PENSIONS AND LIFETIME SAVINGS ASSOCIATION

DEVELOPING RETIREMENT LIVING STANDARDS

OCTOBER 2019

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1. INTRODUCTION

Whoever you are, wherever you live and however old you are, you need to start thinking about the decisions you will take in order to make the most of this longer life. The same holds for the companies you work for and the society in which you live

Gratton and Scott, 2017: 1

Traditional notions and models of retirement, both in the UK and beyond, are increasingly out of step with changes in society that have seen significant increases in life expectancy over time resulting in ageing populations (ONS, 2015), as well as extended working lives and changing work patterns later in life. While increased longevity brings with it possibilities and opportunities, it also poses challenges at an individual and societal level, particularly in relation to funding social care, and most pertinently here, to pensions and the funding of retirement (Foster, 2017); Gratton and Scott, 2017). Within the UK, auto-enrolment has increased the number of people saving something for retirement, but there are significant questions about whether or not this will provide 'sufficient' income in retirement for many savers (Grady, 2015; PLSA, 2018), and about the extent to which auto-enrolment savings rates are linked to any clear view of what sort of retirement people are expecting. To put this another way, there is a growing recognition of the importance of saving for retirement, but a worrying lack of long-term pension planning perhaps exacerbated by lack of understanding of how much an individual or couple may need to save for the sort of retirement they want.

A critical question within this context is how are people to know how much they will need in retirement for a described living standard? Following from this, is it possible to establish retirement living standards that can function to support and inform both planning and 'practice' with regard to saving for retirement? The research explored in this report set out to address these questions and ultimately to provide useful guidance, rooted in 'real life', to help all individuals in thinking about the sort of life they want to have in retirement and how they will be able to fund this.

The work to establish retirement living standards builds on an ongoing programme of research that address the question of what is needed for a minimum, socially acceptable standard of living in the UK today (see e.g., Davis et al., 2018a; Padley and Hirsch, 2017). Based on discussions with groups of members of the public, the Minimum Income Standard (MIS) research has established public consensus about the goods and services needed by a range of different sorts of households for a minimum standard of living, and the income needed to provide this living standard. As part of this, the research has focused on minimum needs for retired singles and couples, and the minimum income described through MIS has come to be seen as a standard against which the adequacy of, for example, the state pension can be assessed (Hirsch, 2019; Padley and Hirsch, 2017). The income threshold established through MIS can be seen to represent *the* minimum living standard that all who retire in the UK should be able to reach in retirement – or as Gratton and Scott (2017, p240) put it, the living standard that the public agree 'you never want to fall below during retirement at all costs'. However, while ongoing MIS research establishes this minimum threshold,

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it does not follow that all who retire would necessarily hope to retire at this living standard: individuals and couples may anticipate a living standard above this minimum level, shaped both by their living standards while in work and their expectations of what life in retirement might look like. Establishing public consensus about retirement living standards above a minimum, and the income needed to provide these, addresses the question of how much people needed for a described retirement living standard, and has the potential to facilitate more sophisticated and informed pension planning and saving.

This report sets out the research that has been undertaken by the Centre for Research in Social Policy (CRSP) at Loughborough University, to establish two retirement living standards above a minimum – a moderate retirement living standard and a comfortable retirement living standard. It outlines the definitions of these two higher living standards that emerged from discussions with groups of members of the public as well as the principles that underpin the detailed description of each living standard. It goes on to explore the approach that was taken in the research and how an established methodology – used to establish minimum living standards – was adapted and used in defining and describing a moderate and comfortable retirement living standard. The final chapter explores in detail the ways in which a moderate and comfortable retirement living standard have been publicly described and consequently used to establish the income needed to achieve these different living standards in retirement in the UK.

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1. DEVELOPING RETIREMENT LIVING STANDARDS: DEFINITIONS AND PRINCIPLES

I think for younger people it's very difficult to have forward thinking so far ahead that you're going to know or want to know what we're going to have or how much you need really? It's a very difficult thing, isn't it?

Female pensioner, Bristol, 2018

But you forget that when you're younger you don't plan for the future. It's only when you get to the future that you're looking at it and … I can only speak for myself, but my comfortable living dropped to at least the minimum, if not below the minimum, because my working life to my pension life – I get a third of what I was getting when I was working.

Male pensioner, Derby, 2019

Establishing what members of the public, across different social, economic and cultural groupings agree is needed for different retirement living standards is an important, and increasingly critical, task. Increases in life expectancy, in tandem with long-standing and often substantial levels of 'under-saving' for retirement (Foster, 2017), mean that future cohorts of retirees face an increased risk of having incomes that do not meet their *needs* in retirement (PLSA, 2018), and which may fall well short of meeting their *expectations* for retirement. Clearly for many, retirement is a distant event and planning for this is often displaced or overtaken by more immediate and pressing concerns. As a male pensioner taking part in this research stated:

You ask a young person today "Do you want to put money into a pension or pay off your mortgage?" They'll say "Pay off the mortgage". They don't think about pensions at 20 or whatever.

Male pensioner, Nottingham, 2019

Added to this is the difficulty of thinking about what sort of life one is anticipating in retirement and the resources that will be required to provide this living standard (Kotecha et al., 2010). In the abstract and at an individual level, projecting forward to an imagined self in the future is a difficult task. However, collaboratively, through group discussions with other members of the public, it is possible to reach agreement about different living standard levels that describe different possible 'versions' of retirement. Fundamental in these discussions about different versions of retirement is the public definition of distinct retirement living standards; a description of what different sorts of retirements could look like, and of the income needed to provide these, needs to be rooted in and shaped by a shared conception of what, for example, a minimum retirement living standard entails. This chapter explores the ways in which the established minimum standard of living has been used here and how two distinct retirement living standards above this have been defined through this research, identifying key components of each living standard as well as what it is that distinguishes one from another (the process through which these definitions were established is described in Chapter 3). Following on from this, it sets out the key principles shared across the three retirement living standards, how these are played out within each level, and the implications of these principles for retirement planning more generally.

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DEFINING RETIREMENT LIVING STANDARDS

A minimum retirement living standard

For just over a decade the Minimum Income Standards (MIS) research (Davis et al., 2018a) has established what is needed for an adequate income in retirement – that is, what single and partnered retired people living in the UK need for a minimum socially acceptable standard of living – as well as showing what is needed by a range of different working-age households. Although the principal motivation behind the MIS programme was not to inform individual thinking and planning for retirement, MIS has increasingly come to be seen as a 'standard' (Davis et al., 2018b) used by a growing number of organisations as *the* benchmark, informing thinking, policy and practice relating to the living standards of pensioners. For example, MIS provides a benchmark against which the adequacy of the UK state pension may be assessed (Davis et al., 2018a; Padley and Hirsch, 2017); it also provides the basis for an annual analysis of how many retired individuals in the UK currently do not have the income they need in order to reach this publicly defined, minimum standard of living (see Padley and Hirsch, 2013; Stone et al., 2019).

The way in which a minimum, socially acceptable standard of living is defined has been, and continues to be, critical to the role that MIS has come to play over time, in that it reflects a shared, common-sense conception of what is needed not just to survive in contemporary UK society, but to feel included and able to participate. When the MIS research first began in 2006, a series of groups with members of the public drawn from across different socio-economic groups, household types, locations and genders were asked to reflect on and discuss what a minimum standard of living in the UK looked like; what this meant, what the key elements of any definition should be and how a minimum standard of living could be defined in a way that reflected this. Echoing some of the ways in which relative poverty has been conceptualised (Townsend, 1979; Walker, 1987), participants in these initial groups were clear that a minimum standard of living was about more than just meeting essential needs for survival – food, clothes and shelter – it was also about being able to, as Townsend (1979: 31) puts it "participate in the activities, and have the living conditions and amenities which are customary, or at least widely encouraged or approved, in the societies to which they belong". In addition to having what was needed to feel included in society, groups were also clear that social participation was only meaningful if it included some degree of choice. If, for example, opportunities to take part in social activities each week were limited solely to those that were free, this would impose severe constraints on the choices available to individuals and households. This does not mean that at a minimum people should be able to do whatever they want to do, but the whole process of establishing and describing a minimum standard of living is one that is focused on reaching public consensus about where the 'line' that demarcates *too much* choice from *insufficient* choice should be drawn.

Reflecting the discussions in these initial groups, the definition of minimum living standards that has been used in all of the MIS discussion groups since this point, is this:

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> *A minimum standard of living in the UK today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.*

As noted above, this definition is not simply about survival, it also stresses the importance of social participation and non-material, or more 'abstract' needs. Indeed, one of the functions of the MIS approach and research is to translate, through discussion and deliberation, what may appear to be 'abstract' needs – such as feeling included – into goods and services that can be costed. Critically, this minimum living standard is one that groups in the initial stages of the research in 2006 agreed people should be able to live at indefinitely without it causing them physical, emotional or psychological harm: it is not a living standard of last resort.

Within this research focusing on needs in retirement, this definition of a minimum standard of living for all people living in the UK was used as the benchmark for what a minimum retirement living standard looks like and includes in contemporary UK society. As detailed in Chapter 3, the MIS definition provided the starting point for discussions of retirement living standards above this level and the principles central to the definition of minimum living standards were carried forward in the discussions and definitions of both moderate and comfortable retirement living standards. While of 'practical' use as a foundation for this research, the MIS definition and accompanying large body of MIS research is also recognised as providing a clear and regularly updated description of what *all* people retiring in the UK today, whether living alone or as part of a couple, should be able to have *as a minimum*. This is important in light of the overarching aims of this research: establishing and describing retirement living standards above a minimum – at a moderate and comfortable level – will strengthen the evidence-base on which individuals and couples can make informed decisions about saving for retirement, but ensuring that more people reaching retirement have enough to meet their minimum needs – materially, socially, emotionally and psychologically – as set out in MIS, should be a key societal 'target'.

A moderate retirement living standard

Just as the definition of a minimum living standard came out of discussions with members of the public, so too the definition of a moderate standard of living in retirement was rooted in and formulated through public discussion and deliberation. The descriptor 'moderate' was not one that emerged spontaneously from the deliberative groups, but one that was assigned to this living standard after the research had been completed. In discussions about the definition and description of this level, it was referred to as a living standard between the minimum and the higher, comfortable living standard. Consequently, central to discussions were the definitions of a minimum living standard discussed above and a comfortable living standard outlined below, and more than for either of these definitions, a moderate living standard was talked about in relative terms, but firmly rooted in the lived experience of those participating in the research. While discussions about how to define a minimum are guided by shared views about and understanding of a 'line' below which no one should fall, and discussions about defining a comfortable standard of living are guided by shared conceptions of an upper 'threshold', or the point at which comfortable tips over into luxury, discussions about defining a moderate retirement living standard reflected on

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both an upper and lower 'threshold', with participants and researchers positioning this living standard as being 'in-between': a moderate living standard would enable you to do more than at the minimum, but not to do much of what is described at the comfortable level.

