



3 million pensioner millionaires:

Identifying the numbers



Intergenerational Foundation

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

- 3,137,000 people over the age of 65 live in millionaire households - where the household wealth is over £1,000,000
- The number of older people living in millionaire households has nearly quadrupled over the last 10 years
- The intergenerational wealth divide has increased sharply
- Older couple households are, on average, more than twice as wealthy as single people
- Since 2010 a typical (median) older couple has seen their wealth increase from under £400,000 to over £700,000
- 53% of individuals over 65 now live in households with over £500,000 in assets
- These figures are based on the Government's Wealth and Assets Survey 2018-2020, so it is certain that older people's wealth will now be significantly greater than the numbers above.

In 2012 the Intergenerational Foundation conducted research on how many pension millionaires there were in the UK in 2011. This research showed that there were approximately 962,000 individuals aged 65+ living in households with a total wealth of £1,000,000 or more in 2011. Additionally, the research also showed that there were approximately 1,732,000 individuals in the 55–64 age cohort living in a household with a total wealth above £1,000,000. Many of these individuals would now have moved into the 65+ age cohort, which prompted this analysis of the number of pension millionaires in the UK.

The fact that an increasing number of older people live in households with a total wealth above one million is not a negative development in itself, but if younger generations have not experienced similar increases in total wealth, it implies that there is a growing intergenerational wealth inequality. Additionally, it is likely that the growth of pensioner millionaires is also a reflection of increasing intragenerational inequality within older age groups. The larger the increase of pensioner millionaires, the larger the opportunity for a progressive redistribution of wealth across different generations to help low- and middle-income young people who are struggling. In the context of the cost-of-living crisis which is hitting young people the hardest as of high spending on essentials, stagnating wages and rising housing costs, it is particularly important to adequately assess the intergenerational wealth gap.

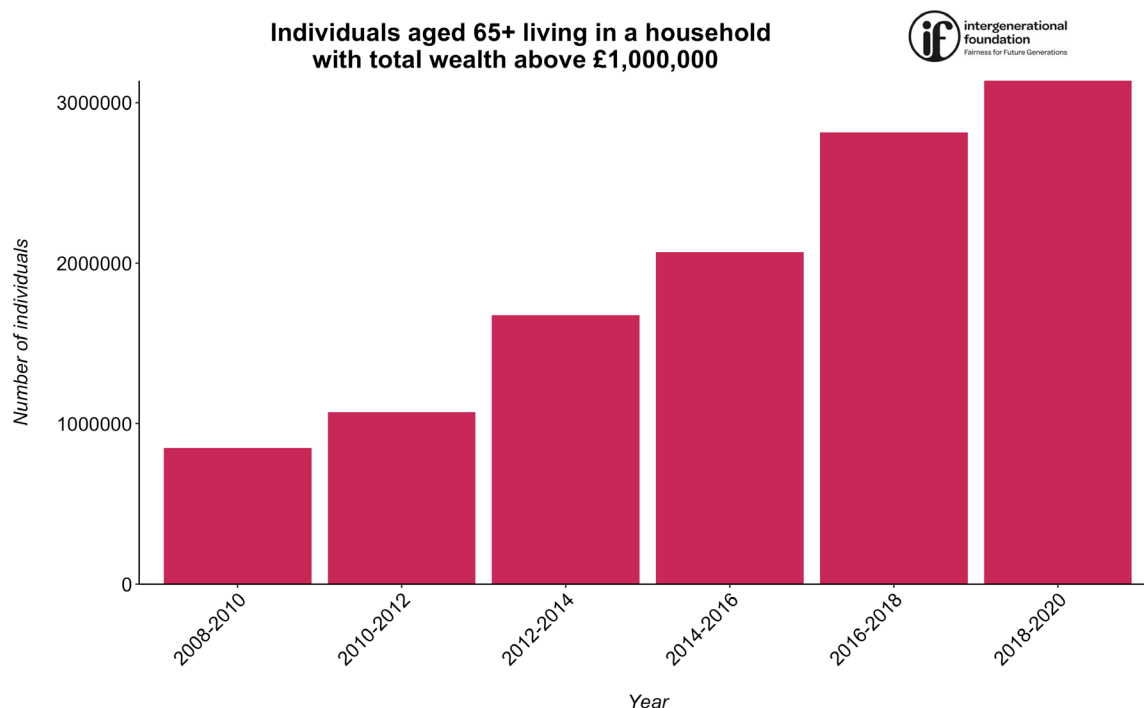
Identifying the numbers

The latest data available from the Wealth and Assets Survey is from the time period of 2018–2020. This is compared against the data available from the 2008–2010 Wealth and Assets Survey, in order to compare how intergenerational wealth inequality and the number of pensioner millionaires has developed in the UK over the past decade.

