

Skipton's Retirement Tracker 2017



Produced with support from Opinium

Skipton Building Society's third annual Retirement Tracker 2017 launches on 7 December, providing a coherent view of the UK's approach to retirement.

The tracker focuses on the financial provisions people are making, economic sentiment, as well as the emotional aspects of preparation for life after work across the different age generations.

Methodology

The Retirement Tracker monitors the retirement savings behaviours of over 6,000 UK consumers. All figures, unless otherwise stated, are from Opinium and the total sample size was 6,005 adults. Fieldwork was undertaken between 6 – 13 October 2017. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

2017 Findings

UK parents more likely to broach the topic of sex and relationships with their children than retirement and later life

The research amongst over 6,000 UK adults reveals that UK parents are shying away from conversations about planning for the future. Over half (55%) of UK parents surveyed say they have discussed sex or relationships with their child at least once, whereas just one third (32%) say they have talked about retirement.

There is a huge lack of conversations around these difficult financial topics

The same is also said about inheritance, with 63% who have never talked about it to their children. This is despite the fact that children are the most likely to be the planned recipients of people's wealth (32%), closely followed by spouse/partner (29%). Religion and God (65%) and natural disasters (62%) are the other tough topics parents are most likely to broach, followed by saving (61%) and political issues (56%).

This lack of conversations is impacting our knowledge about retirement and later life:

When asked about their own experience with their parents, over half (56%) those who are not currently saving for their retirement said speaking to their parents about the importance of retirement would motivate them to save more. This also rings true with adults looking back at their own childhood - only one in five (22%) adults say their parents/guardians gave them helpful advice about retirement.

There is consequently a distinct lack of knowledge around how much people will actually need to save for the retirement they want. Over half (55%) of non-retirees say that they are not currently saving for retirement at all, despite nearly half being concerned about running out of money once they stop working (49%).

Over half of the non-retired population is not currently saving for retirement, in spite of concerns of running out of money once they stop working

When discussing their main concerns in retirement, poor health (52%) is the main concern non-retirees have, followed closely by running out of money (49%).

Skipton's Retirement Tracker over the last two years has revealed the increasing role of cash savings for retirement

This year's data shows that the role of cash savings in saving for retirement has changed in comparison to figures from 2016, with growth in the use of cash savings and cash ISAs. Two in five (39%) people say they've never saved for retirement, and 16% have been doing so previously but are not currently. When asked about the type of products they used to save for retirement, the data reveals a significant increase in the proportion of savers relying on cash ISAs in 2016 (27% in 2016, 41% in 2017)

This could signal a return to the security and stability offered by cash products, especially from older savers. Cash savings massively increased (by over half) in popularity year on year, as did cash ISAs. Those aged 18-24 are almost twice as likely as those aged 25-34 to use stocks and shares savings and investments (the group least likely to use these products)

Continued overleaf

But there is a substantial difference between Gen Zs and Millennials + older generations when it comes to identifying an actual figure needed to live comfortably once retired

There is a £140,000 difference between how much the average Millennial and how much the average Gen Zer think they'll need to retire comfortably. The biggest overall disparity between how much they need in comparison to how much they'll be able to save is between men (£55k) and women (£104k).

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