

OLD AGE PENSIONS.

WRITTEN AND ILLUSTRATED BY J. HOLT SCHOOLING.

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*There I saw Coll Tregetour
Upon a table of sycamour
Play an uncouth thyng to tell;
I saw him cary a wyndemell
Under a walnut shale.*

CHAUCER, "House of Fame."

THE nearly unanimous chorus of disapproval from the Press which has met the recent report of the Committee on Old Age Pensions—a report that is unfavourable to the pension schemes considered by the members of the Committee—suggests that there must exist much popular ignorance upon this matter of old age pensions, side by side with much benevolence of intention.

One of the papers reported that Mr. Chamberlain replied to a correspondent, who had invited an expression of his opinion upon the "failure" of the Committee, that "the resources of civilisation are not yet exhausted," thus implying, one supposes, that Mr. Chamberlain, at any rate, is not ready to relinquish as impracticable his favoured project of free old age pensions, despite the adverse report of the nine financial and assurance experts who formed the Committee.

But Mr. Chamberlain, or anyone else who can devise a scheme for free old age pensions that shall be both efficient and practicable, will need the magic of Chaucer's Coll Tregetour, for such a scheme would be a piece of financial juggling worthy to rank, as regards difficulty, with the feat told by Chaucer—"I saw him cary a wyndemell under a walnut shale."

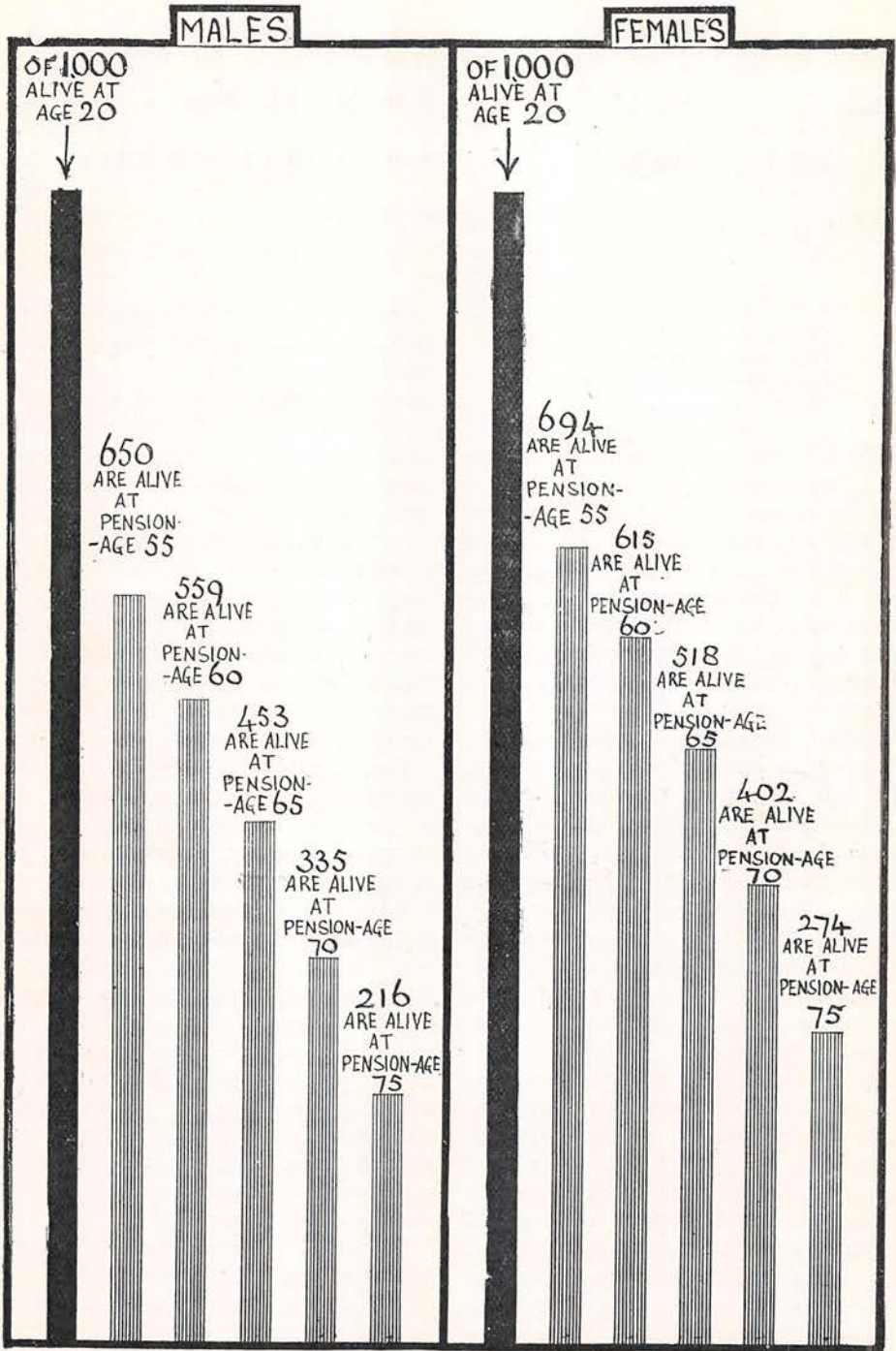
Omitting, for the moment, a consideration of the ethics of State-given pensions, let us look at some of the practical points that touch this matter very closely, but

