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Planning for Retirement: Are people joining up the dots? Survey Results

20 March 2018

Survey Summary

In February 2018, Columbia Threadneedle surveyed adults aged 55+ to better comprehend the challenges faced by retirees and assess their ability to understand and plan financial matters.

The results focus on the responses of those between 55 – 64, the mid to late baby boomers who have just retired or are about to do so.

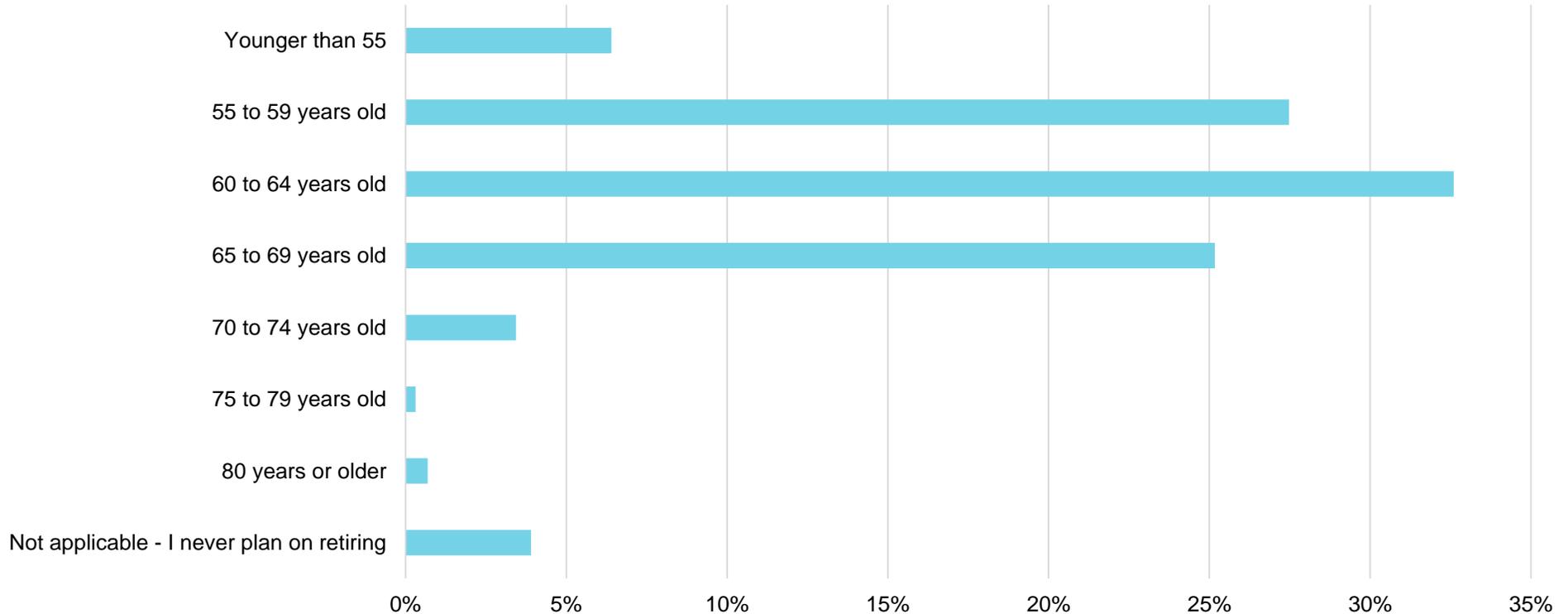
The survey found that while people are comfortable thinking about when they might retire and how long they might live, they find it difficult to assess how long their pension savings might last, how best to convert these savings into a regular income and how much is likely to be needed to sustain a comfortable standard of living in retirement.

According to Columbia Threadneedle, the manifest confusion of people on the cusp of retirement is very concerning, particularly given the recently implemented freedom and choice reforms providing retirees with total flexibility over how to access their pensions savings.

Following the successful implementation of auto-enrolment for pension savers in the UK, the focus should now move to retirees and steps to ensure a comfortable retirement, which could include being automatically enrolled into a regulated retirement investment solution.

Columbia Threadneedle published a paper alongside the research entitled “Generating retirement outcomes to be enjoyed and not endured” which explores in more detail the current pensions landscape and challenges faced by those at and in retirement, and how auto-enrolling retirees would lead to better retirement outcomes. To read the full paper, click [here](#).

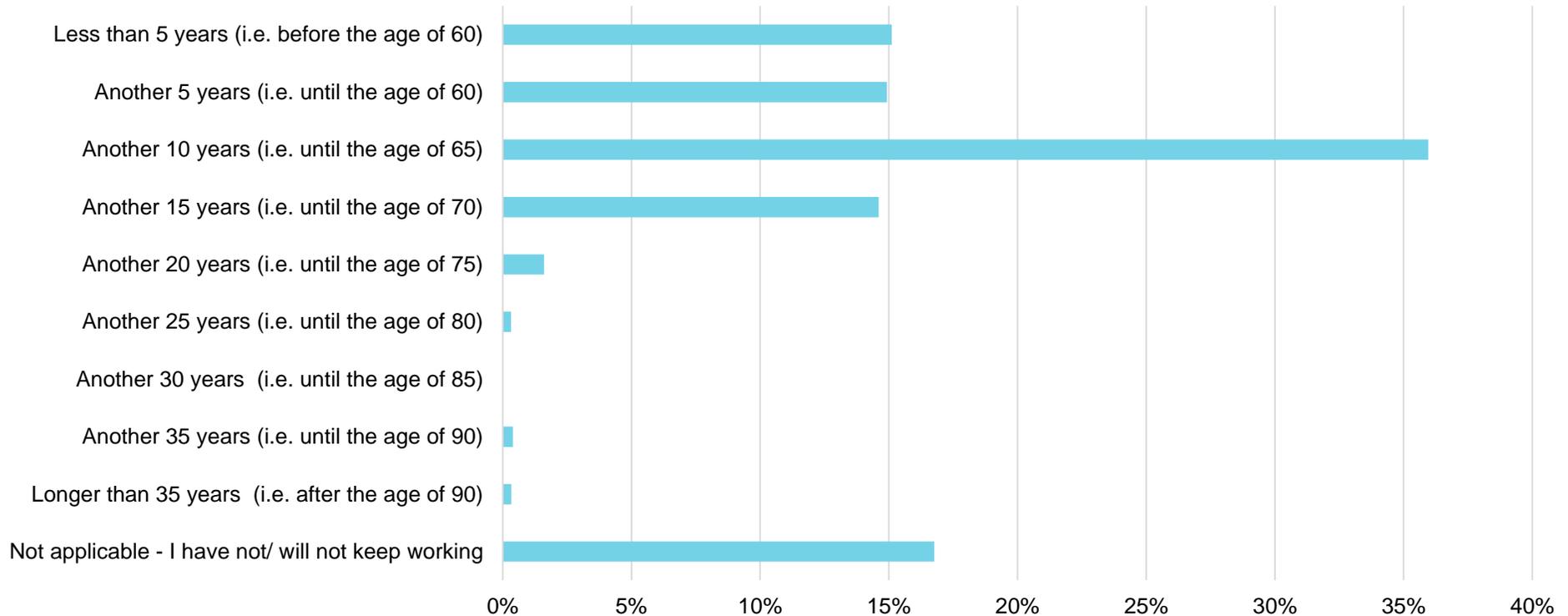
Question 1: At which, if any of the following ages did you retire or do you expect to retire?



Based: All GB adults aged 55 - 64  303

All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 2: Approximately how many years are you planning to work past the age of 55?



