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The £100 Million Annual Commuter Bonanza for the Over-60s

Over-60s in the UK are using government subsidised free travel passes to commute to paid work, worth on average £740 per person per year, or equivalent to £14 per week, according to a new report from the Intergenerational Foundation (www.if.org.uk).

Furthermore, one in four commuters over 60 years of age, using London Underground or Overground, are receiving subsidised travel worth on average £1,250 a year per person, equivalent to £24 per week.

The value of this free travel amounts to more than £100 million annually, whilst the total cost of concessionary travel (£1.1 billion a year) has more than doubled since the year 2000.

“It seems ludicrous that the government is in effect paying older people to go to work whilst taking away benefits and allowances from the generation that needs them most – young, poor people,” comments Angus Hanton, IF Co-founder.

He continues, “Mr Cameron is protecting the universal benefits of older wealthier cohorts, whilst ignoring the plight of younger generations. He is courting the generations who vote more, whilst short-changing younger and future generations.”

The report entitled, *'Fare Concessions for Older People: Identifying The Numbers'*, questions whether free travel passes are intergenerationally fair when increasing numbers of people claiming them are using their passes to get to work rather than for leisure travel, for which they were originally intended. The number of people of state pension age and above in employment has nearly doubled over the past two decades, from 753,000 in 1993 to 1.4 million in 2011¹ and is set to increase.

Current estimates reveal that 10,000 extra Londoners every month will be claiming a free travel pass moving forward, giving them unlimited travel at all times of day, for the rest of their lives. IF believes this is unaffordable as increasing longevity and the onset of baby boomer retirement (those born after WWII until 1965) combine to put increasing pressure on younger tax payers.

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¹ <http://www.ons.gov.uk/ons/rel/lmac/older-workers-in-the-labour-market/2012/older-workers-in-the-labour-market.html>

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There is strong evidence that over the last several decades older people have become wealthier. According to figures from the ONS, average gross pensioner incomes grew by an estimated 50% in real terms between 1994/95 and 2010/11.² Whilst not all pensioners who live above the poverty threshold are spectacularly well-off, figures released by IF in October 2012³ also demonstrate that there are [two million people aged over-60 who live in households which have an asset wealth greater than £1 million](#).

These older generations are eligible for universal benefits such as free travel passes, winter fuel allowance, free prescriptions, free eye tests and free TV licenses totalling more than £8 billion annually. Young people on the other hand have had their housing benefit removed, their EMA abolished and their free university education withdrawn.

IF calls for the abolition of all universal benefits or, at the very least, the immediate up-rating of the age at which universal benefits become automatic to 75 years of age. Many older people take these benefits without realising it is their children and grandchildren who are picking up the bill.

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Notes to Editors:

- Assumed average marginal tax rates of 30% to get to £100 million annual figure of concessionary travel used for work purposes.
- IF used DfT's National Travel Survey which details the reasons that people travel and the modes they use and DfT's Bus Statistics research which looks at aspects of concessionary travel under the umbrella of the English National Travel Concessionary Scheme (ENTCS).

Angus Hanton is available for interview. Please contact Liz Emerson liz@if.org.uk mob: 07971 228823

² [Office for National Statistics \(2012\) "Summary for Pension Trends Chapter 11, 2012 Edition" ONS, 24/10/12](#)

³ <http://www.if.org.uk/press-information/2-million-pensioner-millionaires-in-receipt-of-winter-fuel-allowance>