The Pension Panic: 1 in 3 workers still fear they will never retire comfortably

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- 32% of UK workers say that they don't feel confident that they will retire with a comfortable income - rising to almost half (48%) of workers aged 45-54
- Nearly one in five (17%) are approaching retirement without clear financial targets
- 19% have never logged in to view their pension value

New research from leading independent consultancy Barnett Waddingham (BW), part of Howden, reveals a widening retirement confidence crisis across the UK workforce, as a third (32%) of workers do not feel confident that they will retire with a comfortable income.

Concerningly, this lack of certainty is most prominent among those closest to retirement. Almost half (48%) of workers aged 45-54 and 40% of those aged 55+ report a significant lack of confidence in their financial future. A similar study from Barnett Waddingham in 20242 found that 42% of those aged 45-54, and 37% of those aged 55+ were not confident that they will retire with a comfortable income. This worsening in confidence signals a growing issue in workers not engaging with their pension, and risking poorer outcomes as a result.

A lack of planning is also a systemic issue across the board. Over a quarter (28%) of the workforce have not set any goals for their retirement whatsoever – a huge leap from the 13% that said the same in BW's 2024 study. Most worryingly, nearly one in five (17%) of those expecting to retire within the next decade have no retirement goals.

The findings also further evidence a stark gender divide in retirement preparedness. While over a quarter (27%) of men express concerns about their retirement income, that figure jumps to two fifths (42%) of women - who are notably less likely to have formal financial goalposts in place compared to their male counterparts,

Workers' concerns are not prompting pension engagement. While well over half (58%) of the workforce is worried about losing track of their various pension pots or the total value of their savings, 19% of workers have never logged in to view their pension value. Just 27% check their accounts on a regular annual basis.

This lack of engagement is particularly acute for those on the cusp of retirement. Over a quarter (27%) of workers planning to retire in under a year have never logged in to view their pension value, and only 53% check their accounts multiple times a year during this critical final run-up.

Mark Futcher, Head of DC at Barnett Waddingham, part of Howden, comments: "For many workers, retirement planning can feel a bit like staring at a foggy horizon - it's there, but the detail is hard to make out. Too many people are still approaching that horizon without a clear map of where they stand, or whether their current savings will carry them into the lifestyle they're hoping for.

"Pensions needn't be a mystery, and small, steady habit changes can help change the direction of travel. Checking your balance using projection tools, and increasing contributions after a pay rise are small course corrections that can make a big difference over the long haul. And where employers offer matched contributions, failing to take the full amount is like turning down free fuel for the trip - compounding into something far more powerful over time.

"But this isn't down to individuals alone - employers and pension providers have an important part to play. More often than not, workers can be unaware of the full extent of support tools they are paying for, but not taking advantage of - like free guidance, pension transfer tools and more. You should always take the time to understand the benefits your scheme offers, but equally employers and providers need to make those tools easier to find, easier to understand and easier to act on. Improving retirement outcomes is a shared effort, and when everyone pulls in the same direction, the journey becomes far clearer."

About Barnett Waddingham (BW)

BW (Part of Howden) is a leading UK consultancy at the forefront of risk, pensions, investment, and insurance. We act as a trusted partner for a wide range of clients in both the private and public sectors –

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Everything BW stands for is embedded in its promise – to do the right thing. This meaningful principle is applied across all aspects of the business with continued success. Our forward-thinking approach allows us to take a long-term view with all clients and bring strategic, creative solutions to the table.

Read more about the Howden acquisition in Corporate Adviser here.

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