

Prudential reveals pension contributions plummet



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Press Release Summary: Prudential research reveals UK pension contributions have plummeted as the current economic downturn forces UK workers to make cut backs

Press Release Body: Independent research conducted by **Prudential** reveals that 18%* of UK workers say they have reduced the amount they save for an occupational or private pension as a result of the credit crunch. Of these people, 36% do not anticipate they will be able to increase the amount they save into a pension in the future.

The research shows that voluntary pension contributions to private and company schemes have plummeted by 53% in just 18 months** as the current economic downturn forces UK adults to cut monthly [pension](#) savings from an average £279.38 a month in March 2007 to just £129.35 a month now.

The findings also reveal that UK workers are on average saving just £1,552.20 a year into pension funds with women saving even less, around £74.95 per month or £899.40 a year.

In addition, more than half of all UK workers (55%) do not contribute to a company [pension](#) or private pension, leaving them completely reliant on the State pension or other savings.

The results compared to previous **Prudential** studies, the last of these conducted in March 2008, indicate that pension contributions have fallen by half from their March 2007 level of £279.38 a month to an average of just £144.57 a month, and the latest figures demonstrate that contributions have continued to fall still further from March to September 2008.

Martyn Bogira, Defined Contributions Director, Prudential stated: *"It is staggering to see how much UK pension contributions are being scaled back as people look to reduce their outgoings but while a [pension scheme](#) may seem a relatively pain free way to increase disposable income today, the impact of this in [retirement](#) will be significant.*

"We would urge people to think carefully before cutting pension contributions as it is vital that they build a strong savings pot to ensure they are in the best position possible to enable them to enjoy a comfortable retirement."

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Notes to editors

* Based on an independent online survey conducted by Research Plus on behalf of Prudential. A total of 1000 UK adults aged 18+ were surveyed between 4th - 9th September 2008.

** Based on an independent online survey conducted by Experian on behalf of Prudential. A total of 1500 responses were obtained across the UK among adults aged 18 and over, between 29th February - 5th March 2008. The 2007 survey was conducted between 19th and 25th April 2007 among 1566 UK adults.

About

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