which are almost wholly unknown to the public, even to that intelligent section of it who may sincerely believe that Old Age Pensions ought to be provided by the State.

Diagram No. 1 illustrates one of the chief difficulties in the way of all pension schemes, for it shows how largely people survive to the pension-age, which is here shown for the sake of completeness at five different ages—viz., 55, 60, 65, 70, 75. These five pension-ages cover all the ages upon which any pension scheme could be based; and inspection of Diagram No. 1 shows, for 1000 persons alive at age 20, that a very large number of them attain the pension-age, wherever that may be fixed.

For example, and taking pension-age sixty-five, 453 of the 1000 males alive at age 20 are alive at age 65; and, as regards females, 518 of the 1000 alive at age 20 are alive at pension-age 65. I have had a good deal of experience in devising pension-funds for big industrial bodies; and one nearly always finds that the non-actuarial mind greatly under-estimates the number of persons who will reach the pension-age. Even if the pension-age be deferred to the advanced age of 75, we see from No. 1 that more than one-quarter of all women alive at age 20 attain the pension-age 75, and that 216 of 1000 men alive at age 20 are also alive at age 75.

So far, I have illustrated this very important matter of persistence in living to the pension-age only as regards young persons 20 years of age, and I have shown, upon the basis of the current Life-Table for England and Wales, how great is the proportion of these young people aged 20



No. 1.—Showing the Number of Persons, out of 1000 alive at age 20, who will survive to receive Pensions at ages 55, 60, 65, 70, 75, respectively.

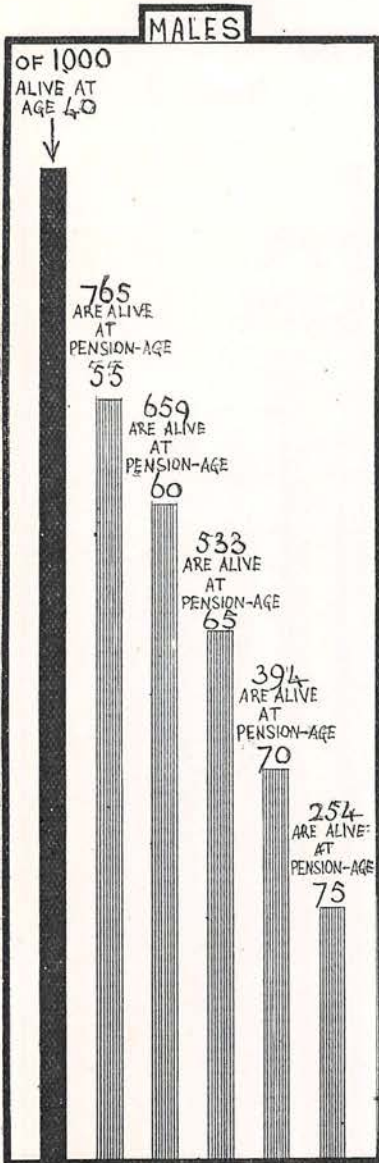
who do attain our various pension-ages. We will skip over twenty years and see how persons of middle age fare as regards the attainment of the pension-age. This

pension-ages. For example, nearly two-thirds of the men who are alive at age 40 will be alive at pension-age 60, more than one-half of the 1000 alive at age 40 will be alive at pension-age 65, and more than one-quarter of this 1000 middle-aged men will be living at the advanced pension-age 75.

