



# **Retirement in Ireland 2014**

## A Survey Report

RETIREMENT  
PLANNING  
COUNCIL  
OF IRELAND









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Fiona Thornton,  
Chairperson

## Foreword

As Chairman of the Retirement Planning Council of Ireland I am delighted to present “*Retirement in Ireland – A Survey Report.*” This Report is based on research conducted by the Retirement Planning Council throughout 2013 and 2014, the main purpose of which was to gain insight into the attitudes of those who had recently retired and those who were approaching retirement.

In the past, retirement preparation for many people meant simply ensuring they had some form of pension provision in place. In reality, however, preparing properly to retire involves much more than mere financial planning. Retirement is a time of major life change and upheaval when our daily routine, our role and identity are all affected as well as our financial means. For many, the idea of retirement takes some getting used to and while financial planning is important, it is crucial that people take time to further ready themselves for the time ahead.

The nature of retirement is changing along with the pensions landscape in Ireland. As a result, people’s attitudes towards retirement are shifting. The concept of gradual retirement is becoming more prevalent as people slowly reduce the amount of time they spend working, a fact that is evidenced by the 37% of respondents in our survey who indicated that they plan to continue working during retirement. This reflects the widespread move away from Defined Benefit to Defined Contribution pension plans.

Planning well for retirement lets people prepare themselves for the changes they face. It helps them gain an understanding of what to expect. Feelings of uncertainty can prevail, yet we are very often reluctant to speak about them. Giving some thought to retirement and discussing it with family and friends can restore confidence and help provide much needed reassurance as we face into our new life stage.

The results contained in this report clearly demonstrate the importance of adopting this more complete approach to retirement planning. Despite the fact that over a third of respondents had financial provision in place, more than half of those surveyed felt only somewhat ready or not ready at all for retirement. This supports a clear need for improved retirement preparation. Encouragingly, our survey also revealed that 90% of people felt optimistic or excited about retirement once they had completed a retirement planning course with the Retirement Planning Council.

At the Retirement Planning Council we have been working for four decades with people as they approach retirement. We are aware of the ways in which retirement in Ireland is changing. We know the issues people face as they retire and we understand the mixed emotions people feel as they prepare to retire. We help people prepare themselves so that the transition into retirement is as smooth and enjoyable as it can be. More importantly, we provide people with the tools to shape their retirement, recognise opportunities and truly maximise their time ahead.

We are committed to continuing to support people in Ireland as they approach retirement. This survey is part of the Retirement Planning Council’s wider research strategy. We intend to carry out this survey annually which will contribute towards an improved understanding of retirement and retirement planning in Ireland.

Fiona Thornton,  
*Chairman*



# Retirement in Ireland 2014

## A Survey Report

### Methodology & Objectives

#### Methodology & Objectives

This piece of research was undertaken by the Retirement Planning Council between October 2013 and March 2014. In total, a sample of 648 people were surveyed all of whom had either retired in the last 12 months or were due to retire within 12 months. Retirees from Connaught, Leinster, Munster and Ulster answered questions regarding their attitude to different elements of retirement.

The sample included a wide range of men and women, between the ages of 55 and 69 years, from a variety of backgrounds and employment status. Questions within the survey were broadly attitudinal, focusing upon a selection of topics facing those approaching retirement. Survey participants were asked to offer their perspectives on retirement including the financial aspects of retirement and the non-financial side of retirement.

For the purposes of this report, percentage findings have been rounded up or down as appropriate. Where the percentage results for a question do not add up to 100%, or where the total amount of respondents does not add up to 648, it is because the respondent had not answered that particular question.

This report and the results of the survey will be disseminated to ensure an optimal experience for future participants in the Retirement Planning Council courses.

#### Objectives

The focus of the research was to provide a national perspective of the attitudes and experiences of a sample of people either approaching retirement or recently retired regarding the transition from working life to retirement.

The primary objective of the research was to ensure the Retirement Planning Council remains in a position to provide complete retirement planning support to as many people as possible. Given the age profile of Ireland's population and the fact that, as a nation, we are generally living longer lives, the importance of planning for retirement will become more and more significant. The Retirement Planning Council intends to use the results of the survey to review the quality and content of its retirement planning courses and ensure they continue to meet the changing needs of those retiring in Ireland.

