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1 in 3 still don't know how they will fund care despite being 12 months away from retirement

- And 12 months out from retirement, 1 in 3 (33%) still don't know how they might make up for a shortfall in sufficient income to fund a comfortable retirement, with only 15% saying that they plan to fund the care costs through the sale of their property
- Just over 1 in 3 (35%) of those in pre-retirement are confident that their plans will allow them to retire comfortably
- Gender divide – almost 7 in 10 (66%) men are confident in their retirement plans compared to under half (48%) of women

For those 12 months away from retirement, confidence in plans that will allow them to retire comfortably is mixed according to the latest research from M&G Wealth.

M&G Wealth's [Retirement Revisited Report](#) reveals that only 1 in 3 (35%) are very confident in their retirement plans. This compares to the largest proportion (42%) who are only slightly confident, while a worrying 1 in 5 (20%) say they are not confident in their retirement plans.

Even among those who are confident, there is an imbalance between men and women. Almost 7 in 10 (66%) men are confident that their retirement plans will enable them with a comfortable retirement, in stark contrast to under half of women (48%).

For those who are looking to make up for a shortfall in sufficient income to fund a comfortable retirement, the most popular solution among those surveyed was to move to a smaller property (31%). A separate 23% said that they would release equity from their home, and 13% said they would use the inheritance that they planned to leave their loved ones.

However, how they anticipate paying for care stirs up a greater worry. This comes as a result of rising residential care fees, which currently range from £27,000 to £39,000 a year with a rise from £35,000 to £55,000 if nursing care is needed¹.

Only 1 in 3 (33%) of those 12 months away from retirement still don't know how they will fund care, with only 15% saying that they plan to fund the care costs through the sale of their property, while 3% say they plan to move in with their children in this situation.

Catriona McNally, investment expert at M&G Wealth, said: "The prospect of needing care later in life and how it will be paid for can often be an uncomfortable subject and is therefore potentially



avoided. That being said, it is important to be aware that what you will pay for social care is dependent on what level of care you require as well as how much you have in savings.

“Rising inflation rates, and the cost-of-living crisis, have undoubtedly added pressures surrounding people’s retirement plans and funding more immediate spending needs is understandably the focus for many right now.

“Speaking to a professional financial adviser about how to best to plan your retirement will not only help to give you increased confidence in your plans but can help you plan how you’ll finance future care requirements.”

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Notes to editors

1. <https://lottie.org/fees-funding/care-home-costs/>

Methodology

Research was carried by Opinium among 900 UK adults (18+) with 500 of them planning on retiring in the next 12 months

About M&G Wealth

M&G Wealth is part of M&G plc. It has four main parts, M&G Wealth Advice, M&G Wealth Platform, M&G Wealth Investments and a retail investment funds business, M&G Direct.

M&G Wealth launched a HYBRID advice business - ‘MAP your future’ - in late 2021, initially to a part of its existing customer base, where clients, often with modest wealth and a simpler set of financial needs, are able to get access to the advice that they currently find difficult to obtain – either because of the costs involved or the commercials commonly associated with an advice business (making it impractical to offer services to lower sums invested).

At the start of 2022 M&G plc also completed the acquisition of Sandringham Partners – an independent financial advice arm of M&G Wealth.

M&G plc is a company incorporated and with its principal place of business in England, and its affiliated companies constitute a leading savings and investments business. M&G plc is the direct parent company of The Prudential Assurance Company Limited. The Prudential Assurance Company Limited is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom.



In January 2022 M&G plc announced a partnership agreement with Moneyfarm, a leading digital investment specialist, to provide direct investment services to UK consumers. M&G Wealth will use Moneyfarm's existing technology, digital capabilities, and investment guidance journeys to back its own branded proposition.

In February 2022 M&G plc acquired TCF Investments to provide model portfolio services (MPS) and in April 2022 added a new range of six model portfolios focused on investing globally and incorporating ESG factors in its investment process.

In August 2022 month M&G announced that it was taking an initial 49.9% stake in National IFA Continuum Financial Services with a scheduled agreement in place to acquire the remainder over the following two years.