

LV= reports FREDs are frantic about the credit crunch and fears of recession



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Press Release Summary: LV=, the investment, pensions and insurance group, has revealed that the credit crunch, stock market volatility, and fears of a recession are growing concerns for the nation's pre-retirement population

Press Release Body: Six months after the LV= '**State of Retirement**' **report*** first identified the rise of '**FREDs**' - people approaching retirement who are **Facing Retirement Earnings Doubts** - new research shows that 69% of pre-retired people are now more concerned than ever about their financial security. This equates to 7.1m people**, an increase of 600,000 since the first LV= 'State of Retirement' report was published in May 2008***.

The rising cost of utility bills and food prices remains the biggest worry for people facing retirement, with 71% of those surveyed. However, this is marginally down on six months ago (76%), whereas worries regarding the credit crunch, stock market volatility, and fears of a recession are now all on the increase.

The credit crunch has become a concern in the last six months for an additional 2.1m pre-retired people, making a total of 4.2m. In addition, a further 1.8m people have become more anxious about a recession and a further 1.5m about stock market volatility, totalling

4.5m and 3.1m pre-retirees respectively. Over 50s are also more concerned about job insecurity. These three issues have increased in importance over the last six months, further contributing to the growing number of FREDs.

Despite the increase in those admitting to being more concerned about their financial situation in retirement, 20% are not saving anything towards their retirement, while 51% have not increased the amount they are saving. Of the 10% who have increased the amount they save each month, the average is £225 a month, £35 more than the average monthly amount from the survey six months ago.

Mike Rogers, LV= group chief executive, said: *"In just six months the number of FREDs has increased, indicating that pre-retired people across the UK are more concerned than ever about their retirement finances. Unsurprisingly, the credit crunch, stock market volatility, and fears of a recession are now huge issues for these people, along with the perennial concern about the rising cost of living."*

The latest **LV=** report also shows that the number of people approaching retirement who haven't taken any form of [financial advice](#) about [retirement planning](#) has increased to 60%, compared with 56% previously.

Mike Rogers continued: *"The FREDs of this world have at least received some small comfort from the recent Pre-Budget Report, with the announcement of increases in both the state pension and pension credit. This goes some way towards bridging the gap between income expectation and reality in retirement, that our survey revealed is an issue for many people."*

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Notes to editors:
All figures, unless otherwise stated, are from online Opinium Research
* Sample size was 1042 adults over the age of 50 years. Fieldwork undertaken 14th - 19th April 2008.
** The over 50s population in the UK is 21,011,000 (Source: Population projections by ONS, 2008). According to the research, 49% of those people are not retired. The research also shows that 69% (7.1m people) agreed they have become more concerned lately about retirement finances.
*** Sample size - 1655 adults over the age of 50 years. Fieldwork undertaken 3rd - 9th April 2008.

About**LV=**

LV= is a registered trade mark of Liverpool Victoria Friendly Society Limited (LVFS) and a trading style of the Liverpool Victoria group of companies.

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