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# Countdown to retirement

## Matching the living standards of those who have already retired

Retirement can mean different things to different people. Understanding how much it will take to provide an income for yourself and potentially a spouse, while also ensuring you are able to leave something behind for your loved ones after your death, is essential.

### NUMBER OF FACTORS

This will ultimately depend on a number of factors: primarily how much income you think you will need over the course of your retirement (one which is likely to be much longer than previous generations), and when you want to start winding down your professional life.

However, many pension savers in their final years of work are concerned that they won't be able to match the living standards of those who have already retired, according to research from Prudential<sup>[1]</sup>, with 54% believing they'll be worse off when their time comes to give up work.

### OWN WORKING LIFE

Nearly two thirds (63%)<sup>[2]</sup> say the best advice they could give to those who have just started work for the first time is to save as much as they can for as long as they can, and one in three (34%) now regret that they didn't start saving into a pension earlier in their own working life. Meanwhile, 33% simply wish they had saved more for their retirement.

But it's not all gloom for those on the countdown to retirement – two in five (40%) believe they will be as financially comfortable as those who are already retired, while 6% believe they will actually be better off.

### QUALITY OF LIFE

It's important to remember that for most people, it isn't too late to take action and make a real difference to their quality of life when the time comes to stop work. So even later in their working life, most people should benefit from saving as much as possible into their pensions, and also ensuring the National Insurance contributions they have made are sufficient to guarantee them the State Pension.

The research also found that more than a quarter (27%) of those who are within ten years

of retirement have been saving into a pension since they started work. However, one in eight (16%) admit they are not saving into a pension at all, even this close to retirement. Meanwhile, one in nine (13%) admit to having been unrealistic about the age at which they will be able to afford to retire. ■

### Source data:

[1] Consumer Intelligence conducted an independent online survey for Prudential between 26 May and 5 June 2017 among 744 UK adults who are up to ten years away from retirement.

[2] Research conducted by CanvassOpinion from Experian for Prudential between 28 September 2007 and 25 October 2007. More than 4,000 people were questioned, with 464 people out of that sample retiring in 2008. In the following years (2008 to 2016), Research Plus conducted independent research on behalf of Prudential each November among at least 10,000 non-retired adults in the UK, including at least 1,000 planning to retire in the following year.

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## RETIREMENT PLANNING IS A PROCESS, NOT JUST A ONE-OFF EVENT

Pension saving and retirement planning has changed massively over the past decade. Retirement planning should be viewed as a process and not just a one-off event. Obtaining professional financial advice is essential to make the right decisions about saving while you're working and then eventually taking an income as you start to wind down. Want to find out more? Please contact us.