

## Are you well set up to enjoy a comfortable retirement?

Retiring early from your work life is one thing, but meeting your life goals and staying on course after retirement is completely different. Taking the steps now to prepare yourself for retirement, no matter how far in the future, will ensure you are well set up to enjoy a comfortable retirement doing the things you want to do! To find out more, please contact us.



## LOOKING TO THE FUTURE

### Taking the steps now to prepare yourself for retirement

With increasing numbers of people working past traditional retirement ages<sup>[1]</sup>, stopping work can seem a long way off, especially for younger people. But it's the dream of an early retirement that keeps many people going through the daily work grind.

Fantasies of a round-the-world cruise, sundowners on a seaside terrace or writing a best-selling novel can make work endurable. The good news for many is that the dream of an early retirement is being realised <sup>[2]</sup>, with nearly two thirds (60%) of those stopping work this year doing so before their expected State Pension age or company pension retirement date.

#### Escape the daily grind

It appears that those planning to escape the daily grind early feel the most comfortable when it comes to their financial situation in retirement – with over half (56%) saying they feel financially well prepared compared with 49% of those working towards their expected retirement date. That's reflected in the numbers taking financial advice – 68% of early retirees are seeking professional advice compared with 60% of those working until their projected retirement age.

The opportunities that retirement brings are limitless, with travelling or spending long periods abroad high on many people's wish lists. The average age of those retiring early is 57, and early retirees are planning to make the most of their free time – over a third (37%) plan to take up a new hobby or sport, 27% will start voluntary or charity work, and nearly a fifth (17%) are planning a long-term holiday or gap year.

#### Meeting your life goals

But early retirement also can bring with it the challenges of meeting your life goals, such as funding a child's education and their wedding, along with bearing household expenses long after you've retired because of increasing life expectancy.

To retire earlier requires planning, discipline and paying close attention to your savings and investments. But the sacrifices and extra effort are worth it to enable you to have more opportunities to spend time with the people you care about.

Source data:

[1] <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/fivefactsaboutolderpeopleatwork/2016-10-01>

[2] Research Plus conducted an independent online survey for Prudential between 29 November and 11 December 2017 among 9,896 non-retired UK adults aged 45+, including 1,000 planning to retire in 2018.

### Reasons to start saving for retirement early

#### ➤ You'll prepare in a more relaxed way

Saving for 30 years instead of 10 means you can put away less money each month and reach the same target. It'll also mean you have cash left over to spend on yourself in the meantime.

#### ➤ Earn more thanks to compound interest

If you start saving today, you'll earn more because interest payments build up – every interest payment you receive starts earning corresponding interest itself right away.

#### ➤ You will enjoy greater peace of mind

Putting in place a plan for your retirement means you can start looking forward to a more comfortable retirement. You'll feel more confident about life after work knowing things are taken care of from a financial perspective.

#### ➤ You could retire earlier

If you manage your wealth and retirement planning wisely, you might find you're ready to retire younger than you'd imagined. Give yourself more time for the things you've always dreamed of doing.

#### ➤ Plan when you have more disposable income

It's normally the case that you have more disposable income from your twenties into your early forties. Later in life, you may find that you have more responsibilities – children's education and mortgage payments, for example – and find it harder to put money into your retirement fund every month. Start early while you have extra funds.