Man: *I think the in-between minimum and comfortable, the gap in-between, is that you know full well you can always maintain minimum …*

Woman: *I think the minimum standard needs careful planning for you to survive, whereas … in the comfortable you just do what you want to do but the middle situation you can relax about a lot of those things.*

Woman: *You need to plan but you don't have to think of every penny.*

Man: *You're relaxed and you've got security, haven't you. That's the thing.*

Derby, 2019

This exchange reflects the character of much of the discussion around this moderate standard of living in retirement. Participants were clear that living at this level is about being able to provide for your essential – or basic – needs, or to put this another way, it is about knowing you can always maintain a minimum standard. The sense of security that comes from knowing you will always be able to provide a minimum for yourself was explicitly identified as a key component of a moderate living standard. But participants were also clear that a moderate living standard was about being able to do more than at a minimum, recognising that, for example, additional social activities, a holiday abroad or spending on eating out were not *essential needs* but, as one participant put it 'they … make a perceptible difference' to life. A moderate standard of living in retirement is about doing more than just 'coping', but at the same time it can involve 'modifying expectations' and more careful planning:

Woman: *I suppose then you could look at modifying, if you modify what you really want … I suppose really you perhaps would think a bit harder about where you wanted to put your money and be a bit savvy and get the best value you can.*

Researcher: *You said modifying?*

Woman: *Your expectations, but not giving up on them.*

Woman: *When I was married, I used to go to London once a month to a West End theatre and all the rest of it, but now I go once a week to the Quad (theatre and cinema) at £6, but I'm still seeing the same stuff*

Derby, 2019

At this moderate living standard there is then a balance between finding ways to continue doing the things that you want to do without necessarily having the same level of resource and tempering expectations as to how frequently you are able to do these things in retirement.

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Reflecting these exchanges and discussions, the definition of a moderate retirement living standard that was used in each of the groups tasked with detailing what is required at this level is:

> *A moderate standard of living in retirement in the UK is about more than just meeting your basic needs. It means being able to access a range of opportunities and choices, having a sense of security and the option to do some of the things that you would like to do.*

As at a minimum, meeting basic needs is key in this definition, as are having choice and opportunities. What most clearly differentiates the moderate from the minimum is the sense of security that comes, for example, from knowing that all of your minimum needs are met, and being able to some of the things you would *like* to do in retirement as opposed to what you *need* to do in order to feel part of – or included in – the society in which you live.

A comfortable retirement living standard

It was striking in discussions about how to define this 'highest' retirement living standard that the label or descriptor for this level – comfortable – was almost without fail the first suggested by all groups in discussions. Just as research on the minimum has revealed a shared understanding of what a minimum standard of living means and how this is described (see Davis et al., 2015), it is evident from discussions with members of the public about living standards in retirement that there are shared understandings not only of how living standards above a minimum can be described, but also of the language that can be used to describe this 'higher' living standard in particular. Participants in the initial groups in this research were clear that a comfortable standard of living was about having enough to meet all of your essential needs, just as at a minimum and moderate living standard, but that it would allow you to *do* much more than this and to *feel* more financially secure. For participants, this is a living standard at which there is the peace of mind that comes from knowing that, for example, unexpected costs can be met without having to forgo spending in other areas. As participants in Wrexham noted:

Woman: *I don't know whether everybody would agree with me but being comfortable takes an awful lot tension away.*

Woman: *If your fridge breaks down tomorrow and you've thrown all your food away if you've got a contingency fund where it's not an issue where you can go out and sort it out fairly quickly, because you know I would see that as being comfortable and not worrying.*

Wrexham, 2018

Although financial security is a feature of how a moderate retirement living standard is conceived and described by members of the public, at the comfortable level participants were clear that there was an enhanced sense of security – or a greater 'buffer' – and that this brought with it peace of mind. When asked to describe what comfortable meant in terms of a living standard, participants made an association between comfort and security, as these exchanges illustrate:

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Woman: *Comfortable and secure.*

Woman: *Not worrying.*

Researcher: *Not worrying?*

Woman: *Peace of mind.*

Woman: *Yes that's it.*

Leicester, 2018

Woman: *Just being comfortable, isn't it?*

Researcher: *OK, what does that mean?*

Woman: *To not have to worry.*

Researcher: *Not have to worry about?*

Woman: *Bills.*

Woman: *Keeping warm.*

Wrexham, 2018

As well as financial security and peace of mind, participants were also clear that a comfortable retirement living standard provided a level of flexibility and choice that marked it out as higher than both a moderate and a minimum level. At the minimum standard, choice is important, but there is a recognition that the principal function, and limit, of choice and opportunity is to ensure that individuals are not socially excluded. At the moderate standard there is an acceptance that expectations may have to be tempered and managed in retirement. Participants discussing the comfortable retirement living standard agreed that at this level people would be able to do a lot more of the things that they had hoped to do in retirement – they would have more choices and opportunities – but this would not be limitless choice and may involve 'delayed gratification':

Woman: *I would say being comfortable is saying "Yes I'd like that holiday." I mean I'm one of these that I'd like to work things out to make sure I can afford to do it. I'm not one who would say "Yes I want to go there and to hell with it I'm going."*

Woman: *If I wanted something expensive I would plan it over two or three years.*

Woman: *Yes.*

Woman: *But it's still having that ability to do that, isn't it? It's still going "Right that's what I want and that's what I'm going to do."*

Wrexham, 2018

Reflecting discussions, the definition of a comfortable retirement living standard that was used in each of the groups that were asked to describe and detail what is required at this level is:

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> *A comfortable standard of living in retirement in the UK is about more than just meeting your basic needs; it is about having a broad range of opportunities and choices, peace of mind and the flexibility to do a lot of the things that you would like to do.*

In the initial stages of the MIS research members of the public were able to reach agreement about how a minimum standard of living should be defined, rooted in a shared understanding of where to draw a line below which society agrees no one should fall. Similarly, this research has shown that there is sufficient shared public understanding of different standards of living *above* a minimum to enable agreement about reasonable definitions to be reached. As the remainder of the report demonstrates, groups of members of the public were also able to reach agreement about what these definitions mean in terms of material living standards comprising specified goods and services. Crucially, what these discussions and deliberations about different retirement living standards also indicate is that there is a 'definitional continuum' starting at a minimum standard and extending beyond the definition of a comfortable retirement living standard established here – that is, while the public can reach agreement about how, for example, a moderate living standard is described, there will be elements within this that are more or less important to the lived reality of single or partnered retired people living in the contemporary UK society, which may mean that the living standard they 'expect' or are planning for sits somewhere between a moderate and a comfortable level, or between a minimum and a moderate.

The final section of this first chapter looks briefly at some of the key principles that cut across the moderate and comfortable retirement living standards, and which may well feature in people's decision about where they place themselves on this continuum.

KEY PRINCIPLES ACROSS LIVING STANDARDS

As noted above, financial peace of mind and security were central to group discussions about the definition of both moderate and comfortable living standards. At a minimum living standard, there is nothing set aside to act as a buffer in the event of a financial 'shock', but at these higher living standards, groups stressed the importance of being able to absorb these kind of shocks; financial peace of mind is something that is achievable at the moderate and comfortable standards. A key element of financial security in retirement relates to housing, and participants in groups were in agreement that at a living standard above a minimum, it was reasonable to expect that people would not have ongoing direct housing costs (rent or mortgage) in retirement. However, there was also recognition of the increasing likelihood of having some housing costs in retirement and of the pressure that this would exert on retirement savings.

Linked to financial security and peace of mind, the importance of being able to maintain the life that they had before retirement, and of having the freedom to continue doing much of what they had done before they retired was highlighted by participants in discussions about both the moderate and comfortable retirement living standards:

Woman: *When you talk to people, as they get older they say "We'll stop buying presents," but the thing is they really enjoy buying presents because it's something that*

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they've done all their lives and then all of a sudden they think, hang on I can't buy a present anymore let's cut that out, and it really has an emotional impact on it, doesn't it? So emotions come into it as well.

Man: *I think you're trying to maintain your standard of living into retirement … that standard that you've worked hard all of your life for.*

Wrexham, 2018

Maintaining a living standard did not necessarily mean that spending in all areas would continue at the same level as before retirement, but that retirement should not bring with it a sudden change – most likely fall – in the quality of life. This principle holds at all three of the retirement living standards. A decade ago at the start of research on a minimum, the expectations of pensioners were different to those of working-age adults, particularly with regard to social participation, and there was a view that retirement at a minimum standard was qualitatively different to working-life at a minimum. Over time, the minimum needs identified by working-age adults and those who are retired – which are rooted in the expectations people hold about what life should be like – have converged (Davis et al., 2018a), and this view that retirement should, in many key ways, be a continuation of working-life was one that was expressed across groups in this research. An important element of maintaining living standards into retirement was that this provided a degree of freedom and flexibility that would otherwise not be there.

The desire to maintain a particular living standard in to retirement was tempered across each of the standards by an acknowledgement of the potential difficulty – in reality – of securing this: there are many things that it would be 'nice' to do in retirement, but being able to achieve all of these was not realistic. This was reinforced by a view that there is a 'gap' between retirement lifestyles that are sometimes portrayed in a variety of different media and the reality for many who are approaching or have reached retirement. One way in which aspirations for retirement may be delivered, with living standards maintained from working-life, is through preparing for later life before reaching retirement. Participants in the discussion groups looking at both moderate and comfortable retirement living standards were clear that, for example, major building work or alterations would be completed ahead of retirement and the cost borne when 'working' meaning that at the point of retirement your home would be as you want and need it to be.

This chapter has set out the definitions of retirement living standards that have been established through this research as well as exploring some of the principles that may influence the ways in which individuals think about and plan for retirement. The next chapter sets out the methodology used in producing retirement living standards for the UK and the research process. Chapter 4 then explores in detail the 'baskets' of goods and services that participants in this research have agreed are needed in order to meet both the moderate and comfortable retirement living standards.

