

Aviva **Voice of New Retirement** report



| Retirement | Investments | Insurance | Health |



Welcome to Aviva's **Voice of New Retirement** report

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Key findings

- Almost two in three (62%) of today's retirees feel their experience of retirement is better than expected
- Retirees also report greater contentment with their finances, health, diet, exercise and time spent with family than unretired people
- Planning ahead almost doubles the percentage of people who enjoy a retirement free from financial worries
- But more than one in four people (27%) who are nearing retirement have done nothing to prepare
- 73% of today's retirees had no plans to work during retirement; just 45% of the unretired say the same
- 62% of retirees describe themselves as happy, and they are twice as likely as unretired people (14% vs. 7%) to be extremely happy



Foreword

Rodney Prezeau

Managing Director, Aviva Consumer Platform



“As we explore the various pillars of a happy life, it is clear we cannot assume that anyone who is yet to retire can look forward to the same happiness without helping them to take matters into their own hands.”

The twin concepts of freedom and choice have been adopted almost universally to describe the far-reaching pension reforms first unveiled in the Spring 2014 Budget. But freedom and choice apply to far more than money matters in today's new world of retirement.

Rather than simply being an end-goal or concluding chapter, retirement is often heralded as a new beginning with many potential pathways to explore. At the same time, the boundaries of retirement are becoming increasingly blurred. It means this 'new beginning' is not necessarily something which people experience at a single, fixed moment in time, as they might have done before.

The increase in life expectancy, the end of the Default Retirement Age (DRA) and the rising state pension age mean more people are working for longer. They are also facing up to increasing choices in other interconnected areas of later life, not least: where and how they will live; how they will keep healthy; how they will cultivate their relationships; and how they will ensure they are challenged and fulfilled as they enter a stage of life which can last for decades?

What does this mean for people's retirement dreams? For many, it is an opportunity to live happier and enjoy the fruits of their endeavours at a younger age. And what about the reality? This landmark Aviva study shines the spotlight on intergenerational attitudes and experiences of 6,000 adults aged 30 and above, comparing those who have retired and those who are yet to do so. By doing so, it identifies the hopes, ambitions, successes and challenges they face in life and what impact these have on the pursuit of a happy retirement.

In particular, the study examines the ages and stages of life where people are happiest, and probes the factors behind this. It reveals how important people's health, finances, relationships, leisure, work and life ambitions – 'vision' – really are to them. And it shows how near – or far – they are from truly living the life they aspire to.

For the unretired, the findings offer hope and inspiration. Happiness increases with age, whether it is judged by how happy people feel or how content they actually are with the things that matter most to them in life. Across the board, our analysis suggests more retirees than unretired people feel in control of their own decisions and content with aspects of life including their finances, health, diet, exercise, relationships, leisure time and any paid or unpaid work they undertake.

The findings also act as a warning, and not just because planning is a fundamental part of achieving happiness. The relative happiness of today's retirees is remarkable, and begs the question: is today's retired population a golden generation, unlikely to be seen again?

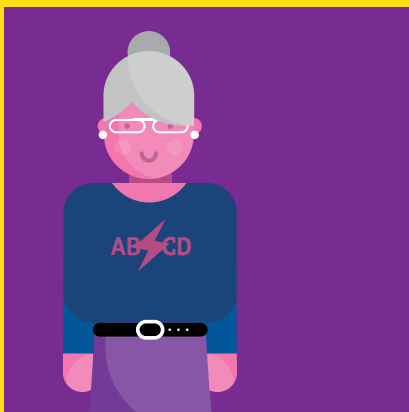
As we explore the various pillars of a happy life, it is clear we cannot assume that anyone who is yet to retire can look forward to the same happiness without helping them to take matters into their own hands. Through this report and the supporting tools and resources we offer via www.aviva.co.uk/savings-and-retirement, Aviva is committed to helping people ask the right questions and think ahead to turn the dream of a happy retirement into a reality.

Rodney Prezeau

Managing Director, Aviva Consumer Platform

Happiness

As well as asking how happy people feel, Aviva's Happiness Index examines their contentment with different aspects of life and how important they feel each one is to their overall sense of wellbeing. Both methods point to the same conclusion: that happiness peaks in later life.



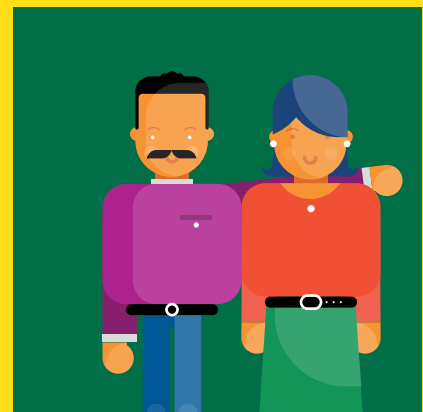
1. Vision

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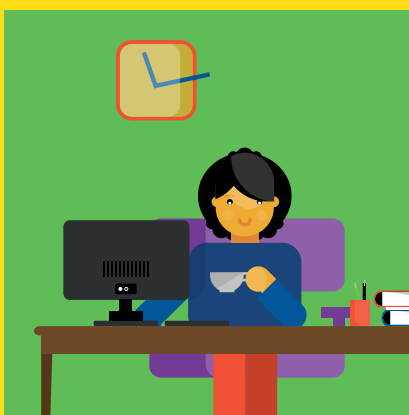
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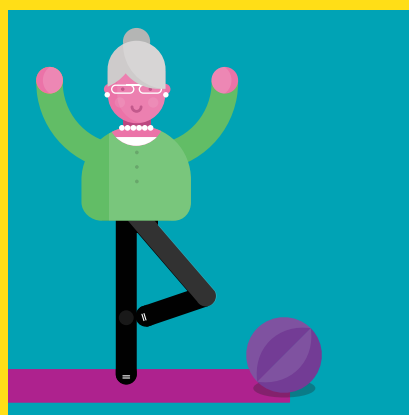
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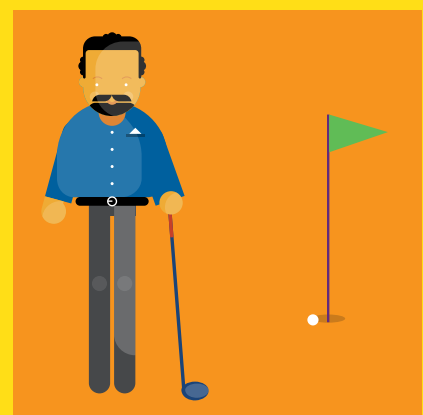
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Quick read

- From 40 onwards, people's stated happiness increases with age and peaks during retirement, when 62% of people are happy compared with just 42% who are not yet retired
- Aviva's Happiness Index supports the conclusions that happiness increases with age and that retired people are significantly happier than the unretired
- More people feel relaxed and happy in retirement than expect to before retirement – and fewer feel bored, unhappy, anxious or lacking purpose than the non-retired expect to
- People rate family and relationships highest in overall importance as a pillar of happiness, although health and wellbeing become more important in retirement
- People risk leaving things to chance by ranking future planning as the least important factor in their overall happiness

How important is happiness? The Greek philosopher Aristotle enshrines happiness as a central purpose of human life and a goal in itself. Thomas Jefferson called the pursuit of happiness one of humankind's "unalienable rights", and it is the lens through which many people view the trials and challenges that modern life brings.

Happiness also forms an important part of many discussions about retirement, fuelled by the belief that – with good planning and good fortune – this time of life holds the potential to provide a rich reward or pay-off for years of hard work and dedication to pursuing a career, or raising a family.

By assessing the attitudes of UK adults aged 30 and above to their current and future lifestyles, Aviva's research uncovers a view that stated happiness – that is, how happy people say they are – increases with age and that it is in the later years that people experience their greatest level of contentment.

Asked to describe their current level of happiness with life, fewer than two in five (38%) people in their forties say they are happy, including just one in twenty (5%) who are extremely happy. However, from 40 onwards, happiness increases with age to reach a peak beyond the age of 75. By this point, two in three (66%) feel happy with life, including one in six (17%) who profess to be extremely happy.

How the pursuit of happiness pays off with age

%					
	Extremely happy	Quite happy	Neither happy nor unhappy	Quite unhappy	Extremely unhappy
Age 30-39	9	38	41	9	3
Age 40-49	5	33	44	14	5
Age 50-59	7	36	39	14	4
Age 60-64	10	41	36	10	3
Age 65-74	12	47	29	8	3
Age 75+	17	49	26	6	2



62% of retirees are happy, compared with just 42% of the unretired.

A broad comparison of attitudes before and after retirement shows 62% of retirees are happy, compared with just 42% of the unretired, and retired people are also twice as likely to be extremely happy (14% vs. 7%). Breaking retirement down into separate stages, this too appears to get better with time as those people who have been retired for more than ten years report the highest levels of happiness.

The evolution of happiness in retirement

%					
	Extremely happy	Quite happy	Neither happy nor unhappy	Quite unhappy	Extremely unhappy
Unretired	7	36	41	13	4
Retired	14	47	28	8	3
Recently retired	14	42	31	8	5
Retired for less than 5 years	13	48	28	7	4
Retired for between 5-10 years	13	48	29	8	2
Retired for more than 10 years	16	48	27	7	2



More than half of the unretired believe retirement will make them more relaxed (61%) and happy (52%).

