Half of People Aged 55-64 Have No Retirement Funds in Place

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...even though 86 per cent know the state pension wonâ€™t support them!!!

20 NOVEMBER, LONDON, UK: Almost half of adults aged 55-64 have no financial arrangements in place for when they retire â€“ despite the fact that 86 per cent of them believe that the state pension will not support them in retirement.

The findings come through a study undertaken by global market researchers TNS, and support the widely held belief that the UKâ€™s pension situation is reaching crisis point. They also put pay to the rumour that it is only young people who are failing to plan ahead.

Two thirds of people aged 55-64 are concerned that they will not have sufficient funds when they retire and 70 per cent expect their standard of living to decline.Â Despite these worries, they seem to be doing little to cushion the financial blow.Â Forty-six per cent of those questioned in this age group admit to having no financial plans in place for when they retire from work, not much lower than an average of 54 per cent across all age groups.

Ironically, almost a quarter of those in what is often seen as the most financially astute of age groups â€˜intend to start planning later in life for retirementâ€™.Â With the statutory retirement age still sitting at 65, the promise that they will somehow accumulate sufficient retirement savings during the last few years of work seems little more than wishful thinking.

Sharon Rees, Head of TNS Finance, comments: â€œThis is a shocking wake-up call â€“ for both the government and individuals.Â The UK is entering a state of pensions meltdown â€“ but despite widespread media coverage and ongoing measures by financial providers to encourage us to save, it seems that warnings are going unheeded.Â It is disturbing to think that half of those in their final years of work still have no financial plans in place â€“ and the idea that they can afford to put off planning a moment longer is ludicrous!Â Most concerning of all is the apathy we have noted in our study: the fact that two thirds of people aged 55-64 acknowledge that they will have insufficient funds in place when they retire, but continue to do nothing about it.â€•

The TNS Finance study highlights again Britainâ€™s belief in the power of property, with almost three quarters of all those questioned (73 per cent) agreeing that property investment is a good way of planning for retirement.Â Sixty-seven per cent of people would also like to pass on their home to their children as an inheritance â€“ but with so many failing to make adequate pension provision, the likelihood that this will happen is small.

Sharon Rees explains: â€œFollowing Britainâ€™s recent property boom, there can be little doubt that bricks and mortar is a goo investment.Â But at what price?Â Our study suggests that people might be mistakenly putting all of their retirement savings into property â€“ whilst failing to recognise that they will need cash to live off.Â Nobody can hope to keep their property intact for passing on to their children if they donâ€™t have any other retirement finances in place; for those aged 55-64 the message is clear â€“ itâ€™s never too late to start a retirement fund, but you need to do it now.â€•