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Financial resilience during retirement – Stage 2

Report based on qualitative research with
consumers

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1. Executive summary

1.1 Introduction

The Money Advice Service Financial Capability Strategy for the UK includes a strand of work that is specifically focused on older people in retirement (OPIR). Age UK has commissioned this research to address an evidence gap with respect to OPIR financial capability. In particular, Age UK is looking to identify what constitutes **a retired person who is well placed to deal with life events during retirement and financially resilient**. Recognising that the OPIR population is heterogeneous, an important requirement of this research has been to take account of differences in financial, health and social resources when exploring the question of what good looks like.

An earlier stage of research, comprising desk research and interviews with selected stakeholders was conducted between October and November, 2017. Evidence from this stage provided initial hypotheses on the characteristics of financial resilience in later life.

Stage 2 of the research, on which this report is based, was a comprehensive programme of **qualitative research with older people**. It was designed to test the hypotheses from the initial research and develop further insight. In total, Collaborate Research conducted 16 group discussions with a broad cross section of OPIR, as well as 8 depth interviews specifically with couples. This qualitative research was conducted across the UK, including in all nations and several regions of England. Fieldwork took place between 7 December 2017 and 11 January 2018.

1.2 Key findings

While **'being prepared'** in retirement is acknowledged to be beneficial by the OPIR involved in this qualitative research, it is also believed to be important ***"not to worry too much about the future"*** given the dual unknowns people in retirement face:

- On a personal level (regarding their future health and care needs, and longevity); and
- Related to possible developments in the external environment (the economy, government policy etc.) which could affect their choices.

It is felt to be **difficult for OPIR to feel 'in control'** of their future given this level of uncertainty.

This research suggests that current policy and industry terminology **does not particularly resonate** with OPIR. While some respondents are taking actions to prepare for the future, they do not recognise what they are doing as 'planning to cope with life events'.

There is a tendency to focus on **some areas of preparation more than others**. OPIR respondents reported that they place a great deal of emphasis on day-to-day money management and regard maintaining a financial buffer as being an important component of being prepared. A number have also made provision for the future by drawing up wills and making funeral plans, getting paperwork

organised and explaining their wishes to others. In addition, some have set up Power of Attorney arrangements and some have made or are considering changes to their housing.

OPIR are much less likely to have thought about how their **costs may change** in the future or considered **tradeoffs** between short-term and long-term factors. Relatively few have sought regulated **financial advice**, in part due to lack of trust of professional advisers.

In addition, while health is regarded as the biggest future unknown for OPIR, there is a reluctance to think about **potential future health or care needs**. There are a number of **strong barriers** to consideration of social care, in particular, which contribute to a strong sense of negativity and disempowerment in this area. These barriers include:

- General negative associations of social care including with catastrophic needs, poor quality care and neglect;
- A strong view that the requirement to self-fund is unfair;
- An expectation that the cost burden will be very high if residential care is required, meaning that most people's assets will be quickly used up; and
- A lack of belief that making financial provision will ensure they get better quality and choice of care.

Overall, resilience tended to be defined by the OPIR in this research as ***“being able to cope with what life throws at you”***. This is seen to be about more than just preparations but also **the response to the unexpected**.

Most participants in this research had experienced **some sort of shock or unanticipated event** during their retirement so far (even though they were not specifically selected on this basis) and these ranged from major crises, such as serious illness or bereavement, to more prosaic challenges such as needing to deal with unexpected expenses or age-related changes in capability or confidence. Consequently they were able to draw on their personal experience to discuss the qualities that they believe contribute to resilience.

In general, it is perceived that OPIR will be best placed to deal with shocks and challenges if they have **good financial and social resources**. It is also seen as important to be personally **confident and adaptable**. In addition, being aware of external sources of **information, advice and guidance**, and prepared to access these, is felt to help equip people both to prepare for the future and to deal with challenges as they occur. While **financial capability** is perceived to contribute to resilience it is regarded as only **one factor among many** (see Section 1.3). In addition, both **financial and personal resilience** are believed to be required to respond to the most significant shocks.

This research indicates that it will be **challenging to measure individuals' financial resilience** quantitatively because:

- There are a number of factors contributing to this and a given individual may score highly in certain areas and not on others.

- Resilience is also subject to change which could be related to a number of factors, including changes to their financial or social resources, capability or confidence.
- People can find it challenging to assess their own resilience, and there were examples in this research of both under- and over-estimation against the subjective measures.

Some suggestions about how to approach the future measurement of financial resilience among OPIR are provided in the Conclusions section of this report.

The underlying motivations for making preparations for the future appear to be to provide **peace of mind** and reassurance of **not being a burden** to others. In some cases there were also specific **triggers** that led people to consider the future.

Conversely, a number of factors can **inhibit** the required behaviour to ensure financial preparedness. These are not only **capability-related** deficits but also **attitudinal and emotional** barriers, some of which are deep-seated.

OPIR who are experiencing particular challenges in retirement can be seen as being **more at risk of lacking resilience to future shocks**. A more challenging or less favourable experience in retirement was more commonly reported by:

- Those with recent experience of a major crisis such as a serious illness or bereavement;
- Those with chronic health conditions or disabilities, and their carers;
- Single women particularly and those without partners generally;
- Those who are struggling financially or whose financial position in retirement is considerably worse than when they were working; and
- Those whose financial or personal circumstances are felt to be precarious.

1.3 Summary of what OPIR see as important for general and financial wellbeing and resilience

Outcomes	<ul style="list-style-type: none"> • Remaining active, engaged and positive • Living within one's means but not scrimping • Being prepared but not worrying about the future too much
Behaviour	<ul style="list-style-type: none"> • Aiming to stay physically, mentally and socially active and to maintain a routine • Budgeting to keep track of incomings and outgoings • Being 'sensible' with spending and not fluctuating too much to extremes of under- or over-spending • Retaining/adding to a savings pot if possible to provide a financial buffer • Considering the future and taking specific actions to prepare where possible – e.g. will, funeral arrangements, POA, decisions re house and other assets

<p>Enablers</p>	<p><i>Attitudes and mindset</i></p> <ul style="list-style-type: none"> • “Acceptance of what life throws at you” and the emotional strength and tenacity to cope with difficult issues and not give up • Independence, self-reliance and confidence in making decisions • A sensible and streetwise approach to decision-making, including “<i>thinking through</i>” choices thoroughly and not succumbing to pressure or scams • Flexibility to adapt to changing circumstances • A positive but realistic view of the future – including by facing up to potential health and capacity changes, and mortality • “<i>Not thinking you know it all</i>” and being prepared to listen to others and to seek information/advice <p><i>Skills and knowledge</i></p> <ul style="list-style-type: none"> • Good day-to-day financial management skills • Knowledge of where to go to access information, advice and guidance in order to deal with issues as they arise • Internet skills to assist with accessing relevant information
<p>Inhibitors</p>	<ul style="list-style-type: none"> • Being in denial and not considering future stages of retirement or possible changes in circumstances • Feeling that there is nothing they can do make a positive difference or otherwise disempowered or fatalistic • Being overconfident and feeling that they have nothing left to do • Lacking awareness of options available to prepare for or respond to changes • Lacking capability or confidence to reach a suitable decision • Not knowing where to go to get information/advice/support • Not being prepared to ask for help, e.g. due to embarrassment, stoicism or lack of trust of external advisers

2. Introduction

2.1 Context and research aims

One of Age UK’s key ambitions is to ‘see a world where everyone in later life has enough money’. Financial capability is an important contributor to consumers’ overall financial wellbeing but remains ‘frustratingly low’ according to the Money Advice Service, especially with respect to longer-term planning and the management of unexpected life events and periods of financial difficulty¹.

While the top-line data suggest that older people in retirement (OPIR) are, on average, more financially capable than younger groups, there is considerable diversity amongst this cohort. This diversity spans their economic means, cognitive and physical abilities, digital connectivity and access to support. In addition, a number of these factors are not fixed and may change over time. There is also evidence of some particular financial capability issues relevant to OPIR that could affect their overall wellbeing. This includes a tendency not to plan for long-term care and the lack of opportunity in some cases to discuss money matters. In addition, older people are not always claiming benefits they are entitled to, not shopping around for the best deals in all areas and may be vulnerable to scams. A ‘sizeable minority’ of older people reportedly also struggles to make ends meet, and this is particularly the case if they are continuing to repay a mortgage or over-indebted.²

The Financial Capability Strategy for the UK includes a strand of work that is specifically focused on OPIR. Age UK has commissioned this research to address an evidence gap with respect to OPIR financial capability. In particular, Age UK is looking to identify **what constitutes a retired person who is financially resilient and ‘well placed to deal with life events’³ during retirement.**

Age UK has defined ‘financial resilience’ in later life in the following way:

“...It goes far beyond simply having an emergency fund available in cash to cover an unexpected bill – important though that is. For older people, it is a mixture of not just financial but also health, social and personal resources that enable older people to thrive over the entire course of their later life. To be truly resilient, you also need to have the ability to adapt your plans or change your arrangements, in response to both changing personal circumstances and wider economic conditions over which you have no control, such as periods of low interest rates.”⁴

For any age group, understanding what contributes to financial capability and resilience is complex and requires exploration of a number of dimensions including behaviour, skills, knowledge, attitudes

¹ Money Advice Service, *Measuring financial capability: identifying the building blocks* (2016)

² See, for example: Financial Capability Strategy for the UK: Older people in retirement strategy extract; MAS, *Understanding retirement: A deep dive into financial capability among older people* (2016)

³ ‘Well placed to deal with life events’ is one of the desired outcomes in the newly developed OPIR Outcomes Framework – see <https://www.fincap.org.uk/document/WfNCKx4AADJwEO5R/older-people-in-retirement-outcomes-framework>

⁴ Age UK, *Financial resilience in later life* (2014)

and motivations. These in turn may be influenced by financial, health and social resources, cognitive biases and psychological factors.⁵

There are also some further considerations when considering the financial resilience of OPIR compared to other age groups. As OPIR will generally have accumulated most of their lifetime wealth, the main focus of their financial decision-making will be on managing existing resources. They will be doing so in an increasingly complex financial world, with fewer guaranteed pensions and more ‘freedom and choice’, a challenging savings and investment climate, and in the context of rapid technological change affecting payment methods and ways of accessing information and services. OPIR could be faced with particularly complicated planning decisions, and the available research insight indicates that longer-term planning, both for and in retirement, requires different abilities from those needed to manage money well day-to-day⁶. OPIR are also more likely than other age groups to need to adapt to changes in their circumstances due to adverse events and/or a decline in capacity. All these factors mean that financial capability and resilience is particularly important for many OPIR.

In addition, given the diversity amongst OPIR population, what is required to build resilience may not be consistent across the board but vary according to individuals’ circumstances and resource levels. Unpicking and better understanding these differences has been identified by Age UK as an important objective of this research. Overall, Age UK wants to test assumptions about what ‘good looks like’, and ensure that ‘good’ takes into account the **heterogeneity of later life**, and the varying circumstances of older people, depending on their financial and other resources.

2.2 Stage 1 research

A first stage of the research, which included desk research and stakeholder interviews, was conducted between October and November, 2017. Evidence from this stage provided initial hypotheses on the characteristics of financial resilience in later life and a summary of these findings is included in Section 3 of this report (a full report of Stage 1 is available separately at [LINK](#))

2.3 Stage 2 research questions

The second stage of this research programme was designed to test the hypotheses from the initial research with OPIR themselves, and to develop further insight including by exploring the reality of the OPIR experience against the ideal of a financially resilient consumer. Age UK’s specific questions for Stage 2 included:

1. How well placed financially do OPIR feel for the rest of their lives in retirement?
2. What are their expectations for later life?
 - What income shocks are expected / planned for?

⁵ Money Advice Service, *Measuring financial capability: identifying the building blocks* (2016)

⁶ Money Advice Service, *Financial capability and retirement* (2016)

- What aspirations are wished for / planned for?
3. What do they see as important for being financially prepared?
 - Outcomes
 - Resources – savings, assets
 - Circumstances
 - Behaviours
 - Actions to have taken
 - Regular habits – e.g. saving, reviewing
 - Enablers/Inhibitors
 - Attitude and mindset
 - Skills and knowledge
 4. What services / sources of information have been used? Which are more trusted than others? How much confidence is there in them?
 5. What are the barriers to being ‘well placed’? What are the key factors which help or enable a person to be ‘well placed’?
 6. What are differences in the above between men and women, people in early retirement and long-term retirement, those who are well placed and those who are not so well placed?
 - In particular, do the perceived barriers and enablers differ between groups who are ‘well placed’ and not ‘well placed’?
 7. How well do participants understand the language policy makers use when asking them about their financial capability? What language do they use?

While the focus of these questions is on financial resilience, it was felt important to approach the discussions within a broader context of general as well as financial wellbeing. In addition, the research looked to explore resilience holistically, considering the range of factors that influence the ability to respond to adverse events.

2.4 Stage 2 research methodology and sample

This current research comprised 16 x 2 hour focus groups with OPIR, and 8 x 1.5 hour paired depth interviews with retired couples. The fieldwork took place between 7 December 2017 and 11 January 2018.

The key sampling distinctions applied to both the groups and depth interviews were:

- Higher/lower claimed financial resilience (measured via answers to a series of attitudinal questions).

- Recently/longer-term retired (recently = less than 5 years and 5-9 years; longer-term = 10-14 years and 15 years plus).
- Lower/higher income (lower = less than £15,000 and £15,000-£19,999; higher = £20,000-£29,999 and £30,000 plus).
- In addition, all groups were separated by gender.

A number of further minimum quotas were applied across the whole research sample to ensure representation of the following characteristics:

- People with a long-term illness or disability;
- People caring for a partner or family member with a long-term illness or disability;
- People who are other than married or co-habiting (i.e. single, divorced and widowed);
- People who are other than full home owners with no mortgage (i.e. social housing tenants, private tenants or home owners with mortgages);
- People living in outer urban and rural areas;
- People from Black and Minority Ethnic (BAME) backgrounds;
- People who are non-internet users or unconfident internet users; and
- People aged 75 and over (and those aged 80+ were also monitored).

The groups were held in Greater London, Eastbourne, Exeter, Coventry, Newcastle, Cardiff, Glasgow and Belfast. The depth interviews were held in participants' homes in and around London, Exeter, Coventry and Newcastle. All group venues were carefully selected to be fully accessible and participants were offered taxis to and from the groups if they had any difficulty making their own way there. A viewing facility was used in London to provide the opportunity for personnel from the Age UK and their guests to view the groups. The groups in Exeter and Eastbourne also each had an observer.

The groups and depth interviews were moderated by Collaborate Research's team of senior qualitative researchers led by Monique Rotik. All of the moderators have extensive experience in conducting research with older people and discussing sensitive research topics including related to personal and financial matters. The interviewing team followed a participant safeguarding protocol and we provided information to participants on Age UK's advice line as and when required.

Participants were recruited by expert qualitative recruitment agency and long-term Collaborate partner, Criteria Fieldwork. They were informed that the research was for Age UK and provided an invitation letter explaining the purpose of the research.

The full research specification and quotas used to recruit participants to the research sessions is included in Appendix 1. The discussion guide, and short pre-task that participants were required to complete prior to their attendance at the research sessions, are included in Appendix 2.

2.5 This report

This report draws together the main findings from all of the qualitative evidence collected in Stage 2. It is comprehensively illustrated by verbatim quotes, to reflect the flavour of the views expressed by OPIR, and is structured in the following way:

- Section 3 summarises the main findings and hypotheses emerging from Stage 1 in order to set the context for Stage 2 of the research.
- Section 4 presents the Stage 2 findings in detail, and contains a number of sub-sections that address the following questions:
 - What factors can affect general and financial wellbeing in retirement?
 - What actions are OPIR taking to manage day-to-day and be prepared for life events?
 - What has helped OPIR be prepared for life events?
 - What are the characteristics of OPIR who are more (and less) well placed to deal with events?

There is also an Executive Summary that precedes this Introduction, and a final Conclusion section that sets out some recommendations for Age UK and others to consider in response to the findings, both in terms of future measurement of resilience and the policy response.

3. Recap of findings from Stage 1

1. A number of **desirable outcomes** for OPIR were identified in this stage of the research. Some of these are **specifically financial**, such as maximising income, not over- or under-spending, having a buffer against financial shocks, and understanding financial products and options. In addition, some **broader wellbeing goals** were outlined, including having choices, achieving aspirations, remaining independent, and maintaining quality of life.
2. Both the literature and expert interviews highlighted the complex and important interplay between **health, financial security and social capital** in determining levels of general and financial wellbeing in later life.
3. Financially, as OPIR will generally have accumulated most or all of their lifetime wealth, the main focus of their decisions will need to be on **managing and making the most of existing resources**.
4. To do so, they could be faced with particularly **complex planning decisions**, requiring different abilities from those needed to manage money well day-to-day.
5. They are also more likely than other age groups to need to adapt to **changes in their circumstances** due to adverse events and/or a decline in capacity.
6. A **wide range of internal and external factors, and hard and soft attributes**, are likely to contribute specifically to how well placed a retired person will be to deal with events during their retirement. These factors will not necessarily remain static but are **subject to change**.
7. Some people are likely to be inherently better able to cope with events because they have **strong financial and/or social resources**. Others may be more challenged, for example due to poor health or declining capacity. However, strong resources in one area may mitigate a deficit in another.
8. A number of **personal qualities** are also believed to equip OPIR to be resilient. These include:
 - A **positive but realistic** attitude.
 - **Confidence** in dealing with their financial affairs.
 - **Being adaptable** to changes, acknowledging that it will be difficult for an individual to plan for every eventuality given the unpredictability of life events at an individual level.
9. Some types of **behaviour** have been identified as being particularly significant to achieving resilience:
 - **Making decisions and plans sufficiently early**, ahead of a point of crisis, which requires individuals to have an awareness of what to expect during the different

stages of later life, and to be able to balance short-term and longer-term considerations.