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2. PRODUCING RETIREMENT LIVING STANDARDS: METHODOLOGY AND THE RESEARCH PROCESS

- 249 participants took part in 26 groups in 13 locations between May 2018 and February 2019
- 179 participants took part in groups outside London; 70 took part in groups in London
- Groups were held in: Belfast, Birmingham, Bristol, Canterbury, Dundee, Leicester, London, Manchester, Milton Keynes, Newcastle, Norwich, Nottingham, Sheffield and Wrexham.
- In total, 63 hours of discussions were undertaken with groups of members of the public

The focus of this research has been on addressing the question 'how much income do people need for different standards of living in retirement?'. Different methodological approaches to this question produce different answers, shaped by both the underlying principles and particular methods employed within the approach. This chapter of the report sets out the key features of the approach adopted within this research as well as providing a detailed account of what was involved in each phase of the work.

THREE APPROACHES TO DEFINING LIVING STANDARDS

Existing work on defining the income needed for a particular living standard can be broadly categorised as falling within one of three approaches. First, based on the premise that the spending decisions individuals make reflect and capture what is needed or what is essential, one approach to this question is to use expenditure data in order to determine what individuals need to reach a given living standard. To establish what is needed for different standards of living in retirement, this approach would look, for example, at what those with incomes between the 30th and 40th percentile spend each week on leisure activities to establish what is needed at 'Level A' and at what those with incomes between the 50th and 60th percentile spend each week on leisure activities to establish what is needed at 'Level B'. Repeating this across expenditure categories would provide a weekly 'budget' needed at these two different levels, but this budget would not be linked in any way to a defined or described living standard; in other words, this approach provides an indication of what, on average, individuals in different income deciles spend in different categories, but it does not provide any detail as to why spending in a given category is necessary for a given living standard. As an aid to individuals in planning for retirement, the budgets produced by this approach could set out the income needed for different living standards in retirement, but these would not be linked to any clear description of what these living standards are or the kind of life that savers could expect to have were there to retire on a given income.

A second approach to defining the income needed for a particular standard of living is based around the views and decisions of experts. Expert-led approaches to calculating household budgets start from the view that experts, with input from across a range of different areas, are best placed to make 'objective' decisions about what individuals and households need for a given standard of living. This approach would, for example, ask nutritionists to draw-up a weekly food basket for an individual living at 'Level A' and a different basket for an individual living at 'Level B'. This food

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basket could then be costed in a chosen shop and added to the other goods and services in a 'living standard basket' drawn-up in consultation with other experts. In this approach, those putting together lists of goods and services needed for a 'Level A' living standard or a 'Level B' living standard do not necessarily have any knowledge or experience of what living at 'Level A' may be like; decisions about what to include are not rooted in lived experience, but in theoretical assumptions about, for example, dietary requirements, or suggested guidelines regarding, for example, time spent on physical activities each week.

The basket of goods and services considered to be sufficient to provide a living standard at 'Level A' could be used to calculate the income needed to live at this level, but it would be rooted in often abstract assumptions and guidelines rather than in lived experience or a broad range of views across a range of living standards. As with approaches based on expenditure data, these expert-led approaches could set out the income needed in order to retire at a range of different living standards, but these living standards would not reflect the views of the public regarding, for example, what constitutes a minimum standard of living in retirement or a comfortable standard of living in retirement.

In contrast to the 'top-down' expenditure and expert-led approaches, consensual budget standard approaches, such as the one used within this research, adopt 'bottom-up' methods, starting with and privileging the views of members of the public. Rather than analysing what people spend their money on or asking experts to determine what is needed for a particular living standard, consensual approaches ask members of the public to deliberate and ultimately reach consensus about what is needed for a given living standard. Critically, not only are groups of members of public tasked with discussing and agreeing all of the goods and services needed in order to have, for example, a moderate standard of living in retirement, but prior to these deliberations initial groups discuss and produce a definition of such a living standard (see Davis et al. 2017).

The Minimum Income Standard (MIS) methodology, developed by the Centre for Research in Social Policy, is the foremost consensual budget standards approach, and the ongoing research programme that uses this approach in the UK aims to identify a minimum socially acceptable standard of living that the public consider everyone should be able to attain (see Davis et al. 2018a). To establish a description of the goods and services a range of different households need to achieve a minimum standard of living, the approach uses deliberative focus groups with members of the public – facilitated by experienced researchers – who identify what is needed and why. Within the MIS approach, groups of individuals focus on the needs of individuals who are 'like them': working-age adults without children discuss the needs of working-age adults without children, while retired people discuss and agree what retired people need for this minimum standard of living. What this approach establishes, in this instance for both single and partnered pensioners, is how much these households need on a weekly basis for this minimum standard of living and the income needed to reach this. More than this though, the MIS research, in detailing what a minimum living standard comprises, provide a rich description of a living standard, rooted in a shared public conception of a minimum.

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As set out earlier in this report, this research has applied the MIS approach to the definition and description of retirement living standards above a minimum level. The remainder of this chapter establishes the key features of the MIS approach and explores how these have been applied in order to establish two retirement living standards above a minimum socially acceptable standard of living, both in urban areas outside London in the UK and within London. It then sets out the key stages of the research, including the recruitment of participants and ethical considerations.

KEY FEATURES OF THE MIS APPROACH

As noted above, the MIS approach is a 'bottom-up' method that starts and ends with the views of members of the public, established through a series of group discussions and deliberations. The result of these deliberations is a detailed description of the goods and services needed to reach a particular living standard for a specific household type, from which it is possible to calculate the income needed to provide this living standard. Underpinning this process are key features that make the MIS approach unique, but which also establish its validity and robustness in addressing questions concerning public consensus about needs.

MIS is rooted in socially constructed definitions of living standards

A critical feature of the MIS approach, explored in detail in the first chapter of this report, lies in the ways in which it establishes definitions of living standards. At the start of the research to establish minimum living standards in 2006, a series of groups were convened to discuss and identify the key elements and descriptors of a minimum standard of living that everyone living in the UK should be able to reach (Davis et al. 2017). These discussions formed the basis of the definition of a minimum standard of living that has been used as the starting point for all group deliberations about what is needed as a minimum since.

Applying the MIS approach to living standards above a minimum, this research also started with groups discussions with members of the public about how these 'higher' living standards should be described and defined, and what the key descriptors of each different level should be. Through a series of four groups, participants discussed what was the most appropriate 'label' for these different living levels as well as identifying both the kinds of things that it would be possible to do at each of these levels and less tangible affective dimensions, such as 'peace of mind' or 'security'. The result of these discussions was two definitions of living standards above a minimum which are rooted in public discussion and reflect a shared understanding of expectations in and for retirement in contemporary UK society:

> *A moderate standard of living in retirement in the UK is about more than just meeting your basic needs. It means being able to access a range of opportunities and choices, having a sense of security and the option to do some of the things that you would like to do.*
>
> *A comfortable standard of living in retirement in the UK is about more than just meeting your basic needs; it is about having a broad range of opportunities and choices, peace of mind and the flexibility to do a lot of the things that you would like to do.*

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These definitions provided the basis for the detailed discussions about exactly what is needed to reach this living standard level outlined later in this chapter (*see discussion of task groups*): that is, all discussions and decisions made by groups started from these socially constructed definitions. While in other approaches to establishing 'budget standards' the definition of these living standard levels is devised by 'experts' or with reference to some global or universal understanding of needs, the definitions at the heart of the MIS approach are firmly situated in the country and context (social, economic, cultural) in which there are formed.

MIS identifies the needs of an 'imagined other'

The MIS approach does not ask groups of individuals to identify what *they* need for a particular standard of living, but rather groups focus on the needs of an imagined, hypothetical individual. These imagined individuals act as a focal point around which needs are 'projected' by groups, built on the publicly determined definitions of living standards. The descriptions of these imagined individuals (labelled as 'case studies' within the MIS approach) are formulated by the same series of groups who discuss how the living standard levels are defined and described, and these groups involve discussions of reasonable assumptions about housing at each different living level. The 'case studies' provide some basic information about living circumstances which help to establish the parameters of the task, for example, setting out whether they live alone or as part of a couple, how many bedrooms they have in their property and their state of health.

- *Carole/James is retired and lives on her/his own in a 3 bedroom house, which they own.*
- *David and Jill are both retired and live together in a 3 bedroom house, which they own.*
- *They are all in a reasonably good state of health and live in …*

The detail within the 'case studies' helps to guide groups in their discussions of what is required in order to have a particular standard of living. The result of this projection of needs on to a 'case study' individual is a detailed description of the goods and services that *every person* needs, rather than a description of the goods and services that reflects individual tastes and preferences.

MIS groups are household specific, but socially mixed

Critical to the MIS approach is the composition of the groups who discuss and agree what is needed for a particular living standard. All participants in groups are from the specific household whose needs are being discussed, so that, for example, retired people are discussing the needs of retired people, and parents the needs of households with dependent children. Group composition in this respect reflects the privileging of 'real world' knowledge within the MIS approach. As important is the socio-economic composition of groups: participants in groups have a range of different backgrounds – principally denoted by their economic position within society. This means that the MIS approach is not just asking those with lower incomes to consider what is needed as a minimum, or in this research, not just asking those who would consider themselves to be financially 'comfortable' to discuss what is needed for a comfortable standard of living in retirement. Rather, people from a range of different backgrounds are asked to reach agreement about what 'case study' individuals need for a particular standard of living, meaning that the

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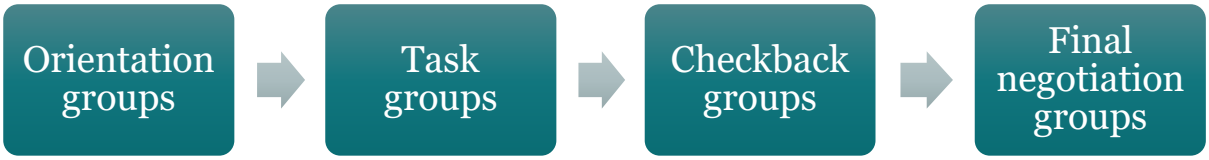
resulting budgets do not privilege the voices of one particular social or economic group, but are rooted in a range of different experiences and views.

The MIS approach uses deliberation to reach consensus

The MIS approach works to produce detailed lists of goods and services, compiled by the public, which they agree are needed in order to be able to have particular, defined standards of living. The approach relies on a sequence of groups in order to establish needs rather than asking a single group. Figure X sets out the sequence of groups, which is explored in more detail with regard to this research below. The central principle here is that the MIS approach seeks to establish consensus about what is needed for a particular standard of living both within and across groups.

