

Prudential reveals women set to retire on £5750 less than men

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New research from Prudential has revealed that women retiring in 2012 expect their annual retirement income to be a third lower than that of their male counterparts, adding up to a gender gap of £5,750.

Prudential's Class of 2012 study into the finances and expectations of those planning to retire this year finds that the average woman expects an annual income of £12,250 from their retirement pension (http://www.pru.co.uk/pensions_annuities/pension_guide/near_retirement/), compared with an average expected income of £18,000 for men.

The study shows that the gender gap has fallen from last year's £6,500, and has narrowed steadily since Prudential first measured a gap of £6,642 in 2009. The fall this year can be mainly attributed to a reduction in men's expected incomes. However, the gap remains significant.

Prudential's study found that the average amount that men and women expect to retire on in 2012 fell to a five-year low of £15,500 including private, company and State pension, compared with £16,600 in 2011.

Stan Russell, Prudential's retirement income expert, said: "The Pension Gender Gap appears to be narrowing, but there is still a long way to go. Not only does the gap remain stubbornly wide, but anticipated retirement incomes have this year hit a five year low for both men and women.

"The practical steps that women can take to improve their retirement income prospects include maintaining pension contributions during career breaks and, if possible, making voluntary National Insurance contributions after returning to work.

"It is imperative for anyone looking to secure a sufficient income when they retire to begin saving as much as they can, as early as they can, and to do so regularly through life. For those who are still working, it has never been a more important time to save into a pension."

The Prudential study also found that nearly half (49 per cent) of women believe they will not have enough income for a comfortable retirement, compared with 40 per cent of men.

The retirement gender gap is widest in the South East, where women retiring this year expect to have £7,878 less income a year on average than men - £12,259 compared with £20,137.

The gender gap is narrowest in the North West, with women in the region retiring on an average of £13,087 a year, compared with £15,632 for men - a difference of £2,545.

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Notes to Editors:

Online survey conducted by Research Plus between 2nd and 12th December 2011 among 9,614 UK non-retired adults aged 45+, including 1,003 planning to retire in 2012.

The information contained in Prudential UK's press releases is intended solely for journalists and should not be used by consumers to make financial decisions. Full consumer product information can be found at www.pru.co.uk.

About Prudential:

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PR Contact:

Jo Field
3 Sheldon Square
London
W2 6PR
020 7004 8078
www.pru.co.uk