

RETIREMENT READINESS:

How each of the UK regions are
preparing for retirement

We have analysed data from the Office for National Statistics (ONS) alongside existing data from the Department for Work and Pensions (DWP) to understand the retirement readiness of the UK regions.

Whether its people down South who are planning on working for longer, pensioners in the North East who have the most income left over each week, or the Scots who have the largest pension savings, the retirement readiness of the UK differs tremendously by region.

IMPORTANT INFORMATION

This factsheet shows you how prepared people in each region are for retirement. It is provided for your interest and is not personal advice. 03 October 2018.

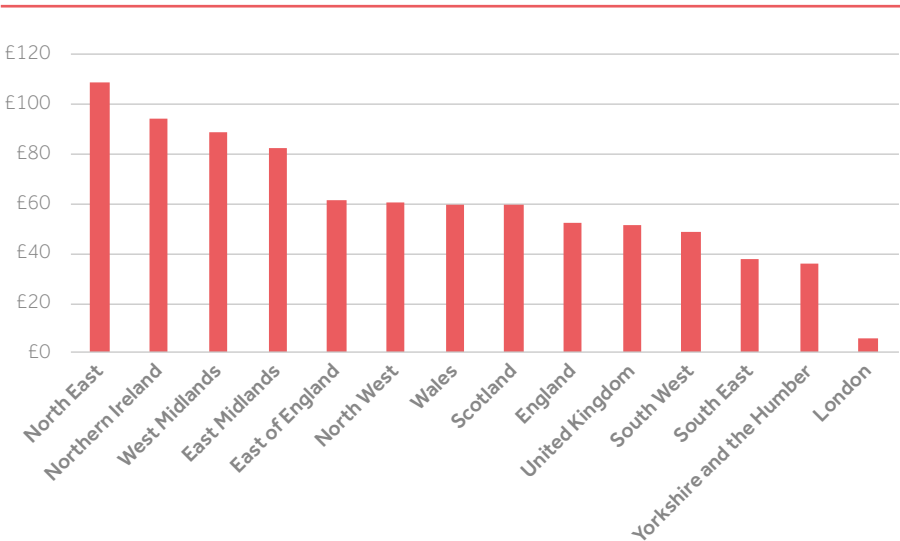


PENSIONER HOUSEHOLDS

How pension income and expenditure of retired households compares by region.

Comparing the average pensioner income by region with the average expenditure for retired couples allows us to identify which regions have the most income left after meeting their household spending.

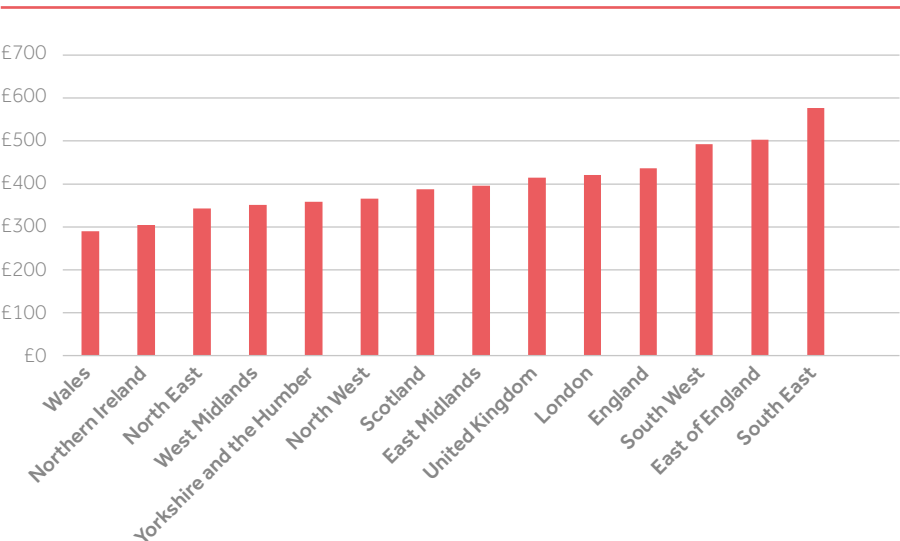
INCOME LEFT OVER EACH WEEK



Sources: ONS regional median household spending data for retired couples 2016/17 and median regional couple's pensioner income data from DWP's Pensioners' Incomes Series 2016/17.

