

## Aspiring towards retirement

Why many people experience a mixed bag of emotions on the subject

Retirement is often envisioned as a time to unwind and indulge in our passions after years of hard work. However, recent research indicates that many individuals feel apprehensive about retiring due to financial and emotional concerns<sup>[1]</sup>.

### THE RISE OF 'RETIREMENT ANXIETY'

The escalating cost of living is putting a strain on income and savings, leading to a growing phenomenon we call 'retirement anxiety', particularly among those over 40. The latest findings show that nearly two-thirds (58%) of over-40s are nervous about retiring, with 20% being 'very anxious'. This represents a staggering 70% increase from our 2022 findings.

### IMPACT OF ANXIETY ON RETIREMENT PLANS AND PERSONAL LIFE

The anxiety is so severe for 18% of adults that it causes them sleepless nights. More than one in ten (11%) state that anxiety negatively affects their personal life and relationships. Consequently, 13% of adults have postponed their retirement plans due to this anxiety, rising to almost two in ten (18%) for those over 55.

### A CONCERNING TREND FOR THE UNPREPARED MAJORITY

Despite these anxieties, the research reveals that almost half (41%) have made no preparations for retirement. To help alleviate some of these worries, here are some tips:

### ASSESSING YOUR CURRENT ASSETS

If you're among the 39% who fear not having enough money to last through retirement or the 33% who worry about affording desired activities, start by assessing what you already have. This will help you understand your proximity to your dream retirement and identify any gaps you need to fill.

### BOOSTING YOUR SAVINGS

Now that you know your current standing and potential needs, you can begin strategising how to bridge any savings gaps. With 43% of adults feeling they haven't saved enough for retirement and 27% regretting their late start, having a plan can help alleviate these concerns.

### PRESERVING YOUR SAVINGS

In today's world, 29% of adults struggle to save for retirement while managing current living expenses. While the rising cost of living is pressuring many households, try to avoid dipping into your retirement savings early.

### CONSOLIDATING YOUR PENSIONS

You might find it beneficial to consolidate multiple pensions into a single pot. This could decrease your annual fees and simplify management. However, ensuring you will retain valuable benefits in the process is crucial.

### RETHINKING YOUR INCOME STRATEGY

With 39% of adults concerned about the rising cost of living affecting their retirement plans and 24% worried about the economy's impact on their pension and investments, it could be time to reconsider your income strategy in retirement.

### EXPLORING WORK OPPORTUNITIES IN RETIREMENT

Retirement doesn't necessarily mean complete withdrawal from the workforce. In fact, 14% fear losing their identity when they stop working. Whether you opt for a 'flexi-retirement', part-time work or starting a new business, the key is to do what makes you happy. ■

### NEED HELP MAKING INFORMED DECISIONS TO ENSURE A COMFORTABLE AND FULFILLING RETIREMENT?

Retirement is a significant milestone that often feels distant until it's right around the corner. But remember, we offer plenty of support to guide you through your retirement journey. If you need further information or assistance navigating your retirement planning, please get in touch with us.

#### Source data:

[1] abrdn plc – Don't let retirement anxiety push you off track – 22/09/23.

THIS ARTICLE DOES NOT CONSTITUTE TAX OR LEGAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH CLIENT AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. FOR GUIDANCE, SEEK PROFESSIONAL ADVICE.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.