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2018 PENSIONERS BANKROLLING THREE GENERATIONS

- **Nearly a third (31 per cent) of those planning to retire this year are helping out their families financially**
- **Retirees dishing out an average £4,300 a year to dependants and providing support for three people**
- **Children are the most likely recipients of financial help but grandchildren and even parents are receiving money too**

Nearly a third (31 per cent) of those planning to retire this year are helping out their families financially to the tune of around £4,300 a year, increasing pressure on their own retirement plans and income, new research¹ from Prudential shows.

On average they are providing financial support to three people, with their or their partner's children the most likely (56 per cent) to be receiving money. Similarly, grandchildren (25 per cent) are also likely to receive help and even in some cases parents (8 per cent) and grandparents (2 per cent).

The findings – part of Prudential's unique *Class of 2018* study which is now in its 11th year recording the financial plans and aspirations of people planning to retire in the year ahead – highlight how retirement does not necessarily mean an end to supporting family.

Taking all monthly payments into account, those planning to stop work this year expect to give their extended family £360 a month on average, adding up to £4,320 after tax a year. Nearly one in five expecting to retire this year estimate they provide more than £500 a month to family members.

The money is most commonly used to cover everyday living costs such as food and travel, according to 27 per cent of those who give money monthly. However, 23 per cent say they are providing financial support to help with university education fees and living costs while 22 per cent say some of the cash goes to help jump on the property ladder.

Women are slightly more generous than men, expecting to provide an average of £374 a month to family members, compared to men who will hand over £25 less every month.

Stan Russell, retirement income expert at Prudential, said: “Increasing financial pressure faced by people of all ages, such as the cost of university education and the rising cost of buying a home, means that providing financial support to family members continues well in to retirement.

“While it’s understandable so many people want to financially support family members, it is important to make sure they have enough money set aside themselves to cover their own living costs and don’t put their retirement at risk.

“Saving as much as possible as early as possible and seeking professional financial advice is crucial for those who don’t wish to risk feeling the pinch in their own finances by helping out family members.”

Prudential’s study shows that a quarter (26 per cent) of those retiring this year have families but currently do not provide them with any financial support, while 43 per cent do not have any dependants.

- Ends -

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Notes to editors

¹ 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**.