

The pension age myth; two in five Brits plan to work full-time after the state pension age

May 19, 2024

- Two in five (39%) UK adults expect to have to work full-time in retirement.
- Well over a quarter (28%) will set up their own small business when they reach retirement age.
- 29% expect to be dependent on their partner's pension in the future.
- The current cost-of-living crisis is a worrying factor for consumers as two in three (65%) admit it's a concern .

Two in five (39%) UK adults expect to have to work full-time past the state retirement age, according to new research from wealth manager Charles Stanley. When planning for future retirement, many mass affluent consumers – those earning above the UK average salary and with at least £1,000 in accessible cash/savings or those who have retired and have more than £1000 in savings - say they expect to have to work in some shape or form past retirement age.

Two in five (41%) say they'll take on extra part-time work in the same sector to their current one when they reach retirement age. Almost the same number (40%) say they'll take on extra part-time work in a different sector to their current one when they reach retirement age. Well over a quarter (28%) plan to set up their own small business.

Retirement is a milestone that many will welcome, but the reality of the current cost-of-living and high inflation is causing many concern about when they will be able to reach this with sufficient savings behind them. Charles Stanley's research found that almost two thirds (65%) of consumers are worried about their retirement provision because of recent rises in the cost-of-living.

In addition to potentially working past state retirement age, UK adults also look at less conventional ways to make ends meet. Well over a quarter (28%) admit they'll their belongings including clothing and furniture. Concerningly though, 29% say they will depend on their partner's pension in the future, perhaps putting too much reliance on others retirement provisions rather than their own.

PRESS RELEASE**UK adults plan to do the following when they reach state retirement age:**

- Almost half (48%) will supplement their income via investments.
- Two in five (41%) will take on extra part time work in the same sector to their current one.
- Two fifths (40%) of people will take on extra part time work in a different sector to their current one.
- Almost two in five (39%) expect to have to work full-time.
- A third (33%) will supplement their income via buy-to-let property.
- Three in ten (30%) will sell their main property that they live in
- Almost three in ten (29%) will release equity from their home.
- 29% will depend on my partners pension in the future.
- Well over a quarter (28%) will set up their own small business.
- More than one in four (28%) will sell their belongings including clothes and furniture.
- A quarter (23%) will become an iNed/Board member of a company.

Lisa Caplan, Director of Onestep Financial Plans at Charles Stanley comments: “Retirement is most certainly a milestone that many look forward to – whether it’s planning to relax, travel, enjoy a hobby, or spend time looking after grandchildren. While exciting, it can also feel daunting, particularly when it comes to planning to have the retirement you desire. Unfortunately, the rising cost-of-living has added a new challenge to the retiree landscape. Many will have had the rug pulled from under their feet, with hard-earned savings being eaten away by inflation or needing to support more day-to-day living, meaning contributions to retirement pots diminishing.

“Access to financial advice is more important than ever as consumers navigate these tough financial times. For some, the prospect of retiring is difficult to comprehend, and whether for financial reasons or personal – retirement might not be an option. With the state pension age also increasing and life expectancy on the rise, the outlook for many will be to think to work longer in order to afford retirement. However, with the right financial planning in place, an adviser can help support an individual in reaching their retirement goals. If people are working past retirement age, it should be about people having the choice to do so rather than simply having to because they can’t afford it.”

-ENDS-

Methodology

Research carried out by Censuswide in March 2023 sampling 2,003 ‘mass affluent’ consumers (defined as those earning above the UK average salary and with at least £1,000 in accessible cash/savings or those who have retired and have more than £1000 in savings).

ENDS

Notes to Editors

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