



## Have you had a retirement conversation?

Many people do not engage in crucial conversations regarding the lifestyle they envision

As we approach one of life's most significant transitions – retirement – many people do not engage in crucial conversations about the lifestyle they envision or assess whether they're on track to achieve it. Recent research highlights that half of those aged 55 and over have not discussed their desired retirement lifestyle with a partner or loved one<sup>[1]</sup>.

Moreover, 53% of this age group have not considered whether they have the financial means to sustain their retirement dreams. Interestingly, the younger age group of 18-34-year-olds seems more open to discussing retirement, with only 43% having never broached the subject.

### BREAKING THE SILENCE ON FINANCIAL MATTERS

Conversations about key financial matters remain taboo among those over 55. Over 40% have never discussed the location of essential documents like bank accounts, insurance policies and Wills with loved ones.

This reticence contrasts sharply with the 'loud budgeting' trend popular among younger generations, where transparency about financial goals and spending habits is common. Across the UK, many remain silent on financial matters: a third of people have never discussed their household budget and 41% have never discussed their short-term financial objectives.

### BENEFITS OF FINANCIAL DIALOGUE

Discussing finances and planning for the future may be uncomfortable, but aligning with loved ones on shared goals is crucial. Engaging in these conversations is particularly beneficial for older generations, strengthening relationships and providing practical advantages. Talking about money can facilitate budget planning or ensure mutual understanding of future wishes, such as health care preferences in case of illness or incapacity.

### SHARING FINANCIAL INFORMATION

It's wise to share key financial details with trusted individuals, like the location of important documents. This proactive approach ensures preparedness for future needs. While initiating these discussions may seem daunting, they are essential for effective short- and long-

term planning. Understanding whether you're on track to meet your goals or need to adjust your plans is vital.

### RETIREMENT GOALS AND TIMELINES

It's essential to discuss when and how you plan to retire, especially with your partner. These discussions should cover whether you aim to retire simultaneously and what activities you wish to pursue. Understanding each other's expectations regarding daily expenses, travel and hobbies will clarify the savings required for your retirement dreams.

### LOCATING PENSION POTS

You and your loved ones have likely accrued multiple pension pots from various employers. Discussing past employment and pension benefits can motivate you to locate and consolidate these pensions. Keeping track of your pensions and savings is fundamental to informed retirement planning.

### NOMINATING BENEFICIARIES

Most pensions don't form part of your estate, meaning your Will doesn't cover them. Instead, you can nominate beneficiaries through your pension provider. Discussing your nominations with loved ones can prevent future disagreements and clarify your intentions. ■

### NEED MORE GUIDANCE ON RETIREMENT PLANNING OR FINANCIAL MATTERS?

Please contact us if you require more guidance on retirement planning or financial discussions. We can help clarify your options and ensure a secure and enjoyable retirement.

### Source data:

[1] Opinion conducted research among 2,000 UK adults. Fieldwork was conducted 6 and 10 September 2024. Data has been weighted to be nationally representative.

THIS ARTICLE DOES NOT CONSTITUTE TAX, LEGAL OR FINANCIAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH CLIENT AND MAY BE SUBJECT TO CHANGE IN THE FUTURE. FOR GUIDANCE, SEEK PROFESSIONAL ADVICE.

A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028 UNLESS THE PLAN HAS A PROTECTED PENSION AGE).

THE VALUE OF YOUR INVESTMENTS (AND ANY INCOME FROM THEM) CAN GO DOWN AS WELL AS UP, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

YOUR PENSION INCOME COULD ALSO BE AFFECTED BY THE INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS.