations.

	Young person	Over-60
Average ticket price	£22	£17
Average weekly disposable income	£200	£340
Ticket price as a percentage of weekly income	12%	5.6%

Inefficiency

Clearly, these senior discounts benefit those who could afford full price tickets and send out a negative intergenerational fairness message. Moreover, it is an inefficient pricing model. Charging different prices to different segments of the population maximises revenue if a lower price is charged to groups who may otherwise be uninterested in paying the higher price. Simply put: it could be efficient to charge less to older people, if they were a small percentage of the overall visitor demographic and particularly price-sensitive. However, as the figures above show, this is not the case.

This has the dangerous potential to create a domino effect via substitutability: if one attraction offers discounts for seniors, other attractions nearby may also feel pressured to do so in case they lose older potential visitors to cheaper ticket prices and the social expectation of offering such a discount. These social pressures should not be understated – the endurance of concessions for older people feeds into a sense of entitlement, where many older people come to expect discounted entrance. This may be one explanation for why these concessions have continued to prevail, despite older people not really being in need of them.

It may be that lowering **all** ticket prices for days of the week which usually have low visitor numbers would be worthwhile. This would be a way of enticing people of all ages to take part in cultural activities they may not otherwise engage with. And if an attraction struggles to attract visitors on a certain day, then it may make economic sense to lower the price to increase visitor numbers. Such a discount could easily refrain from being age-specific and universal across generations - all ages should be encouraged to visit these attractions, with the same priced tickets offered, irrespective of age.

5. How much do these discounts cost?

It is impossible to be precise about the total costs of these discounts because of incomplete records. However, by looking at spending surveys and the accounts of two of the larger institutions we can make some reliable estimates.

Total visits to the main attractions in 2017 were about 130 million according to ALVA whose 66 members control 2,200 attractions.¹⁸ In addition there will be millions of visits to attractions outside ALVA. We can also get useful figures for visitor spending from the Visit England surveys, from the Post Office spending survey, from ONS surveys and from Arts Council reports.

The Visit England annual report for 2016¹⁹ says that for those charging for admission the average adult charge was £8.75. But heritage site admissions tend to be more expensive (with gardens and galleries typically being cheaper) and the Post Office spending survey suggests that the average heritage ticket price costs nearer to £20.²⁰ Judging by the ALVA table of the top 238 attractions,²¹ over 50% of attractions make an entry charge, and on top of this many of those who do not have an entry fee will charge for exhibitions and other elements of the attraction. The proportion of visits by those claiming older age discounts is probably around 25%.²²

In round numbers, this suggests that there are about 65 million visits to charging attractions, and just over 16 million of these visitors are eligible for an old-age-related discount (typically approximately £4). On this basis the total amount spent on annual old-age-related discounts would be close to £65 million per year.

We can triangulate these numbers by looking at various surveys: the proportion of older people who visit a heritage site each year is about two-thirds of the population and presumably more than one visit per individual is common; this suggests that heritage sites are more likely to be visited by the over-60s. For example, one survey says that 78% and 58% of 65 to 74 year olds and 75+ year olds respectively visited a heritage site in a 12-month period.²³ In terms of the numbers, we know from the 2011 census that 22% of the population is above 60 years old – around 14.5 million people.²⁴ If 65% of these people visit at least one a heritage site each year, and many will visit several, then an estimate of **at least 20 million paid visits for the over-60s** looks reasonable.

A further survey that sheds light on this is the ONS household spending survey which has a category for museums, galleries and attractions as well as theatre and cinema. This finds average household spending of about £2.60 per week. If we assume that 50% of this is spending on museums, galleries and attractions and assume that visits are spread equally between different cohorts, this would imply

¹⁸ ALVA (2017) Latest Visitor Figures. ALVA.

¹⁹ Visit England (2017) Visitor Attraction Trends in England 2016. *Visit England*.

²⁰ Post Office (2016) Cost of Culture. *Post Office*.

²¹ ALVA (2017) Latest Visitor Figures. ALVA.

²² An estimate based on data from the Taking Part Survey, and 2011 Census.

²³ DCMS (2016) Taking Part Survey. *DCMS*.

