



## **BRITONS EXPECT COMFORTABLE RETIREMENT- BUT RELY ON THE STATE TO FUND IT**

(17 March 2010) Only 7% of Britons expect to be able to afford an independent retirement, according to new research from SHIP (Safe Home Income Plans), the equity release trade body- but 49% expect to have a similar or better standard of living in retirement as they do when working.

Despite 91% of people agreeing that they were personally responsible for ensuring that they are financially stable during retirement, the research shows that 93% of Britons plan on taking state benefits when they retire. Only 2% of respondents stated that they would refuse as they don't want to be a burden on the state.

Indeed, 61% of people intend to fund their retirement through a state pension, vs. only 35% of Britons who will rely on a private pension. However, not all Britons will rely on standard pension provisions to fund their retirement; 50% of Britons will use their savings, and 17% of Britons intend to plug the gap in their pension savings by working part-time to supplement their income.

The pension saving patterns of Britons remain inconsistent, as 34% of Britons have no regular pension plan, whilst 21% have saved into one in the past, but no longer do. Even more contradictory, 21% of Britons say that their structured pension plan will make up a large part of their retirement provision, but 23% of those who save regularly into pension plans reveal that it won't be enough for them to retire comfortably on, leaving a gap in their finances.



Other key findings of the research found that:

- 70% of people would like the government to do more to educate them about retirement financial planning.
- Only 17% of people have had help planning their retirement from a financial adviser (either as a one off, or as regular help)
- 52% of people agreed that they were scared about how they would finance their retirement.
- 71% of Britons hadn't spoken to their partner about planning their retirement finances
- 70% of people expect to have a better or equal standard of retirement than their parents

Andrea Rozario, Director General of SHIP, commented on the findings:

"It is clear that many people are living in a retirement funding daydream. They aren't saving enough money, they aren't consulting financial advisers and they aren't talking about their options with their families- and yet they still expect to have a comfortable retirement, with the help of the state.

"Unfortunately, the well is running dry. In 2030 there will be 14,678,000 over 65's\* - more than ever before- and no way of supporting all of those in need. British people and the Government need to look at what is often their greatest asset- their property. By 2030, the over 65's will be able to access £359 billion worth of housing equity\*\*, and could be using this to ensure the comfort of their retirement, rather than relying on a pot of public resource that may not stretch to accommodate them. "

-ENDS-



**For further information, please contact:**

Lee Blackwell/ Beth Murray/ Emma Beresford The Wriglesworth Consultancy on 020 7427 1400 or email [ship@wriglesworth.com](mailto:ship@wriglesworth.com)

Andrea Rozario on 0753 4401222 or email [directorgeneral@ship-ltd.org](mailto:directorgeneral@ship-ltd.org)

**Notes to Editors**

This research was carried out with 1004 respondents, using an appropriately weighed internet survey method.

\*\* DWP predictions, December 2009

\*PPI Report, September 2009

**About SHIP Equity Release:**

Safe Home Income Plans (SHIP) is the UK's trade body for equity release product providers. Launched in 1991 to promote safe plans, SHIP is dedicated to the protection of the planholder and the safe growth of the industry. SHIP represents approximately 90% of the providers in the UK.

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