

CCPC Pensions Research 2024

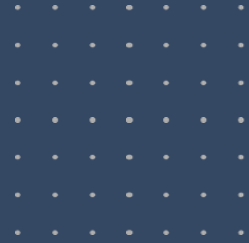
July 2024



Coimisiún um
Iomaíocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission





1. Introduction



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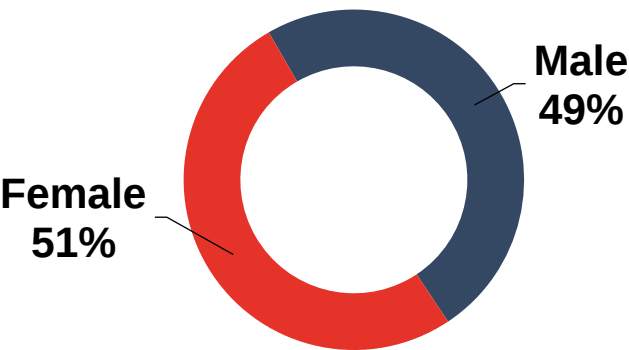
Objectives & Methodology

- To understand current retirement planning in 2024. This follows similar studies conducted in 2022 and 2023.
- To measure:
 - Ownership of pensions
 - Reasons for not having a pension in place
 - Other forms of retirement planning currently in place or expected to be used
 - Expected age of retirement
 - Expected living situation when retire
 - Contact with a financial advisor
 - Review of pension arrangements
- Questionnaire was designed by Ipsos B&A in consultation with the Competition and Consumer Protection Commission.

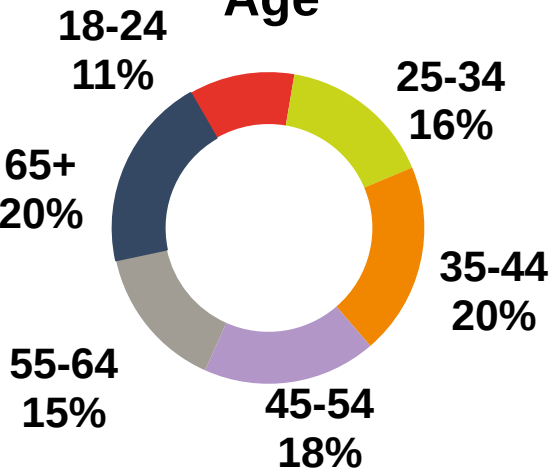
- 739 interviews with adults aged 18+ who are not yet retired.
- Survey conducted through computer-assisted telephone (CATI) interviews, with fieldwork conducted between 1st and 14th July 2024
- Data are weighted in line with the most up-to-date population estimates for gender, age, social class and region.

Demographics Of Respondents (Weighted)

