The good, the bad and the unexpected lives of UK pensioners

Transforming retirement lending with multi award-winning lifetime mortgage solutions

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It is intended for professional advisers and should not be relied upon by private customers or any other persons.
The good

If you’ve ever wished that you could retire early, ditch the 9 to 5 and enjoy your freedom – you could be in for a few surprises. In 2017 we spoke with over 2,000 pensioners and asked them 3 simple questions about their retirement:

1. What are you enjoying?
2. What are you not enjoying?
3. What has surprised you?

The results were educating, at times funny and occasionally poignant.

Nobody experiences retirement in quite the same way. As an Adviser you’ll have seen first-hand some of the challenges facing your own older clients. We’d like to share insight from clients like yours, as well as highlight some of the unexpected opportunities that lie ahead for us all!

Q. What are you enjoying about your retirement?

The pensioners we spoke to cited freedom, more time for family and hobbies as their most enjoyable change since finishing work. 1 in 10 were enjoying the extra time with grandchildren and family, while 3 in 10 had a sense of freedom and extra time.

Spending time with family and playing in a band

A lie-in rated almost as highly as time for hobbies, with around 7% saying that they didn’t miss the early morning starts. ‘Not commuting’ was a repeating theme, with many happy to be leaving the cramped train journeys and traffic jams behind them. Instead of a daily commute, 10% were taking advantage of opportunities to take more holidays and travel. Instead of having to fit around busy work schedules, they relished having choice and flexibility over plans.

Going back to bed with a cup of tea

For the procrastinators among us, it’s worth noting that DIY was not a particular focus for all this free time. Only a handful mentioned this as an especially enjoyable aspect of retirement. So leaky taps and wonky shelves may stay on the ‘to do’ list! It isn’t just lazing in bed and holidays that makes people happy though.

Many pensioners needed and found purpose at the end of their careers through volunteering or study. No longer burdened with the pressures to opt for vocational courses, the fields of study varied to include everything from nature and wildlife to family history. Being able to choose how they could utilise their professional and social skills in their spare time gave many a sense of satisfaction.

Time to develop creative writing skills

What were the top 10 answers?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>No time pressure</td>
</tr>
<tr>
<td>12%</td>
<td>Freedom</td>
</tr>
<tr>
<td>12%</td>
<td>Hobbies</td>
</tr>
<tr>
<td>9%</td>
<td>Grandkids/Family</td>
</tr>
<tr>
<td>6%</td>
<td>Travelling</td>
</tr>
<tr>
<td>4%</td>
<td>Not working</td>
</tr>
<tr>
<td>3%</td>
<td>Jobs in the home/garden</td>
</tr>
<tr>
<td>3%</td>
<td>Holidays</td>
</tr>
<tr>
<td>3%</td>
<td>Social/friends</td>
</tr>
<tr>
<td>3%</td>
<td>No/less stress</td>
</tr>
</tbody>
</table>
Q. What are you NOT enjoying about retirement?

The fantasy of throwing off the suit and finally having time for a fun-packed life, wasn’t a true reflection of everyone’s experience. Many missed the mental stimulation and friendships provided by their work and colleagues. A lack of daily contact with familiar faces left many expressing feelings of loneliness. Being part of a team, gossip and even routine were missed when working life finished. Other studies have highlighted that loneliness disproportionately affects older people. Around 8% of respondents aged over 65 said they felt lonely most or all days during the last 2 weeks, which was the highest for any age group (3%-5% in other age groups)¹ and almost 7% having no close friends.²

"[missing the] camaraderie with workmates"

The social networks created through work are harder to maintain in retirement and this can lead to isolation. So how does this impact life at home with spouses?

Perhaps unromantically, some reflected that spending time with their partners was a major negative point of retirement. For a few husbands, the feeling was expressed that they were now seen as more available for DIY and housework or that they simply felt that they were now too frequently in their “wife’s space”.

"Wife having me do lots of jobs"

What were the top 10 answers?

- 14% Financial worries
- 11% Getting older
- 9% Health worries
- 8% Missing work social life
- 6% Nothing – I enjoy everything!
- 6% Loneliness
- 5% Time passing quickly
- 4% Losing loved ones
- 4% Aches and pains
- 3% The weather/winter

¹ Survey of public attitudes and behaviours towards the environment. Department for Environment, Food and Rural Affairs (Defra), 2011
poor health in one partner had meant that the long-awaited retirement would now be spent as a carer, or that plans would need to be scaled back. There were numerous affectionate and beautiful tributes to lost partners which did not belong on a survey and will not be shared out of respect for those writers. It was clear that bereavement had a huge impact on many of our customers and that many would benefit from additional emotional support. We have included contact information on the last page of this report, which you may wish to share with clients who are managing with the grief of losing a loved one.

"Time slips by so quickly"

The realisation of the aging process hit many hard too. Retiring for some was confirmation that they were “getting old”, with some citing grey hairs and bodily ailments as the biggest downside. Deteriorating health and medical issues preoccupied many of those that we questioned. There was a sense that respondents really treasured their good health which could increasingly not be guaranteed.