One of the key features of the retirement planning courses run by the Retirement Planning Council is that they take a holistic view of the changes experienced on retirement. For many, retirement simply means financial planning. While it is important to ensure that any retirement plan is financially sound, the Retirement Planning Council promotes the idea that we must tend to our psychological portfolio just as much as our financial portfolio. This holistic approach to retirement is reflected in the questions posed to participants in the survey. The survey reveals people's attitudes to the financial aspects of retirement as well as looking at the non-financial aspects.



## Summary Findings

### Summary Findings

- More than half of people surveyed (52%) did not feel completely ready to retire and just two-fifths believed that 65 was the right age to retire.
- Over 61% felt they had more to contribute to the workforce, but most would not choose to remain on with their current employer if given the option.
- People were overwhelmingly looking forward to the free time they would gain, the time they could spend with family and the chance to travel when they retired.
- Although our health becomes more of a focus in retirement, 34% of respondents had not put any kind of healthy living plan in place for when they retire.
- Encouragingly, a strong majority of those surveyed had social networks in place outside of work. Almost two-thirds of those surveyed already held membership of clubs and organisations that they intended to continue into retirement. Nearly 60% of survey participants intended to engage in volunteer work during retirement.
- While most of those surveyed (67%) had been preparing financially for retirement through saving, over 55% of those surveyed had not prepared any kind of personal budget to address the future change in their financial circumstance.
- Internet usage was high among those surveyed with 87% of respondents using the internet to check email, book travel, keep abreast of news and keep in touch with friends.
- In advance of the retirement planning course, 44% of respondents felt worried, apprehensive or indifferent towards retirement with 67% feeling differently after completing the course with the Retirement Planning Council.
- On completion of a retirement planning course 95% of respondents felt excited or optimistic about their retirement.





## Section 1 People Surveyed

### People Surveyed

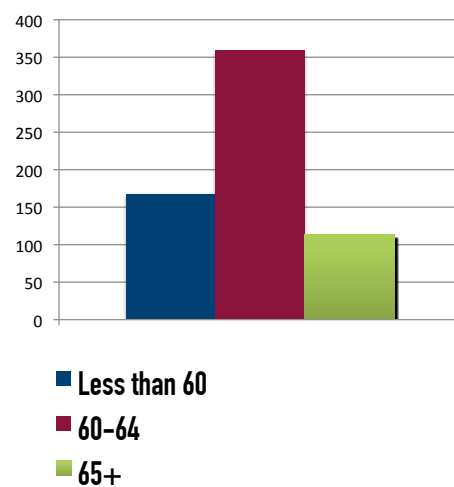
For the Report, 648 people were surveyed. The age profile of those surveyed was as follows:

Less than 60:	26%
60-64:	55%
More than 65:	17%

Participants in the survey came from locations across the country where the Retirement Planning Council holds retirement planning courses – Dublin, Cork, Limerick, Galway, Waterford, Kilkenny and Dundalk.



### Age profile of participants

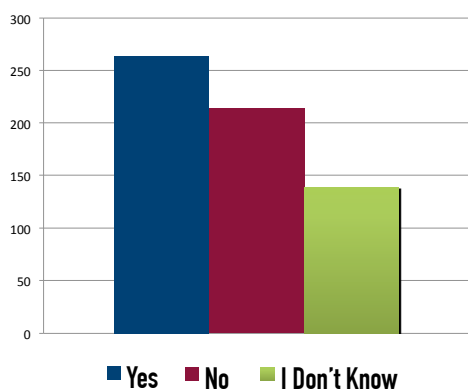


**648** people were surveyed



## Section 2 Expected Age of Retirement

Do people feel 65 is the right age for retirement



**52%**  
of survey participants  
expect to retire  
at age **65+**

### Expected Age of Retirement

Retirement and working lives in Ireland are changing. People are approaching their retirement differently. European retirement ages are on the rise. In Ireland the state retirement age has already increased to 66, it will further increase to 67 in 2021 and then to age 68 in 2028.

When asked what age the participants expected to retire or what age they had retired (if they were already retired), over half of the respondents (52%) expected to retire at age 65 and over. Only 16% expected to retire or had retired before the age of 60.

The participants in the survey were asked whether they felt 65 was the right age for retirement. Of those surveyed just 41% believed 65 was the right age for retirement with 33% disagreeing, while 22% did not know whether 65 was the right age at which to retire.





## Section 3 Retirement Readiness

### Retirement Readiness

The survey examined how prepared respondents felt they were for retirement and if they would continue working were the option available to them.

When asked whether they felt ready for retirement before completing the retirement planning course, 52% of participants said they felt somewhat ready or not ready at all, with just 37% of the participants saying they felt ready.

