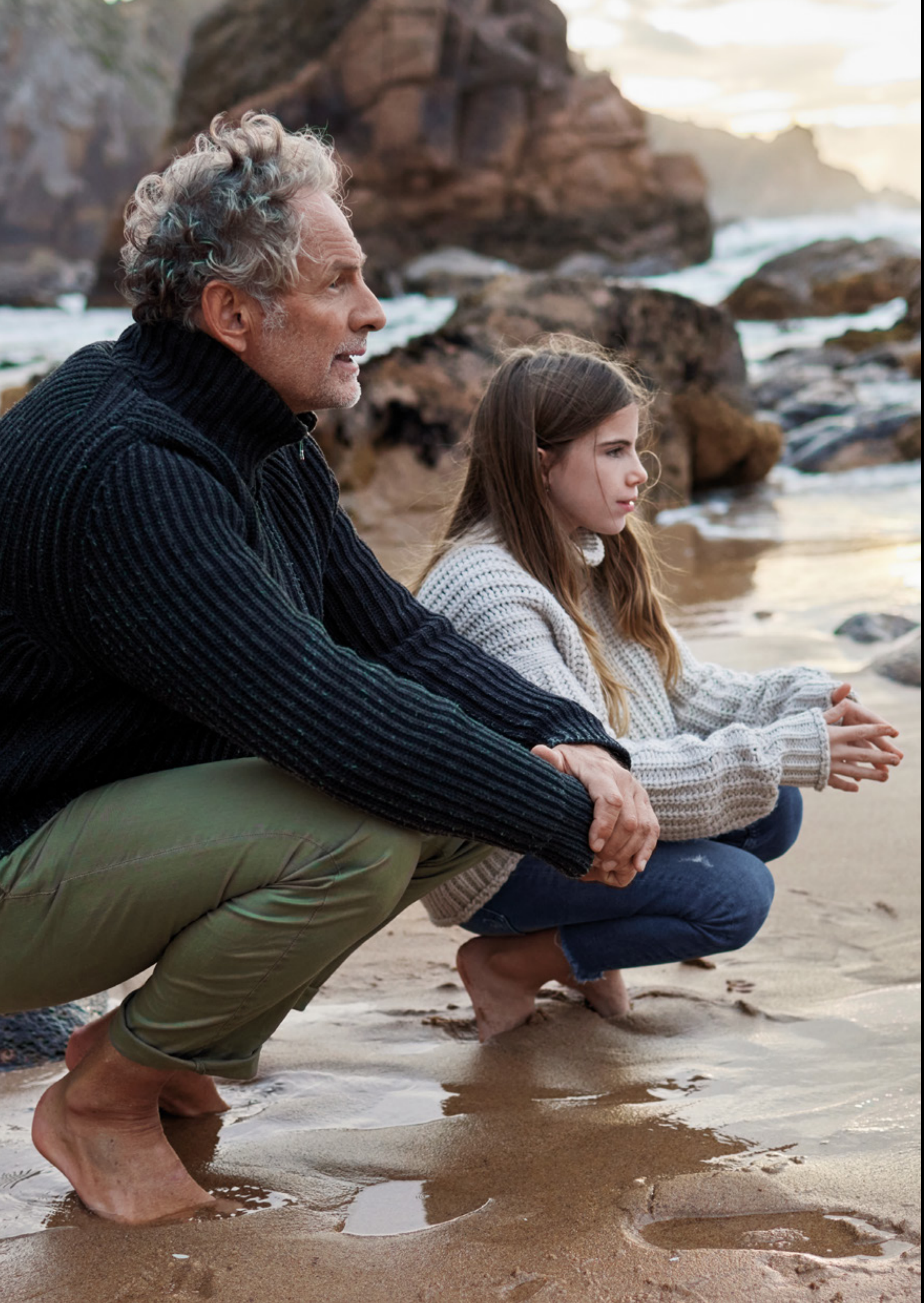

The next chapter

Retirement is a new start,
not just a destination

LLOYDS
WEALTH

Introduction

Why it's important not to overlook retirement income planning

Retirement planning often focuses on one strategic goal: building enough wealth to stop working.