There were approximately 9,405,000 individuals in the 65+ age cohort in 2008–2010, of whom 9% lived in a household with a total wealth above £1,000,000. In absolute terms this means that there were approximately 846,000 individuals aged 65+ living in a household with a total wealth above £1,000,000.

In 2018–2020 there were approximately 11,619,000 individuals in the 65+ age cohort, of which 27% lived in a household with a total wealth above £1,000,000. This implies that there were approximately 3,137,000 individuals aged 65+ who lived in a household with a total wealth above £1,000,000 in 2018–2020. The figure below shows the increase of those aged 65+ living in households with a total wealth above £1,000,000 in the past decade.

Figure 1



Source ONS Wealth and Assets Survey.
WAS data collection methodology occurred in waves. Data collection for each sample began two years prior to the later date in each figure, e.g. data collection for 2008 Jun. began 2006 Jul.
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Figure 1 shows how the number of those aged 65+ living in a household with a total wealth above £1,000,000 has rapidly increased over the past decade, almost quadrupling from 846,000 in 2008–2010 to 3,137,000 in 2018–2020.¹ In percentage terms, this is a 269% increase in the number of those aged 65+ who live in a household with a total wealth above one million pounds. Average household size in the UK was 2.36 persons in 2020.² Out of the 11,619,000 individuals in the 65+ age cohort in 2018–2020, it is estimated that 4,125,000 lived alone.³ Thus, there would be a large proportion of individuals within the 65+ age group who have an individual total wealth above £1,000,000. The graph below shows the median total wealth of different household types.⁴

Figure 2

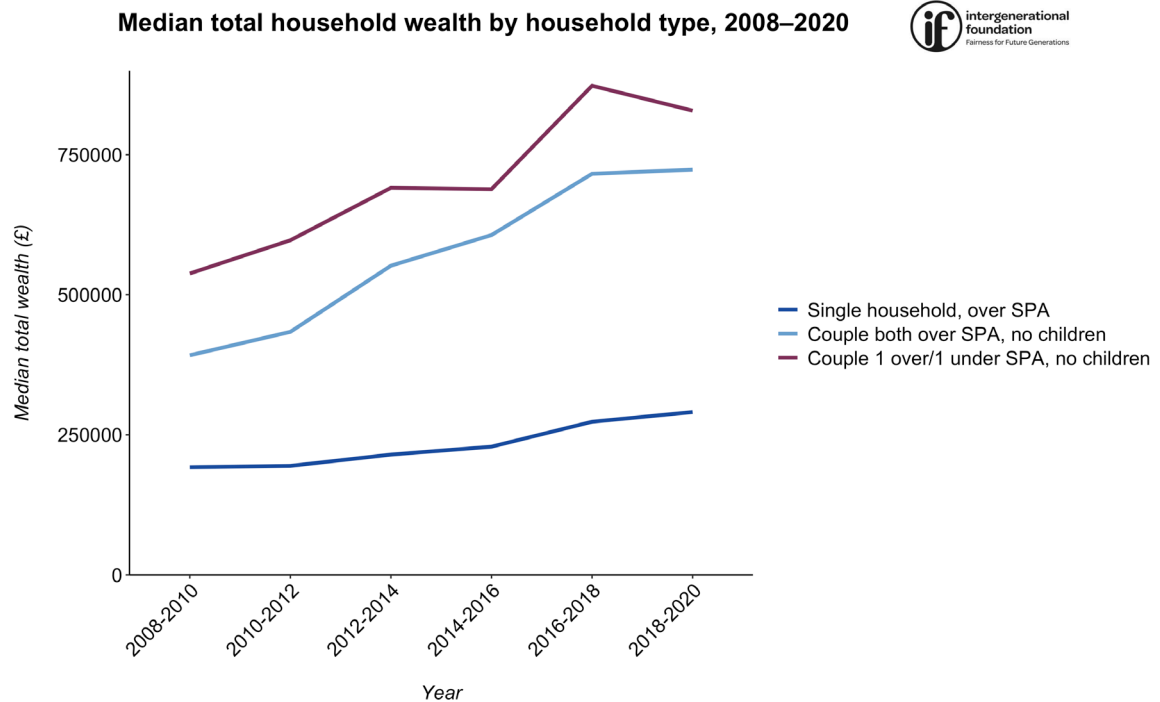


Figure 2 shows how the median wealth of three different types of older households has increased over the last decade.

