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RETIREMENT INCOME GENDER GAP GROWS BY £1,000

- **Women retiring in 2017 will be £6,400 a year worse off than men**
- **The annual retirement income gender gap has grown by £1,000, from a gap of £5,400 in 2016**
- **Women's expected retirement incomes stagnate while men's continue to grow**

The gap between women's and men's annual average expected retirement incomes in 2017 has grown by £1,000 in the last year, according to new research from Prudential¹.

The unique annual research has, over the last 10 years, tracked the future financial plans and aspirations of people planning to retire in the year ahead. This year's *Class of 2017* research shows that women expecting to retire this year will be £6,400 a year worse off on average than their male counterparts, and nearly £200 a year worse off than women who retired in 2016.

Women this year expect an average annual retirement income of £14,300, which is the second highest on record although slightly down on the £14,500 for those retiring in 2016. This year's female retirees are feeling slightly more confident about their finances, however, with 50 per cent saying they are financially well-prepared for retirement, compared with 48 per cent in 2016.

Meanwhile, as women's incomes stagnate, men's expected retirement incomes have shown a fifth consecutive year of growth. Men retiring this year expect an annual retirement income of £20,700 – £900 a year more than last year which is helping drive the gender gap to its highest level for three years.

The Prudential study, which has tracked the retirement income gender gap for 10 years, shows that men retiring this year will be 45 per cent better-off than women. The gender gap

was at its widest in 2008 when the average expected retirement income for men was 84 per cent higher than that expected by women.

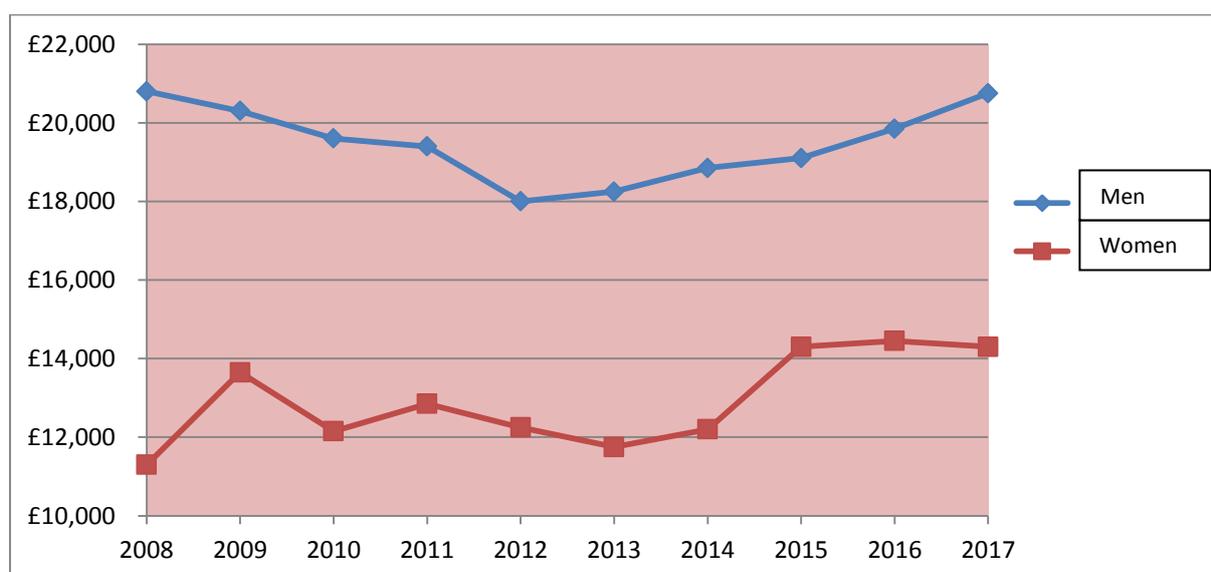
Kirsty Anderson, a retirement income expert at Prudential, said: “It is encouraging that many women planning to retire this year feel financially well-prepared for their years in retirement. In fact, women’s expected retirement incomes this year are the second highest on record.

“However, the gender gap in retirement incomes continues to grow, probably reflecting the fact that many women will enter retirement having taken career breaks and changed their working patterns to look after dependants. Unfortunately, as a result, many women will end up with smaller personal pension pots and some are also likely to receive a reduced State Pension.

“For anyone who takes a career break, maintaining pension contributions and, where possible, making voluntary National Insurance contributions after returning to work, should help to minimise the impact on their retirement income. The best way to secure a good quality of life in retirement is to save as much as possible from as early as possible in your working life. Consulting a professional financial adviser to ensure that retirement financial plans are on track is a sensible route for many.

“However, with a greater number of women staying in the workforce for longer these days, and employers increasingly offering more flexible working patterns, the outlook looks more positive for women’s retirement incomes in the future.”

Average expected retirement incomes of new retirees – 2008 to 2017



Source – Prudential’s *Class of...* retirement research 2008 to 2017

The retirement income gender gap – 2008 to 2017

Year of planned retirement	Expected annual retirement income*		Gender gap*
	Women	Men	
2017	£14,300	£20,700	£6,400
2016	£14,500	£19,800	£5,300
2015	£14,300	£19,100	£4,800
2014	£12,200	£18,900	£6,700
2013	£11,800	£18,200	£6,400
2012	£12,200	£18,000	£5,800
2011	£12,900	£19,400	£6,500
2010	£12,200	£19,600	£7,400
2009	£13,700	£20,300	£6,600
2008	£11,300	£20,800	£9,500

Source – Prudential's *Class of...* retirement research 2008 to 2017

* Rounded to the nearest £100.

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Notes to editors

¹ Research Plus conducted an independent online survey for Prudential between 8 and 22 November 2016, among 10,605 non-retired UK adults aged 45+, including 1,000 planning to retire in 2017.