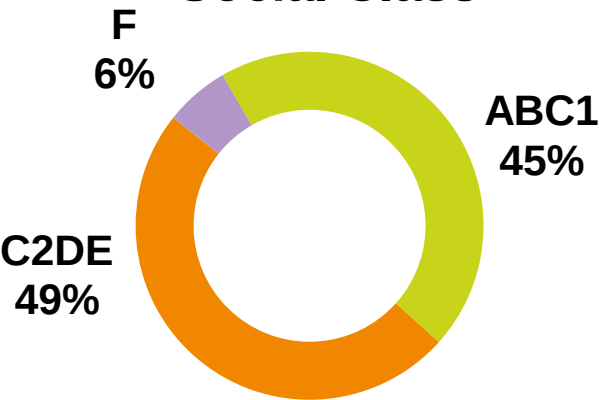
Gender



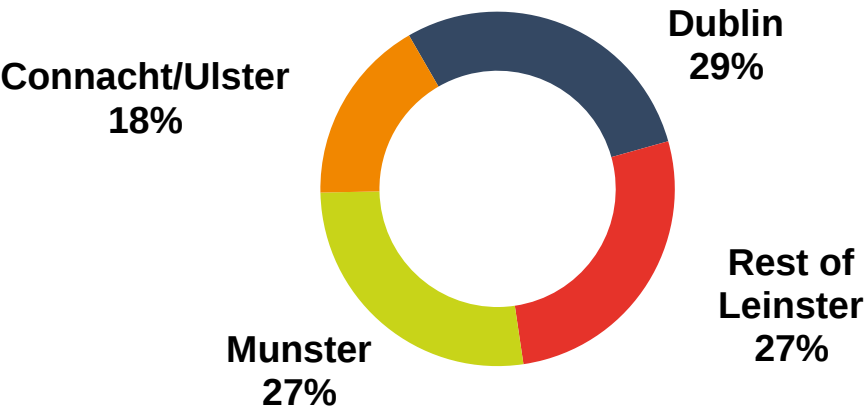
Age



Social Class

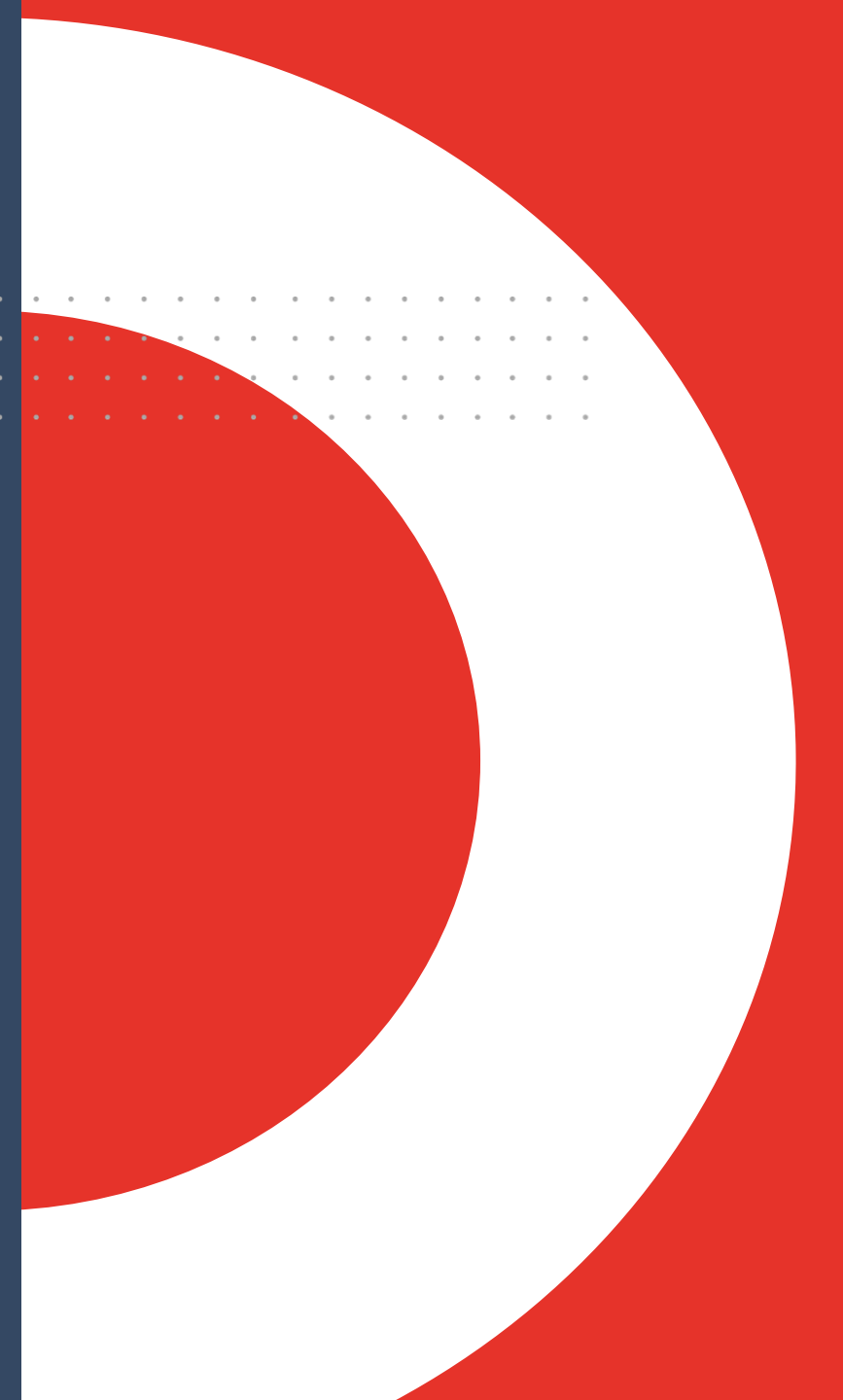


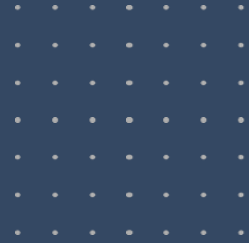
Region



Executive summary

- Roughly 6 in 10 of adults not already retired have a pension which is similar to that measured in 2023.
- While most of those with insufficient retirement planning are from younger age groups, around 1 in 5 of 45 - 64 year olds do not currently have a pension.
- 21% currently have no retirement arrangements in place, 4 percentage points higher than in 2023, but 4 percentage points lower than in 2022. This is highest among 18 - 24 year olds (46%), social class DE (45%) and men (23%).
- Two thirds (66%) have never talked one-to-one with a financial advisor, highest among those aged under 35 (90%), men (70%) and social class DE (84%). Those who have talked to a financial advisor report finding one through their employer (32%) followed by recommendation from friends and family (25%).
- Just over half (51%) always or generally review their annual pension statements. This is higher among those in social class AB (73%).
- Cash savings play a strong role in retirement planning with 51% intending to use these (lower than in 2023). This is particularly relevant for women (54%) and those in social class C1 (60%).





