RUNNYMEDE

Older BME People and Financial Inclusion

The Costs of 'Returning Home': Retirement Migration and Financial Inclusion

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Foreword

Like some white British older people, many Black and minority ethnic older people seek to retire abroad, in search of a higher standard of living and often better weather. This Runnymede report, *The Costs of 'Returning Home'*, identifies the hidden costs that such retirees may face. These costs are hidden in a variety of guises, including lost pension indexing, health and housing costs. Financial comparisons are, however, not straightforward, nor are they the only considerations people take into account when choosing where to retire. Family ties, emotional or cultural connections - or indeed ill-health - will obviously affect BME people as they do white people, and it is likely that some of these factors will lead people to stay in the UK.

Nonetheless, at present most Black and minority ethnic people over 65 were born abroad, and so some seek to 'return' to their country of birth, especially if they have family and financial ties overseas. These people may have contributed to their state pension for over 40 years, but once they leave the UK, their state pension may be frozen for the duration of their retirement. Among the prominent countries where pensions are frozen are Pakistan, Bangladesh, Trinidad and Tobago, Grenada, Nigeria and Kenya. This contrasts not only with those retiring in the UK, but also those in Europe, where pensions are automatically 'uprated' in line with the increased cost of living.

People retiring to countries where pensions are not uprated will have far less money than they probably realize. For example, a person who retired in 1990 and who moved to India or Canada is still receiving £47 per week, compared to the £98 per week for pensioners living in the UK or Spain (or indeed the USA); over those 20 years they have missed out on almost £24,000.

We therefore urge the government to upgrade all state pensions to respond to this inconsistency and lack of equality in pensions upgrading. We believe this is unfair and increasing the risk of poverty for those who have made a significant contribution to Britain, and across all ethnic groups. Among others, Black and minority people should not have to accept such a large reduction in state pension depending on where they retire, especially as many of them have worked for vital public services and contributed for decades to the National Insurance pot.

Not all older BME people seek to retire abroad of course. Runnymede and the Centre for Policy on Ageing have just published a report on the future BME older population, entitled *The Future Ageing of the Ethnic Minority Population of England and Wales*. Although the present older BME population is quite small, and mainly born overseas, in the future this population will be much larger. For example, while in the last Census (2001) there were only 230,000 BME people over 65, by 2051 this may rise to 2.7 million – a twelve-fold increase. Fewer of these will have an overseas 'home' to return to, and more of them will have longstanding family and other connections to the UK.

As the UK population ages, there will also be a more diverse older population. Runnymede's first two reports in our new programme on financial inclusion among older BME people set out the conditions framing these people's circumstances and choices. By involving older BME people in three future research projects, we will provide a more complete picture of their experiences and aspirations, including whether they actually intend to retire abroad. The aim of this programme, funded by the Nationwide Foundation, is to raise awareness of older BME people's needs, especially among policy makers. If today that includes providing better information for pensioners moving overseas (and ensuring uprating for all pensioners), in the future this will involve tailoring local service delivery and planning decisions to take into account the increasing diversity of the older population.

Dr Rob Berkeley
Director, Runnymede

1. Introduction

This report considers the conditions facing migrants who may wish to 'return' to their country of birth for retirement. Its focus is narrowed in two ways: first, we primarily consider the experience of Black and minority ethnic (BME) people; and, second, we mainly highlight the financial considerations these potential 'return migrants' face. This is not to say that all return migrants are from ethnic minorities, nor that financial considerations are the only factors that affect a person's decision. Nor indeed do we claim that most or all BME people can or should 'return'; nor that they always make a rigorous cost–benefit analysis of their options. Rather, we aim to explain the conditions that provide the context for this important and complex choice.

At present the BME population in the UK is quite young. There are relatively few older BME people, but this will increase in the following decades. Concurrently with this publication, Runnymede has published a commissioned report that forecasts the future BME older population, further indicating the context of decisions around retirement and financial inclusion – and of course policy on age and equality more generally (Lievesley, 2010). While an increasing proportion of some BME groups is now British-born, there are still a large number of migrants coming to the UK every year, many of whom may intend to stay until retirement. Policy makers and researchers need to understand better the experiences and aspirations of the current and future BME older population, and this report is one of five that Runnymede is producing to increase our knowledge in this important area.

Following this Introduction, Section 2 discusses pensions-indexing and housing factors, such as the affordability of housing. Section 3 discusses tax and social security arrangements (or the lack thereof) between the UK and other countries. Section 4 discusses health care considerations, such as the affordability and quality of health care in other countries. It also highlights differences in standard-of-living and climate. As we reiterate throughout this report, we do not assume that people fully assess these factors, nor that financial considerations are the only or most important factors affecting people's decisions, nor that white British-born people face a wholly different set of choices. Nonetheless, the context in which people make these decision not only is likely to have some impact on the nature of those choices, but also the consequences of making them. Section 5 makes some concluding comments, arguing that the financial implications of return should be recognized in government policy, especially in the case of pension indexing.

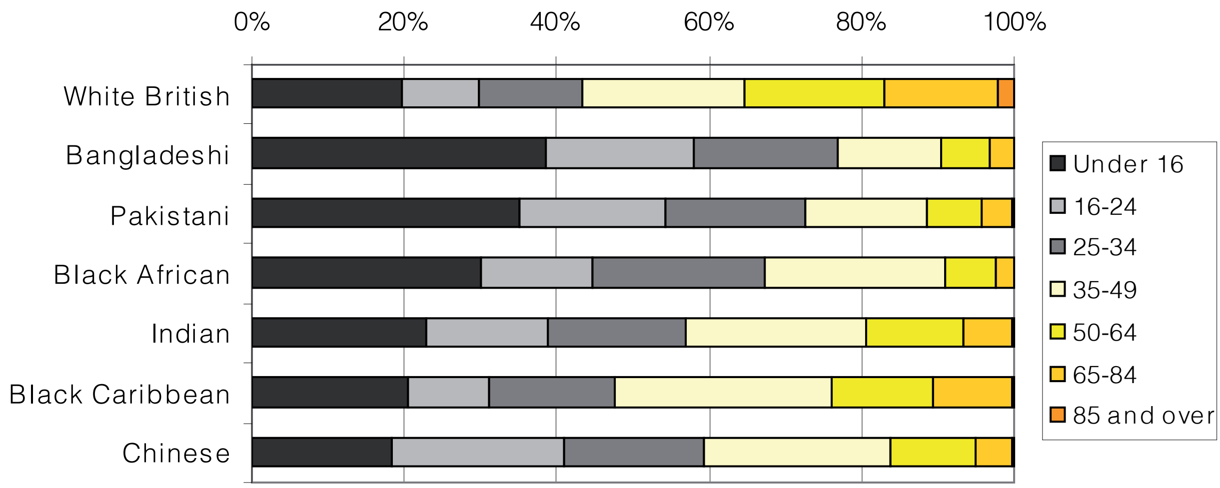
1.1 International migration: A changing context

People have been coming to Britain from other parts of the world for centuries, both for short periods of time and settling permanently. The second half of the twentieth century saw a rapid increase in the number of people coming to live in the UK, with many coming from the 'New Commonwealth' – the Caribbean, India, Pakistan, Bangladesh, and other former British colonies in Asia and Africa – following the promise of work and attracted by the prospect of a better life. This population was at the time contrasted with the 'Old Commonwealth' migrants from countries including Australia and Canada, and if this distinction was partly based on how recently a country had gained independence from Britain, it also suggested a racial or ethnic difference.

Until 1991, when the Census included a question on 'ethnicity', the terms 'New Commonwealth' or 'coloured' were used to describe the migrants who came from British colonies that gained independence following World War II, principally in the Indian sub-continent and the Caribbean (see Lomas, 1973).

According to the 2001 Census, 7.9% of the UK population was Black and minority ethnic, and by 2007 the BME population was estimated at around 10% (ONS website). Under half of this population is 'Asian' or 'Asian British', one-quarter 'Black' or 'Black British', with the 'Mixed' group accounting for 15% of the total BME population. Many of these people have lived and worked in the UK for decades and have become British citizens. Many are children and grandchildren of migrants, and are British-born and have somewhat different experiences and aspirations than their migrant parents or grandparents.

Figure 1. Age structure by ethnicity, England & Wales, 2001



Source: 2001 UK Census

One significant aspect of BME people in the UK is their younger age profile (see Figure 1). This means that there are many fewer older people from various BME backgrounds, and that proportionally fewer of them are currently of pensionable age. Even among those BME people born abroad, relatively few are yet able to claim a state pension. This makes this report somewhat prospective, highlighting how current concerns around return migration are likely to become more significant in future. Conversely, however, as more BME people are British-born, the issue of return migration will be less prominent, though this will not occur for many decades, and people of course continue to migrate to the UK in relatively large numbers.

Not all migrants to the UK have been viewed as ethnic minorities. There have been significant Irish, Australian and South African people coming to the UK for at least a century, but also a large number from Germany, France, Italy, and elsewhere in Europe (especially Jewish people fleeing persecution in Russia and Eastern Europe from the 1880s). Of course some of these groups – especially the Irish and Jews – were viewed as ethnically different. More recently, the expansion and integration of the EU has resulted in many more people from Europe living and working in the UK. The most commonly discussed nationalities are from the 'A8' countries (those who 'acceded' to the EU in 2004), perhaps most notably Polish tradesmen, although some of these migrants already appear to be returning 'home'. In fact, historically around half of all migrants leave the country within five years of arrival, and migration patterns are much more varied or even cyclical as the world has become more globalized. Migration to the UK has become characterized by its sheer or 'super' diversity – people come from every part of the world, and many do intend to settle permanently (Berkeley, 2005; Vertovec, 2007: 4).

In the last ten years net immigration reached a record high, peaking at 244,000 in 2004 (IPPR, 2010). Net immigration includes British nationals returning to the UK from overseas (of whom there are perhaps 5 million in total), a fact not often made clear in political discourse. Recent government figures show that total immigration is falling, with a decline of 9% in long-term immigration to the UK in the year to September 2009 in comparison to the previous year (ONS, 2010: 1).

Migration is of course a hot topic in political and media discourses, as shown by the prominence of 'immigration' in the recent election. People across the political spectrum engage in passionate debate on the topic, often linked to issues of culture, identity and jobs. Indeed, one of the most enduring episodes of the 2010 General Election was then Prime Minister Gordon Brown being caught calling a voter who raised the topic of Eastern European migration a 'bigot' while on the campaign trail. While this report does not comprehensively address policy debates on migration and citizenship, it is worth highlighting some key points:

- In its Programme for Government (HMG, 2010), the Coalition Government states its intention to 'introduce an annual limit on the number of non-EU economic migrants admitted into the UK to live and work'.

