



The Great Retirement Study

A research project on the attitudes and behaviours of the 55-75-year-old cohort

2023

Introduction



If 70 is the new 50, and life expectancy climbs closer to 100, what does that mean for people on the brink of retirement or who have just retired?

When their parents retired, they would have stopped work from one day to the next and lived a quiet life, increasingly being cared for rather than doing the caring.

But nowadays we see people who feel young and have good health to match, take on new businesses, roles in the community, or have a never-ending bucket list that they want to tick off.

Pensions have also changed too in recent decades, and the financial stability underpinning retirement has shifted somewhat. So The Wisdom Council, in collaboration with abrdn, took a closer look at the 'at retirement age' generation of 55-75 year olds, to understand how they view retirement, how they've planned for it and whether they feel they have the financial security to back up their grand plans.

The following pages give you an overview of the research findings.

What we found – an overview

1. Retirement is about personal agency – having choice and time. Health is the main reason why individuals feel aspirations for retirement may not be met
2. Retirement is a process, not an event – many are choosing to transition to retirement, to manage the shift from "working life" to "retired life".
3. Confidence in retirement finances is not well grounded – many have few plans, and unrealistic expectations of income and expenditure. There is a strong degree of 'hope for the best'
4. There is a significant advice gap – many are open to taking professional advice but few do. Those that do take advice are more confident about their finances, but this may be driven by the fact that advice is only available to those with higher wealth.





Qualitative research findings

What did we discover after speaking to 40 pre-retired and fully retired people over the course of two weeks?



Qualitative findings

In brief

- Retirement is about personal agency:
 - Retirement is about a freedom from things (eg commutes), as well as a freedom to do things.
 - Agency is the ability to take action, it's more than freedom
 - Women were more likely to be only cautiously optimistic about retirement.
- Ambition and aspiration does not end with retirement:
 - Retirement gives people the ability and agency to meet the aspirations they have.
 - Side hustles, entrepreneurship, or joining the gig economy is as much about interest, opportunity and the chance to share their experience as it is about income.
- Retirement is a process, not an event
 - Retirement is considered flexible, it's a number of phases
 - There are lots of 'push' factors to retirement, but not enough 'pull'
 - People see their retirement as being modern, evolving, attractive and dynamic, not old, frail and boring.



Qualitative findings (contd)

In brief

- “Preparation” for a retired life is more resonant and achievable than “Planning”
 - Retirement can feel like a number of phases, both financial and non-financial.
 - The bulk of retirement preparation and planning is very focused on the first stage, but the years beyond this need to be addressed so people feel in control.
 - Time planning is as important as financial planning – a fear of idle time without work in their life is real for some people.
- Pensions are the bedrock of confidence about retired life
 - Albeit sometimes that confidence is misplaced.
 - Those who receive advice are the most confident in their plans.
 - What is good? What is ‘enough’? There are no simple answers
 - We saw a correlation between a lack of planning and higher levels of anxiety.
 - People seek two types of income – one for fun and one for future care.
 - There’s a lack of understanding of the value of advice and how to access it.





Quantitative findings

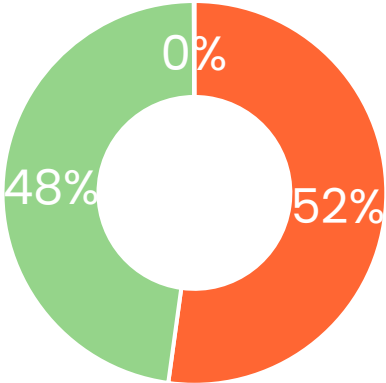
We conducted a broad survey of people from across the UK.