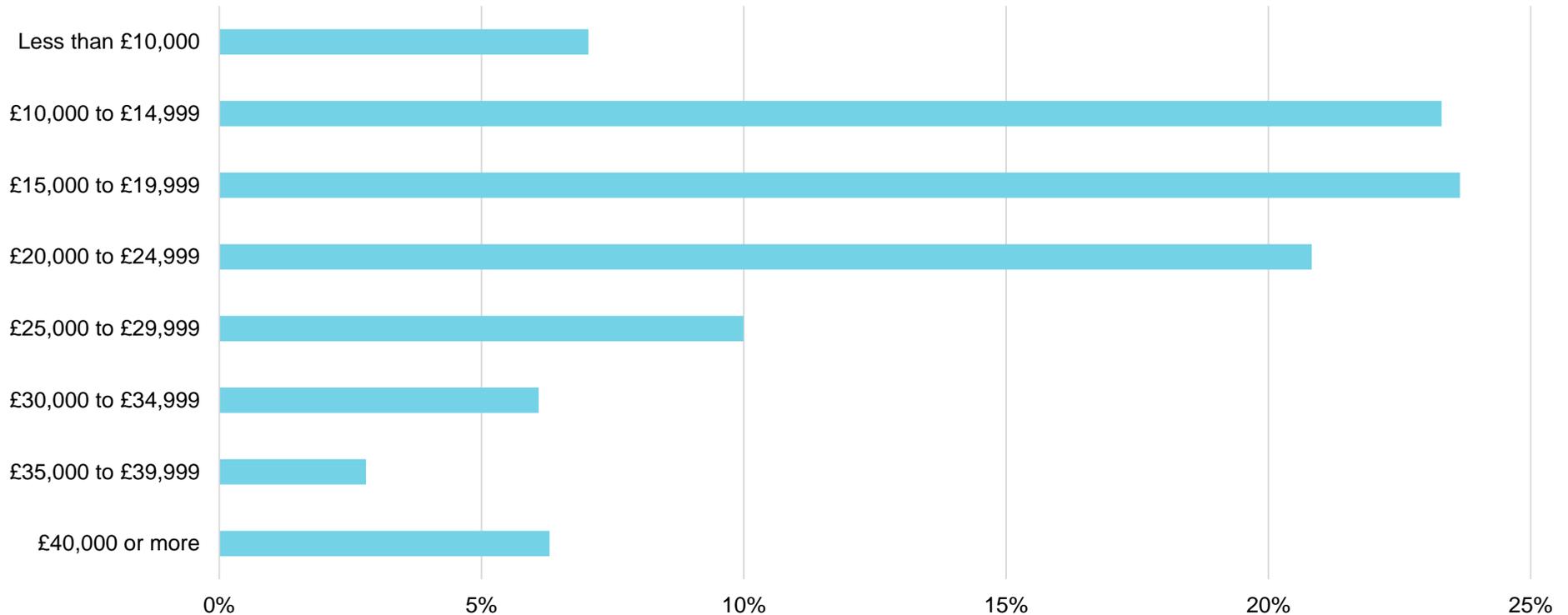
Based: All GB adults aged 55 - 64



289

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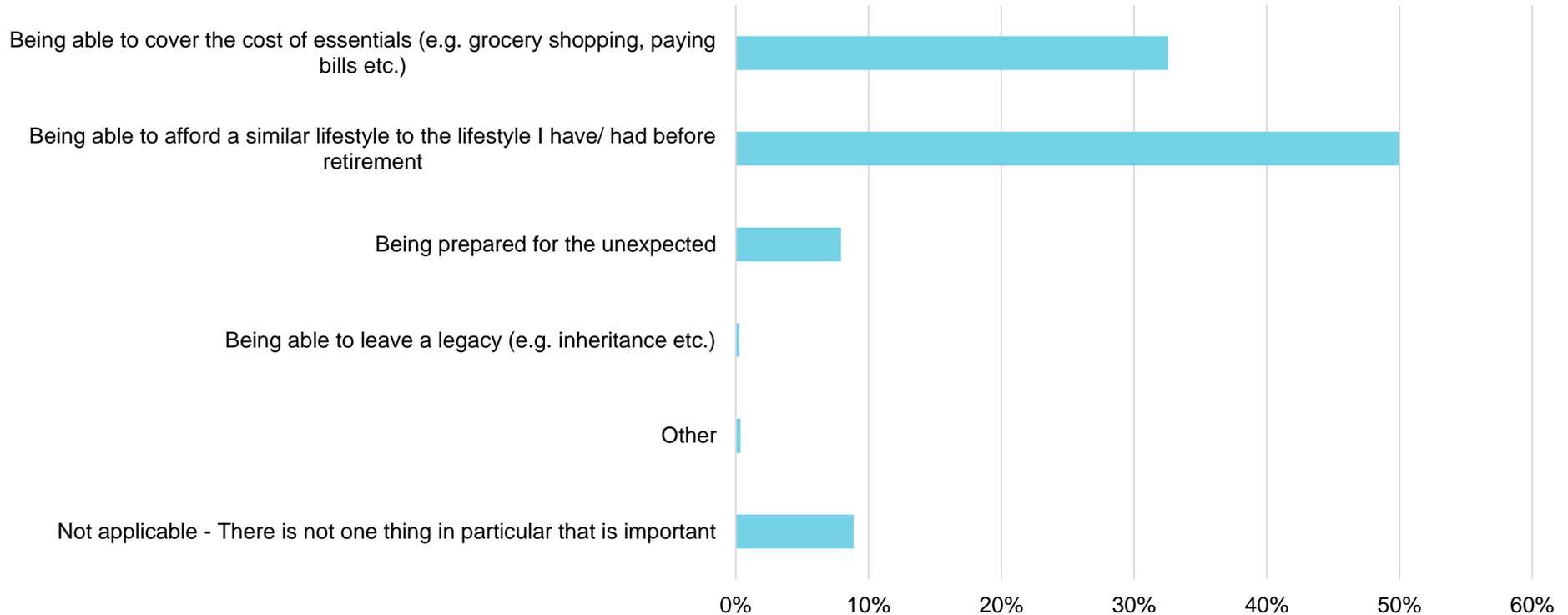
Question 3: Thinking about your retirement, approximately how much gross income is the minimum you think you will need per year to live comfortably?



Based: All GB adults aged 55 - 64  272

All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 4: Which one, if any, of the following considerations is or was the most important when planning for your income in retirement?