Retirement: better than people think?

The retirement ideal is traditionally associated with the idea of releasing the shackles of responsibility and making the most of the resulting freedom. This popular perception is almost certainly part of the reason why people are generally optimistic about how retirement will affect them. More than half of the unretired believe the experience of retirement will make them more relaxed (61%) and happy (52%).

Comparing these expectations to the experiences of the retired, this optimism looks well-founded and may even be understated. In each case, the percentage of retirees who report that retirement has made them more relaxed (75%) and happy (69%) is noticeably higher than the percentage of unretired people who predict it will do this for them.

Encouragingly, the reverse is true for boredom, unhappiness, anxiety and lack of purpose. In each case, a lower percentage of retirees have experienced these since retiring than the percentage of unretired people who worry this will be part of their own experience. However, the reality of retirement can prove to be more tiring and less adventurous than people expect.

Percentage who feel retirement will make/has made them feel more... %		
	Unretired – expectations	Retired – reality
Relaxed	61	75
Happy	52	69
Active	41	46
Adventurous	32	29
Tired	13	22
Bored	18	12
Without purpose	16	11
Anxious	12	9
Unhappy	8	6

What are the ingredients of happiness?

Measuring happiness at different stages in life can be far more nuanced than simply judging it by the emotions or degree of contentment that people report at a particular moment in time. To provide a more in-depth and scientific basis to test the theory that happiness increases with age, Aviva's research identifies six core pillars of happiness, namely:

- Vision and future planning
- Finances
- Working life
- Family and relationships
- Health and wellbeing
- Leisure

Different individuals will have varying opinions about how important each of these factors are to driving their overall happiness. But a top-level comparison shows there is little difference of opinion between the attitudes of retirees and the unretired – despite the former typically having greater life experience to help assess what really matters to them in life.

People rate family and relationships highest in overall importance to their happiness, although health and wellbeing become more important in retirement. However, it is concerning that while people place the least importance on future planning, subsequent findings show a big difference in retirees' happiness based on whether or not they planned ahead: not least regarding finances, their third biggest priority.



Family and relationships are judged to be the most important factor to driving overall happiness, followed by health and wellbeing.

How important people rate different factors in their overall happiness		
All	Unretired	Retired
1. Family and relationships	1. Family and relationships	1. Health and wellbeing
2. Health and wellbeing	2. Health and wellbeing	2. Family and relationships
3. Finances	3. Finances	3. Finances
4. Leisure	4. Leisure	4. Leisure
5. Working life	5. Working life	5. Working life
6. Vision and future planning	6. Vision and future planning	6. Vision and future planning

Within these categories, there are many issues that can be considered when assessing people's happiness, alongside the basic question of how happy they feel. For the purposes of this research, they include:

- How far people feel they are in control of their own lives and free to make their own decisions
- How far people feel fulfilled in life, and feel they have or will achieve everything they want to
- How content people are with their financial situation
- How happy people are with various aspects of their health, from physical appearance to state of mind
- How content people are with lifestyle considerations such as exercise, diet and sleep
- How content people are with the amount of time they get to spend on hobbies and leisure pursuits

Before these individual questions and more are explored in greater detail within this report, Aviva's Happiness Index examines them collectively and weighs up people's responses against how important they feel each factor is to their overall happiness.

This approach goes beyond simply asking people how happy they feel, but crucially, the findings point to the same conclusions: that happiness increases with age and that retired people are significantly happier than the unretired.

In an age where many people are living and – often – working for longer, these findings offer encouragement that the prospect of growing older and reaching retirement can deliver a payoff that makes the effort worthwhile. That is not to say that a happy retirement can be taken for granted, of course. As this report shows, there are a host of issues for people to consider if they want to increase their chances of joining the 62% of happy retirees or – better still – the 14% of extremely happy retirees.

Expert view



“When we look forward to retirement, happiness is a shared vision and plays a central role in planning for these years. Among those who have already retired, the reality appears to have surpassed expectations in many cases. Health, family and finances form an integral part of happiness in retirement and are key indicators of contentment. However, those of us who are yet to reach retirement should not take our expected happiness for granted, and should put careful thought into what we want to achieve to maximise our fulfilment in later life.”

Alistair McQueen

Retirement and Savings Manager, Aviva



Aviva Happiness Index →

Aviva's Happiness Index measures people's contentment with different aspects of life and how important they feel each one is to their overall happiness.

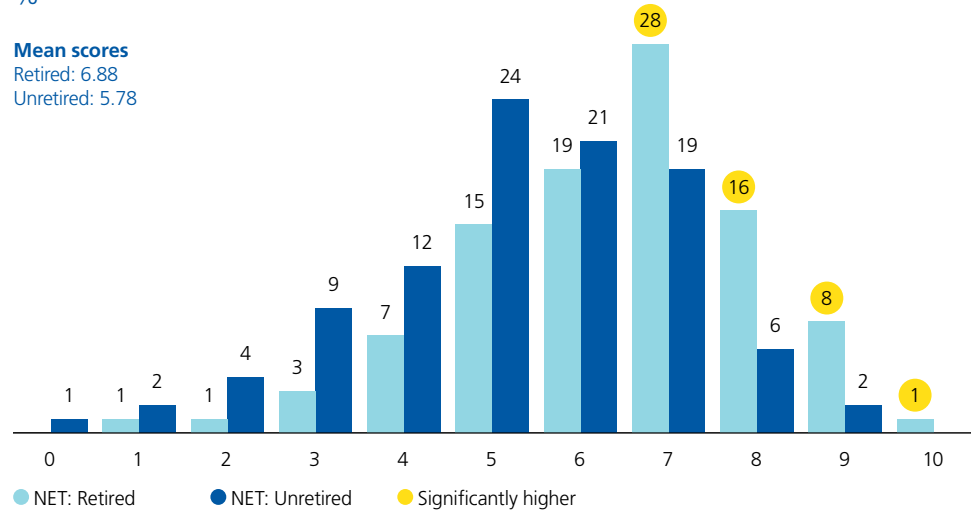
A score of 10 indicates someone in good health, with good financial status, who feels in control and that the most important things in their life are going well.

A score of 0 indicates someone in poor health, with poor financial status, who feels out of control and that the most important things in their life are not going well.

Retired people are significantly happier than the unretired

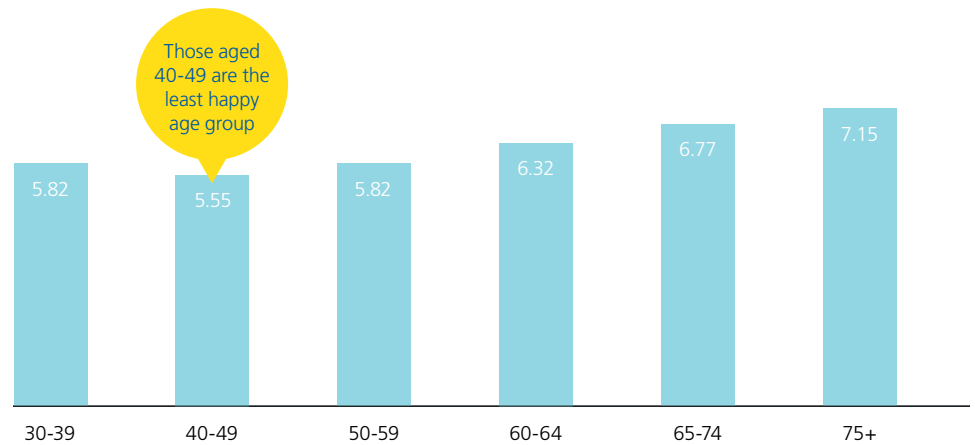
%

Mean scores
Retired: 6.88
Unretired: 5.78



Happiness increases with age

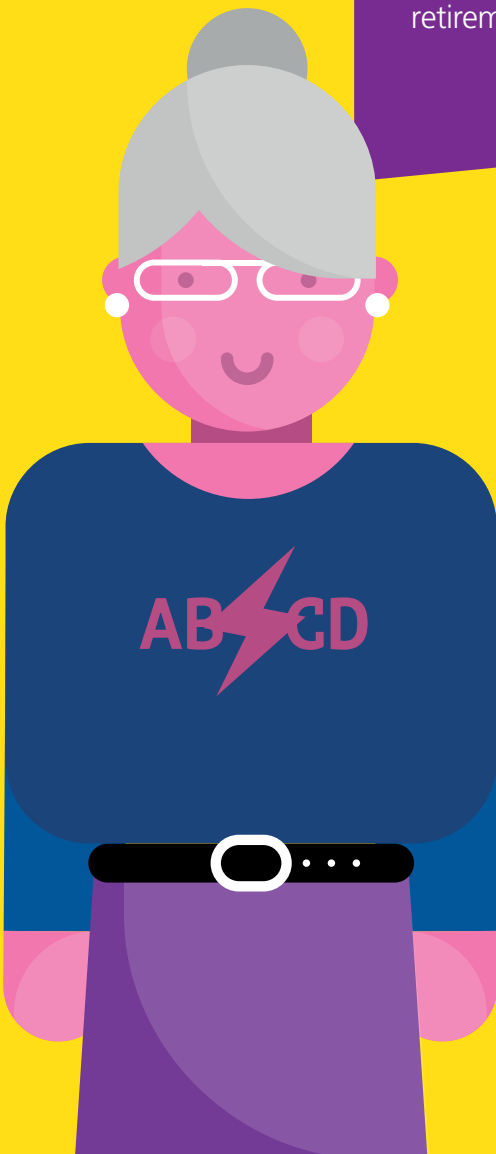
Scale of 0 to 10 where 10 is the happiest and 0 is the unhappiest



1. Vision

Quick read

- Almost four fifths (79%) of retirees feel in control of their lives and free to make their own decisions, compared with half (52%) of unretired people
- Almost two in three (62%) retirees feel retirement is better than they imagined
- Just 34% of the unretired believe life will be quieter when they retire, while one in four (26%) hope to reinvent their life to be more adventurous in retirement
- Tomorrow's retirees are more likely than today's to take a 'do-it-yourself' approach to planning retirement – but many in their 40s and 50s have not done anything to plan ahead
- People are more likely to plan their retirement finances than their retirement lifestyle





Almost four in five retirees (79%) feel in control of their own lives and free to make their own decisions, compared with just 52% of the unretired.