²⁴ Office for National Statistics (ONS) (2011) 2011 Census. *ONS*.

about £420m annual spend by the over-60s on museums, galleries and similar attractions.²⁵ If we assume that on average they get a 15% discount for age, this would be a bit **over £60 million each year for the total value of these concessions**. This is likely to be an underestimate because some expenditure on such visits will have been categorised differently, such as passes given as presents, lifetime subscriptions and admissions which are bought as part of a holiday purchase and there are the additional discounts given to overseas visitors who are over 60 or 65 years.

Another approach to check on the figures can be made by looking at the cost to a couple of the larger organisations in the field, the National Trust (NT) and the Church of England. The NT said two years ago that the over-60s membership discount costs the organisation £11 million each year.²⁶ In addition to the discounted membership costs, the NT gives a discounted entry for non-members of about 10% to over 60s, so the total senior subsidy for the NT is probably nearer to £15m. If the NT discounts for older age represent roughly 20% of the total of such discounts, this suggests a total annual subsidy for all cultural visitor attractions of at least £75 million.

From the Church of England accounts, we can see that Westminster Abbey alone, with its 1.5 million annual visitors and around £20 per adult admission charges, is likely to have an income of about £25 million so the senior discounts could easily amount to a cost of £3 million just for this site. As those 1.5 million visitors represent just over 1% of the visits listed on the AVLA table (about 130 million), even when we allow for the organisations that don't give any senior discounts, this suggests a figure of **as much as £100 million in the total value of these concessions**.

Taking these three approaches together – ONS figures, other surveys, and National Trust and Church of England accounts – an annual figure of £60 million to £100 million looks like a reasonable estimate of the cost of giving discounts to the over-60s and over-65s.

Based on the Arts Council's estimates of cost in the museum sector this would be enough money to fund the running of at least 150 independent museums (£430,000 each per year, on average) which would cover their costs and fund the equivalent of about 1,500 staff.

²⁵ (27m x £2.60 x 0.5 x 52 x 0.23).

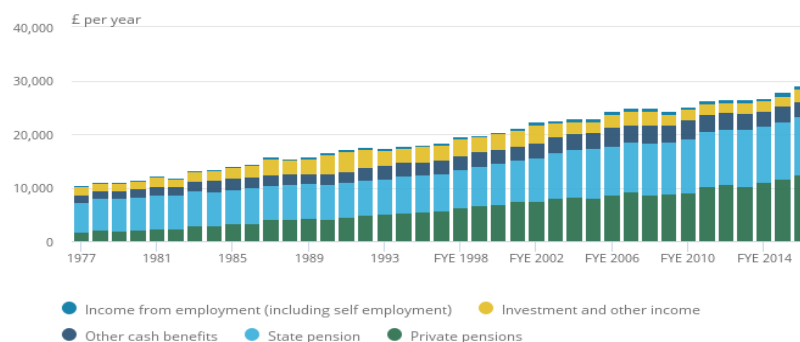
²⁶ Harley. N (2016) National Trust accused of 'grossly unfair' prices for over 60s. *The Telegraph*.

6. How wealthy are the over-60s?

An obvious argument in support of concessions for those over 60 is that they are less well off. Historically, that may have been true. Indeed, as has already been established, these concessions were first established in order to help older people with little disposable income. However, this is no longer the case. We should celebrate that most older people are now financially comfortable, but it necessitates reform of systems put in place in the past to aid the financially struggling elderly.

Over the last decade, pensioners have seen a significant growth in their income, as shown in fig.6, which is set to continue rising. It has been predicted that the average retiree in 2018 will enjoy an annual pension income of £19,900 – a 10% increase on those who retired on 2017.²⁷ Such estimates throw a particularly harsh light on the tumbling average graduate starting salary, where some approximations place this as low as £19,000.²⁸

Fig.6 - Average gross incomes of retired households by component type, in real terms²⁹



Therefore, the average annual pension income is set to surpass the average graduate starting salary for the first time.³⁰ Not only are pensioners earning more than graduates on average, but they are also faring well compared to the general population: 40% of the working-age population earn less than the median pensioner, a figure which has rocketed from 25% in 1960.³¹

The disposable income of pensioners, representing the money which could be spent on activities such as visiting museums, galleries and heritage sites, has also risen dramatically. In 1977, only 21% of pensioners had an annual disposable income of over £10,000. By 2016, and accounting for

²⁷ Smith-Hughes, V (2018) Retirement incomes hit a new record high. Prudential.