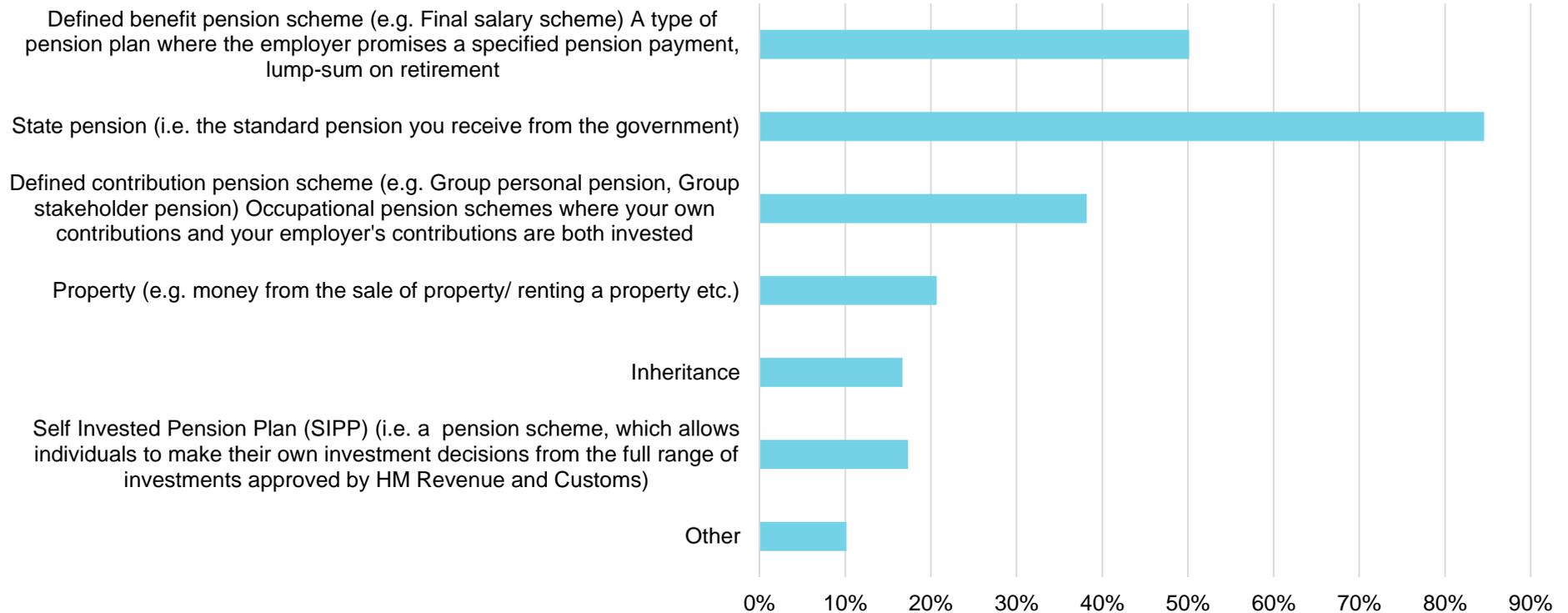
Based: All GB adults aged 55 - 64



307

All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 5: Which, if any of the following sources of income will you have in retirement?



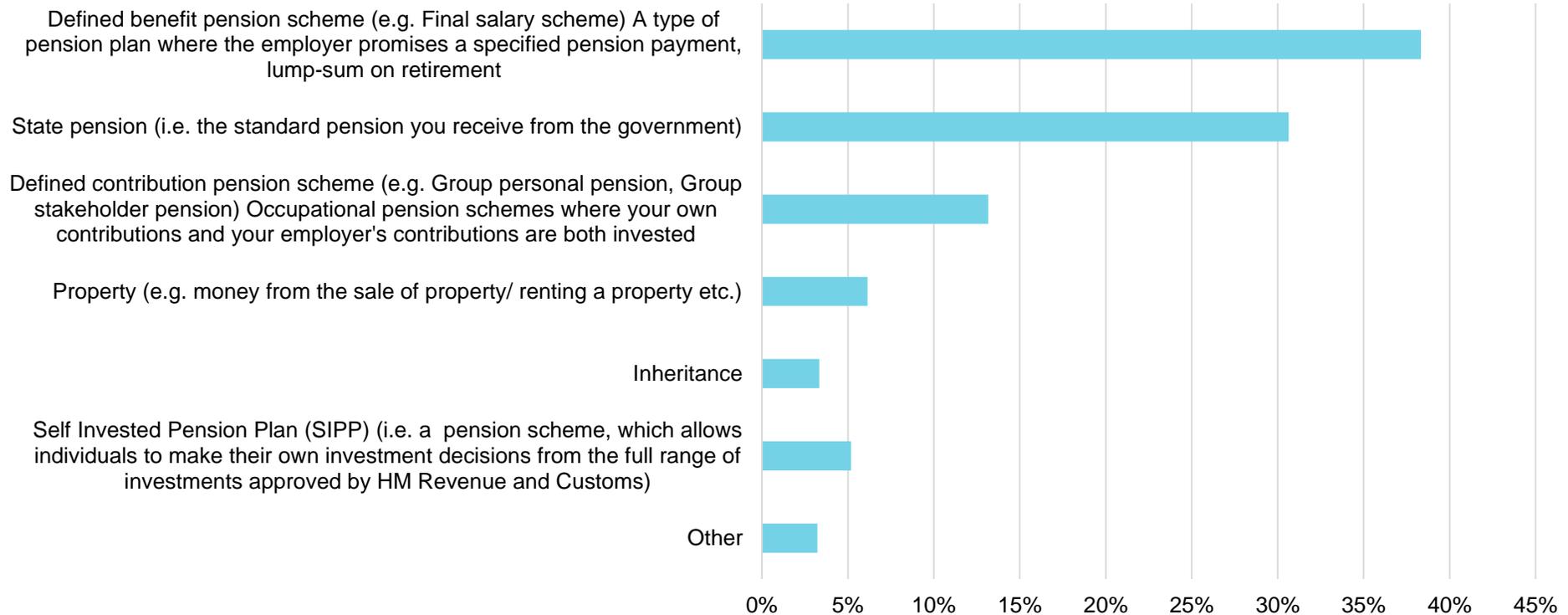
Based: All GB adults aged 55 - 64



297

All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

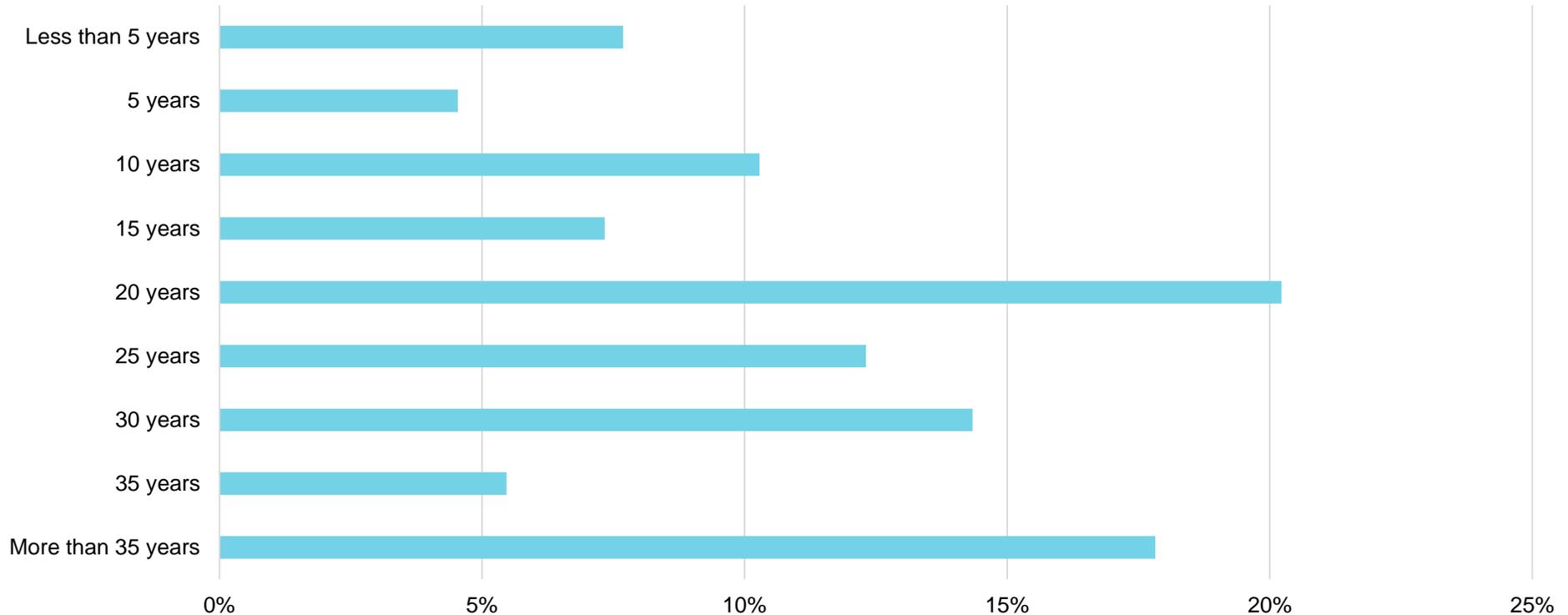
Question 6: Which, if any of the following will be your MOST significant source of income in retirement?