A sense of time passing more quickly was mentioned frequently. Respondents described “not [having] enough time” left to do everything they want to do – a sense of time moving too fast. Perhaps it is, in part, a sad consequence of removing the distractions of work, that some retirees are driven to reflect on their own mortality. This was just a short survey, and not a psychologically motivated interview, but one can easily imagine this pairing of loneliness and reflection could lead to melancholy or even depression. According to a 2014 YouGov survey, 2.9 million older people (65+) in Great Britain feel they have no one to turn to for help and support.¹ A lack of money or sense that finances were ‘tight’ was also the most common answer given by respondents. 14% said that money worries, bills or a reduced income were the least enjoyable part of retirement. However, in contrast some expressed how they were pleasantly surprised at how comfortable they were financially. According the DWP figures, the poorest fifth of single pensioners had median net incomes of £106 a week after meeting housing costs (2015/16 prices), while the richest fifth had £408. The mean average clearly does not tell the whole story as the impact of private pensions, housing costs and marital situation all have a significant impact on how pensioners are able to ‘balance the books’. These variations in situation help to explain the opposing views expressed in our survey.

"Leisure costs money"

In our July 2017 research and article ‘Are lifetime mortgages about to enter mainstream retirement planning?’ we spoke to Advisers and uncovered that 90% of their clients would like more money to have a comfortable retirement. The majority of people need up to £10,000 more per year – for a man retiring at 65 that could amount to an extra £157,000 over his lifetime, for a woman it could be £178,000.² It can take time to adapt to a lower income in retirement, and most retirees will want to maintain their standard of living, despite no longer receiving a salary. For this reason, some surveyed described that they still worked, either part of full time in order to continue their lifestyles.

¹ General Lifestyle Survey 2010, table 3.3 (GB), ONS, 2012
² YouGov online survey for Age UK, Total sample 2,247 adults 18+, of which 439 aged 65+, December 2014
³ Public Health England, Recent Trends in Life Expectancy at Older Ages: Update to 2014, February 2016. Calculation based on 18.5 additional years of life expectancy for a man aged 65 in 2015. For a woman aged 65 it is an additional 20.9 years.
The unexpected

More unusual surprises

“ How many toilet rolls we use ”

“ Still not enough time to clean loft ”

“ Suddenly transitioned to wearing beige and cream ”

“ The kindness of people ”

“ Starting new relationship with lovely lady ”

Q. What has surprised you about retirement?

The biggest surprise by far was that time goes quickly. People found it easy to fill their day and almost wondered how they ever found the time to work! Having expected to luxuriate in ‘free time’, they instead have found themselves in a packed schedule and many are enjoying new hobbies and unexpected friendships. It’s apparent that financial health plays a critical role in later life happiness and wellbeing. Decisions made around our pensions, investments and assets like our homes can really swing the balance in favour of an active, positive outlook after 65. The role of an Adviser is extremely important to help navigate these important choices and plan effectively. We all appreciate a well laid plan, but it may be worth remembering that retirement, like most of life is made up of the good, bad and surprising!

Some of life’s problems cannot be solved by an Adviser. You may find the resources at the footer of this article useful for your clients.

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<tr>
<td>23%</td>
<td>How quickly time flies</td>
</tr>
<tr>
<td>23%</td>
<td>How did I fit work in?</td>
</tr>
<tr>
<td>4%</td>
<td>How much I enjoy it</td>
</tr>
<tr>
<td>4%</td>
<td>Having plenty of money</td>
</tr>
<tr>
<td>3%</td>
<td>How difficult it is to manage financially</td>
</tr>
<tr>
<td>3%</td>
<td>So many activities and opportunities</td>
</tr>
<tr>
<td>3%</td>
<td>Lots of time freedom</td>
</tr>
<tr>
<td>2%</td>
<td>More leisure time</td>
</tr>
<tr>
<td>2%</td>
<td>I’m still alive/healthy</td>
</tr>
<tr>
<td>2%</td>
<td>How easy it is to manage/adapt</td>
</tr>
</tbody>
</table>
Helpful resources

We pride ourselves that all our customer services team in Solihull are trained to speak with vulnerable elderly customers. We’ve worked in conjunction with external experts such as Age UK to develop our first ever ‘Vulnerable Customer Policy’ for employees. This document was shared with distribution partners, regulators and government to get feedback and informs our ongoing training programme.

Please find below some contact details and resources which you may find helpful to refer your clients to if they are affected by any of the issues raised in this report.

Age UK
Who are they?
Age UK is the UK’s largest charity dedicated to helping everyone make the most of later life. It supports and assists a network around 170 local Age UKs, which offer companionship, help, advice and a wide range of services.

Contact the Elderly
Who are they?
Contact the Elderly are network of volunteers. Contact the Elderly organise monthly Sunday afternoon tea parties for small groups of older people aged 75 and over, who live alone, offering a regular and vital friendship link every month.

The Silver Line
Who are they?
The Silver Line is the only confidential, free helpline for older people across the UK open every day and night of the year. Their specially-trained helpline team:
- Offer information, friendship and advice.
- Link callers to local groups and services.
- Offer regular friendship calls.
- Protect and support older people who are suffering abuse and neglect

Find out more
To read more articles or find out more about our retirement products please visit www.legalandgeneral/advisercentre