Retirement is often seen as a liberating experience, and Aviva's research shows almost four in five retirees (79%) feel in control of their own lives and free to make their own decisions, compared with just 52% of the unretired. The percentage of retired people who feel in complete control (39%) is twice as high as the percentage of unretired people (17%) who feel the same. In contrast, 5% of unretired people feel they are not at all in control compared with just 2% of retirees.

People are most likely to feel completely out of control in their forties, but from their fifties onwards, this group are outnumbered by those who feel completely in control. Reassuringly, the sense of being in complete control of your own life and decision making peaks beyond the age of 75.

Unsurprisingly, a sense of control is very important to people's happiness: 85% who describe themselves as happy also feel in control of their own lives, compared with just 39% of those who describe themselves as unhappy.

How often do you feel in control of your own life and free to make your own decisions?

%

	Unretired	Retired	Age 30-39	Age 40-49	Age 50-59	Age 60-64	Age 65-74	Age 75+
In complete control	17	39	14	16	19	26	36	46
Mostly in control	35	40	36	32	35	36	42	39
Neither in control or out of control	31	15	34	32	30	25	17	11
Mostly out of control	13	4	11	14	12	9	4	2
Not at all in control	5	2	5	6	4	4	2	1

Fulfilling life ambitions

As with happiness, there is a clear difference between the retired and unretired in terms of how fulfilled they feel in life. Almost two in three (63%) retirees feel fulfilled – including nearly one in five (18%) who feel very fulfilled – whereas just 40% of the unretired feel fulfilled and fewer than one in ten (8%) feel very fulfilled.

Like happiness, people's sense of fulfilment is lowest in their forties and highest from 75 onwards, while those who have been retired longer than 10 years are the most fulfilled (67% vs. 51% overall). Those who have been retired for more than 10 years are also the most likely to feel they have achieved everything they wanted to in life (48% vs. 23% of the unretired).

In contrast, people who are still working but nearing retirement are the most likely to feel they will achieve everything they want to in life (42%), which suggests that approaching this new stage of life boosts their optimism about seizing the opportunity.

How much of their life ambitions have people achieved?

%

	Feel they have achieved everything they want in life	Feel they will achieve everything they want in life
Unretired	23	34
Retired	42	37
Age 30-39	20	41
Age 40-49	18	33
Age 50-59	24	33
Age 60-64	32	33
Age 65-74	39	35
Age 75+	50	38

How important is planning?

In a sign that generational attitudes may be shifting – evidenced by popular concepts like ‘bucket lists’ – the unretired are significantly less likely than the retired to have set no specific goals or aspirations in life: 37% say this applies to them, compared to 46% of the retired.

However, that is not to suggest that today’s retirees have been let down by the experience of retirement. Asked how retirement compares to how they envisaged it before they retired, almost two in three (62%) feel it has been better, including 29% who feel it has been much better. Just 7% feel it has been worse, including just 2% who feel it has been much worse.

Those who started planning for retirement a long time before it arrived are the most likely to feel the experience has significantly exceeded expectations (33%). This compares with 28% of those who started planning just before they retired, and 21% of those who only started planning when they retired.

This highlights the benefits of planning retirement in advance – as does the fact those who didn’t are more likely to find the experience worse than they imagined. More than one in ten (11%) who didn’t plan in advance feel retirement has been worse than expected, compared with just 5% of those who planned well in advance.



Those who started planning for retirement a long time before it arrived are the most likely to find it has been much better than they imagined (33%).

The link between planning and a retirement that exceeds expectations

%

	All	Started planning a long time before retiring	Started planning just before retiring	Didn’t start planning until they retired
Better (all)	62	68	69	48
Worse (all)	7	5	6	11
Feel retirement is much better than imagined	29	33	28	21
Feel retirement is somewhat better than imagined	34	35	40	27
Feel retirement is somewhat worse than imagined	4	4	4	6
Feel retirement is much worse than imagined	2	2	1	5

What do people want from retirement?

Aviva's research supports the view of retirement as a chance for people to do all the things they haven't been able to do before. More than half (53%) of retirees say it has given them this opportunity and 55% of the unretired hope it will do so. However, while 52% of retirees feel life has been quieter since they retired, just 34% of the unretired expect this will be true for them.

Instead, there is a stronger sense of adventure among future retirees: 15% of the retired have reinvented their lifestyle to be as adventurous as possible, but more than one in four (26%) of the unretired hope to follow their example. Just one in three of the unretired (33%) reject this idea, leaving 41% who don't know or are neutral, and therefore open to the possibility of retirement significantly broadening their horizons.



Over half (52%) of unretired people expect to have a similar lifestyle in retirement, yet 49% have not taken any steps to prepare.

What kind of retirement do people expect or want?		
%	Retired – reality	Unretired - expectation
Think retirement has been/will be a chance to do all the things they haven't been able to before	53	55
Think they have/will have a similar lifestyle in retirement	32	52
Think they have/will have a quieter lifestyle in retirement	52	34
Wanted/want to reinvent their lifestyle to be more adventurous	15	26
Wanted/want to reinvent their lifestyle to be as quiet as possible	13	13

How do people plan for retirement?

Comparing the planning approaches of today's retirees to tomorrow's retirees, there are signs of an increasingly 'do-it-yourself' attitude among the latter group. Fewer unretired people have or currently plan to speak to a financial adviser (19% vs. 27% of retirees who did) or make a full financial plan (12% vs. 14%); but they are more likely to write a list of goals and things they want to do in retirement (14% vs. 8%), and go online to do their own research about financial planning (22% vs. 17%) and lifestyle planning (14% vs. 9%).

Nevertheless, Aviva's research shows nearly half (49%) of unretired people have not done anything to prepare for their retirement. Comparing across age groups, 49% of people in their 50s have not done anything, rising to 54% in their 40s: evidence of a major planning gap that casts doubt over how feasible their retirement ambitions are.

Among those nearing retirement, there are signs of greater financial planning with 29% speaking to a financial adviser and 32% doing their own research about financial planning online. However, fewer people in this group have taken steps to plan their retirement lifestyle: 18% have written a list of goals and 20% have gone online to research their lifestyle needs. Despite their imminent retirement, more than one in four (27%) say they have not done anything to prepare.



Among those nearing retirement, 29% have spoken to a financial adviser and 32% have done their own research about financial planning online – leaving a majority who have not.

Will you or have you done any of the following to plan for your retirement?
%

	All adults aged 40-49	All adults aged 50-59	Those who say they are near to retiring
I have not done anything to prepare	54	49	27
Do my own online research about financial planning	20	23	32
Speak to a financial adviser	18	19	29
Speak with friends about planning for retirement	13	18	27
Do my own online research about retirement lifestyle planning	14	14	20
Write a list of goals and things I want to do in retirement	11	13	18
Make a full financial plan	10	12	17
Other	2	2	3

Expert view



“The transition into retirement provides the perfect opportunity to realign or reinvent ourselves and our life following our full-time working career and can be seen as a new beginning. Many of us can spend our earlier working lives with little control over our daily routine, so the opportunity to start a new chapter in later-life is one that should be maximised. Therefore, preparing for retirement is essential to ensure we make the most of these years by setting out what we want to achieve, as well as making sure the right financial planning is in place to do so.”

Alistair McQueen
Retirement and Savings Manager, Aviva



2. Finances

Quick read

- Retirees are significantly more content (55%) with their financial situation than the unretired (30%)
- Almost two in three (65%) who started planning a long time in advance are financially content, compared with just 38% who did no advance planning
- People's ultimate financial ambition is to be comfortable enough to not have to worry about money
- However, the more modest ambition of having enough to live comfortably proves more achievable
- Almost two in three (65%) of the unretired have no intention of moving house in retirement
- Moving abroad in later life is three times more popular among future retirees



Retirement can last 30 years or longer in today’s world, which makes planning for retirement one of the biggest financial tasks people face. A retirement is years in the making and throughout a working life it is one of the many financial considerations people manage at any one time.



More than half (55%) of the retired are happy or very happy with their current financial situation, compared to just 30% of the unretired.



Financial contentment is highest among those who started planning a long time before they retired (65%).

