THEN AND NOW

In real terms, the basic state pension is worth around four times more today than the amount received in 1908. One way of looking at it is to consider what basket of goods the state pension bought in 1908 and how much today’s pensioners would spend on the same:

The full pension in 1908 was 5 shillings, which would buy:
- 5 large loaves of bread 1s
- Half lb of tea 10d
- lb of sugar 2d
- lb cheese 8d
- 7 lbs potatoes 3d
- 2 lbs meat (cheap cuts) 1s, 1d
- 7 pints milk 1s

Today this basket could be bought at a major supermarket for £19.15:
- 5 large loaves of bread £5
- 250g tea £1.28
- 500g white sugar £0.48
- 500g cheddar £3.38
- 2.5k potatoes £1.98
- 1k Value stewing steak £4.49
- 7 pints whole milk £2.54

So our 1908 pensioner would have to spend all their pension to buy this basket of goods whereas today’s pensioner on the minimum pension credit guarantee would have £104.90 left over after her shopping.