Prime Minister David Cameron has repeatedly expressed his desire to keep annual net immigration under 100,000 per year (Leppard, 2010).

- The Programme for Government also includes measures to tighten the UK's border controls, including the creation of a Border Police Force, supporting E-borders and reintroducing exit checks.
- The Home Office recently announced its intention to introduce compulsory English language tests for migrants applying to come to the UK from outside the EU to join their partner or to marry (Home Office, 2010). This reflects a general direction of policy in which immigration and citizenship are increasingly restricted, a direction found across Europe.

As well as the increasing scale and diversity of immigration, the nature of migration has become increasingly complex. Migration is less often a one-time journey than in the past. People often move repeatedly between countries (circular/repeat migration) or from one country to a second and then a third. This is the result of '[e]ase of transport, globalization, economic opportunities and disparities' (IOM, 2008: 1). There has also been an increase in return migration, i.e. where people return to their country of origin after having lived in a host country (the UK) for as long as several decades. Return migration can be voluntary or enforced. An example of enforced migration is the forcible return of rejected refugee applicants (or 'asylum seekers').

In this report we focus on voluntary return migration: where people make a more or less deliberate and free decision to return to their country of origin (while also having the freedom to stay in the host country indefinitely). We also primarily consider a range of *financial* implications of staying or returning.

1.2 Deciding where to retire

At the point of retirement, migrants who have lived and worked in the UK have to choose where to retire – should they stay or return? Academic work in this area proposes a third option known as 'va-et-vient', where older people share their time across two countries (de Coulon and Wolff, 2006). The location of family members, particularly children (and grandchildren), strongly influences this decision. Maintaining family connections is a good example of the sort of non-labour-market considerations that are more relevant to retirees. Research also discusses the role of a wide range of factors in migrants' decisions to stay or return, including gender, education, age, distance to home country, economic stability and salaries, and their level of assimilation (Vadean and Piracha, 2009; Gungor and Tansel, 2005).

Many people come to the UK intending to save or remit money to family members, friends or even their own bank account(s) in their country of birth. The Department for International Development (DFID) estimates that people in the UK send approximately £6 billion to overseas families and friends each year (DFID, 2010). Money sent to developing countries from the UK is likely to have a high value and often goes towards caring for family members or building property in which migrants may ultimately live and retire. Fulfilling a specified savings target is often a catalyst for return (Vadean and Pircha, 2009).

But we also know that many people who come to the UK and work here for thirty or forty years on the assumption that they will eventually return actually end up staying indefinitely (the 'myth of return'; Anwar, 1979). The decision to stay is often prompted by a desire to stay close to children and grandchildren, many of whom have been born in the UK or are permanently settled here.

This can have serious financial implications, especially where people have made little or no financial preparation for retirement in the UK, such as through investing in pensions or a permanent home. Indeed, those who have intended to return generally remit and save more than those intending to stay in the host country permanently (Cobb-Clark and Stillman, 2008: 3); both remitting and saving can be at the expense of investment in the UK, such as in paying a mortgage. While renting a property may be a reasonable financial decision for an employed person, it is less feasible for retired people who are likely to have less income.

This report is primarily a presentation of the key information likely to affect a person's decision to return or not, allowing a comparison between the UK and a list of countries that people are most likely to migrate to from the UK (this list is explained in section 1.4). This comparative approach to retirement decision-making is prominent in many studies, such as de Coulon and Wolff's (2006) assertion that a comparison of standard of living between the host country and country-of-origin influences retirement decisions.

For each issue we briefly assess the potential impact of return on people's financial well-being and how this might influence people's migration (and retirement) decisions. For example, by listing the countries in which UK pensions are index-linked (i.e. where pensions rise in line with prices or earnings each year to maintain value as opposed to losing real value over time) we explain why some people may be encouraged (or discouraged) to return to a particular country. In providing this information, this report is in a small way responding to the IOM's call for return migration to be better recognized and managed by governments:

> *A holistic approach to managing return migration starts with the provision of accurate and complete information to migrants regarding their rights and obligations in the area of return to their home country, as well as the possible avenues for return.*
> (IOM, 2008: 2)

1.3 Policy implications

Linking retirement migration to policy will be increasingly important as more immigrants approach retirement age in many countries (Cobb-Clark and Stillman, 2008: 1). In the next ten to twenty years there will be a significant population of foreign-born people approaching retirement age in the UK for the first time. This presents a new challenge to governments in terms of anticipating changes to the population, both in terms of age and ethnicity, and planning public service provision, such as health, in an appropriate way. Given that we are entering an 'age of austerity', a full understanding of retirement migration decisions may also help in the formulation of fiscal policy:

> *The fiscal pressures stemming from an aging immigrant population will depend on immigrants' retirement decisions and return migration patterns. In particular, host countries will experience lower costs associated with old-age pensions and health care if immigrants delay their retirement or choose to return home in their old age.*
> (Cobb-Clark and Stillman, 2008: 1)

This report contributes to an understanding of the factors that ultimately influence the size of the future population of BME older people. It is part of Runnymede's Older BME People and Financial Inclusion research programme. The first report of this programme is a demographic projection, estimating the size and ethnic make-up of the future population of older people in the UK. This provides a concrete context in which to situate policy and public service responses.

The programme will also include three qualitative studies of various immigrant communities living in the UK, giving a more in-depth and personal understanding of how people decide where to live in retirement.

Many immigrants or foreign-born people living in the UK are British citizens and may consider themselves fully 'British' as opposed to, for example, 'Indian' or 'Jamaican'. Nevertheless, these people may consider returning to their country of birth upon retirement. Two sets of considerations explain why this can be an eminently reasonable choice. First are those family and friendship connections that motivate most people when it comes to making retirement decisions, but that for migrants provide a 'pull' abroad that British-born people are much less likely to feel. Second are financial, weather and even cultural conditions that may make certain countries more attractive places to retire and enjoy their lives, and these factors are likely to apply also to British-born white people who retire to Australia or Spain.

1.4 List of relevant countries

The report presents comparative information for a particular list of countries. These are the countries where return migration from the UK is most relevant – most people returning after living in the UK will be returning to these countries. They are referred to throughout the report as the 'relevant countries' (Table 1). The countries have been chosen according to three considerations.

First, they are primarily the countries with the most foreign-born people living in the UK. Table 1 shows the number of people born in other countries living in the UK in 2001. While many of these people are British citizens with no intention to return, most of the return migrations will occur among these people.

Second, in order to focus on issues relevant to BME people, we have removed some of the countries from where the majority of migrants are white, such as New Zealand and South Africa. At the same time (and in line with our first consideration), we have included the countries with the largest numbers of migrants, such as Australia. This has made it more feasible to compile information on countries such as Morocco and Barbados.

Table 1. List of relevant countries

Country of birth	Population born abroad, living in the UK
Ireland	533,205
India	467,634
Pakistan	321,164
Germany	266,138
U.S.A	158,434
Bangladesh	154,354
China (incl. Hong Kong)	149,010
Jamaica	146,409
Kenya	129,635
Australia	107,869
France	95,060
Nigeria	88,378
Canada	72,518
Sri Lanka	67,945
Poland	60,708
Ghana	56,113
Uganda	55,207
Spain	54,482
Turkey	54,088
Malaysia	49,883
Zimbabwe	49,529
Somalia	43,532
Iran	42,495
Singapore	40,473
Philippines	40,123
Trinidad & Tobago	21,287
Barbados	21,608
Morocco	12,351

Source: 2001 UK Census

Third, we have factored in data on where BME people living in Britain are most likely to retire, with a particular focus on return migration. This is based both on the numbers of British citizens living in various countries (BBC Brits Abroad website), and on the age profile of particular communities. We have also considered some anecdotal but relevant data – such as that Moroccans (who are also an older population) are more likely to return for their retirement than Somalis or Zimbabweans, where the political situation is unsettled or worse.

Two caveats are perhaps necessary in reading off directly from these numbers to estimate the number of 'returnees' to a given country. First is that people may be unable or unwilling to retire to a particular country for political reasons. For example, many refugees have left countries such as Somalia and Iran, and will be very unlikely to return until the political conditions in those countries change. Second is that many British people have long lived abroad, and some of the people represented in these figures will be white British, such as the children of colonial officials in British India or of diplomats in the Caribbean or of businessmen in Singapore. The case of 'East African Asians' is perhaps a middle case: where the political situation made or makes it difficult for them to retire to Kenya or Uganda, but also where they may currently not have the same level of attachment to those countries as black Ugandan-born people.

2. Pensions and Housing

Retired people generally have to live off investment income. The two most common sources of retirement income are pensions and property. In this section we consider both sources of income, and how they might affect a person's retirement decision.

2.1 Pensions indexing

The issue of pensions-indexing applies to state pensions only. There are of course a variety of non-state pensions, primarily based on employment, and now including stakeholder pensions. In the main non-state or private pensions can be paid into an account anywhere in the world, though they are affected by currency exchange rate fluctuations. For example, British retirees to Spain with private pensions held in pounds have seen a significant decrease in the value of their annuities in euro terms. But it is very difficult to predict currency variations, and over time these may even out given wide fluctuations. To the extent that people seek to avoid countries where the currency is likely to devalue, this is likely to be an indication of the overall health of that country's economic or political stability, and so already factored into a retiree's decision.

Focusing, then, on pensions-indexing for British state pensions, the situation is fairly complex. Pensions are generally indexed or 'uprated' to take into account the rising cost of living over time. The Coalition Government recently announced that it would ensure a 'triple lock' on the value of people's pensions: every year the state pension will rise by 2.5%, or in line with earnings or in line with price increases, depending on which is highest. The impact of pensions uprating is captured in Table 2. In general, prices double in less than 20 years, which means that people who live around 20 years following their retirement (say, to 85), will see their state pension double in terms of the pound value paid per week. This, of course, reflects the real increase in the cost of living, but the scale of this change is crucial for understanding the conditions facing people who may wish to retire abroad.

