

PRESS RELEASE



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New figures show young people are lumbered with liabilities of £74,000 each – and rising!

Every young person in Britain is being handed a liability of at least £74,000 by older generations, a figure that is rising at alarming speed, a [new study](#) by the Intergenerational Foundation (www.if.org.uk), reveal.

For the first time, IF has dissected official figures showing what Britain is actually worth. And the news is bad – the country's total assets, including infrastructure and private assets, are dwarfed by total liabilities to the tune of £1.7 trillion – more than a year's total economic output – and a figure that will soon push through the £2 trillion mark, if it hasn't already, because of the government's large annual budget deficit.

The chief culprit on the liability side is the huge, unfunded pensions promises made to themselves by older generations - £1 trillion of public service pensions and almost £4 trillion of state pension promises.

"This is an appalling legacy to be forcing onto our children and grandchildren", said Ashley Seager, IF co-founder, "and it shows that new institutions are needed to protect the interests of younger and future generations, now that the scale of this unfairness has been revealed."

"It is a bitter irony that the older generations mainly determined the outcome of this election while the younger generation will bear the burden of paying for their excesses. Britain's wealth has been squandered and we have created a packhorse generation to pay our debts."

Shockingly, and despite rhetoric to the contrary, Britain's liabilities have accumulated at a much faster rate than the build-up of assets, the IF study "What are we leaving to our children?" shows. For the first time ever, official figures also show that the UK has fewer assets overseas than foreigners own in the UK, so the country cannot expect to be bailed out by its overseas reserves

Angus Hanton, the report's author, said: "Research shows that the younger generation are extremely caring towards the older generation and respectful of them: this paper illustrates that — whatever else these attitudes may be based on — they cannot be based on gratitude for what the older generation as a whole is leaving to them."

Welcoming the report, Philip Lee MP, a champion of fairness between generations, added: "We need a much more strategic national and cross-party approach if we are to improve the outlook for future generations. Pension liabilities will be a particularly heavy, perhaps unsustainable, burden."

Note to Editors:

Improved accounting has made it possible, for the first time, to work out what Britain is worth from a young person's perspective. Using the official "Whole of Government Accounts", combined with the Office for National Statistics' new Wealth and Assets survey, it has been possible to calculate the value of Britain's assets for the younger generation.

The methodology used by IF comprises adding up all the government assets and liabilities as well as all the privately held assets and debts, along with the third sector (charity) assets to arrive at a total figure. Because the study is from a younger person's point of view point, pension liabilities of all sorts are fully included but entitlement to these pensions is not counted.

IF has published a number of reports detailing the number of annual public sector pensions in excess of £27k (the average annual wage), £50k and £100k. These figures are for the civil service, NHS, teachers', armed forces' and judiciary pension schemes, all of which are administered centrally. The figures are likely to increase if other pension schemes – such as the police force and local government schemes – were included.

The Hutton Report anticipated that the typical person retiring in 2011 from a professional occupation could now expect to live for 28–30 years.

IF's figures reveal the alarming increase in the number of £100k and £50k annual pensions paid to public sector employees:

2014 Figures:

Obtained using Freedom of Information requests.

Number of public sector retirees collecting in excess of £27k annual pension:	108,410
Number of public sector retirees collecting in excess of £50k annual pension:	21,983
Number of public sector retirees collecting in excess of £100k annual pension:	395

Of those collecting over £50k NHS members dominate.

2011 Figures:

IF used a combination of Freedom of Information (FOI) requests to government departments and a Parliamentary Question in the House of Commons to find the following figures.

Number of public sector retirees collecting in excess of £25k annual pension:	78,186
Number of public sector retirees collecting in excess of £50k annual pension:	12,263
Number of public sector retirees collecting in excess of £100k annual pension:	148

Of those collecting over £50k, doctors dominate with 8,714 (72%) irrespective of private practice work undertaken.

To achieve an annual pension close to the national average wage of £27,000 a private sector worker would need approx. £750,000 saved based on 3.5% annuity rates. To achieve an annual pension of £50,000 would require a pension pot worth approx. £1.5 million and an annual pension of £100,000 would require a pension pot worth approx. £3 million.

Angus Hanton and Ashley Seager, Co-founders are both available for interview.

Please contact Liz Emerson on liz@if.org.uk Mob: 07971 228823 to arrange.