

# Later Life Financial Planning: Inc Impact of COVID-19 - UK - December 2020

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## This report looks at the following areas:

- The impact of COVID-19 in later life financial planning.
- Over-50s' consideration of later life financial planning and the sources of information used.
- Barriers to over-50s' use of financial advice to make later life financial plans.
- Over-50s' priorities for later life financial planning and expectations of future income needs.
- Preferences for who over-50s would trust to take care of their affairs in later life if they are unable to.
- Consumer attitudes towards later life planning, including confidence in achieving a comfortable lifestyle.

53% of over-50s who are yet to retire are unable to estimate what proportion of their current income they will need to maintain when they stop working to have a comfortable retirement. This lack of understanding is coupled with a widespread lack of confidence about having sufficient income in retirement as 50% do not think they will have enough for a comfortable retirement.

COVID-19 has focussed minds on immediate concerns, and there is a risk that it could lead people to neglect longer-term planning. However, it has also made people more conscious of their vulnerability to ill health as they get older. 22% of over-50s have reassessed their later life plans as a result of the pandemic.

One difficulty in the market is convincing mainstream consumers to take up professional advice, despite concerns about future income and lack of knowledge about later life needs. Many consumers simply do not think financial advice is relevant to their situation.

Long-term care needs also remain under-appreciated by a significant proportion of over-50s. Just a third say that ensuring they have enough money set aside to pay for this is a priority for them. Long-term care will continue to



“COVID-19 has been a crisis of later life health but has not caused a crisis of later life finances. Consumers' financial planning for their later years is still focussed on ensuring sufficient income and staying in their home for as long as possible. Long-term care needs, however, remain largely neglected. This is something that must be addressed by brands and authorities.”

– Rich Shepherd, Associate

Director  
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become a growing issue in the coming years, and there is a significant opportunity for brands to improve customer engagement in this area.

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