Unlike most countries, the UK does not uprate pensions for all those entitled to a state pension when they choose to live abroad. There are

Table 2. Lost earnings by 2010 for retirees abroad whose pension is not uprated

Year of retirement	State pension (£/week)	Earnings if uprated	Total actual earnings since retirement	Lost earnings
1980	27.15	91,179	42,354	48,825
1985	38.30	82,888	49,790	33,098
1990	46.90	72,423	48,776	23,647
1995	58.85	58,552	45,903	12,649
2000	67.50	42,229	35,100	7,129
2005	82.05	22,856	21,333	1,523
2010	97.65	n/a	n/a	n/a

Source: Thurley (2010). Calculations of lost earnings by author.

around 1.1 million pensioners who live abroad, and roughly half of these never see their pension uprated at all. That is, for over 500,000 Britons who retire abroad, their state pension is *frozen* at the moment they leave the country. So, for example, a person who retired to Canada in 2000 would still be getting £67.50 per week in state pension, more than £30 less than what his or her siblings would be getting in the UK. Because a person's pension is frozen, a person who retired abroad in 1980 has received £48,825 less than what they would have received had their pension been uprated, or less than half their putative entitlement. The effect is so significant that someone who retired abroad in 1980 has actually received less overall state pension money by 2010 than someone who retired in 1995 – even though the latter has been retired for only half as long.

So in which countries do people get their (state) pension uprated? Those who retire to EU or European Economic Area countries – where EC regulations apply – have their pensions uprated. Otherwise, the list of countries is not really intuitive, and those with a reciprocal arrangement with the UK are as follows: Barbados, Bosnia-Herzegovina, Croatia, Israel, Jersey, Mauritius, Sark, Switzerland, Turkey, Guernsey, Philippines, Macedonia (FYROM), USA, Bermuda and Jamaica.

People who retire to any other country do not have their state pension uprated. In Tables 3 and 4 we indicate which of the 'relevant countries' allow uprating, and which do not. One further wrinkle in this complicated area is that those who visit the countries in this table (with the exception of the USA, Bermuda and Jamaica!) do have their pension uprated during the time in which they are in those countries. That is, someone who retired to Canada in 1990 but comes to the UK (or even Barbados or the Philippines) for two weeks will see his or her pension rise to £97.65 while they are in the UK, but reduce to £46.90 when they return again to Canada.

Most of the people who see their pensions frozen live in four countries: Australia, Canada, New Zealand and South Africa (about 490,000 in total). While these countries are likely to have fewer BME retirees entitled to a British pension, more BME people – perhaps especially those British-born – are likely to retire there in future. Our anecdotal discussions also suggest that while many white British people retiring to Australia, Canada, New Zealand and South Africa (see the recent European court case; also the International Consortium of British Pensioners website) are aware of the issue of pension uprating, older workers from the Caribbean and South Asia are less aware of their entitlement.

Finally, the age profile of BME people in Britain in the UK is still quite young, and so these figures are likely to change significantly in the future (see Figure 1 above; and Lievesley, 2010). People will of course continue to retire to Australia and Canada, but more people living in the UK were born in India, Pakistan and Bangladesh than in any other country where pensions are not indexed (see Table 3). Other countries where significant numbers of people living in the UK were born – and so may be likely to retire – include China, Kenya, Nigeria, Ghana and Malaysia. Given that all political parties seem intent on reducing the numbers of migrants living in the UK, it is surprising that they haven't supported the obvious policy that would make it more affordable for people to return to their country of birth – pensions uprating.

Many prospective migrants will, however, return to countries where their pensions will be uprated, as indicated in Table 4. These significantly include the two largest Caribbean islands – Jamaica and Barbados, as well as Turkey and the Philippines. People from these countries may be more likely to return than those with very similar experiences from neighbouring countries where pensions are not uprated. Given the long-term effects of pensions not being uprated, people may then decide to retire to, e.g., Barbados even if they are from Trinidad and Tobago – if of course they are aware of these financial implications.

Table 3. Relevant Countries where pensions not uprated

Country	UK residents in 2001	Pension uprated?
India	467,634	No
Pakistan	321,164	No
Bangladesh	154,354	No
China (incl. Hong Kong)	149,010	No
Kenya	129,635	No
Australia	107,869	No
Nigeria	88,378	No
Canada	72,518	No
Sri Lanka	67,945	No
Ghana	56,113	No
Uganda	55,207	No
Malaysia	49,883	No
Zimbabwe	49,529	No
Somalia	43,532	No
Iran	42,495	No
Singapore	40,473	No
Trinidad & Tobago	21,287	No
Morocco	12,351	No

Table 4. Relevant Countries where pensions are uprated

Country	UK residents in 2001	Pension uprated?
Ireland	533,205	Yes
Germany	266,138	Yes
USA	158,434	Yes
Jamaica	146,409	Yes
France	95,060	Yes
Poland	60,708	Yes
Spain	54,482	Yes
Turkey	54,088	Yes
Philippines	40,123	Yes
Barbados	21,608	Yes

Why, then, are pensions not uprated for some countries? It isn't because other countries won't agree a reciprocal agreement with the UK: both Australia and Canada have frequently asked for one, and have supported uprating for British pensioners. One reason is that pensioners without an uprated pension are more likely to experience poverty and so require greater resources from the Australian and Canadian governments. The simple answer as to why pensions are not uprated is the cost to the British Treasury. Those who retired abroad 10 years ago would require a £1,500 increase in their pension, those retired 20 years around £2,500, and those who retired 30 years around £3,500. Assuming half a million people were to have their pensions uprated, at an average cost of £2,500 per pension (a generous assumption that the average pensioner abroad is retired for 20 years), the cost would probably be around £1.2 billion, and certainly no more than £1.6 billion.

These sums, while significant, are not enormous. First of all, there is a very large surplus in the National Insurance Contributions (NIC) pot, around £45 billion, and this is rising every year. Much of this will have been contributed by current state pensioners. Second, by encouraging people to move abroad, the UK government would save a much larger amount on the NHS budget. Estimates suggest that the 1.1 million state pensioners who live abroad save the NHS around £7 billion (International Consortium of British Pensioners website). By uprating the state pension universally, the UK government would likely incentivize more people to move abroad, and so increase savings. It would also reduce pensioner poverty abroad and introduce fairness into the system – both for every pensioner, and for the countries to which people drawing a UK state pension retire.

2.2 Housing

One of the most important financial considerations for retirees is where they are going to live in terms of housing. The rate of home ownership in the UK from 2002–2009 was around 69%, reflecting a culture of home ownership and a relatively low level of renting. Most people pay off their mortgage by the time they retire and continue to live in their home or downsize to a smaller house, making a profit in the process (and using that profit to increase their yearly income). People born overseas who have lived in the UK for much of their working lives are often motivated to return upon retirement by the prospect of relatively cheap housing, as well as the strength of the pound – bolstering the spending power of their savings.

Such considerations may also apply to some white British people who retire abroad, especially those who retire outside Europe.

One difference for BME retiree returners is that many remit money abroad while working in the UK in order to build a house to which they will eventually retire. Gary Younge recently described the experience of several people from the Caribbean who lived and worked in England for decades before returning upon retirement. As the case of Eustace Maxim illustrates, it is not always easy for people to save substantial amounts but it can provide a way for people to own a house upon their eventual return:

> *While he was in England, he made a life. Children, then grandchildren came, and 43 years passed. And he kept squirrelling away so he might first buy land, then build and finally return. 'It was a hard life,' he says. 'You try to make yourself as comfortable as you can. It was not a difficult decision to come back, but I used to worry about not coming back.'*
>
> (Younge, 2009)

Migrants often arrive in the UK assuming that they will eventually return and therefore make little long-term investment or provision for housing. As they stay for longer than planned and have children and grandchildren, many end up staying in the UK in retirement. This position may be financially difficult as they suddenly have little ability to afford expensive housing.

To put retirees' housing decisions in context, Table 5 summarizes various indicators for the countries of interest, including House Price to Income Ratio and an Affordability Index. While other facts of course affect a person's housing and retirement decisions, these data indicate the context of the choice facing people considering returning to their country of origin.

Home ownership rates in the countries in Table 6 tend to range between 60-80%, or not far from the rate in the UK (69%). It is highest in Singapore (87%) and lower in some European countries where there is more of a rental culture, as in France and Germany (55% and 42% respectively). The rate in Ghana is between 10% and 25%, reflecting the fact that home ownership is much lower in many developing countries.

In terms of House Price to Income Ratio, the UK is about the median score (12.0) among the relevant countries for which there is data. However, the range (2.7 to 67.5 times income) of this score is extremely wide. One possible explanation for high ratios in some countries is precisely because people who have earned money abroad are much more likely to own homes, and they drive prices higher than people with local incomes can afford. However, there are both developed and developing countries throughout this range of affordability. For example, France (12.7), India (11.0), Sri Lanka (9.8) and Poland (13.6) are among the countries most similar to the UK on this measure. Countries with even lower ratios, indicating more affordable housing, include Bangladesh (5.0) and Turkey (5.6), but also the USA (2.7) and Germany (4.3). Housing in these countries appears to be relatively affordable. This is backed up by the fact that most of these countries score 1.0 or above on the Affordability Index.

A score of less than 1.0 on the Affordability Index indicates unaffordable conditions. It is worth highlighting that the UK’s score is 1.0, indicating that housing is verging on the unaffordable. This means that housing may be more affordable in a large number of countries, possibly encouraging people to retire abroad, whether this is a ‘return home’ or emigrations. Countries with unaffordable housing by this measure include India, Pakistan, Poland, Iran, Spain, China, and Morocco. Pakistan and Morocco also stand out as having significantly higher House Price to Income Ratios, at 40.6 and 67.5 respectively. The suggestion that housing is unaffordable may be a particularly strong barrier to people considering returning to Pakistan and Morocco, though as we suggested above affordability applies to local incomes, while retirees returning will have had much higher (UK-based) incomes than Pakistani or Moroccan averages.

