

Prudential Reports Average Brit To Make A Million By The Age Of 56



Released on: June 27, 2012, 7:33 am

Author: [Prudential](#)

Industry: [Financial](#)

LONDON, June 27, 2012, 7:33 am -- [/EPR NETWORK/](#) -- New research* from Prudential has revealed that the average UK worker will have earned £1 million by the time they are 56 years, nine months and three weeks old.

However, despite these cumulative earnings, fewer than two in five (37 per cent) of those expecting to retire this year have saved enough to secure a comfortable retirement.

Prudential's analysis of average incomes shows that becoming a millionaire before tax is well within most men's grasp, as long as they start work at 18 and then earn the average income for their age bracket through to age 65.

A man on an average income can expect to be an income millionaire when he is 50 years, six months and two weeks old. However, women will find it harder than men to make the magic million, reaching the milestone at 72 years, four months and three weeks - 22 years after their male counterparts.

Of course, this £1 million will be earned before tax which means that the average worker will have also paid £137,101 in income tax and £84,129 in national insurance.

The good news is that if someone contributes to a [personal pension](#) throughout their working life, they can benefit from significant tax relief. An individual who pays £100 per month personally into a pension over a 40 year working lifetime could receive additional tax relief of at least £12,000.

Vince Smith-Hughes, retirement expert at Prudential, said: "We might think that making a million is a pipedream, but it will become a reality for those who earn an average salary throughout their working lives, especially if they are men.

"Looking at cumulative earnings in this light helps us to understand how much we could potentially save for our retirement. Of course, ongoing financial pressures and priorities means that it is not always that easy, but it remains the case that the earlier you save and the more you save, the better [retirement income](#) you will have.

"Pensions remain highly efficient tax saving vehicles which can help savers to claw-back some of the tax that they have paid over the years."

The analysis shows that if the average person works until the age of 65, their career earnings before tax will be £1,217,604. If they keep going to 70, then earnings will hit £1,322,009.

Prudential's figures show that average earnings for UK workers peak at £31,328, in their forties. Average earnings for men hit a high of £40,652, while for women the peak is £21,758.

- ENDS -

Notes to Editors:

*All figures sourced from the ONS's annual survey of hours and earnings. Earning calculations were based on mean incomes, split by age groups, as recorded in the ASHE report. Tax and national insurance deductions are based on current rates and thresholds. All figures are quoted in today's money.

About Prudential

'Prudential' is a trading name of The Prudential Assurance Company Limited, which is registered in England and Wales. This name is also used by other companies within the Prudential Group, which between them provide a range of financial services including retirement planning, life assurance, and advice on pensions.

PR Contact:

Jo Field

3 Sheldon Square

London

W2 6PR

020 7004 8078

www.pru.co.uk

~~~~~

Press release distributed via EPR Network (<http://express-press-release.net/submit-press-release.php>)