

22% of Irish people expect to struggle financially in retirement.



Below are extracts taken from an article published by The Irish Independent online on Monday , October 23rd , 2023, and as referenced below.

Independent.ie 

According to The Irish Independent, O'Donoghue (2023), in a recent poll conducted by Aviva Life & Pensions Ireland, over one fifth of adults surveyed, expect to struggle financially in retirement :

Over a fifth of adults – 22pc – expect to financially struggle in retirement, a new study has revealed. The survey of 1,000 people from Aviva Life & Pensions Ireland polled a 50/50 split of men and women aged 25-65.

It found that more women than men think they will be affected. Around 27pc of women think they will likely struggle financially once they give up work, compared to 18pc of men. A total of 13pc said that they will be near the poverty line when they retire. Of those who said they will struggle financially in retirement, the highest number of respondents were single women, followed by households with children, and single men.

Eoin Kennedy, the head of product, marketing and pricing at Aviva Life & Pensions Ireland, said the findings of the survey were “concerning”.

“Ireland has the highest life expectancy in the EU, according to a report published by the Department of Health late last year, with men having a life expectancy of 82 years and slightly higher for women at 84 years,” he said. “Even though women are statistically more likely to live longer than men, they remain the gender cohort in almost all pensions surveys that are less likely to be financially secure in retirement. The findings here are consistent with that, in that more women admitted that they will struggle financially in retirement.”

O’Donoghue (2023)

O’Donoghue(2023) in his Irish Independent article reports that the advice from Eoin Kennedy of Aviva Life & Pensions, is to plan to save for retirement during your working life and avail of tax benefits along the way. The article also outlines the increased likelihood of people facing some form of housing cost in retirement :

Mr Kennedy said that saving for retirement during people’s working lives is important and “offers savers the best tax relief of any other financial product in the market”. “Those who save into a private pension benefit from tax relief at their standard rate of tax, which means higher-rate taxpayers can claim 40pc in pension tax relief,” he said.

The survey also found that many people think they will face some form of housing costs in their older age: 4pc said they expect to continue paying a mortgage into retirement, while 10pc thought they would be renting. “While most people will have fewer bills to pay in retirement, various surveys point to the fact that more and more people are saying they will still be paying their mortgage in retirement, with increasing numbers also renting their homes in retirement,” Mr Kennedy said. “We recommend that individuals looking to start planning for their future financial security in retirement speak with a financial broker.”

O’Donoghue (2023)

References

O’Donoghue, P (2023) ‘Poll: 22pc of Irish people expect to struggle financially in retirement’, *Irish Independent* 23 October. Available at : <https://www.independent.ie/business/poll-22pc-of-irish-people-expect-to-struggle-financially-in-retirement/a92770258.html> . (Accessed 25 October 2023).