2. Findings



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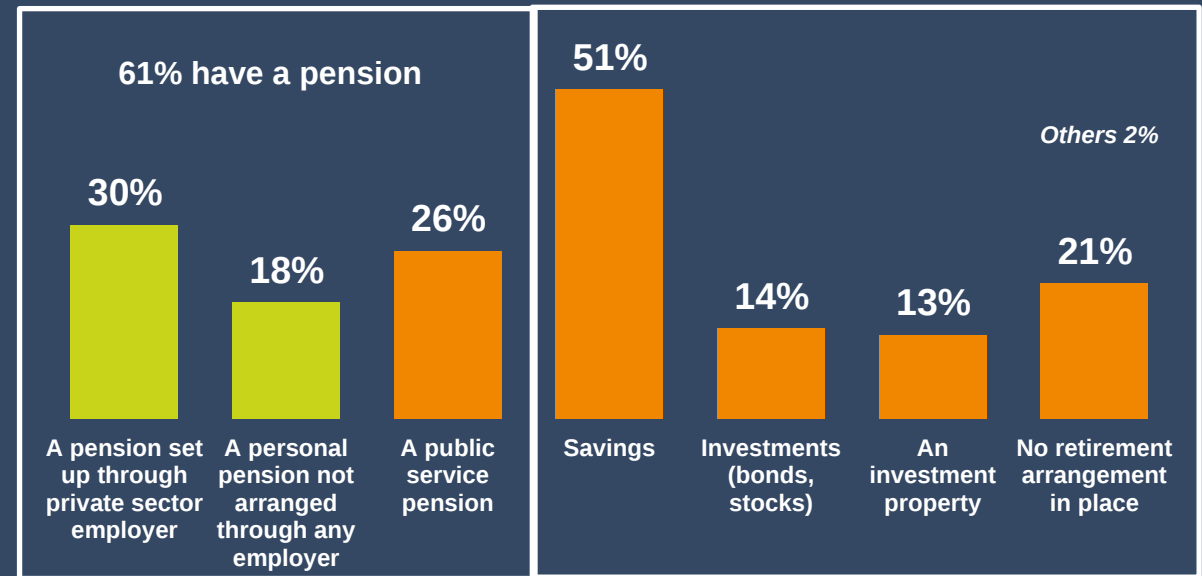
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61% have a pension, while over 1 in 5 currently have no retirement arrangements in place

- 61% have a pension. This is broadly aligned with previous measurements in 2023 and 2022 (62% and 63% respectively).
- Pension ownership remains lowest in the 18-24 age group where 22% have a pension. The majority of older age groups have a pension. It increases across age groups, rising to 70% of 45 - 54 year olds before declining again to 53% of 55 - 64 year olds.
- No gender difference is observed in this year's survey in terms of overall pension coverage, however women are more likely than men to report having a public service pension (31% and 21% respectively)
- The use of savings (51%) as a way to fund retirement has declined slightly by 6 percentage points compared to last year (57% in 2023).

Types of retirement arrangements currently in place



	48%*					
2023	45%*	34%	57%	10%**	-	17%***
2022	44%*	31%	45%	14%**	-	25%***

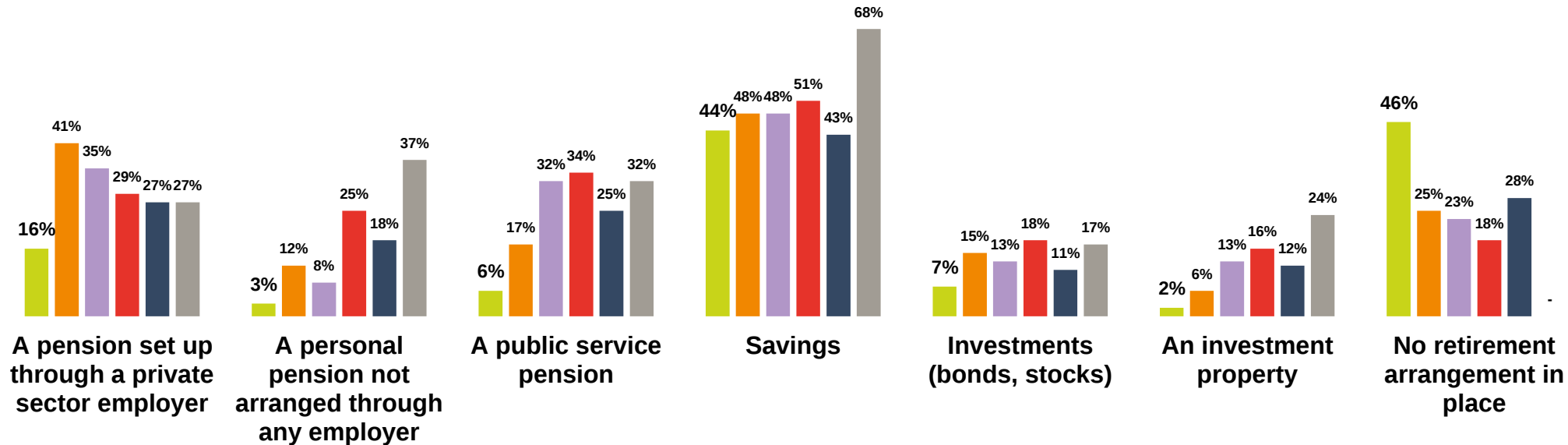
Q.2 Which, if any, of the following arrangements do you currently have in place that you will use to fund your retirement?
 Base: All aged 18+ not currently retired: 739

In 2022 and 2023: *these two options were combined in the following single category 'A private pension or PRSA', **this option was 'Stock market investments', *** this option was 'None of these'

46% of those aged 18 - 24 have no retirement arrangements currently in place (2023:41%)

