

Prudential reveals two in five planning to retire in 2011

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Prudential has announced that two in five people are planning their retirement for 2011, even though many have received no advice or have relied solely on non-professional advice.

Two in every five people planning to retire in 2011 will do so having relied on non-professional advice as their main financial information source in the run up to retirement. Prudential's Class of 2011 research studied the financial plans of this year's retirees and found that 43 per cent have received no professional advice or relied on the internet or the media for most of their pension advice (http://www.pru.co.uk/pensions_annuities/pension_guide/heard_about_pensions/).

However, more than a quarter (28 per cent) of people intending to retire this year received most of their financial information from an IFA - a figure that remains unchanged since last year. But the study shows there is an increasing trend for people to conduct their own research before seeking pre-retirement financial advice. Half of those who said that an IFA was their main source of retirement income advice had also carried out research online and via the media - an increase from one in three in 2010.

Prudential also found that nearly one in ten (9 per cent) are relying on employers for pre-retirement financial advice (http://www.pru.co.uk/pensions_annuities/pensionsurgery/) advice while another 16 per cent are putting their faith in a mix of friends and family, pension providers and banks.

Russell Warwick, distribution strategy director at Prudential, said: "These results show that there is a genuine advice gap for people in the run-up to retirement. The majority of people due to retire this year will miss out on professional advice and could potentially be making mistakes when planning for their retirement income.

"It is imperative for people looking to secure their retirement income to start saving as much as they can as early as they can and in the years immediately prior to retirement I would also recommend a consultation with a professional adviser on an annual basis.

"Our research has also found that the numbers seeking financial advice prior to retirement in 2011 have not changed since last year. This highlights the work that we as an industry will need to undertake to increase consumer understanding of the value that advisers can add in the run up to the implementation of the Retail Distribution Review next year."

According to Prudential's research, men are more likely to seek financial advice than women in the run up to retirement. Around 34 per cent of men intending to retire this year cited IFAs as their main source of advice, compared with 24 per cent of women.

People in Yorkshire & Humberside (34 per cent) and Londoners (32 per cent) are the most likely to have received the majority of their retirement advice (http://www.pru.co.uk/pensions_annuities/pension_guide/near_retirement/) advice from a professional adviser.

About Prudential:

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Prudential offers customers pensions and annuities, pensions retirement income, insurance and investment opportunities.

Notes to Editors:

Survey conducted using online methodology by Research Plus between 6 and 14 December 2010 among 10,143 UK non-retired adults aged 45+ including 1,005 planning to retire in 2011 using an online methodology.

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