

£5.3 billion lost from over 50s retirement pots throughout the course of the pandemic

- 1.4 million over 50s workers are continuing to save less towards their retirement when compared to before the pandemic – with £3,283 lost on average
- Those who have cut savings are now putting £155 less monthly towards retirement, however at the peak of the pandemic contributions dipped by more than £200
- [Legal & General Retail Retirement \(LGRR\)](#) analysis suggests this reduction in payments could delay the retirement of someone who saved less by more than four years (based on the median average) if contributions remain at reduced levels.
- Financial outcomes can be returned to pre-pandemic levels and LGRR encourages people to [‘Spend A Day’](#) on retirement this Pension Awareness Week with its course with [The Open University](#)

Over 50s workers in the UK could have a £5.3 billion hole in their collective pension pot due to cutbacks on retirement savings over the course of the pandemic, according to new research from [Legal & General Retail Retirement](#) (LGRR)¹.

The new findings, released as part of Pension Awareness Week, estimate that approximately 10% of pre-retired over 50s – 1.4 million people² – are continuing to save less every month when compared to before the pandemic. At present, those over 50 saving less have reduced their monthly savings by £155 a month, however at the peak of the pandemic this was an average of £219 less a month. Overall, over 50s saving less towards retirement will have contributed £3,283 less on average over the course of the pandemic than they otherwise would have.

Over 50s workers who are continuing to save less are doing so for a variety of reasons, such as pay decreases (39%), redundancies or job losses (22%) and the impact of being furloughed (13%). One in five over 50s saving less (20%) have also had to reduce their retirement contributions in order to provide more monetary support to their loved ones.

Region	Total lost amount
UK (total)	£5.3 billion
South East	£1.1 billion
London	£817 million
North West	£695 million
West Midlands	£592 million
South West	£527 million

¹Opinium survey of 2160 UK Over 50's in the UK who have not retired between the 9th and 13th August 2021, 224 of which are saving less towards retirement, compared to before the pandemic.

Opinium and L&G ran two studies amongst pre-retirees aged 50+, and asked them how much they saving less, if at all. Up to Jan the average amongst all in this group was saving £27.01 less per month. Up to August the average was £16.17. Applies across the relevant months from April 2020 onwards this means this group on average saved £383 less overall. £383 x 13,944,731 = £5,344,851,289 or £5.3 billion.

²Opinium estimates there are currently 13,944,731 over 50s who are not retired in the UK. 224 out of 2160 pre-retirees aged 50+ said they are saving less towards their retirement. $224 / 210 * 13,944,731 = 1,446,120$ or 1.4 million.



East Midlands	£421 million
Yorkshire and Humberside	£298 million
East of England	£257 million
Wales	£250 million
Scotland	£232 million
North East	£172 million
Northern Ireland	£10 million

Retirement planning course with The Open University

To help those approaching retirement understand their options - and manage their financial affairs better in later life - Legal & General has a free online course with [The Open University](#), setting out a series of stepping stones to a financially secure retirement.

The introductory 4-hour course combines guidance, short videos and tools and covers various aspects of retirement planning, from how to budget for retirement, how different types of pensions work and what to do if pension income is at risk of falling short.

Emma Byron, Managing Director, Legal & General Retirement Solutions: “It’s completely understandable that those who have faced financial hardship as a result of the pandemic may have looked for opportunities to cut back on their outgoings. However, as our research shows, saving less, particularly for those in their 50s, could have a significant impact on retirement prospects and planning. Our own analysis suggests that those who have saved less would, based on the median average, need to bring their contributions back to pre-pandemic levels, then pay an additional £41 per month to make good on their shortfall. If the same saver does not bring their contributions back to pre-pandemic levels they might need to delay their retirement by more than four years to reach the levels they previously would have saved before cutting back on their monthly contributions.

“As we look ahead towards a period of recovery, the best thing people can do is commit to spending a day sorting through their affairs to better understand the options at their disposal, rather than burying their head in the sand. To encourage people to do this, [we offer a range of resources](#), including a free online course that can be completed in an afternoon. Our hope is that by encouraging older workers to engage with their later life finances, growing numbers will be equipped with the tools to enjoy a more comfortable retirement.”

-ENDS-



Notes to editors

About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.1 trillion in total assets under management (as at FY24) of which c. 44% (c. £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading player in Institutional Retirement, in Retail Savings and Protection, and in Asset Management through both public and private markets. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

About our Retail business

L&G's Retail business is a leading provider of retirement and protection solutions. We aim to support our c.12.8 million policyholders and workplace members throughout their financial lifetimes.

We focus on helping the customers of today and tomorrow achieve better long-term outcomes. We use the latest technology to connect with them quickly, efficiently and wherever possible in highly personalised ways.

In 2024, our workplace pension platform served 5.5 million members, with net flows of £6 billion. We achieved record total individual annuity sales of £2,118 million and £270 million of lifetime mortgage advances (including retirement interest only mortgages). Our UK protection businesses gave peace of mind to about 6.6 million people, with our retail gross premium income rising to £1,525 million and our group equivalent going up to £528 million.

Further information

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