- Avoiding **suboptimal decisions**, which means that people need to be aware of the risks or to benefit from protective interventions from others.
- Being aware of **external sources of guidance and advice**, willing to access these, and capable of assessing and using these as required.

10. While much of this required behaviour is believed to apply across all OPIR, **some differences** have also been identified, recognising the diversity of this population:

- For those on **with very low financial resources**, the priority is believed to be day-to-day money management and income maximisation, including by ensuring they have access to all of their benefit entitlements.
- The **‘middle group’** (i.e. those with moderate income and some assets) are regarded to be a particularly significant group as they are unlikely to have sufficient resources to cover any eventuality so the decisions they take are likely to have a significant bearing on their financial wellbeing.
- Differences have also been identified by **stage of retirement**, given that the priorities and needs are expected to be very different in the early compared to later stages (e.g. from 75/80 years onwards). Making forward plans and provisions early on is seen to be the ideal given that OPIR may experience ‘lumpy spending’ through their retirement.

11. This research has intentionally been designed to construct the qualities of an ‘ideal consumer’, however a number of **inhibitors and barriers** to achieving optimal outcomes have also been identified. These include:

- Individual **attitudes and beliefs**, such as lacking confidence, being reticent to talk about money and ask for help, and having a short-term or fatalistic outlook.
- **Systematic barriers** such as the well-reported (regulated) advice gap and the societal reluctance to consider care needs.

12. In addition, while changes are believed to be possible during retirement, **pre-retirement decisions** and behaviour are believed to have the greatest impact on retirement outcomes overall.

13. While there is a lack of robust evidence testing the impact of specific interventions, it is generally felt that tailored approaches that **consider the individual’s circumstances holistically** will have most value, given the range and complexity of choices that they face.

14. An important initial objective for external intervention is seen to be raising people’s **awareness of the different stages of later life** and what to expect during these.

15. Tapping into **teachable moments** has been identified as an opportunity. Challenging life events, and decisions about housing-related changes or home adaptations for independent living, could each provide a trigger for financial capability interventions targeting OPIR. There may also be suitable junctures in pre-retirement.
16. However, increasing the financial resilience and wellbeing of OPIR is perceived to require **more than just efforts to increase their financial capability**. Improving the way financial markets operate, and providing products and services that go with the grain of consumer behaviour, are generally regarded as being equally if not more important as an objective.

4. Detailed findings from Stage 2

4.1 What factors can affect general and financial wellbeing in retirement?

4.1.1 General wellbeing

A wide spectrum of retirement experiences and views were reported by participants in this research, ranging from:

- **Very positive...**

“I’m just doing what I really want to do all the time and I’m happy and contented. I love gardening and my ballet coaching, I love housework, I love being at home in our little cottage and just the security.” (Exeter, couple, longer-term retired, higher income)

“It’s the blissful freedom to spend time how I like. It’s liberating, I feel free for the first time. I can please myself what I do 24/7. I have no pressures and there are no expectations of me. Life is leisurely and happy. Contentment with a capital C.” (Eastbourne, women, longer-term retired, higher income)

- **...to mixed or ambivalent...**

“I’ve got mixed feelings. At the moment I have security because I’ve got a big family, kids and grandchildren and we’re very close. They support and help us financially, emotionally, in all ways. I feel good about that. I also felt that what when I retired my life would be over but (now I realise) no, it’s not...I love doing exercise but I’m worried because my mobility is getting bad and I have a lot of health problems. I also worry that the money isn’t going to last.” (London, women, longer-term retired, lower income)

- **...to very negative or challenged.**

“I don’t think any of us should be in this (financial) position at our age. I don’t think this is what retirement is about. It’s the end of your life. How many years is in it? We could have 10 or 20 years or 5 minutes. I feel retirement should have been a lot more something to look forward to. It’s not what I planned.” (Newcastle, women, more recently retired, lower income)

“(The GP) identified my depression and anxiety. She put me down to see a counsellor. When I saw him and he gave me a list of things and I couldn’t believe there was so much on that list that I was experiencing but didn’t know why.” (London, couple, more recently retired, lower income)

While a more positive experience was not confined to those with higher incomes there was a link between financial resources and how enjoyable or challenging people had been finding retirement.

The **best things** reported about retirement, for those able to enjoy them, include the ability to pursue hobbies and interests, travel and spend time with family and grandchildren (although the involvement in childcare is regarded by some to be a double-edged sword if it becomes an expectation and burden).

“The freedom of not having to go to work. My time is more flexible than it was. I’ve got time for the family and the leisure pursuits we do, getting in the garden in the summer.” (London, women, longer-term retired, lower income)

The **most significant challenges** reported related to unexpected major events affecting participants themselves or close family such as their partner, parents, siblings, children or grandchildren. These include:

- **Personal crises** such as serious illness, capacity changes, relationship breakdowns and deaths.

“I had two heart attacks when I was 65 in quite quick succession. One in April and one a bit later in the year. Then I had four mini strokes which slowed me down. I’ve not let it affect my life but it certainly slowed me down and I don’t have that much power in my right hand so I find it difficult to push things. I suppose that’s a shock.” (London, women, longer-term retired, lower income)

“My separation, you don’t foresee that coming, really, until something happens and you think ‘right, that’s it, I’ve got to go’. Because I’m 76, I’ve maybe got a few more years left, let’s make it happier and find my own independence again. It was a complete shock to my system.” (Eastbourne, women, longer-term retired, higher income)

“My mum looked after my kids when I used to go to work and now she needs 24 hour care. The kids, touch wood, they are very good and my husband, whenever they’re around. Somebody has to sleep downstairs, she’s got a hospital bed and they take it in turns, because she has to be taken to the bathroom and everything. We have a carer in the morning. So that was something that I didn’t expect when I retired.” (Coventry, women, more recently retired, higher income)

- **Financial crises** impacting their quality of life, such as incurring large rent arrears, consumer debts or experiencing bankruptcy.

“We received a letter stating we was in arrears with our rent. After quite a run around it was because I only got pension statements annually and I hadn’t submitted them with the rent rebate. It hadn’t occurred to me, it wasn’t something I was trying to dodge... That was a mega blow and it’s two years that’s taken to pay that off, two years we’ve been scraping the barrel.” (London, couple, more recently retired, lower income)

“We bought an equity thing on the mortgage. The reason is you (husband referring to wife) got into a bit of financial trouble, didn’t you, and we couldn’t see any way out of it, so we did

that and that was 10 years ago. It was a Debenhams store card, I mean to be honest it wasn't a lot of money but it was to us, wasn't it? We couldn't see a way out of the hole we were in at the time." (Coventry, couple, longer-term retired, lower income)

In addition, some more **prosaic challenges** were also mentioned, such as dealing with gradual, age-related health deterioration and managing with financial constraints.

"Things are seizing up and my memory is going. That's my frustration. I'm used to doing crosswords and it's all in the back of my head, it won't come forward. My children say I'm in the wonder world. 'I wonder where my glasses are?'" (London, women, longer-term retired, lower income)

"My mother said something to me years ago. She goes money – options, no money - no options. That's dead right that is and it's come back to haunt me in my retirement really. So I would say it's great having the time to go somewhere, but on the other hand you've got to have the finances to be able to go haven't you?" (Cardiff, men, more recently retired, lower income)

The **initial stages of retirement** have been difficult for some, particularly if the decision to retire was forced rather than planned, for example due to redundancy or illness, meaning that they felt ill-prepared financially and/or emotionally. Some common transitional challenges reported included boredom and loss of sense of purpose related to no longer having a work-based routine and the daily camaraderie of colleagues. In time, some have become accustomed to not working and this feeling has dissipated, however others continue to feel a lack of fulfillment, and even of sense of identity, compared to when they were working. Some also found it challenging to adapt to spending more time with their partner.

"When the time came actually for me to retire, I found it hard and I've found it hard ever since. I miss my business. I miss not working. I miss not being with the guys, you know, on a day to day basis; the camaraderie and leaving the house every morning." (Cardiff, men, more recently retired, lower income)

"I loved my job. I had the most fantastic job and I loved it. I liked having to get up for something to do, a purpose. I find that the worst thing about retirement is getting up and saying 'what am I going to do today? Very often I have nothing to do." (London, women, longer-term retired, lower income)

"I miss it (working). That interaction with people and getting ready knowing you've got to go somewhere and do something it's so important. That is one of the most important things of old age is being wanted or needed." (Eastbourne, women, longer-term retired, higher income)

More generally, a number mentioned that they or people they know feel **bored, isolated and lonely** at least some of the time during their retirement, and particularly in the winter months.

“I wouldn’t say there’s anything special (about retirement) to be absolutely honest. I mean I can do most of the things I want to do because I’ve got a little bit more time but there are some days when I get extremely bored. Take yesterday, that was a miserable day, it was raining. I thought ‘what am I going to do?’” (Exeter, male member of couple, longer-term retired, lower income)

“Loneliness. I think sometimes for a lot of people you know, if they don’t have anybody, you know, if their husband or wife has gone and they’ve maybe not got anybody round about them, I think that’s hard for a lot of people.” (Glasgow, women, longer term retired, higher income)

There were also mentions of finding it challenging to cope with **societal perceptions** of people in later life. Retired women in particular can feel that they are more easily dismissed and less likely to be regarded as making a worthwhile contribution.

“Once you are seen as a pensioner you become more and more invisible. People take less notice of you as a person... they do not expect you to have an opinion on anything important.” (Cardiff, women, longer-term retired, lower income)

“I hate going into shops and the assistants call you ‘love’ and they’re sort of condescending...I don’t like that because they’re sort of treating me like a little old lady and I’m not.” (Exeter, female member of couple, longer-term retired, higher income)

“When you talk to anyone they’ll ask ‘what do you do?’ as if your work status defines who you are. And you say ‘I’m retired’ and the lot of people just lose interest. It’s like ‘alright, so you do nothing then’. People’s perception of retirement and people who are older is a challenge in itself.” (Belfast, women, more recently retired, higher income)

“I liked working. I liked being with colleagues. You were a person in your own right. I lost my identity when I retired. I became an appendage to my husband....My husband is very outgoing and we’d be together and everyone would think I was a little hanger on. Once I retired I was the little lady again.” (London, women, longer-term retired, lower income)

Some people have also experienced **waning confidence**, in part due to aging-related physical or cognitive health changes. They are consequently finding it more challenging to complete tasks that they used to take in their stride. This contributes to a growing sense of insecurity and vulnerability, including about falling victim to scams or otherwise being exploited by others.

“When you hit 70 your thought process changes. Two years ago I wasn’t afraid in the house but now I am. Two years makes an awful difference to you.” (Belfast, women, more recently retired, lower income)

“Since I haven’t been working I’ve lost some confidence with my driving. And I get more anxious as time goes on about how to manage things day-to-day. With things like technology, if something with my computer goes wrong I go into a panic because trying to

get it fixed is such a nightmare. I get an anxiety thing about trying to get that sorted.”
(Exeter, women, more recently retired, higher income)

“Sometimes I am less sure of myself now than I was. I think several things have contributed to this. A part of it is just getting old and like when I was 60 I had a bunch of strokes and didn't even know it. Fortunately they found out and I'm on medication now but now I've got bad arthritis. My son took a chimney down recently, well me going up on the roof with him was a real challenge, whereas it was never a problem to me previously, you know. I used to do a lot of caving and mountain climbing. Now I'm not frightened of heights but I can't because of the stroke thing.” (Cardiff, men, more recently retired, lower income)

“I don't like anyone clapping the door and telling me there's slates missing on the roof or the tree needs cut or something like that... And another thing I hate is the cold calling I can't stand these people who phone you up even if it's the bank wanting to do that...” (Glasgow, women, longer-term retired, higher income)

“You can easily get a grab rail outside but then people will see that there's an old person living there.” (Belfast, men, longer-term retired, lower income)

In addition, a number of older retirees spoke of the challenge of losing friends and the consequent **depletion of their social networks**:

“As you get on some of your very close friends, who are maybe closer than relations, die, they are taken away and I find that quite harrowing. It's a bit like you're a ship in a convoy crossing the Atlantic and every now and again one vanishes, torpedo. It's a bit hard to get used to. You've just got to harden yourself and try and get on with whatever you've got to do.” (Belfast, men, longer-term retired, lower income)

4.1.2 Financial wellbeing

Overall, the quality of the retirement experience is believed to relate strongly to differences in individuals' resources, and in particular their **health status and financial position**.

“You've got to have your health to enjoy it. And the financial stability to do what you want.”
(Newcastle men, longer-term retired, higher income)

“If you don't have good health you can't be independent. You can't do lots of things. No matter how much money you have you can't enjoy it.” (Belfast, men, longer-term retired, higher income)

“You need the funds to be able to do the things you want to do. If you're constantly restricted because of shortage of money then it's not a good retirement.” (Coventry, men, longer-term retired, lower income)

People's different financial circumstances are largely attributed to luck rather than their financial capability, management or planning. The **“lucky ones”** are perceived to have benefited from

themselves or their partner being enrolled in a good occupational pension scheme when they started working, having remained in the labour market and not having changed employers too often.

“I think our generation we were the lucky ones. I left school at 16, went straight into work, worked for 30 years and was enrolled in a pension. During that time I had three kids. I could afford on my salary to buy the house. My wife didn’t have to work. When I retired I got a nice pension. My son’s a teacher and he pays as much pension perhaps as we did but he’ll not be able to retire until 70 odd if he’s lucky. My daughter, both of them have to work. They can’t afford not to the mortgage is so great.” (Newcastle men, longer-term retired, higher income)

“Mine was a teacher’s pension. You never realised you were paying into it. It was automatic....In the sixties when you started teaching they just took a chunk of your pay. That was it. End of story.” (Newcastle men, longer-term retired, higher income)

“The only reason I’m in a secure position is because I have a husband with a decent private pension.” (Newcastle, female member of a couple, more recently retired, lower income)

Conversely, some others have experienced **challenging experiences** outside their control during their working lives which has impacted their finances in retirement. Examples include having had a business which went bankrupt, losing significant value of their investments in the last recession, receiving poor financial advice or not receiving what they expected in their private pension:

“Due to the recession we lost our business and had to sell our home to pay all the debtors. It was the last thing I expected, I was very happy in our lovely family home. That was 15 years ago and picking up the pieces ever since has been very difficult. I think that probably was what destroyed (my husband’s) health. He died several years later.” (London, women, longer-term retired, lower income)

“Mr Maxwell raided the Daily Mirror pension funds and then my next company decided our own pension fund was starting to die so we moved to Equitable Life. They went bust. I lost half my pension so I had to start again in my last five years.” (Exeter, men, longer-term retired, higher income)

“Someone in financial planning told me that pensions aren’t worth putting money into....Although I did have a pension I kind of stopped paying in at that age which was round about 50, and I just saved money separately. I don’t know if it’s made any difference or not.” (London, men, more recently retired, higher income)

“The financial crash did me. I was banking on the interest rates but they disappeared.” (London, women, longer-term retired, lower income)

Some **women reported additional forms of disadvantage** during their working lives which has affected their financial position in retirement. This includes not qualifying for their workplace pension when they started working because of their gender, being advised not to pay full stamp on

the state pension because they were married or losing out financially through early retirement or redundancy before reaching the raised state pension age threshold.

“I worked at Rolls Royce when I first left school until I had my son at 30. Somebody said to me to get in touch with Rolls Royce because you may well be entitled to some pension but when I phoned up they said that women weren't even considered for a pension at Rolls Royce at that time until you were 30.” (Coventry, women, more recently retired, higher income)

“I mean I was one of the ones that was done over the worst really, because I was told I'd get my pension at 60. Then I was told I'd get it at 64 and then they put it up to 66, which really made a big difference really. And getting divorced as well I think, you know, it was more of a worry.” (Coventry, women, more recently retired, higher income)

“Because I had so many years at home bringing up kids I don't get a full pension anyway. I paid the married women's stamp which they advised at the time and now you can't do anything about it...Married women were supposed to be supported by their husband when I was young.” (London, women, longer-term retired, lower income)

People's **financial position relative to when they were working** is important to their financial wellbeing in retirement and there were some represented in this research who felt even better off now compared to when they were working and also some who felt much worse off and were struggling to get by day-to-day.

“I would say that I'm probably earning more now than when I worked. With my private and state pension....Probably we can save more now than we've ever done. When you have children all your money goes on them. When they're gone it's quite a big difference to your outgoings.” (Newcastle, couple, more recently retired, lower income)

“My husband had a really good salary and I worked and I had a man's wage as well. Both are gone now.” (Newcastle, women, more recently retired, lower income)

“Our finances aren't great now. We did have savings but we've helped the family out, like, when we was working. You don't really register the fact that what's going to happen when you get old. Until you get old and then its too late then.” (London, couple, more recently retired, lower income)

4.1.3 OPIR groups more likely to face challenges that could affect their future resilience

People who tend to face more challenges or a less favourable experience in retirement overall include:

- Those who have recently **experienced a shock** such as a diagnosis of a serious illness or bereavement.

“Three and a half years ago my life went to an abrupt halt. Everything stopped. Creativity, the whole lot. (My wife and I) travelled everywhere. We’d visit New York for Halloween every year. She was a fashionista, the most stimulating person I’ve ever met in my life and when she went there was a hole, it was the Black Dog. All you guys who are married, preserve it, love your wife, live it a day at a time because when they’re gone they’re gone.” (Exeter, men, longer-term retired, higher income)

“I thought I was immortal. Now I’ve just been diagnosed with cancer and since June I’ve gone through various checks, had a bowel operation, had the bowel removed. It’s spread now and I go on to chemo in the New Year. Suddenly I feel quite drained and frightened.” (Exeter, men, longer-term retired, higher income)

“Up until this year I did everything that these youngsters did. It’s all gone wrong this year. 2017 has been a really bad year for me. My health has collapsed.” (Newcastle, men, longer-term retired, higher income)

- Those with a **long-term chronic health condition or disability** which constrains their ability to be active and connected and can also affect their financial position.