In practice this means that the list of goods and services identified and agreed upon as necessities by one group is taken to a subsequent group who review, discuss and amend as necessary, with their decisions being taken to a further group who again review and discuss. Within groups the focus is on reaching consensus rather than unanimity – that is, a list of goods and services that the whole group can agree will provide a given living standard, but which will not necessarily meet the *individual tastes and preferences* of all of the group participants (see Davis et al., 2015).

Figure 1: The sequence of groups within the MIS approach



The MIS approach produces rich and reasoned descriptions

One of the key features of the MIS approach is the granularity of the budgets it produces. Through the sequence of groups with members of the public the approach does not simply produce lists of goods and services needed for a given living standard, but through the detailed discussions in and between groups, the process produces a rich description of what is needed, why it is needed, what quality, how long it would last and where it would be bought. Capturing this detail is crucial for the conversion of agreed needs into a weekly budget or annual income requirement, but beyond this, the rich description provided by groups regarding the importance of a particular good or service in meeting a given living standard allows for a more holistic understanding of different living standard levels.

The MIS approach builds in regular updates

Some approaches to establishing what is needed for a particular standard of living are undertaken at a single point in time and then in subsequent years the resulting budgets are updated using estimates of increases in prices provided by inflation indices. One problem with such an approach is that increases in prices do not necessarily capture changes in, for example, social norms or expectations of what living at a particular living standard means. The MIS approach builds in regular annual updates, alternating between updates based on new research with members of the

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public and those based on increases in prices. This means that a budget produced in Year 1, through research with groups of members of the public, would be updated by inflation in Years 2 and 4. In Year 3, the lists of goods and services would be reviewed by a sequence of groups in order to ensure that changes in social norms or expectations are being captured. In Year 5, the research is begun again, from scratch, with a full 'rebasing' of the budgets. This sequence of updating ensures that these detailed descriptions of what is needed for given standards of living remain rooted in the 'real world' and reflect the ways in which social and cultural norms change over time.

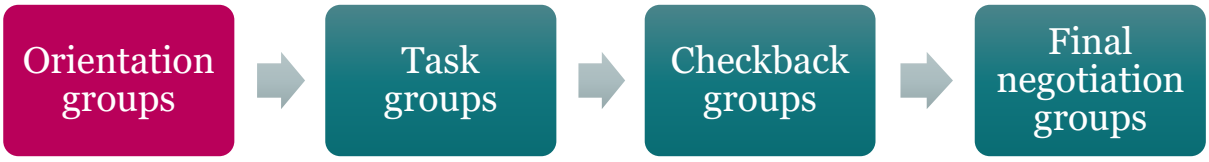
These key features of the MIS approach have been central to this research on developing retirement living standards. The remainder of this chapter sets out the research process by looking at the sequence of groups that comprise the MIS approach.

RECRUITMENT

Participants for this research were principally recruited face-to-face for groups, by recruiters in public locations, and in general were living in the cities where groups were undertaken.

In total, 249 people participated in the discussion groups, across thirteen different locations in the UK (including groups in Northern Ireland, Scotland and Wales). As in the ongoing MIS research in the UK, groups for this research were recruited to include participants across a range of socio-economic backgrounds and covering a range of ages above 50 years old. As noted above, recruiting participants from a range of socio-economic backgrounds is crucial so that the budgets produced by groups reflect the needs of the population in general rather than being rooted in a specific experience of the world, shaped by particular economic and social circumstances. Participants in groups were recruited to include a reasonable balance of genders and were recruited on the basis of age and household composition (i.e. retired and non-retired '50 plus' single and partnered pensioners).

'ORIENTATION' GROUPS: DEFINING RETIREMENT LIVING STANDARDS



The initial phase of this research focused on exploring and defining the retirement living standards to be used as the foundation for subsequent detailed group deliberations about what is needed in order to reach these standards. The starting point for these discussions was the definition of a minimum standard of living that is central to MIS:

> *A minimum standard of living in the UK today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.*

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The definition of the minimum standard of living was explained to each of the four orientation groups and each group was then asked to reflect on how living standards above the minimum should be labelled and described in light of this. These initial groups lasted three hours and participants were asked first to consider descriptors or labels for each different living standard level, and then to discuss and agree some of the sorts of things that an individual or couple would be able to do at each level. In this orientation phase, the views of those already retired and those approaching retirement, but still of working-age were sought. It was important to include both the already and not-yet retired in these discussions as expectations about what retirement should or could be like may differ between these two groups.

The first orientation group was made up of those who were already retired and were living independently either on their own or as part of a couple. The second comprised individuals over the age of 50, but under retirement age, living on their own or as part of a couple. The third and fourth groups were made up of a combination of retired and non-retired individuals over the age of 50. The first three orientation groups took place at the start of the research process, while the fourth group was undertaken at a later stage. The consensual definition of these living standards above a minimum was consequently informed both by the experiences and expectations of those already in retirement and by the future hopes and expectations of those still of working-age.

The outcome of these orientation groups was the definition of three retirement living standards above a minimum: moderate, comfortable and high. The first two of these have been explored in this report, but groups also discussed and defined a high standard of living in retirement through this research. Ultimately this produced a weekly budget and annual income requirement that would be out of reach of all but the highest earners within the UK, undermining its value as a guide and tool for the majority of those planning and saving for retirement.

Having established the comfortable and high retirement living standards through the process set out here, another sequence of groups was undertaken to discuss a living standard between the minimum and the comfortable levels – or a moderate standard of living. This research, while rooted in an established and respected approach, was experimental and it was not clear at the start exactly what it would produce. What is clear from the research is that it is possible to use the MIS approach as the basis for discussions about, and specification of, a range of different retirement living standards; what is also clear is that, not all of these retirement living standards would provide the basis for useful tools and guidance for savers. The remainder of this chapter focuses on the comfortable and moderate living standards, but a similar process was undertaken in order to produce the 'high' retirement living standard.

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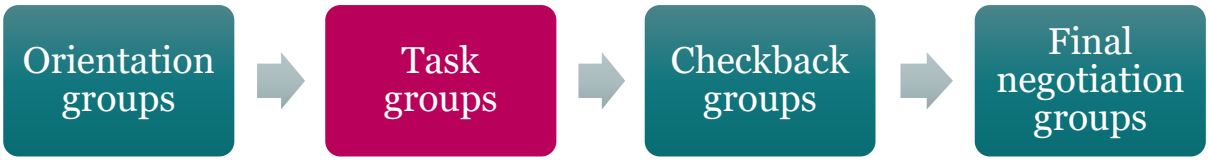
'TASK' GROUPS: DETAILING TWO RETIREMENT LIVING STANDARDS



The 'task' group phase of this research built on the orientation phase, using the retirement living standard definitions as the basis for detailed discussions about what was needed to reach these standards of living. Within these groups, participants are guided through the imagined 'home' of single and partnered pensioners, pausing within each room or space to discuss what is needed within each for the living standard under discussion; so, for example, what is needed within a kitchen for a comfortable retirement living standard? What do single pensioners need to be able to do outside of their homes in order to have a moderate retirement living standard? The product of this phase is a detailed list – or basket – of goods and services that describes the living standard being discussed.

The task groups for the comfortable retirement living standard took as their starting point the 'baskets' of goods and services put together by groups in MIS research with single and partnered pensioners in 2017 and 2018 (see Davis et al., 2018a). Two groups – one made up of individuals already retired and one of those over 50 but not yet retired – reflected on the goods and services that the public agree is needed in order to reach a minimum standard of living. The groups discussed what needed to be changed within these baskets – if anything – in order for single and partnered pensioners to have a comfortable standard of living in retirement: what came out of these groups has been explored in the preceding chapter. It was clear from these task groups that there was agreement about what was needed for a comfortable standard of living across the already retired and not-yet retired groups; that is, there were few differences in the comfortable living standard described by individuals already experiencing retirement and those for whom this was yet to happen.

The task group for the moderate retirement living standard took as its starting point the baskets of goods and services specified by groups at both the minimum. One group, comprising both retired and non-retired individuals over the age of 50, reviewed and reflected on what groups agreed was needed at each of these levels, and discussed what was needed for a retirement living standard level between these two.

The lists of goods and services produced through these task groups formed the basis and starting point of the next stage of the research.

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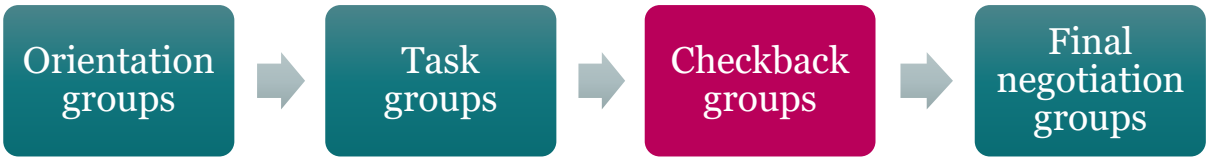
‘CHECKBACK’ GROUPS: REVIEWING RETIREMENT LIVING STANDARDS



The purpose of the checkback phase of groups is to review and amend the detailed lists compiled in the task group stage. For both the comfortable and moderate retirement living standards, mixed groups of retired and non-retired participants over the age of 50 scrutinised the goods and services described in the task group stage and either endorsed these or made changes where they agreed what had been described did not fit with the definitions of each retirement living standard. The publicly determined definitions of a moderate and comfortable standard of living provided a ‘yardstick’ against which these detailed lists are judged, assessed and adjusted if necessary. Often checkback groups question whether a good or service is really needed in order to reach the living standard under discussion, carefully considering whether a described item meets or exceeds an agreed need. This checking function is critical in arriving at a ‘final’ basket of goods and services that the public agree provides a particular retirement living standard.