From pension contributions and investment strategies to retirement calculators and tax planning, much of the conversation has centred on how people prepare financially for retirement. There is often strong emphasis on the risks of relying on the State Pension alone and the importance of building private pension wealth over time.

Yet far less attention is given to what happens next.

This is because retirement is often framed as a destination, a finishing line where years, often decades, of diligent saving finally pay off. However, retirement is not simply a point in time at which everything is complete. For many people, it may represent the longest phase of life: one that can last 20, 30 or even 40 years, with priorities, spending patterns and personal circumstances changing along the way.

86%

agree that retirement planning is an ongoing journey, not something you "complete" when work stops.

The move from saving for retirement to drawing an income from your wealth can be one of the biggest financial transitions people experience. It is not simply a financial adjustment. It can also require a psychological shift, a change in habits and a new way of thinking about what money is for.

For many people, retirement may represent the first time they have achieved genuine financial freedom. Some may want to travel more, spend more time with family or enjoy greater peace of mind. Others may choose to continue working part-time, volunteer or support loved ones. Retirement is not just about stopping work. It is about having the choice and flexibility to shape life on your own terms.

Only

38%

say their finances are carefully planned and regularly reviewed.

However, when the focus is mainly on reaching retirement, people may not always be encouraged to think deeply about what sort of retirement they actually want, or what financial freedom means to them in practice.

Encouragingly, the vast majority of respondents (86%) recognise that planning should continue after work stops (48% tend to agree and 38% strongly agree). However, far fewer (58%) appear to have translated that awareness into a clear structure for managing their finances over time.

This may be one of the defining themes of modern retirement planning: not a lack of awareness, but a gap between what people understand and what they put into practice. The goal, therefore, is not simply to reach retirement with enough wealth. It is to use that wealth to support the life you want to live, adapt as circumstances change and maintain confidence throughout retirement.

However, retirement outcomes are never guaranteed and will depend on a variety of factors, including the value of pension savings when benefits are taken. Investment values can fall as well as rise, and the value of a pension may be less than the amount originally invested.

"Reaching retirement is a milestone, but it's not the end of the journey. Over the years, I've seen how it often marks the beginning of a new and much longer chapter of life, one that brings greater freedom and choice, but also uncertainty and important decisions.

Many people spend decades focused on saving for retirement, but I've seen first-hand how challenging it can be to then switch mindset and start using that money with confidence. The real question is not simply whether you've saved enough, but how you make what you've built work for you.

Helping people navigate that transition is incredibly important. It's not just about making your money last. It's about giving people the confidence to enjoy their wealth, adapt as life changes and live the retirement they've worked so hard for."

Rew Hassall
Wealth Director

Key findings

In May 2026, we surveyed 1,600 UK respondents, with the main analysis based on people who are already retired or working part time in retirement.

The findings highlight why retirement income planning deserves more attention. As more people access pension savings and retirement decisions become more complex, the challenge is no longer just building wealth, but turning it into a sustainable, confident and flexible retirement income.

Click on each button to find out more

There is a clear tension between preserving wealth and enjoying it

Uncertainty is a defining feature of retirement planning

Most people expect retirement needs to change over time

Confidence about spending is fragile

Later life decision-making is a key vulnerability

Retirement planning is seen as ongoing, but not everyone is reviewing regularly

Cash still provides emotional reassurance

There is a clear role for ongoing advice and support

Chapter 1
Why retirement planning doesn't stop when you retire

Retirement planning has traditionally focused on building wealth over time: saving, investing and preparing for the day work ends. Yet the reality of retirement today can look very different from that of previous generations, many of whom retired with defined benefit pensions that provided a predictable income for life.