²⁸ Graduate Jobs (2018) Graduate salaries in 2018/2019. *Graduate Jobs*.

²⁹ ONS (2017) What has happened to the income of retired households in the UK over the past 40 years? ONS.

³⁰ Morley, K. (2018) Pensioner incomes to rise above graduate starting salaries for the first time. *The Telegraph*

³¹ Adam, S., Browne, J. and Johnson, P. (2012) Pensioners and the tax and benefit system. *IFS*.

inflation, this figure has climbed to 96%.³² This seriously challenges the archetypal image of a poor pensioner struggling to make ends meet, and unable to afford luxuries such as cultural attraction entrance fees. Furthermore, not only are pensioners living more comfortably than before, a significant proportion are now quite wealthy. To some extent, this is understandable, as people accrue wealth as they work longer and save more. But considering that approximately 1.5 million over-65s now live in households with an average wealth of £1.7million,³³ it seems difficult to justify the continuation of arbitrary concessions on the argument that older people cannot otherwise afford entrance fees.

³² ONS (2017) What has happened to the income of retired households in the UK over the past 40 years? ONS.

³³ IF (2018) An extraordinary anomaly: Why workers over state pension age should pay National Insurance. IF.

7. Are these concessions legal?

It may well be that the discounts offered to older people could be challenged on grounds of legality. The Equality Act of 2010 says that charging for different ages needs to be based on one of a few grounds:

- Health and Safety;
- Protecting the welfare of some individuals;
- Enabling age groups to enjoy leisure activities in a social way (e.g. old-age coach tours);
- Making sure that particular services are targeted at those who need them most.

The Equality Act is moderated by the 2012 Age Exceptions order which allows concessions and benefits based on age. Museums and others are relying on this explicit exemption, but it is an open question whether that exemption would satisfy the proportionality rule in European law. The government, if challenged by judicial review, would have to show that, taken together, the Act and this order were a proportionate means of establishing a legitimate aim.

We have seen no evidence that the government has done research to show that discriminating by old age is an effective way of targeting need. Indeed, this report suggests that targeting older people is now unnecessary because of a powerful combination of reasons: they are already the most likely age cohort to visit these attractions, and they generally have an increasing level of disposable income to spend on leisure activities.

It could well be that this European Law will be less accepting of these discounts. For example, we know that the Supreme Court in CJEU (Court of Justice in the European Union) has identified intergenerational fairness as one legitimate objective, in justifying discrimination relating to retirement ages. Under European law, to justify price discrimination in favour of older people an attraction would have to show that there is a public interest consistent with UK policy objectives. As has been previously demonstrated, a strong case could be made that price discrimination to favour younger generations would be consistent with UK policy objectives, if they were to reflect the very real need of engaging more young people in our arts and heritage sector.

8. How do we respond to criticisms of these proposals?

The question of reforming these concessions, and perhaps abolishing them for wealthier older people, can be contentious. Here, we anticipate some of the counterarguments.

“Making tickets cheaper won’t necessarily increase engagement among young people”

Response: It may be true that increasing engagement among low-participation groups, such as young people, involves complex strategies. However, price is a key decisive factor for many young people, as for the population more generally. In 2001, when national museums became free, a huge rise in visitor numbers was observed. As one example, after establishing free entry, the Victoria and Albert Museum (V&A) saw visitor numbers increase by 157% in one year alone.

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Free attractions clearly have higher visitor numbers, suggesting a strong relationship between the price of a ticket and number of purchases. Indeed, Kirchberg found that ticket price was the main barrier in the decision to visit museums,³⁵ which indicates that reducing the price of tickets for younger people may make these attractions more accessible and likely to be visited. Whilst free admission cannot be directly compared to discounted admission, it seems very likely reducing price could encourage visitors from otherwise poorly represented generations.

“Cheaper tickets for older people are important to museums because it encourages secondary spend in cafés.”

Response: This is an important point that should not be overlooked, as many attractions rely on secondary spend to raise sufficient revenue. However, the Association for Independent Museums (AIM) has demonstrated there is no consistent relationship between the price of entrance fee and the amount or likelihood of secondary spend.³⁶ This is strong evidence to suggest that removing the discount for seniors, effectively raising the ticket price, will not negatively impact sales in shops or cafés. It is good news for museums and attractions, which may be able to directly raise more through ticket sales, at no risk to profits from secondary sources.

“It is important for older people to enjoy cultural activities, especially in terms of getting out of the house and combating loneliness.”

Response: This is clearly important and those in socio-economic need, of whatever age, should be offered affordable tickets to cultural attractions, which may include discounts for certain groups of people. However, to be effective these discounts need to be better targeted to less well-off older

³⁴ Martin, A. (2003) *The Impact of Free Entry to Museums. MORI.*

³⁵ Kirchberg, V. (1998) *Entrance Fees as a Subjective Barrier to Visiting Museums. Journal of Cultural Economics.* 22:1, p1-13.

³⁶ Association of Independent Museums (AIM) (2016) *Exploring the Evidence: The impact of Charging or Not for Admissions on Museums. AIM and DC Research.*

people rather than older people as a whole. Perhaps a simple means-tested system, for example offering discounts to those on Pension Credit, would be a fairer alternative.

Furthermore, loneliness is less and less confined to being an issue solely amongst older people. The ONS recently found that loneliness was more likely to affect young adults than any other age group³⁷, and national conversations about loneliness are moving to including this as a problem among younger generations.

“But young people are often offered discounts on membership passes.”

Response: Many organisations do offer discounts for young people purchasing annual membership. For example, the V&A offers annual membership for young people at a 35% discounted rate.³⁸ Similarly, the National Trust offers annual membership for people under 26 at a 50% off the regular adult price,³⁹ and the National Art Fund provides an Art Pass at a 50% discounted rate for under 26 year olds.⁴⁰

These initiatives are very welcome, and certainly provide a good incentive to attract young people who are already interested in visiting these attractions and can commit to doing so multiple times a year. However, these establishments do not offer any discounts for young people for one-off exhibitions, events, or entrance.⁴¹ Membership might not be affordable, or worthwhile, for all young people, and discounts exclusively for more expensive passes such as these have the potential to entrench class divides in a sector that is already biased towards catering for the middle classes.⁴² Surely if these attractions are willing to offer discounts to younger people for membership, then on the same principle they should also be looking to offer young person discounts for tickets which do not require quite so much financial or time commitment.

³⁷ Coughlan, S. (2018) Loneliness more likely to affect young people. BBC.

³⁸ V&A (2018) Buy Membership. Accessed on: May, 2018.

³⁹ National Trust (2018) Join Us. Accessed on: May, 2018.

⁴⁰ [https://www.artfund.org/national-art-pass?gclid=CjwKCAjw5ZPcBRBkEiwA-](https://www.artfund.org/national-art-pass?gclid=CjwKCAjw5ZPcBRBkEiwA-avvk08XMmt9s99YyqbM52zU_tKCHXlewpO65NcFuWuZwWSTWIT0In2KFxoCweIQAvD_BwE)

[avvk08XMmt9s99YyqbM52zU_tKCHXlewpO65NcFuWuZwWSTWIT0In2KFxoCweIQAvD_BwE](https://www.artfund.org/national-art-pass?gclid=CjwKCAjw5ZPcBRBkEiwA-avvk08XMmt9s99YyqbM52zU_tKCHXlewpO65NcFuWuZwWSTWIT0In2KFxoCweIQAvD_BwE)

⁴¹ Based on current event pricing structures.

⁴² In a 2015-16 survey, 37.4% of people with lower socio-economic status had visited a museum or gallery in the last 12 months, compared to 61.5% of those from upper socio-economic backgrounds. See: DCMS (2016) Taking Part Survey. DCMS.

9. How do other countries compare to the UK?

The UK is lagging far behind its European counterparts with age-dependent pricing and establishing fairness across the generations. A look at several European countries highlights a more equitable pricing structure, which reflects that older people are more likely to have a higher disposable income to spend on tickets to such attractions, whilst young people would benefit from discounted entry.

The following examples of Italy, France and Spain demonstrate that the policy recommendations in this report are both possible, and have not adversely impacted visitor numbers or the demographics that visit.