“Because I’m disabled it’s really hard. I spend more time in the house but that means I’m spending more fuel. People like us where we haven’t got the money to have the heating. My heating comes on twice a day and unless it was the other day and it was really cold I had to keep it on.” (Newcastle, women, more recently retired, lower income)

“You say you’re managing because it’s pride....When I was by myself and diagnosed with the fibromyalgia they gave us £20 a week then you had to get assessed. People just look and think what is it? I could hang up my coat up so that went against us. I could get washed. I went really depressed because nobody could fill in all these books of forms, how far you could walk and so on, and they took £80 a month off us. I was devastated. I was on the edge of being pushed over. I thought I’m going to give up. I’m not filling any forms in I’m just going to sit in the house.” (Newcastle, women, more recently retired, lower income)

- **Carers** of a partner or family member with a serious health condition, who typically feel a burden of responsibility, are sometimes reluctant to seek help and can feel like their own lives are in limbo.

“I’ve got a husband that’s so sick we’ve never had the chance to enjoy anything. Things we wanted to do and held back to our retirement we haven’t been able to do. He’s got MS, epilepsy and dementia.” (Newcastle, women, more recently retired, lower income)

“My wife has been bed-ridden for two years. It’s very hard, you know, and to get help it’s very difficult... if I fall down and I’m sick, what happens? My daughter lives far away. My son works seven days a week. What do we do?” (Cardiff, men, more recently retired, lower income)

- **Single women** (including divorcees and widows), who tend to have less private pension provision than men and some were forced to retire (e.g. due to redundancy) before they became eligible for the state pension due to the raising of the pension age.

“My husband died a month and four days before I was allowed a widow’s pension. All these years I’ve had to scrape through. And I don’t have an age pension yet as I’m not 66 yet.” (Newcastle, women, more recently retired, lower income)

“I got divorced and my husband kept his pension, which I thought all along we’ll be alright because he’s got his pension, but I didn’t get any of it at all.” (Coventry, women, more recently retired, higher income)

- **Those without partners**, both financially and because they lack the benefits that couples have of being able to discuss issues and share decision-making.

“I feel major anxiety about the future living with declining health and no immediate family.” (Exeter, women, more recently retired, higher income)

“I’m frightened I’m going to fall and break something and I’m not going to be able to get any help, or things like that. When you live on your own you do worry.” (Eastbourne, female, longer-term retired, higher income)

“I had a drippy tap. Initially it was a big thing, I couldn’t turn it off. (I told myself) ‘pull yourself together, call a plumber’. It’s daft but it’s the challenge of being on your own.” (Exeter, women, more recently retired, higher income)

- Those who feel that they are struggling financially but are **just outside the thresholds** to be eligible for means tested benefits or other government assistance.

“If you’ve got plenty of money you can get help. If you’ve got no money you can get it, but the person in the middle is hammered!” (Cardiff, men, more recently retired, lower income)

“He gets an industrial accident payment, which we thought was wonderful at the time, but that takes us over the limit for Pension Credit. If we were to receive Pension Credit we would be able to get our glasses with a good concession. We wouldn’t have to pay for our dental treatment. We don’t get any of that so it’s a bit hard.” (London, couple, more recently retired, lower income)

“Citizens Advice has informed me that my situation is somewhat above the level for assistance although below the level for a quality lifestyle.” (London, women, longer-term retired, lower income)

In addition, there are some who feel that their personal or financial status is **manageable at present but precarious**. For example, people in couples who are heavily reliant on their partner to make decisions or manage finances tend to worry about what they would do if they were on their own. Some in couples are also concerned about their financial situation in the event of their partner’s

death should their partner's pension not pass onto them. In addition, some carers for their partner worry about what would happen if either their own or their partner's health deteriorated.

"I haven't got any risks or challenges at the moment, but I think if anything happened to my husband... I think I'd get half of his pensions that he gets now, which would help, but we've got a 4-bedroomed house at the moment and I don't think I would want to keep that on. I would probably have to move, not because we owe anything for the house, but just given the general the upkeep of it." (Coventry, women, more recently retired, higher income)

"When my husband dies I will have a problem. At the moment I've got his pension and he gets attendance allowance. If he dies I will lose all that. Then I will have to downsize again." (London, women, longer-term retired, lower income)

"I get an annuity but when I die that stops. That's one of the things that worries me. Yeah, I didn't realise that when we took it out." (Coventry, couple, longer-term retired, lower income)

"Money's not an issue for me now because dad is alive and he's got a good pension, he's got everything, but when he goes it'll be a different ball game." (Cardiff, men, more recently retired, lower income, participant is a carer for his father)

These groups are also **more at risk of lacking resilience to further shocks** or unexpected events in retirement.

4.1.4 Views about the future

While some claim not to worry too much about the future, or try not to think about negative eventualities, others admit that they have fears and anxieties about possible negative eventualities that they believe that they have **little ability to control or prevent**. In particular, there is a fear of not being "*compos mentis*", losing their independence and being a burden on others. There are also associated worries about the prospect of needing to go into a care home and losing their home and intended bequeathal to future generations due to this.

"I'm quite laid back and if a disaster happens tomorrow, I'll deal with it tomorrow. I don't worry about what might happen." (Coventry, women, more recently retired, higher income)

"I think the worry is as you get older, it's not just your health if you're with somebody else, if anything happens to either one of you it can ruin your life, can't it? It can ruin your future really because you can't do anything, can you?" (Coventry, women, more recently retired, higher income)

"The worst thing is dementia. It's the most debilitating and undignified situation you can get yourself into." (Belfast, men, longer-term retired, lower income)

"I think losing your independence is the most concern of mine. Once I lose my independence, the house just folds. Because I mean, touch wood, I'm pretty fit, but I have my ailments like

everybody else; nobody goes through life without having something. You have your good weeks and your bad weeks. I would liken it to a keg of dynamite, it could go off at any time.” (Cardiff, men, more recently retired, lower income)

Some are also worried about **uncertainties in the macro environment**, such as the post-Brexit economy, inflation, interest rates and investment performance, as well as future government decisions regarding pensions, benefits, the NHS and care funding.

“World events worry me, because if you're invested in the Stock Market it has an impact definitely, not that you can do anything about it. If you've invested you've got to live with it and you're not normally in it for the short haul, you're in it for the long haul.” (Eastbourne, men, more recently retired, higher income)

“You don't know how much prices are going to go up...they just seemed to have rocketed again, so how much are they going to go up in the next couple of years. So that's again an unknown isn't it? It's not so much how much income you get but about how things are going to increase in expense.” (Eastbourne, men, more recently retired, higher income)

“It might all change. We're going through Brexit. We're having huge cut backs in all our services. This time next year we may be in a completely different economic position.” (Exeter, women, more recently retired, higher income)

“What you don't give to your children today may be pinched by the government tomorrow.” (London, men, more recently retired, higher income)

Ultimately, this cohort finds it **difficult to feel 'secure and in control'** (which is one of the desired cross-cutting outcomes from the OPIR Outcome Framework) given that they are facing dual uncertainties:

- Related to **themselves**, and their partner/close family, including unknowns about their future health and care needs, capacity to make decisions and sufficiency of financial resources to support these as yet unknown needs.
- Concerning the **external environment**, such as future government policy, the state of the economy etc., which will potentially affect their financial resources, costs and entitlements.

“Before I would say I felt reasonably in control. Now a realisation that what happens to other people is now going to happen to me...I guess I am apprehensive for the first time because it's is not a fully controllable stage of my life.” (Exeter, men, longer-term retired, higher income)

Key points

- A **wide spectrum of retirement experiences** were reported by participants in this research, from very positive to very difficult.
- However, most have experienced some sorts of challenges and unexpected events during their retirement. For some it has been a major **personal or financial crisis** while for others it is a more **prosaic challenge** related to their health changes or financial constraints.
- Both the **initial and later stages** of retirement have been identified as pressure points. Initially, some have found the **transition from their working lives** to be difficult – particularly if this was forced rather than planned - and, further into retirement, some have experienced **waning confidence** related to health and capacity changes as well as **depletion of social networks**.
- The quality of people’s retirement experience is felt to be **closely related to their health followed closely by their financial resources**. An individual’s financial position in retirement is largely attributed to their circumstances during their working life and, in particular, how **“lucky”** they have been with respect to their employer’s pension provision.
- Some sub-groups within the OPIR population are **more likely to experience challenges** or a less favourable experience in retirement – and this reduces their **resilience** to further shocks. These include:
 - Those who have experienced a serious illness;
 - Those with long-term chronic health conditions or disabilities;
 - Carers for a family member with a serious illness or chronic health condition;
 - Women generally and particularly single women;
 - Those without partners generally;
 - Those who feel they are struggling financially but are outside the thresholds to be eligible for means tested benefits;
 - Those whose retirement income is significantly lower than their working life earnings, due to unfavourable pension replacement rates; and
 - Those who feel that they are in a precarious position with respect to their financial or other resources.
- It is generally regarded as **difficult for OPIR to feel secure and in control** due to dual uncertainties about their own future health and longevity, and about changes in the macro environment which could affect their future choices. This affects OPIR attitudes to the future and their propensity to make plans and preparations.

4.2 What actions are OPIR taking to manage day-to-day and be prepared for life events?

4.2.1 Managing practically and emotionally

While the main focus of this research was to explore financial capability and resilience, participants also commented on aspects beyond the financial that they felt to be important to managing on a practical and emotional level during retirement, and being resilient. These include:

- Having a set **routine**.

“I think basically we get up in the morning and we have a process. We actually get up round about the same time and we go through the same process, we do shopping, and this, that and the other.” (Exeter, couple, longer-term retired, higher income)

“I still keep a routine, I get up at the same time every day and do everything, you know, my life is organised.” (Eastbourne, women, longer-term retired, higher income)

- Keeping **physically and mentally active**.

“I do 10,000 steps every day. I started doing them just after my husband died. I said ‘well, I’ve got to do something about myself, I’m going to be on my own’, so I started taking it up and I felt healthier then.” (Eastbourne, women, longer-term retired, higher income)

“Well they tell you as you get older you need to keep your brain active and I must admit I do two or three crosswords every day.” (Glasgow, women, longer-term retired, higher income)

“(It’s important to have) a purpose, whatever it might be, whether it’s a hobby, or whatever, it’s something to get you out of bed!” (Eastbourne, men, more recently retired, higher income)

- **Working within one’s physical limitations**.

“There’s things you cannot do anymore. And you mustn’t try, in case you have a fall.” (Eastbourne, women, longer-term retired, higher income)

“You’ve got to act within your physical parameters. Your mind will want you to do lots of other things but you’ve got to discipline yourself. I’m on an aspirin a day for angina and I’ve got to say to myself I must not push it. I’ve got to go gently.” (Belfast, men, more recently retired, lower income)

- **Engaging with others** and maintaining a social life.

“I think family around you, children and stuff, are quite important. Grandchildren, etc. give you something more to focus on.” (Eastbourne, men, more recently retired, higher income)

“I make a point of speaking to six people every day face-to-face. The man next door is going a little bit funny. He never goes anywhere. Mr Grumpy over the road he’ll say ‘where are you going?’ and I’ll say ‘out’. ” (Newcastle, women, more recently retired, lower income)

In particular, **getting out and about** is perceived to be essential to combatting feelings of boredom or loneliness, and ensuring wellbeing in later life. A number of people referred to the importance of their car or the free public transport travel card they are now entitled to. Some have also taken up part-time jobs or voluntary work following retirement in order to keep busy and socially active.

“I go every day to Costa for a coffee. If I don’t go to Costa I go to Marks and Spencer and I think that’s better than taking drugs. That is my treat every day. Once I’ve done that at maybe 10am it sets me up for the day and I feel better.” (Newcastle, women, more recently retired, lower income)

“I go to my local college and I have my facials, I have my hair done, I’m booked in for three sessions of body management. A non-surgical face-lift and a massage is £8. £1 on a Friday to get your shampoo and blow dry. Then I go for lunch in the hospitality because they train the chefs there.” (Glasgow, women, longer-term retired, higher income)

“Bus passes I think they’ve changed old people’s lives, haven’t they? Because they can just go out, whereas they couldn’t before. This is the best thing I think. I’ve never driven and I think the bus pass is the best thing that’s ever happened.” (Eastbourne, women, longer-term retired, higher income)

“A really important thing to have is a car that works. It’s important to me. I make sure it keeps going. I have everything serviced and I know I’ve got to get another car at some time. As long as I can keep driving and get out.” (London, women, longer-term retired, lower income)

“I’m a tour guide at St James Park. I take people round the stadium on tours. It keeps your mind active. When people retire if they don’t do anything you can very quickly go down hill. It’s important. I’m 70 now and I meet people from all over the world.” (Newcastle, couple, more recently retired, lower income)

4.2.2 Day-to-day money management

There is broad agreement that **“living within your means”** is a priority for day-to-day money management. Many spoke of following this approach throughout their lives but it is believed to be particularly important in retirement given that most are operating within the boundaries of a fixed income.

“Well that’s it, you’re either having to live within your means or you’re drawing on your savings all the time, which obviously you’re not able to replace.” (Coventry, couple, more recently retired, lower income)

“I’ve always been very careful. If I haven’t got the money I don’t spend. I’ve never overspent on anything at all. If I don’t have the money to do it I don’t do it. I’ve always lived within our means. We’ve never been in debt.” (Newcastle, couple, more recently retired, lower income)

“I’m not poor, I don’t mean that, but you’re on a fixed amount so you’re kind of within those boundaries. You’ve got to make choices, aye, and decide if something’s urgent.” (Glasgow, women, longer-term retired, higher income)

However, being able to live within the resources available **can be a challenge** in retirement, particularly for those in constrained financial circumstances or with less favourable pension replacement rates. While costs for OPIR have reduced in some areas (e.g. no more work-based commuting costs and most though not all have repaid their mortgage by this stage), retirees’ expenses in other areas have reportedly increased due to inflation and other factors such as older person’s insurance premiums. Some are also continuing to help out their children financially.

“We find that prices go up when your income doesn’t go up unless you’ve got a pension that is inflation linked. You’ve got to less to spend out and you’re drawing down from your savings, or your equity, so sometimes it can be difficult.” (Eastbourne, men, more recently retired, higher income)

“I got a final salary pension, which at the time was wonderful, but now it doesn’t go anywhere. Ten years on it’s not worth a quarter of what it was then.” (London, women, longer-term retired, lower income)

“We’re penalised on insurance premiums because of our age. If you go on holiday and you have a heart condition or any medical condition it’s about 2-300% more than an ordinary person.” (Belfast, men, longer-term retired, lower income)

“Well, my daughter’s single, she’s divorced, so she just about holds on. I just try and help out.” (Eastbourne, women, longer-term retired, higher income)

Some people across all income groups appear to be **very well organised with their day-to-day financial management**. They use approaches such as preparing a comprehensive budget and keeping a close track of their outgoings.

“I am very tight (on finances). I have a book that I write every solitary thing down in. I keep all the receipts so I know exactly what has come out. I said to Alf the other day, there’s nothing in my account. Now my pension has gone in. I always make sure that whatever I’ve spent I’ve written down.” (London, couple, more recently retired, lower income)

“The current spreadsheet I’m running is run from 2004 so just coming up to 14 years now. I can track back on pretty well anything as far as that’s concerned all the way back through...I use a credit card and it’s monitored on virtually a daily basis so I can see exactly where it’s going and where it’s going to end up at the end of the month. I also monitor the utilities - gas, electricity, water - and have a handle on that as well as car insurance and house insurance.” (Exeter, couple, longer-term retired, higher income)

“Budgeting is huge in my life. I do monthly budgets and we have different items what we’re spending the money on so we can keep track. We do it on Excel. We find it invaluable.” (Exeter, women, more recently retired, higher income)

“I’ve learned how to write down expenditure and keep control and track. Not just in my mind but in an actual list. It’s been hard going. I’ve worked very, very hard all my life and I thought I’d got a good nest egg. But who knew that there would be no interest rates, so there’s nothing.” (London, women, longer-term retired, lower income)

A number also reported making efforts to **economise and reduce their spend**, for example by moving from two cars to one car, changing shopping patterns, regularly switching providers, shopping around for the best deals and insuring appliances to prevent the need for large outlays.

“My parents taught me to budget. We lived near Warren Street and there used to be a street market off Hampstead Road and my mother would give me a shopping list and £5 to get the week’s shopping. I’ve adopted that through my life. ‘Do we need it?’ ‘Is this the best price?’ My son says ‘why don’t you get your shopping delivered?’ We go into the supermarket and we get something off the shelf. I always look for the sell by date so you get the latest date... And I stop at the magic shelf in the supermarket and get to know which ones, what time to go.” (London, women, longer-term retired, lower income)

“I’m a spender but I found I’m getting good at saying ‘you don’t really need that’. Before when he was working it was fine, we could have what we want. Now I go to the shops and try clothes on and I’ll go ‘I don’t need these’. And I put them all back. I come home with nothing.” (London, women, longer-term retired, lower income)

“I would say we’ve changed our lifestyle accordingly. We’ve got used to a lower level of income so we’re more frugal and I’ve got more time to spend my money the way that I want to. I can look into getting coupons and I can compare insurances and I can look at Sky and decide that I don’t need all that stuff.” (London, men, more recently retired, higher income)

“My heating went and I went to a computer site. It was £130 to replace it and on EBay I got the same one, brand new, untouched, for £30. If you have any problems and you look at EBay and these places because you can pick up a bargain.” (Glasgow, men, more recently retired, lower income)

“With gas and electric my motto is you change every year because there’s always a better deal out there and I’ve done that for the last five or six years.” (Coventry, couple, longer-term retired, lower income)

“I do insure the appliances against fault and sometimes I think it’s a lot of money going out each year, but it could take pressure off us having to find a lump sum of money to do something straightaway.” (Coventry, couple, more recently retired, lower income)

For those comfortable using it, **the internet is perceived to be a helpful tool** for saving money by enabling shopping around for the best deals. Some non-users feel they are probably missing out as a result, while others are helped by younger family members as a work-around.

