



**PRESS RELEASE: FOR IMMEDIATE RELEASE**  
**29 September 2010**

## **ETHNIC MINORITIES AT HIGH RISK OF POVERTY IN OLD AGE**

**Ethnic minority groups are up to three times as likely as white people to experience poverty in retirement, according to a new Runnymede report to be launched on Older People's Day, Friday 1 October 2010.**

Pakistani and Bangladeshi people in the UK are three times more likely to suffer poverty in old age than white people, as reported in *Ready for Retirement?* Meanwhile, black Caribbean people are twice as likely to be poor in old age. A major reason for this is that ethnic minority people are more likely to miss out on certain types of pension. For example:

- Only 39% of ethnic minority people are saving into a private pension, compared to 53% of white people
- Just 65% of ethnic minority people will receive the state second pension (a top-up to the basic state pension) compared to 75% of the whole population

Many black and minority ethnic people who own their own business face multiple barriers to receiving a good pension and being free from poverty in retirement, as the report highlights. They are excluded from the 'top-up' state pension, which is available to people who are not self-employed. Rates of self-employment are particularly high among certain ethnic minority groups, for example Bangladeshi people. Such people will not benefit from forthcoming requirements that employers provide employees with a workplace pension.

One Bangladeshi interviewee highlighted the risk of depending on a business to provide income for owners when they are older. He said: "I know people who owned businesses that have gone bankrupt and because they don't know about pensions they are left with nothing."

Many older people from ethnic minority groups, particularly recent migrants, also face language barriers, as well as difficulties accessing information and navigating an unfamiliar and complex pensions system. The new Runnymede report makes a number of recommendations:

- The government needs to continue to combat disadvantage faced by ethnic minorities, such as discrimination in the labour market
- Pensions information and guidance needs to be made accessible to new and disadvantaged minority ethnic communities
- The government needs to tackle the gap resulting from self-employed people being unable to top-up their basic state pension

Commenting, Runnymede director Rob Berkeley said:

"Many older ethnic minority people work hard at their businesses for many years only to receive a poverty pension. They have earned the right to a comfortable retirement free from poverty. The government must tackle this problem, especially as the older population grows and becomes much more diverse."

This message was backed up by Age UK charity director Michelle Mitchell, who said:

“This report highlights the risk of poverty in older age among ethnic minorities and self-employed people – groups that have traditionally been under-pensioned. Despite positive reforms to pensions, the government must ensure that all members of our society are able to enjoy a well-earned and comfortable retirement.”

## NOTES TO EDITOR

1) *Ready for Retirement? Pensions and Bangladeshi Self-employment* will be published on Friday 1 October and will be available to download free of charge from the Runnymede website: [www.runnymedetrust.org](http://www.runnymedetrust.org)

2) For an advance copy of the report, press inquiries and to arrange interviews with the report author please contact Phil Mawhinney at [phil@runnymedetrust.org](mailto:phil@runnymedetrust.org), or on 020 7377 9222

3) Runnymede is a social policy research organisation focused on race equality and race relations. We work by:

- Identifying barriers to race equality and good race relations
- Enabling effective action for social change
- Influencing policy at all levels through providing thought leadership and robust evidence

Further information is available on our website: <http://www.runnymedetrust.org/>

4) UK Older People's Day is a government initiative designed to coincide with UN International Day of Older Persons. It will be marked this year by events around the country on 1 October 2010. For more information visit: [fulloflife.direct.gov.uk/older-peoples-day](http://fulloflife.direct.gov.uk/older-peoples-day)

5) This research programme is funded by the Nationwide Foundation, a registered charity (no 1065552)