We've also looked at the amount people in each region would have to save each month over a working life in order that they have the same income as pensioners in their region.

REQUIRED GROSS MONTHLY PENSION SAVINGS TO HIT AVERAGE REGIONAL PENSION INCOME (COUPLES)



Sources: ONS regional median household spending data for retired couples 2016/17 and median regional couple's pensioner income data from DWP's Pensioners' Incomes Series 2016/17.

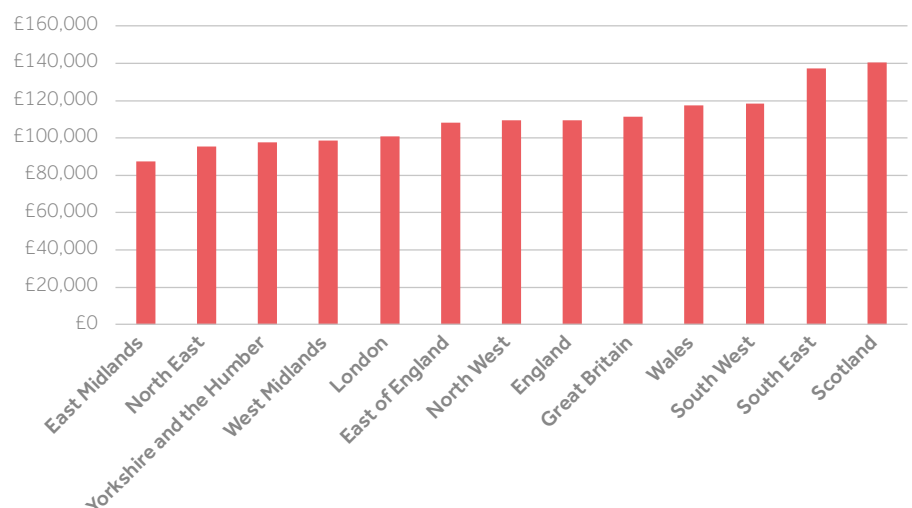
THE REGIONS WITH THE LARGEST PENSION WEALTH

The largest pension savings are squirrelled away by people in Scotland, where pension wealth average is £140,400. At the other end of the scale, the smallest average savings are in the East Midlands (£87,400).

At first glance it's perhaps surprising to see Wales and Scotland towards the top of the charts, however both regions have among the highest proportion of public sector workers in the UK. The generosity of these pension schemes and historic high levels of pension membership among public sector workers have given these numbers a boost.

Yorkshire and the Humber and London are two of the regions with the smallest proportions of people over the age of 65. With fewer people having had the time to amass pension savings this may be acting as a drag on the average values in these regions.

PENSION WEALTH



Source: ONS Wealth & Assets Survey (released 1st Feb 2018). Data to 2016. Median pension wealth calculated excluding people with £0 pension wealth.

RETIRING EARLY OR LATE: REGIONAL EXPECTATIONS

Those in the North East and Scotland are least likely to want to work past 70. With the both regions having the lowest life expectancy of the UK regions, this seems logical.

Those in London, South West and the South East are most likely to anticipate working for longer and this is reinforced in data showing the proportion of those leaving the workforce who were over 70 which were highest in these regions. These regions have the highest life expectancies.

Scotland, Wales and the North West are most likely to want to retire before the age of 65.

| REGION | Expecting late retirement (post 70) | Proportion leaving work past 70 | Expecting early retirement (pre 65) | Male life expectancy (years) | Female life expectancy (years) |
|--------------------------|-------------------------------------|---------------------------------|-------------------------------------|------------------------------|--------------------------------|
| North East | 10% | 5.9% | 27% | 17.9 | 20 |
| Scotland | 10% | 7.8% | 33% | 17.16 | 19.55 |
| East of England | 12% | 7.6% | 28% | 19.3 | 21.6 |
| East Midlands | 13% | 6.7% | 25% | 18.6 | 21.1 |
| Yorkshire and the Humber | 13% | 6.2% | 29% | 18.2 | 20.6 |
| North West | 13% | 7.5% | 32% | 18.0 | 20.3 |
| Wales | 13% | 7.9% | 30% | N/A | N/A |
| West Midlands | 14% | 8.5% | 22% | 18.5 | 21.1 |
| South East | 16% | 12.5% | 29% | 19.3 | 21.7 |
| London | 17% | 11.8% | 21% | 19.2 | 21.9 |
| South West | 19% | 10.7% | 22% | 19.3 | 21.8 |