“I’m a savvy shopper. I do it on my iPad, say if I’m buying a washing machine.” (Belfast, women, more recently retired, higher income)

“The internet is a very good aid. If I want to travel to see my son in Wales I can go on Trainline times, look at the time and get the best price train to Wales. I can save a lot of money because I’ve got access to that. I wouldn’t be able to do that if I didn’t have the internet.” (Exeter, men, longer-term retired, higher income)

“It’s sometimes hard to keep up with technology the kids are brought up today on computers and things are changing so fast. You rely on grandchildren.” (Newcastle, men, longer-term retired, higher income)

“Lots of things come through on email like Scottish Power. They’ll say I’ve sent you an email to put your numbers in for gas and electric and go on there. You think ‘I can’t do that’. What’s your code, password? You just can’t do it. I phone up and say ‘I haven’t got it. I can’t do this’.” (Newcastle, women, more recently retired, lower income)

Some also say they now have **more time to spend on research and shopping around** to ensure they make the best possible choices.

“Since you’ve retired, you can shop around for your electric, or gas, whereas when you were working you didn’t have time to do that comparison. If it’s a wet day, I’ll spend a whole morning on the computer choosing the cheapest supplier.” (Eastbourne, men, more recently retired, higher income)

“Where it used to be British Gas and London Electricity there’s lots of different companies and I’ve got the time to look on the comparison websites and see what the cheapest one is.” (London, men, more recently retired, higher income)

There were also some reports of approaching bodies such as Citizens Advice, Age UK and Councils to seek guidance on **benefits entitlements** in order to maximise their income. However, others admitted that they do not know about their eligibility and hadn’t thought to find out.

4.2.3 Saving for a rainy day

Retaining, and ideally continuing to contribute to, savings is perceived to be important where financial resources allow. Importantly, the practice of saving is seen as not just relevant to day-to-day money management but also one of the main ways people in retirement can **prepare for the future**, by making provision for unexpected expenses. A rainy day fund tends to be thought of as **financial buffer for ‘anything unexpected’** rather than being designated for specific purposes.

“I was quite careful when selling the family house to put some money from that away. Not a lot. I tried over the years not to touch it and to live on whatever I get coming in a month. I’m scared of losing that. That is my safeguard. [Moderator: Safeguard for what?] I’m not quite sure really. If there was a major roof problem, for example.” (London, women, longer-term retired, lower income)

“I come from being born in the war (with an attitude that) you still have money for a rainy day and you may have that money in silly lower interest but it’s there, in case. My children

say 'go off and spend it dad, we don't want your money' but I'm not from that era." (Exeter, men, longer-term retired, higher income)

However, **saving is not an option for everyone**, particularly if they are struggling to make ends meet day-to-day.

"I don't always keep my head above water...Our buffer is a credit card. (Our credit card debt) has got bigger than I wanted. Now I am hoping because the rent has been settled I can now focus on getting it down." (London, couple more recently retired, lower income)

"I saved when I worked, I worked for a builder and I got a decent full time wage and commission on every house I sold. I got a bonus every six months if I hit my target. These were large amounts - £900, £800 - which was a lot of money. I banked all my commissions until when I retired I had a fair amount. I haven't got that now because it's gone down. My pension money covers my house but everything else, like the car, all comes out the bank. They haven't got the interest rate that would put that back. Your money is just going down." (Newcastle, women, more recently retired, lower income)

Even for those who may have previously been able to save during retirement, cost of living increases are reportedly making it more difficult for them to continue putting something aside by managing their spend.

There are also some who saved previously, such as when they were working, but now feel that they are being **forced to eat too much into their savings** in retirement. This could be small amounts on a regular basis to supplement their income or a significant ad hoc withdrawal to pay for a large unexpected bill. Those who are depleting their savings in this way worry that they will not be able to replenish them leaving them at risk of having insufficient funds to pay for future expenses.

"(Your savings could be) fine until you get the problem of a leaky roof and then there's nothing to replace the money you've taken out to replace the leaky roof. I mean I was sitting on something like 5 grand at one point because I'd sold some shares. I then got a hernia which the doctor tells me I've got to wait four months to get done by the National Health, so I made the choice of paying for it. So out of that 5 grand off goes 2½ just to keep me in a flexible position." (Eastbourne, men, more recently retired, higher income)

"This year I've had to get a new cooker, a new boiler, a tumble dryer. It all went in the one time and it's not that it's such a big thing but when you put it altogether that's a lot of money." (Glasgow, women, longer-term retired, higher income)

Some are also concerned that depleting their savings will mean that they are **unable to leave the inheritance** they intended for their children.

"I always thought I would leave everything to the children. I didn't ever think I would have to eat into it. Each month the money goes down and I think that's their money I'm spending. That's how I feel. It's very hard to get over the fact that I'm not going to be able to give them as much as I hoped." (London, women, longer-term retired, lower income)

For those with available savings, the priority given to spending versus continuing to save appears to be **primarily governed by personality**, including:

- Their **general attitudes to money**, as some are more thrifty than others by nature;
- Their **views about future uncertainties**, such as whether it is seen as preferable to spend to make the most of now or to save in case of future need; and
- The extent of their wish to **leave an inheritance**.

“I think of tomorrow all the time. I wouldn’t spend all my money today and have nothing tomorrow. I’ve prepared for the future ahead.” (London, couple, longer-term retired, lower income)

“I’ve just bought myself a brand new kitchen, because I’m here now and I’m living for today. My husband’s 10 years older than me and he doesn’t enjoy very good health and there’s no way I’m going to save money in case. Because we don’t go out, we’re at home 99% of the time, and I wanted something for me that I was going to enjoy.” (Coventry, women, more recently retired, higher income)

“I don’t really want to give up the things that we can afford now that we enjoy just for the sake of perhaps being cautious and something unexpected happening. Because you don’t know, you can live your whole life like that, can’t you?” (Eastbourne, men, more recently retired, higher income)

“We want to leave it to the children. My husband thinks any capital he’s got he wouldn’t spend. He inherited and he wants to give it to the children.” (Exeter, women, more recently retired, higher income)

While some expected inflationary pressures on costs, relatively few had considered the possibility that their **expenditure needs may increase**, for example due to future health and care needs. In fact, some of those who prefer to spend now predict that they will have **lower costs** as they get older.

“You might as well spend a bit more now while you can do the things, when you’re physically and mentally able, than when you’re not going to need as much aren’t you?” (Coventry, women, more recently retired, higher income)

“As you get older, you’re less inclined to be able to do the cruise, or the tour to go up a mountain in Switzerland, or whatever.” (Eastbourne, men, more recently retired, higher income)

Only a minority have explicitly **considered trade-offs** between the short-term and longer-term, and spending versus saving. Those who have thought this way have considered how much money they may need to last them over their lifetime, as well as the potential for unexpected expenses. The optimal balance between spending and saving is perceived to be **difficult to achieve** given the

unpredictability of future health and care needs, and also longevity, on an individual basis. However, **“being sensible and not fluctuating to extremes”** is regarded to be an important quality.

“I look at what I have in my savings and sort of think ‘well, how long are you going to last me?’ Because I mean I do have unexpected things: I had to replace a boiler recently, which is £2-£3,000. And there are other things. I have a car, which will probably need replacing soon, you know, so all of those things you have to take into consideration with when you look at how much you want to spend on your leisure, or your holidays, or whatever.” (Eastbourne, women, longer-term retired, higher income)

“I always think you come to a decision time. You don't know whether you're going to live two years or 20, so do you spend money and go on cruises and everything, or do you keep it back?... So there's a balance isn't there between spending that money now and then living longer and then finding you've got nothing at the end of it.” (Eastbourne, men, more recently retired, higher income)

“You might be about for another 15 or 20 years and your money may not last that long, so you've got to think about longer-term things: what's going to go wrong with your house maintenance-wise, your health possibly.” (Coventry couple, more recently retired, lower income)

“You need to be a level-headed rational person rather than doing too many erratic things like, sod it, I'm going on holiday when you know you can't afford to go on holiday. It's getting that balance.... It's trying to be where you're not doing one extreme or the other.” (Cardiff, men, more recently retired, lower income)

Striking the **appropriate balance** is seen to encompass not only not overspending but also **not underspending** and depriving themselves today just in case of possible future need. One of the worst scenarios is felt to be *“leaving it too late”* to enjoy one's retirement by putting off spending decisions or focusing too much on tomorrow at the expense of today.

“I'm a saver but I'd like to be more of a spender. I mean I do spend on certain things but, as I said, the worst scenario is if you've kept all that money and one day you go into care, depending on your attitude to the payment of that care, then 4 grand, 6 grand a month and it's gone. So it's getting that balance, you know?” (Eastbourne, men, more recently retired, higher income)

“When I was a home care manager I used to go to clients houses to see the facilities and what they had. You'd find this elderly couple or single person in a great big house. Just talking you'd say ‘why don't you get yourself a flat it would be a lot easier, you won't have the stairs?’ It was ‘I'm saving for a rainy day’ and I used to think it's pouring! Or ‘no, when we go the children will have it’. I used to think if the (children) haven't made it by the time they're 40 they'll never make it. Spend the money now!” (London, women, longer-term retired, lower income)

4.2.4 Planning for the future

While some have aspirations for the future and bucket lists, others have a more day-to-day mindset and all feel that is important to **make the most of the here and now**. There are also some who feel they are not able to make plans because of financial or health-related constraints.

“We had a friend who had it all planned. We were all hitting retirement near enough the same time. She went to church, didn’t drink, smoke, and then she died at 59. That was probably the catalyst for me, I thought ‘you’ve got to live for today and enjoy, appreciate what you’ve got’.” (Newcastle, couple, more recently retired, higher income)

“I take each day as it comes. I can’t plan. You can’t look into the future. You can’t see what’s going to happen. I don’t know what’s going to happen from this minute on. My husband is more important than anything. How can I plan? I wake up in the morning and think ‘what’s going to happen today?’” (Newcastle, women, more recently retired, lower income, participant is a carer)

Even those with plans tend to have a **relatively short-term outlook** (one-two years maximum), or have task-based rather than time-based goals, and this is particularly true for older retirees. There were only a couple of exceptions to this across the whole research programme, including one outlier who has a five-ten year outlook. However, even he reveals the challenge, both practically and emotionally, of planning for OPIR given the uncertainty about future health and longevity at an individual level:

“Well, I think for me I’m just turned 70 and so that means the next (milestone) is 75. I think you’ve got to look at those sorts of things... At some stage we’ve got to decide whether we sell our property abroad and bring the money back to England and those sorts of things, because I think you’ve got to be prepared for any situation really. Then another five years on from that, I’ll be 80, if I get there, you’ve got to start thinking about what will I need at that age, hopefully not too much but it could well be the situation where I need quite a lot. But you don’t want to dwell on it too much I don’t think, because you can easily get a bit down about it.” (Eastbourne, men, more recently retired, higher income)

There is a commonly held view that it **not possible for people at this stage of life to have longer-term plans** because “you don’t know what’s around the corner, particularly in terms of health and mortality.

“How would you prepare if you don’t know? Some of us here could have 10 years, some could have 20 and some could have a year. I don’t think much about the future. Live day to day. Wake up in the morning and I’m still here.” (Glasgow, men, more recently retired, lower income)

“How can you plan? You don’t know what’s going to happen to you? If you’re younger you can maybe say ‘in 10 years I’m going to do this’. When you get to a certain age your time is limited. You can’t say I’m going to plan for 8 or 10 years you don’t do that. You plan for a

year. Be realistic. I'm not a maudlin person but you can't say 4-5 years down the line. It doesn't come into the equation any more. Your life is what it is." (Glasgow, women, longer-term retired, higher income)

Upon further discussion, it became apparent that a number of people are actively considering or putting in place arrangements to prepare for the future, however they **did not initially identify these as examples of 'planning'**. These arrangements included preparing paperwork, communicating end of life wishes, making a will, planning their funeral, setting up Powers of Attorney, and making decisions related to housing and other assets. On the other hand, **very few have made any specific plans related to potential health changes**, such as setting aside money for future home adaptations or care, mainly because it is not seen as possible to predict these needs on an individual basis but also because of deep-seated barriers to considering social care. More detail on participants' behaviour in each of these areas is contained in the sections that follow.

Generally, taking action to prepare for the future, where it is felt to be possible to do so, provides **peace of mind**. However, thinking too much about possible eventualities outside the individual's control is perceived to risk causing **worry and anxiety**.

"I'm a trained counsellor so I have weight behind what I'm about to say. I don't think it's always good to think too much about what could be. That could end up making you very depressed. That's not the thing you want to be when retired. I think you never know what happens from one day to the next. I've worked with people that can become very depressed and paranoid and obsessive. I think you have to be very careful how you view it. You can only plan to a certain extent and beyond that it's what life throws at you." (Exeter, women, more recently retired, higher income)

"My father said there's no use worrying about something you've got no control over. That's always been my philosophy. I don't worry about the future, I just want to keep my days occupied." (London, men, more recently retired, higher income)

"I think you can spend too much time worrying about it and hopefully we're bright enough and mentally able enough to be able to deal with the problems as and when they arise rather than worrying about if they will arise." (Exeter, couple, longer-term retired, higher income)

4.2.5 Wills and funeral provisions

The most common preparations participants have taken, or are considering, are making a will, making plans and provisions for their funeral. These actions tend to be motivated by a desire to clarify their wishes **and not burden family members** or cause rifts. It is also regarded as **more straightforward** to make decisions in this area, as *"death is a certainty"*.

"I've made my will. I've made my funeral arrangements for myself. There's nobody else to do it for me, so I've already done it for myself." (Eastbourne, women, longer-term retired, higher income)

“I’m thinking of preparing for my funeral. It sounds awful but I had a couple of relatives over the last couple of months that have died and it’s caused a lot of problems because they hadn’t got anything prepared and I don’t particularly want my children to have to be going to undertakers to sort all that sort of stuff out.” (Coventry, women, more recently retired, higher income)

“I have a notice on my front door and it says when I pop my clogs phone this number and the body is going to Glasgow Uni.” (Glasgow, women, longer-term retired, higher income)

However, some have not done yet prepared a will or made provision for their funeral. One of the reported reasons is that they **don’t like to think about their mortality** or “*tempt fate*”. Other barriers are **not being able to afford** to set aside money for their funeral or the belief that they do not have enough of value to warrant making a will.

“I can’t bring myself to make a will. I’m a little bit ‘stick my head in the sand’, because I can’t think ‘well, this might happen and that might happen and what if this happens and what if that happens?’ I just take it a day at a time, you know, that’s my attitude. It’s like tempting fate. I keep wanting to do it, but I can’t seem to get round to it.” (Coventry, women, more recently retired, higher income)

“If one of us went I think we could scrape enough together from this that and the other to pay for that funeral which would leave the other one, but when the other one went, the kids would sell the house to pay for it so that don’t bother me that way.” (Coventry, couple, longer-term retired, lower income)

“To have a will you must have something in the bank; there’s no point unless you’ve got a lot of money in the bank or a house.” (Glasgow, men, more recently retired, lower income)

“We get so many after death things in the post about whether there’s money for your burial. It’s something that is bothering me that there isn’t enough money and I don’t want to be a burden.” (London, couple, more recently retired, lower income)

4.2.6 Putting finances and paperwork in order

A number have also sought to “*put their house in order*” in the lead-up to or upon entering retirement by **clearing debts and paying off the mortgage**.

“My son asked me before I retired whether I want to stay living in the house as I couldn’t afford to pay the mortgage on a pension. I said course I want to stay in my house. He said we’re going to have to do a plan. He took all my outgoings and incomings and said if you want to stay in the house you’re going to have to save some money and finish your mortgage before you retire. Even if it means you paying double money off your mortgage you’re going to have no mortgage payment when you finish. To keep my house that’s what I’ve had to do.” (Newcastle, women, more recently retired, lower income)

“(Before I retired) I prepared for the future ahead, to clear any outstanding debts I had, like a couple of things we had on hire purchase.” (London, couple, longer-term retired, lower income)

Some also report **letting family members know** their end of life-related wishes, and preparing financial and other paperwork so it is easy to find and take over by others.

“It’s about putting one’s house in order. Putting everything on a USB stick that I can hand to my kids, that comes to the will, funeral arrangements, everything.” (London, men, more recently retired, higher income)

“I’ve got a document that’s got useful information and it’s sort of things like bank account numbers, who they have to phone in the event of something happening. We call it the Purple File, don’t we? All the important documents are in there. I know that can sound quite morbid but I found that quite refreshing to do because I’ve lost both my parents, as Bill has, and it makes it so much easier for people when it’s all laid out.” (Coventry, couple, more recently retired, lower income)

“We’ve had conversations with the kids. About how much money I’ve got, where the will is, what the will says if anything happens to me.” (Exeter, women, more recently retired, higher income)

Within couples, it is typical for one person to take primary responsibility for financial management, supported by the other partner on other aspects of household management as well as in decision-making. There were some reports of simplifying their financial arrangements or explaining them to other partner so they can **take over if need be**, as part of a desire not to burden those left behind.

“John sat me down and talked me through things and he writes things down. Tells me if anything happens to me this is here, that’s there. So I am organised. Before I’d say ‘I don’t want to know about that’ but now I say ‘you’ve got to tell me about that’. Because I’ve seen people go. Johns’ friend, Dave, he’s gone. His wife hasn’t got a clue. She can’t write a cheque. He done everything for her. I don’t want to be like that.” (London, couple, longer-term retired, lower income)

“Well, personally I’ve simplified all my accounts. All these ISAs that earn you £5 and everything, just got rid of them. I’ve simplified the whole thing so that if I die my wife can cope with it.” (Eastbourne, men, more recently retired, higher income)

4.2.7 Power of Attorney arrangements

Some have also made or are actively considering making Power of Attorney arrangements. This was sometimes **triggered** by other things, such as:

- The process of making or updating their will or a financial plan.

“My financial adviser said that if one of us developed dementia people leave it too late and then there are legal ramifications so the time to do it is now. (He said) ‘I would advise you both to do it now and favour the other one’.” (Belfast, men, longer-term retired, lower income)

- Becoming a Power of Attorney for someone else.