Today, many people are responsible for making ongoing decisions about how and when they access their retirement wealth. Pension freedoms have increased flexibility, but they have also increased personal responsibility. At the same time, retirements are becoming longer. A retirement lasting two or three decades is no longer unusual, which means decisions made in the early years may have consequences many years later.

Many people appear to recognise this. Retirement is increasingly viewed not as a one-off event, but as something that needs to be revisited over time.

84%

say retirement planning should either be an ongoing process throughout retirement or something to review occasionally.

This matters because retirement does not unfold in a straight line. Spending needs, family circumstances, health and priorities can all change. A plan that feels appropriate at the point of retirement may look very different a decade later.

At the same time, many people expect retirement itself to be no less demanding than working life from a financial perspective.

61% expected managing their finances in retirement to be as complex as working life (44%) or more complex (17%).

This challenge is not unique to the respondents in this survey. It can be difficult to navigate the options available, particularly once you move from saving into spending. In practice, that means the real work of planning does not end with retirement. In many ways, it begins there.

"Retirement planning doesn't end when the pay cheque stops; in many respects, it becomes more complex and more personal at that point. The focus shifts from building wealth to using it in a way that supports the life a client wants to live. That means making thoughtful decisions about how to generate a sustainable income, how much to spend, how much to keep in reserve, and how to balance certainty with flexibility.

Clients are no longer looking at what their retirement might look like on paper. They are making real decisions about their lifestyle, their priorities and how their money can adapt over time. With retirement potentially lasting several decades, it becomes essential to consider how factors such as inflation, market movements and changing personal circumstances may influence those plans.

Ultimately, it is about ensuring that wealth continues to work effectively, providing both confidence today and adaptability for the future.

Alice Harmer
Personal Wealth Adviser

Chapter 2
Learning to spend after years of saving

One of the most overlooked aspects of retirement is the psychological shift from building up your savings to starting to use them.

For decades, people have been encouraged to save consistently, avoid unnecessary spending and preserve their savings. These habits help build long-term financial security during working life. Retirement, however, requires a different mindset. Instead of asking how much more they can save, retirees need to think about how to use their wealth to support the life they want to live.

This transition is not always easy.

For many people, spending can feel unfamiliar, uncomfortable or even unsafe after years of focusing on saving. The emotional challenge is often not about whether they technically have enough money, but whether they feel confident using it.

Only

12%

feel very confident spending their money in retirement.

Protecting vs preserving

38%

21%

38% say they are still mainly focused on protecting and preserving what they've built, while only 21% say they are actively focused on enjoying and spending their money.

Underspending

17%

believe they are spending less than they could comfortably afford.

Our research also suggests that many people remain rooted in a preservation mindset, even after they stop working.

At the same time, under-spending appears to be a real issue for some retirees.

This is striking, because overspending before retirement often receives a great deal of attention, while underspending in retirement is discussed far less often. Yet for some people, the fear of getting it wrong may outweigh the desire to enjoy what they have built.

The research also suggests that confidence is not evenly distributed. Men were more likely than women to say they felt confident spending in retirement. While 52% of men said they felt fairly confident, compared with 43% of women, while women were more likely to say they were not very confident (21% versus 11%).

This difference in confidence may reflect a range of factors that shape how individuals experience retirement. Women, for example, are more likely to have taken career breaks or worked part time, which can lead to smaller pension pots and a greater need to make those savings last over a longer period of time. As a result, decisions about spending can feel more finely balanced.

There can also be differences in how people approach financial risk. Some individuals may be naturally more cautious when it comes to drawing on their savings, particularly when the timeline for retirement is uncertain. This can lead to a greater sense of hesitation, even where the overall financial position is secure.

These figures suggest that for many retirees, the challenge is not simply having enough money. It is reassurance. Retirement success is not just about how much wealth remains. It is also reflected in the opportunities, experiences and quality of life that wealth makes possible.