Based: All GB adults aged 55 - 64  282

All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 7: Approximately, how many years do or did you expect your pension savings to last from the point of retirement?



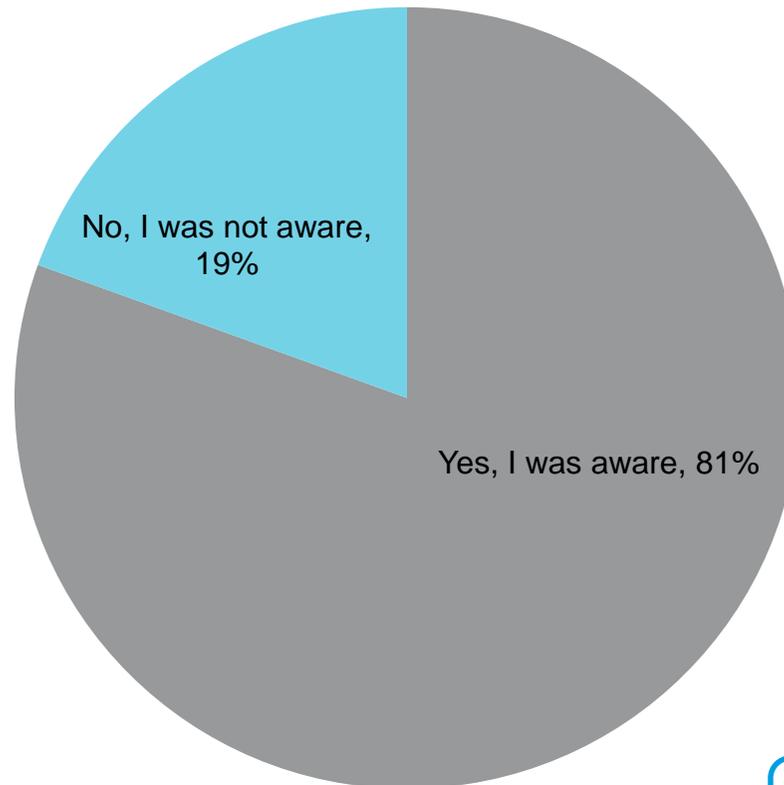
Note: 28% responded "don't know" to this question. These are omitted from the results on this slide.

Based: All GB adults aged 55 - 64



All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 8: Before taking this survey, were you aware of the new Defined Contribution pensions flexibility?

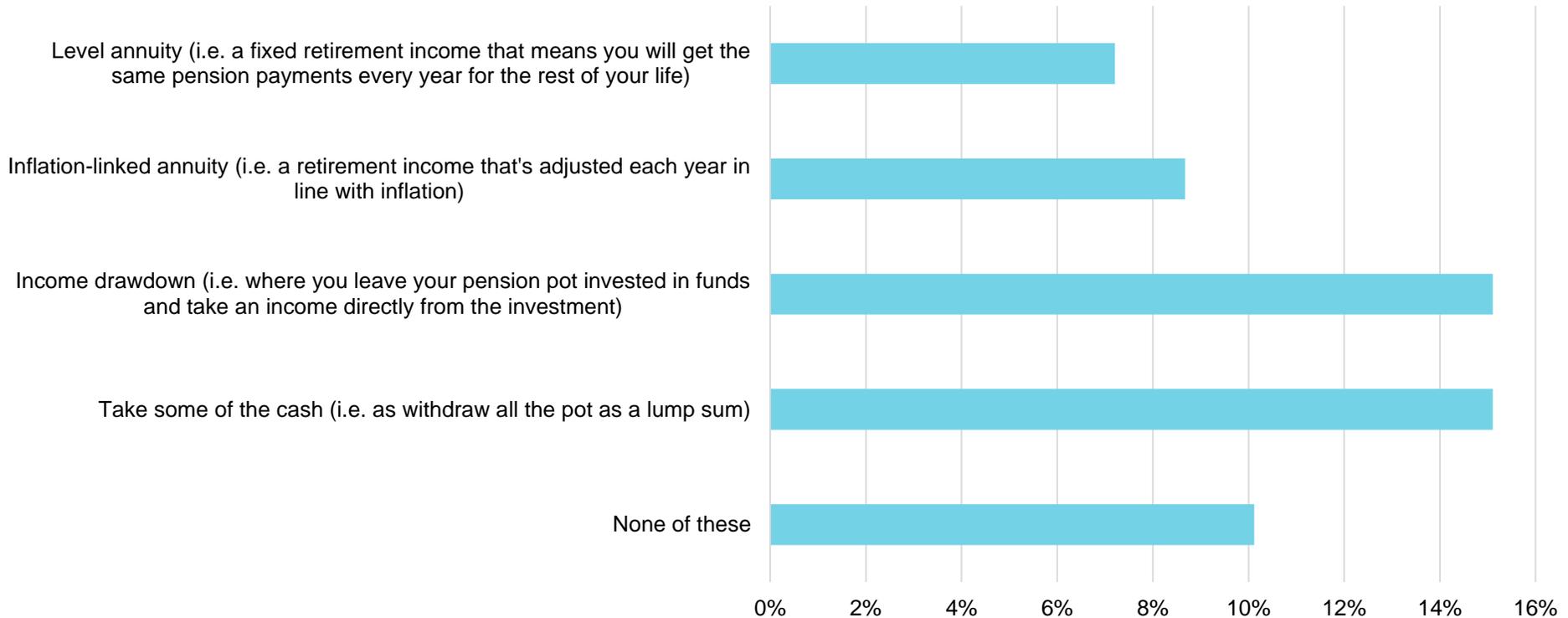


All GB adults aged 55+ who are retired or plan on retiring and who will have a DC, DB, SIPP pension



All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as “don’t know” unless otherwise stated (ie where this answer was statistically significant).

Question 9: Thinking about converting your pension savings into income for your retirement, which, if any, of the following options did you decide on?

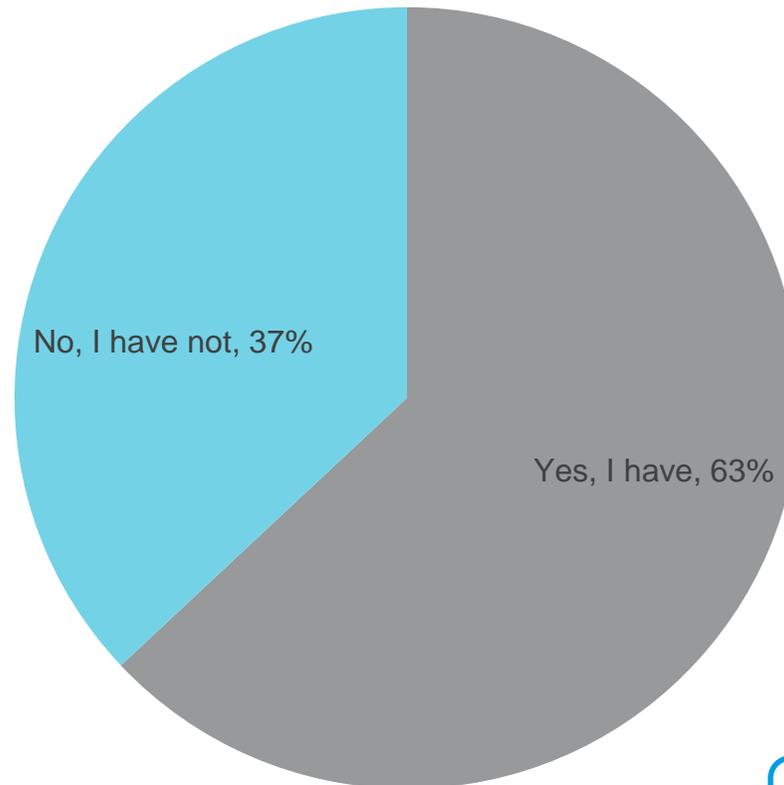


Based: All GB adults aged 55 - 64



All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 10: Thinking about converting your pension savings into income for your retirement, which, if any, of the following options did you decide on?



