



# Financially secure? The money we need for a long life

The challenge

Across our lives, many of us face a mismatch between the income we have and what we need and want to spend. When we need income most, we simply don't have it. And the situation is going to get worse.

What we know

Future generations of retirees are likely to be poorer than today. Poor young people become poor older people, so we need solutions that can reduce inequalities and ensure we can make savings and access good advice across our lives.

The State Pension Age is expected to increase, and the cost-of-living crisis is squeezing savings.

In 2017, ILC research revealed that for twentysomethings to achieve the same level of retirement income adequacy as current retirees, they would need to save upwards of 20% of their earnings each year. The increased levels of savings seen because of auto-enrolment will not be sufficient to close the intergenerational savings gap.

Future generations face a significant crisis.

- The 14 million Gen Xers in the UK save an average of just £200 into their pension pots each month and one-third of this group are at high risk of retiring with insufficient incomes.
- There are 8.9m economically inactive adults under 65, with over 2.5 million who are long-term sick and others forced to leave the workforce earlier than planned, due to caring responsibilities.
- More people are renting, with the number of private renters aged 65 years and above projected to double by 2046, reaching 12% of all households of this age.

Pensioner poverty exists today, and it will increase significantly without urgent action. Inequalities within generations are on the rise, and those with less money today will have less money in retirement.

New evidence

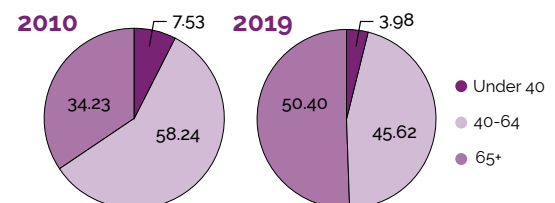
Analysis of ONS population data shows that in 2010/11 people under 40 made up just over half (50.6%) and in 2020 just under half (49.5%) of the total population.

2010  
£7.53



**In 2010, those under 40 held just £7.53 of every £100 of wealth and over the last decade this has fallen significantly to only £3.98**

Proportion of wealth by age (every £100)



<sup>1</sup>Office for National Statistics (ONS), Social Survey Division. (2023). Wealth and Assets Survey, Waves 1-5 and Rounds 5-7, 2006-2020. [data collection]. 18th Edition. UK Data Service. SN: 7215, DOI: <http://doi.org/10.5255/UKDA-SN-7215-18>

**We know we can do better than this.  
Do you have a sustainable solution for longer lives?**

Please email your solution to [info@ilcuk.org.uk](mailto:info@ilcuk.org.uk)

The ILC Longevity White Paper is supported by:

