

A golden field at sunset with a stream of falling mathematical symbols.

Living the dream?

Aon DC and Financial Wellbeing Employee Survey 2018

Many employees have an unrealistic view about how to manage today's financial challenges while making plans for tomorrow. Do yours need help?

UK

AON
Empower Results®

Living the dream?

This year, Aon has extended its annual Defined Contribution (DC) research beyond employees' pensions and examined their current financial health as well as their expectations for retirement. What we have found is compelling. On the whole, employees are optimistic about their finances, but their perceptions and reality often do not match up.

Although most people are positive about their current financial situation and the majority say they feel confident about making financial decisions, they face challenges, including debt. Around a third of early to mid-career employees cannot come up with £1,000 in an emergency and almost half of the people we asked do not have a retirement plan. Most do not know what level of savings they will need to retire. The reality is that for most people, retirement will be later in life than previous generations and more flexible.

Our research shows that retiring in your 70s—or not at all—will become increasingly common.

- How will this change the way people plan their retirement incomes?
- How can we persuade them to plan at all?

Across the age ranges it is apparent that there is an appetite for better information and advice from employers.

Are you ready to support employees in choosing the right options for a changing world?

Together we can help employees to make their aspirations a reality.

Our research is based on a nationwide survey conducted in Summer 2018 of over one thousand full-time UK employees with access to DC plans through their employer.

The full report sections

D

Dreaming of financial peace of mind

Most employees are positive about their current financial wellbeing and making financial decisions for the future.

R

Real people, real challenges

But our research highlights gaps between employees' optimism and the reality of their current financial situation.

E

Ending up with enough?

Most of the people we asked do not have a target retirement income and many do not know how much they, or their employers, need to pay in. How do we help them to plan?

A

Aims and ambitions

Ideas about what 'retirement' means are changing, and most employees will need flexible income options that can cope with new working patterns and expectations.

M

Making financial wellbeing a reality

Employees of all ages want, and need, support to build healthy finances and create a realistic retirement plan, which makes sense for employers too. This is where we can work together to make that happen.

Some highlights from our report:

Dreaming of the future

Only 13%

rate their current financial situation negatively.

Over 1/2

have a monthly budget



Most

do not feel they are saving enough for long term needs



“when I think about planning for the future and pensions **I'm thinking about overall financial wealth**”

Real people, real challenges

5 in 10

cannot afford to save as much as they would like



3 in 10

say nothing prevents them from saving more

1/3

have unpaid credit card debt at the end of each month

Ending up with enough

70%

say they are in their company pension

Reported opt-out rates are only 9%

2/3

base their own pension savings amounts on employer rates



Around 1/3 expect retirement to result in a lower standard of living

Aims and ambitions

1/2

Over half expect to work part time before retirement



Men and women now expect to retire around the same age

14%

expect to continue working forever

Making financial wellbeing a reality



4 in 5

in their early career would like support from their employer



Most popular support is face to face



People want to know the basics:
How much is in my fund?
When can I retire?

“What does it mean and how it is going to **help me in the future?**”

Get the full report



To receive a copy of the full report with expert analysis and suggested actions;

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