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# 'Midlife crisis'

## Baby boomers are some of the least prepared for retirement

A survey has revealed the concerning fact that 40% of baby boomers, those aged 55 to 74, have not started to save specifically for retirement yet, despite two thirds of respondents understanding the State Pension will not be sufficient.

The BlackRock Global Investor Pulse survey found that Britain's baby boomers are some of the least prepared for their retirement. The challenge remains to encourage short-term savers to become long-term investors.

The findings show that 59% of respondents are concerned they will not live comfortably in retirement, while 63% hold their non-pension savings in cash, causing inflation erosion. Of the participants, 81% said they did not know how to access income with their pension savings.

### PENSION REFORMS

In light of the pensions reform that commenced on 6 April 2015, 9% say they will invest their pension pot to generate an income, while 8% will move their pension into a cash savings account.

The survey highlighted that 28% of the respondents are undecided on what to do, while 26% plan to stay invested in their pension plan but take out cash regularly and use some of it to buy an annuity.

Meanwhile, 6% of participants say they will use part of their pension to clear debt or similar, while 3% plan to blow the lot on whatever they desire.

### APPROACHING RETIREMENT

If you are about to retire or are approaching your retirement, it's important that you think very carefully about how you will sustain your income through a much longer retirement than previous generations.

The research shows that many will use the flexibility and choice offered by the pension reforms to stay invested in their pension for longer, while taking regular income, and combine purchasing an

annuity alongside it, potentially later in life. Meanwhile, almost one in five baby boomers may take advantage of the freedom to invest their money elsewhere, with half choosing a cash savings account.

More than half of the people surveyed said that they would be encouraged to save more if the Government provided a stable pensions system that is not changed by successive political parties.

## CHOOSING THE RIGHT PENSION SCHEME

Whatever stage of life you're at, it's important to plan for the future by choosing the right pension provision. So whether you're just starting out and looking to set up your first pension or building on your existing retirement plans, in the light of the new pension reforms, now is the perfect time to discuss your requirements. Please contact us – we look forward to hearing from you.

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