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WELCOME TO THE WORLD OF WORK – YOU’LL BE A MILLIONAIRE BY THE TIME YOU’RE 46

- **The average worker starting work aged 18 in 2016 will earn their first million just after their 46th birthday**
- **They’ll have paid £238,000 in tax and national insurance by that point**
- **A worker saving 5 per cent into a pension will receive pension tax relief of £10,000 on their first earned million**

Young workers starting their careers in 2016 will have earned a total of £1 million by the time they are 46 years old, according to new analysis by Prudential.¹

The results show that an 18 year old starting their career this year and earning the projected average salary for their age group throughout their career, will have amassed earnings of more than £1 million by 2044 – at the age of 46 years and 1 month.

The analysis is based on figures from the latest ONS Annual Survey of Hours and Earnings (ASHE) and assumes that future average wage inflation will mirror average pay increases seen during the period 2006 to 2015.

By the time the average worker has earned their first million pounds they will have paid approximately £138,500 in tax and £99,680 in national insurance – a total of more than £238,000. However, the impact of tax on a lifetime’s earnings can be reduced by making contributions to a pension. An average-earning individual paying five per cent of their income personally into a pension over the course of their career could receive tax relief of £10,000 on their first earned million.

Vince Smith-Hughes, a retirement income expert at Prudential, said: “For many people it can be surprising just how much a lifetime of earnings can add up to. With many people now working until later in life, someone earning the projected average salary over their career can expect to earn a total of over £2 million in their lifetime.

“With this in mind, the approach of saving as much as possible as early as possible in life is the most likely way for most people to be able to secure a comfortable income in retirement. Workers who have the opportunity to contribute to a workplace pension scheme will benefit from employer contributions as well as making a dent in the more than £200,000 they would have to pay the tax man on their first earned million.

“There are many different types of saving products with different levels of tax efficiency depending on your circumstance, and it should be remembered for example that the new Lifetime ISA will be another option when it becomes available in April 2017. As the options open to savers increase, so does the value of taking professional financial advice.”

Across the country, workers in London will reach the million pound milestone the soonest at 39 years and six months. Those in the South East of England and Scotland are the next fastest earners (45 year, six months and 47 years, three months respectively), while workers in Wales will have to wait until they turn 50 to earn a total of £1 million.

Average age at which a worker will reach £1 million in earnings by region

Region	Age
London	39 years, 6 months
South East	45 years, 6 months
Scotland	47 years, 3 months
East of England	47 years, 8 months
North West	48 years, 4 months
West Midlands	48 years, 6 months
North East	48 years, 8 months
South West	48 years, 11 months
East Midlands	49 years, 1 month
Yorkshire and The Humber	49 years, 3 months
Wales	50 years
UK Average	46 years, 1 month

- ENDS -

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Notes to editors

¹ All figures sourced from the [ONS's annual survey of hours and earnings \(ASHE\) 2015 edition](#).

- Earning calculations, were based on mean incomes, split by age groups, as recorded in the ASHE report.
- Future income age bracket data calculated using the proportion of 2015 salaries relative to average income and then applied to estimated mean salary.
- Future annual income estimated using annual wage inflation of 1.68% - equivalent to the average increase over the last ten years (2006-2015) applied to an average wage of £27,607 in 2015.
- The month during which a worker earns £1 million is rounded up to account for income being paid at the end of every month.
- Tax and national insurance deductions, as well as rates of tax relief, are based on [current rates and thresholds](#)
- Assumption that tax relief is at basic rate

Calculation

Year	Age	Projected average wage	Total lifetime earnings	Year	Age	Projected average wage	Total lifetime earnings
2016	18	£10,361	£10,361	2031	33	£38,272	£406,665
2017	19	£10,536	£20,897	2032	34	£38,916	£445,581
2018	20	£10,713	£31,610	2033	35	£39,571	£485,152
2019	21	£22,377	£53,987	2034	36	£40,236	£525,388
2020	22	£22,754	£76,741	2035	37	£40,913	£566,302
2021	23	£23,137	£99,878	2036	38	£41,601	£607,903
2022	24	£23,526	£123,404	2037	39	£45,983	£653,886
2023	25	£23,921	£147,325	2038	40	£46,757	£700,643
2024	26	£24,324	£171,649	2039	41	£47,543	£748,186
2025	27	£24,733	£196,382	2040	42	£48,343	£796,529
2026	28	£25,149	£221,531	2041	43	£49,156	£845,685
2027	29	£35,802	£257,333	2042	44	£49,983	£895,668
2028	30	£36,404	£293,737	2043	45	£50,824	£946,492
2029	31	£37,017	£330,754	2044	46	£51,679	£998,171
2030	32	£37,639	£368,393	2045	47	£52,548	£1,050,719

Based on Prudential analysis of the 2015 edition of the ONS ASHE figures