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THE EARLY RETIREMENT DREAM LIVES ON BUT AT WHAT COST?

- **Nearly two thirds (60 per cent) of those stopping work this year are quitting before their expected state pension age or company pension retirement date**
- **But retiring early can mean facing a £3,400 hit on their annual retirement income**
- **Financial advice proves its worth for this year's early retirees**

With increasing numbers now working past traditional retirement ages¹, stopping work can seem a long way off, especially for younger people. However, new research from Prudential² reveals that the early retirement dream lives on. Nearly two thirds (60 per cent) of those stopping work this year are doing so before their expected state pension age or company pension retirement date.

The unique annual study by Prudential, which tracks the finances and aspirations of those planning to retire during the year ahead and now in its eleventh year, also found that members of the *Class of 2018* planning on retiring early could be facing a considerable hit on their annual retirement income to the value of £3,394. The average expected retirement income, inclusive of savings and state pension, for those retiring early is £18,567, compared to £21,961 for those not retiring early.

It appears that those planning to escape the daily grind early feel the most comfortable when it comes to their financial situation in retirement - with over half (56 per cent) saying they feel financially well prepared compared with 49 per cent of those working towards their expected retirement date. That's reflected in the numbers taking financial advice - 68 per cent of early retirees are seeking professional advice compared with 60 per cent of those working until their projected retirement age.

The average age of those retiring early is 57 and early retirees will be making the most of their free time – over a third (37 per cent) plan to take up a new hobby or sport, 27 per cent will start voluntary or charity work and nearly a fifth (17 per cent) are planning a long-term holiday or gap year.

Vince Smith-Hughes, retirement expert at Prudential, said: “It’s encouraging to see that so many of this year’s retirees are in a comfortable enough financial position to enable them to retire early.

“People stopping work early are not planning to put their feet up. They want to keep busy and active by taking up hobbies, sports, charity work and some are even planning a post-work gap year. These are fantastic ways to spend your retirement but can be expensive and, with everyone living longer than ever before, it is vital to ensure you can fund your whole retirement.

“Seeking guidance from the Government’s free and impartial Pension Wise service or advice from a professional adviser can help people identify the best course of action to achieve their specific financial retirement goals at any stage in their working life.”

The East Midlands is the early retirement capital of the UK with 72 per cent of its retirees retiring early, closely followed by Wales (69 per cent) and Yorkshire and the Humber (67 per cent).

- Ends -

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Notes to editors

¹<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/fivefactsaboutolderpeopleatwork/2016-10-01>

²Research 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**.