Italy

In 2014, Italy's Culture Minister announced that discounts for over-65s at museums, galleries and heritage sites would no longer be offered.⁴³ The removal of such discounts has been seen across 225 state-owned sites, including popular sites such as the Colosseum and Roman Forum. The decision came after figures showed that, at attractions which previously offered the discount for seniors, 26% of visitors qualified for concession tickets.⁴⁴ In an attempt to increase revenue to a sector hit by funding cuts, the Culture Minister revoked these discounts. This clearly hasn't affected the popularity of the sites, with visitor numbers actually increasing, such as at the Colosseum where numbers have risen from 6.18 million in 2014, to above 6.4 million in 2016.⁴⁵

Italy's commitment to increasing engagement amongst young people is commendable, as seen in fig.7 which outlines the current discounts available at five of the most visited attractions in Italy. By offering reduced, or even free, entry to all citizens under the age of 26 from EU countries, they send a clear message that these heritage sites – all too often seen as a preserve of the older population – are open to younger generations.

The final column will be a frustrating one for many young British people to read: not only are they unable to enjoy discounts to cultural attractions in the UK, but they are soon to have their right to do so in other European countries revoked.

France

France's model is similar to that seen in Italy. Unlike Italy, it has been suggested that there is no national framework in France to guide how museums and galleries charge for seniors,⁴⁶ but it seems that not offering senior concessions has become part of the attitude across the country.

⁴³ Gbtimes (2014) Italy: Free museums entrance for elderly abolished. *Gbtimes*.

⁴⁴ Hanley, A. (2014) Italy ends free museum admission for over 65s. *The Telegraph*.

⁴⁵ Ministry of Cultural Heritage and Activities and Tourism. (2016) Museums, Monuments and State Archeological Areas. Directorate General for Budget Service.

⁴⁶ Trend, N. (2011) How the over 65s can save. *The Telegraph*.

It does appear to be a fairly recent change - online forums from 2006 discuss the existence of concession charges for seniors at some of France's biggest attractions.

Fig.7 - Table showing the pricing structure for the most visited attractions in Italy

Attraction	Visitor numbers (2016)	Senior discount?	Young person (YP) discount?	YP discount dependent on EU citizenship?
Colosseum	6,680,000	N	Y	Y
Galleria degli Uffizi	3,365,302	N	Y	Y
Galleria dell'Accademia	1,461,185	N	Y	Y
Museo di Capodimonte	1,007,564	N	Y	Y
Museo Egizio	852,095	N	N	N

Fig.8 - Table showing the pricing structure for the most visited attractions in France

Attraction	Visitor numbers (2016)	Senior discount?	YP discount?	YP discount dependent on EU citizenship?
Louvre	8,100,000	N	Y	Y
Versailles	6,000,000	N	Y	Y
Eiffel Tower	5,840,000	N	Y	N
Musee d'orsay	3,000,000	N	Y	Y
Musee du quai Branly	1,151,000	N	Y	N

Fig.9 - Table showing the pricing structure for the most visited attractions in Spain

Attraction	Visitor numbers (2016)	Senior discount?	YP discount?	YP discount dependent on EU citizenship?
Reina Sofia	3,646,598	Y (65+)	Y	N
Museo del Prado	3,033,754	Y (65+)	Y	N
Dali Theatre and Museum	1,368,755	Y (65+)	Y	N
Thyssen-Bornemisza Museum	1,064,835	Y (65+)	Y	N
Museu Picasso	954,000	Y (65+)	Y	N

Spain

Spain's approach generally offers discounts for *both* younger and older sections of the population. In particular, as fig.9 shows, the age at which discounts are available from is 65 years rather than 60 years. This is currently the retirement age in Spain, which seems far more logical than the lower and arbitrary age thresholds set in the UK.

The common theme of these international comparisons is that the UK is anomalous in how it organises discounts to important cultural heritage sites. The UK government can play a key role in reversing this: they could be actively promoting discounts for young people.

10. Report recommendations:

1. Visitor attractions which offer old-age-related discounts should be required to publish the numbers of those taking up these discounts and provide evidence of why they are needed;
2. Discounts for the under-30s should be promoted by government;
3. Free entry to attractions should be offered to anyone on Pension Credit;
4. Visitor attractions should be encouraged to promote “bring-a-granny” schemes where discounts or free entry are offered for grandparents accompanied by grandchildren to promote intergenerational understanding;
5. The government should examine whether the current widespread ticket discounting for over-60s is legal under EU and British law;
6. Government organisations should lead by example in not giving old age discounts to anyone under state pension age.