#### Current Employment

In assessing whether people would continue working, if given the choice, over 54% of those surveyed said they would not remain with their current employer with only 24% saying they would, with the remainder saying they did not know.

#### More to contribute to the workforce

61% of participants felt that they had more to contribute to the workforce; with the remaining participants saying they did not have any more to contribute (19%) or that they did not know (15%).

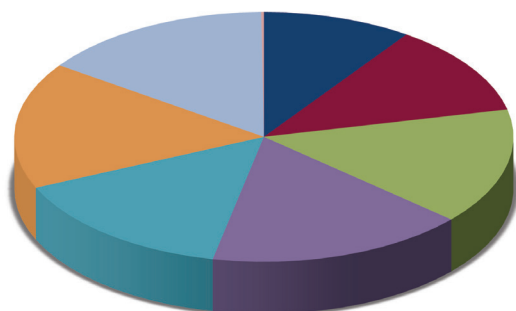
**41%** believed that  
was the right age  
for retirement **65**

**61%** felt they had  
more to contribute  
to the **workforce**



## Section 4 Post Retirement Options & Opportunities

What are people most looking forward to in retirement



- Having Free time
- Time with family
- Travel
- Volunteering
- Time on Hobbies
- Further Education
- Work
- Other

### Post Retirement Options & Opportunities

Survey respondents were asked what they were most looking forward to in retirement. They were presented with eight options from which to choose. These were based on evidence previously gathered by the Retirement Planning Council. Using a scoring system, respondents were asked to rank the options in order of preference from 1 to 8. They were also invited to provide their own answer.

The results of the survey showed that respondents were most looking forward to having free time, followed by spending time with family, travelling, pursuing hobbies and further education.

Other responses included:

- Relaxing more
- Taking up new things
- Being stress free
- Farming
- Having freedom





## Section 5 Planning a Healthy Lifestyle

### Planning a Healthy Lifestyle

The retirement planning courses delivered by the Retirement Planning Council emphasise the importance of having a healthy living plan in place prior to retirement.

Taking a pro-active approach to minding our health is recommended. Changes to our health need to come into consideration, particularly as we grow older. Maintaining a healthy and balanced diet is crucial to a long and enjoyable retirement as are exercise, staying in shape and regular check-ups with your GP.

Taking care of our psychological well-being is just as important. It is crucial to keep our minds engaged and active throughout our lives and it becomes even more important as we grow older. Psychologists have suggested that we must tend to our psychological portfolio just as much as our financial portfolio – a sentiment that is fully echoed by the Retirement Planning Council.

Of those surveyed, 63% had a healthy living plan to follow, with 35% of respondents not have any healthy living plan in place.

**63%** had a  
**healthy  
living plan**  
in place



## Section 6 Pastimes, Hobbies & Volunteering

**37%** of respondents  
said they **planned  
to work** during  
retirement

**63%** of the  
survey participants  
**intended to  
volunteer**  
during their  
retirement

### Pastimes, Hobbies & Volunteering

While we are working, approximately 80% of our human interaction is through the workplace. It is extremely important for retirees to be part of social groups or organisations so as to address the reduced human contact that can result in retirement. Whether it is the local golf, tennis, book club or charitable organisation, it is vital to have an outlet for social interaction outside of the workplace.

Encouragingly, over 60% of those surveyed said that they currently hold membership of clubs and organisations which they will continue into retirement.

Just over 37% of respondents said that they were planning to work during retirement. This reflects the changing nature of how people are retiring. In general, the concept of gradual retirement is becoming more prevalent as people slowly reduce the amount of time they spend working. This also reflects the widespread move away from Defined Benefit to Defined Contribution pension plans in Ireland.

Of the participants surveyed, 63% are planning to volunteer during their retirement, with 36% of those surveyed planning to increasing the time they spend volunteering during their retirement.





## Section 7 Financial Planning for Retirement

### Financial Planning for Retirement

The Retirement Planning Council strongly recommends that those approaching retirement give thought to their own practical financial management in retirement. However, only 50% of those surveyed have such a plan in place for their retirement.

While two thirds of those surveyed (67%) are saving for their retirement, people do not appear to be engaging in personal budget planning to address the likely change in their financial circumstance after they retire. The survey reveals that only 13% of those surveyed prepare an annual budget, with 32% preparing a monthly budget. Over 50% do not prepare any type of personal budget whatsoever.