Table 5. Various housing indicators

Country	House Price To Income	Affordability Index	Home ownership rate (%)	Mortgage as a % of Income
UK	12.0	1.00	69	97.9
USA	2.7	4.56	68	22.0
Germany	4.3	3.25	42	30.7
Bangladesh	5.0	1.33	-	75.1
Turkey	5.6	1.32	70	75.9
Canada	6.2	2.08	67	48.1
Australia	6.3	1.72	69	58.1
Ireland	7.7	1.40	77	71.3
Sri Lanka	9.8	1.09	-	91.4
India	11.0	0.83	-	120.7
Malaysia	11.3	1.22	-	81.9
France	12.7	1.00	55	100.4
Poland	13.6	0.81	53	123.1
Singapore	14.4	1.12	87	89.2
Iran	14.6	0.54	-	184.6
Spain	16.7	0.87	77	114.9
China	17.1	0.76	-	131.1
Pakistan	40.6	0.13	-	752.4
Morocco	67.5	0.01	74	13,500.0
Ghana	-	-	10--25	-
Jamaica	-	-	60	-
Trinidad & Tobago	-	-	74	-

Source: www.numbeo.com; Doling and Horsewood (2005); IHF Sourcebook 2000

3. Taxes and Social Security

3.1 Tax agreements

People moving to another country upon retirement will likely face a change in their tax circumstances. They may end up paying more or less tax than in the UK. Table 6 (overleaf) is a summary of the rates of income tax and value added tax (VAT) for the countries of interest, showing how they compare to the UK rates. It also indicates whether that country has a double taxation agreement with the UK.

Double tax agreements (or conventions) exist between the UK and other countries to prevent someone who has moved from the UK and become a resident in Country A from being taxed twice – once by Country A and a second time by the UK. It allows the tax paid in one country to be credited as tax paid in the other country. Table 6, based on information of the HMRC international website, shows that almost every relevant country has some kind of a double taxation agreement with the UK. Iran and Somalia are notable for not having an agreement. This means that people moving there are at risk of paying taxes twice or that the process for identifying tax liability is particularly complex.

Boxes 1 and 2 (on page 14) show some of the key features of such agreements, using the Australia–UK and India–UK Double Taxation Conventions as examples. The Australian convention was chosen as this is a more recent agreement and is accompanied by explanatory notes. Its central features are shared with agreements between other countries, as can be seen in the Indian convention.

An individual is defined as a 'resident' of a country in various ways. Often, he or she is considered a resident if they spend more than 183 days per year in a country. However, it is possible to be a resident (for tax purposes) of more than one state, and in the UK there is the added complication of 'non-domiciled' people (which most migrants can claim, though only the wealthy benefit). Minimally, tax agreements contain criteria to establish a country of residence. They take into account:

- where a person has a permanent home;
- where their 'personal and economic' relations are concentrated; and
- the State of which they are a national.

3.2 Countries with high rates of tax

The case of double taxation agreements is one example of how people's tax liabilities depend on where they reside. The tax rates shown in Table 6 are a useful guide to the tax aspect of the financial effects of moving to another country. However, people will not always be more attracted to countries with low tax – in reality, people may decide to live in countries with high quality public services that typically require high rates of taxation to fund.

The rates of income tax in the UK – 0%, 20%, 40% – appear relatively high, especially the additonal 50% band for those few earning over £150,000. More people likely pay a higher top rate of tax in France, Germany, Ireland, Spain, Australia, China, Morocco and Zimbabwe – ranging from 40% to 45%. People considering moving to these countries may be put off by these higher rates. However, these are the top rates of tax, and the number of tax bands and rates of tax in the lower bands can have more impact on how much someone is taxed. A tax regime with a number of tax bands – such as Malaysia, which has eight – is more sensitive to people's income than one with only one or two bands, such as Jamaica. So, even though the UK and France have the same top rate of tax (40%), people on low to moderate incomes moving to France will be more likely to be taxed at lower rates. Conversely, the well-off may have to pay additional taxes, as in France where there is a 'wealth tax' for the very wealthy, or where second properties incur additional taxation.

Existing research suggests that 'immigrants' return migration is assumed to be driven by preferences for (or lower costs of) consumption at home' (Cobb-Clark and Stillman, 2008: 2). The rate of VAT can be used as a (imperfect) proxy for the cost of consumption – people considering return may be discouraged by the prospect of reduced consumption resulting from a higher rate. Countries with higher rates of VAT than the UK's 2010 rate (17.5%) include France, Germany, Ireland, Morocco, Poland, Turkey and Uganda, though the most recent budget has announced that the UK rate will climb to 20% from 2011.

Table 6. Income tax, VAT and double tax agreements

Country	Income Tax (%)	VAT (%)	Double tax agreement?
UK	0 – 20 – 40 – 50	17.5	-
France	0 – 5.5 – 14 – 30 – 40	19.6	Yes
Germany	0 – 15 – 23.9 – 42	19.0	Yes
Ireland	20 – 41	21.0	Yes
Poland	0 – 18 – 32	22.0	Yes
Spain	24 – 28 – 37 – 43	16.0	Yes
Australia	0 – 15 – 30 – 37 – 45	10.0	Yes
Bangladesh	0 – 10 – 15 – 20 – 25	15.0	Yes
Barbados	20 – 35	15.0	Yes
Canada	15 – 22 – 26 – 29 These are federal rates. Each province adds its own additional rate, generally between 5% and 10%.	13.0*	Yes
China	5 – 10 – 15 – 20 – 25 – 30 – 35 – 40 – 45 (Hong Kong has different rates: 2 – 8 – 14 – 20)	17.0	Yes
Ghana	0 – 25**	12.5	Yes
India	0 – 11 – 20 – 30	12.5	Yes
Iran	15 – 20 – 25 – 30 – 35	1.5	No
Jamaica	0 – 25	16.5	Yes
Kenya	10 – 15 – 20 – 25 – 30	16.0	Yes
Malaysia	0 – 1 – 3 – 7 – 12 – 19 – 24 – 27	5.0	Yes
Morocco	0 – 42**	20.0	Yes
Nigeria	5 – 30**	5.0	Yes
Pakistan	0 – 20**	16.0	Yes
Philippines	5 – 10 – 15 – 20 – 25 – 30 – 32	12.0	Yes
Singapore	0 – 3.5 – 5.5 – 8.5 – 14 – 17 – 20	7.0	Yes
Somalia	0 – 18.9**	10.0	No
Sri Lanka	5 – 10 – 15 – 20 – 25 – 30 – 35	12.0	Yes
Trinidad & Tobago	0 – 25	15.0	Yes
Turkey	15 – 20 – 27 – 35	18.0	Yes
Uganda	0 – 10 – 20 – 30	18.0	Yes
USA	10 – 15 – 25 – 28 – 33 – 35	-	Yes
Zimbabwe	0 – 20 – 25 – 30 – 35 – 40	15.0	Yes

* VAT in Canada is subject to provincial variations. ** Income is taxed progressively across multiple, unknown bands between the bands shown. *** In the USA, most states also have Sales Tax, which is a kind of VAT, typically levied from 4-8%.

Note: Due to the complexity and dynamic nature of tax policy, someof the data may be out of date. The data is also simplified in a number of ways for ease of use: (1) tax rates may vary within federal countries; (2) taxes listed as ‘progressive’ hide the multiple rates of tax between the rates listed; (3) VAT rates listed are standard rates – there are often lower rates for specific kinds of goods; (4) the simplification of tax rates may hide the fact that the same rate applies to multiple bands of income, as is the case with Singapore; (5) income tax rates listed may exclude additional health taxes or special provisions for certain groups, such as different allowances/ thresholds for older people or women.

Sources: See the website sources for Table 6 in the Bibliography.

Box 1. Australia-UK Double Taxation Convention, 2003

This table highlights the key aspects of double taxation agreements	
Aim of such a convention	To eliminate the double taxation of income or gains arising in one state and paid to residents of another state. They do this by dividing the taxing rights that each treaty partner has under its domestic law over the same income and gains. They also benefit the taxpayer by ensuring certainty of treatment and, as far as possible, by reducing compliance burdens.
Persons covered	Persons who are residents of one or both of the UK and Australia (the 'contracting states').
Residence	A person is considered to be resident of Australia for taxation purposes if they: have always lived in Australia; have come to Australia to live permanently; or have been in Australia for more than half of a financial year. One will not be considered a resident for tax purposes if they leave Australia permanently or are holidaying in Australia or visiting for less than six months. Residency for tax purposes is determined separately and independently each financial year.
Taxes covered	UK – income tax, capital gains tax Australia – income tax, fringe benefits tax (It also covers taxes such as corporation tax, which are not relevant to individuals.)
Pensions	Pensions (including pensions paid in respect of government service) and annuities will be taxable only in the country where the pensioner is resident.
Other income	The convention lays out the rules explaining which country will receive tax from: employment income; capital gains; and other income.

Source: HMRC International website

Box 2. India-UK Double Taxation Convention, 1993

This table highlights the key aspects of double taxation agreements	
Persons covered	Persons who are residents of one or both of the UK and India (the 'contracting states').
Residence	A person is considered a resident of India if they are liable to tax according to Indian domicile or residence laws.
Taxes covered	UK – income tax, capital gains tax India – income tax (including any surcharges) (It also covers taxes such as corporation tax, which are not relevant to individuals.)
Pensions	Any pension or annuity paid to a resident of a Contracting State shall be taxable only in that State. Exception: any pension paid by the Government of a Contracting State to any individual in respect of services rendered to that Government shall be taxable only in that Contracting State.
Other income	The convention lays out the rules explaining which country will receive tax from: property income;capital gains; dividends; and other income.

Source: HMRC International website

3.3 Countries with low rates of tax

The countries that have the lowest top rates of tax – between 20% and 29% – include Bangladesh, Ghana, Jamaica, Malaysia, Pakistan, Singapore, Somalia, and Trinidad & Tobago. This may be an added incentive for those considering moving to one of these countries. Most of these countries employ progressive income tax regimes, with multiple rates across multiple income bands and higher rates of tax in the higher bands. The exceptions to this are Jamaica and Trinidad & Tobago, in which people across the majority of the income spectrum pay the same rate. This means that the tax system is less sensitive to the level of income, but the rates are nevertheless lower than in the UK. One additional complexity is that people in a low-income band in the UK may be in a medium or high-income band in other countries, making straightforward comparisons more difficult.

Countries with the lowest rates of VAT (less than 13%) include Ghana, India, Iran, Malaysia, Nigeria, Philippines, Singapore, Somalia and Sri Lanka. The USA does not charge VAT, although there are sales taxes levied by different states. People may be attracted to such places for the savings they would make on expenditure. In Section 4 we cite alternatives and perhaps more balanced ways of measuring the cost of living considerations that are likely to affect people’s decision-making on where to retire.

A number of countries are widely seen as ‘tax havens’ or ‘low-tax regimes’, where various taxes – including income tax, wealth taxes and corporation taxes – are levied at a low rate or not at all. There is a good deal of variation in the specific arrangements in these countries, in terms of the range of particular taxes, and the ways in which people liable for tax are defined (e.g. residence, domicile, citizenship). Box 3 lists a selection of countries commonly described as tax havens. Many of them are Caribbean countries. Some people considering leaving the UK upon retirement may be attracted to these countries. Indeed, if they are originally from Barbados, for example, the low rates of tax may be an added incentive for returning, alongside familiarity and family reasons.