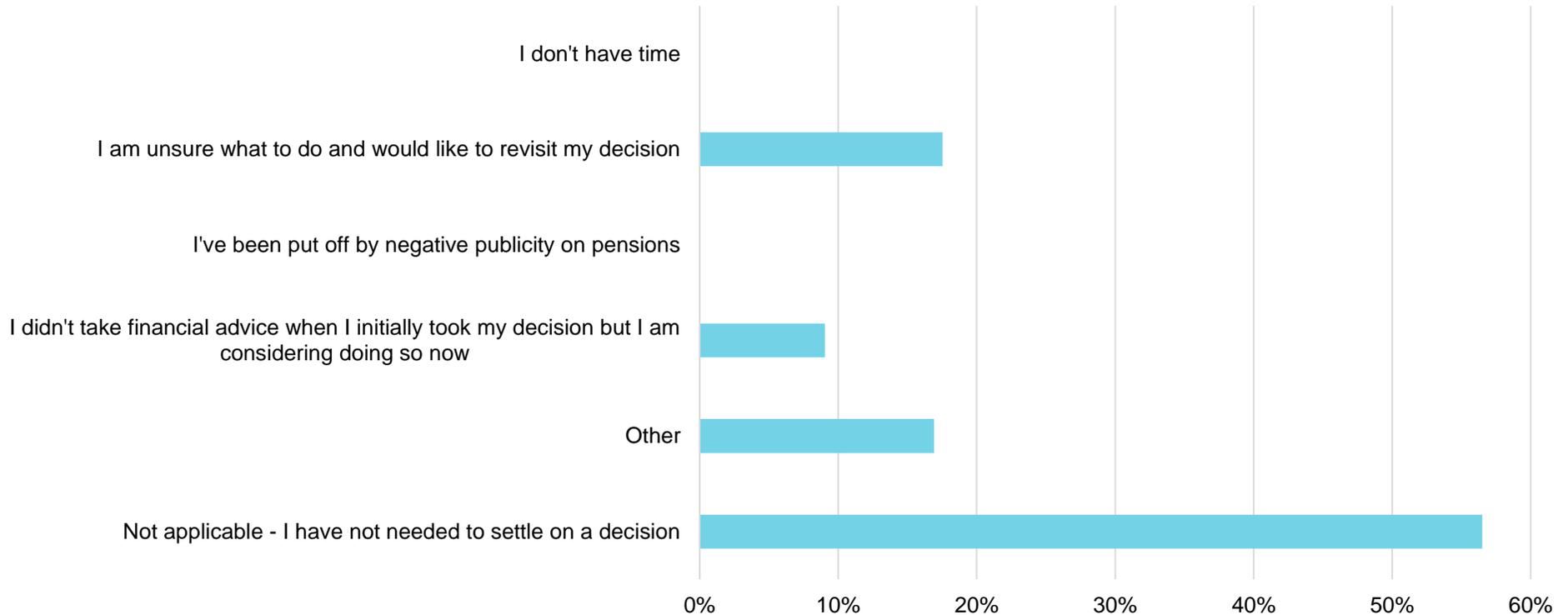
Based: All GB adults aged 55 - 64



88

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Question 11: You previously said that you had not implemented your retirement decision. Which, if any, of the following are reasons you have not done so?

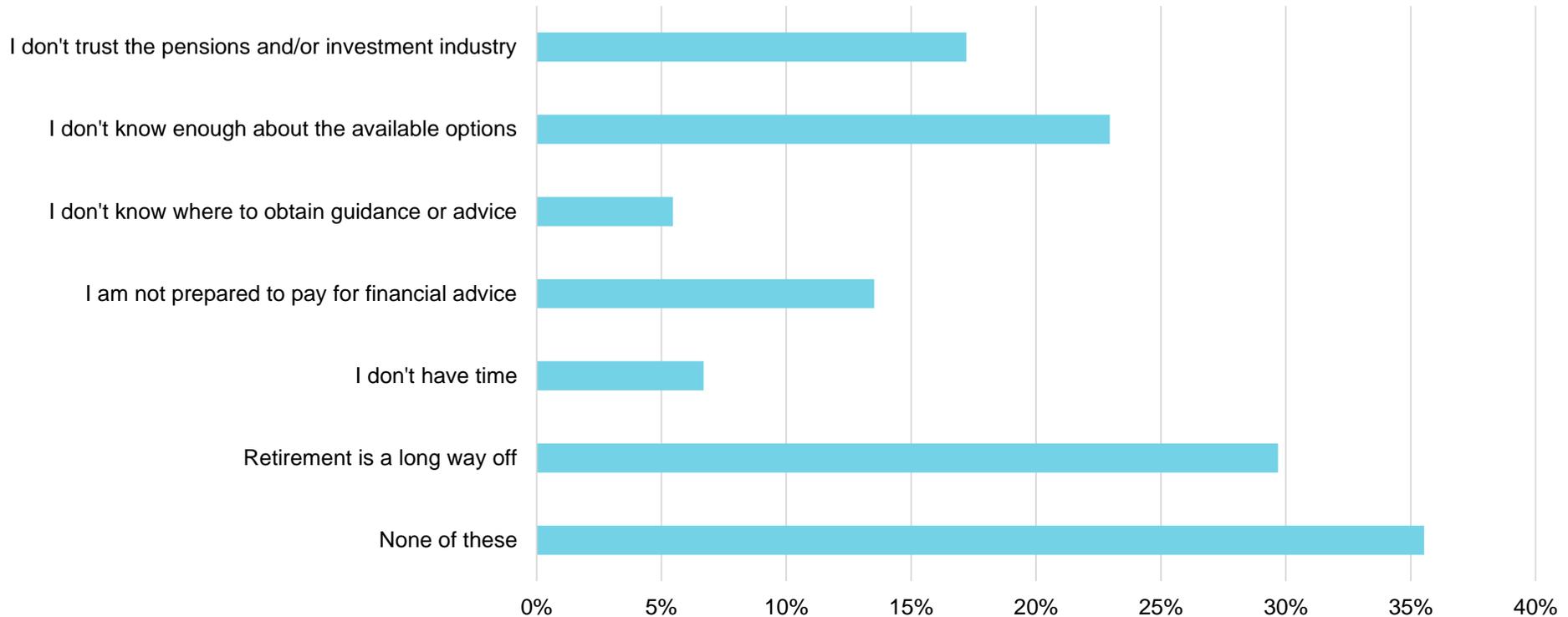


Based: All GB adults aged 55 - 64



All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 12: You previously said that you had not made a decision on how you'd like to convert your pension savings into income during retirement. Which, if any, of the following are reasons why you have not made a decision?