Notwithstanding the fact that people do not prepare any type of budget, over 67% of those surveyed are confident that they will be financially secure in retirement.

**2/3** respondents  
are **saving for  
retirement**

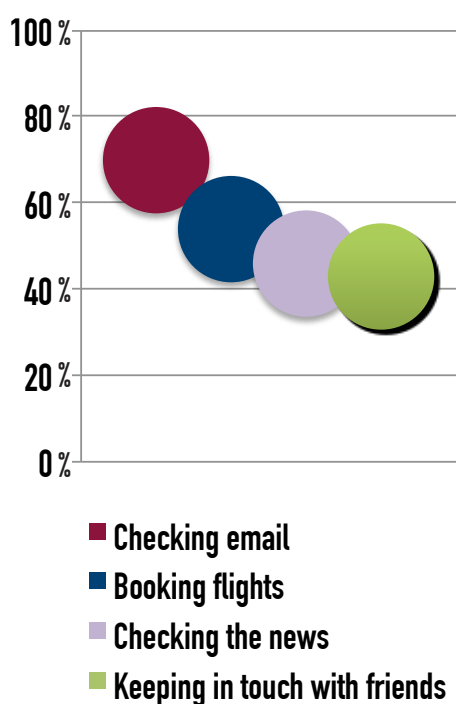
**55%** of people  
surveyed have **no  
personal  
budget** prepared



## Section 8 Internet & Digital Media

**87%** of those surveyed **use the internet**

Main reasons respondents use the Internet



### Internet & Digital Media

In today's digital world, an increasing number of services are delivered online. While many people access the internet at work, it is important for people in retirement to be able to access the internet at home or outside the work environment generally.

#### How many and how often?

Of those people surveyed 87% use the internet, with 67% of respondents accessing the internet on a daily basis and a further 18% using the internet on a weekly basis.

#### Where?

Of those surveyed 84% accessed the internet in their home. Cafés, libraries and friends' houses make up the remaining places where people went on line.

#### How?

The results of the survey revealed that PCs (44%) and laptops (52%) were the most popular devices on which people accessed the internet.

#### Why?

There were five possible answers to choose from in the survey, with checking email (70%) the most popular, followed by booking flights (54%), checking the news (46%) and with keeping in touch with friends (43%).

Respondents were given the opportunity to provide other reasons they most use the internet. The answer most frequently given was online banking. Other answers included searching for recipes, completing crosswords, looking up fashion as well as researching information.





## Section 9 Preparing for Retirement

### Preparing for Retirement

The Retirement Planning Council asked respondents how they had felt about retirement before completing a retirement planning course with them. They were also asked whether they felt any differently about their retirement in the aftermath of the course.

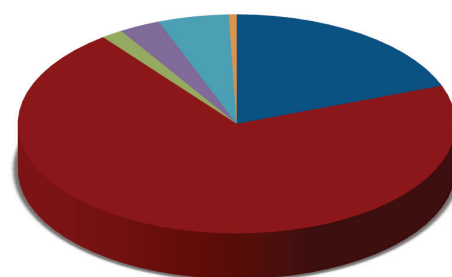
The responses to this question clearly show the benefits of holistic retirement planning. People have concerns about their retirement which can be a time of great upheaval. It is a time when our daily routine, financial means, our role, status and identity are all affected. Taking the time to consider the aspects of change and to prepare for the transition into retirement is hugely beneficial. Participation in a retirement planning course goes some way to improving people's outlook.

Before completing the retirement planning course, 44% had felt worried, apprehensive or indifferent towards their retirement. Having completed the course, 67% of respondents said they felt differently about their retirement.

Participants in the survey who indicated that they felt differently about their retirement were given 6 options to choose from to explain how this was the case. These included (i) excited, (ii) optimistic, (iii) worried, (iv) indifferent, (v) apprehensive or (vi) other.

Having completed their retirement planning course, over 95% of those surveyed felt either excited (21%) or optimistic (75%) about retirement.

How people felt about retirement after a retirement planning course



■ Excited	■ Indifferent
■ Optimistic	■ Apprehensive
■ Worried	■ Other

**95% felt either excited or optimistic about retirement after having completed the retirement planning course**



## Section 10 Steps for a Successful Retirement

**Plan early**  
12 to 18 months  
before you expect to  
retire is best.

**Consult** with  
those around you –  
**friends, family  
and colleagues**

### Recommendations

#### 1. Begin planning early

The Retirement Planning Council advise that it is never too soon to begin planning for your retirement and recommend that people attend a retirement planning course 12 – 18 months out from the date they expect to retire.