Box 3. Countries perceived as tax havens

Listed countries	Other
Barbados	Andorra
Hong Kong (China)	Antigua & Barbuda
	The Bahamas
	Bermuda
	St Vincent & the Grenadines

Source: http://taxhavenco.com/tax_havens.html

3.4 Social security agreements – EEA countries

There are a number of arrangements between countries allowing those moving to a particular country to receive a UK state benefit that they would not normally get in another country and, in some cases, to access benefits that another country provides (DWP International website). All EEA counties have social security arrangements with the UK under European Community rules on social security, covering an extensive range of benefits. Also, the UK has (more limited) social security agreements with selected countries outside the EEA. Such arrangements make it financially easier to move to another country. Box 4 shows the countries with either kind of arrangement.

The European Community Regulations mean that people from every EEA country are treated the same and have their benefit rights protected for as long as they have been employed or self-employed and are getting benefits (or are currently employed

Box 4. Social security arrangements with other countries

Countries with arrangements		Countries without arrangements	
EEA	Other		
France	Australia	Bangladesh	Pakistan
Germany	Barbados	China	Singapore
Ireland	Canada	Ghana	Somalia
Poland	Jamaica	India	Sri Lanka
Spain	Philippines	Iran	Trinidad & Tobago
	Turkey	Kenya	Uganda
	USA	Morocco	Zimbabwe
		Nigeria	

Source: DWP International website

or self-employed). To qualify for this reciprocity, people also have to have paid a minimum amount of National Insurance Contributions (NICs) in the UK (Directgov website).Those who meet these criteria may be able to receive various benefits, listed below in Box 5, once they have moved. The eligibility rules for each benefit are very complex, requiring people to consult directly with the relevant authorities in the UK and the country to which they move. The list in Box 5 is therefore only a rough guide. The receipt of some benefits may be discontinued where a person is able to access similar benefits in the new country.

To summarize the information presented in Box 5, there is a wide range of UK state benefits that provide significant income to many older people, including many BME people. The fact that many of these benefits are available to people in other EEA countries may make moving there more attractive: it would make such a move less financially disruptive and uncertain than if they moved to a country where these benefits are not available.

Box 5. Receiving benefits in other EEA countries

Benefit	Description / conditions of receipt
Bereavement Payment	People whose spouse or civil partner has died may be able to receive one or more of the following UK bereavement benefits while in another EEA country: Bereavement Payment - a one off tax free payment; Bereavement Allowance - a weekly benefit which can be paid for up to 52 weeks; Widowed Parent's Allowance - a weekly benefit for persons with children. This is dependent on the spouse or civil partner having paid NICs. In some circumstances these benefits may be claimed in the country they have moved to, at the same rate as if the recipient was living in the UK.
War Widow or Widower's Pension	This is a tax-free pension that may be payable to people whose wife, husband or civil partner died as a result of their service in Her Majesty's (HM) Armed Forces or during a time of war. It appears to be available to those moving to other EEA countries but no details are given.
Winter Fuel Payments	This is a payment of between £125 and £400, depending on circumstances, to help pay for keeping warm in the winter. Those moving overseas may be able to continue receiving Winter Fuel Payments if both the following apply: they qualified for a Winter Fuel Payment when they lived in the UK; they then moved to another European Economic Area (EEA) country.
Disability Living Allowance	Those who are under 65 and need supervision or help with personal care and who have had walking difficulties because of a physical or mental disability may be able to claim this. The allowance has a care and mobility component. Only the care component can continue to be claimed overseas.
Attendance Allowance	This is a tax-free benefit for people aged 65 or over who need someone to help look after them because they are physically or mentally disabled.
(Disability Living Allowance & Attendance Allowance)	People can continue receiving these benefits in another EEA country if: they have paid enough NICs; they are in receipt of a 'relevant benefit', including State Pension, Incapacity Benefit or Bereavement Benefits; they are a family member of someone who meet certain criteria, such as having paid sufficient NICs. Receipt of these benefits may stop with changes in circumstances, e.g. if a person no longer receives 'relevant benefits'.
Carer's Allowance	This is a taxable benefit to help people who look after someone who is disabled. Recipients do not have to be related to, or live with, the person they care for. If you are leaving the UK to live in another EEA country or Switzerland, you may continue to receive Carer's Allowance if you meet certain conditions.
Incapacity Benefit	This is for people who are unable to work because of illness and who claimed before they reached state pension age. It has now been replaced by Employment and Support Allowance but existing recipients may be able to continue to receive it in another EEA country.
Benefits provided by other EEA countries	The benefits you can get in most other EEA countries depend on: how much insurance you have; or how much or how little money you have. In some EEA countries, social security is based on residence. People moving to another country will not get any benefits that are based on insurance unless they have previously paid into the social security scheme there.

Sources: DWP International website; Directgov website

3.5 Social security agreements – non-EEA countries

The UK has social security agreements with the following non-EEA countries: Australia, Barbados, Canada, Jamaica, Philippines, Turkey, and the USA.

The existence of such agreements means that people who receive various benefits while living in the UK who then move to one of these countries may be able to continue receiving them. This will be a real financial incentive for people, particularly those who are on low incomes and who are dependent on various benefits. Conversely, those considering moving to countries not listed may be put off by the potential loss of income. Box 6 summarizes which benefits are payable in which countries and at what rates.

Overall, a wider range of benefits can be claimed within the EEA than in other countries, including those with social security agreements. Outside the EEA, Caribbean countries have better social security arrangements than Asian or African countries. Therefore, people from the Caribbean living in the UK may find it financially easier, in terms of state benefits, to move back there upon retirement than people from countries such as India, Pakistan, Nigeria or Kenya.

Box 6. Receiving benefits in social security agreement countries

Benefit	Conditions of receipt
Bereavement and Widows benefits	Generally, the benefits are paid at the same rate as if the recipient was living in the UK and insurance contributions from both countries can be used to make up the required number, in the following countries: Barbados Jamaica Philippines Turkey USA
Winter Fuel Payments	Winter Fuel Payments are not available in countries covered by social security agreements.
Disability benefits	Disability Living Allowance, Attendance Allowance and Carers' Allowance are not available in social security agreement countries.
Short-term Incapacity Benefit	*Barbados*: Those who already receive this in the UK can continue to receive this, following permission from the DWP. Those who fall sick while living in Barbados, are not entitled to Sickness Benefit and have paid enough NICs in the UK can also receive it. *Philippines*: Those who already receive Incapacity Benefit because of an industrial accident or disease will continue to receive it in the Philippines. *Turkey*: People who satisfy the normal conditions can continue to receive it.
Long-term incapacity benefit	*Barbados*: Those receiving UK long-term Incapacity Benefit are able to carry on receiving it if they go to Barbados. Also, if they are in Barbados and have been receiving short-term Incapacity Benefit for a year, they may be entitled to receive long-term Incapacity Benefit. People cannot get any type of sickness benefit from both countries for the same period of illness at the same time. If they have a separate right to benefit from the UK and Barbados, they will only get benefit from the country they were last insured in when illness began. Differences in two rates may be made up by the government. *Jamaica*: The agreement may allow people to receive long-term Incapacity Benefit if, when they leave the UK, they are considered as likely to remain permanently incapable of work. People cannot get UK long-term Incapacity Benefit and Jamaican Invalidity Benefit for the same illness and for the same time. Those who qualify for both get benefit from the country they were in when their illness began. *Philippines*: If someone is ordinarily resident in the Philippines and claims Philippine Invalidity Pension, NICs they have paid to the UK scheme can be used to satisfy the conditions for the payment of benefit. *Turkey*: Short- and long-term Incapacity Benefit are payable to people who move to Turkey under certain conditions, depending on the level of NICs they have paid. *USA*: People receiving UK long-term Incapacity Benefit are able to carry on receiving it if they move to the USA. They must become ordinarily resident there and continue to meet the conditions for receiving the benefit.

Source: Information in this table is derived from the links on the DWP International website

4. Health and Standard of Living

The UK provides high quality and affordable health care in comparison to many other countries. Its healthcare system is ranked 18th in the world by the World Health Organisation (WHO) and life expectancy is 79. A higher proportion of expenditure on health is by central government as opposed to private sources. People thinking about returning to their country of origin upon retirement may consider potential changes in the quality and affordability of health care once they have moved. Countries with healthcare systems significantly poorer and less publicly-funded may be less attractive, especially given the increasing importance of health care services as people grow older.

The UK has various agreements with other countries regarding health care provision. For example, some people moving to other EU countries are able to receive health care that is partially funded by the UK government, albeit for limited periods. Such arrangements may mitigate the increased costs of health care outside of the UK and so may encourage – or at least not discourage – people to move.

4.1 Life expectancy and healthcare systems

A country's life expectancy reflects the level of threat to the health of people living in that country. This includes the severity and spread of common diseases, as well as the quality of public services, from sanitation to health services, but also any political or even military conflict. As Table 7 shows, most countries, including the Caribbean countries listed, have life expectancies within 10 years of the UK expectancy of 79. This is a significant gap, with the average life being an eighth shorter. Life expectancy in India, Pakistan and Bangladesh is between 60 and 66, which is significantly lower still. African countries have the lowest figures, with some being more than 30 years less than the UK figure. So, people considering returning to Nigeria (47) or Somalia (50), for example, might consider the increased danger to their health.

However, life expectancy is an average measure, reflecting a complex variety of factors, such as the overall level of development of a country. As such, it is not a predictive measure of how likely a particular individual is to fall ill or die, especially as poorer people are more likely to experience conditions or illnesses that sharply reduce life expectancy, such as infant mortality. People who have lived most of their adult lives in the UK will likelye have a higher life expectancy when they return to their country of birth than those who are born in those countries today.