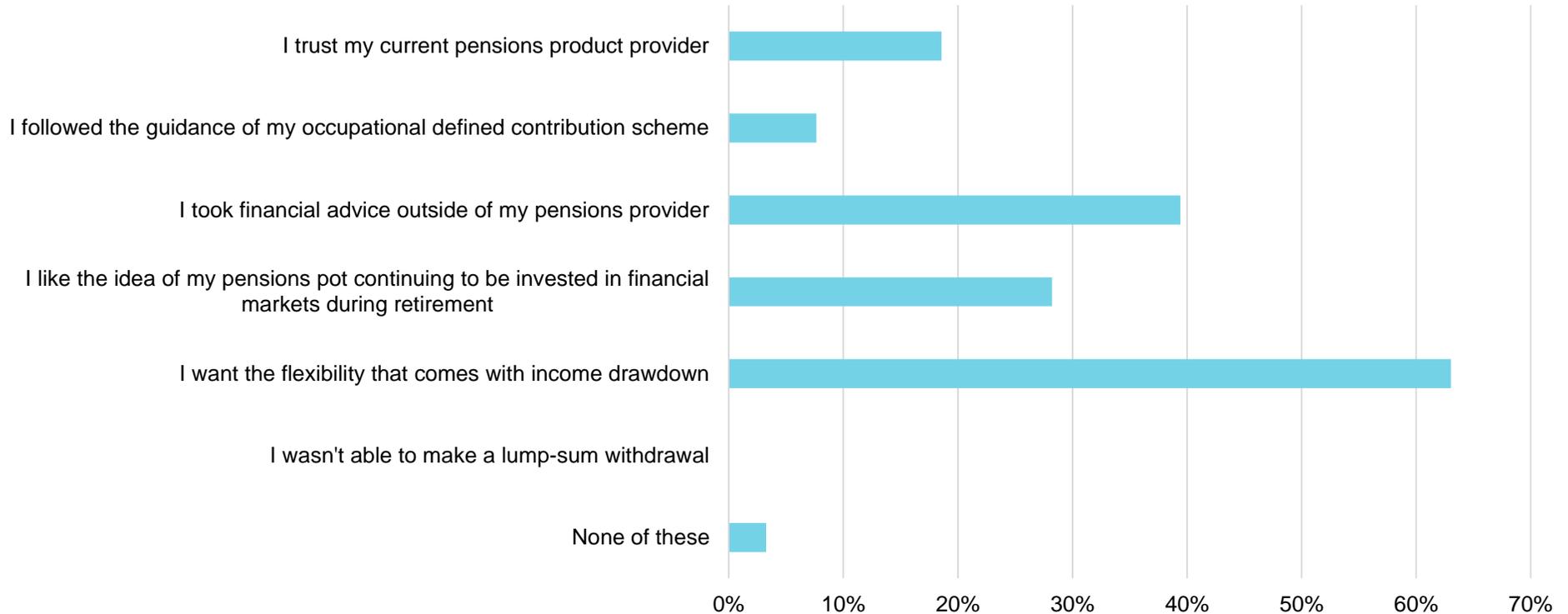
Based: All GB adults aged 55 - 64



82

All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 13: You previously said that you had decided on the income drawdown option. Which, if any of the following are reasons why you chose this option?

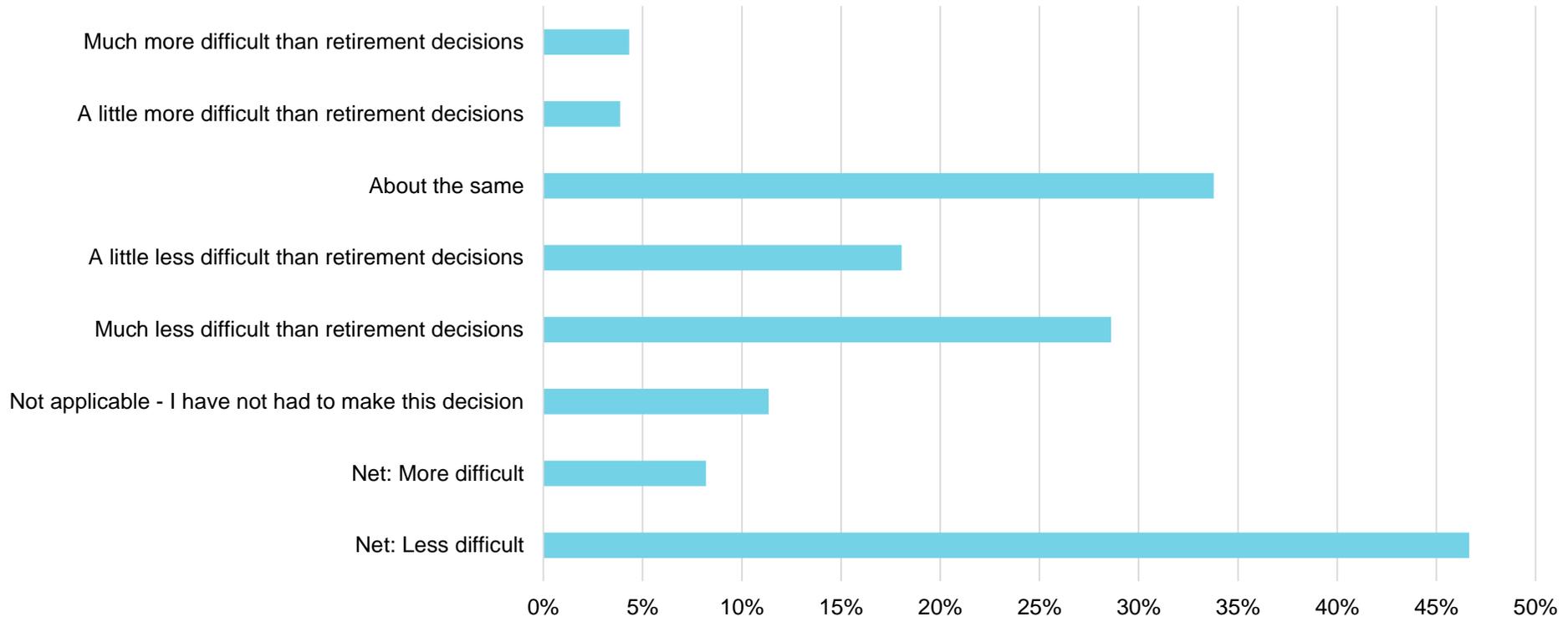


Based: All GB adults aged 55 - 64



All figures from YouGov Plc. Total sample size 838 adults, fieldwork undertaken between 7 and 9 February 2018. Survey highlights exclude those who responded as "don't know" unless otherwise stated (ie where this answer was statistically significant).

Question 14: How much more or less difficult did / do you find making decisions around how to convert your pension savings into a retirement income compared to choosing other financial products (e.g. insurance, mortgage etc. excluding pensions)?