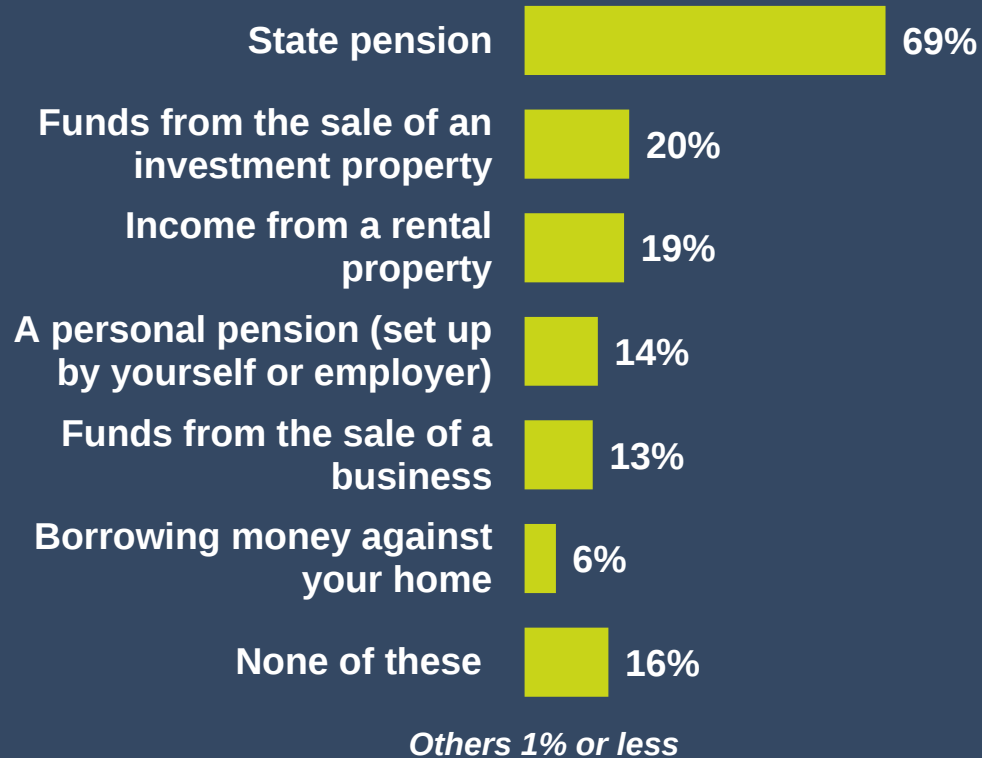
Types of retirement arrangements currently in place by age groups

■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+



69% plan on using a state pension to fund their retirement

Other types of funding expected to be used in retirement

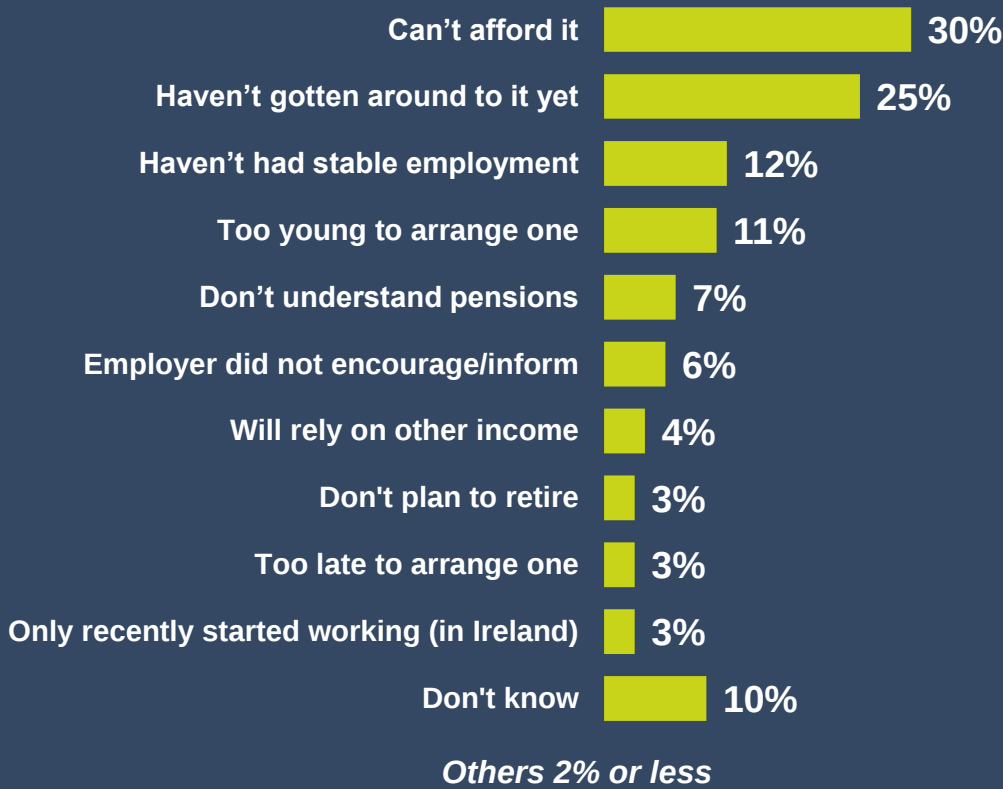


2023	2022
64%*	66%*
22%**	24%**
17%	23%
-	-
10%	14%
11%***	15%***
22%	18%

- Under-35s are less likely to expect to use the state pension (55%), however this could be a function of possible lower levels of awareness/understanding.
- Those living in Dublin and amongst social class AB are the most likely to plan using funds from the sale of an investment property (Dublin 29%, AB: 36%) and/or to use income from a rental property (Dublin: 27%, AB: 31%).
- 23% of those in social class C2DE do not expect to use any of these arrangements to fund their retirement, declining to 8% of ABC1s.