“Just after I did (a POA) for my mum she got very ill, she never had Alzheimer’s, she just got very ill. She was in and out of hospital and I was able to pay all her bills and look after her properly. I thought I’d like my kids to do the same for me. It seemed to make sense. It wasn’t cheap but worth doing.” (London, women, longer-term retired, lower income)

- Having a personal health scare that prompted them to think about such arrangements.

“I’ve got a Power of Attorney as well. It may never be used but nobody knows what’s in front of them and I had a small stroke actually last Christmas day and that gave me quite a big shock because I never saw me as getting a stroke.” (Glasgow, women, longer-term retired, higher income)

- Hearing about this provision being discussed by others in their circle or in the media.

“The guy who advises on the money. He’s famous. He says ‘I’m 44 and I’ve got a Power of Attorney. You can be on your bike fall off and you’re a cabbage and if you haven’t looked after things, if you’re leaving somebody else to write a cheque they freeze all your assets’. I did all online.” (Newcastle, men, longer-term retired, higher income)

Ultimately, the main motivation for enacting Power of Attorney provisions is to **make it easier for trusted family members** to deal with their affairs, including by ensuring they are able to interact with authorities on their behalf.

“Yeah, that’s something I want to do in 2018, a Power of Attorney. I think it’s important, because say if something happened to me, you know, dementia, that could give Bill the confidence, you know, instead of panicking thinking ‘oh how am I going to deal with this and the finances?’.” (Coventry, couple, more recently retired, lower income)

“We went out to dinner with friends who had done (a POA). I’d never thought about it. A lot of things are in joint names and if one is declared as having dementia and can’t manage the affairs it can place an added worry to sort it all out. If you got joint Power of Attorney in place either partner can do it.” (London, men, more recently retired, higher income)

However, some others say they are considering but **“haven’t got around to this”** yet, some citing **cost** as a barrier. There is also some evidence of a **lack of awareness** of Powers of Attorney and understanding of what they are for compared to wills and probate. In addition, some did not wish to contemplate the possibility of losing capacity:

“I just can’t see us ever going gaga.” (Coventry, couple, longer-term retired, lower income)

4.2.8 Changes to housing

A number of participants reported that they are considering, or have already made, changes to their housing. Most of these have **downsized**, a decision which was either driven by a desire to release equity or to move to more age-suitable house. Some have or are planning to downsize multiple times with the aim of releasing further equity.

“I wanted to get rid of my mortgage, that was the other reason why I moved. I wanted to finish that off. I didn't want to go into my retirement and keep having that round my neck and I was one of these whereby my mortgage ran into my 70s, you know.” (Coventry, women, more recently retired, higher income)

“I've got Parkinson's and we're considering whether we get a house with no stairs, so we're on one level, because it's a balance problem, not only shaking, and it's neuro-degenerative as well.” (Eastbourne, men, more recently retired, higher income)

“After we retired, we found bits started happening to the house, the roof started needing work. I said ‘the kids are gone, it's too big, let's get a little bungalow’. We've got a small bungalow now with a small garden and I thought this is my forever home but because the money is not going how I thought it would go it's not going to be.” (London, women, longer-term retired, lower income)

Others have made or are considering making **repairs and adaptations** to their current property as an alternative to moving.

“I want to stay at my home as long as I possibly can and so I'll have a slope put in and that way I can still stay in my home.” (Eastbourne, women, longer-term retired, higher income)

“In the next few years we want to redo the bathroom and we're thinking to get rid of the bath and just have one of these big walk in showers with a seat or whatever because getting in and out of the bath is going to be a problem as we get older, so we're thinking about that.” (Exeter, couple, longer-term retired, higher income)

In addition, a small number reported having taken up an **equity release** product on their current property, including one couple who did so to pay off a consumer debt. Those who chose this option say they are happy with their decision. However, most others with any awareness of equity release say they would not consider this as they feel that it does not offer good value for money or is undesirable because they wish to leave an inheritance.

“When we retired and all the kids had gone we downsized from a nice semi in Whitely Bay to a flat in Tynemouth. Then decided we might as well take the equity out on that. The mortgage was paid out so I took out a lifetime mortgage. We got about £60k and ultimately when we're both dead then the house will be paid for.” (Newcastle, men, longer-term retired, higher income)

Overall, those who have made changes to their housing arrangements mainly report being **happy with the outcome**. However, those who are considering changes but are yet to take action regard **decision-making in this area as complex** and there are a number of impediments to reaching a decision. Some are worried about the process of buying and selling, or concerned that they may not be as happy in a new home. Others see downsizing as a back-up plan or last resort to release equity if they need it, however some amongst them are unsure how much they will realise by downsizing and whether this will be enough for them to live on.. There are also some who are trading off whether to downsize or to retain their existing home with the intention of passing it onto their children as inheritance. There is also a strong emotional attachment to the family home which is contributing to some prevarication.

“I worry about finances because I live in an old house and it could be a money pit if we're not careful, so we're thinking about we might have to downsize and that's going to be so difficult, it's going to be exhausting.” (Eastbourne, women, longer-term retired, higher income)

“I know I could downsize. I could move into something smaller but I like it where I am... At the moment I'm hoping that I can manage. But then I think if I did downsize then I would have a little bit maybe to spend. I'm at that crossroads where I don't know what to do.” (London, women, longer-term retired, lower income)

“I would like to keep the home that I've got now for the kids rather than having to downsize. But if I sell then whatever is left over I would budget that to live off.... If this saving dwindles to nothing then it's something I would have to think about doing.” (London, women, longer-term retired, lower income)

“My sister-in-law downsized from a four bed house to a two bed bungalow and she couldn't settle, it was so small. There's not enough space. You haven't got the cupboard space.” (Newcastle, men, longer-term retired, higher income)

In addition, some people have decided that they wish to move but are **not able to take action** for various reasons. For one participant it is because her husband is in a care home and half the equity in the house needs to be retained to fund this meaning that she is unable to afford to buy anything suitable. Others have not done so yet because both members of the couple are not in agreement on what to do.

“I'm in a position that I can't move because it's tied up with care fees. I would like to move and we were in the process of going for a bungalow when he took ill. So that hasn't happened. Now I can't afford a bungalow because it's the same price as my house so I just sit tight.” (Newcastle, women, more recently retired, lower income)

“I would like to downsize but it's trying to persuade my husband.” (Newcastle, women, more recently retired, lower income)

4.2.9 Financial planning

Financial planning is **another area of complexity** for those who received lump sum pension payments or who have investments. This is particularly in the current economic environment where inflation is outstripping saving interest rates and the investment market is volatile. In addition, pension freedoms have given some of the younger OPIR in this research more choices, including the possibility of taking a cash lump sum and opting for a drawdown product as an alternative to an annuity. The risk of not getting the best out of financial assets is perceived to be increased in this context.

“Savings at the moment are terrible. The best are ISAs because there’s no tax. Normal savings you get a 1% return. Whereas if I keep it in my pension, I earn more money by keeping it in there than if I invest money in different things.” (London, men, more recently retired, higher income)

“We’re in a similar situation where our income is now provided totally by investments. When I first retired it was easy. You could put money in and think this is great because I was getting 6 or 7% from our savings. Circumstances change and that meant we had to put money into investments which are more volatile.” (London, men, more recently retired, higher income)

However, relatively few have sought financial advice related to their financial assets in retirement. This is partly due to **not trusting financial advisers** or feeling that they provide good value for money.

“I won’t see any financial advisers. They’re a waste of time. I find they don’t come up with anything different. It seems they want to put money in their pockets rather than help you.” (London, men, more recently retired, higher income)

“We speak to friends and family and would only turn to experts as a last resort. Rather cynically I believe that they never have your best interests at the top of their list.” (Eastbourne, men, more recently retired, higher income)

“I did go and see a financial adviser before I retired to talk about my pension etc. He didn’t really give me any advice that I didn’t already know.” (London, women, longer-term retired, lower income)

“The civil service were offering (financial advice) but I didn’t choose to do any of that. I thought I was up to the job myself. I’ve never regretted that.” (Coventry men, longer-term retired, lower income)

Another barrier to accessing professional advice may be the **very low risk threshold** many older people have with respect to investments. This means they prefer to keep their money in a bank account, cash ISA or premium bond because they prioritise safety and ease of access to their money, and they do not regard seeking financial advice as being relevant for these sorts of decisions.

“No (we haven’t invested our pension lump sum), we’re absolutely terrible, well I am. Most of it sits in a current account, believe it or not. [Moderator: why is it not invested?] It’s the risk really. You know, lots of people can give you advice. I think I’m always frightened that if we need money and we’d invested it, we couldn’t get it out quickly enough. That’s one element, but with the interest rates and whatever, to reap the reward of investment you’ve got to take a higher risk and that frightens me.” (Coventry, couple, more recently retired, lower income)

“To put £10,000 or whatever money in a high risk I don’t know if any of us now want risk. We can’t afford to lose.” (London, men, more recently retired, higher income)

Some also believe that they have **insufficient financial resources** to make using an IFA beneficial to them.

The lack of use of professional financial advisers may be contributing to **suboptimal decisions**. For example, a number who retired after the introduction of pension freedoms took 25% of their defined contribution pension in cash, often to fund items unrelated to their retirement (e.g. holidays, birthdays, weddings, children’s first home etc.). While this is not necessarily a problem per se, it appears that they did not consider the tradeoffs of these choices on the money they would have available to fund their retirement.

“I splashed the cash (from taking 25% of my pension) in New York. We went for my 60th and I spent more on my wife than on myself. We had a great time.” (London, men, more recently retired, higher income)

“When I retired after 30 years of teaching there was no advice. No media to say what to do with your lump sum, where to put anything. I think that was wrong. We frittered through quite a bit of it with three weddings. You would maybe have thought there would have been some sort of advice. I really didn’t know.” (Belfast, women, more recently retired, higher income)

Those who did receive financial advice – for example, from an IFA or their company as part of a managed retirement process - generally reported that they were **happy with this** as it helped them to consider their retirement more holistically than they would otherwise have done without the external expert intervention. For example, it helped them think through their lifestyle expectations, consider both the short-term and future stages of retirement and what happens to their assets after death. Regular touch points with a financial adviser also helps people to update their plans in line with changing circumstances or priorities.

“I was lucky I worked for Unilever. At 55 they had a seminar where they sorted your living expenses and cost of living. Then they called you in again at 60 and went through everything then. That was very good. It put me and a lot of staff straight. That was investments and even the wives were invited to the seminar.” (Newcastle, men, longer-term retired, higher income)

“A financial adviser did advise me to take a drawdown and that’s what I done. That means if anything happens to me, assuming it’s me that goes first, my wife will still continue drawing the same money and when my wife goes that goes to my children.” (Exeter, men, longer-term retired, higher income)

“I saw a financial planner and was able to put money in, leave it there. I’ve got access if I need it but I would have an allowance every month that will go on for the next 20 odd years... When you’re not working your income’s less and I didn’t want the worry about getting to old age and having to struggle like my mother did. I want to have pleasurable things but I need that peace of mind.” (Cardiff, women, longer-term retired, lower income)

“I’ve got a financial adviser and we look at our situation every 6 months. The job I was in we had a financial adviser assigned to us, so I carried that relationship on since I left work.” (Eastbourne, men, more recently retired, higher income)

4.2.10 Health and care-related considerations

Looking forward, all were agreed that their **future health is their biggest personal unknown**. For some this is a source of considerable anxiety, while others say that they don’t dwell on it. Interestingly, most could define themselves as either *“someone who worries”* or not.

“If one of us has to go into a care home, health wise, that’s a thing I think of. That would be the biggest circumstance. It’s the most frightening thing.” (Newcastle, couple, more recently retired, higher income)

“We’re in denial. It’s something you know inevitably is going to happen unless you have an accident and die. We do know one day we are going to get old and need looking after. It’s something you don’t want to think about.” (London, men, more recently retired, higher income)

While some are focusing on their wellbeing in an effort to stay healthy, it is **not generally seen to be possible to make financial preparations** for potential future health and care needs as the specifics that each individual will need to deal with are perceived to be unpredictable.

“That’s a grey area, you don’t really know how you’re going to be and in what sort of way you’re going to be.” (Exeter, couple, longer-term retired, higher income)

“You don’t know for what reasons you’re going to need to be looked after. Or when. Because you don’t know those reasons unless you’re going to worry about everything then I don’t think you would (consider future health and care needs).” (London, men, more recently retired, higher income)

Related to this, most have **not given a great deal of thought** to how their health needs might change, beyond the possible requirement to make certain adaptations to their homes or to get help with tasks such as gardening. Health-related decline is also not surprisingly regarded as a depressing topic which acts as a barrier to consideration.

“I see it as planning for a negative future.” (Exeter, couple, longer-term retired, higher income)

The potential for future health needs that require social care was a particularly **unpalatable topic** for respondents. People’s thinking here is dominated by catastrophic care needs and care homes, which are in turn associated with loss of control and vulnerability to poor quality care and neglect, all of which acts as a powerful disincentive to thinking about or making plans in this area.

“[Moderator: What do you associate with social care?] High prices. Loss of independence. You hear tales of abuse and cruelty; it’s in your mind. If it’s residential care it’s coming to the end of the road for me. That’s why I can’t think of it now.” (London, men, more recently retired, higher income)

“My mother had to go into a home and it was the worst, most horrendous experience of our life and of her life. The biggest regret I’ve got is that we never put a camera in her room.... We’re not the only ones that have had this experience. Some have had even more horrendous ones of neglect. You only hope because it is more publicised now and people can be held to be responsible, the police can be involved, that maybe it’s going to stop.” (Newcastle, couple, more recently retired, higher income)

“I’d rather be dead than be (in care) like my sister. I think she would have killed herself if she had realised in time. She didn’t know how quick the illness was going to take her.” (London, women, longer-term retired, lower income)

There is also a strong perception that self-funding of residential care is **extremely expensive**, as most know of someone paying thousands of pounds a month for their care. As such, it is perceived to be difficult for ordinary people to afford over an extended period of time and not feasible to set aside money for.

“There was a home in an area where we were having a coffee and one of these ladies that lived in the home was saying she pays £800 a week. And the other lady paid slightly less. She sold her house and went into there. All the money that she’s made off her house is in the bank and she’s having to pay about £700 out of her bank to the home every week.” (Newcastle, women, more recently retired, lower income)

“How can you manage (to make financial preparations for care)? You don’t know what the cost is going to be. Today it’s £1,000, next week it could be £2,000.” (Exeter, men, longer-term retired, higher income)

“I can’t worry about it otherwise I will have to put everything I have - house, everything - into savings. That’s how expensive it is.” (London, men, more recently retired, higher income)

In addition, people **do not have a sense that you “get what you pay for”** with respect to residential care so they are largely unconvinced by the argument that making financial provision for care will ensure better quality and choice. Some even feel that they could be more disadvantaged if they self-fund. For example, some can envisage a scenario where the

money runs out and they are then uprooted from one care home and forced to move to another.

“You think about people who’ve never thought about what’s coming and they spend their money as they get it and run out of money every month. They’re in the same home as my mum and it’s being paid for (by the Council). That really gets me.” (Eastbourne, women, longer-term retired, higher income)

“I don’t care where you put me. The best of my life has gone. It’s no good me spending all this money if I’m sat in a bed and I’m in a bad state. You’re going to get looked after fairly well wherever you go.” (Cardiff, men, more recently retired, lower income)

“That’s what happens and then people that have been in private care and then the money runs out, they’ve got to move. So they’re used to a certain level of care and then they’re in much less and that can be really tough for people.” (Eastbourne, men, more recently retired, higher income)

“I don’t know what the threshold is, I think it’s £23-£25,000. Once you get below that, even if you went for the top-notch care, are you going to have to move anyway, assuming you survive, into the lower grade of care?” (Coventry, men, longer-term retired, lower income)

The requirement for those with assets to self-fund their care is almost universally felt to be **deeply “unfair”** as it is seen to penalise people who have *“worked all their lives”*, effectively preventing them from fulfilling a fundamental wish to leave a legacy by providing an inheritance to their children.

“The biggest worry I would have is if you had to be put into a home because you own your own home and you’ve got money you’re losing that money paying for your upkeep. I find that shocking. I thought if you work all your life you would have money to pass down to your grandchildren. You move to Scotland and they don’t take the house money. They pay.” (Newcastle, men, longer-term retired, higher income)

“That’s money that was supposed to be in our house for our kids. And then something like that happens and the state move in. Right, ‘you need to sell your house’. You just don’t get anything.” (Glasgow, men, more recently retired, lower income)

“! I think it’s an unfair thing that you’ve worked all your life and then your house is sort of taken, unless you’ve been fly enough to put it in your son’s or daughter’s name.” (Glasgow, women, longer-term retired, higher income)

Contributing to this view is a sense of unfairness that others, who have not made the same contribution as they have, will be **supported by the government**.

“You work all your days to pay for your house, why should you have to pay for people who’ve never worked. I worked all my days. I’ve got my own house. It’s the children’s inheritance.” (Belfast, women, more recently retired, higher income)

“Whatever money you’ve got in your bank they can take for your care because you’ve bothered to save. When other people who pee it up the wall get it for free. That’s really annoying.” (Coventry, men, longer-term retired, lower income)

“You see people that have spent every penny they’ve got and will just rely on the state to sort them out. We’ve got a friend that spent every penny she had, went to the council and she’s got a new flat and you think why did I bother? Am I the fool for saving money for my old age?” (Eastbourne, men, more recently retired, higher income)

All of this contributes to a strong **sense of disempowerment** which acts as a further barrier to consideration.

“Things are taken out of your control. You can’t do nowt about it. You can’t leave anything to whoever. We’re bound by that in a lot of ways, whether you’ve got money, property or both, you are bound by what the government say you must do.” (Coventry, men, longer-term retired, lower income)

“We don’t want to state to take our homes to pay for care. But we’re helpless to prevent any of this. I don’t think you have control over what’s going to happen with your home.” (Belfast, women, more recently retired, higher income)

“If I look at those sort of things it means I lose control and that’s the bit I don’t like.” (Exeter, women, more recently retired, higher income)

A number can also be described as being **philosophically opposed** to planning for future care costs. In fact some are actively making plans to avoid these and “*protect their assets*” from the government, for example by putting their home in trust for their children or releasing equity and spending this while they are still healthy.