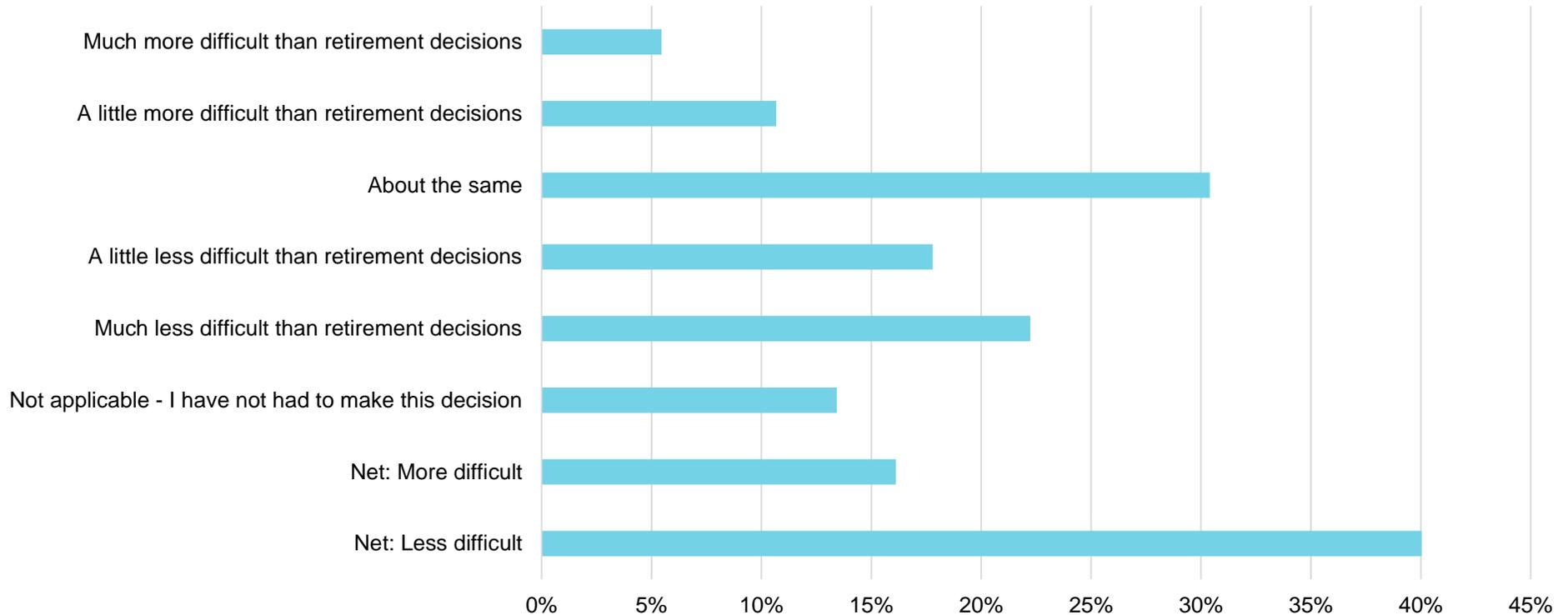
Based: All GB adults aged 55 - 64



239

Source: YouGov as at 9 February 2018. Those who answered "don't know" omitted unless statistically relevant.

Question 15: How much more or less difficult did / do you find making decisions around how to convert your pension savings into a retirement income compared to buying a house?



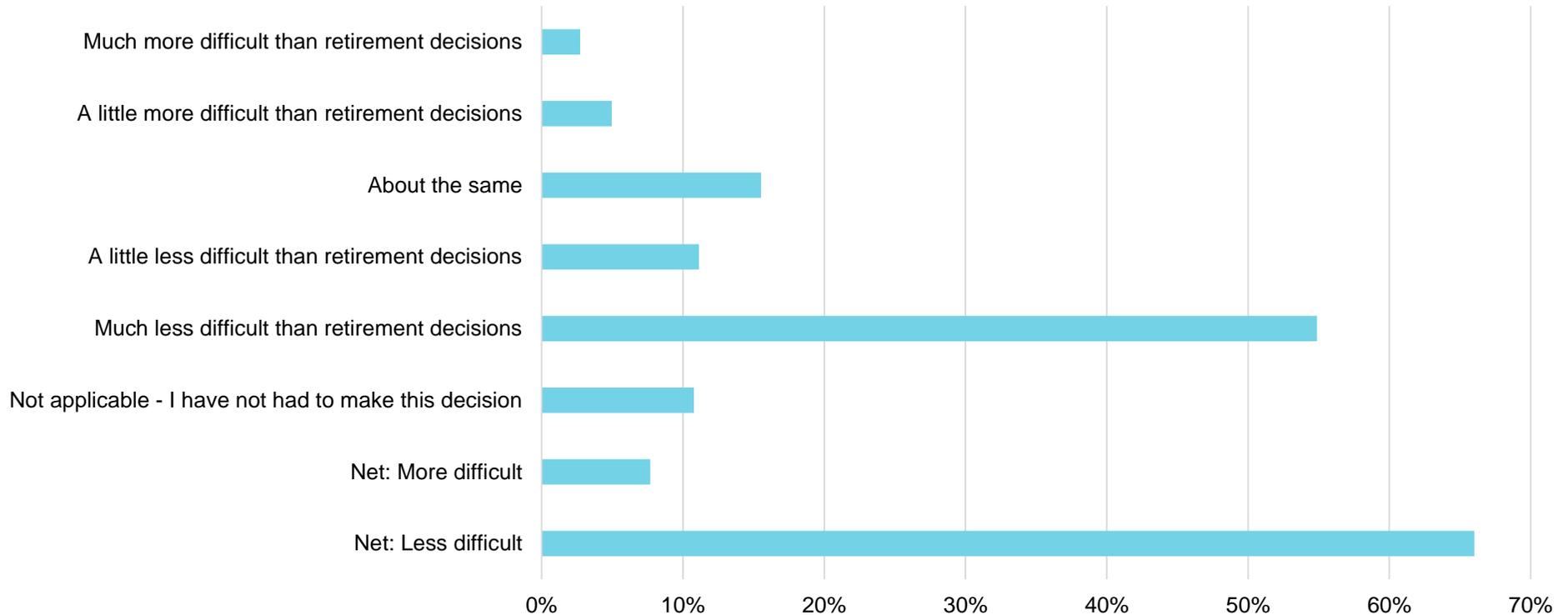
Based: All GB adults aged 55 - 64



243

Source: YouGov as at 9 February 2018. Those who answered "don't know" omitted unless statistically relevant.

Question 16: How much more or less difficult did / do you find making decisions around how to convert your pension savings into a retirement income compared to naming a child buying a house?



Based: All GB adults aged 55 - 64

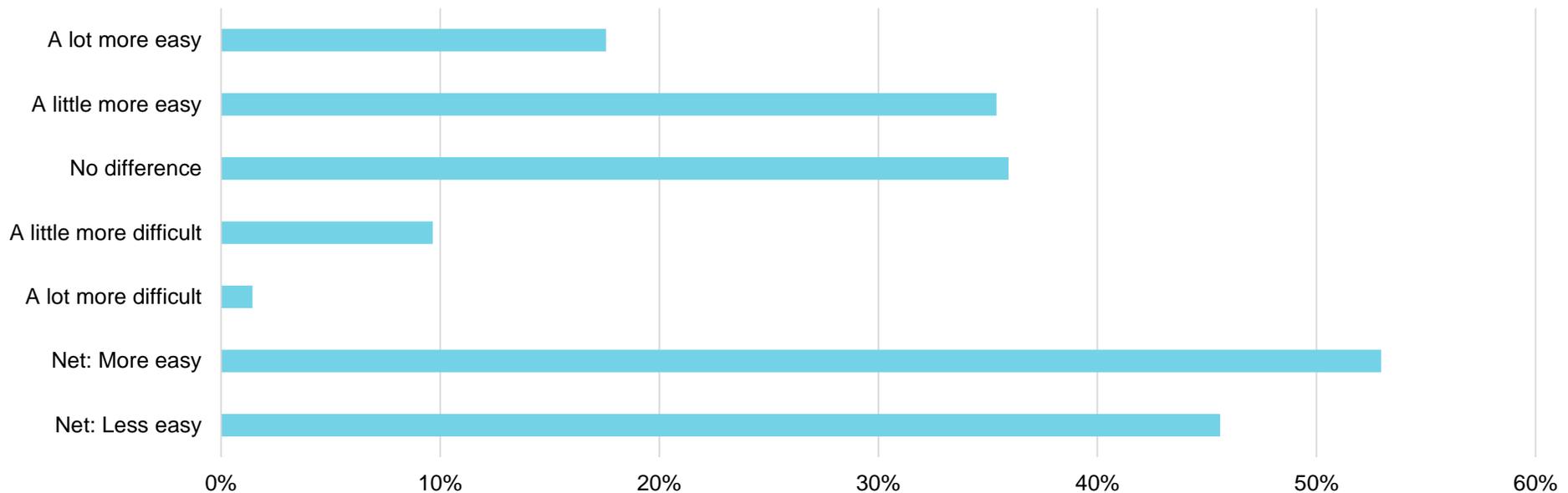


165

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Question 17: To what extent, if at all, would the below make the pension decision process easier, more difficult or do you think there would be no difference?