Despite the challenges savers face, it seems the effort is worth it as Aviva’s research highlights that people have a greater sense of financial contentment in retirement than when they are still working. More than half (55%) of the retired are happy or very happy with their current financial situation, compared to just 30% of the unretired.

Men are more likely to feel financially content than women (45% vs. 38%) and contentment is highest among those who have been retired for more than 10 years (61%). This is more than twice the level of contentment among those still working and not nearing retirement (29%), which challenges the stereotype of a long retirement being one of increasing struggles as funds are depleted.

Nevertheless, financial contentment is highest among those who started planning a long time before they retired (65%). Less than one in ten of this group are discontent with their financial situation (9%), compared with 21% of those who only started planning once they retired.

How happy are people with their current financial situation?

	Retired	Unretired	Started planning a long time before retiring	Started planning just before retiring	Didn’t start planning until they retired
Happy or very happy	55	30	65	56	38
Unhappy or very unhappy	13	32	9	11	21

What are people’s financial objectives?

By far the most important financial objective in retirement – whether or not people have reached this stage yet – is to be comfortable enough not to worry about money. Across all adults – both retired and unretired – almost three in four (74%) highlight achieving such a mind-set as one of their main financial goals for retirement.

The second most important objective is having enough money to enjoy a comfortable lifestyle, which 58% of adults identify as a financial goal. In contrast, just 8% cite building a sizeable inheritance fund to leave behind for loved ones as a main objective. Instead, significantly more people are motivated by having the money to support loved ones while they are still around (20%).

Asked whether they have achieved certain financial objectives, 55% of retirees feel they have reached a point where they do not need to worry about money and 62% feel they have enough money to enjoy a comfortable way of life. Compared to the percentage of this group who cited these as a main objective, it suggests enjoying a more comfortable lifestyle is more realistic than becoming entirely free of money worries.

Top five financial ambitions in retirement and how many retirees have achieved them

	People who had/have this objective	Retirees who have achieved this
Being comfortable enough to not need to worry about money	74	55
Having enough money to enjoy a comfortable lifestyle	58	62
Owning my home outright	36	66
Never needing to work again	29	49
Having the money to support loved ones while I'm still around	20	28

More retirees report that they have achieved the two most important financial objectives the longer they have been retired, which could be a sign that it is becoming more difficult for recent retirees. Planning ahead is again revealed to be vital, with those who started this process well in advance reporting far higher rates of having achieved a comfortable lifestyle or rid themselves of money worries.

Achieving key financial objectives increases with age – and hinges on planning ahead

	Recently retired	Retired for under 5 years	Retired for 5-10 years	Retired for more than 10 years	Started planning a long time before retiring	Started planning just before retiring	Didn't start planning until retiring
Being comfortable enough not to need to worry about money	46	50	52	61	66	56	36
Having enough money to enjoy a comfortable lifestyle	57	59	60	65	72	64	43



Among people who are yet to retire, 65% have no intention to move house in retirement.

Where people choose to live in retirement

The majority of people are firmly attached to the idea of remaining in their current home in retirement. Among those who are yet to retire, 65% have no intention to move house in retirement, although this is slightly lower than the 70% of retirees who have actually remained in their house since retiring.

Inevitably, the likelihood of having moved house increases the longer people have been retired. Just 17% of those retired for less than five years have done so, but this reaches 40% among those who have been retired for over a decade.

The desire to move in retirement

	%	
	Those who have moved in retirement or intend to	Those who have not moved in retirement or don't intend to
Unretired	35	65
Retired	30	70
Age 30-39	34	66
Age 40-49	36	64
Age 50-59	35	65
Age 60-64	24	76
Age 65-74	28	72
Age 75+	37	63

Among the third of people who have moved or intend to move in retirement, the most common choice is to move elsewhere within the UK (39% cite this preference) rather than stay within the local area by moving up to 10 miles from their current home (32% prefer this option) or remaining in the same county (17% prefer this choice).

However, comparing attitudes to moving abroad gives a sign of how future generations' retirement horizons may be changing. Among those planning to move in retirement, just 5% of the retired have moved abroad but more than three times as many of the unretired – 17% – plan to do so. Across all respondents, this amounts to 2% of retirees having moved abroad and 6% of those who have not yet retired wanting to do so.

As for the reasons why people choose to move, the desire to live in a smaller property is the most popular factor cited by 56%, ahead of moving to the countryside (25%), seaside (23%) or nearer to family (21%). The retired are more likely than the unretired to be motivated to move nearer to family – although they are also more inclined to move further away from them!

The unretired are more motivated by the appeal of a seaside or country location, as well as by moving abroad. Interestingly, a higher percentage think they will move into a retirement village than the percentage of retired people who have done so (8% vs. 5%), which may be a sign of changing attitudes to this type of accommodation.

**Where do people intend to move or have moved in retirement?
Those who have moved or plan to
%**

	All	Retired	Unretired
To live in a smaller property	56	56	57
To live in the countryside	25	23	26
For a seaside location	23	14	29
To be closer to family	21	29	16
To be further away from family	11	16	8
To move abroad	11	5	17
To live in a larger property	10	14	7
For a city location	7	8	6
To move into a retirement village	6	5	8
To be closer to friends	5	6	5
To move into an assisted living development	4	4	4

Expert view



“Being comfortable enough to not worry about money is a main objective for those nearing retirement and although this might not be entirely achievable for everyone, defining what is most important to us is a good place to start. Although it may be a dream for some to move abroad in retirement, others have more modest ambitions of moving closer to family, friends or to new surroundings, even if the majority of those retiring plan to stay put. By planning ahead for any ambitions which impact on our finances, we can have a much clearer picture of how far our horizons can potentially stretch when we reach retirement.”

Alistair McQueen
Retirement and Savings Manager, Aviva



3. Relationships

Quick read

- Support networks grow stronger in retirement – more than half (52%) of retirees can rely on four or more people in times of need, compared with 41% of unretired people
- Retirees have less contact with family, but are more content with this situation than the unretired
- Despite worries about loneliness, retirees are also more content with the amount of time spent alone
- People underestimate the value of new friends made in retirement, who are treasured more than friends made at work or through children
- Almost one in ten (9%) regard a new partner found in retirement as important to their happiness



Most people can count on one hand the number of close contacts they can rely on in a time of need. The average number of people that can be relied on in difficult times is four, with 48% of adults saying they can only rely on one to three people.

However, Aviva's research suggests that support networks grow stronger in retirement. Just 4% of retired people have no-one they can rely on, compared to 7% of unretired people. More than half (52%) of retirees can rely on four or more people, compared with just 41% of unretired people, and 13% of retirees can rely on eight or more people. Just 8% of the unretired can say the same.

How many people can you rely on, without hesitation, in a time of need?			
%			
	All	Unretired	Retired
None	5	7	4
1 – 3	48	52	44
4 – 7	36	33	39
8 – 10	7	5	9
11+	4	3	4
Average	4.2	3.9	4.5

Retirement brings contentment with family time

Retired people are also more likely to interact with friends more frequently than those who are not yet retired, as retirement provides the opportunity to pursue an active social life. Just 7% of retirees do not speak to or see their friends during an average week, compared to 10% of the unretired.

Retired people have slightly fewer interactions with family, perhaps as fewer relatives are still living with them. The 7% of retired people who do not speak to family members at all in an average week is one percentage point higher than the unretired (6%). However – as might be expected – retirees are more often in contact with neighbours and acquaintances.

How many times a week do you have conversations or social interaction with the following?		
%		
	Retired	Unretired
Family	3.3 (7)	3.5 (6)
Friends	2.8 (7)	2.7 (10)
Work colleagues (past/present)	0.6 (59)	3.4 (12)*
Neighbours and acquaintances	2.5 (8)	1.9 (17)

Figures in brackets show the percentage who do not have this interaction each week.

* This is likely to be reduced from five days a week by those people who are unretired and not working, as well as those who work from home, out of the office or are self-employed or sole traders, whose lives days do not necessarily involve daily contact with colleagues

Despite their less frequent contact, retired people nonetheless report higher levels of contentment with the time they spend with family: both remotely and in person. Three in four (75%) are happy with time spent with family in person, compared with 62% of unretired people. Similarly, 58% of retirees are happy with the time they spend with family remotely – for example, on the phone or via Skype – compared to just 46% of the unretired.

There is an even greater contrast between how happy retired and unretired people are with the time they spend with friends in person. Over seven in ten (73%) retirees are happy with this, compared to just 53% of unretired people: a 20 percentage point difference.

Loneliness is often discussed as a major challenge to overcome in retirement. However, Aviva's research suggests retired people are also happier (77%) than unretired people (68%) with the amount of time they spend alone, which is encouraging given the damaging effects loneliness can have on people's health.



Over seven in ten (73%) retirees are happy with the time they spend together with friends.

Contentment with time spent with family, friends and alone			
%	% who are happy with the amount of time spent with the following		
	All	Unretired	Retired
Family (in person)	68	62	75
Family (remotely)	51	46	58
Friends (in person)	63	53	73
Friends (remotely)	50	44	55
On my own	73	68	77

Importance of friends made in retirement

Close family contribute the most to people's happiness in retirement, when looked at through the relationship lens. When asked how important certain relationships are, or will be, to their happiness in retirement, 71% rate a partner or spouse as important, while 66% say the same for their children and grandchildren.

