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NEWS RELEASE

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Mind the gap – we're already at 'State Pension Shortfall Day'

- Key date shows when retirees' average yearly spending exceeds annual State Pension
- 'Shortfall Day' is Wednesday 28th for single pensioners and Saturday 31st for couples
- Single pensioners face annual gap of £4,498, while couples must find an extra £8,710

With four months of the year still to go, this week marks the point of 2019 when the average retired adult will have already spent income equivalent to the full annual State Pension.

'State Pension Shortfall Day' arrives on Wednesday 28th August for single pensioners and Saturday 31st August for couples assuming they receive the full weekly amount and have average expenditure, analysis by **Just Group** reveals.

"The average retiree given their whole year's State Pension on January 1st would run out this week and have to start relying on their own funds," said **Stephen Lowe, group communications director** at **Just Group**.

"Of course, the State Pension is paid weekly so it is spread over a year. But the date does help highlight that what the State provides each year is about four months or £4,500 short of what the average retiree spends each year, so it is important to build up other sources of income."

An adult on the full State Pension of receives £8767.20 a year but official figures show that average annual spending for a one-person retired household is £13,265.20¹, leaving a gap of £4,498 that needs to be plugged.

Pensioner couples, assuming they both qualify for full State Pension, will receive £17,534.40 a year compared to average annual expenditure of £26,244.40². That leaves a shortfall of £8,710 they would need to find from private funds to meet the average budget, roughly equivalent to another full State Pension.

"The figures show the State Pension remains the bedrock of retirement income for most pensioners, paying for about two-thirds of their annual outgoings on average," said **Stephen Lowe**. "They also show how important it is not to rely solely on the State Pension, but to build up private pensions through a working life and use that money wisely during retirement."

"It's a reminder that failing to save or opting out of a workplace pension scheme can leave people struggling for income in later life. It also highlights that those thinking of accessing pensions cash should think about what that might mean in a few years or decades time."

"The Government's Money and Pensions Service offers free, independent and impartial pensions help to those people approaching retirement and we'd urge people to take advantage of it. It's easy to make an

appointment that lasts around 40 minutes – not a lot of time to make sure 40 years of savings are used wisely.

“Those in retirement struggling for income should also find out what State Benefits they might be entitled to because large amounts go unclaimed. A good online source is [direct.gov.uk](https://www.direct.gov.uk) but Citizens Advice and other charities might also be worth contacting.”

Enquiries

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Notes to Editors:

Sources:

1: [ONS Figures: Expenditure of one adult retired households by gross income](#)

2: [ONS Figures: Expenditure of two adult retired households by gross income](#)

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