



# 5 top tips for retirement planning in your 40s

Retirement might still be some years away for you, but the time you have left to save for it is shrinking.

Many pensions are accessible from the age of 55 and, with most people in their forties hoping to retire between 56 and 65, it is crucial that you have pension plans in place to support yourself and your family. This is even more important as the state pension will soon only be available to you when you reach 68 years old. To help make sure you are on the right track to achieving the retirement you want, follow **our top 5 tips for retirement planning in your 40s**.



1 Save for the long-term



2 Keep an eye on the projected value of your pension



3 Keep your lifestyle goals in mind



4 Create a wider financial plan



5 Address your concerns

# 1 Save for the long-term

Unsurprisingly, as we reach our forties our focus often shifts to the long-term, compared to the more immediate plans of our younger selves. Our research shows that less than a quarter of people in their forties view short-term savings as a priority, compared to 64% who prioritised long-term savings. However, it is worrying that 13% of people are not saving at all. It could mean financial hardship in the short, medium and long-term if no other action has been taken.



13%   
of people are not saving

# 2 Keep an eye on the projected value of your pension

Hopefully, you've been saving into your pension for most of your working life and have been able to see your efforts growing, thanks to investment returns and tax-efficient benefits. But do you know what your pension may be worth when you reach retirement age? If not, you're not alone. In fact, only 23% of those in their forties know how much their pension pot is estimated to be worth when they retire. As a result, it is not surprising that 37% of those asked, don't think they'll have enough in their pension to retire and one in five aren't sure. Understanding how your pension is likely to grow over the next ten or 20 years can help you plan accordingly. Speaking to an adviser can help you to set financial goals and work towards them. To get in touch with one of our financial advisers, [click here](#).



23%  
of those in their 40s know  
their estimated pension pot.

37%  
don't think they'll  
have enough to retire.



# 3 Keep your lifestyle goals in mind

If you've been daydreaming about retiring, what kind of lifestyle have you been imagining? Our research showed that 43% of those surveyed said they were scared they will not be able to have the lifestyle they want when they retire. This fear is driven mainly by concerns about running out of money, which are shared by almost two thirds of people in their forties. If your current savings habits aren't compatible with your plans, or your feeling fearful about your financial future, now is the time to make adjustments. It may mean increasing pension contributions, saving into alternative arrangements, or adjusting the date you plan to retire. By placing your lifestyle goals at the centre of your efforts, you'll be in a better position to create the retirement you want.

2/3   
of people fear  
running out  
of money.

## 4 Create a wider financial plan

Your pension shouldn't be looked at in isolation. Creating a wider financial plan can help you balance the lifestyle you want now with the lifestyle you want in the future. You should consider any other assets you may have built up too. These can be money held in an ISA (Individual Savings Account), which almost three quarters of all people in their forties have, or money locked up in the value of your home. Steps that aren't directly linked to retirement can still have an impact, both positive and negative. For example, overpaying your mortgage could boost security in retirement. Although only 35% of those in their forties have sought a financial planning or advice service, the best way to maximise your financial assets is with the help of a financial adviser.

## 5 Address your concerns

When you think about retirement, it's natural to have some worries. And you're not alone, as almost one in four people in their forties are scared of retirement. But not addressing these concerns now could affect your wellbeing and happiness later in life. Often, the sooner you tackle these concerns and take steps to guard against them, the better it will be for you now and in the long term. For example, in our research, 37% of people said health concerns were a worry but this shouldn't be the case. There are plans you can put in place today which will help to pay for long-term care or home support. Preparing for your future and being aware of how you can overcome your fears, could help you to have fewer worries and a more enjoyable retirement.



1/4

people in their forties  
are scared of retiring.

**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](mailto:advise-me@fosterdenovo.com).**

Calls are charged at your standard landline rate.

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 20<sup>th</sup> and 27<sup>th</sup> 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.

Foster Denovo Limited is authorised and regulated by the Financial Conduct Authority.

Registered office: Foster Denovo Limited, Ruxley House, 2 Hamm Moor Lane, Addlestone, Surrey, KT15 2SA.

Phone: 01932 870 720 Email: [info@fosterdenovo.com](mailto:info@fosterdenovo.com) Website: [www.fosterdenovo.com](http://www.fosterdenovo.com)