Cost of living, inertia and age remain the key reasons for not yet having a pension arrangement in place

Reasons for not having a pension in place



2023	2022
24%	20%
27%	32%
2%	4%
25%	20%
9%	3%
New	New
3%	3%
1%	2%
7%	1%
3%	3%
4%	10%

- Cost of living pressures are more pronounced in this year's results with 30% saying they don't have a pension because they can't afford it.
- Just over one third (35%) of 18-24 year olds believe they are too young to arrange a pension (note, small sample of 66). This has declined by 14 percentage points since 2023 (49%).
- In general there is little socio-demographic difference in perceived obstacles to pension ownership indicating the persistence of these barriers.

Reasons for not having a pension arrangement in place by age

	Total	18-34	35-54	55-65+
	(288)	(119)	(93)	(76)
	%	%	%	%
Can't afford it	30	21	32	43
Haven't gotten around to it yet	25	37	22	8
Haven't had stable employment	12	17	14	3
Too young to arrange one	11	22	6	-
Employer did not encourage/inform	6	7	7	5
Don't understand pensions	7	6	12	-
Will rely on other income	4	4	-	8
Don't plan to retire	3	3	-	5
Too late to arrange one	3	-	2	8
Only recently started to work	3	4	1	2
Don't know	10	7	15	8

Q.4 For what reasons do you not have a pensions arrangement in place currently?
 Base: All not retired and who do not have a pension: 288

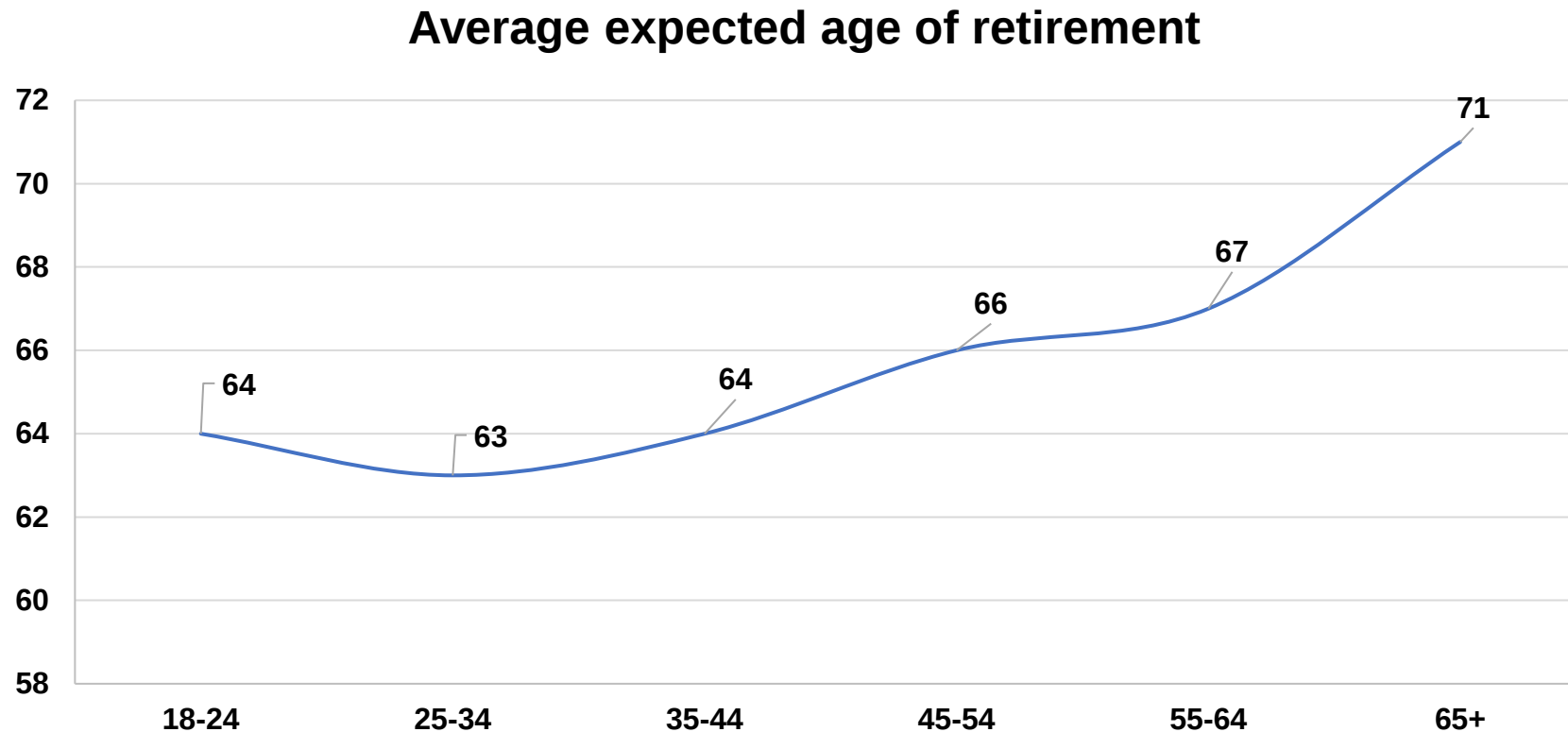
Expected Retirement Age

- One quarter of respondents (25%) report that they expect to retire at age 65, with 11% expecting to retire at 66 and 6% at 67.
- 12% expect to retire at age 70 and 10% expect to work beyond this.
- 19% expect to retire before turning 65. This is more common among those aged under 35 (29%).
- 23% of men expect to work to age 70 or beyond, compared with 19% of women.



