

Only a quarter of UK consumers on track to meet retirement goals, despite being knowledgeable on pensions says research from Schroders Personal Wealth

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Only a quarter (26%) of UK consumers say they are on track to achieve their retirement goals, despite 85% of people saying they have a fair to excellent understanding of pensions according to new research from Schroders Personal Wealth (SPW).

The research which surveyed 1,600 UK adults, shows there is little confidence amongst UK consumers that they will reach their required pension pot to live the life they want in retirement.

As part of its ongoing commitment to help consumers engage with their finances, SPW is today launching its 'Retirement Ready' campaign, which looks to encourage people to take control of their financial future.

Here are five ways which could help you take control and give you the confidence that you're prepared for the next chapter of your financial life.

1. Make a plan for how you'll spend your time when you retire.

When asked what they were looking forward to most when they retired, the majority of people said doing more things with their extra time. 65% of those we surveyed were hoping to travel more and learn new skills. This is closely followed by 50% of people wanting to spend more time with family and loved ones.

It seems like life experiences are more important than the more materialistic options with only 12% planning to buy their dream purchase such as a car or holiday home.

2. Remember that retirement will be a shared experience so, if you're a part of a couple, you may need to consult your spouse.

As one half of a couple, you'll need to consider your joint income needs when you retire as your plans will affect your partner as well as you.

41% of those surveyed plan to retire slowly by gradually reducing their working hours over a period of time ranging from one - two years (26%) to seven years plus (19%) which will impact the household income for a considerable amount of time.

Talk through your plans with your spouse to make sure that you're on the same page to avoid the potential for future money worries.

3. Work out how much income you will need to live the lifestyle you want as a retiree.

Our research showed that 27% of people believe that they'll need a pension pot of £300k or above, yet only 26% are confident that they're on track to achieve this. Worrying, 17% of people are not sure how much they'll need to live the life they want when they retire.

4. Establish whether your pensions and other savings will provide adequate income to meet your lifestyle goal.

Unsurprisingly, 48% of people rank their health as their top concern when they retire. However, having an adequate income and enough money to last a lifetime follow closely behind.

5. Consider if it would help to have all your pensions in one place as you head towards and into retirement.

63% of people have two or more pensions, and it appears that there is high awareness of the benefits that come with consolidating all existing pensions into one place.

56% of those we questioned stated that they had considered bringing multiple pensions together.

Mark Campbell, Head of Advice Proposition at Schroders Personal Wealth said:

“Our research highlights how few people are on track to reach their goal when it comes to retirement and shows the importance of not leaving it too late to plan for your future.

Whilst it’s encouraging to see that the majority of UK consumers are confident when it comes to understanding pensions, it’s concerning they aren’t on track to live the life they want to in retirement.

There is still a clear need for people to seek financial guidance to help them potentially achieve their goals. Our new campaign will make people think about their financial future and help them to become ‘Retirement Ready’.”

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Notes to Editors

Schroders Personal Wealth is a joint venture between Lloyds Banking Group and Schroders – two of the UK’s largest names in banking and asset management.

We were created to help more people across the UK benefit from financial advice. We have the advantage of solid foundations and a strong heritage. But we take a fresh, transparent and personal approach to financial planning.

We aim to provide clients with clarity and transparency in everything we do. This includes using technology to explain how long-term financial planning can add value to peoples’ lives; to give people access to information about their financial wellbeing, and to communicate with their adviser when it’s convenient for the client. Our heritage may be 400 years old, but our approach is built for the future.

For more information visit <https://www.spw.com/>