However, lifelong friends also play a key role. Over half (56%) rated friends they have known their whole lives as important to their happiness in retirement, while 48% did the same for their brothers and sisters and 44% did so for other family members. The older someone is, the more likely they are to rate lifelong friends as important to their happiness in retirement: 60% of over-75s fall into this category compared to 52% of 40-49s.

Those who are widowed find particular comfort in their friends: 63% of this group rate lifelong friends as important to happiness in retirement compared to 52% of single people.

Just over one in three (35%) of the unretired expect new friends made in retirement to contribute to their happiness. However, among those who are already retired, this rises to 43%, suggesting people underestimate the role new friends made in retirement can play. Overall, new friends made in retirement are rated as more important to happiness than neighbours or friends made either through work or through children.

Although it ranks lowest of the options included in Aviva's research, 9% of retirees – almost one in ten – rate a new partner found in retirement as important to their happiness. This seems particularly encouraging for anyone who finds themselves seeking a new relationship later in life.



Retired people rate new friends made in retirement as more important to their happiness than friends made through work or through their children.



9% of retirees rate a new partner found in retirement as important to their happiness.

How important are the following relationships to your happiness in retirement?

	All	Unretired - expected	Retired – reality
A partner/ spouse	71	71	72
Your children/ grandchildren	66	61	72
Friends you have known all your life	56	55	57
Your brothers and/or sisters	48	51	45
Other family members	44	45	43
New friends you expect to make/have made in retirement e.g. through shared interests	39	35	43
Pets	36	42	29
Neighbours	29	27	31
Friends you made at work	26	27	26
Friends you made through your children	20	20	20
Colleagues / ex-colleagues	19	19	19
Acquaintances in the local community	18	18	19
A new partner you expect to find/have found in retirement	–	–	9

Children are staying in the nest for longer

As house prices rise and deposit requirements become more onerous, many children are staying in the family home for longer. On average, 9% of retired people with children say they have not moved out. In a sign of this being an increasing trend, it is most common among those who have retired recently (21%) or have been retired for less than five years (13%).

This trend could be detrimental not only to the children who cannot afford their own home, but to their parents too. Almost a quarter (23%) of people whose children have moved out experienced relief and excitement that they have more time and space to themselves. This slightly outweighs the one in five (20%) who worried their children might not visit or stay in touch as much as they would like.

However, children moving out of the family home isn't a stress-free experience. Almost three in ten (28%) of those who have experienced this felt concern that their children wouldn't be able to manage on their own. Nearly one in six (15%) regret getting older and being 'left behind' by their children, while 13% are lonely or sad that their family life has come to an end. This is most keenly felt by divorced (21%), single (19%) and widowed (16%) parents.

What emotions did people experience when their children moved out of the family home?

Concern that my children struggle to manage on their own	28
Relief and excitement that I have more time/ space to myself	23
Worry that my children don't visit or stay in touch as much as I'd like	20
Regret that I'm getting older and have been left behind	15
Lonely and sad that our family life has changed/come to an end	13

Expert view



“As a new chapter opens with retirement, relationships with friends and family take on a different shape as lifestyle changes come into play. It is often feared that retiring will bring loneliness and loss of regular contact, however our research suggests it is more common for stronger relationships to be formed and we increasingly treasure our own time. Retirement also gives us more time to reconnect and reinforce lifelong friendships.”

Alistair McQueen

Retirement and Savings Manager, Aviva



4. Work

Quick read

- Retirees who work are far more content and fulfilled with the work they do than the unretired
- More than one in three (36%) 'retirees' who still do paid or unpaid work find it more fulfilling than their earlier career
- An entrepreneurial spirit among future retirees means one in five (20%) retirement work plans involve them setting up their own business
- People expect to miss the money more than anything when they stop working; reality suggests this is less important today than the sense of satisfaction and importance people take from work
- People also think money is the most likely factor to keep them working in retirement – but retirees who work are more motivated by feeling challenged and fulfilled.



The end of the Default Retirement Age (DRA) has ushered in a new era of wider opportunities for people to work beyond the age of 65. This trend is sometimes portrayed as being driven by basic needs as people find they simply have to work longer before they can afford to retire.

However, Aviva’s research paints a rosier picture of retirement being a time when people can also take more enjoyment from their working lives, with today’s working retirees driven less by money than by the challenge and satisfaction they take from the experience.

How are retirement work patterns changing?

Almost one in four of today’s retirees (24%) had plans to do paid or unpaid work in retirement, whether this means continuing to work part-time without fully leaving work, starting other work after taking time out, starting up their own business, volunteering or doing unpaid work. Slightly fewer unretired people have such plans (22%) but significantly more of them are open to the possibility of working in retirement. One in three (33%) are uncertain about their retirement work plans, compared to just 2% of retirees who said the same applied to them.

With just 45% of the unretired not planning to work at all once they retire – compared with 73% of retired people who felt the same – work plans have become a far more common consideration for future retirees.



73% of today’s retirees had no plans to work once they retired; just 45% of the unretired say the same

More people are open to working during their retirement in future		
%	Retired	Unretired
Did/do not plan to do paid or unpaid work in retirement	73	45
Planned/plan to do paid or unpaid work in retirement	24	22
Not sure about their plans to work in retirement	2	33

Among those who plan to work on, just 3% of retirees have done so by setting up their own business. In contrast, one in five (20%) of the unretired want to take this opportunity, suggesting a strong entrepreneurial spirit among future retirees. Volunteering or doing unpaid work also looks like becoming a more popular feature of retirement: 16% of working retirees have taken this up for the first time since retiring, but 25% of the unretired plan to do so.

How fulfilling is work in retirement?

Aviva’s data suggests people’s happiness at work is far higher in retirement than during their main working life. Among those who do paid or unpaid work, 78% of people who consider themselves ‘retired’ feel content with their current job and general working life – far higher than the 44% of unretired people who say the same.

The same applies to the fulfilment people get from the work they do: 78% of retirees who still do some form of paid or unpaid work find it fulfilling, while less than half of the unretired (47%) who work can say the same. Unretired people are four times more likely to feel discontent with their job and general working life (20% vs. 5%) and more than five times more likely to feel unfulfilled by the work they do (23% vs. 4%).

Retirees have it best when it comes to feeling content and fulfilled by the work they do
%

	Retired	Unretired
Content or very content at work	78	44
Fulfilled or very fulfilled at work	78	47
Discontent or very discontent at work	5	20
Unfulfilled or very unfulfilled at work	4	23

Among those who work, contentment and fulfilment both increase after people 'retire', and peak when people have retired for 10 or more years. This may be a sign that people feel increasingly liberated by having left their main working life behind. It also suggests that those who still work later in life can do so willingly rather than reluctantly, and can be motivated by choice rather than necessity.

More than one in three retirees who work (36%) find the work they do in retirement more fulfilling than their earlier experience of working life. Fewer than one in five (19%) find retirement work less fulfilling, with men and women in equal agreement on both points.

Working gets better over time for those who work
%

	Still working and not near retirement	Still working but nearing retirement	Recently retired	Retired for under 5 years	Retired for between 5-10 years	Retired for more than 10 years
Content or very content at work	43	46	66	78	77	80
Fulfilled or very fulfilled at work	46	51	69	76	79	81



More than one in three retirees who work (36%) find the work they do in retirement more fulfilling than their earlier experience of working life.

Why do people work in retirement?

Money is by far the most common driver among those unretired people who plan to work in retirement, with almost two in three (65%) citing this as a main motivation to carry on working. Yet among retirees who still work, just 23% feel money is one of their main motivations.

In one respect, this could be another sign that future retirees expect to have a greater need to work for money, perhaps because of their longer predicted life expectancy and most will not enjoy the generous final salary pensions that some of today's retirees have had. Alternatively, it could suggest that money sometimes proves less important than people think it will be and that they find other reasons to carry on working. The data also suggests having a daily routine becomes less of a factor than people expect: just 9% of working retirees cite this motivation, compared with 37% of the unretired.

Instead, 41% of retirees who work are motivated to give themselves new challenges or experiences, while only 30% of the unretired anticipate working on for this reason. Having a sense of importance or role to play also takes on more significance: 34% of working retirees do so for this reason, compared to 32% of the unretired who think they will do.

Money and having a daily routine are less important motives to work among today's working retirees

	Unretired – expected	Retired – reality
The money	65	23
Satisfaction/fulfilment from the work involved	54	48
Having a daily routine	37	9
Having a sense of importance or role to play	32	34
Giving myself new challenges/experiences	30	41
My friends and colleagues at work	16	9

Comparing levels of happiness, people who are happy are more likely to work in retirement for a sense of satisfaction or fulfilment (53% vs. 46% of the unhappy) and to give themselves new challenges (39% vs. 29% of the unhappy). In contrast, people who are unhappy are more likely to be motivated by money (52% vs. 36% of the happy) and by having a daily routine (25% vs. 17% of the happy).

What aspects of work do people miss the most?

While work clearly provides a major source of satisfaction in retirement, it is worth noting that 58% of retirees who used to work say they do not miss anything about the experience. Asked what appeals most about not working in retirement, a sense of freedom is the most common answer. Almost half (44%) of unretired people identify this as something they are looking forward to, and 45% of those who are already retired agree.

