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## RETIREMENT INCOMES HIT A NEW RECORD HIGH

- **Good news for the 2018 retirees who *are retiring with* £19,900 a year - the highest average on record**
- **Retirement woes still continue - Nearly half are worried about their preparations for retirement**
- **Initial findings from the 11<sup>th</sup> year of Prudential's *Class of...* research**

People planning to retire this year are expecting to live on an average annual income of £19,900, according to the latest research by Prudential<sup>1</sup>. The figure now stands at its highest level since the survey began in 2008 and after five consecutive years of rising incomes.

Each year Prudential conducts its unique research into the financial plans and aspirations of people planning to retire in the year ahead. This year's retirees – the *Class of 2018* – expect an income 10 per cent higher than those who gave up work in 2017, whose average expected annual retirement income was £18,100.

Expected retirement incomes have now risen consistently since 2013 when they hit a low of £15,300. Prudential's annual study, now in its eleventh year, shows that expected incomes have now passed their pre-financial crisis levels and are £1,200 higher than the £18,700 expected in 2008.

The *Class of...* research has tracked retirement trends over a period that has seen some of the biggest changes to pensions in generations as well as major political and economic upheavals and there are signs uncertainty may be hitting confidence despite rising incomes.

Despite the record increase, this year's findings revealed that nearly half (46 per cent) of people planning to retire this year feel they are either not financially well prepared for retirement or are unsure about their preparations.

Meanwhile, just half (50 per cent) believe their expected income will enable them to have comfortable retirement while 27 per cent believe they do not have enough money for retirement.

**Vince Smith-Hughes, a retirement income expert at Prudential, said:** "The new record high for expected retirement incomes is good news for people planning to

retire this year highlighting how saving for the future is paying off. The 10 per cent rise from last year is even more impressive given the economic and political uncertainty that savers are having to cope with.

“That uncertainty is however impacting the confidence of nearly half of the Class of 2018 who fear they aren’t financially well equipped. For many a consultation with a professional financial adviser, both when saving into a pension and considering the income options at retirement, could be a major help.

“But the message remains the same for anyone looking to make their retirement as financially comfortable as possible - try to save as much as possible as early as possible in your working life.”

*The table below shows how expected retirement incomes have risen – and fallen – since 2008.*

CLASS OF	EXPECTED INCOME
2008	£18,700
2009	£17,800
2010	£16,500
2011	£16,600
2012	£15,500
2013	£15,300
2014	£15,800
2015	£17,000
2016	£17,700
2017	£18,100
2018	£19,900

Source: Prudential's *Class of...* research, 2008-2018

- Ends -

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### Notes to editors

<sup>1</sup> Research Plus conducted an independent online survey for Prudential between 29 November and 11 December 2017 among 9,896 non-retired UK adults aged 45+, including 1,000 planning to retire in **2018**.

All expected income figures rounded to the nearest £100.