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MAKING ENDS MEET MAY TEMPT SOME PENSIONERS TO CRIME ACCORDING TO PRUDENTIAL RETIREMENT INDEX

- **31% of the nation's retired survive on less than £10,000 a year;**
- **Up to 107,000¹ retired people turn to crime or consider doing so;**
- **Up to 200,000² retired people have moved in with their children or friends to make ends meet;**
- **Worrying cut backs on heating costs could put older people at risk.**

The launch of Prudential's Retirement Index, a new quarterly report researching income and lifestyles of people in retirement, has revealed that 31% of retired individuals survive on under £10,000 a year.

The research suggests that the financial hardship facing this group is tempting thousands of retired people in the UK to consider breaking the law to make ends meet. Home Office statistics support these findings, with the last five years seeing a sharp rise in the number of over 65s behind bars. The prison population in this age group has risen by 66% since 1997.

The UK's Prosperous & Poorest pensioners

The average amount of money coming into retired households varies from under £10,000 in the North East to over £16,500 in the North West. With the North West and South West regions top of the pensioners income league, perhaps the picture of retirees flocking to the beaches of Blackpool and Bournemouth is still a reality.

Region	North West	South West	South East	West Midlands	Greater London	Wales	Scotland	East Midlands	Yorks/ H.side	East Anglia	North East
Average annual income	£16,688	£14,346	£12,666	£12,412	£12,383	£12,244	£12,158	£12,132	£11,629	£10,857	£ 9,713

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PRUDENTIAL RETIREMENT INDEX FACTS:

- 3.3 million retired people are getting by on £192 a week;
- 15% feel forced to work part-time to supplement their income and;
- Up to 200,000 have had to move in with their children or friends because of lack of money.

Further research from the Index also suggests that retired people are putting their health at risk by struggling on a low income. Despite the onset of winter and recent figures showing that 20,000³ elderly people died of cold-related illnesses last year, 9% have cut back on heating their homes. North Easterners are most likely to save on fuel, with the Scots most likely to leave their heating on.

The average predicted household spend by retired people across all regions – February 2002

Region	West Midlands	East Midlands	North West	Yorks/H. side	South East	Wales	East Anglia	North East	Greater London	South West	Scotland
	£706	£705	£656	£650	£601	£597	£529	£522	£521	£502	£469

Jetting away from it all:

East Midlanders are most likely to splash out on holidays with East Anglians preferring to stay at home. After holidays, the nation's retired would appear to be a generous bunch by spending spare cash on gifts for family and friends. Having said that, the Scots are least likely to buy presents, preferring to spend any extra cash on clothes for themselves!

Gary Hitchens, Director of the Customer Channel said: "Our research paints a potentially gloomy picture for some of the nation's retired people whose financial situation could be improved if they made sure they are receiving all of the state benefits to which they are entitled. We believe that a large number of pensioners are either not aware of all their entitlements or too proud to claim them.

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"Sadly, unless today's working population take planning for their retirement more seriously, their so called golden years could turn sour and the financial hardships they face could be more severe than those experienced by today's retired population.

"To help ensure a comfortable retirement, it is generally advisable to save 15% of your annual income into a pension fund. In reality this is the exception as opposed to the norm. It is estimated that the nation needs additional savings of £27 billion⁴ a year to generate an acceptable retirement income.

Hitchens concluded, "Today's working population must wake up to the fact that they have to take greater responsibility over what sort of retirement they can look forward to.

Economically, with an ageing population and shrinking workforce, most commentators agree that the level of support provided by the state is likely to decline."

For further information from Prudential on saving for retirement customers can call freephone number 0800 316 2022.

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Notes to Editors:

1. Prudential questioned 435 retired adults from 11th – 17th January 2002. National Office of Statistics state the number of men aged 65 + and women aged 60 + is 10.7 million.
2. Same as above.
3. Help the Aged, December 2001.
4. Association of British Insurers (ABI) – 2002.

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