








5 top tips for retirement planning in your 50s

Your fifties are the perfect time to get your pension in order.

With retirement edging closer, hopefully you're looking forward to the opportunities it may bring to indulge your passions and step back from work commitments. But although exciting, your fifties are a crucial time when it comes to your retirement planning. To help make sure you are on the right path to your retirement, read our 5 top tips to help you plan for retirement in your fifties.

-  **1** Get an accurate picture of your pension income
-  **2** Consider your income needs
-  **3** Learn more about taking a pension
-  **4** Set out your lifestyle goals
-  **5** Speak to a financial adviser

1 Get an accurate picture of your pension income

With most pensions accessible from the age of 55, many people in their fifties won't be too far away from being able to withdraw an income. But research shows that 22% of people in their fifties do not know the level of income their pension will provide them with each month. Also, 74% do not know what the full value of their pension pot is estimated to be worth when they retire. If you are in your fifties, it's essential you understand how your pension will support you, so you can create a realistic plan and take steps to cover any shortfalls if necessary.



74%

of people don't know the estimated full value of their pension when they retire

2 Consider your income needs


Calculating the level of income you need during retirement is also important. However, our research showed almost half of those in their fifties do not know how much they will need for their retirement. Understanding the annual income you need to achieve your goals, whilst taking into consideration your life expectancy, is crucial for assessing the savings held in your pension. Worryingly, 23% of people surveyed believed they would need less than £100,000 to retire. But, whilst the amount you need in your pension does depend on your own circumstances and goals, research from Which? suggests you'll need to have built up provisions totalling more than £215,450 to help you achieve a comfortable lifestyle¹.



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3 Learn more about taking a pension



Since 2015, retirees have had more flexibility in how they can take their pension. While this allows you to create an income that suits you, you may also need to take on more responsibility and make important decisions surrounding your pension. However, awareness around pension values and your options at retirement is still relatively low, with 61% of people in their fifties worried about running out of money when they retire. Taking the time to learn more about your pension, how it can work for you, and your options at the point of retirement should be considered a priority. After all, it is a decision that can have an impact on the rest of your life. Make an informed decision with the help with one of our financial advisers, to contact us, [click here](#).

61%

of people fear running out of money.

4 Set out your lifestyle goals

While the money side of retirement is important, so too is the lifestyle you would like to have when you retire. Setting out what you want your retirement to look like can help you create a path to fulfilment. One of the first things to consider is your working life. Just over one third of people in their fifties plan to stop work completely; 38% want to work part-time and 22% would like a phased approach to retirement. However, there were some major concerns for retirement, including not being able to enjoy the lifestyle they want (45%), a lack of purpose/motivation (19%) and boredom (16%). These figures show how important it is to make lifestyle plans to make sure your retirement is a milestone you're looking forward to and ready for, rather than dreading.

5 Speak to a financial adviser

It is advisable that you seek professional advice when you have a big financial decision to make. And, as you approach retirement, you may find you need to make several. But despite the benefits of speaking to a financial adviser, 61% of people in their fifties said they have never sought financial advice. And of those who received advice, only 43% discussed planning for retirement. A financial adviser can give you an insight into what your finances might look like in retirement, including addressing any concerns you might have about your retirement. The 3 main concerns shared by people in their fifties were: running out of money (61%), not being able to enjoy the lifestyle they want (45%), health concerns (38%), debts (19%) and lack of motivation (19%). Therefore, it's best not to leave your retirement to chance, **Speak to one of our advisers today.**

61%
of people in their fifties have never sought financial advice

Our advisers can help you gain a better understanding of your finances and create a personalised plan:

call 0330 332 7866; or

email advise-me@fosterdenovo.com.

Calls are charged at your standard landline rate.

¹ Which?, How much will you need to retire?, July 2019, found that the average retired couple spends around £27,000 a year. This covers all basic expenditure with a few treats like the odd holiday thrown in. Which? estimates that for a comfortable lifestyle in retirement <https://www.which.co.uk/money/pensions-and-retirement/starting-to-plan-your-retirement/how-much-will-you-need-to-retire-atu0z9k0lw3p>

All statistics are taken from an online survey that was conducted, by Atomik Research on behalf of Foster Denovo, among 2,001 20-55 year olds in full or part-time employment in the UK. The research fieldwork took place between 20th and 27th January 2020.

The value of your investment can go down as well as up and you may not get back the full amount invested. Accessing pension benefits early may impact on levels of retirement income and your entitlement to certain means tested benefits and is not suitable for everyone. You should seek advice to understand your options at retirement.

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