“I came up with a plan which suits my wife and myself. Luckily we’re okay financially and we rent out property but we are in the process of gradually selling off the houses and then taking that money and living off that, chomping our way through it and enjoying life. When you’re 65 you’ve got your pension. Life isn’t going to get any better for you when you’re 75, you’re going on a downward curve. At 75 you don’t know what’s around the corner and that’s even more the case when you get to 85, if you get that far. So best enjoy your money between 65 and 75, you worked hard for it....Once we’ve spent and enjoyed the money then the last house we’ve got will be sold and we’ll buy a little pensioners’ flat currently selling for around £50,000.... When we die the kids will get the residue because the government can’t touch that. If either of us ends up in a home we will have the same as what somebody has if they had taken their house off them..... I learned this by my mother ending up going into a home on £800 a week and the bloke in the next room was getting exactly the same care but was broke and was being paid for by the council. I thought if that’s the standard I get, why am I working, keeping all this money, what’s the point? I can’t take it with me so let’s have a long-term plan.” (Cardiff, men, more recently employed, lower income)

“We’ve often thought maybe put our property in the kid’s names. If we live so long they can have it. It would be in their name. Seven years. We thought about going to a solicitor and asking could they buy it from us now.” (Exeter, women, more recently retired, higher income)

“If I could look into the future and I was going into a care home I would do what my kids have told me: ‘dad, take out equity release, spend it’.” (Glasgow, men, more recently retired, lower income)

There also appear to be some **misconceptions** about what methods could be used to “*protect their home*” from the government. For example, some people believe they need to change their home ownership to tenancy in common to protect their partner, when the means test already ignores the value of the home if another partner is still living there. One couple erroneously thought that preparing mirror wills would achieve this.

“I changed the house from joint tenants to tenants in common so half the house is my wife’s. Joint tenants is normal so when one party dies you simply put a death certificate with the deeds. With tenants in common you can will half of your house to whoever you want. It gets held in trust while your wife lives in the house for the rest of her life and she decides what to do with her half. That way it’s split. It’s designed so if one of you went into care they used to have a claim on the whole of the property so now they can only claim half back for payment.” (Newcastle, men, longer-term retired, higher income)

“Should either of us have to go into care the house cannot be taken to pay for this as this is written into a mirror will.” (Exeter, couple, longer-term retired, lower income)

Key points

- OPIR try to **live within their means** although this can be a challenge for some on limited incomes. A number are also well-organised in **monitoring their spend** and are making efforts to **economise and not pay over the odds**.
- **Saving is another priority** for most OPIR in order to provide a financial buffer. However, continuing to put aside money for savings is not an option for everyone and some are having to **deplete their savings**, either for large ad hoc expenses or on an ongoing basis to supplement their income. This leaves them feeling vulnerable about how they would manage if they were to experience future unexpected expenses. A minority is less concerned with saving and prefer to **spend now**, while they feel best able to enjoy their money.
- Only a minority have thought about how their **costs may change** in the future or considered **tradeoffs** between short-term and long-term considerations. Those who have done so find it very challenging to determine the right balance because of uncertainties regarding their future needs and longevity.
- It was initially felt that, beyond saving, only a **limited number of actions** are possible to ‘plan to cope with life events’ once in retirement as *“your cloth is already cut”* financially and also because *“you don’t know what is around the corner”*. For these reasons, the language of **‘planning’ does not resonate** with OPIR and their focus tends to be on the **short term and ‘making the most of now’**.
- Upon further discussion, it became apparent that a number have taken **specific steps** such as drawing up wills and making funeral plans, getting paperwork organised and explaining their wishes to others. Some, albeit fewer, have also set up Power of Attorney arrangements and made or are considering changes to their housing.
- On the other hand, relatively few had sought **professional advice** on how to invest pension lump sums meaning that they risk having made **sub-optimal decisions**. In addition, some were **unsure how to proceed** with decisions regarding their future housing and use of their housing equity.
- In addition, while health is regarded as the biggest unknown on an individual basis, very few have made financial preparations or plans related to their **care**. This is for a number of reasons:
 - Social care has very negative associations of catastrophic care needs, poor quality care and neglect;
 - The requirement to self-fund is believed to be very unfair;
 - The cost burden is expected to be very high if residential care is required, meaning that most people’s assets will be quickly used up; and
 - People are unconvinced by the argument that making financial provision will ensure they get better quality and choice of care.

- All of these factors contribute to a strong sense of **disempowerment** in this area except among a few who are actively planning to “*protect their assets from government*” by using up their assets.
- Overall, taking action to prepare for the future, where it is felt possible to do so, can provide **peace of mind**, particularly about not being a **burden on others**. However, worrying too much about possible scenarios is felt to risk causing undue **worry and anxiety**.

4.3 What has helped OPIR to be prepared for life events?

4.3.1 Resources

Overall, participants agree with the literature and expert opinion that it is not possible for OPIR to plan for every eventuality in retirement given the unpredictability of life events at an individual level. As such, **being able to cope** with unexpected events and shocks as and when they occur is felt to be key to resilience.

Resources are, not surprisingly, seen to have an important bearing on how well people respond to such eventualities. In particular, the presence or absence of **financial and social resources** is perceived to be a large determinant of an individual’s ability to cope with unexpected events and shocks.

Family support is felt to be especially significant. Couples typically work as teams in decision-making, even if one takes the lead in the financial management. Most with children also report consulting them although a minority would worry about burdening them..

“Jan does everything in the house, basically, and I do everything the financial and the MOT. We’re a team....If you’re in a good marriage and a good relationship and you’re happy everything sort of slots into place. You support each other and you solve the problems, you get over problems. It all falls into place and that’s what it’s all about.” (Exeter, couple, longer-term retired, higher income)

“I think if you’re lucky enough to have somebody to support you, you know. If you’re lucky enough to still have a partner or whatever and you can talk about it, argue about it and come to a decision. I think you need somebody to sound off on, really, and if somebody turns up at the house it’s a great thing if you’ve got somebody.” (Glasgow, women, longer-term retired, higher income)

“I would always consult my two sons who I trust as I know whatever they say they truly care for me.” (London, women, longer-term retired, lower income)

“I don’t like to put too much on (the children). They’ve both got busy lives. It’s my problem so I deal with it. They knew about the rent arrears. Our youngest daughter helped us for a while by putting money into my account. In the end I said I can’t do this any more, I felt guilty.” (London, couple, more recently retired, lower income)

A number additionally find it helpful to discuss issues with friends their own age, who may have gone through similar experiences, indicating the importance of **peer support**.

“I think friends probably more so than family members (are helpful), because you know what sort of situation they're in. Friends in similar sort of situations you probably discuss things with.” (Eastbourne, men, more recently retired, higher income)

4.3.2 Information, advice and guidance

As mentioned previously, for those who are comfortable using it, **the internet** is regarded to be a useful starting point to inform retirement-related choices, including on the aspects of preparation mentioned in the previous section. Some believe alternative (offline) sources of relevant information could be **better sign-posted** for those not online. In addition, **face-to-face channels** are believed to be preferable to help people deal with more complex matters, and particularly where support or advice is required. Access to free face-to-face support is believed to be declining rapidly which is of concern to some OPIR.

“I think as a generalisation, there is a worry that people can't get face-to-face advice now; everything's got to be done on the phone, or on the computer. I was lucky that time when there used to be somebody from the Tax Office based in the Town Hall in Nuneaton and I went there because I had an issue with my pension... But they're no longer there and you have to do it over the phone. I think, well, you can't sit and show somebody your paperwork on the phone.” (Coventry, couple, more recently retired, lower income)

“It's difficult to get hold of them people (in external organisations). We have tried a few years ago and in the end we had to solve it ourselves. With this rent business I went to the Civic Centre on Friday. I couldn't get the rent sorted out there so I had to go back to Brentford Office....She said this place is closing in December and the new offices they want people-free. They want everybody to do it on the internet.” (London, couple, more recently retired, lower income)

As mentioned previously, relatively few in this research used **financial advisers** and these tended to be people from higher income groups. Non-users tend not to trust them or to place a high value on their services. However, those using IFAs were generally happy with the advice provided.

There were also some reports of receiving other professional advice, guidance and support in specific areas. A **variety of other organisations** were mentioned, including solicitors, doctors, banks and councils as well as third sector organisations (such as Age UK, Citizens Advice, Which?, churches and medical charities). In some cases the service related to the needs of others, such as their parents, rather than themselves.

“My mum passed away earlier this year and for many years she used to go to Age Concern and they were fantastic at helping her with her finances. They helped her with her funeral plan.” (Exeter, women, more recently retired, higher income)

“You see my mum is now 80-odd, and I didn't realise Age Concern, or Age UK, could help us much as they have helped her, because she gets now attendance allowance, she gets Pension Credit. She never knew, or we never knew, that you could get help and they did all the paperwork and everything.” (Eastbourne, men, more recently retired, higher income)

“Our church have a wellbeing centre and they have things on. I was out on Saturday night with the minister and his wife and two other friends and we had a great input into this thing. It's helped me and my husband in a lot of things.” (Glasgow, women, longer-term retired, higher income)

“There are these council hubs. They got people up there who you can get in touch with. There's lots of places like them and they'll make an appointment and come to your house sort it all out, whether you are entitled to disabilities or other benefits, everything. You'd be amazed at what you're entitled to.” (Cardiff, women, longer-term retired, lower income)

People **tended to trust the sources they used** and there was not a great deal of evidence of if and how they critically evaluated the credibility of sources or veracity of the information and advice they received.

A number also said **“just myself”**, or **“nobody was helpful”** in answer to the question about who or what helped them prepare for the future or deal with events. There was relatively **low awareness** overall of the range of guidance, advice and support options available to OPIR.

4.3.3 What else would be useful

Some suggestions were made by participants about what additional information or support may be helpful to them. These included:

- A retirement **checklist** of preparations to consider putting in place.

“It's perhaps an ideal thing to have something of a retirement check list, planning is a general word, the moment you have a checklist then you can formalise it into more specific items such as the ones you already mentioned.” (London, men, more recently retired, higher income)

- Retirement **training**.

“I think in some countries, perhaps Norway, they have retirement training and I really don't know what it involves, but I think it's a jolly good idea.” (Eastbourne, men, more recently retired, higher income)

- **Peer-led group discussions** about a range of retirement issues.

“I think (it would be useful to have) a forum as we've today, you know, where people would be able to talk, so that you've got knowledge about different aspects, like the environment you're going to live in as you get older and you're less mobile, your money and Power of Attorney, and all these things. If you're informed in all of them, not just money but health, property, everything, then that's where you're going to be best placed aren't you, because you've thought

through all your options way in advance before it's a problem.” (Eastbourne, men, more recently retired, higher income)

- **Gamification** (e.g. Game of Life) style approach to help consider possible scenarios and tradeoffs.

4.3.4 Decision-making triggers

The research also identified a series of trigger points to considering and making preparations for the future, which could represent teachable moments as identified in Stage 1 of the research. These include:

- The experience of a **personal shock**, which can lead to a re-evaluation of life and prompt decisions to be made.
- Being involved in **similar decisions for a parent or sibling**, which can lead to consideration of making similar arrangements for themselves.
- Having **specific actions recommended** by professional advisers or raised by friends in conversation.
- **Observing experiences of others**, particularly if the absence of preparations led to difficulties for their family members, as **not burdening spouses and children** appears to be key motivation for taking action to prepare the future.

“The second day I was in hospital I really re-evaluated my life. It was a wake up call and I said to my wife, I mean it was really bad, she never left my side, by God I'm never going back to work again, let's get out there and enjoy life, because it just flies so quick. You've got to go out and enjoy it.” (Cardiff, men, more recently retired, lower income)

“Because of my sister it makes you realise. She made me Power of Attorney in 2007, which was way before she was diagnosed with dementia 6 years ago.” (Newcastle, couple, more recently retired, lower income)

“Normally you don't think about it. You put it out of your mind then something will happen that shows you somebody else's predicament and you think how about me?” (Cardiff women, longer-term retired, higher income)

“We are going to be leaving people behind...When I did my will it made me very settled.” (London, men, more recently retired, higher income)

Key points

- **Financial and social resources** are believed to be important contributing factors to resilience overall. Support from spouses and children is highlighted as being particularly significant.
- Some have also accessed a range of **professional services** including legal and financial advisers and third sector organisations such as Age UK. Service users have tended to be **satisfied** with the outcomes received. However, non-users of IFAs in particular tend to **lack trust** in professional financial advice and do not regard it as providing good value for money.
- Internet savvy OPIR also reported using **online sources** to help inform retirement-related decisions, including in the areas of preparation reported in the previous section (e.g, wills and funeral planning, Power of Attorney arrangements). However, **face-to-face channels** are preferred by non-internet users and also generally for dealing with more complex matters and where guidance is required.
- Overall, people **tended to trust the sources they used** and there was not a great deal of evidence of if and how they critically evaluated the credibility of sources or veracity of the information and advice they received.
- There were a number, however, who felt that they **had not received any external help** to prepare for the future or respond to unexpected events. This may be related to a **lack of awareness** of the guidance, advice and support options available to OPIR. In addition, **access was an issue** for some as the options to receive guidance and support through their preferred channels (e.g. not on the internet) are perceived to be decreasing.
- A number of **triggers** to making plans and preparations were also identified in this research and these represent potential teachable moments:
 - An experience of a personal shock;
 - Having made similar decisions for others;
 - Word of mouth from professionals or peers;
 - Observing the experience of others; and
 - Generally not wanting to be a burden on others and to feel settled in one's affairs.

4.4 What are the characteristics of OPIR who are more (and less) well-placed to deal with events?

4.4.1 Desired outcomes

The views expressed by participants in this research suggest that a number of high-level outcomes are believed to be desirable for OPIR and are seen as characteristics of a “*good retirement*”. These include:

- Remaining **active, engaged and positive**.
- **Living within one’s means** while **not scrimping**.
- **Being prepared**, where it is possible to do so, while **not worrying too much** about the future and aspects outside the control of individuals.

It is regarded to be important that preparations begin **prior to entering retirement**, when most difference can be made:

“I think it's being prepared, which is something that you start doing quite a long while before you retire, don't you?” (Eastbourne, women, longer-term retired, higher income)

“First and foremost while they're working they've got to make sure they can go into retirement with something behind them. That's essential.” (Cardiff, men, more recently retired, lower income)

Making plans and preparations once in retirement is believed to be more challenging, not just because their “*cloth has already been cut*” financially, but also due to uncertainties about their future health and longevity, as well as the external environment which may affect the choices they have available. As such, it is believed to be **difficult for OPIR to feel truly ‘in control’** of their future meaning that it is not seen as possible to realise fully this objective from the OPIR Outcomes Framework.

The language of being ‘**well-placed to deal with life events**’ does not particularly resonate with OPIR and some initially struggled to understand what is meant by this phrase. However, with further discussion, it is apparent that OPIR understand this as being “*able to cope with all the things that life could throw at you*” during this life stage.

4.4.2 Required behaviour

It was initially difficult for participants to understand what is meant by ‘**planning to cope with life events**’ and the specific actions they had taken or were considering were not spontaneously identified as examples of ‘planning’ more broadly.

Overall, a number of **types of behaviour** were identified in the discussions that are believed to contribute both to financial and general wellbeing and resilience to shocks. These include:

- Aiming to stay **physically, mentally and socially active** and to maintain a routine;
- **Budgeting to keep track** of incomings and outgoings;
- **Being ‘sensible’ in one’s spending** and not fluctuating too much to extremes of under- or over-spending;
- Retaining, and adding to a savings pot, if possible to provide a **financial buffer**; and
- **Considering the future and making specific preparations**, including a will, funeral plans, Power of Attorney arrangements, decisions related to housing and other assets and generally ‘putting one’s house in order’ to make it easier for those who will be left behind.

However, respondents did not **perceive it to be desirable or even possible for OPIR to make preparations regarding the funding of their potential future care**. The barriers to care planning are numerous and deep-seated as detailed in Section 4.2.10 of this report. Importantly, these barriers extend well beyond financial capability.

4.4.3 Enablers

The **financial and social resources** OPIR have access to are believed to be a major determinant of their overall resilience:

“We came to the agreement that to be well placed would relate to how financially secure you were which would then allow you to make choices about the future and those practical decisions you have to make.” (Exeter, women, more recently retired, higher income)

“It’s friends and family that surround you, if you’ve got a good, close relationship with your family. That’s a good fall back and you know they’re there for you.” (Belfast, men, longer-term retired, lower income)

“I suppose knowing you’ve got the family support and it may not be financial support, but practical every day existence, you know, if you needed someone to do you shopping for you.” (Coventry, couple, more recently retired, lower income)

In addition, a number of personal characteristics, particularly related to **attitudes and mindset**, are believed to have an important bearing on resilience. These include:

- *“Acceptance of what life throws at you”* and the **emotional strength/tenacity** to cope with difficult issues and not give up;
- **Independence, self-reliance and confidence** in making decisions;
- A **sensible and streetwise** approach to decision-making, including *“thinking through”* choices thoroughly not succumbing to pressure or scams;
- **Flexibility to adapt** to changing circumstances;

- A **positive but realistic view of the future** – including by facing up to potential health limitations and mortality; and
- “Not thinking you know it all”, and being prepared to **seek information/advice** and **listen to others**.