Table 7. Healthcare system ranking and life expectancy

Country	WHO Ranking	Life expectancy
UK	18	79
France	1	81
Singapore	6	82
Spain	7	81
Ireland	19	78
Germany	25	80
Morocco	29	76
Canada	30	81
Australia	32	82
USA	37	78
Barbados	46	74
Malaysia	49	74
Poland	50	76
Jamaica	53	73
Philippines	60	71
Trinidad & Tobago	67	71
Turkey	70	72
Sri Lanka	76	75
Bangladesh	88	60
Iran	93	71
India	112	66
Pakistan	122	66
Ghana	135	61
Kenya	140	59
China	144	75
Uganda	149	53
Zimbabwe	155	48
Somalia	179	50
Nigeria	187	47

Source: CIA World Factbook and WHO (2000: 152)

The WHO ranks the UK's health care system 18th out of 191 countries in overall health care system performance (Table 7). Although people moving to another country may have a range of available health care options, such as paying for more expensive forms of private health care, a country's rank roughly indicates the quality of care they are likely to get. People are likely to be less willing to return to a country with a poor healthcare system.

Barbados and Jamaica rank relatively highly by the WHO ranking, at 46 and 53 respectively. Again, the large South Asian countries perform less well – India is ranked 112th and Pakistan 122nd. As with life expectancy, African countries perform poorly. Nigeria and Somalia – ranked 187th and 179th out of 191 respectively – have healthcare systems that are among the worst in the world. France and Spain are ranked higher than the UK – 1st and 7th respectively. This may prove to be an added incentive for those considering migrating there, although health care in these countries is not free.

One factor that explains the poor health ranking of some countries is their level of inequality. Many studies have shown that more egalitarian societies tend to be healthier, even for better-off people in those societies (reviewed in Wilkinson and Pickett, 2006). Inequality is associated with lower life expectancy, shorter height, poor self-reported health, low birthweight, AIDS and depression. And higher health inequalities are likely to strain healthcare services and health professionals.

Social scientists have argued that inequalities more generally may lead to greater social instability. According to the influential book, *The Spirit Level* (Wilkinson and Pickett, 2010), the greater the gap between the rich and poor, the greater the likelihood of such problems as crime, terrorism and political instability. For people moving overseas, or returning to their country of birth, the level of inequality may therefore have a wider impact on their choice – and not just in terms of health.

The most commonly used measure of social inequality is the Gini Coefficient. The Gini Coefficient ranges in value from zero (where everyone has the same amount of income or resources) to one (where one person has all the income or resources). To make the numbers easier to interpret, in Table 8 the Gini Coefficient has been multiplied by 100. Thus, zero represents a society with perfect equality and 100 represents a society with perfect inequality.

Table 8. GINI Coefficient in relevant countries

Country	Gini Coefficient (1992-2007)
UK	36.0
Zimbabwe	50.1
Kenya	47.7
Jamaica	45.5
Philippines	44.0
Hong Kong, China (SAR)	43.4
Turkey	43.2
Nigeria	42.9
Ghana	42.8
Uganda	42.6
Singapore	42.5
China	41.5
Sri Lanka	41.1
Morocco	40.9
United States	40.8
Trinidad and Tobago	40.3
Iran (Islamic Republic of)	38.3
Malaysia	37.9
India	36.8
Australia	35.2
Poland	34.9
Spain	34.7
Ireland	34.3
France	32.7
Canada	32.6
Pakistan	31.2
Bangladesh	31.0
Germany	28.3
Barbados	25.8

Source: World Bank (2009). There was no score for Somalia.

The UK has a Gini coefficient of 36.0. This is relatively low for the relevant countries we've identified as possible return migration destinations. Among wealthier countries, the USA (40.8) and Singapore (42.5) have higher GINI coefficients, while low-income countries such as Bangladesh (31.0) and Barbados (25.8) are actually quite equal. The Gini Coefficient is a useful measure of social inequality, but it is not perfect and overstates the level of inequality for countries that provide non-monetary forms of social welfare to their citizens. GINI coefficients will also be low where there is a large poor population and a very small middle class. As an indicator of social inequality, GINI scores suggest the potential for social and political tensions, as well as for pressures faced by national health care systems that arise from differences in wealth between the rich and poor for any given country.

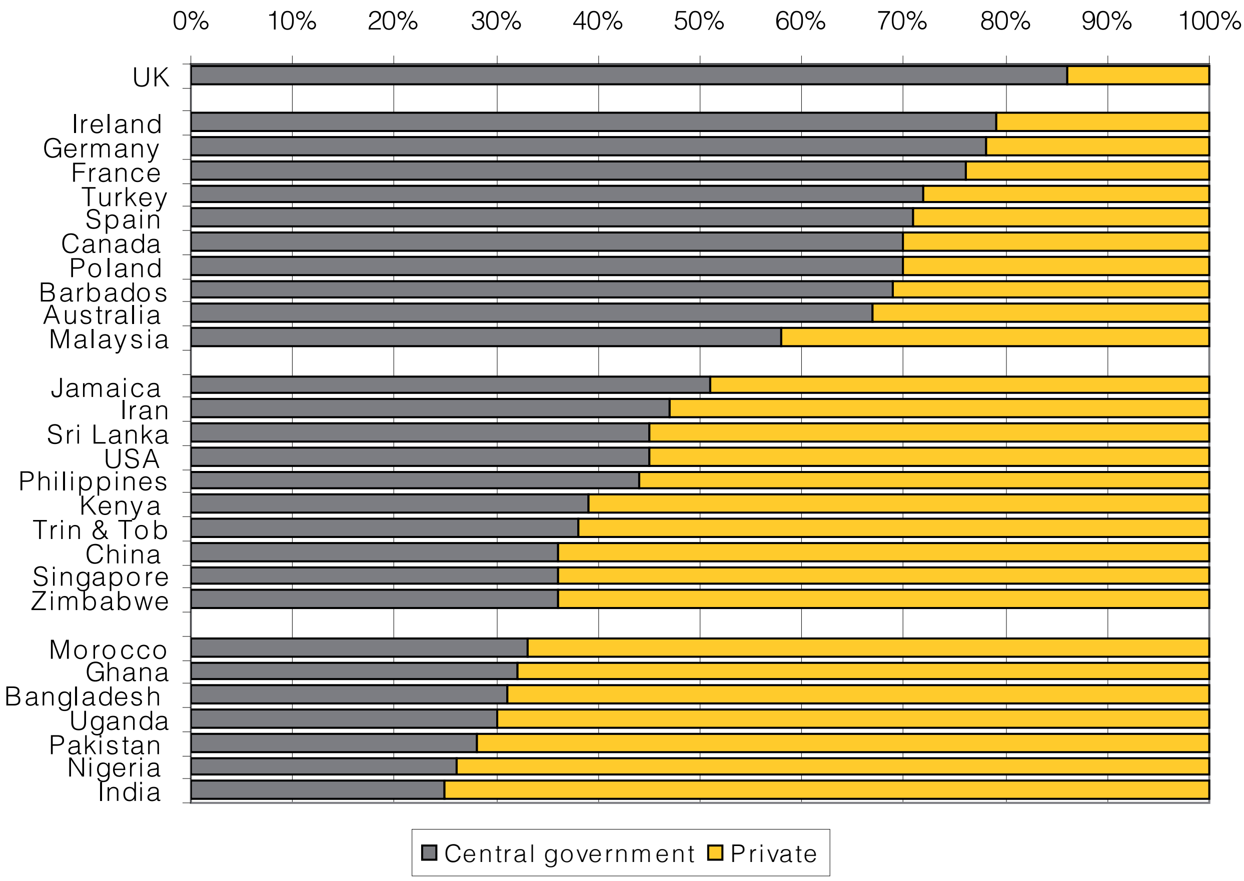
Differences in the affordability of health care may also affect people's decision to move – or where to move. Healthcare systems are complex, with many different options and models, such as largely publicly-funded and free systems, like that in the UK, to social insurance and private models. It is therefore difficult to compare the affordability of health care across countries. One indicator is the proportion of expenditure on health from central government and private sources respectively (Figure 2). Countries with a larger proportion of central government expenditure are likely to provide more affordable health care than those with largely private expenditure.

In the UK, 86% of expenditure on health is by central government, higher than any of the other relevant countries. Countries with a somewhat comparable figure between 60% and 80% are mainly western countries. The figure for Barbados is 69% and in Jamaica it is 51%. In countries such as Kenya, Sri Lanka and China, this figure is between 30% and 50%.

The countries with the lowest proportion of expenditure on health by central government (30% or less) are Uganda, Pakistan, Nigeria and India. People returning to these countries may be faced with less affordable health care.

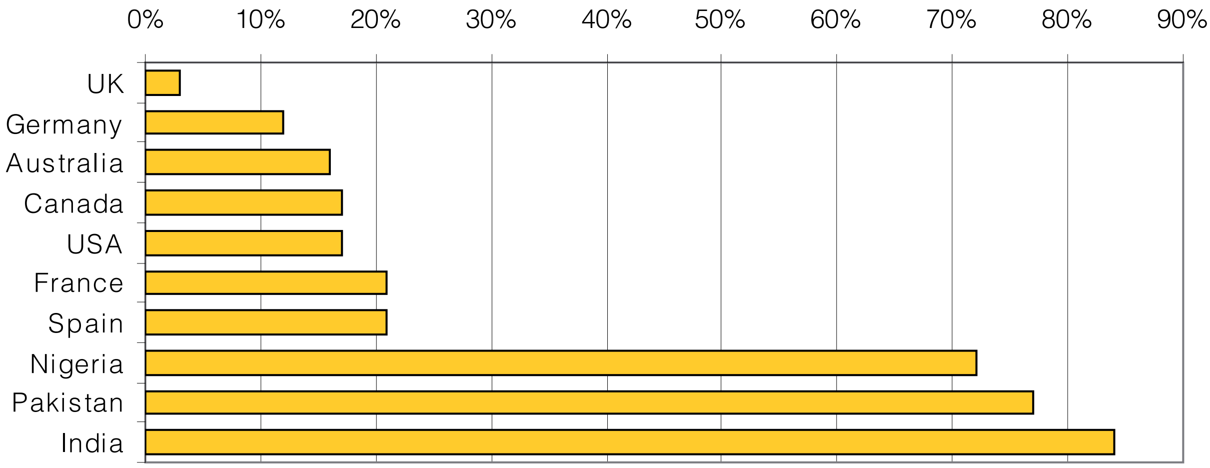
This appears to be confirmed by Figure 3, which shows that out-of-pocket payments make up over 70% of total health expenditure in developing countries (Nigeria, Pakistan, India) compared to approximately 20% or less in western countries. People moving overseas upon retirement have different levels of wealth. The quality and affordability of public health care services may be less of a concern to those who are better off.