Inspection of Diagram No. 3 shows that women of middle age attain the pension-ages therein stated in even larger numbers than the men of middle age just dealt with. We see from No. 3 that 604 of every 1000 women alive at age 40 are alive at pension-age 65, and that nearly one-third of the original 1000 at age 40 are alive at pension-age 75.

The Committee who have just reported on Old Age Pensions did a lot of work, did it well, and by way of thanks have been reviled by nearly everyone. There seems to be no conception of the great intrinsic difficulties of the scheme in the minds of those public writers and others who urge on this project. For this reason I have set out some of my results, based on our current Life-Table, which show this generally unknown persistence in living to the pension-age, and I now give a short summary which contains the results for ages other than those two ages (age 20 and age 40), illustrated in Diagrams 1, 2, and 3.

Here are the summaries, for men and women respectively—



No. 2.—Showing the Number of Men, out of 1000 Men alive at age 40, who will survive to receive Pensions at ages 55, 60, 65, 70, 75, respectively.

is illustrated by Diagrams Nos. 2 and 3 for males and females respectively.

A mere glance at these two diagrams shows how very great is the proportion of middle-aged persons who attain the

Of 1000 MEN alive at age	There will be Alive at Pension Age—				
	55	60	65	70	75
20	650	559	453	335	216
30	692	595	482	357	230
40	765	659	533	394	254
50	894	770	623	461	297
60	..	..	809	599	386
70	..	..	..	..	645

Of 1000 WOMEN alive at age	There will be Alive at Pension Age—				
	55	60	65	70	75
20	694	615	518	402	274
30	738	654	551	428	292
40	808	716	604	468	320
50	915	811	683	530	362
60	..	..	842	654	446
70	..	..	..	..	682

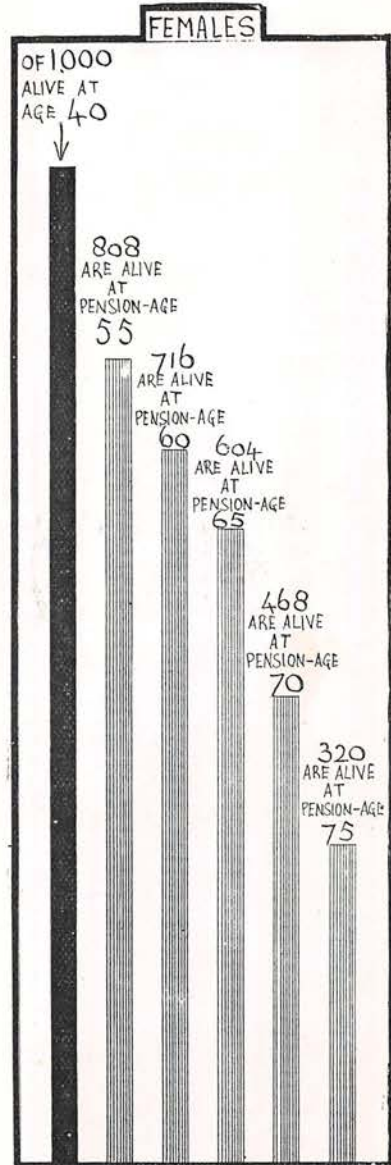
Having shown how great is the tendency for people to attain the pension-age, wherever we fix it, I now show, in No. 4, that the average future lifetime, or expectation of life, when the pension-age is reached, is of a considerable duration. At pension-age 65, for example, a man will draw his pension for $10\frac{1}{2}$ years, and a woman hers for $11\frac{1}{2}$ years. Not only do many more people reach the pension-ages than is commonly supposed, but also there remains at the pension-age a piece of lifetime whose length entails no small tax upon any fund that undertakes to pay a pension until death comes.

