



Heartwood
Wealth Management

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TRAPPED IN SEMI-RETIREMENT

New research from Heartwood Wealth Management reveals that over 55's are planning to remain in semi-retirement for an average period of six and a half years. This is over four years longer than the previous generation of retirees and six months longer than reported in the same survey last year. Just under a quarter (24%) of people in semi-retirement plan to remain so indefinitely and a further 5% said it will be at least ten years before they finally leave the workplace.

The research shows that there are currently 1.98 million people over 55 who are semi-retired and/or working part time. However current retirees have only stayed in semi-retirement for an average of just over two years, underlining how prevalent semi-retirement is becoming amongst hard-pressed baby boomers.

When asked why they are delaying retirement, exactly half (994,000) said they could not afford to stop working, a third (32%) reported it was because they had suffered a fall in the value of their assets and a quarter (23%) said their children still need their financial support.

Amongst semi-retired people over 65, the situation is no better as half (49%) claim they may have to delay full retirement as they cannot afford to stop working and about 6% think they may have to keep working for another ten years. A third (36%) want to achieve their pension plan target before retiring fully and two thirds (63%) will only retire when they can't work anymore.

Simon Lough, Chief Executive of Heartwood comments: "Since we conducted this research last year, baby boomers are staying in semi-retirement for even longer as many simply can't afford to stop working. Falling house prices, shrinking pension pots and the need to support financially dependent children have created a perfect storm for retirement plans."

“But market conditions should not hide the fact that people need to start saving more at the start of their working lives and treat retirement planning as a 40 year engagement. Recent events have also demonstrated the importance of de-risking pension portfolios well before retirement age in order to avoid the financial problems encountered by today’s baby boomer generation.”

Heartwood offers integrated retirement planning services as part of its integrated private wealth management proposition. These services cover the entirety of retirement planning and management from initial review and plan construction, through retirement and into ‘drawdown’. Heartwood can provide advice on a range of pension scheme arrangements including SIPPs, SSASs, stakeholder and employer schemes.

For further information on Heartwood Wealth Management, visit www.heartwoodwealth.com or call 01892 701837.

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Heartwood provides integrated investment, tax and retirement planning solutions for ultra high net worth and high net worth individuals from its offices in London and the South East. Heartwood now manages and administers over £1bn of funds for clients.

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