Source: HL & median regional couple's pensioner income data from DWP's Pensioners' Incomes Series 2016/17.

HOW TO HELP YOUR EMPLOYEES PLAN FOR RETIREMENT

The choices your employees make at retirement could affect them for the rest of their life.

That's why it's important to ensure they have everything they need to make the right decisions at the right time. To allow them to retire when, and how they want.

However, a recent industry report shows a decline in prioritising pensions over the last three years. 65% of pension members are not paying more than minimum levels. And 40% believe their employers (and pension providers) are not doing enough to engage with them.¹

At HL, we've been able to show that with clear, relevant messages, delivered at the right times, to the right people, you can really make a difference. 50% of members in the HL Workplace pension are currently paying more than minimum levels for their scheme.

MAKING IT EASY

With busy lives and working schedules, members should be able to manage their pension how and when they like – just like online shopping, or banking. Our award-winning apps for smartphones and tablets make it easier for members to engage with their money and make changes as and when they want.

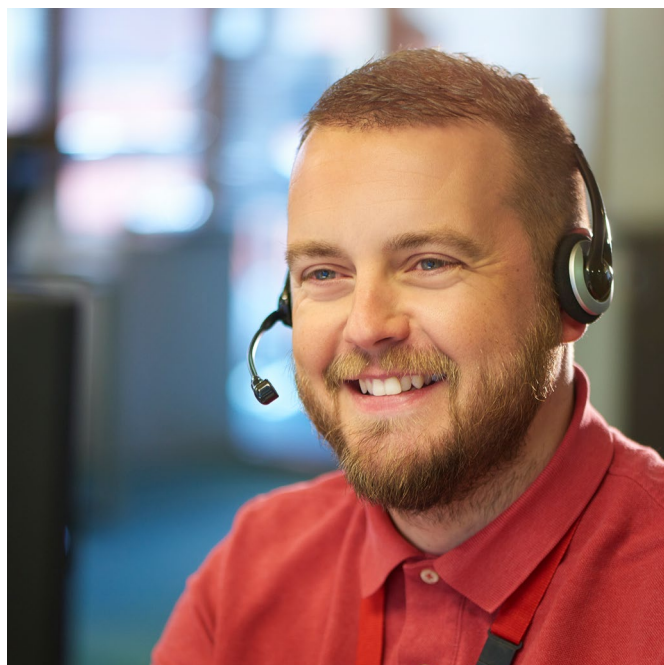
Those approaching retirement can download online guides, use interactive tools and read expert views to help them work out how much their desired income might cost, and make better decisions.

FINANCIAL EDUCATION PROGRAMME

A recent survey showed that 79% of employees believe financial education should be included in the workplace.¹

An onsite and online Financial Education programme can help your employees understand their options in a clear and simple format. Targeted and age-appropriate presentations – delivered in bite-sized sessions can boost engagement levels.

Seminars can even be made available as live webinars, if required – so no one misses out.



SUPPORT FOR EMPLOYEES

Above all, many employees may just want to talk to someone over the telephone – without waiting in queues or having to navigate complex automated phone systems.

Our Retirement Helpdesk is open six days a week (including evenings Mon-Fri). No automated machines, just friendly retirement experts who can answer questions straightaway.

After a lifetime of contributions and investment growth, it's important your pension members don't fall at the final hurdle. It may not affect their daily lives while they are still at work, but it could have serious implications for their comfort in retirement.

¹ Barnett Waddingham survey 2017

LET'S TALK

To find out more on how we can help you get your employees ready for retirement - and keep them engaged with their pension – contact us today.

We'll be happy to visit your office and provide a short demonstration.



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