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NINE OUT OF TEN IFAs (88%) SAY INCREASING NUMBERS OF PEOPLE WILL BE UNABLE TO RETIRE AT THE AGE THEY WANT TO

AEGON's third IFA Insights Survey highlights the changing nature of retirement planning and saving for the future

- 88 per cent believe the average retirement age will rise significantly in the next 10 years
- 71 per cent say people are already resigned to a significant reduction in their standard of living in retirement
- 84 per cent say parents will be expected to support their children for longer
- 74 per cent believe the next generation will receive less family inheritance

AEGON today publishes the third wave of its *AEGON IFA Insights* research* which focuses on pensions and retirement planning revealing adviser views of the issues people will face as they plan for the future. Results show that almost nine out of ten IFAs, 88 per cent, believe an increasing number of people will be unable to retire at the age they wish to and the same overwhelming majority said they expect the average age of retirement to rise significantly in the next 10 years.

IFAs see an extension to the savings gap opening up for people currently planning for retirement due to the extra financial pressures they face. Eight out of ten IFAs (84 per cent) say parents will be expected to support their children for longer and 74 per cent believe people will receive less inheritance and will therefore have to save more to provide for the future. 71 per cent say people are already resigned to a significant reduction in their standard of living in retirement.

AEGON asked 100 IFAs:

Increases in longevity mean people may have to work longer, save more, or a combination of the two to get an adequate retirement income. Do you strongly agree, agree, disagree or strongly disagree with the following statements:

	Overall agree*	Overall disagree**
An increasing number of people will find they are unable to retire at the age they wish to do so	88%	11%
During the next ten years I expect the average retirement age to rise significantly	88%	10%
People are prepared to work longer before taking their pension	76%	24%
People are resigned to a significant reduction in their standard of living in retirement	71%	27%
People would rather save more than work longer	37%	56%

Commenting on the research, Graham Dumble, AEGON's Director of Risk & Regulation, said, "The third wave of the *AEGON IFA Insights* survey reveals that the IFA community expects those planning for retirement to face increasing pressures from all sides. So it's not surprising they expect the British public will have to work longer into their retirement years or accept a lower standard of living in retirement."

When addressing this savings gap almost nine out of ten IFAs (87 per cent) would recommend investing more in pensions, though the same number say they recommend finding alternative means of investing for retirement indicating a desire to create a balanced portfolio. Confidence in pensions is clearly an issue with more than nine out of ten IFAs (91 per cent) believing pensions are suffering from a lack of consumer trust and need to be promoted more.

When asked what measures would be successful in encouraging people to invest more in pensions IFAs rated improved tax incentives, increased confidence in the industry and incentives to encourage employer participation as most likely to succeed.

Graham Dumble added, "IFAs can bring to the debate a valuable perspective on the changing needs of their clients as we work together to influence the shape of future legislation. The results of this research show British people are heading for a sharp wake up call in their retirement planning. Unless they are prepared to accept a significant fall in their standard of living in retirement they will have to save more or work longer. Fewer will be able to rely on inheritance to plug a funding shortfall.

"IFAs believe pensions play an important part in a balanced retirement planning portfolio but there is clearly work to be done to improve consumer confidence. IFAs also recognise the importance of employer participation in boosting pension saving. We hope the government takes note of this in designing the environment around personal accounts and to ensure good existing employer pension provision is maintained and extended."

- ENDS -

** The research was conducted by Populus between 23 and 30 April 2007. 100 IFAs nationwide were interviewed by telephone.*

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Notes to editors

- AEGON's quarterly IFA Insights research initiative aims to gauge the opinion of IFAs on the emerging issues affecting the industry. The first report, published in November 2006, canvassed opinion of issues such as financial capability, recruitment and the future of the IFA sector. The second investigated the issues around the FSA Review of Retail Distribution assessing awareness of the review and seeking opinion of some of the potential outcomes. More information on the IFA Insights initiative and copies of previous reports can be found at www.aegon.co.uk/media.
- AEGON has assets under administration of £45.2 billion and employs around 4,000 staff. AEGON is part of the AEGON Group, which is one of the world's largest listed insurers and has assets around Euro 359bn (£250 billion).