Q.5 At what age do you expect to retire?
Base: All aged 18+ not currently retired: 739

Average expected age of retirement by current age (excluding those currently retired)



Q.5 At what age do you expect to retire?
Base: All aged 18+ not currently retired: 739

- Average expected age of retirement increases with respondents' age, with those aged between 18 and 44 expecting on average to retire between 63 and 64 years old while those 65+ expect to retire at 71 years old.

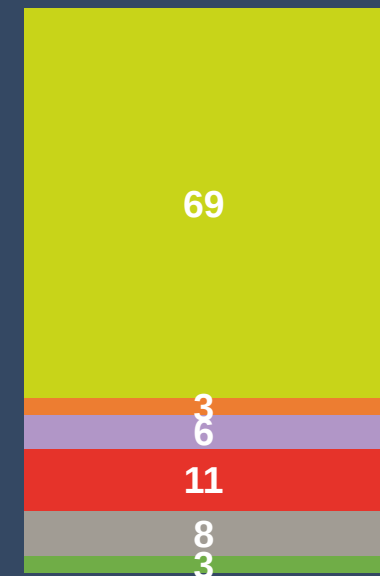
69% expect to own their home outright with no mortgage by the time they retire

Expected living situation when retired

- The majority of all age groups expect to own their home outright when they retire.
- However, notable lifestage differences with 14% of under 35s expecting to be renting their home when they retire.
- 9% of 35 - 44 year olds expect to be still paying off their mortgage when they retire.

- I will already own my home outright with no mortgage
- I will use my pension lump sum to pay off my mortgage
- I will still be paying a mortgage into retirement
- I will be renting my home
- I will have some other arrangement
- I don't know

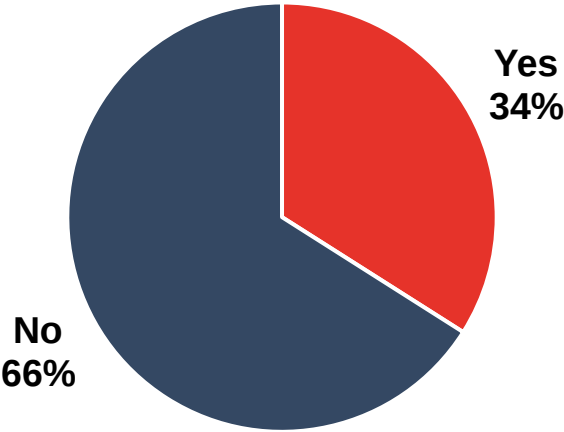
Expected Living Situation
%



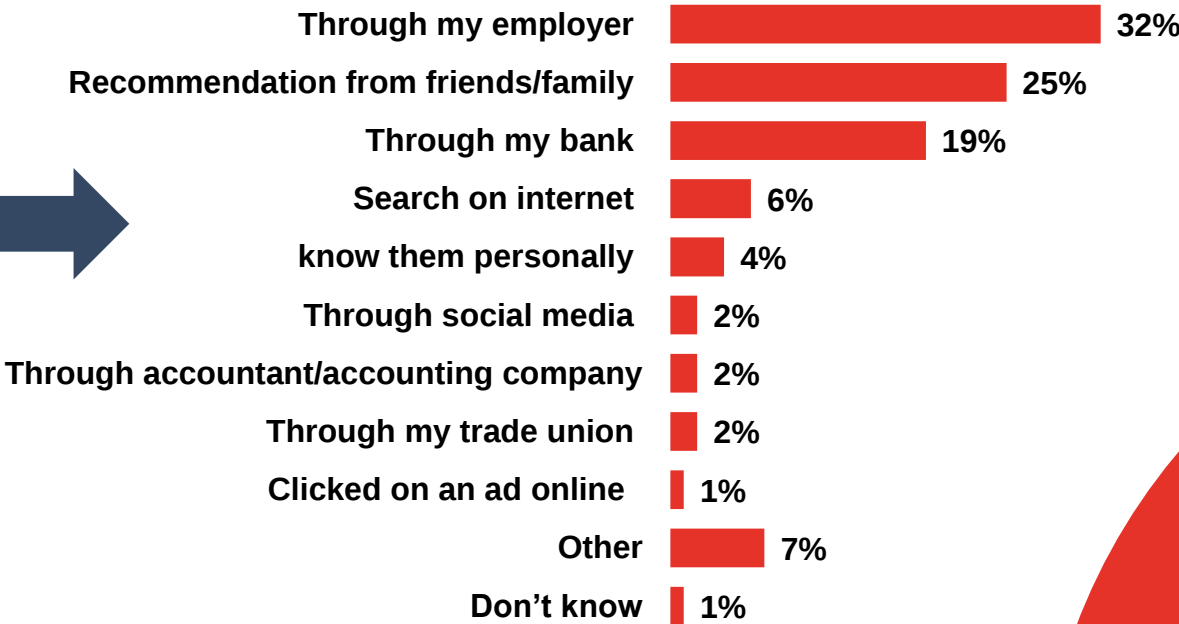
34% have spoken with a financial advisor for advice on their retirement, although it falls to 10% of under-35s

Financial Advisor

Ever talked one-to-one to a financial advisor for advice on your retirement or pensions