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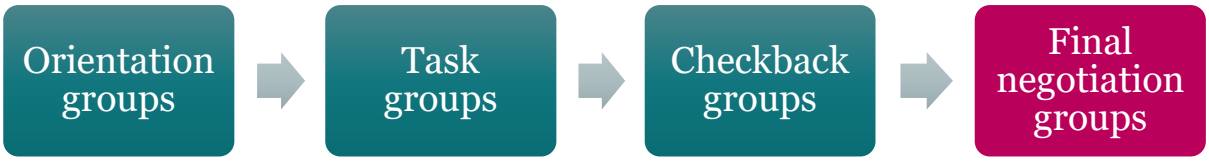
'FINAL' GROUPS: CONFIRMING RETIREMENT LIVING STANDARDS



Within this research there were a series of 'final' groups, in which participants were tasked with reviewing and confirming the baskets of goods and services linked to a moderate and comfortable retirement living standard. These groups, comprising retired and non-retired participants over the age of 50, presented an opportunity to review the detailed lists put together by task groups and reviewed by checkback groups. Importantly, these final groups also had the opportunity to reflect on the descriptions of the comfortable and moderate retirement living standards alongside each other. This afforded the opportunity to look at the described goods and services needed for one living standard relative to those described for the other, and for any 'anomalies' to be discussed and revisions made if groups agreed this was necessary. Presenting the described living standards to groups in parallel proved beneficial in ensuring that there was a logic and consistency in the 'progression' from the minimum retirement living standard, through the moderate to the comfortable retirement living standard.

ESTABLISHING RETIREMENT LIVING STANDARDS IN LONDON

Following on from the research to establish retirement living standards in urban areas of the UK outside London, a review of the list of good and services identified within each living standard was undertaken in London. This review was necessary as ongoing research on minimum living standards has repeatedly pointed to differences in expectations, needs and costs within the capital compared to other urban areas in the UK (see Padley et al. 2019, 2017, 2015; Padley 2017). One sequence of three groups examined and amended – where necessary – the comfortable retirement living standard described by groups in urban areas outside the capital; another group reviewed the basket of goods and services that groups identified as meeting a moderate retirement living standard. As outside London, groups in London comprised retired and non-retired participants over the age of 50, and asked them to reflect on whether or not single or partnered pensioners would need different goods or services to reach a moderate or a comfortable retirement living standard in the capital. The key differences between retirement living standards within London and in the UK outside of London have been highlighted in the preceding chapter.

CALCULATING THE COST OF RETIREMENT LIVING STANDARDS

The rich description of the different living retirement living standards established through this research is useful in enabling people to think and plan in a more grounded way about retirement. However, without being able to say how much individuals or couples need in terms of income in order to have this living standard, there is a limit to the usefulness of this 'rich description'. Following on from the completion of all of the discussion groups, the lists of goods and services

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identified as being needed to provide a moderate or a comfortable standard of living in retirement were priced in the retailers agreed within groups, providing the basis for calculating how much income is needed to meet these living standards. Throughout the research process, discussion focused not only on what was needed to provide these living standards, but also the quality of items, the longevity of goods and where items would be purchased. These detailed decisions, captured through recordings and the use of flipcharts within groups, were translated into twelve different costed budgets:

	A MODERATE RETIREMENT LIVING STANDARD	A COMFORTABLE RETIREMENT LIVING STANDARD
UK (outside London)	Single female pensioner Single male pensioner Partnered pensioner	Single female pensioner Single male pensioner Partnered pensioner
London	Single female pensioner Single male pensioner Partnered pensioner	Single female pensioner Single male pensioner Partnered pensioner

These costed budgets were then used as the basis for calculating what is needed in order to provide the moderate and comfortable retirement living standards.

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3. EXPLORING DIFFERENT RETIREMENT LIVING STANDARDS

The previous chapter set out the publicly-determined definitions that provided the starting point for group discussions and deliberations about needs at different retirement living standards. It also looked at some of the key principles that cut across and are shared by these different standards, albeit which are translated into different needs and requirements at each of the three levels. This chapter explores in detail the baskets of goods and services for the three different retirement living standards, discussed and put together by the groups of members of the public at the heart of this research. The organisation of this chapter echoes the structure of the discussion groups in which participants 'walk through' a home and establish what is needed in the each of the different budget areas listed below.

Budget areas covered in discussion groups:

- Food and alcohol (including eating out)
- Household goods and services
- Clothing
- Housing and related costs
- Personal goods and services
- Social and cultural participation

The intention in this chapter is to provide an account of what the public agree is needed at each living standard, but not to exhaustively list *all* that has been included for single and partnered pensioners, at each of the three levels, in the UK outside London and within the capital. The boxes at the start of each budget area provide an illustration of the differences between the three retirement living standards. The full, detailed budget lists are available on the Retirement Living Standards website at www.retirementlivingstandards.org.uk

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FOOD AND DRINK

1. A minimum retirement living standard

Food shop: Tesco, mainly Tesco brands

Alcohol: 3 cans beer e.g. Carling, £4 bottle of wine

Eating out and takeaway: *Couple*: £15 per couple once a month for takeaway, £15 each per month for eating out; *Single*: £10 a month for takeaway, £15 a fortnight for eating out

2. A moderate retirement living standard

Food shop: Tesco, 50% branded goods

Alcohol: 3 cans of beer e.g. Brooklyn Lager, £6 bottle of wine

Eating out and takeaway: £75 per person per month for eating out including alcohol. Including takeaway.

3. A comfortable retirement living standard

Food shop: Sainsburys, 75% branded goods

Alcohol: 3 cans of beer e.g. Punk IPA, £8 bottle of wine

Eating out and takeaway: £50 per person per week for eating out/takeaway including alcohol. **PLUS** £100 per household per month to take others out for a meal

In order to arrive at a shopping basket of food and drink groups were asked to discuss and describe a typical day in terms of meals, snacks and drinks. Groups agreed that each of the three retirement living standards would involve a 'standard' pattern of three meals a day plus snacks, tea, coffee and soft drinks as well as occasional alcohol. At the minimum living standard variety in the types of food eaten and amount of preparation required has consistently been identified as an important aspect (Davis et al., 2018a), allowing for choice as well reflecting the realities of living in contemporary UK. This was reflected in the discussions about food and drink at the moderate and comfortable living standards. Groups agreed that there would be differences in the quality of food for the living standards but agreed that the types and variety of meals and snacks, as well as the inclusion of a mix of food prepared from scratch and convenience options, would be similar across each of the three retirement living standards. Key differences that were identified focused on the quality of the produce, illustrated by differences in the meat purchased at each level: all three standards included red meat, but a comfortable living standard might include steak whereas a

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minimum living standard would include cheaper stewing steak for a casserole or stew. The proportion of branded food purchased was another aspect of this budget area that groups agreed would be higher for the moderate budget and even higher for the comfortable budget. For example, groups agreed that at the moderate living standard 50 per cent of goods in a weekly shop would be branded while at the comfortable living standard a weekly shop would include 75 per cent branded products.

All the groups agreed that individuals should be able to enjoy alcohol in their home at each of the three living standards. At a minimum living standard, groups included one bottle of wine and three cans of lager per person, per week, although the wine specified by groups has a relatively low alcohol content to ensure that individuals living at this level do not exceed the recommended weekly allowance of 14 units (see Davis et al., 2018a). During group discussions about the moderate retirement living standard there was agreement that a similar amount of alcohol should be included as at the minimum but that this would be of a better quality (e.g. around £6 per bottle of wine instead of £4), meaning that it was likely that the recommended weekly allowance would be exceeded at the individual's own choice. This was similarly agreed by groups discussing the comfortable budget who suggested that the quality of wine and beer consumed at this level would be higher again (e.g. around £8 per bottle of wine).

The cost of additional food and drink for celebrating Christmas, or other significant festivals and/or celebrations, was considered as a necessity at each of the three living standards. At the minimum it was decided by groups that an additional £50 on top of the usual food budget would be enough to provide seasonal treats, such as mince pies and a turkey crown, as well as additional items, such as an extra bottle of wine, to be able to offer visitors or to be able to contribute if attending a gathering elsewhere. The groups discussing a moderate living standard agreed that an additional £150 would cover the cost of the extra groceries needed during the festive period, whilst for a comfortable standard of living in retirement groups decided that an additional budget of £250 would be needed. These differing amounts reflect the different expectations at each living standard regarding, for example, hosting Christmas Day; groups explained that those living at the comfortable retirement living standard would be more likely to host and so in order to be hospitable to guests would need that budget to cover the additional cost.

Supermarket choice was also discussed in detail within groups across the different living standards. The minimum 'shopping basket' is currently costed at Tesco as this is currently the most prevalent of the 'Big 4' supermarkets and while there has been discussion about the increasing availability of 'discount' supermarkets such as Aldi and Lidl, groups have been clear that it was unlikely that a complete shop could be done and decided that individuals shouldn't have to go to more than one shop to get all the groceries that they need. At the moderate retirement living standard, groups agreed that Tesco would be the supermarket used but as detailed above, a weekly shop would include a greater proportion of branded products. Discussions about the comfortable living standard resulted in groups identifying Sainsburys as the supermarket of choice, once again with more branded options and a better quality of meat.

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Being able to eat out has been identified as important by all groups involved in this research as a way to socialise with friends, to combat potential social isolation – of particular importance for single retirees – and to have a break from having to prepare all meals at home. The groups that discussed what is needed for a comfortable living standard in retirement emphasised that eating out would not just involve planned meals out in the evening but would also include more 'spontaneous' socialising such as meeting friends for coffee and cake or deciding to eat lunch out when on a shopping trip. Groups agreed that at the comfortable level £50 per person per week would allow both retired couples and singles the flexibility to enjoy meals out frequently as well as not having to think too hard about spontaneous eating out options. Groups arrived at the £50 budget based on two meals out per week at £25 per head but were clear that this budget would be used flexibly so that 'nicer meals' and more informal, spontaneous eating out would happen concurrently.

Researcher: *How many times would you expect to eat out for £50 a week?*

Man: *Once a week.*

Woman: *You might save it sometimes, sometimes you might be ill so you don't use it.*

Woman: *Yes or you might not feel like it.*

Researcher: *So once a week if you're a couple spending £100 eating out?*

Woman: *Often you go out for coffee and cake with friends, not really to have the coffee and cake but just for a chat with your friends, be sociable.*

Researcher: *So that's not about going out for £100 meal as a couple it's about all that other stuff?*

Man: *We go out walking every Wednesday and then after we have a meal and it probably comes to about £14 / £15 for two of us.*

Woman: *I'm in a walking group and yes you go to a pub and it's not too expensive.*

Woman: *You might go out three or four times a week and spend £10 each time.*

Woman: *Yes I do that.*

Woman: *It might be spread over several days.*

Leicester, 2018

In addition to an eating out budget of £50 per person, per week groups agreed that an important aspect of having a comfortable living standard in retirement was the flexibility to treat others for example, by paying for a meal on special occasions or taking family or friends out for dinner. Groups decided that a £100 budget per month would meet these needs at the comfortable level, based on £25 per person for four people and groups agreed that this would happen less frequently if they chose to treat more people.