¹ ONS Wealth and Assets Survey (2022) Wealth in Great Britain, Total Wealth 2.11

² ONS Labour Force Survey (2022) Households by size

³ Ibid.

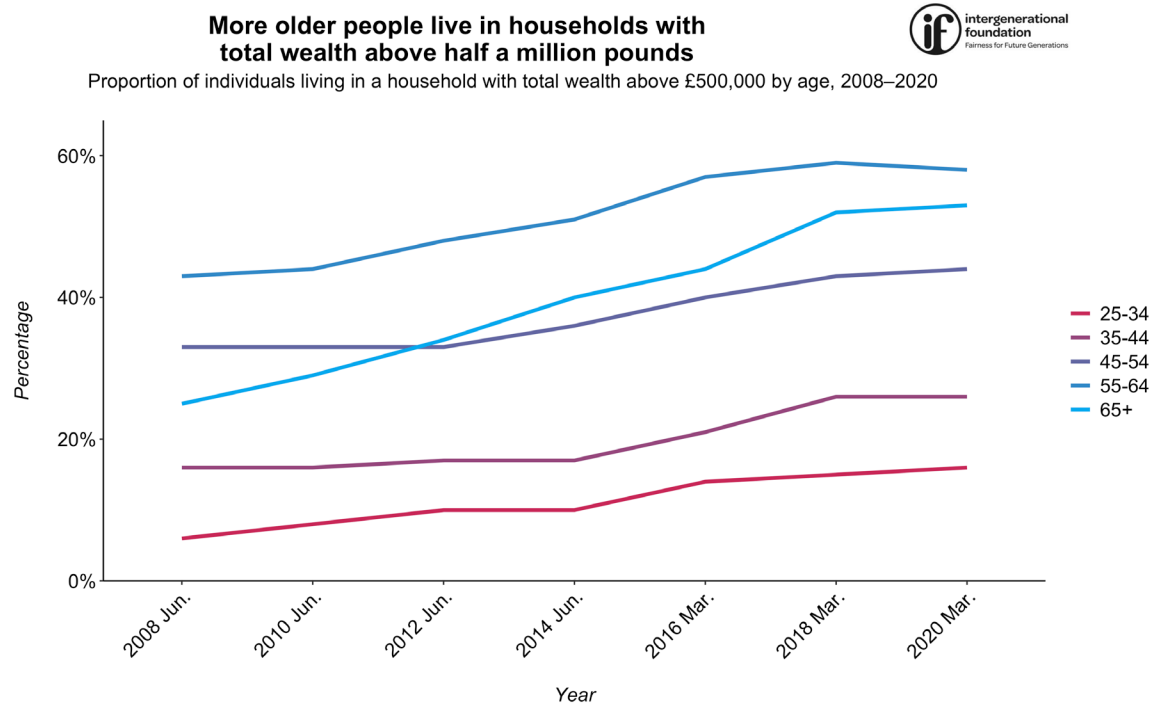
⁴ ONS Wealth and Assets Survey (2022) Wealth in Great Britain, Total Wealth 2.9

The median wealth of single households where the occupant is above State Pension Age has increased from £192,100 to £290,600 over the time period.⁵

The median household wealth of a household with a couple, both being above State Pension Age, has increased from £392,000 to £723,400, and over the same time period the median total household wealth in a household with a couple where one is below State Pension Age and one is above has increased from £538,000 to £828,700.⁶

To expand the analysis further, the graph below shows the proportion of individuals from different age groups who live in a household with a total net household wealth above £500,000.

Figure 3



Source ONS Wealth and Assets Survey. Data collection for each sample began two years prior to date shown in figure, e.g. data collection for 2008 Jun. began 2006 Jul.

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⁵ Ibid

⁶ Ibid.



As shown in Figure 3, the proportion of older people who live in households with a total wealth above £500,000 has increased sharply since 2008. In 2008, only 25% of those aged 65+ lived in households with a total wealth above half a million, but this number more than doubled to 53% of the 65+'s living in households with a total wealth above £500,000 by 2020.⁷ Of those aged 25–34, only 16% live in households with a total wealth above £500,000, showing that there has been an increasing inequality of household wealth between the old and the young, with more older people moving into higher levels of wealth but few young people having the same experience. Importantly, many in their late twenties still live with their parents, whereas the number of young people who live in households that are not their parents' home and still have a total wealth above half a million is likely to be substantially lower than 16%.

⁷ ONS Wealth and Assets Survey (2022) Wealth in Great Britain, Total Wealth 2.11



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