“Having a strong personality so you can challenge and not be walked on, you know, people will tell you things but you've also got to look at what they're pushing to ensure it's right for you.” (Coventry, women, more recently retired, higher income)

“Confidence is important. If you're not confident you'll never get to the point you want to get to. You've got to be confident to get there in the end.” (Coventry, men, longer-term retired, lower income)

“It makes you stronger when you have to take responsibility for life....People can sometimes sit back and let people do it for them.” (Eastbourne, women, longer-term retired, higher income)

“Someone who is able to adapt to serious changes whether good or bad....To be a positive thinker and look after their health and wellbeing if possible and if not to try and stay positive anyway. If you're a positive thinker you're able to deal with knocks and shocks.” (Cardiff, women, longer-term retired, lower income)

“Whatever happens to you in your life you have to find the resources from within yourself to deal with it. You can put all the practical stuff in place but what about the psychological and emotional?” (Exeter, women, more recently retired, higher income)

Some of these attitudinal attributes also have a **capability** element, such as those concerning confident and sensible decision-making, realism and knowing when to seek information and advice to support decision-making. In addition, the following **skills and knowledge**-based areas are believed to contribute to preparedness and resilience:

- Good day-to-day **financial management** skills;
- **Knowing where to go** to access information and advice in order to deal with issues as they come up; and
- **Internet skills** to assist in accessing a range of information.

“We said the ability to prioritise income and outgoings. Sometimes you have to allocate some parts of the year, Xmas, when you get a lot of bills coming in together, especially if you have a car. Then you have times of the year when you have electricity and gas coming in. To have the knowledge written down when are the important parts of the year when you've got to save a bit extra in the summer to pay for your winter bills.” (Coventry, men, longer-term retired, lower income)

“I think it helps if you have the ability to plan and know the different routes to advice and that sort of ran on to the next one really about the information and support. We think we're quite well informed and where to go to ask for help, or if we don't know, we know someone who does, sort of thing.” (Coventry, couple, more recently retired, lower income)

“In my case because I was a carer for 20 years I know who to phone. I would know for myself. I could do a lot of tasks for myself and stay in the house as long as I could because I know the things that could be put in place for me to maintain my independence for as long as possible.” (Cardiff, men, more recently retired, lower income)

4.4.4 Inhibitors

This research also identifies some powerful **inhibitors** to undertaking the required actions to be prepared for life events. These range from **attitudinal**, to **knowledge-based** to **emotional**, and include:

- Not wanting to **think about the future** or putting it off.

“I must be in denial. I haven't done any of that. I haven't thought about any of that.” (Exeter women, more recently retired, higher income)

“I haven't made any (plans) yet! I know I should have but just keep putting it off.” (Cardiff women, longer-term retired, lower income)

“I don't want to prepare for that. I just put it to the back of my mind.” (Newcastle, couple, more recently retired, lower income)

“I tend to think it's too scary to look ahead.” (Eastbourne, women, longer-term retired, higher income)

“From my point of view my great grandfather died in his 90s, my grandfather died in his 90s, my father died when he was 94 and I think my mother is coming up to 99 now. We understand these things but I'm tending to think that I'm a bit too young to start thinking about those things, perhaps wrongly.” (Exeter, couple, longer-term retired, higher income)
- Thinking **they have done everything they need to** already.

“I think most people round here have already thought about the future. They've sorted out a will. Their Power of Attorney. The future is organised. There's no need to do anything else.” (Newcastle, men, longer-term retired, higher income)
- Believing that there is **nothing that can be done** that will make a positive difference.

“It's too late for this group to start to think about preparing for retirement...It's your forties when you know what's ahead of you with regards to finances and what you've got to do.” (Belfast, longer-term retired, lower income)

“Well, I don’t see financially how we can improve our status if you like. I mean I do the lottery each week but that’s a shot in the dark. Apart from that you’re relying on the government to increase your pension once a year but they never increase it enough to cover what you’re forking out on food stuff or cost of living, so what is it its going down each year...I don’t think about it too much because it’s out of our control.” (Coventry, couple, longer-term retired, lower income)

“We’re too long in the tooth (to benefit from advice). It’s the younger generation that need the advice.” (Belfast, women, more recently retired, lower income)

- **Not being aware** of what they could be doing.

“Apart from giving Power of Attorney I don’t know what else to do....There might come a day when you need a care home. I don’t even know what we could do to prepare for that. I don’t know what else to do.” (Newcastle, more recently retired, lower income)

“There’s bound to be something we haven’t done but I can’t think of anything offhand.” (Coventry, couple, longer-term retired, lower income)

Additional inhibitors are believed to include:

- **Lacking confidence or capability** to make a decision;
- **Not knowing where to go** to get information, advice or support; and
- **Not being prepared to ask for help**, for example due to embarrassment or stoicism.

As mentioned in the Section 4.2, there are also **barriers related to taking specific actions**. For example, in some planning areas, such as regarding **housing and other assets**, decisions are regarded as complex which makes it difficult for OPIR to determine what is the best course of action. In addition, the barriers to considering **future care requirements** are multifaceted and go well beyond just financial capability. For example, there is a perception associated with care funding that preserving one’s wealth can actually be detrimental rather than beneficial.

4.4.5 Classifying OPIR according to their financial resilience

As mentioned in the Introduction, participants were asked a number of questions at the screening stage of the research which aimed to estimate their degree of financial resilience. The following attributes were chosen as **approximations of resilience** based on the findings from Stage 1:

1. ‘I am confident in budgeting and managing money’ (reflecting the importance of day-to-day money management as a first step in developing financial resilience)
2. ‘I have enough saved to cover unexpected bills’ (reflecting the significance of a financial buffer as a factor in financial resilience)
3. ‘I have made plans for the future to take account possible changes in my circumstances’ (to measure the extent to which people are undertaking longer-term planning)

4. 'I have support I can call on in the event that I need to deal with something expected' (reflecting the importance identified of social resources to support resilience)
5. 'I feel well placed to cope with future life events' (a high level outcome from the OPIR Outcomes Framework)

Because we were looking in this qualitative research to classify OPIR simply into 'more' or 'less' resilient categories, participants were required to 'agree' or 'strongly agree' with at least three of the statements to qualify as 'more resilient', with the remainder being treated as 'less resilient'.

The research provided considerable learning about issues related to measuring consumer resilience:

- We found in undertaking the fieldwork that both in the more and less resilient groups there was a lot of heterogeneity in resilience. One reason for this is that, as expected, rather than being a binary distinction there appears to be a **spectrum of resilience**.
- In addition, a number of factors contribute to financial resilience and it was possible for respondents to **score highly in some areas and not in others**. For example, some people worried about the future more than others (a potential indicator of lower resilience), however the worriers tended also to be the planners and therefore were more likely to have considered possible changes in their circumstances and made preparations as a result (an indicator of higher resilience).
- We also found that resilience is **subject to change**, driven by a range of circumstantial changes including related to finances, health, cognitive abilities, or social support. These change factors could either be major events or more gradual, incremental developments. An example of the latter is waning confidence to make decisions due to age-related physical or cognitive changes.
- Another finding from this research is that people can find it **challenging to assess their own resilience**, and there were apparent examples of both under- and over-estimation in this research. For example, some people were confident that they had done everything that they needed to do for the future even though it was observed that there were preparations they hadn't considered (e.g. wills, funeral planning and Power of Attorney arrangements) which could have an important bearing on their resilience. Some were also confident that their strategy of running down their funds is the correct one without having considered longevity risk, potential expenditure changes or the possibility of running out of money.
- As mentioned, there were also issues with the policy **language used** in some of the resilience measures meaning they were less effective as metrics. In particular, the intended meaning of the terms 'plans' (in statement 3) and 'life events' (in statement 5) were not well understood by respondents.

As such, it appears from the experience of this research that it will be **challenging to measure individuals' financial resilience** quantitatively, however some suggestions about how to approach

the future measurement of financial resilience among OPIR are provided in the Conclusions section of this report.

Key points

- According to OPIR, desirable outcomes for people in retirement go beyond the purely financial and also include **general wellbeing objectives** such as remaining active and engaged.
- While **'being prepared'** is seen to be advantageous it is also believed to be important **'not to worry too much about the future'** given the unknowns that OPIR face on an individual level. It is felt to be **difficult for OPIR to feel totally 'in control'** given this level of uncertainty.
- The **policy terminology does not particularly resonate** with OPIR. While some are taking actions to prepare for the future, they do not recognise this as 'planning to cope with life events'.
- Resilience is defined by OPIR as **"being able to cope with what life throws at you"**. This is seen to be about more than just preparations but also the **response to the unexpected**.
- People are believed to be best placed to deal with shocks if they have **good financial and/or social resources**. It is also seen as important to be personally **confident and adaptable**. Finally, being aware of **external sources of information, advice and guidance**, prepared to access these, and capable of using them effectively, are felt to have an important bearing on resilience.
- There appear to be a number of factors inhibiting the required behaviour to ensure financial preparedness and resilience. These are not only capability deficits but also **attitudinal and emotional barriers**, and some are deep-seated. Examples include:
 - Seeing thinking ahead as *"planning for a negative future"*
 - Perceiving that they have done everything they need to or that nothing can be done given their current situation or because of future uncertainties.
 - Not being aware of what they can do or finding it too difficult to determine what specific course of action to take.
- This research indicates that it will be **challenging to measure** individuals' financial resilience quantitatively because:
 - There are a number of factors contributing to this, spanning resources as well as capabilities and attitudes, and these may not all be present in a given individual
 - Resilience is subject to change and can potentially be influenced by a range of circumstantial changes.
 - People can find it challenging to assess their own resilience, and there were examples in this research of both under- and over-estimation.

5. Conclusions and implications

5.1.1 For FinCap policy-making

Many of **the hypotheses from Stage 1** of the research have been supported by the findings from the consumer research.

However, consumers use different language to experts and the policy and industry terminology doesn't resonate with them. For example, OPIR do not identify the relevant actions some of them are currently taking as examples of 'planning'; nor do they regard the challenges and changes in circumstances many have already experienced during their retirement as 'life events'. This suggests that **alternative language** that talks about 'being prepared for the unexpected' and 'being able to cope with what life throws at you' will be better understood and more meaningful.

Importantly, this research indicates that OPIR could benefit from help not only on **how to prepare** but also **how to respond to events**.

OPIR find it difficult to feel 'secure and in control' due to dual uncertainties they face: firstly, about their own future needs and, secondly, regarding developments in the external environment which have the potential to affect the future options available to them. This suggests that policy interventions will be most successful if they acknowledge this **lack of certainty and consequent anxiety** felt by many OPIR about their future. There is an opportunity to emphasise the '**peace of mind**' benefits of taking action.

The evidence suggests that financial capability activity targeting OPIR should be **positively and broadly framed**, in the context of general as well as financial wellbeing, with the ultimate objective of helping to ensure '**a good retirement**'.

There appear to be certain triggers points for OPIR to consider making preparations for the future. These could represent **teachable moments** and provide the opportunity for awareness building, for example on the costs that could be experienced in later life or specific actions OPIR could consider taking.

OPIR tend to be better prepared in some areas than others. The evidence suggests that OPIR generally find it most challenging to work through the complex life and financial decisions involving their **housing and financial assets**, and **make tradeoffs** between short-term and longer-term considerations. These are areas where OPIR would particularly benefit from expert help but many are currently 'going it alone'.

In addition, preparation for potential future health and care needs has been identified as a significant area of gap across all OPIR. The barriers to considering and making financial provision for **social care** in particular are numerous and go well beyond financial capability. However, the provision of **realistic information** – such as on actual probability of OPIR needing long-term residential care, the possibilities and costs of domiciliary care, and traps to avoid in care fee

avoidance – may go some way to busting some of the prevailing myths. In addition, this research indicates the importance of finding ways of helping OPIR and their families to **feel more comfortable in talking about care**.

There are also some specific **at-risk groups** with respect to their future resilience who may warrant specific targeting. These include those with recent experience of a major shock; people with chronic health conditions and their carers; single women and those without partners generally; and those who feel they are struggling financially or that their circumstances are precarious.

5.1.2 For future measurement of financial resilience among OPIR

This research suggests that the following each have a **bearing on financial resilience** and should be considered as part of its future measurement:

1. Confidence and behaviour in budgeting and managing money.
2. **Existence and level of a financial buffer**, and the perceived sufficiency of this buffer for the future, including to cover any unexpected expenses.
3. Consideration of the future, including possible changes to circumstances.
4. **Action taken or being actively considered in specific areas** (e.g. wills, funeral provision, POA arrangements, paperwork and communication of preferences, financial planning and investment decisions, health and care planning).
5. Confidence in making financial decisions.
6. Confidence in personal ability to deal with something unexpected.
7. Access to social resources in the event of needing to deal with something unexpected.
8. Awareness of where to go for information and advice to deal with something unexpected.
9. **Access to**, and confidence in using, the internet.
10. **Risk factors for resilience** – e.g. recent experience of a major shock; chronic health conditions; gender and relationship status; perceived financial circumstances.

We acknowledge that a number of these metrics are subjective, and that there may be inaccuracies in consumers' self-reporting against these. For this reason, there are also some more objective measures, highlighted in bold, included in this list.

Appendix 1 – Recruitment materials

A1.1 Sample specification

16 x 2 hour groups			
8 groups of women...			
<ul style="list-style-type: none"> Higher financial resilience Recently retired Higher income 	<ul style="list-style-type: none"> Lower financial resilience Recently retired Higher income 	<ul style="list-style-type: none"> Higher financial resilience Long-term retired Higher income 	<ul style="list-style-type: none"> Lower financial resilience Long-term retired Higher income
<ul style="list-style-type: none"> Higher financial resilience Recently retired Lower income 	<ul style="list-style-type: none"> Lower financial resilience Recently retired Lower income 	<ul style="list-style-type: none"> Higher financial resilience Long-term retired Lower income 	<ul style="list-style-type: none"> Lower financial resilience Long-term retired Lower income
8 groups of men....			
<ul style="list-style-type: none"> Higher financial resilience Recently retired Higher income 	<ul style="list-style-type: none"> Lower financial resilience Recently retired Higher income 	<ul style="list-style-type: none"> Higher financial resilience Long-term retired Higher income 	<ul style="list-style-type: none"> Lower financial resilience Long-term retired Higher income
<ul style="list-style-type: none"> Higher financial resilience Recently retired Lower income 	<ul style="list-style-type: none"> Lower financial resilience Recently retired Lower income 	<ul style="list-style-type: none"> Higher financial resilience Long-term retired Lower income 	<ul style="list-style-type: none"> Lower financial resilience Long-term retired Lower income
Requirements of all participants <ul style="list-style-type: none"> All participants need to be 60+ years of age and both the participant and their partner if they co-habiting need to be fully retired 			
Definitions of key sampling variables: <ul style="list-style-type: none"> Financial resilience: To qualify for the 'higher financial resilience' category, participants must strongly agree/agree with at least 3 of the 5 statements in Q8; everyone else should be classified as having 'lower financial resilience'. <u>But please monitor during recruitment for how well this is working as a distinction</u> 			

- Length of time since retirement: Long-term retired is 10+ years retired (Q5) or 75+ years of age; more recently retired is <10 years retired or <75 years of age (Q4)
- Income: Lower income is under £20k gross p/a; higher income is £20k+ (Q7a)

Sub-quotas in each group:

- All groups:
 - Aim for 2-3 in each group not to be married/co-habiting (i.e. single, separated/divorced or widowed – Q6a)
- Long-term retired groups:
 - Aim for 3-4 participants who have retired 15 years+ ago or are 80+ years
 - Aim for at least 3 to have a long-term condition or disability (Q10a)
 - Aim for at least 3 to be non-internet users or unconfident internet users (Q11)
- Recently retired groups:
 - Aim for 4 who have retired 0-4 years ago and 4 who have retired 5-9 years ago
 - Aim for at least 2 to have a long-term condition or disability
 - Aim for at least 2 to be non-internet users or unconfident internet users
- Higher income groups:
 - Aim for 4 who have £20-29.9k household income and 4 who have £30k plus household income
- Lower income groups:
 - Aim for 4 who have less than £14k income and 4 who have £14-£19.9k
 - Aim for at least 2 to be other than home owners with no mortgage (i.e. home owners with mortgages, social tenants or private tenants – Q9)
 - Aim for at least 2 to just rely on state pension and receive means tested benefits (Q7b/c)

8 x 1.5 hour couple depths

• Higher financial resilience	• Lower financial resilience	• Higher financial resilience	• Lower financial resilience
• Recently retired	• Recently retired	• Long-term retired	• Long-term retired
• Higher income	• Higher income	• Higher income	• Higher income

<ul style="list-style-type: none"> • Higher financial resilience • Recently retired • Lower income 	<ul style="list-style-type: none"> • Lower financial resilience • Recently retired • Lower income 	<ul style="list-style-type: none"> • Higher financial resilience • Long-term retired • Lower income 	<ul style="list-style-type: none"> • Lower financial resilience • Long-term retired • Lower income
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Requirements of all participants:

- As per groups plus all need to discuss financial decisions with their partner (Code 2 in Q6d)

Definitions of key sampling variables:

- As per groups

Sub-quotas across the depth programme:

- Recently/long-term retired depths:
 - Recently retired: Aim for 2 who have retired 0-4 years ago and 2 who have retired 5-9 years ago (at least one member of the couple)
 - Long-term retired: Aim for 1-2 participants who have retired 15 years+ ago or 80+ years (at least one member of the couple)
- Higher/lower income depths:
 - Higher income: Aim for 2 to have £20-29.9k household income and 2 who to £30k plus household income
 - Lower income: Aim for 2 to have less than £14k household income and 2 to have £14-£19.9k household income
- All depths
 - People with long-term health conditions/disabilities: Aim for 4 to have a long-term limiting health condition or disability (at least one member of the couple) and 4 not to have or only to have minor conditions
 - People other than home owners with no mortgage: Aim for 2 to be mortgage holders, social tenants or private tenants
 - Internet use: Aim for at least 3 to be internet non-users or unconfident users (at least one member of the couple)

Additional quotas across the whole sample (128 people in groups + 8 couples = total 144 people and 136 households):

- People with long-term illnesses or disabilities – aim for at least 60 across the whole sample (https://www.ageuk.org.uk/Documents/EN-GB/Factsheets/Later_Life_UK_factsheet.pdf?dtrk=true)
- People who care for a partner or family member with a long-term illness or disability – aim for at least 15 across the whole sample (source as above)
- Non-internet users/unconfident internet users: Aim for at least 60 to be non-internet users or unconfident internet users across the whole sample (https://www.ofcom.org.uk/_data/assets/pdf_file/0026/80828/2016-adults-media-use-and-attitudes.pdf)
- Different housing tenures – aim for 30 social tenants, 8 home owners with mortgages, 4 private renters (and the remainder home owners with no mortgage) across the whole sample (https://england.shelter.org.uk/_data/assets/pdf_file/0013/41440/factsheet_older_people_and_housing_may_2007.pdf)
- Different households – aim for 30 widowed, 10 separated/divorced, 5 single (and the remainder married/co-habiting) across the whole sample (<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationestimatesbymaritalstatusandlivingarrangements/2015-07-08>)
- Rural dwellers – aim for at least 20 who reside in smaller towns or villages
- BME backgrounds – aim for 10-15 across whole sample (this is an overweighing to ensure share of voice)

A1.2 Screening questionnaire

Good morning/afternoon/evening. My name is _____ and I am calling from Collaborate Research, an independent research organisation. We are currently conducting research about the decisions people take in retirement on behalf of Age UK. Everything you say in the discussion will be entirely confidential. Should you take part in this research, to say thank you for your time and cover any expenses incurred we would like to offer you **£XX** in cash. If you wish, we can send you a letter from Age UK explaining the research further and providing the project manager’s contact details.