The diminishing importance of money is also apparent in the aspects of work that people do miss once they finish work, at least for today's retirees. Before retiring, people are most likely to think they will miss the money they earn (65%), followed by work friends and colleagues (36%) and having a daily routine (33%). But once people retire, money is no longer seen as the most important aspect of their working life: among those who say they miss work, just 43% identify money as an aspect they miss most.

What retirees miss about work and what do those who are not yet retired expect to miss?

	Retired – reality	Unretired – expected
Friends and colleagues at work	67	36
Satisfaction/fulfilment from the work itself	49	23
Having a sense of importance or role to play	45	21
The money	43	65
Giving myself new challenges/experiences	21	10
Having a daily routine	20	33

Instead, personal relationships take on much more significance. More than two in three (67%) retirees identify friends and colleagues as an aspect of work they miss more than others. They are also more likely to miss the satisfaction and fulfilment they took from work (49%) and having a sense of importance or a role to play (45%). The contrast suggests that it is only once people have retired that they fully appreciate the value of the social contact and personal fulfilment they took from work.

Personal relationships at work are more sorely missed than money			
Top five aspects of work people expect to miss when they retire		Top five aspects of work people actually miss once they retire	
The money	65	Friends and colleagues at work	67
Friends and colleagues at work	36	Satisfaction/fulfilment from the work itself	49
Having a daily routine	33	Having a sense of importance or role to play	45
Satisfaction/fulfilment from the work itself	23	The money	43
Having a sense of importance or role to play	21	Giving myself new challenges/experiences	21

Expert view



“Working can take on a new meaning in retirement as money and having a routine establish a different importance and there can be opportunities to pay more attention to being fulfilled. Developing our innate strengths and focussing on what we love to do are habits which are often apparent among those who work in retirement, and can lead to greater contentment among those who choose to pursue part time work during these years.”

Alistair McQueen
Retirement and Savings Manager, Aviva



5. Health

Quick read

- Over half of retirees (54%) have made more of a conscious effort to be healthy since they retired
- Retired people report greater contentment with their diet, exercise and sleep patterns
- 57% of retired people feel physically well, compared with just 51% of those who are unretired
- Over-65s average the most exercise per week and are most content with the amount of exercise they do
- Women are more concerned than men about the top four health worries





Over half (54%) of retirees have made a more conscious effort to be healthy since they retired.

Retirement is often associated with diminishing health and wellbeing, but Aviva’s findings challenge the perception that this period in life is overly fraught with health concerns and uncertainty. Perhaps surprisingly, those who are retired tend to be more positive about their general health than those who are yet to retire.

With over half (54%) of retirees making more of a conscious effort to be healthy since they retired, it seems clear that these efforts – coupled with a release of pressure from earlier in life – have left them with a more upbeat outlook on health.

How does health hold up in retirement?

When it comes to health matters, retired people report higher levels of contentment than unretired people, with the biggest differences relating to diet and sleep. More than two in three (66%) retirees are content with their diet, compared to just 48% of unretired people, while 53% of retirees are content with their sleep patterns compared with 39% of unretired people. Overall attitudes to general health are more consistent: 53% of retirees are content with theirs, as are 50% of the unretired.

How content are you with the following areas of your health?				
	Content		Discontent	
	Retired	Unretired	Retired	Unretired
General health	53	50	23	22
Exercise	45	39	25	27
Diet	66	48	11	18
Sleep	53	39	21	29

Comparing different phases of the transition into retirement shows more stark contrasts between the way people feel while in work and feelings of wellbeing in retirement. People are more likely to eat healthily the longer they have been retired, and after 10 years of retirement is the time when they are most likely to be a healthy weight (52%).

Physical and mental wellbeing

The feeling of being physically ‘well’ is most common among those who have been retired for under 5 years (61%) and is no less common among those who have been retired for more than ten years (56%) than among those who are still working and not near retirement, despite their age differences. Overall, 57% of retired people say they feel physically well, compared with 51% of those who are unretired.

Aviva’s findings also show mental health improves rapidly as retirement nears: the 57% of working people not near retirement and reporting good mental health increases to 65% when they get near to retirement. While 78% of retired people in our sample said they feel ‘well’ in themselves mentally, just 55% of people who are yet to retire say the same.

The positive effect of retirement on health and wellbeing

%

	Retired	Unretired	Age 30-39	Age 40-49	Age 50-59	Age 60-64	Age 65-74	Age 75+
Eat healthily	78	59	52	50	62	69	76	85
Exercise regularly	43	43	50	42	43	42	44	42
Fit enough for everyday activities	68	64	63	61	62	70	69	70
Are a healthy weight	50	43	48	41	41	42	49	56
Feel 'well' in myself physically	57	51	48	47	51	55	59	58



Retired people clock up 5.3 hours of exercise a week on average compared to 4.8 hours pre-retirement.

Who exercises the most?

Physical fitness is a key barometer of health and can be hard to maintain without exercise. The fact that retired people are more likely to report feelings of both mental and physical wellbeing is likely to be linked to the fact they average half an hour of extra exercise a week than the unretired: clocking up 5.3 hours a week compared to 4.8 hours pre-retirement. While 21% of unretired people do no exercise each week, this falls to 19% among those who have retired and find they have more time to exercise, even if what people define as 'exercise' may also change as they age.

Comparing the exercise habits of different age groups, it is beyond the age of 65 when people average the most hours of exercise per week and – with the exception of the 30-39 age group – are least likely to do no exercise at all. Between the ages of 60 and 64, almost one in three people exercise for an hour per day or more, compared with fewer than one in four (22%) during their forties.

The findings suggest that as people age, their focus on taking practical steps to improve or maintain their health improves – as does their contentment with the amount of exercise they do. Those aged 65 or above are most content in this respect, which is not surprising given they average more hours of all forms of exercise a week than any other age group.

Exercise habits and how content people are with the exercise they do

	Retired	Unretired	30-39	40-49	50-59	60-64	65-74	75+
Average hours of exercise per week	5.3	4.8	5.0	4.6	4.9	5.1	5.2	5.2
% who do not exercise at all	19	21	12	21	23	22	19	19
% who exercise for at least one hour a day	31	25	23	22	27	31	31	29
% content with the amount of exercise they do	45	39	44	37	38	40	45	48

Keeping up appearances

As well as working to improve their health, today's retirees spend money on a range of health and beauty related items, with regular hair appointments, vitamins and makeup being the most common. They are more likely than unretired people to spend on hair appointments, and less likely to spend money on do-it-yourself hair colour treatments. This may be a benefit of having more time to fit in such appointments, as they are also more likely than unretired people to spend on manicures and pedicures.

Comparing the current behaviour of unretired people to their intentions once they retire, there are signs that more people plan to treat themselves to manicures, pedicures, facials or luxury skincare, massages and Botox or other anti-ageing treatments. All of these come with a cost that makes it important for them to factor room into their retirement budgets to afford these types of luxuries.

More plan to spend money on luxuries in retirement than are currently spending before retirement

%

	Retired – currently spend money	Unretired – currently spend money	Unretired – plan to spend money in retirement
Regular hairdressers / barbers appointments	45	39	42
Vitamins	29	29	31
Make-up	19	28	24
Hair colour treatments you do yourself	10	22	20
Manicures/pedicures	9	6	10
Facials or luxury skincare (male or female)	4	7	9
Massages	4	6	12
Treatments such as waxing and eyebrow shaping	3	7	7
Beard styling / professional clean shave	1	2	2
Botox or other anti-ageing treatments	0	1	3
None of the above	35	33	32

How do health fears change over time?

Despite retirees feeling healthier in themselves and making lifestyle adjustments to improve their wellbeing, later life can inevitably become a troublesome time for maintaining health. Experiencing cancer (53%), a stroke (38%) or going blind (36%) were the three top health fears among our sample of adults over the age of 30.

While cancer is a consistent worry among the retired and unretired, the percentages worried about a stroke, going blind or having mobility problems understandably increase in retirement.

Which health issues do people fear the most?					
%					
	All	Retired	Unretired	Male	Female
Cancer	53	52	54	50	56
Stroke	38	44	32	35	41
Going blind	36	38	34	34	38
Having mobility problems	28	31	26	25	31
Having heart problems	26	26	26	28	24
Having breathing problems	11	11	11	10	12
Going deaf	7	7	7	7	6
Being overweight	7	6	8	6	8
Diabetes	6	6	6	6	5
Other	6	6	6	5	6
Developing cataracts	2	3	2	2	3
Don't know	12	11	14	14	11

Comparing the top five concerns, it is noticeable that cancer is more feared by women (56%) than men (50%), possibly caused by increasing awareness of breast cancer among middle-aged to elderly women. Women are also more concerned about strokes (41% vs. 35% of men), going blind (38% vs. 34% of men) and experiencing mobility problems (31% vs. 25% of men). On the other hand, men are more fearful of having heart problems than women (28% vs. 24%).

Expert view



“The relationship of health and happiness during retirement are strongly intertwined as both physical and mental health form a key part in our sense of satisfaction in life. Unfortunately retirement comes with increasing health fears and as we become older, these health fears become more apparent. By exercising more regularly and maintaining our health before and during retirement, we can make a considerable impact on our overall wellbeing and keep ourselves on track for a positive retirement.”