Figure 2. Central government / private expenditure on health as % of total expenditure on health, 2003



Source: WHO (2006:178-185)

Figure 3. Out of pocket payment as a % total health expenditure



Source: Everard (2002: 140)

Among foreign-born people who have lived their working lives in the UK, and expected to use the NHS, private health insurance is probably less common than among those who have never left their country of origin. Even those with significant savings may be unprepared for the additional cost of private health insurance. The ubiquity of health insurance in the USA probably explains why less than 20% of spending there is technically 'out-of-pocket'. Wherever there is significant private expenditure on health care, those who lack health insurance are likely to pay large sums of money if they require siginificant or long-term health care.

Life expectancy and the quality and affordability of a country's healthcare system vary to the extent that people returning to another country upon retirement may face poorer quality and less affordable healthcare services. This is particularly the case for South Asian countries, including India and Pakistan, and even more so for African countries, including Nigeria, Kenya, Uganda and Ghana. Awareness of these facts may prompt people to stay in the UK for health reasons, particularly if they have multiple health needs, such as those associated with growing older.

4.2 Health arrangements with European countries

The NHS website describes the NHS as:

> *… a residence-based healthcare system. Therefore, once you have moved permanently away from the UK you are no longer entitled to medical treatment under normal NHS rules.*

People moving permanently away from the UK might therefore have to pay the full cost of public health services in their new country of residence, in contrast to receiving free public health care in the UK. These costs can be prohibitive and constitute a barrier to migration. However, arrangements between EEA countries mean that people moving from the UK may be able to benefit from the UK government covering a proportion of the costs of the health care they receive abroad, subject to certain conditions such as the receipt of a UK state pension. Given the high level of public expenditure on health and affordability of public healthcare services in the UK, these arrangements may act as an incentive for moving to an EEA country. Box 7 lists the EEA countries on our list.

Box 7. EEA countries of interest

Country	
UK	Ireland
France	Poland
Germany	Spain

The Department of Health website describes the ways in which people who:

- are of pensionable age; or
- are taking early retirement

Box 8. Health arrangements for someone moving to France from the UK

Those in receipt of UK State Pension, or in receipt of long-term Incapacity Benefit, may be entitled to state healthcare paid for by the UK. They need to apply for an E121 form, and then present this to the French health authorities
Those moving to France to live but not work and who do not receive a UK benefit, may be eligible for up 2.5 years of state healthcare cover, paid for by the UK. In this case, they need to apply for an E106 form.
To register an E121 or E106 form in France, they will need to contact the local CPAM office, which will issue them with a health insurance card (carte vitale). This card is evidence that they are entitled to receive healthcare as a French resident, enabling them to pay lower costs that if they were not treated as such they would not be entitled to. Social security bodies generally refund '70% of most health care costs, and 100% in case of costly or long-term ailments'.
Those living in France are advised to register with a doctor. Their entitlement to either state provided healthcare or reimbursements is dependent on this.

Source: NHS Health Care Abroad website

and who move to an EEA country may be eligible for healthcare cover. Those in receipt of:

- a UK state pension; or
- long-term incapacity benefit

may be entitled to public health care (partly) paid for by the UK. They need to apply for an E121/ S1 form. This completed form is presented to the health authorities in the person's new country of residence. Those successfully completing this process will, instead of paying the full costs for the use of public health services as 'foreigners', be treated on the same basis as a resident of that country.[1] This is important because residents of other EEA countries usually pay various kinds of social/private health insurance, which pays for the proportion of health costs not covered by the government. So, people moving to country A will still have to pay more than they would in the UK (i.e. nothing), but because the UK government covers the proportion of health costs that the government of country A covers for its citizens, people pay much less than they would have without such an arrangement.

There are different criteria for people moving to an EEA country who are going:

- to live but not work; and
- who are not in receipt of a UK benefit.

This includes people taking early retirement who are not yet receiving a state pension. People in this situation may be eligible for up to two-and-a-half years of UK cover for the use of public health services. They need to apply for an S1 form and prove that they have worked in the UK and have paid NICs up to three years before their departure.

1 Information in section 4.2 and 4.3 is taken from the NHS Health Care Abroad website

After the two-and-a-half years cover expires, people in this situation will not get any further cover from the UK until they receive a UK state pension. During this period it is up to the country's authorities to decide whether people are eligible to join their healthcare scheme.

Box 8 summarizes some of the criteria for health cover using France as an example. The processes for Germany, Ireland, Poland and Spain are very similar, with variations in the documentation required, institutions that need to be consulted and insurance systems for residents of that country. One difference is that people moving to Ireland do not need an E121 or E106 to access health care, though they will need proof of their UK pension.

People may be encouraged to move to an EEA country if they are able to return to the UK for free health treatment that would, in their new country, require them to pay at least a proportion of the costs. However, the NHS website informs us that:

> *... UK citizens registered in another EEA country and using an E106 or E121 are not automatically eligible for free treatment in the UK.*

It also says that most people doing this will be charged in the UK for treatment, unless they 'can provide an S2 (or E112) issued by your country of residence'.

The European Health Insurance Card (EHIC) is a free card that allows UK residents to access state-provided health care at a reduced cost or sometimes free of charge while visiting another EEA country. It covers only 'emergency and immediately necessary treatment, and does not cover any private medical healthcare' (NHS Confederation website). It does, however, cover treatment of chronic or pre-existing medical conditions, as well as the provision of oxygen, renal dialysis and routine medical care (EHIC website).

According to new EU regulations from May 2010, the UK is responsible for issuing cards, rather than the state where people live. This is the case for people who:

- are a national of an EU member state;
- live in an EU member state; and
- receive a state pension or other long-term benefit from the UK and have registered the form E121 (S1) with local health authorities.

This allows people who have left the UK and live in an EEA country to access state-funded necessary medical treatment when visiting other EEA countries, including the UK. This may be a small incentive to those who are moving to another EEA country upon retirement but who plan to regularly visit friends and family in the UK (given that people lose their eligibility for free treatment in the UK when they move permanently away).

4.3 Outside the EEA

The fact that the UK pays for the health care of some people living in other EEA countries, as well as the level of co-ordination around health and the high quality of health care and high life expectancies in Europe, may all encourage people considering moving abroad to an EEA country, such as Spain or France. Having said that, there is still a significant measure of bureaucratic complexity, with many people expressing their frustration with the system through online comments. For example, one person writing on the NHS health care abroad website explained his difficulties obtaining an EHIC having moved to Spain:

> *Trying to find something on the [Department of Health] website is hopeless. I just seem to go round and round in circles even though I am in the section for 'Britons living abroad'. I get the impression I am being fobbed off when I telephone the phone number – they say 'we have sent a form, wait another week, month' or whatever. Your Overseas Health Care team say they get most complaints from abroad – I am not surprised. No one wants to resolve the problems, they just fob them off and move on to the next complainant.*

Bureaucratic barriers may make it difficult for people trying to obtain information and make arrangements for moving overseas. This may be particularly true for BME people who have not lived in the UK for very long or who do not speak English or do not feel confident and familiar with UK administrative systems.

There is less health care support from the UK government for those moving to a country outside the EEA. According to the NHS website, those moving to a country outside the EEA are ineligible for health cover paid by the UK. Those wanting to move to countries outside Europe may be put off by the lack of arrangements akin to those within Europe. In addition, those considering moving to developing countries, such as in Africa and South Asia in particular, may consider a number of factors (discussed above):

- life expectancy tends to be lower;
- healthcare systems tend to be ranked as poorer and may be less comprehensive;
- health care tends to be less affordable, as suggested by the lower level of central government expenditure on health and by higher levels of out-of-pocket payment on health services.

As an example, the Foreign and Commonwealth Office (FCO) describes health care in India in the following way:

> *Local medical facilities are not comparable to those in the UK, especially in more remote areas. However, in the major cities private medical care is available, but is expensive. In the case of psychiatric illness, specialised treatment may not be available outside major cities. The treatment of such illnesses may require long-term hospitalisation, which may incur large expenditure and in many of these cases, insurance companies are reluctant to cover the cost.*
>
> (FCO website)

Those considering moving to developing or low-income countries may also consider the additional health costs associated with purchasing drugs:

> *Seeking care is more commonly a question of buying medicines than of consulting a*

> *qualified health worker. Drug prices, which are sometimes actually higher than those in high-income countries, often have to be met entirely by sick persons or their households; it is estimated that some 50–90% or more of pharmaceutical expenses are out-of-pocket purchases. The bulk of the out-of-pocket health expenses which have to be met by the individual or household commonly relate to medicines.*
>
> (Everard, 2002: 139)

People moving to such countries may also have to consider paying for vaccinations that they would not have needed if they were moving to a elsewhere. Table 9 gives an example of the price of popular vaccinations. Prices may vary according to the provider but this indicates that a person or couple paying for a number of vaccinations can easily spend hundreds of pounds.

Table 9. Vaccination costs

Vaccination	Price
Yellow fever vaccine	£49.50
Hepatitis A vaccine	£49.50
Polio Booster (injected)	£25.00
Typhoid (injected)	£24.50

Source: Fleet Street Clinic website

4.4 Family considerations in health care provision

Because this report focuses on financial considerations, we principally address family considerations relating to health care provision. Those living in the UK but considering returning to their country of origin may have additional considerations and obligations to family still living there. They may feel that they should return in order to provide for relatives' health needs, particularly in countries where there is poor provision of 'state-provided "social protection" and institutions for older people [and where] the care of frail and sick older people is almost entirely family based' (Van Der Geest et al., 2004: 444). For example, a couple in their late-50s from India (where health care is on average less affordable than in the UK) who have lived in the UK for 30 years may feel obliged to return in order to provide care and support to elderly parents or other relatives. Conversely, they may feel it is more sensible to continue to live and work in the UK and send regular remittances to relatives, who can use the money to pay for health care in India. Indeed, the pressure to provide significant health support to overseas family in developing countries may be increasing – due to declining family sizes and associated support and increasing life expectancy, which can result in longer periods in which older people have intense health needs (Kinsella and Phillips, 2005).

A brief survey of the literature suggests that the relationship between health and migration tends to be conceptualized in terms of how the migration of younger people impacts the health needs of older relatives 'left behind' and the subsequent caring arrangements, either by remote care or through return. De Coulon and Wolff (2006: 14) suggest that '[c]hildren may decide to move where their parents intend to spend their retirement for caregiving purposes'. Perhaps of more relevance to return migration is that older people may move closer (or stay close) to their children to receive care. In this section we have provided further context to the family considerations around health care, especially information relating to the financial impact of staying or returning.

4.5 Standard of living

Where there are significant disparities in standard of living between the UK and a person's country of origin, this may influence their decision in determining where to retire. Table 10 shows the Human Development Index (HDI) score for the countries of interest – this measure allows comparison between different countries in terms of standard of living, well-being, life expectancy, literacy and education. It is also used to indicate the level of development of a country. Table 10 also shows Gross Domestic Product (GDP) per capita (i.e. income per head of population), which is often used as a measure of standard of living. Existing research argues that location decisions upon retirement often involve a comparison of standard-of-living between the origin and host countries (de Coulon and Wolff, 2006).

In terms of HDI the UK is ranked 17th, with a score of 0.946. Developed countries such as Australia, Canada, France and Spain perform better on this measure, though with similar scores (0.955-0.970). Caribbean countries perform reasonably well – Barbados scoring 0.903, Trinidad & Tobago 0.837 and Jamaica 0.766. However, GDP per capita in these countries is notably lower than in the UK - $15,581 in Trinidad & Tobago and $4,390 in

Jamaica, compared to $35,334 in the UK. Though it is difficult to gauge whether these differences are relevant to people retiring following many years of UK wage earning, some may be unwilling to return to a country that they see as providing a lower standard of living or quality of life than the UK. The major South Asian countries perform less well in terms of HDI. Sri Lanka scores 0.759, India 0.612 and Pakistan and Bangladesh around 0.55. These countries also have much lower GDP per capita, with the figure for Bangladesh as low as $574.

Table 10. HDI and GDP per capita

Country	HDI Value (2007)	HDI Rank	GDP per capita, prices in 2009 (US$)
UK	0.946	17	35,334
Australia	0.970	2	45,587
Canada	0.966	4	39,669
Ireland	0.965	5	51,356
France	0.961	8	42,747
USA	0.956	13	46,381
Spain	0.955	15	31,946
Germany	0.947	22	40,875
Singapore	0.944	23	37,293
Hong Kong	0.944	24	29,826
Barbados	0.903	37	13,003
Poland	0.880	41	11,288
Trinidad & Tobago	0.837	64	15,581
Malaysia	0.829	66	6,897
Turkey	0.806	79	8,723
Iran	0.782	88	4,460
China	0.772	92	3,678
Jamaica	0.766	100	4,390
Sri Lanka	0.759	102	2,041
Philippines	0.751	105	1,746
Morocco	0.654	130	2,865
India	0.612	134	1,031
Pakistan	0.572	141	2,661
Bangladesh	0.543	146	574
Kenya	0.541	147	912
Zimbabwe	*0.513	151	375
Ghana	0.526	152	671
Uganda	0.514	157	474
Nigeria	0.511	158	1,142
Somalia	*0.284	161	*300

Sources: HDI data from UNDP (2009: Table G). GDP per capita is from the International Monetary Fund (2010).
*Zimbabwe HDI is 2005 data, from UNDP (2008: 231); Somalia HDI is 2001 data, from UNDP (2001), Somalia GDP estimated by the CIA World Factbook.

The countries performing worst in terms of HDI are all African countries. Somalia has an HDI score of 0.284, by far the lowest of all the listed countries, and the lowest GDP per capita of $300. African countries also have the lowest rates of GDP per capita – as low as $474 in Uganda, and somewhat higher at $1,142 in Nigeria.

4.6 Climate

We know that many people want a retirement lifestyle that is relaxed, stress-free and comfortable. Climate and pace-of-life explain why so many British retirees go to France, Spain or Australia. An added financial bonus is the savings from lower expenditure on heating. Although it would be simplistic to assume that everyone is drawn to warmer climates with longer hours of sunshine, we know that climate is factored into retirement decisions, and this may be particularly true for people originally from countries with warmer climates. Table 11 (overleaf) indicates average hours of sunlight per day and general climate conditions.

Caribbean countries have hot tropical climates and experience some of the highest numbers of average hours of sunlight per day – ranging from 7.1 to 8.3, compared to 4.0 in the UK – that may be attractive in terms of quality-of-life. The climate varies between and within South Asian countries, but they are generally warmer than the UK.

In many of the relevant countries, there are also significant monsoons that may require additional insurance in coastal or alluvial areas. Wherever there are such disruptive weather conditions – whether hurricanes or floods or sandstorms – this may of course damage or destroy their homes and other property. We do not wish to exaggerate these concerns, but people moving abroad – even if returning 'home' – may be unfamiliar with the kinds of insurance policies they may need, or indeed if those policies are available.

In Africa, climate varies significantly but most countries have tropical and often also arid climates, with much of North Africa and also Somalia having significant desert. People who were born in countries such as Nigeria or Ghana are undoubtedly familiar with the climate if they choose to return for retirement there, although after many years in the UK they may also be used to British weather.

Table 11. Average hours of sunlight per day and climate

Country	Daily hours of sunlight	Climate
UK	4.0	Temperate; moderated by prevailing southwest winds over the North Atlantic Current; more than one-half of the days are overcast
Australia	7.2	Generally arid to semi-arid; temperate in south and east; tropical in north
Bangladesh	5.6	Tropical; mild winter (October to March); hot, humid summer (March to June); humid, warm rainy monsoon (June to October)
Barbados	8.3	Tropical; rainy season (June to October)
Canada	5.4	Varies from temperate in south to subarctic and arctic in north
China	7.4	Extremely diverse; tropical in south to subarctic in north
France	5.0	Generally cool winters and mild summers, but mild winters and hot summers along the Mediterranean; occasional strong, cold, dry, north-to-northwesterly wind known as mistral
Germany	4.8	Temperate and marine; cool, cloudy, wet winters and summers; occasional warm mountain wind
Ghana	6.5	Tropical; warm and comparatively dry along southeast coast; hot and humid in southwest; hot and dry in north
Hong Kong (China)	5.4	Subtropical monsoon; cool and humid in winter, hot and rainy from spring through summer, warm and sunny in fall
India	7.8	Varies from tropical monsoon in south to temperate in north
Iran	8.4	Mostly arid or semi-arid, subtropical along Caspian coast
Ireland	4.1	Temperate maritime; modified by North Atlantic Current; mild winters, cool summers; consistently humid; overcast about half the time
Jamaica	8.2	Tropical; hot, humid; temperate interior
Kenya	6.9	Varies from tropical along coast to arid in interior
Malaysia	6.1	Tropical; annual southwest (April to October) and northeast (October to February) monsoons
Morocco	7.8	Mediterranean, becoming more extreme in the interior
Nigeria	5.2	Varies; equatorial in south, tropical in center, arid in north
Pakistan	8.5	Mostly hot, dry desert; temperate in northwest; arctic in north
Philippines	5.8	Tropical marine; northeast monsoon (November to April); southwest monsoon (May to October)
Poland	4.6	Temperate with cold, cloudy, moderately severe winters with frequent precipitation; mild summers with frequent showers and thundershowers
Singapore	5.7	Tropical; hot, humid, rainy; two distinct monsoon seasons - Northeastern monsoon (December to March); Southwestern monsoon (June to September);
Somalia	8.4	Principally desert; northeast monsoon (December to February), moderate temperatures in north and hot in south; southwest monsoon (May to October), torrid in the north and hot in the south, irregular rainfall, hot and humid periods (tangambili) between monsoons
Spain	8.0	Temperate; clear, hot summers in interior, more moderate and cloudy along coast; cloudy, cold winters in interior, partly cloudy and cool along coast
Sri Lanka	6.6	Tropical monsoon; northeast monsoon (December to March); southwest monsoon (June to October)
Trinidad & Tobago	7.1	Tropical; rainy season (June to December)
Turkey	7.5	Temperate; hot, dry summers with mild, wet winters; harsher in interior
Uganda	5.5	Tropical; generally rainy with two dry seasons (December-February, June-August); semi-arid northeast
U.S.A	7.1	Mostly temperate
Zimbabwe	7.9	Tropical; moderated by altitude; rainy season (November to March)

Sources: Climatetemp and Nationmaster websites

5. Conclusion

This report has gathered together the various conditions that influence people's decision to retire abroad. We have generally focused on financial factors, or factors that are measureable and comparable globally. Furthermore, we have focused specifically on Black and minority ethnic people, and their likelihood of *return* migration explicitly. This explains our list of 'relevant countries', and some of the conclusions we draw.

Although we think these measures provide a fairly robust and objective summary of the conditions shaping people's decision to retire abroad, there are some limits to these tables. First is that the various factors we have highlighted may neutralize each other, or even cancel each other out. For example, a country may have very affordable housing, but unaffordable healthcare; rates of tax could be low but pensions not indexed. This report is not intended to analyse these factors in a cross-cutting and coherent way. It should, however, indicate to researchers and policy makers – but also to prospective retirees themselves – the real and diverse costs and benefits of retiring to a particular country other than the UK.

Second, retirement decisions are unlikely to be pure rational assessments of the costs and benefits, and in particular they are unlikely to be based on financial considerations alone. While we have suggested the importance of family and friendship ties – or indeed a wider cultural attachment – we have not tried to measure or suggest how far this may influence an individual retiree. Some factors – such as good weather and good public health services – will apply to *anyone* retiring abroad, and not only BME people returning to their country of birth.

Deciding where to retire is a complicated and difficult decision. Most people of course seek a good life, however they define it, and many include financial considerations prominently in this decision. Whether or not people retire where they were born – and whether that is in a central urban location, in the countryside, or abroad – they should know and understand the full costs of this decision. For people who have contributed consistently and significantly to the British social insurance fund, but who are not currently drawing down from that fund, the British government has an obligation to meet their entitlements in a fair way. If people need to make a realistic assessment of the short- and long-term costs of retiring in a particular location, those costs incurred by government policies should be as transparent and fair as possible. Here we repeat our argument that pensions-indexing should apply to all countries, and so be administered equitably.

The issues raised in this report are likely to become more pressing as the BME population ages. In particular, as more BME people born abroad reach state retirement age, they will consider where they might retire, and like many white people born in Britain, they may seek out a better life abroad. At the same time, as the British-born BME population increases and ages, it too may consider retirement abroad, even if they will not be 'returning' to their country of birth. Understanding these decision-making processes is crucial for researchers and policy makers; making the context of this choice fairer and more transparent can only assist people in making more informed and better choices.

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Runnymede Financial Inclusion Programme

This publication is part of the Runnymede Financial Inclusion Programme. The aim of the programme is to raise awareness and increase knowledge of the ways in which BME people are financially excluded and to influence policy in government, financial insitutions and other organizations and through conducting high quality, in-depth research.

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