We would like to ask you some questions to see if you are eligible for the study. It will only take 5 minutes, are you interested in taking part?

Yes	1	CONTINUE
No	2	CLOSE

Financial resilience during retirement – Stage 2

Q1a First of all, have you ever attended a market research group discussion or interview?

Yes	1	GO TO Q1b
No	2	GO TO Q2

Q1b When was the last time you participated in a market research discussion group or individual interview and what was it about?

DATE:	IF WITHIN LAST 6 MONTHS THANK & CLOSE
SUBJECT:	IF SUBJECT IS SIMILAR TO THIS RESEARCH THANK & CLOSE

Q2 Have you, or any member of your immediate family, ever worked in any of the following industries?

Advertising	1	THANK & CLOSE
Market research	2	THANK & CLOSE
Public Relations	3	THANK & CLOSE
Media (TV, radio, magazine or newspaper)	4	THANK & CLOSE
Marketing	5	THANK & CLOSE
Financial Services (IFA, pension provider etc.)	6	THANK & CLOSE
None of the above	7	CONTINUE

Q3 RECORD GENDER (do not ask unless necessary)

Male	1	CONTINUE
Female	2	CONTINUE

REFER TO QUOTAS

Q4 How old are you?

Under 60	1	THANK & CLOSE
60-64	2	CONTINUE

65-69	3	CONTINUE
70-74	4	CONTINUE
75-79	5	CONTINUE
80+	6	CONTINUE

REFER TO QUOTAS

Q5 Are you currently fully retired? IF YES – For how long have you been fully retired?

Still engaged in some paid work	1	THANK & CLOSE
Fully retired – for 0-4 years	2	CONTINUE
Fully retired – for 5-9 years	3	CONTINUE
Fully retired – for 10-14 years	4	CONTINUE
Fully retired – 15+ years	5	CONTINUE

REFER TO QUOTAS

Q6a Which of the following best describes your relationship status?

Married or co-habiting	1	CONTINUE
Widowed	2	CONTINUE
Separated or divorced	3	CONTINUE
Single (never married)	4	CONTINUE

Q6b IF WIDOWED/SEPARATED OR DIVORCED/SINGLE: Do you currently live alone or with others?

Live alone	1	CONTINUE
Live with others (specify_____)	2	CONTINUE

Q6c IF MARRIED/CO-HABITING: Is your husband/wife/partner also fully retired?

Yes	1	CONTINUE
No, they are still engaged in some paid work	2	THANK AND CLOSE

Q6d IF MARRIED/CO-HABITING OR LIVING WITH OTHERS: Do you make decisions about your finances? IF YES: Is this solely or jointly with your partner or other family members?

Yes – I am sole decision-maker	1	CONTINUE
Yes – Joint decision-maker with partner	2	CONTINUE – NB: need to be joint decision-maker with partner to be eligible for couple depths
Yes – joint decision-maker with other family members	3	CONTINUE
No – others make financial decisions	3	DO NOT RECRUIT

REFER TO QUOTAS

Q7a What would you say is your total yearly or weekly **household income before tax**? When answering, please include the state pension, any means tested benefits you may receive, plus any other regular income from private or occupational pensions or investments. READ OUT LIST IF NEEDED

Under £14,000 per year (Less than £270 p/week)	1	CONTINUE
£14,000-£19,999 per year (£270-£384 p/week)	2	CONTINUE
£20,000-£29,999 per year (£385-£577 p/week)	3	CONTINUE
£30,000+ per year (more than £577 p/week)	4	CONTINUE

Q7b Did you (and your partner) retire with any private (personal or occupational) pension/s? If so, was this a....

- Defined contribution pension scheme where your pot value depended on factors including the amount that was paid in and the fund’s investment performance?
- Defined benefit (or final salary) pension scheme which promised a certain fixed pension value?

Defined contribution pension/s	1	CONTINUE
Defined benefit pension/s	2	CONTINUE
Both types of pension	3	CONTINUE
Do not have any private pension/s – just rely on state pension	4	CONTINUE

Q7c Do you receive any of the following benefits? READ OUT LIST

Pension Credit	1	CONTINUE
Housing Benefit	2	CONTINUE
Council Tax Benefit / Reduction	3	CONTINUE

REFER TO QUOTAS

Q8 To what extent do you agree or disagree with the following statements? READ OUT LIST AND, FOR EACH, ASK WHETHER THEY TEND TO AGREE STRONGLY, AGREE, NEITHER AGREE NOR DISAGREE, DISAGREE OR DISAGREE STRONGLY WITH THIS.

	Disagree strongly	Disagree	Neither/nor	Agree	Agree strongly
1. I am confident in budgeting and managing money	1	2	3	4	5
2. I have enough saved to cover unexpected bills	1	2	3	4	5
3. I have made plans for the future that take into account possible changes in my circumstances	1	2	3	4	5
4. I have support I can call on in the event that I need to deal with something unexpected	1	2	3	4	5
5. I feel well placed to cope with future life events	1	2	3	4	5

REFER TO QUOTAS

Q9 Which of the following best describes your housing tenure?

Own home with no mortgage	1	CONTINUE
Own home with a mortgage	2	CONTINUE
Rent from the Council or a Housing Association	3	CONTINUE
Rent privately	4	CONTINUE

Other (specify_____)	5	CONTINUE
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REFER TO QUOTAS

Q10a Do you have, or do you care for someone in your household with, a long-term health condition or disability? By this I mean a condition that has lasted or is expected to last 12 months or more and limits your/their daily activities.

Yes – affecting myself (please specify condition_____)	1	CONTINUE
Yes – caring for someone in hhold (please specify condition_____)	2	CONTINUE
No	3	CONTINUE

Q10b And do you currently have any health conditions, mobility restrictions or caring responsibilities which currently make it difficult for you to get around or travel places?

Yes (please specify condition_____)	1	CONTINUE
No	2	CONTINUE

REFER TO QUOTAS AND OFFER HELP WITH TRANSPORT IF APPROPRIATE

Q11 Do you currently use the internet or not? IF YES: Would you describe yourself as very confident, fairly confident, not very confident or not at all confident in using the internet?

Yes – Very/fairly confident	1	CONTINUE
Yes – Not very/not at all confident	2	CONTINUE
Do not use the internet	3	CONTINUE

REFER TO QUOTAS

Q12 How would you describe your ethnic origin?

White	British	1
	Irish	2
	Any other white background	3

Asian or Asian British	Indian	4
	Pakistani	5
	Bangladeshi	6
	Any other Asian background	7
Black or Black British	Caribbean	8
	African	9
	Any other black background	10
Mixed	White & Black Caribbean	11
	White & Black African	12
	White & Asian	13
	Any other mixed background	14
Chinese		15
Other ethnic group	Write in: _____	16
Refused		17

REFER TO QUOTAS

Q13 Could you tell me your address and postcode?

Write in _____

RECRUITER TO CODE:

Lives in large town or city (URBAN)	1	CONTINUE
Lives in small town or village (RURAL)	2	CONTINUE

REFER TO QUOTAS

Q14 Age UK aims to work with and for older people to develop policy and services and to influence others doing so. Age UK would like to give research participants the opportunity to take part in further research, or its wider campaigning, media or development work. Would you be willing for Age UK to contact you in the future about further research or this wider work?



Financial resilience during retirement – Stage 2

Yes – further research only	1	CONTINUE
Yes – further research and wider work	2	CONTINUE
No	3	CONTINUE

Reconfirm day/date/time/Location of group/interview with respondent

RECRUITER DETAILS

Name	
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RECRUITER DECLARATION

I declare that this interview has been conducted strictly in accordance with your specifications within the MRS Code of Conduct and with a person totally unknown to me.

Signed (**RECRUITER**): _____ Date _____

Appendix 2 – Research materials

A2.1 Pre-task

Thanks very much for agreeing to take part in our research. Before you come along to the discussion, we'd like you to fill in this short questionnaire about your retirement and the decisions you have taken. It shouldn't take you more than 30 minutes to complete. Please bring this questionnaire with you to your research session along with any symbol or object that represents how you feel about your retirement.

<i>Please write your answers below</i>	
<p>1. What have been the best things about retirement so far?</p>	
<p>2. What have been the main challenges about retirement so far?</p>	

<p>3. Have you experienced any shocks or anything unexpected during your retirement so far?</p>	
<p>4. Since you retired, what are the main decisions you have made or actions you have taken to prepare for the future or plan ahead?</p>	
<p>5. Who else was involved in these decisions/actions about preparing for the future/planning ahead? (This could be family members, friends, financial advisers or other individuals or organisations)</p>	

<p>6. Since you retired, what are the main decisions you have made or actions you have taken to deal with any unexpected events?</p>	
<p>7. Who else was involved in these decisions/actions to deal with unexpected events? (This could be family members, friends, financial advisers or other individuals or organisations)</p>	
<p>8. Overall, who or what has been most helpful to you in planning ahead and/or dealing with unexpected events?</p>	

A2.2 Discussion guide

<p>Note to moderators:</p> <ul style="list-style-type: none"> • Probe fully on all responses • Note language participants use to discuss the issues and, in particular, terms they use to describe anything to do with financial capability and financial resilience, including aspirations/goals, planning, life events, care etc. • Explore fully what enables or inhibits people to feel well-placed to deal with life events • A full list of research questions is appended to this guide 	
<p>Introduction (10 mins)</p>	<p><i>Explanation of the research:</i></p> <ul style="list-style-type: none"> • Independent research for Age UK (explain, if necessary, that this is now the name for Age Concern/Help the Aged which has merged; that Age UK is a charity representing/supporting older people) • Looking to explore people’s experiences during retirement and understand what can help people be well placed to deal with life events and be ‘resilient’, both financially and generally • Not a test, just interested in opinions • Audio recording but all responses confidential/anonymised • Ground rules (one at a time, looking for a cross-section of views) • Housekeeping (fire procedures, mobiles, refreshments, toilets) <p><i>Participant introductions:</i></p> <ul style="list-style-type: none"> • Name, age, family status, length of time retired, former occupation/main income earner occupation • Explore what led to their decision to retire (whether planned or forced)
<p>Warm-up / views about retirement (10 mins)</p>	<ul style="list-style-type: none"> • Explain symbol chosen for what retirement means to you • Best things about your retirement so far • Main challenges about your retirement so far • Group brainstorm (<i>moderator to write on flipchart</i>): <ul style="list-style-type: none"> ○ How would you characterise a ‘good retirement’ overall – both generally and financially? ○ What are the main risks and challenges that people in retirement face – both generally and financially?
<p>Day-to-day management (20 mins)</p>	<ul style="list-style-type: none"> • Now turning back to your own experiences... how confident do you currently feel in managing day-to-day in retirement – both generally and financially? <i>Look out for/ probe mentions of: paying for bills/expenses; getting the best deals/not paying over the odds (including switching suppliers); getting the benefits you are entitled to; saving for a rainy day; managing the balance between spending and saving; keeping track of</i>

	<p><i>income and expenditure; managing/smoothing out lumpy expenditure (e.g. white good replacement, home repairs etc.).</i></p> <ul style="list-style-type: none"> • Why do you say this? <ul style="list-style-type: none"> ○ What approaches/methods do you use? ○ What, if any, help/support do you get? ○ How confident are you in talking to others about financial matters? ○ Do you use/are you confident using the Internet? If so what role does this play in your day-to-day management (e.g. finding information, paying bills, shopping around etc.)? If not, do you feel disadvantaged by not using the Internet in your day-to-day management? How? ○ Do you have a ‘rainy day’ fund? What is it for? Have you spent any of it yet and, if so, on what? Are you able to replace what you have spent? Do you have any other savings pots for other things – what? ○ How would you describe your overall attitude to money? Are you more of a saver or spender? Do you consciously think about tradeoffs between spending now and saving for possible future needs? PROBE FULLY • What, if anything, would help you feel more confident in managing day-to-day in retirement
<p>Dealing with life events so far (20 mins)</p>	<p><i>REFER TO PRE-TASK...</i></p> <ul style="list-style-type: none"> • Have there been any unexpected events/shocks that you have had to deal with in retirement so far? <i>Look out for/prompt if necessary on more mundane events (e.g. home maintenance or home adaptation needs; family members requiring financial help) as well as more major events (e.g. bereavement, major health events, capacity changes etc.).</i> <ul style="list-style-type: none"> ○ How have you dealt with these? How were these decisions taken / how did you decide what actions to take? ○ Who else, if anyone, was involved e.g. partner, other family members, other individuals/organisations? ○ What if any, information/advice/support did you access? • Have you taken any actions/made any plans or preparations so far for the future (both relating to aspirations and possible changes in circumstances)? <i>Look out for/probe mentions of: pension decumulation and investment decisions; downsizing and making housing suitable; will planning; inheritance decisions; funeral planning; Power of Attorney arrangements and bank mandates; domiciliary/residential care plans etc.</i> <ul style="list-style-type: none"> ○ How were these decisions taken / how did you decide what actions to take? ○ Who else, if anyone, was involved e.g. partner, other family members, other individuals/organisations?

	<ul style="list-style-type: none"> ○ What if any, information/advice/support did you access? ○ Do you regard these things as ‘planning’ or something else – what? To what extent is it possible to plan for the future? Would you like to be able to plan more – why and what would help in this? ● Overall.... <ul style="list-style-type: none"> ○ What has been most helpful to you in planning for/dealing with events so far? ○ What has been most challenging to you in planning for/dealing with life events so far? <i>Look out for/probe mentions of difficult conversations with family as a challenge. Look out for/probe mentions of difficulties dealing with organisations/the system e.g. banks in the event of partner’s death or capacity changes</i> ● Looking back now: <ul style="list-style-type: none"> ○ What (additional) information or help do you wish you had? ○ What, if anything, do you wish you would have done or done differently? ○ What would have made it easier for you to cope with shocks/unexpected events in particular?
<p>Comfort break (10 mins)</p>	
<p>Looking to the future (25 mins)</p>	<ul style="list-style-type: none"> ● What do you expect from the future: <ul style="list-style-type: none"> ○ What are you hoping for /what are your aspirations/goals/plans? <i>Look out for language use to describe aspirations/goals/plans. What time frame are you thinking about with these?</i> ○ What might happen to you through the rest of your retirement? How might your circumstances and needs change? Is this something you have previously thought about? How does thinking about this make you feel? ○ If/how do you expect your financial needs/outgoings specifically to change (i.e. will you need more/same/less than now)? What costs might arise for you in the future? ○ Overall, how would you describe your attitude to the future (<i>explore how positive, negative, realistic, fatalistic etc. people feel</i>)? ● What, if any, forward plans/provisions are you considering/putting into place now? <i>Look out for probe on assumptions and any plans people have around how they will manage if they need help accessing/managing their money either due to permanent/temporary and physical/mental capacity issues</i> ● Have you considered/made any provisions specifically for potential future care needs? Why/why not?

	<ul style="list-style-type: none"> ○ To what extent, if at all, have you considered this? ○ How much do you feel you know about the options for long-term care and how care is paid for? ○ Where would you go to get information/advice about this? ○ How do you feel about thinking/making plans in this area? ● What do you think it is possible to plan for? What isn't it possible to plan for? <i>If appropriate, probe on awareness of tradeoffs between shorter-term and longer-term considerations and how these are managed (including through decisions about balancing spending and saving)</i> ● Do you feel you have support you can call on in the event you need to deal with something unexpected? ● Overall, how prepared – generally and financially - do you feel for the future? Why? ● Have you thought about the possibility of running out of money, including your savings? PROBE FULLY INCLUDING ON INFLUENCES OF THESE VIEWS. What, if anything have you done/can be done to help ensure this doesn't happen?
<p>Characterising who is well-placed to deal with life events (20 mins)</p>	<ul style="list-style-type: none"> ● What does being 'well-placed to deal with life events' mean to you? How do you interpret/define this? ● Paired exercise (<i>hand out task sheets</i>): <ul style="list-style-type: none"> ○ How would you characterise a retired person who is 'well-placed' to deal with life events in retirement? ○ In doing this, imagine a person who is broadly similar to the people in this group (e.g. a man/woman, more recently/longer term retired, with a lower/higher income) ○ What makes them well-placed may relate to: (a) their attitudes and state of mind, (b) their skills and knowledge, (c) the information and support they have access to and (d) the decisions/actions they take ● Pairs to report back and whole group to discuss / agree on: <ul style="list-style-type: none"> ○ Main factors enabling some people to be well-placed to deal with life events ○ Main barriers or factors preventing other people being well-placed to deal with life events
<p>Summing up (5 mins)</p>	<ul style="list-style-type: none"> ● Overall, what is the one thing that would make (or would have made) the most difference to how well-placed you feel to deal with life events ● What advice would you give others entering retirement to ensure they are well-placed to deal with life events ● Thank and close