Please imagine that once you reach retirement, your pension would be automatically enrolled into a government approved income drawdown fund that would allow you to keep your pension savings invested while at the same time taking an income from it and protecting you against out living your savings. This would be a competitively priced fund which would keep your pension savings invested while at the same time allowing you to take an income directly from the investment.



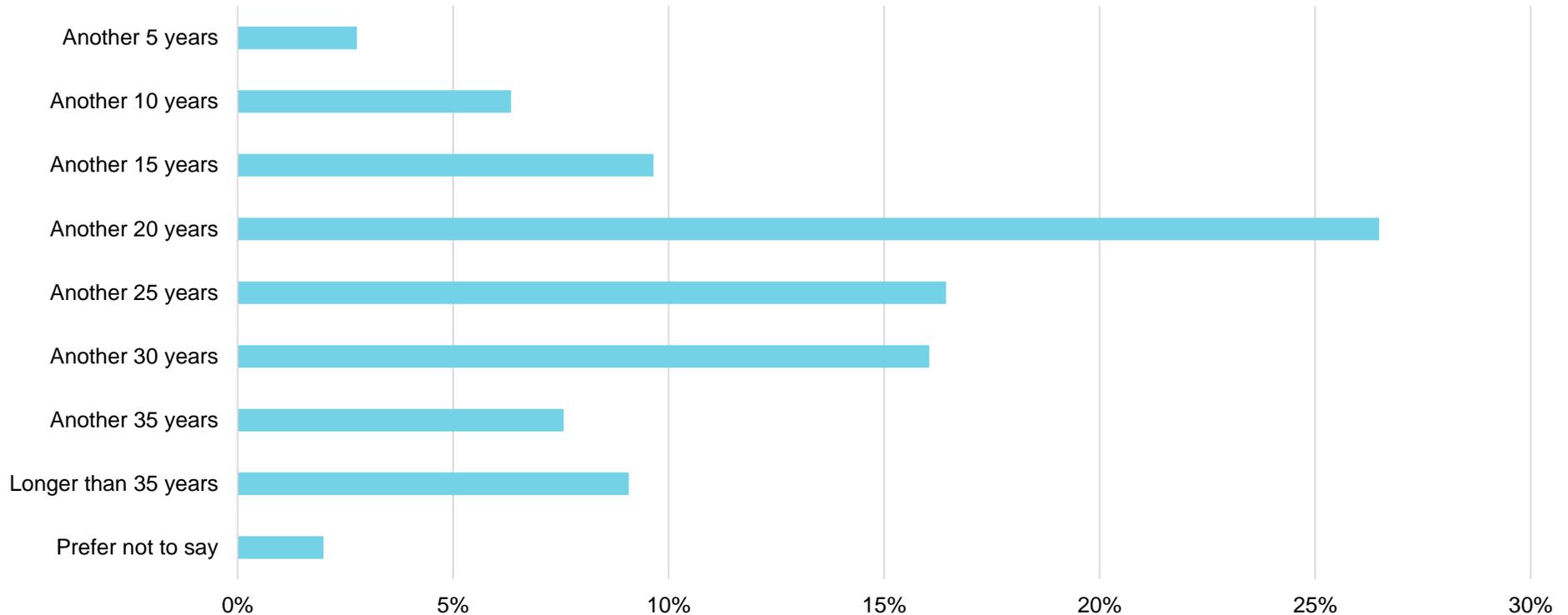
Based: All GB adults aged 55 - 64



195

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Question 18: Approximately, for how many years do you expect to live for from the point of retirement?



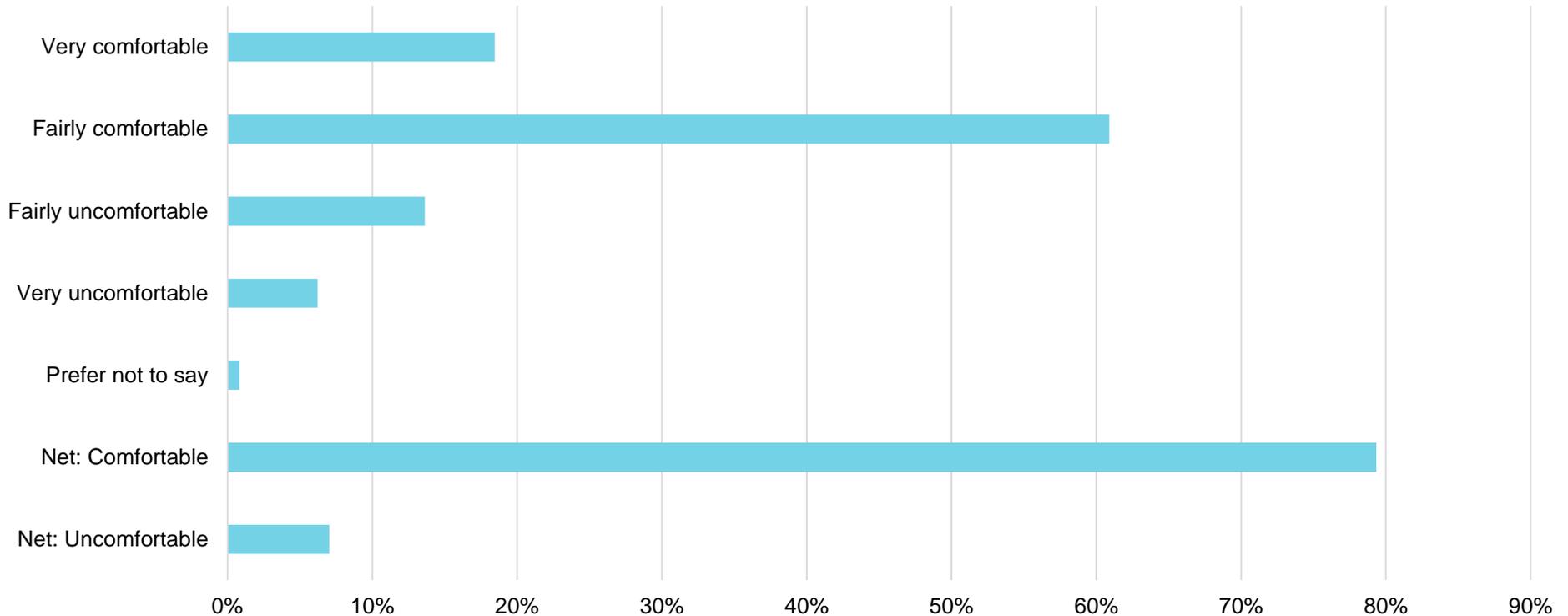
Note: 26% responded "don't know" to this question. These are omitted from the results on this slide.

Based: All GB adults aged 55 - 64



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Question 19: How comfortable or uncomfortable do you feel thinking about this?



Based: All GB adults aged 55 - 64



220

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