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Researcher: *So you mentioned earlier paying for other people when you go out to eat. Should they be able to do that at this comfortable level, take their family out to eat?*

Man: *Yes.*

Woman: *Yes.*

Woman: *Not too many.*

Man: *It's a bonding session.*

Woman: *Special occasions.*

Researcher: *How many times a year do you think?*

Woman: *Once a month.*

Man: *12 times a year to my mathematical figure.*

Newcastle, 2018

Whilst eating out was also seen as important for socialising at the moderate retirement living standard, groups agreed that it was likely more planning would be involved at this level and consequently decided that an overall budget of £75 per person each month to cover meals out, coffee trips and takeaway eaten at home would meet their needs – and expectations – at this level.

In London, groups explained that eating out was more expensive than in urban areas outside of London, something that is reflected in the higher amount agreed as a need for eating out in London at the minimum living standard (Padley et al., 2019). The result of this was that groups considering what is needed for a moderate retirement living standard increased the eating out and takeaway budget to £180 per month. However, groups agreed that £50 per person per week, plus £100 per month for eating out with others, would be enough have a comfortable standard of living in London and in the UK outside of London.

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HOUSING AND RELATED COSTS

4. A minimum retirement living standard

Contents insurance only

£100 per year for decorating, plus £50 per year for 'odd job' help

5. A moderate retirement living standard

Building and contents insurance

Boiler and annual boiler servicing cover

Pre-paid Funeral plan: Co-Op Silver cremation plan

£500 per year for decorating materials including labour

6. A comfortable retirement living standard

Building and contents insurance

Boiler and annual boiler servicing cover

Pre-paid Funeral plan: Co-Op Silver cremation plan

£600 for decorating materials including labour plus £300 'just in case' budget

As noted in Chapter 2, participants across groups were in agreement that at a living standard above a minimum it was a reasonable expectation – in terms of thinking about what is needed for both a moderate and comfortable living standard – that on reaching retirement people at these living levels would no longer have ongoing direct housing costs (rent or mortgage). This is in contrast to the minimum living standard where housing is in the social rented sector. It was recognised that there is an increasing likelihood of having some direct housing costs in retirement and that this would exert an added pressure on retirement savings: having to continue paying rent in retirement, for example, would necessitate either a reduction in spending in other areas – with an impact on living standards – or a larger retirement savings 'pot' to cover these costs *and* maintain other aspects of a moderate or comfortable living standard. Noting this potential change and challenge for future retirees, groups maintained that both a moderate and comfortable retirement living standard should be based on the assumption that individuals or couples own their home.

In addition to discussions regarding tenure, groups also considered the size of properties. This was an important element of discussions as it has a direct bearing on the living standards being described: if groups had agreed that a one bedroom property was sufficient at both the moderate and comfortable living standards, then the goods and services that describe this living standard would have been based on, for example, furnishing, maintaining and heating a one bedroom

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property, which would have impacted on what is needed to reach these living standards. At a minimum living standard, single pensioners are assumed to be living in a one bedroom flat in the social rented sector, while couples are in a two bedroom flat also in the social sector. At both the moderate and comfortable living standard, groups agreed that a three bedroom property provided a reasonable basis for building descriptions of each living standard. It was acknowledged that the choices and decisions that individuals and couples make about housing are likely to be influenced and shaped by a range of different factors and that there will be significant variation according to, for example, family circumstances, location and health concerns. However, groups agreed that a three bedroom property represented a useful 'norm' around which to build retirement living standards above a minimum.

Buildings, contents and boiler insurance were a key part of discussions in the groups considering both moderate and comfortable living standards and were related to guaranteeing a sense of security and peace of mind at each level. For both a moderate and comfortable living standard in retirement, groups agreed that the buildings and contents insurance needed to include £80K for contents, accidental damage, emergency cover, replacement locks, and £2k personal possessions cover. Groups also decided that the boiler cover should include replacement, if required, and agreed that this should include a broad range of cover for plumbing, including annual boiler servicing and repairs to central heating as well as insuring against issues with, for example, waste pipes. In addition, groups agreed that paying a premium to enable no excess charges would secure peace of mind at both a moderate and comfortable living standard.

Researcher: *The boiler insurance, at a comfortable level, do you think that would include the cost of replacement, so if something went wrong?*

Woman: *Yes.*

Researcher 1: *If you have it covered then it means it should be replaced.*

Woman: *Yes.*

Man: *Yes, parts and labour.*

Man: *Peace of mind.*

Woman: *Yes, so you know if anything goes wrong with it it's going to be OK.*

Man: *If you've ever been without it in the winter you realise how important it is because it's horrendous.*

Woman: *It is.*

Birmingham, 2018

In a similar vein, groups discussing both moderate and comfortable retirement living standards agreed that taking out a funeral plan or setting aside money to cover the cost of their funeral(s) was also important to have peace of mind and to ensure that their families would not face any financial

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burden when the time comes. One participant in a group in Bristol stressed the importance of 'having enough to bury yourself' upon reaching retirement.

Groups also discussed and agreed the importance of including an annual budget for housing maintenance and decoration at all three living levels. At the minimum this budget is £150 to cover minor repair jobs and 'touch ups' rather than full re-decoration or maintenance as anything significant would be covered by their housing provider, as at the minimum retired singles and couples are living in the social rented sector (Davis et al., 2018a). At a moderate retirement living standard groups budgeted £500 annually in order to redecorate a room each year, which would cover all materials such as paint, wallpaper, brushes and so on, as well as any labour required if they were unable to carry out the DIY themselves. At a comfortable retirement living standard, groups decided that an overall budget of £900 per year was needed, but this was broken down into £200 for materials, £400 for labour (e.g. to pay a painter and decorator to paint one room), plus £300 'just in case' money to provide peace of mind that if anything were to go wrong, there would be a surplus to cover additional costs. For a comfortable living standard in retirement, groups also included a budget to replace the kitchen every 10 years and the bathroom every 15 years.

Across the moderate and comfortable retirement living standards, groups were clear that any substantial building works – such as an extension, a new roof or updated double glazing – would require a significant financial outlay and consequently would be planned to take place prior to retirement. Groups emphasised that even if individuals or couples were planning for a comfortable retirement, there would still be an expectation that such significant financial outlays would take place whilst they were still earning in order to absorb the cost. From a similar perspective groups agreed that for a moderate living standard no significant works would take place in retirement, and if there was a need for a new kitchen or accessible bathroom, these works would need to be completed prior to retirement. For a moderate living standard, groups agreed that regular decoration with minimal maintenance would be sufficient, but that particularly in older retirement there may be a need to pay for help with DIY.

Researcher: *At this intermediate level … do you think they'd be decorating themselves?*

Man: *I think they're decorating themselves.*

Man: *To a certain age. I think if you could physically do it you'd want to do it yourself.*

Man: *You do, yes.*

Researcher: *OK so they wouldn't necessarily be paying somebody else to come in and decorate for them?*

Woman: *Well I used to do my own but now I can't.*

Man: *Yes that's what I'm saying. I think at this level you're always looking for a way to save money.*

Researcher: *Do they need an amount of money to do not more substantial things, not replacing the roof but I don't know if you had a problem with the guttering?*

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Woman: *Or your fencing.*

Researcher: *Do you think they'd need an amount of money each year for that?*

Woman: *Yes I think so.*

Man: *Yes because the wind and your fence comes down.*

Man: *Everyone will be different you still get fit people at 75. it depends on what job you've had I think. If you've done a real manual job you could be on your knees.*

Nottingham, 2018

Maintenance and décor was an area of spending where London groups said a greater budget was needed. Groups in London explained that the cost of a 'handyman' or decorator is higher in London and Londoners are likely to incur additional costs such as high parking charges for any workmen they employ. To reflect this the London budgets for both a moderate and comfortable retirement living standard included the additional costs of such services.

HOUSEHOLD GOODS AND SERVICES

7. A minimum retirement living standard

No gardening or cleaning services

8. A moderate retirement living standard

No gardening or cleaning services

9. A comfortable retirement living standard

Gardener: 2 days per year (half a day per season to help with heavier jobs), plus lawn cutting every week for 6 months of the year

Cleaner: 2 days per year to allow for help with spring/deep clean or to clean carpets

Window cleaner: to clean outside windows every 4 weeks

The category of household goods and services encompasses a large number of items that groups identified as needed at each of the three living standards. There are many similarities in terms of a 'core' of household items included across all three living standards, but there is also significant variation, in particular with regard to the quality of goods and retailers agreed within groups. For example, when discussing and agreeing needs on the kitchen, groups at both the moderate and comfortable level included a tumble dryer and dishwasher. While these items have been discussed in relation to a minimum standard of living in groups since 2006, neither has ever been included in a pensioner budget at the minimum level.

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At the minimum, the majority of goods are costed at Wilko, Tesco and Argos with large appliances from Appliances Online and soft furnishings from Dunelm, Argos and Wilko. For the moderate living standard many items are also costed at Wilko, Tesco and Argos but there are some more expensive retailers for certain items. For example, at a moderate retirement living standard, sofas are from DFS, cutlery is from Next and lamps are from B&Q whilst for large appliances, groups agreed that these would be brands such as Indesit and Whirlpool. At the comfortable living standard many of the household items are from Oak Furnitureland, Argos and John Lewis, soft furnishings are from M&S and John Lewis, while the large appliances are brands by Bosch and AEG.

In relation to household services, groups were clear that a moderate standard of living in retirement would not include a budget for paying for domestic services such as cleaners or gardeners. It was also agreed that even a comfortable living standard would not include weekly or even monthly cleaning as this was at 'a level above' comfortable. However, groups agreed that those retiring at a comfortable standard of living would pay for some help with cleaning and gardening, particularly in order to keep on top of tasks that may be more difficult as they age, such as spring cleaning, hedge trimming and carpet cleaning as well as regular lawn cutting during the spring and summer months.

Woman: *At the comfortable level I would suggest that you would have these things ad hoc. Because for instance you may have a gardener and you may have a gardener come in for half a day in the spring to do the heavy tidy. Because you're getting older and it's hard. Getting it started is hard. Then at the end of the year you have somebody to come and cut hedges. So you'd have it a bit more ad hoc I think.*

Man: *Yes I think for pensioners.*

Researcher: *So twice a year?*

Man: *Yes.*

Woman: *A day.*

Man: *Half a day.*

Woman: *As you're getting older the same with a cleaner, when you've got to do your spring clean. I'll have a cleaner half a day because I want the carpet shampooed and I want this done and that. So again I think it would be ad hoc rather than regular.*

Birmingham, 2018

The London groups discussing a comfortable retirement living standard agreed that needs were no different in London but included a larger budget to cover the additional cost of higher cleaning and gardening service fees and parking in London.

