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# NEWS RELEASE

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## 1.6 MILLION RENTERS AGED 50-65 SAY STATE SUPPORT WILL BE THEIR SOLE SOURCE OF RETIREMENT INCOME

- **The issue affects more than 1 in 2 of all UK renters approaching retirement (aged 50-65)**
- **1 in 3 UK homeowners approaching retirement (aged 50-65) are also affected**

More than one in two (56%) of UK renters approaching retirement (aged 50-65) say they currently have no workplace or personal pension and will be solely reliant on the State Pension and benefits for income in retirement, finds research from Just Group.

More than three in five (62%) of pre-retired[1] homeowners have the additional resource of a workplace or personal pension in place, compared to only two in five (40%) of renters in the same age group – meaning renters are 22% points less likely than homeowners to have workplace or personal pension pots to support them in retirement.

On average almost half (47%) of all pre-retirees said they feel unprepared for retirement but there's a marked difference between those who rent and those who own a home – 70% of UK renters feel unprepared compared to 37% of homeowners.

The research shows that less than a quarter (23%) of pre-retirees feel confident in purchasing any financial product, including pensions. It's often assumed that this changes with social grades but there is relatively little difference between the ABC1 grade (25%) and C2DE (20%).

Homeownership, however, highlights a much greater divide in financial confidence across all ages. Renters nearing retirement are almost twice as likely to say they are not financially confident compared to homeowners (24% v 13%) and the opposite is true when it comes to financial confidence – 28% of homeowners say they are confident, compared to only 11% of renters.

**Gender gap**

There is a noticeable difference when broken down by gender in this age cohort too. Pre-retired men are much more likely to have a workplace pension than women, with 64% of men having a workplace pension compared to 48% of women in this life stage.

**Just Group's communications director Stephen Lowe comments**: "We're used to thinking about property as the largest asset many people own and as a way to provide income in retirement – whether through downsizing, equity release or renting out rooms, etc. But we think much less about the other half of the picture – those who rent.

"This research shines a light on how different retirement looks for people who rent compared to those who have a property. There's the obvious issue that people who rent won't have the financial asset of property to fall back on in retirement, but what we have discovered is something more fundamental about people's saving for retirement. To put it bluntly, no house and no pension – because if you've been able to buy a house, you're also more likely to have retirement savings.

"For this group of people aged 50-65 who don't own a house, they may feel retirement is coming close and with no pension and no property they have limited options – but that's not necessarily the case. Someone who's fifty today will receive the State Pension at age 67 – giving them 17 years to save for retirement if they continue to work. That saving could prove invaluable in later life and provide what they need for the odd luxury or cover some of those unexpected bills in retirement.

"The same is true for those who do own a property but have no private pension savings. They will have the value tied up in their home which they can use to supplement their income in retirement, of course, but they also have the opportunity to build up a retirement pot.

"Regardless of whether you own or rent your home the single most useful thing you can do to prepare for retirement is to have a plan. There are plenty of resources available, from meeting a regulated financial adviser through to the Government's free and impartial guidance service Pension Wise. It's important everyone is aware of the options available to them, no matter what their situation."

**The research is part of a wider outlook on the UK's attitudes and perceptions of property wealth and homeownership, and how this plays a role in retirement. To see more of the research from Just, please get in touch via the details below.*

## Enquiries

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**Notes to Editors:**

**Footnote**
1 Pre-retired refers to those aged 50-65

**About Just**

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £19 billion of customers' retirement savings and has helped customers release over £4.6 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

**Marketed Products:**

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life and flexible pension plans offering customers the options to blend secured and unsecured income;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

**Professional services:**

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

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