

## People 'Need Proactive Approach' To Financial Future

*Millions of Britons could find themselves coming under financial pressure in later life, new research indicates.*

January 22, 2008 (FPRC) -- In a study carried out by Baring Asset Management, it was revealed that just less than a quarter (9.03 million) of all adults are yet to begin to save for their pension. The findings also showed that the typical 18 to 31-year-old expects that they will be able to retire at the age of 61.

And a lack of an adequate pension pot may result in consumers developing difficulties in meeting other demands on their finances. Such areas could include personal loans, credit cards and outstanding mortgage payments.

In addition, the study showed that 12.25 million (a third of adults) expect that they will be able to stop working between the ages of 60 and 65. An estimated 7.43 million are looking to retire between 55 and 60, with some 4.83 million aiming to do so before they are 55. Research from the firm also indicated that 16 per cent of Britons expect that they will be working beyond 65. Just 371,385 people, meanwhile, do not plan on stopping work until they are at least 75 years of age.

It was also put forward that "an incredible" 46 per cent of people looking to retire before they are 50 years old do not even have a pension scheme. In addition, about one in five (21 per cent) of people on a defined-contribution (DC) pension plan expect that they will be able to retire before the age of 50, with this proportion dropping to 17 per cent for those people on a defined-benefit (DB) final salary-related scheme.

Commenting on the study, Rob Lay, head of European sales for Baring Asset Management, said: "People have to start taking a more proactive approach to planning for their retirement. Relying on a DB scheme is no longer an option for many UK adults and relying on your property as a pension is a very risky strategy to take. These figures reveal a worrying trend of UK adults assuming that they will be in a position to retire without having made the necessary arrangements for funding that retirement.

"People are increasingly expected to live longer, which is a major issue facing our society. At the same time, the way adults plan for retirement is changing - we can't rely on DC schemes or a state pension any longer."

He added that it is "absolutely vital" that Britons take the time to think about how they are to build up their pension fund as soon as possible. Mr Lay claimed that if this is not done people may find that their target age to retire slips "further and further away".

Those worried about their capacity to put enough money away for a pension fund might wish to consider getting a cheap loan. Although this may present another financial demand for borrowers, the loan could allow people to meet a number of requirements on their spending quickly so giving them the chance to free up more cash to put into pension funds.

And doing so might prove to be of particular help as consumers get older, as a recent Wilkins

Kennedy study showed that the number of retired people filing for bankruptcy has more than doubled during the last five years as they become unable to meet demands for payment on the likes of utility bills, loans and credit cards.

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