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PERSONAL GOODS AND SERVICES

10. A minimum retirement living standard

Female hairdressing: £15 for a dry cut every 6 weeks

Male hairdressing: £8 a month

11. A moderate retirement living standard

Female hairdressing: £35 every 6 weeks, plus £10 for home colour

Male hairdressing: £10 a month

Female: £20 a month for beauty treatments

12. A comfortable retirement living standard

Female hairdressing: £75 every 6 weeks for cut and colour

Male hairdressing: £10 a month

Female: £35 per month for beauty treatments e.g. nails and/or eyebrow threading/waxing

Healthcare provision in terms of dentistry, optometry and podiatry is the same at each of the three retirement living standards. For dentistry, groups agreed that regular six-monthly check-ups and one treatment per year, such as a filling, as well as the cost of denture replacement every five years should be included at each of the retirement living standards. They also included £200 for replacement glasses, if needed, every two years and £30 to visit the podiatrist every two months.

Similarly, hairdressing for men is almost the same at each of the three living standard levels: £8 per month at the minimum and only slightly higher at £10 per month at both the moderate and comfortable levels as groups said this would provide a broader choice of barbers. However, groups were clear that female hairdressing would be different at each of the three living standards. At the minimum a dry cut was described by groups as meeting the needs of retired ladies to maintain their appearance rather than for a restyle or treat (see Davis et al., 2018a). At a moderate retirement living standard groups included £35 for a cut and blow dry plus a home hair colour as groups said it was likely that a lot of women would choose to colour their hair in retirement, and this would meet their needs at that moderate level. Groups discussing the comfortable living standard agreed that £75 every six weeks would provide a wide range of choices in terms of salons in which to get a colour and cut.

Groups also included a monthly budget for women only, at both the moderate and comfortable living standards, for beauty treatments such as manicures and eyebrow threading or tinting. The

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groups were clear that at each of these living standards, individuals should have the option to have regular beauty treatments, if this was something they wished to do. Consequently, at a moderate living standard groups included £25 per month while £35 per month was included at the comfortable level.

Researcher: *So do they need to get their nails done, do they need to have their eyebrows done?*

Woman: *I think they should have the choice.*

Woman: *Yes I want to.*

Woman: *You should have the choice.*

Researcher: *So how often should they be able to do those things?*

Woman: *Once a month.*

Nottingham, 2019

London groups increased the amount included in the budgets for podiatry and hairdressing in recognition of the higher cost of such services compared to urban areas outside of London. At the moderate living standard groups in London increased the budget for women's hairdressing to £90 every six weeks for a cut and blow dry and men's hairdressing to £15 per month. For women's hairdressing at the comfortable living standard, London groups agreed that £150 every six weeks would be needed to have a broad range of choices for a cut and colour, or other treatment depending on hair type. Groups agreed that at the comfortable level in London men would require £20 per month for hairdressing, double the amount agreed in urban areas outside of London. The podiatry budget was doubled from £30 to £60 per person.

CLOTHING

13. A minimum retirement living standard

Female: Around £350 a year

Male: Around £230 a year

14. A moderate retirement living standard

£750 a year for clothing and footwear per person (male and female)

15. A comfortable retirement living standard

Female: £1000 for clothing per year, £500 for footwear per year

Male: £500 for clothing and £500 for footwear each year

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When the minimum retirement living standard is being discussed and described, groups assemble itemised lists of clothing and footwear that detail the types, quantity and retailers of items which include underwear, nightwear, swimwear, daywear, occasion wear, footwear and accessories. Most items tend to be low cost and from stores such as Primark and Tesco with a few key pieces of occasion and outer wear from more expensive retailers, such as Debenhams and Next. Through discussions about the kinds of clothing and footwear retirees' need at the moderate and comfortable living standards, groups concluded that as people 'don't arrive at retirement naked' – that is, they already have clothing and footwear amassed over time – then an annual budget to update clothing was a sensible, and more meaningful, approach to determining clothing needs at these living standards rather than itemising what is needed garment by garment.

At the moderate living standard groups agreed that £750 per person each year would meet clothing and footwear needs. Although groups decided that a larger amount was needed at a comfortable living standard, they were clear that this would not be based on a high-end designer wardrobe of clothes and accessories and that those types of items would be beyond the scope of this 'comfortable' level.

Woman: *I think that when you're at work and you've got disposable income and you want to buy something frivolous. And I would say a Mulberry handbag is frivolous although beautiful as they are. Putting myself in their situation I wouldn't be spending that money now. I don't think I'd need it I don't think I'd want it I think I'd be past that in mentality. The budget there would be sufficient for what I needed because I've got lots of things.*

Leicester, 2018

As such groups agreed that £1500 per year for women and £1000 per year for men would meet clothing and footwear needs at a comfortable standard of living.

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SOCIAL AND CULTURAL PARTICIPATION

16. A minimum retirement living standard

Weekly leisure activities: £20 per person per week for two activities

Mobile phone: Entry level smartphone (500mb data), £7.50 a month per person, 24 month contract

17. A moderate retirement living standard

Weekly leisure activities: £35 per person per week for two or three weekly activities

Mobile phone: Samsung J6 Plus (2GB, 5000mins, 5000 texts), £15.99 a month per person, 36 month contract

18. A comfortable retirement living standard

Weekly leisure activities: £50 per person per week for up to three weekly activities

Mobile phone: Google Pixel XL (2GB data, unlimited calls and unlimited texts), £28 a month per person, 24 month contract

Throughout this research, and indeed all of the research that has been undertaken to establish minimum living standards, groups agreed that it is important for all people to be able to participate in activities and socialise outside the home, as well as to pursue interests or hobbies. At the minimum retirement living standard, groups agreed that retired couples and singles should be able to do up to two activities per week, with some of these activities not incurring a cost, and that £20 per person per week would give people a choice of activities, such as going to the cinema, swimming, attending a U3A talk. As part of a moderate living standard in retirement, groups agreed that in retirement people should be able to do two or three weekly activities such as taking a day trip, watching sport, taking grandchildren out or going to the theatre. Groups were clear that £35 per person each week would provide the scope to choose from a range of options, recognising that people may do less expensive activities one week so that they can do a more expensive activity, such as going to the theatre, the next week.

During discussions about the comfortable living standard groups concluded that £50 per person per week for up to three activities would enable people to access a broader range of opportunities and allow individuals to have, for example a gym or golf membership, as well as some money left over for other activities such as the cinema.

Woman: *They get to do 3 activities a week and that would be quite good because they would also be doing their eating out twice a week, so they are actually getting out and about if they want to.*

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Dundee, 2018

All three living standards include broadband internet access in the home and a smart phone with some data to enable individuals to be online when they are out and about. However, groups decided that the cheapest possible smart phone with 500MB is enough to meet the retired couple and singles' needs as a minimum (see Davis et al., 2018a). While groups agreed that a mobile phone at the comfortable living standard would be of a better quality than at the moderate standard, they also agreed that an iPhone would be at a level above comfortable. The groups agreed that the level of need for data was the same for both a moderate and comfortable living standard and that 2GB per month would allow people the flexibility to use the internet when out of the home without having to think about how much data they had available. Data would be used for activities such as GPS to find places when travelling or to connect with others on social media.

In terms of other technology in the home, all groups agreed that having a TV and a DVD player was needed at all three living standards as a source of entertainment and in order to keep up with what is going on in the world. At the minimum standard the TV is a 32-inch Freeview TV whereas for the moderate living standard groups included a 39-inch Smart TV and at the comfortable level groups included a Sony 43-inch Smart TV. Groups explained that at the comfortable level there would be an expectation that technology such as this would be a good quality recognised brand. In discussions about both moderate and comfortable living standards, groups agreed that at these living standards, access to TV and content beyond Freeview was a reasonable expectation. Accordingly, these standards include a Sky TV package – although groups noted that Virgin and BT offered comparable services – to provide a greater choice of viewing and at the comfortable standard the groups also included a monthly Netflix subscription for an even broader range of entertainment options. Groups also included a 32inch Freeview TV at the comfortable living standard to have in the bedroom to allow them to watch TV from bed or so that a couple could watch different programmes at the same time.

Woman: *It's a nice standard of living. I suppose if you had it when you worked you might not want to give up your Netflix when you finish.*

Woman: *And obviously if you're at home all day you might quite want to flick on the Netflix of an afternoon when you're bored.*

Leicester, 2018

Groups also agreed that each of the three living standards would include a laptop and printer. At the minimum and moderate living standard groups agreed that the laptop would be entry level in terms of capabilities with a screen size at least 13-inch (approx. £250) so that people could easily read text on the screen. At the comfortable living standard groups increased the budget of the laptop to £350 in order to allow for a broader range of choice. For both moderate and comfortable living standards groups included a tablet, although it was agreed that an iPad was not needed in order to have these living standards. At the comfortable living standard, groups also included a £10 music budget each month to cover the cost of streaming, such as Spotify or Apple Music, or to buy downloads or physical music.

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Groups were clear that being able to give birthday and Christmas gifts was an important part of social participation and being reciprocal. Through group discussions consensus was reached that it should be possible to provide one gift for someone else on average every month and if someone is receiving a birthday gift then groups also agreed that the same number of people would receive a Christmas gift. At the minimum, groups set a budget of £10 for each birthday gift with an additional £2 for a card and wrapping for each present. A similar model was used by groups for Christmas with a budget of £10 per present plus an additional £10 to buy a packet of Christmas cards and a pack of wrapping paper.

At a moderate living standard groups agreed on a budget of £30 per present (including card and wrapping), based on buying 12 presents each year, including for their partner if they have one. This budget was mirrored for Christmas presents with £30 for 12 gifts, and an additional £20 for cards and wrapping. At a comfortable standard of living groups again agreed the same model but increased the budget to £50 per person for each birthday and Christmas gift. Groups also discussed other special occasions when there may be a need to provide gifts. It was agreed during these discussions that at both the moderate and comfortable living standard there should be an annual budget for additional gifts for occasions such as weddings, christenings, graduations, retirements and new jobs. Groups considering the moderate living standard agreed a budget of £150 per year, while at the comfortable standard a budget at £200 per year was agreed.