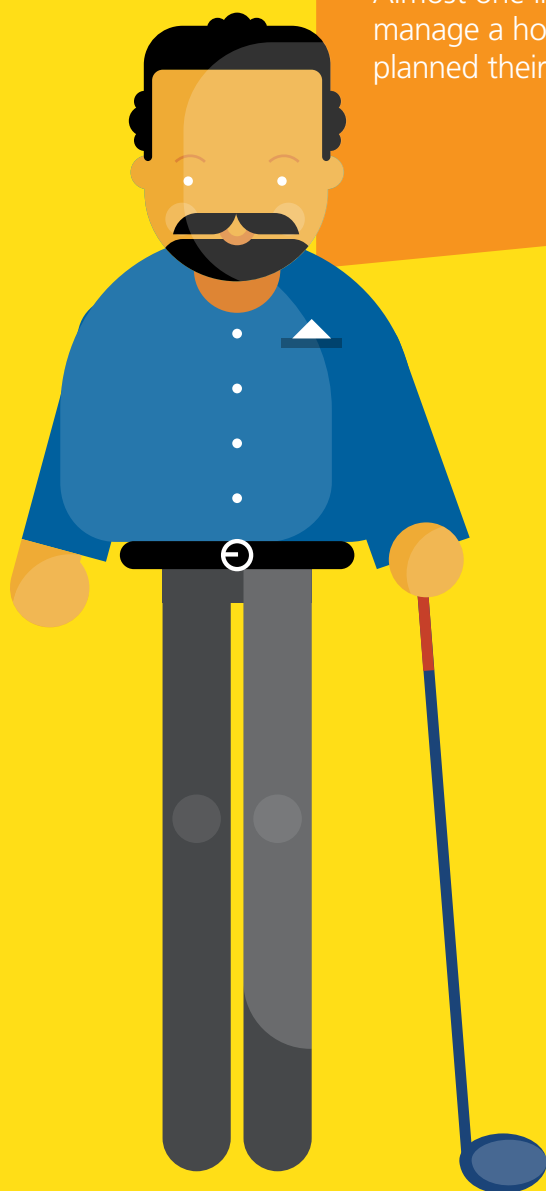
Alistair McQueen
Retirement and Savings Manager, Aviva



6. Leisure

Quick read

- Retirees are three times more likely than the unretired (73% vs. 42%) to be happy with the time they spend on leisure activities
- More than one in three (34%) over-75s are fit enough to list walking or hiking as a current hobby
- Future retirees show greater appetite to extend their love of extreme sports, watersports and distance running into retirement
- Today's retirees holiday for an average of 4.3 weeks a year – but future generations who currently work have set their sights on six weeks of holidays
- Almost one in three (31%) retirees who didn't plan ahead don't manage a holiday each year, compared with just 15% who planned their retirement well in advance





Almost three in four (73%) retirees are happy with time spent on leisure activities, compared to just 42% of unretired people.

One of the fundamental attractions of retiring is having more time to spend on the things you love. Aviva's research backs up this point and shows that retired people are significantly happier than those who are not yet retired with the opportunity they get to enjoy hobbies, sports and similar leisure activities.

Almost three in four (73%) retirees are happy with time spent on leisure activities, compared to only 42% of the unretired. Retirees are also three times more likely to be very happy with the amount of leisure time they get (36% vs. 12%). The older people are, the happier they become with the time they can dedicate to exploring their own interests: past the age of 65, those who are content with their leisure time outnumber those who are discontent by more than ten to one.

Contentment with time spent on leisure pursuits								
%	Retired	Unretired	Age 30-39	Age 40-49	Age 50-59	Age 60-64	Age 65-74	Age 75+
Content with time spent on leisure pursuits	73	42	38	35	46	59	71	75
Discontent with time spent on leisure pursuits	7	18	21	19	17	12	7	7

What retirement hobbies are most common?

On the surface, there is little difference between retired and unretired people in terms of the most common hobbies or leisure pursuits they follow. The five most common hobbies among retirees rank in exactly the same order as for the unretired, with the key difference being the percentage of people who get involved with each.

Understandably, people become more likely to spend their leisure time reading, writing and pursuing domestic or artistic hobbies once they have retired, while retirees are only half as likely to list cycling as a hobby as the unretired. Given that retired people claim to spend more time exercising than unretired people, this may be a sign that their exercise habits become less strenuous in later life.

There is greater contrast between the most common hobbies of 30-39 year olds compared with over-75s, although the top three leisure pursuits are the same. Again, the key differences relate to physical activities: the popularity of running and cycling in people's thirties is overtaken by the appeal of artistic hobbies and golf once people pass the age of 75.

Walking or hiking also becomes a less common pursuit beyond the age of 75, although it is a sign of people's enduring health in retirement that more than one in three (34%) over-75s still list this as a current hobby.

Comparing the top five hobbies or leisure pursuits at different stages of life

Unretired		Retired	
Reading/writing	59	Reading/writing	67
Domestic hobbies e.g. baking/gardening	49	Domestic hobbies e.g. baking/gardening	56
Walking/hiking	42	Walking/hiking	42
Painting/photography/art	15	Painting/photograph/art	18
Cycling	15	Cycling	7
Aged 30-39		Aged 75+	
Reading/writing	50	Reading/writing	68
Walking/hiking	41	Domestic hobbies e.g. baking/gardening	57
Domestic hobbies e.g. baking/gardening	40	Walking/hiking	34
Running (jogging/short distance)	24	Painting/photography/art	18
Cycling	21	Golf	9

Staying active and seeking new challenges

Running or jogging short distances falls short of the top five pursuits in later life, but while its popularity peaks at 24% among 30-39s, one in twenty (5%) 60-64 year olds still pursue this activity. As well as staying physically active, older people also make efforts to keep their minds active: 5% of people between the ages of 60 and 74 list education or studying as a current hobby, rising to 6% among the over-75s.

The close correlation between the most popular hobbies of retirees and the unretired suggests they are lifelong passions for many people, which they carry with them on the journey into retirement. However, Aviva's research also demonstrates that retirement is a chance to explore new interests for the first time.

Among current retirees, 17% have taken up domestic hobbies for the first time since retiring; 15% did the same with walking or hiking; 13% have begun reading or writing as a hobby for the first time; and 7% have used the opportunity to take up artistic hobbies from scratch.

Top five hobbies taken up for the first time during retirement

Domestic hobbies e.g. baking/gardening	17
Walking/hiking	15
Reading/writing	13
Painting/photography/art	7
Cycling	3
Education/studying	3

When looking ahead to their retirement years, most unretired people believe their hobbies will be reading or writing (64%), domestic hobbies (55%) or walking or hiking (52%) which reflects how those currently retired spend their spare time. However, with significant numbers of unretired people keen to reinvent their lives in retirement to be more adventurous, there are also signs that future generations are intent on making the most of their physical health by maintaining more active pursuits or taking them up for the first time.

For example, 2% of the unretired list extreme sports such as skydiving, bungee jumping or rock climbing as a hobby and the same percentage plan to do this once they retire (fewer than 1% of current retirees have this hobby). While 1% of current retirees enjoy snorkelling, sailing, rowing or waterskiing, 4% of the unretired want to do these activities in retirement.

One in ten (10%) of the unretired currently run short distances or jog, and 8% want to do so in retirement (just 2% of today's retirees do so). And it appears the 3% of unretired people who run long distances or marathons have no intention of stopping once they retire, with exactly the same proportion planning to do so in retirement.

How might leisure pursuits change for future retirees?

How might leisure pursuits change for future retirees?			
%			
	Hobbies retired people currently have	Hobbies unretired people currently have	Hobbies unretired people want once they retire
Reading/writing	67	59	64
Domestic hobbies (baking/gardening etc.)	56	49	55
Walking/hiking	42	42	52
Painting/photography/ art	18	15	21
Golf	7	5	8
Cycling	7	15	17
Education (university/college course/local adult education etc.)	5	8	13
Running (jogging/short distance)	2	10	8
Tennis/Badminton	2	6	7
Watersports (snorkelling/sailing/ rowing/waterskiing)	1	3	4
Running (long distance/ marathons)	–	3	3
Extreme sports (skydiving/bungee jumping/rock climbing etc.)	–	2	2



Retirees who started planning retirement long before they retired spend two weeks longer on holiday than those who waited until they retired.

How many weeks do people spend on holiday in retirement?

The growing spirit of adventure among tomorrow's retirees is also evident in their holiday plans. Currently, retired people estimate they spend an average of 4.3 weeks a year on holiday, almost 60% longer than the 2.7 weeks averaged by people who are not yet retired.

Comparing age groups and different stages of retirement, holiday patterns peak beyond the age of 75 or when people have been retired for more than 10 years. Those who fall into either category estimate they spend 4.5 weeks away every year.

Aviva's research also emphasises the importance of planning ahead to achieve a more enjoyable retirement. People who started to plan long before they reached retirement subsequently get to spend an average of five weeks on holiday a year: a fortnight longer than people who only started planning once they retire. While 15% of advance planners do not manage to spend any time on holiday, this soars to almost one in three (31%) who left their retirement planning until they retired.