Chapter 3
Retirement isn't one phase of life

Retirement isn't always a single, fixed stage of life. In practice, it often evolves over time. Priorities, health, family commitments and lifestyle goals can all shift, which means retirement itself may have distinct phases.

In the early years, many people may enjoy greater freedom and flexibility. After years of balancing work and other responsibilities, retirement can provide a chance to travel more, pursue hobbies, spend time with loved ones or explore new opportunities. Spending may be higher at this stage as people make the most of the freedom they have worked hard to achieve.

62%

expect their financial needs to change across different stages of retirement.

18%

say they have not really thought about how their financial needs might evolve throughout retirement.

As retirement progresses, priorities often begin to change. Financial decisions may increasingly be shaped by family circumstances, housing needs, planning for later life or support for children and grandchildren. Later still, health and care considerations may become more prominent, alongside decisions about housing, support services and legacy planning.

Our research suggests most people already recognise that retirement needs are likely to change over time.

However, awareness is not the same as preparation.

A major reason this matters is that later-life issues can become financially significant.

This reinforces an important point: retirement income strategies should not be static. They should be flexible enough to adapt as life changes. Retirement may not remove uncertainty. Health issues may arise, family dynamics may change and unexpected events may occur. While wealth cannot remove uncertainty entirely, it may provide more choice, more flexibility and more control over how people respond to these changes.

"Retirement rarely follows a straight line. What matters to clients in their early 60s can look very different in their late 70s or 80s, as priorities naturally shift over time. In the earlier years, the focus may be on enjoying more freedom, travel or supporting family, while later in life, considerations such as health, care needs and financial security often come more clearly into view.

That is why a retirement plan should not simply reflect the life someone is living today. It needs to be grounded in real experience, recognising how circumstances can evolve in ways that are both expected and unexpected. Building in flexibility allows clients to adapt their income and spending as their needs change, rather than feeling locked into decisions made years earlier.

Experience also shows that confidence in retirement comes not just from having sufficient assets, but from understanding how those assets can support different stages of life. A well-structured plan can help clients navigate that transition, giving them the reassurance that their finances can adjust alongside them, whatever the years ahead may bring."

Ian Jones
Financial Planning Director

49% cite future health or care costs as a source of long-term uncertainty.

Chapter 4
Managing the uncertainties of retirement

One of our clearest findings from the research is that uncertainty remains a defining feature of retirement.

That should not necessarily be seen as something negative. In many ways, it simply reflects the reality that retirement is a long and evolving stage of life. Retirement planning is not about predicting the future perfectly. It is about building enough resilience and flexibility to adapt when life changes.

The biggest source of uncertainty identified by respondents was future health or care costs.

Other major concerns were not far behind.

45% worry about the impact of inflation on their spending power over time, and the same amount are uncertain about how long their money will last.

49% say future health or care costs feel uncertain in the long-term.

These concerns are understandable. Retirement can span multiple decades, making it difficult to know exactly what future needs may arise. Inflation may erode spending power gradually. Healthcare needs may change. Some people may live significantly longer than they expected. Individually, these risks may seem manageable; taken together, they can make retirement feel difficult to plan for with complete confidence.

Retirement can also involve balancing two competing concerns: the risk of running out of money later in life and the risk of not enjoying retirement while they are healthy enough to do so.

There are also some differences in how uncertainty is experienced. Men were more likely than women to cite supporting family later in life as a source of uncertainty (25% versus 15%). This is a useful reminder that although some retirement concerns are widely shared, individuals may still worry about different things depending on their circumstances.

Rather than focusing on eliminating uncertainty, a more realistic goal is learning how to manage it. This is where tools such as cash flow modelling, scenario planning and regular reviews can play an important role. They cannot remove uncertainty, but they can help people understand the implications of different decisions and feel more prepared for change.

It is based on reasonable assumptions which may differ in reality. It cannot account for all possible scenarios and it doesn't guarantee future outcomes.

Chapter 5
Why taking an income isn't a plan

Many people are already drawing money from their pensions and investments. However, taking an income is not the same as having a plan.

Regular withdrawals can feel structured on the surface, but without a clear plan it can be difficult to know whether they are sustainable, whether they reflect future needs or whether they leave enough flexibility for later life.

Our research suggests that some retirees are using a clearly defined long-term income approach.

A significant proportion instead rely on more informal or reactive methods.

48% rely on flexible withdrawals, cash savings or occasional lump sums rather than a planned long-term income strategy.

38% currently rely on a planned, regular income based on a longer-term plan.

60% agree that holding cash makes them feel more secure, even if it may not be the best long-term option.

There is also a strong emotional attachment to cash.

With 44% saying that they tend to agree that cash makes them feel more secure and 16% strongly agreeing, it highlights the gap that can exist between feeling financially secure and being financially secure over the long-term. Cash can play an important role in providing reassurance and short-term flexibility, but relying too heavily on it over a long retirement may create other risks, particularly where inflation gradually erodes its real value.

Equally, while investing can help support long-term financial goals, investment values can rise and fall over time and there is no one-size-fits-all approach. The most appropriate strategy will depend on your individual circumstances, objectives and attitudes to risk, and you may receive back less than you originally invested.

The goal of a sustainable income strategy is not rigid budgeting, although this is part of it. It is to create a plan that balances flexibility with structure. One that helps people make informed decisions today while still keeping sight of future needs and priorities.

"Withdrawing money regularly can feel like a plan, but without the right context it can be difficult to know whether it is truly sustainable. In my experience, many clients take comfort from seeing a consistent income coming in, yet that alone does not necessarily reflect whether their approach will hold up over the long-term.

Planning for managing income in retirement goes beyond simply identifying where the next payment will come from. It requires a clear understanding of how today's withdrawals fit within the broader picture of future spending, potential changes in lifestyle and the financial demands that may arise later in life. This includes thinking carefully about how long your savings may need to last, how they might be affected by inflation and market conditions, and how income needs could evolve over time.

When my clients understand not just what they are taking, but why and for how long it is likely to remain appropriate, they are often better placed to make informed decisions. Ultimately, it is about ensuring that withdrawals are aligned with a sustainable plan, helping clients balance enjoying their wealth today with maintaining resilience for the years ahead."

Mark Lowden
Financial Planning Director

Chapter 6
What effective retirement income planning looks like

Retirement planning starts with one simple question: what sort of life do I want to live?

Many people naturally begin by focusing on pensions, investments and savings. These are important, but they are ultimately there to support the life someone wants to lead. Effective retirement income planning begins with understanding spending needs, priorities and long-term objectives, then building the financial structure around them.

Our research suggests that people already understand several of the key ingredients of good retirement planning.

These findings are important because they show that the challenge may be less about awareness and more about implementation. Many people appear to understand what good planning should involve, but bringing those elements together into a practical, joined-up plan is often the harder step.

49%

associate good retirement planning with having flexibility to adapt as life changes.

Effective retirement income planning means distinguishing between essential spending and discretionary spending. It means thinking about how investments, changes to taxation, estate planning and lifestyle goals fit together. It also means building flexibility into the plan from the start, rather than aiming for a level of precision that is unlikely to survive real life unchanged.

There are also some interesting differences in emphasis. Men were more likely than women to associate good retirement planning with minimising tax (30% versus 23%). That does not change the broader picture, but it does suggest that the idea of "good planning" may not look exactly the same to everyone.

Ultimately, wealth is not an end in itself. It is a means to an end: helping people create the kind of retirement they want to enjoy.

46%

associate good retirement planning with knowing how much is needed for essential spending.

40%

associate good retirement planning with being prepared for later-life needs.

36%

associate good retirement planning with regularly reviewing the plan.

Chapter 7
Building the confidence to spend

Perhaps the most important finding from our research is that confidence remains a major challenge for many retirees.

