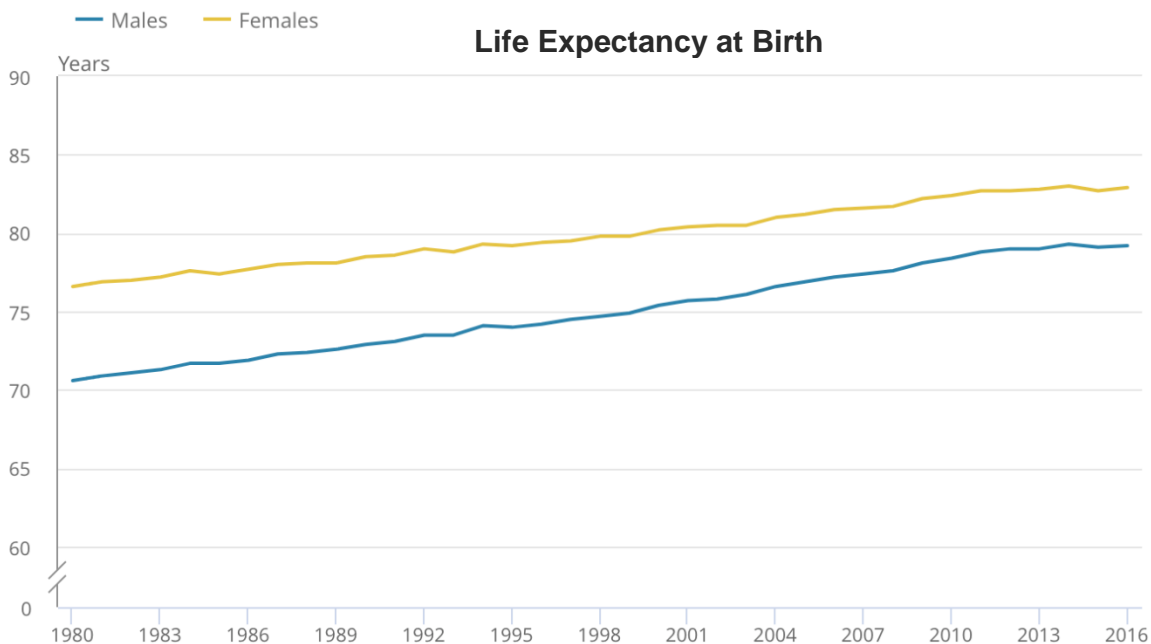


Slowing down our old age

A paper published in August by the Office for National Statistics (ONS) casts new light on life expectancies in the UK.



Source: Office for National Statistics

Life expectancy has been increasing in the UK for a long time, as the graph shows. In 1980, the average life expectancy at birth was 70.6 years for a man and 76.6 years for a woman. In 2016 this had increased to 79.2 years for a man and 82.9 years for a woman.

What the graph also reveals is that the rate of improvement in life expectancy has been slowing down. The ONS data shows a marked deceleration in the 21st century.

Between 2011 to 2016, women's life expectancy at birth increased by 0.2 years compared with an increase of 1.2 years over the period from 2006 to 2011. For men, the corresponding increases were 0.4 years and 1.6 years. There was a similar effect for life expectancy at age 65, which rose by only 0.1 years for women and 0.3 years for men between 2011 and 2016, against 1 year and 1.1 years in the previous five years.

For the layman, this welter of data can be confusing, especially as the press coverage is not always well informed. A few important things to understand are:

The ONS life expectancy data imply that, on average, a man who was 65 years old in 2012 will live until 83.7, while a woman who was 65 years old in 2012 will survive until 86. The expected age at death also rises with age attained.

The data represents the entire UK, but past research has revealed significant differences between regions and even within the areas of single cities.



As well as regional variation, different sections of the population experience different mortality. For example, those with private pensions tend to live longer, probably because they are wealthier.

Crucially, the life expectancies are averages, so 50% of people will outlive the central figure. The spread around the widely-quoted average is significant and often overlooked. The ONS's own 'How long will my pension last' website (which has not been updated with the new data yet) shows that a 65-year-old man has a one-in-four chance of living until 94, and a woman of the same age a one-in-four chance of living to 96.

The data suggests your retirement may not be quite as long as previously thought, but there is still a good chance you will be living into your 90s. If your pension planning does not reflect that, the sooner you review it, the better.