As outlined in the previous chapter, an important part of the discussions in early groups was about defining the different living standards and talking about what it means to have a moderate or comfortable living standard in retirement led to conversations about helping others. There was clear agreement in the discussions across groups exploring the moderate and comfortable standards about the importance, in retirement, of being able to support family in a variety of different ways. Some of this support would be financial, but there was a lot of discussion about offering time, as well as money, as a way to help others. For example, groups explained that people living at each of the three living standards may have grandchildren and one way to offer support would be through providing 'free childcare', but it was agreed that at the minimum living standard this kind of financial support or support 'in kind' for others would not be included.

However, at both moderate and comfortable living standards, groups were in agreement that people should have enough to be able to occasionally help out family members financially. At the moderate standard groups agreed that £600 per year (based on £50 per month) would enable individuals to pay for treats when looking after grandchildren, help pay for school uniform and/or contribute to the costs of school trips. At the comfortable living standard groups agreed that some financial support for family including being able to 'treat them' every now and then would be part of a comfortable retirement.

As outlined in the food and drink section earlier in this chapter, at the comfortable living standard groups included an additional eating out budget to be able to pay for others, most likely family members, to share a dinner out once per month. In a similar vein, groups talked about the likelihood that at the comfortable standard people should be able to help out their family with small but regular costs, for example to help pay for grandchildren to go on a school trip, to cover

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the cost of their grandchildren's hobbies or to contribute to a family holiday. Groups agreed that £1000 would be enough at this comfortable living standard to provide this help for others. Groups also talked about helping family in more substantial ways for example, to help with the cost of a wedding, a house deposit or a new car but it was decided by groups that this level of support would exceed what could reasonably be expected at the comfortable level. However, £1000 a year over the whole retirement period, which groups thought of as being potentially 25 years, is a considerable amount and groups agreed that this could be used in those more significant ways if people so chose.

Groups also discussed other ways of helping others through charitable giving. At both a minimum and a moderate living standard groups talked about the need to participate in charitable giving by buying a poppy, sponsoring a family member or contributing to a collection tin rather than more substantial giving. Groups agreed that this level of charitable contribution could be met with a budget of £20 per year, and if people wanted to give more than this then it would be mean sacrificing something else in their budget. At the comfortable level group discussions were about more regular, ongoing donations, perhaps via a monthly direct debit, to several charities and as a result groups agreed this should be £10 per month.

HOLIDAYS

19. A minimum retirement living standard

Summer holiday: 1 week off peak UK coach package holiday, including half board accommodation, some outings and entertainment, **PLUS** £150 per person spending money

Weekend trip: 3 nights, B&B accommodation off peak, e.g. in spring/autumn travelling by train to York, **PLUS** £75 per person spending money

20. A moderate retirement living standard

Summer holiday: 10 nights in Mediterranean June or Sept, all inclusive, 3*, **PLUS** £20 per person per day spending money

Weekend trip: 3 nights, B&B accommodation off peak, e.g. in spring/autumn travelling by train to York, **PLUS** £75 per person spending money

21. A comfortable retirement living standard

Summer holiday: 2 weeks in the Mediterranean (i.e. Italy, Spain, Greece) June or September (outside school holidays) 3* or 4* half board, **PLUS** £25 per day spending money per person

Winter holiday: 1 week in the winter to Europe, 3* or 4* all-inclusive e.g. the Canaries as likely to be sunny/hot still in winter, **PLUS** £20 per person per day spending money

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Groups discussing minimum needs have always agreed that a holiday is needed in order to give people a break, to take time away from the 'same four walls' and to be able to relax and unwind. In 2018, groups discussing minimum needs concluded that pensioners' holiday needs would be met by a one-week coach trip in the UK in either Spring or Autumn, to avoid peak pricing, on a half-board basis and including some entertainment. Groups also included £150 spending money for additional meals, drinks and for souvenirs. At a minimum standard, groups also included a three-night weekend break in a B&B either in Spring or Autumn somewhere in the UK such as a city break to York, with an additional £75 per person for meals and entertainment which groups agreed would be sufficient when taking into account their eating out and food budget and usual weekly activities budget (Davis et al., 2018a).

In order to have a moderate living standard in retirement groups were clear that a holiday abroad was a reasonable expectation, and included a 10 night all-inclusive break somewhere in the Mediterranean, such as Spain, Greece or Italy, with an additional £20 per person per day to cover any additional costs such as excursions or the odd meal outside of their resort. The groups discussing the moderate living standard also agreed that a second weekend city break should be included and decided that the three-night B&B trip described at the minimum would also meet the needs of a second holiday for those living at this level.

In order to have a comfortable standard of living it was agreed by groups that holidays and travel would be an important aspect of retirement and groups included two holidays abroad each year, one in the Summer in June or September to avoid school holidays and peak pricing, and one in Winter in order to have some winter sun.

Researcher: *So holidays, at this comfortable living standard what would holidays look like?*

Woman: *You'd go "I fancy that one, let's do it." You know that's what being comfortable would be, isn't it?*

Woman: *Not necessarily. I would say being comfortable is saying "Yes I'd like that holiday." I mean I'm one of these that I'd like to work things out to make sure I can afford to do it. I'm not one who would say "Yes I want to go there and to hell with it I'm going."*

Woman: *If I wanted something expensive I would plan it over two or three years.*

Woman: *Yes.*

Woman: *But it's still having that ability to do that, isn't it? It's still going "Right that's what I want and that's what I'm going to do."*

Researcher: *So the question is, what's the limit on being comfortable?*

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Man: *I think you're trying to maintain your standard of living into retirement, that is your comfortable, because a minimum is where you tend to fall below that standard that you've worked hard all of your life for.*

Wrexham, 2018

It was agreed by groups that the Summer holiday would be two weeks in a three or four-star resort in the Mediterranean with half board and additional spending money of £25 per person per day to cover meals and activities. For the Winter holiday, groups were clear that this should be an all-inclusive seven-night trip in the Canaries, or equivalent, so that the weather would be guaranteed. The groups included some spending money which they set at £20 per person per day. Groups did also discuss the possibility of travel further afield beyond Europe. For example, there were some suggestions about cruising the Caribbean or taking a longer trip to somewhere further away such as New Zealand. However, groups concluded that these kinds of holidays, which would be significantly more expensive, could be planned within a comfortable retirement but other trips and leisure activities would need be sacrificed to be able to 'splash out', and that short haul flights and resort style holidays may be preferable particularly in later retirement.

TRANSPORT

22. A minimum retirement living standard

Bus: Free bus pass

Rail: £100 per person per year, **PLUS** £30 senior railcard (and rail fare for holiday each year)

Taxi: £10 a week per household

23. A moderate retirement living standard

Rail: £100 per person per year, **PLUS** £30 senior railcard (and rail fare for holiday each year)

Car: 3 year old Ford Focus, replaced every 10 years

Taxi: £10 a week per household

24. A comfortable retirement living standard

Rail: £200 per year per person, **PLUS** £30 senior railcard

Car: *Couple*: 5 year old mid-range SUV (Nissan Qashqai) replace every 5 years, **PLUS** older second car, smaller run around (Ford Fiesta) 8 years old, replace after 5 years; *Single*: 2 year old mid-range SUV (Nissan Qashqai) replace every 5 years

Taxi:£10 a week per household

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Groups discussing minimum living standards agreed that most travel needs could be met through public transport with the use of the free bus pass. At both a moderate and comfortable living standard, groups concluded that a car would be required. For a comfortable living standard in retirement groups agreed that a couple would have two cars to enable them to maintain independence and the opportunities to pursue separate activities, whilst for a moderate living standard groups decided that if a couple needed to travel to activities or appointments separately one would use public transport. For single retirees at the comfortable living standard groups were clear that a newer car was needed for greater reliability.

Researcher: *At this level, singles at the comfortable would you just have one car?*

Woman: *Yes you would yes, and I think newer. You'd have to have something newer.*

Researcher: *So a single at this comfortable they'd have a newer car?*

Woman: *Yes definitely.*

Man: *Yes.*

Researcher: *Why?*

Woman: *You need the reliability because you've only got the one car.*

Birmingham, 2018

All of the living standards include the same taxi budget of £10 per household per week. Groups described occasions when the retirees living a moderate or comfortable retirement may not want to drive, for example after a night out or to travel to the airport for holidays. At the minimum standard, groups explained that if they are reliant on public transport and they have an early appointment, a taxi may be required as bus passes are often only valid after 9.30am. In the London groups it was decided that for a moderate living standard the taxi budget needed to be increased to £15 per household per week in order to reflect the higher prices of taxis in London.

All groups decided that some budget for rail travel for trips further afield was also needed for all three of the living standards and included a senior railcard, which provides a discount, to enable that budget to go further. Groups agreed that £100 per person per year would meet the needs of a minimum and moderate living standard whilst groups decided that £200 per person per year was needed for the comfortable living standard to allow for a greater number of trips or trips further afield.

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ANNEX 1

THE RETIREMENT LIVING STANDARDS

RETIREMENT LIVING STANDARDS: UK	one person	couple
COMFORTABLE	£33,000	£47,500
MODERATE	£20,200	£29,100
MINIMUM	£10,200	£15,700

LONDON/SOUTH EAST	one person	couple
COMFORTABLE	£36,300	£49,300
MODERATE	£24,100	£33,300
MINIMUM	£12,400	£19,800

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ACKNOWLEDGEMENTS

We would like to thank all of the participants in the discussion groups that formed the basis of this research for their hard work, thoroughness and attention to detail. Without these individuals giving up their time to discuss and describe needs in retirement it would not have been possible to develop these retirement living standards that will hopefully prove to be a valuable resource in helping people plan for retirement.

We would also like to thank all who contributed to the construction of and calculation of the budgets that underpin the retirement living standards: Bill Wilkinson of the Energy Audit Company, who provided expertise on housing assumptions and household fuel consumption and pricing; and Ian Hare of Motor Management for expert guidance and the calculation of motoring costs.

Within the Centre for Research in Social Policy (CRSP), Lisa Jones and Nicola Lomax provided patient and invaluable support, and we are grateful to Qa Research who were responsible for recruiting participants for this research.

The 'Targets Information and Adoption Group' provided invaluable feedback and reflections on the research as it progressed.

Finally, we would like to thank Liz Spratt (formerly of PLSA, now at the Chartered Management Institute) for her role in establishing this research; Simon Sarkar, Kate Boulden and Nigel Peaple for their support, advice and patience throughout this research. This project has benefited enormously from their commitment to and understanding of the 'everyday complexities' of undertaking research of this nature.

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