Who did we survey? A sample of 2,018 55-75 year olds

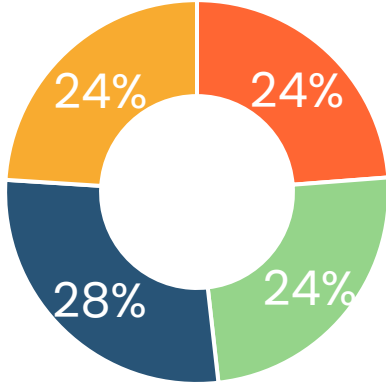
Gender

- Female
- Male
- Non-binary



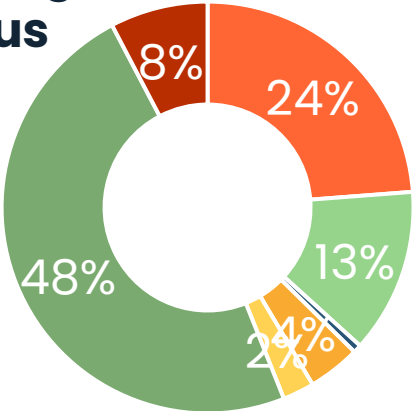
Age

- 55-59
- 60-64
- 65-69
- 70-75



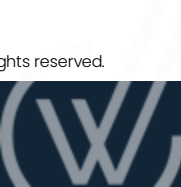
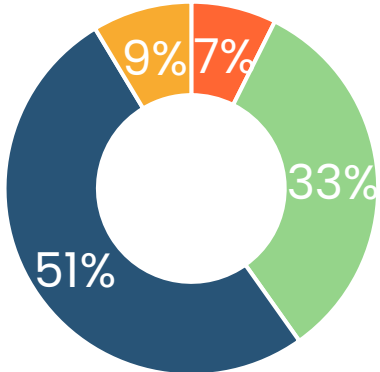
Working status

- Work full time
- Work part-time
- Contract, freelance, temp
- Self-employed
- Semi-retired
- Fully retired



Health

- Poor
- Fair
- Good
- Excellent



Retirement is about personal choice and time

Health is the main reason aspirations may not be met

53%

Aspire to spend more time with family in retirement – the most selected aspiration

48%

Are optimistic they will choose when they retire – the most selected reason to be optimistic

49%

Are concerned about poor health in retirement – the most selected concern

People are choosing to transition to retirement

67

Average expected retirement age of our respondents. 48% of the 55–75 cohort were fully retired

Whereas 60% of those fully retired stopped immediately, only 34% of those still working expect to stop immediately.

1 in 4 has returned to work in the last five years, equally driven by finance & boredom



Confidence in retirement is based on current situation, and not necessarily well grounded

26%

Expect their income in retirement to be greater or the same

43%

Expect their outgoings in retirement to be greater or the same

76%

Expect to leave an inheritance to their children

There is demand for more support in planning for retirement

47%

Would be prepared to pay for a professional one-off review

IFAs are the most trusted source of information about saving for retirement for 26% and a source for a further 13%

9%

Regularly use an IFA

Conclusion

- Being prepared and having a plan in place is one of the most useful tools for a happy retirement. Good preparation will ensure all retirees can put their best foot forward when it comes to both their wellbeing and finances, meaning they can focus on enjoying retirement instead of worrying about how to pay the bills.
- Think about how you will spend your time, as well as your money, you have the agency to do what you want, preparation for that now, can mean less anxiety as you get closer to the time when you do think about winding down from work.
- Everyone should be looking at what they could do to make their money work harder, whether that's considering where greater returns could be made on any existing savings, or seeking financial advice from online tools or professional services to understand all your options. An adviser can help you plan what financial goals you need and help you to achieve them.





The Wisdom Council

This document has been prepared for general guidance on matters of interest only in accordance with our standard terms of business or contract with you. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this document. Any engagement between The Wisdom Council and any organisation referred to within this document is subject to contract.

© The Wisdom Council 2023. All rights reserved.

The Wisdom Council is the trading name of Wisdom Global Limited, registered in the UK, company number 08589400, and whose registered office is at Cannon Green, 27 Bush Lane, London, EC4R 0AA.