Retirement planning can involve thinking about returns, portfolios and income levels. Yet confidence may be just as important as financial outcomes. Without it, even financially secure retirees may delay decisions, postpone experiences or spend less than they could comfortably afford.

The research makes this clear.

At the same time, respondents were clear about what would help them feel more comfortable enjoying their money.

Only
12%
feel very confident spending their money in retirement.

41%
say greater certainty that their money will last would help them feel more comfortable enjoying it.

Taken together, these findings suggest that confidence is not driven by wealth alone. It is shaped by a combination of structure, understanding and reassurance. It is also influenced by whether people feel their plan can adapt as circumstances change.

As noted earlier, this confidence gap is not evenly spread. Men were more likely than women to say they felt confident spending in retirement. That matters because it suggests that some groups may need more reassurance or support than others when moving from saving into spending.

The purpose of retirement income planning, therefore, is not simply to help people draw an income. It is to help them turn financial resources into real-life choices, meaningful experiences and the confidence to enjoy the retirement they have worked hard to achieve.

29% say more confidence around later-life needs would help,

18% while 18% say a clearer long-term plan would make a difference.

"Confidence in retirement is often less about the numbers on the page and more about helping clients truly understand what those numbers mean for their lives. I recently worked with a client who had built up a significant level of savings but was still very hesitant to spend. They were worried about the unknowns, particularly around how long their money needed to last and whether they might compromise what they wanted to leave to their children and grandchildren.

Through detailed cash flow modelling, I was able to show that not only could they sustain a comfortable lifestyle throughout retirement, but they also had scope to enjoy some of the experiences they had been putting off, while still passing on a meaningful legacy. Seeing that laid out clearly helped shift their mindset. What had felt uncertain began to feel achievable, and they became much more confident in making decisions about how to use their money.

Moments like that are a powerful reminder that financial planning is not just about building and preserving wealth; it is about turning that wealth into something tangible and reassuring for clients. Helping someone realise that they can both live well today and support the next generation is often the most rewarding part of my job."

Vanessa Hubbard
Financial Planning Director

What comes next?

People are living longer, retirement is becoming more flexible and individuals are taking greater responsibility for managing their own financial futures.

The findings from our research suggest that many people recognise these changes. They understand that retirement is an ongoing journey rather than a one-off event, and that their financial needs are likely to evolve over time. Yet many have not fully adapted how they manage their wealth to reflect that reality.

That gap between awareness and action creates an important opportunity to shift the conversation. Retirement planning should move beyond generating income and preserving assets alone. It should focus on helping people make decisions with confidence, adapt to changing circumstances and feel comfortable using their wealth to support the life they want to live.

An effective retirement plan is not just about having enough money. It is about having the confidence to use that wealth well and to balance the freedom to enjoy life today with the reassurance that your finances can continue supporting you in the years ahead.

Ultimately, retirement is not simply about preserving wealth. It is about feeling confident enough to use it, adapt as life evolves and make the most of the years you have worked so hard to achieve.

Only

38%

say their finances are carefully planned and regularly reviewed.

Next steps

If any of the findings in this report resonate, it may be worth taking a step back and reviewing how your retirement plan is working for you today.

You can speak to one of our advisers today. There are no hidden fees or charges, and you'll only pay if you choose to go ahead with the recommendations in your personalised financial plan.

A simple retirement check-in. **Click** on each button to find out more

Revisit what you want from retirement now

Sense-check your spending

Review how you're taking your income

Look ahead to future phases of retirement

Check where your money is held

Build in regular reviews

Consider whether you would benefit from support

Book a free, no obligation call with one of our financial advisers today

A final thought

You don't need to have all the answers today. Retirement is not a one-time decision, but an ongoing process.

The key is making sure your plan continues to reflect your life, not just your finances, giving you the confidence to enjoy today, while still feeling prepared for tomorrow.

Important information

Source: Lloyds Wealth Retirement Income Research, May 2026, based on the 1,600 retired respondents.

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This information is correct as of July 2026.

Decumulation_Report (06/26)