

Prudential reports recession woes grow for pensioners



Released on: March 19, 2009, 7:56 am

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Industry: [Financial](#)

New Prudential Class of 2009 retirement survey reveals the UK's deepening economic crisis will mean the 3.25 million UK adults who plan to retire in 2009 can expect to receive £2.87 billion* less in their pensions than those who planned to retire in 2008.

The survey found UK workers planning to draw their [pension](#) in 2009 expect to get an average income of £17,779 a year, £884 less than those retiring in 2008 who anticipated an average annual income of £18,663. [Retirement](#) will mean taking a £7,129 cut in income compared with the national average salary of £24,908** but some believe they will be considerably worse off.

The Prudential survey showed that 11% of people retiring in 2009 expect to receive an income of less than £10,000 a year from their pensions and investments, with 12% of women expecting to manage on this level of income compared to 9% of men.

While 39% said their pension and savings would give them a decent retirement income, 61% were doubtful that they would have enough money to enjoy a comfortable life in retirement. When asked if they thought they were financially well prepared for retirement, only 47% responded positively.

Keith Haggart, Director of Lifetime Mortgages at Prudential said: "The global economic recession is relentless and indiscriminate in its impact and it was only a matter of time before we began to see British pensioners bear the brunt."

He continued, "Although the results of our survey make unsettling reading, there are ways for pensioners to maximise their incomes during these difficult times. Drawing on some or all of the assets saved throughout their working lives, including releasing value from property through [equity release schemes](#), can boost annual incomes without having a detrimental impact on quality of life or forcing pensioners to downsize or embark on a fire sale of their possessions and assets."

Keith urged anyone approaching retirement or who has recently retired to talk to a financial adviser to help them review all their assets and savings to see how they could be used to maximise income.

Prudential's [retirement planning](#) website helps consumers and employers tackle retirement issues. The website features a Retirement Planner which has been designed to help determine how much income a customer's current arrangements might give them in retirement, factoring in current pensions, property, savings and investments. The Planner also shows customers how they might be able to boost retirement income, if there is a gap between what their current arrangements will provide at the point of retirement and what they anticipate they may need.

Note:

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Notes to editors

* Office of National Statistics 2007 show 24,990,500 adults aged 45+ in the UK. Prudential research shows that 13% of UK adults aged 45+ (youngest age stated by individuals planning to retire in 2009) said they planned to retire in 2009 = 3,251,854 people. Multiplied by £884 individual shortfall = £2.87 billion.

** 2008 ASHE survey results show median weekly pay for full-time employees in UK grew by 4.6% in the year to April 2008 to reach £479 (multiplied by 52 weeks =£24,908).

Survey conducted online by Research Plus among 1,000 UK adults aged 45+, during 10–18 November 2008.

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