#### 2. Consult with your family and your spouse or partner

The Retirement Planning Council encourages partners or spouses be included in the decision to retire and in all retirement preparations as they too will be impacted by the changes retirement brings.

#### 3. Consult with your employer & signal well in advance.

The Retirement Planning Council suggests taking a proactive approach to discussing your retirement with your employer – discuss all your options and understand what is available to you. Think about what you're leaving behind and how you might handover your responsibilities.

#### 4. Plan to hand over your responsibilities – your succession plan.

In discussing your retirement with your employer it can also make sense for you to contribute to the succession decisions – who will take on your responsibilities when you're gone?

#### 5. Take time to understand your financial situation and options available to you.

When people think of retirement planning, they generally consider financial planning first. Certainly, appreciating the financial changes that come with retirement is vital to the kind of retirement you will have and the overall rule of planning as early as possible really applies here. Everyone should take stock of their financial future and plan their retirement accordingly.





## Steps for a Successful Retirement

### 6. Don't let your financial future be your only consideration.

There is more to retirement planning than only being prepared for the financial change. The Retirement Planning Council says it is equally important to be ready for the emotional, physical and psychological changes that come with retirement. Managing your newfound spare time by pursuing new interests and hobbies can go a long way towards coping with non-financial changes.

### 7. Understand that many aspects of your life will change.

When someone retires, they are starting another chapter in their life that will have lots of new challenges. These could include adjusting to a new identity and loss of status, changes to lifestyle, health as well as new financial circumstances. The Retirement Planning Council takes a holistic view of retirement and the changes that come with it, remembering that although it can be a challenging time, these changes can mean a world of opportunity opens to you that will allow you to pursue new and exciting interests.

### 8. Think about ways in which you can re-apply your skills.

The Retirement Planning Council reminds people how important it is to remember that just because you have retired, you have not changed as a person. Your unique skillset and personality are still the same and can be applied in many different ways in line with your interests.

Adopt a more  
**holistic view**  
of retirement.

There's **more** to  
retirement  
planning **than**  
**financial**  
**preparation**



## Section 10 Steps for a Successful Retirement

Keeping strong  
**social  
networks**  
is vital

Take a **proactive  
approach** to  
your health

**Enjoy** your  
**Retirement**

### 9. Make sure you have a strong social network outside the workplace.

It is crucial to make sure you have a strong network of friends and family before your retire. While we are working, approximately 80% of our human interaction is through the workplace. Making sure we keep our social network alive is vital to staying engaged mentally and reinforcing our feelings of self-worth.

### 10. Give yourself some structure and routine.

The amount of time we have for ourselves sky-rockets when we retire and we no longer have a daily or weekly routine to follow. It is important that you look at other aspects of your life such as hobbies and personal business interests to keep structure to his time.

### 11. Take a pro-active approach to minding your health.

Changes to your health need to come into consideration as you think about retirement. Maintaining a healthy and balanced diet is crucial to a long and enjoyable retirement as is exercise, staying in shape and regular check-ups with your GP.

### 12. Take care of your psychological well-being.

It is crucial to keep our minds engaged and active throughout our lives and it becomes even more important as we grow older. Psychologists have suggested that we must tend to our psychological portfolio just as much as our financial portfolio – a sentiment that is fully echoed by the Retirement Planning Council.

### 13. Enjoy your time in retirement.

The Retirement Planning Council encourages people to embrace retirement as an exciting time to be enjoyed. It can be a time to seek out new experiences; a time to travel; a time to develop new hobbies or focus on old ones; a time to revisit things that might have been put off because work or life got in the way.



## About the Retirement Planning Council

The Retirement Planning Council offers practical retirement planning courses to employees in over 400 businesses and organisations in both the public and private sector. Over 3000 individuals attend their retirement planning courses all over the country each year. Courses run by the Retirement Planning Council take an holistic view of the changes experienced in retirement, including changes to lifestyle, health, as well as financial circumstance.

Established in 1974, the Retirement Planning Council is a not-for-profit independent body, with a voluntary Board of Directors that works with over 400 companies throughout Ireland.

The information and data contained in this report are for information purposes only and are not intended nor implied to be a substitute for professional advice. In no event will Retirement Planning Council be liable to you or to any third party for any decision made or action taken in reliance of the results obtained through the use of the information and/or data contained or provided herein.





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