



Income Shortfall in Retirement?

The gap between the income required by retirees and their actual potential retirement income is increasing, with the majority facing a £3,200 annual shortfall. New research by LV= (formerly Liverpool Victoria) has revealed that two-thirds (66 per cent) of over 50's approaching retirement are more concerned than ever about their financial security and income in retirement.

In fact, the LV= State of Retirement report found that the majority of people believe that they will need £20,100 a year in retirement, but know that they will only have access to £16,900 a year.

The impact of rising living costs and the potential of a recession are contributing to fears about such a retirement income gap.

Of those who are concerned about their retirement income, more than three-quarters (77 per cent) said increasing utility bills and food prices are their biggest financial concern.

Four out of 10 people facing retirement (42 per cent) fear that a recession will affect their wealth when they retire, followed by 35 per cent concerned about rising interest rates and 32 per cent about media reporting of the 'credit crunch'.

However, despite growing concerns a quarter of those surveyed are still not saving for their retirements. A further four in 10 are not increasing their savings despite their worries. All this makes it absolutely crucial that the proposed auto enrolment into personal accounts in 2012 isn't botched.

May 2008

THE FINANCIAL SERVICES AUTHORITY DOES NOT REGULATE SOME ASPECTS OF TRUST AND TAXATION ADVICE.
YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED UPON IT.
The guidance and advice contained within this article are subject to UK regulatory regime and is therefore primarily targeted at customers based in the UK.

ARK Financial Planning Limited is authorised and regulated by the Financial Services Authority.
ARK Financial Planning Limited - Independent Financial Advisers.
18-20 Stamford Street, Stalybridge, Cheshire, SK15 1JZ.
Tel: 0161 303 9977, Fax: 0161 303 8499, E-Mail: answers@arkfp.co.uk.
Registered in England: No. 4975240.
Registered Office: 14 Warrington Street, Ashton-under-Lyne, OL6 6AS.