The net practical result is contained in No. 5, which shows that in the population of the United Kingdom there are constantly five persons, aged 65 or older, in every 100 of our population. (I now take the pension-age at 65, as this age is the most usual, and it is that with which the schemes are mainly concerned.)

As our population is about forty millions, and as five per hundred of these are persons aged 65 or older, we may say that there are two millions of men and women in the United Kingdom whose age would entitle them to a pension, if the pension-age be fixed at 65 years. Say that only two-thirds of these persons claim the pension (the other third being, we will suppose, provided for by themselves or by others), and give to each a paltry five shillings per week, £13 per year. If we go on this basis, we see that, on our population of forty millions, there is a yearly charge of not less than $17\frac{1}{2}$ millions sterling for these five-shillings-a-week pensions, without providing for any cost of administration, which would certainly be considerable.

The advocates of the various State Pension schemes which have been drawn up have all got some patent dodge for trying to evade the necessary costliness of State Pensions, which, even on the modest basis just set out, would, with administration, cost us yearly about as much as we spend on our Navy, and this for a result that would be scarcely worth having (five shillings a-week isn't much, is it?), although the establishment of State

Pensions would be another and a trenchant blow towards destroying what may now remain of thrift and foresight among the "working classes" of this country.



No. 3.—Showing the Number of Women, out of 1000 Women alive at age 40, who will survive to receive Pensions at ages 55, 60, 65, 70, 75, respectively.

Again, why free pensions rather than free other things, which, moreover, might touch our present instead of our future lifetime? Bar the name—and truly the cry "Old Age Pensions" is an excellent electioneering

PENSION AGE	EXPECTATION OF LIFE AT EACH PENSION-AGE.
55	MALES 15.7 YEARS FEMALES 17.2 YEARS
60	MALES 12.9 FEMALES 14.1
65	MALES 10.3 FEMALES 11.3
70	MALES 8.0 FEMALES 8.8
75	MALES 6.1 FEMALES 6.7

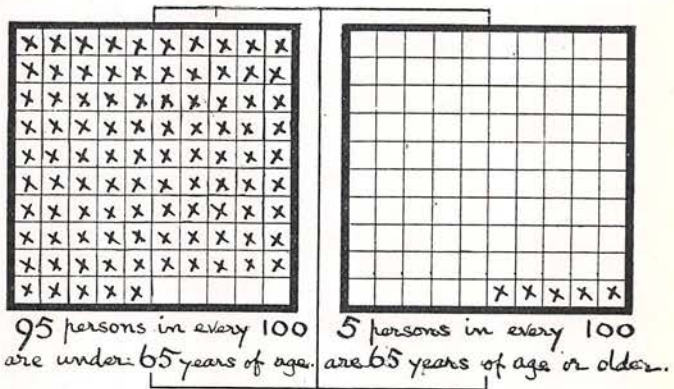
No. 4.—Showing how long People live when they do reach the Pension-age 55, 60, 65, 70, or 75.

fetish—one would be inclined to go for other material things that people want, or think they want, at the expense of the State, such, for example, as “Free Drinks.” I am writing these words on one of the record hot days of August, and, if I believed to be right the principle of the State supplying its citizens with free anything, I should certainly, as a voter, be more inclined to plump for the politician who promises me “free young-age (or middle-age) drinks,” to be had now, than for the politician who promises to give me a free old age pension in the dim future—a beggarly five shillings a-week, if I live to age 65, and if I can then show that my own thrift has saved for me the equivalent of not less than (say) 2s. 6d. per

week for the rest of my life after age 65.

Seriously, though, does not this old age pension business owe much of its popularity to the effectiveness of the thing as a political war-cry? And is not everybody who is in any way connected with politics, and in any way anxious to preserve the favour of the people, reluctant to label the whole scheme impracticable, non-effective (if it were practicable), and inequitable in principle? The perpetual pandering to the democracy

and the subsidising of them in various ways has already done infinite harm by the direct and artificial encouragement of the propagation of the unfit at the expense of the fit, with ugly ramifications injurious to society in many directions. Let us hear no more of this “uncouthynge”—free Old Age Pensions.



No. 5.—Showing the Number of Persons, per 100 of our Population, who are constantly eligible for a Pension, if the commencing Pension-age be fixed at 65 years.