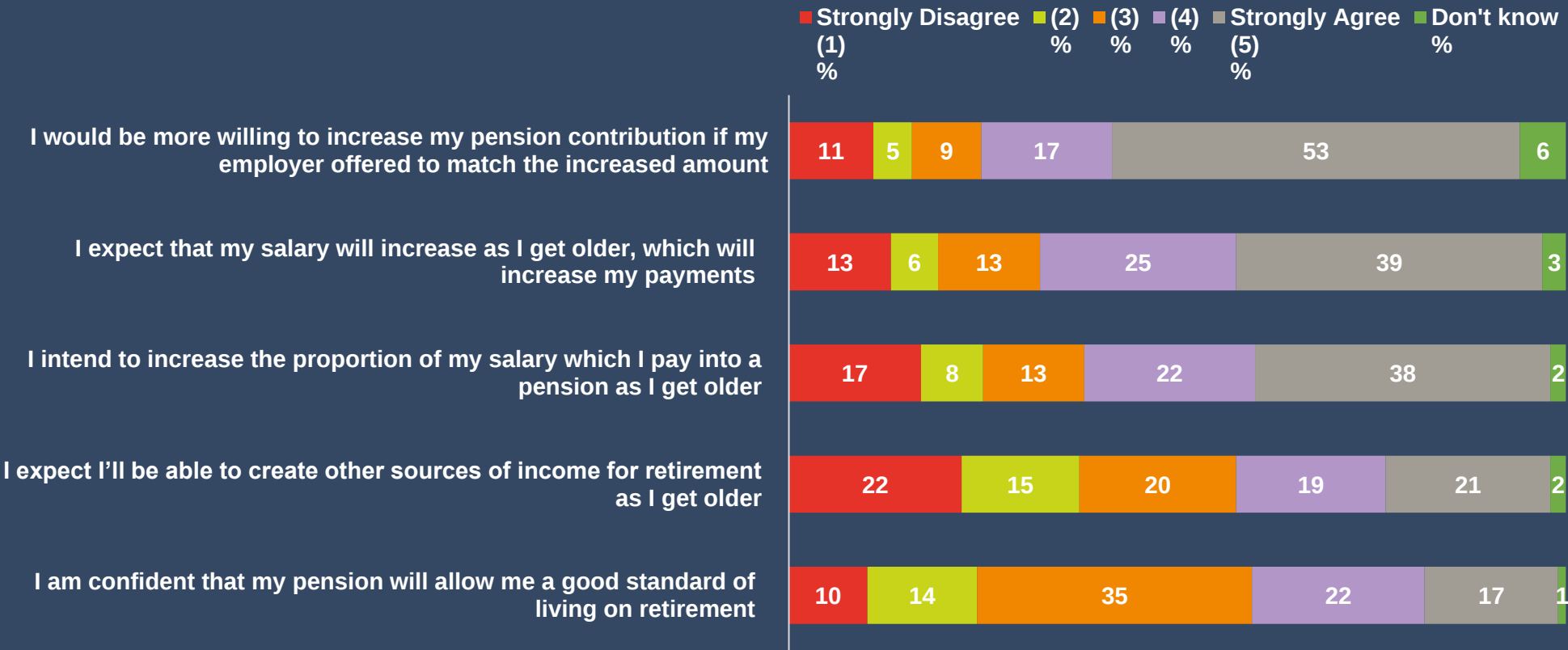
How found most recent financial advisor



Q.7 Have you ever talked one-to-one to a financial advisor for advice on your retirement or pensions? (New question)
Base: All not currently retired: 739
Q.8 How did you find your most recent financial advisor you spoke to?
Base: All who have yes at Q.7: 250

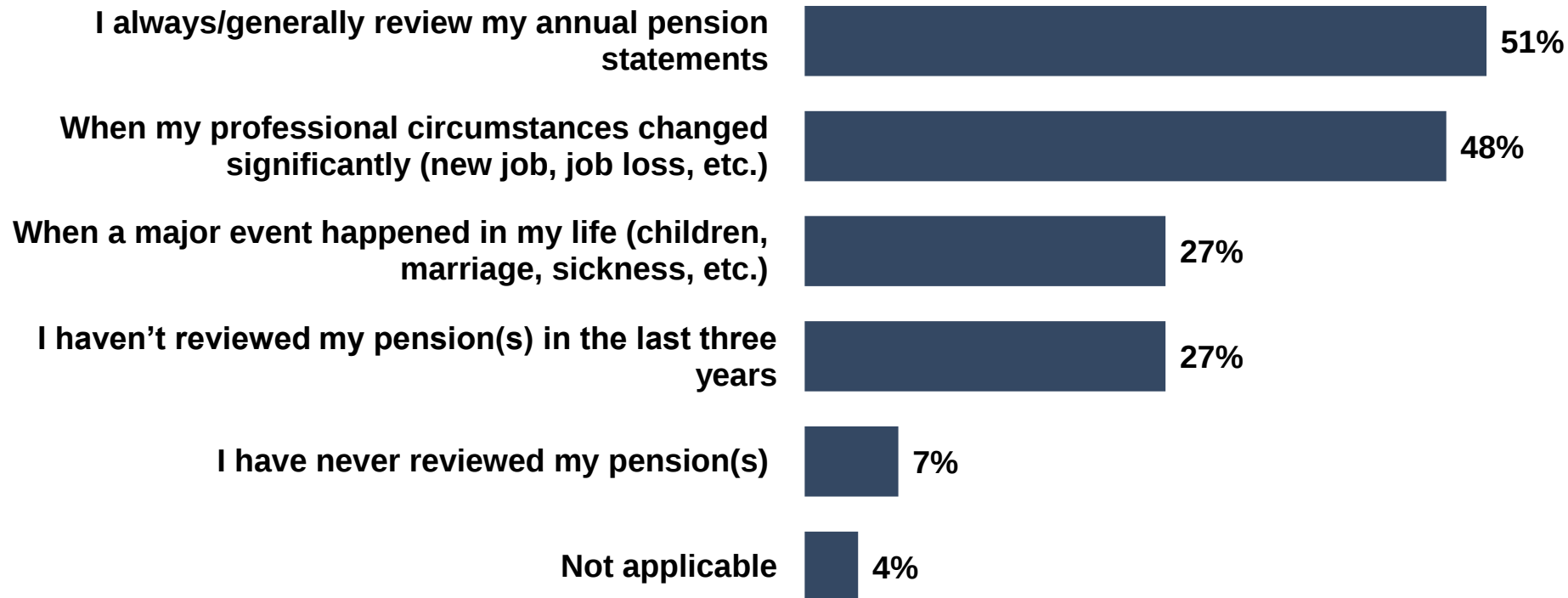
39% strongly agree that they expect their salary to increase as they get older which will increase their payments