How holiday patterns vary based on people’s approach to planning

	All retirees	Retirees who planned a long time before they retired	Retirees who started planning just before they retired	Retirees who didn’t start planning until they retired
Average weeks spend on holiday	4.3	5.0	4.5	3.0
% who spend no weeks on holiday	19	15	13	31

However, today’s holiday habits are surpassed by the expectations of the unretired, who have ambitions to spend an average of 6.3 weeks away each year once they retire. This is almost 50% more than the 4.3 weeks today’s retirees spend on holiday and more than double the 2.7 weeks that unretired people currently manage.

Those who are currently working are even more ambitious and have their mind set on seven weeks of holidays once they retire. People aged 30-39 are the most ambitious of all: nothing less than eight weeks of holiday a year on average would satisfy their ambitions for retirement.

Given how holiday patterns in retirement vary based on people’s approach to planning, it emphasises the importance of thinking ahead and taking steps to ensure that these aspirations are genuinely affordable.

Expert view



“As a full-time working life comes to an end, most of us hope to maximise our leisure time as we transition into retirement which can in turn lead to a greater sense of physical and mental wellbeing. The typical retiree tells us they hope to increase the time they spend on activities such as reading, writing, walking and cycling. However, there is also a growing appetite among a small percentage of enthusiasts for less conventional hobbies in retirement such as extreme sports or long distance running, which are more popular among younger generations. This shows that more of us looking ahead at retirement see these years as an opportunity to try new things and have new experiences, as well as holding onto those existing pursuits that bring us the most pleasure.”

Alistair McQueen
Retirement and Savings Manager, Aviva



Comparing the retired to the unretired

How the experiences and attitudes of the retired and unretired measure up				
%				
	Retired	Unretired	% difference between retired and unretired	15 areas where difference is greater than 50%
Happiness				
Feel extremely happy	14	7	+100	*
Feel quite happy	47	36	+31	
Vision				
Feel in complete control of their lives and decisions	39	17	+129	*
Feel completely out of control of their lives and decisions	2	5	-60	*
Feel fulfilled or very fulfilled	63	40	+58	*
Feel they have achieved everything they want to in life	42	23	+83	*
Think retirement has been/will be a chance to do all the things they haven't been able to do before	53	55	-4	
Have used/will use retirement to reinvent their lifestyle to be more adventurous	15	26	-42	
Finances				
Feel happy or very happy with their finances	55	30	+83	*
Have moved or intend to move in retirement	30	35	-14	
Have or want to stay in their current home in retirement	70	65	+8	
Have/want to move abroad in retirement	2	6	-66	*
Relationships				
Content with the amount of time they spend with family – in person	75	62	+21	
Content with the amount of time they spend with family – remotely	58	46	+26	
Content with the amount of time they spend with friends – in person	73	53	+38	
Content with the amount of time they spend with friends – remotely	55	44	+25	
Feel a partner/spouse is/will be important to their happiness in retirement	72	71	+1	
Feel children/grandchildren are/will be important to their happiness in retirement	72	61	+18	
Feel siblings are/will be important to their happiness in retirement	45	51	-12	
Feel lifelong friends are/will be important to their happiness in retirement	57	55	+4	
Feel new friends are/will be important to their happiness in retirement	43	35	+23	

How the experiences and attitudes of the retired and unretired measure up				
%				
	Retired	Unretired	% difference between retired and unretired	15 areas where difference is greater than 50%
Work				
Did/do not plan to do paid or unpaid work in retirement	73	45	+62	*
Planned/plan to do paid or unpaid work in retirement	24	22	+9	
Not sure about their plans to work in retirement	2	33	-94	*
Feel content with their current job and working life [those who work]	78	44	+77	*
Feel fulfilled by their current job and working life [those who work]	78	47	+66	*
See money as a motive for working retirement [those who work or expect to]	23	65	-65	*
Health				
Feel content with their general health	53	50	+6	
Feel content with the exercise they get	45	39	+15	
Feel content with their diet	66	48	+38	
Feel content with their sleep	53	39	+36	
Feel they eat well	78	59	+32	
Feel they exercise regularly	43	43	0	
Feel fit enough for everyday activities	68	64	+6	
Feel they are of a healthy weight	50	43	+16	
Feel 'well' in themselves physically	57	51	+12	
Feel 'well' in themselves mentally	78	55	+42	
Average hours of exercise a week	5.3	4.8	+10	
Leisure				
Feel content or very content with the time they spend on leisure pursuits	73	42	+74	*
Feel discontent or very discontent with the time they spend on leisure pursuits	7	18	-61	*
Average weeks spent on holiday	4.3	2.7	+59	*

Conclusion – what does this mean for consumers?

“The future of happiness in retirement may be hanging in the balance, but our research has lessons for anyone aspiring to ‘live happier’ in later life on how they can make this a reality.”

What does this mean for the future of retirement?

Our analysis clearly demonstrates that today’s retirees enjoy the highest levels of happiness and fulfilment of all adults beyond the age of 30. Clearly the dream of a happy retirement has become a reality for many people in the UK. The tempting conclusion is that younger generations can aspire to the same in future; but realistically it is something they simply cannot afford to take for granted.

Many aspects of modern life are in transition, with changing patterns of work and leisure playing out alongside major advances in digital technology and medical science. The result is that the boundaries of a traditional retirement no longer apply, and people’s potential horizons are broader than ever.

At the same time, however, the generous final salary pensions that many of today’s retirees enjoyed are on the path to extinction; the DRA has expired; and the house price growth which has benefited many of the baby boomers is by no means guaranteed in future.

It leaves the future of happiness in retirement hanging in the balance, but our research has lessons for anyone aspiring to ‘live happier’ in later life on how they can make this a reality.

What should future retirees consider?

- **Planning ahead goes a long way to achieving happiness**

There is a clear link between planning ahead and a retirement that exceeds expectations. More than two thirds (68%) of retirees who started to plan a long time before retiring feel the experience of retirement has exceeded their expectations, compared to less than half (48%) who didn’t start planning until retirement arrived. People who started planning well in advance are far happier than those who neglected to do so: perhaps buoyed by the fact that their approach has delivered two extra weeks of holiday for them each year. For this and other reasons, there is a major incentive to think now about what you want from the future, and how to achieve it.

- **Action for many is overdue**

Given the potential rewards, it is worrying to see more than one in four (27%) people currently approaching their retirement have not taken any steps to prepare for it, rising to almost half (49%) of all those who have not yet retired. The overwhelming majority have not spoken to a financial adviser or taken matters into their own hands by going online to research retirement financial or lifestyle planning. Fewer than one in five (18%) of those about to retire have even written a list of goals and things they want to do in retirement. It suggests many are leaving the experience to chance and, in doing so, putting their future happiness at risk.

- **Money does not guarantee happiness**

Despite the importance of saving enough for retirement, money alone is not a guarantee of happiness. Instead, health and relationships are more important contributors to people's sense of happiness. And among those retirees who do paid or unpaid work, money is less of a motivation than fulfilment, new challenges and a sense of importance. Clearly a healthy savings pot will give people more freedom and choice over how they spend their retirement, but it is not enough to think that your retirement is taken care of providing the sums add up. Taking care of your physical and mental health, and cultivating positive relationships, is just as important as part of planning a happy retirement.

- **Appetite to work longer could unleash your entrepreneurial spirit**

While 73% of today's retirees had no intention to do paid or unpaid work in retirement, fewer than half (45%) of the unretired say the same. It suggests that younger generations have a greater appetite – or greater expectations – regarding a longer working life, and they are clearly mindful of a potential need to work longer for financial reasons. Among today's retirees, money is less of a driving factor for work in retirement than you might imagine, as they find other reasons to stay economically active and make a continuing contribution to the modern workforce. In future, this may give birth to a new wave of later life entrepreneurs, with one in five (20%) of the unretired with plans to work anticipating starting their own business. Clearly planning ahead is a major factor if these ambitions are to succeed.

- **Property is unlikely to be your pension – but it may be a passport to overseas adventure**

Seven in ten (70%) retirees have no intention of moving house in retirement, and two in three (65%) of the unretired feel the same. It suggests downsizing to improve your finances in later life holds limited appeal even for younger generations. But among those with plans to cash in and up sticks, the lure of a move overseas is far stronger for future retirees, which chimes with the fact they are also more tempted to adopt a greater sense of adventure in retirement. Whatever the extent of people's horizons, the key to achieving happiness in their surroundings will be to ensure matters of health and relationships are not overlooked.

At Aviva, we don't believe that retirement is the end – it's just the beginning, which is why we offer a whole host of tools and support to help you on your journey. →



Methodology

The Voice of New Retirement study is designed and produced by Aviva in consultation with ICM Unlimited. The findings are based on 6,000 online interviews among the UK adult population aged 30 and above, carried out in September 2015 and analysed during the final quarter of 2015. The table below demonstrates how our sample size is made up. Percentages which appear within tables in the report may not add up to 100% in every instance due to rounding to the nearest 1%.

	30-39	40-49	50-59	60-64	64-74	75+
% of overall sample	8%	9%	33%	8%	25%	16%
% who are retired	–	1%	11%	50%	90%	99%
% who are unretired	100%	99%	89%	50%	10%	1%

For further information on the report or for a comment, please contact Fiona Whytock at the Aviva Press Office on **01904 452659** or **fiona.whytock@aviva.com**

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