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GENDER PAY GAP FOLLOWS WOMEN INTO RETIREMENT

- **Women retiring in 2018 will have incomes 29 per cent lower than men - nearly £5,000 annually**
- **One in six women will retire this year with an income below the Joseph Rowntree Foundation's minimum income standard**
- **But their retirement income has hit an all-time high as the gender gap shrinks**

Women retiring in 2018 will have average expected retirement incomes £4,900 lower than men as the gender gap remains a major issue, reveals new research from Prudential¹.

The good news is that women's expected retirement income has hit a record high and the gender gap is shrinking but women will still be 29 per cent worse off than men, Prudential's *Class of 2018* study shows.

Prudential has, for the last 11 years, tracked the finances, future plans and aspirations of people planning to retire in the year ahead in its *Class of* research which highlights the persistence of the gender gap with men expecting to retire on an average annual income of £21,800 compared with women's of £16,900.

The Joseph Rowntree Foundation's (JRF) Minimum Income Standard states the income for a single pensioner should be at least £9,998². However, findings show that one in six (16 per cent) women will be retiring with an income below this standard, compared to just one in 10 (10 per cent) of men.

The retirement income gender gap is narrowing and is now the second lowest on record with the smallest gap recorded in 2015 at a £4,800 disparity. This is a significant improvement when compared with the widest gender gap in 2008 when the average expected retirement income for men was 84 per cent, or £9,500 higher than that expected by women.

Furthermore, both men and women are now retiring on a higher average annual income in 2018 than any other time over the last 11 years. Women retiring this year will be £2,600 a year better off than last year, while men will be £1,150 better off.

Kirsty Anderson, a retirement income expert at Prudential, said:

“The retirement income gender gap is still too wide, at nearly £5,000, with women struggling to match the incomes generated by men.

“However, it is really encouraging to see that the retirement income gender pay gap is shrinking over consecutive years and women are starting to close the gap on men. It is also extremely positive news that expected retirement incomes this year are the highest on record.

“As working patterns continue to change and become more flexible and shared parental leave is more widely encouraged by the government agenda and employers, the future looks positive for narrowing the retirement gender gap.

“It can be difficult to justify any extra expense when taking a career break, but it is extremely important for anyone taking time out of work to maintain their pension contributions. Saving as much as possible as early as possible is the best way to secure a good quality of life in retirement.”

Despite retiring with a record high income, Women in the *Class of 2018* are not feeling quite as confident about their finances than previous years, with 47 per cent stating they are financially well-prepared for retirement, compared to 50 per cent in 2017. Nearly six in ten (59 per cent) men, on the other hand, feel financially prepared for retirement.

The retirement income gender gap – 2008 to 2018

Year of planned retirement	Expected annual retirement income*		Gender gap*
	Women	Men	
2018	£16,900	£21,850	£4,900
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 2018
* Rounded to the nearest £100.

- 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**.

² Figures taken from the 2017 update of the Minimum Income Standard for the United Kingdom published by the Joseph Rowntree Foundation - <https://www.jrf.org.uk/report/minimum-income-standard-uk-2017>