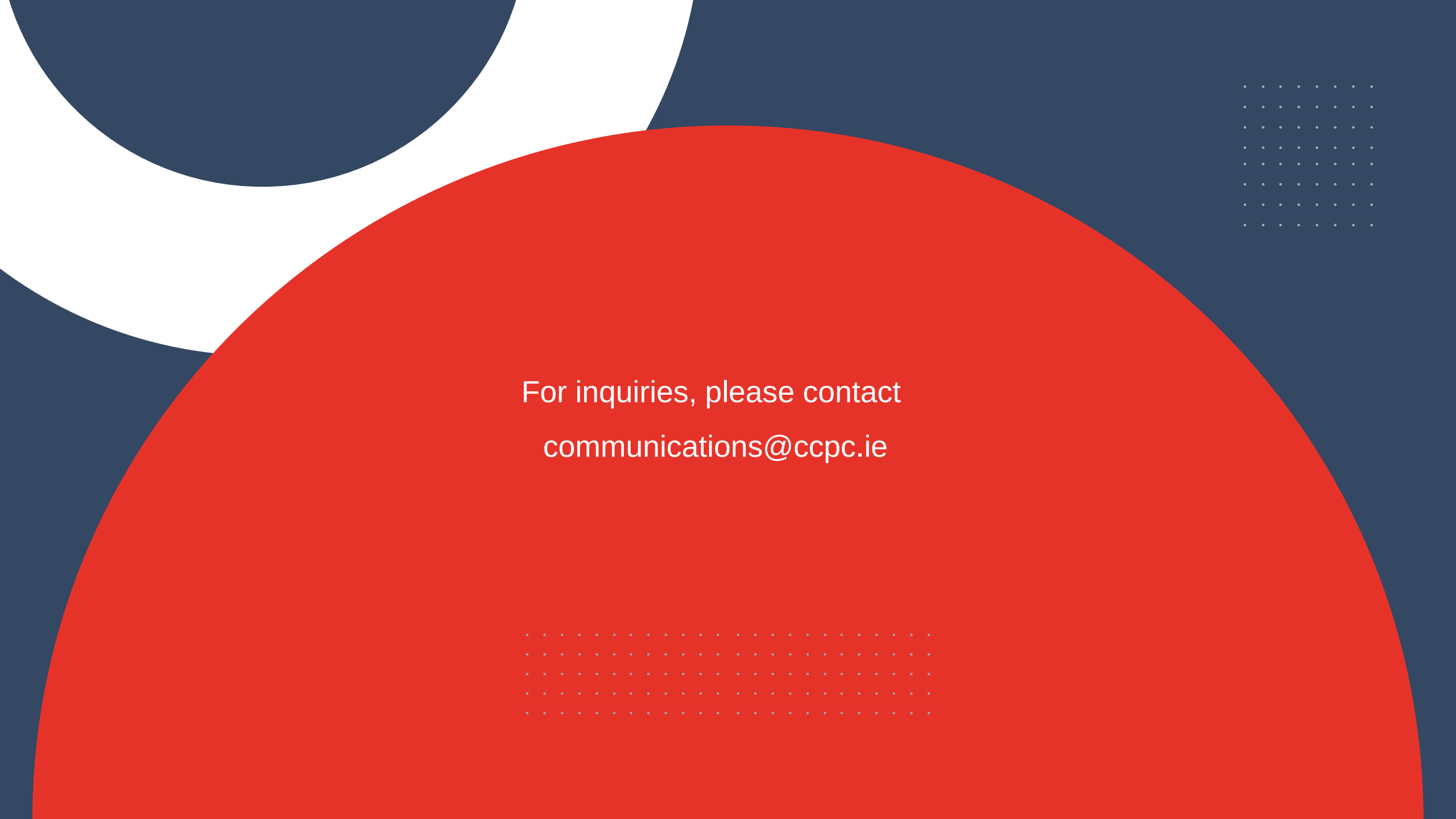
Rating of agreement



51% always or generally review their annual pension statements

When do people review their pension to see if it will meet their needs in retirement





For inquiries, please contact
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