

Brits become more realistic in their retirement expectations

**Trips around the world, second homes and cruises are now distant pipe dreams
Instead, retirees focus on simple things in life e.g. hobbies, presents for the family**

A new study by leading retirement solutions provider, Lincoln Financial Group paints a bleak picture of retirement as it reveals what UK adults now expect to be able to afford when they retire.

A quarter of Brits (26 per cent) expect to be able to have the funds for just one holiday a year during their retirement, with only six per cent thinking they will be able to afford a trip around the world in their twilight years. The dream of having a second home is also now a distant pipe dream with only four per cent believing they will have enough money for this.

Surprisingly, over a third of Brits (35 per cent) expect they will need less than £20,000 a year to fund their retirement. Only four per cent say they think they would need over £50,000 to fund their ideal retirement lifestyle.

Out of reach: the luxuries that few people now expect to afford include:

1. A new home (only 6 per cent)
2. Luxury cruise (only 5 per cent)
3. A cleaner (only 5 per cent)
4. A second home (only 4 per cent)
5. A personal trainer (only 2 per cent)

Instead, people are now anticipating they will only be able to afford the simple things in life. Treating family and friends with presents tops the list of what most people expect to be able to afford, followed by spending more on an existing hobby (26 per cent).

Simon O'Connor, Head of Products and Marketing at Lincoln Financial Group, said: *"Long gone are the days when people expected to be able to head off into the sunset for the trip of a lifetime once retired. These days it's all about the simple luxuries such as learning new hobbies and generally making do with what you can – all on home turf.*

For those retirees wanting to spend more time on a hobby the most popular activities are walking (14 per cent) and gardening (13 per cent) with the more active pastimes like football and horse riding far less popular in later years.

1. Walking (14 per cent)

2. Gardening (13 per cent)
3. Photography (8 per cent)
4. Cooking (9 per cent)
5. Golf (5 per cent)

When it comes to the most popular holiday destinations in retirement, people favour English speaking countries such as Australia (16 per cent), New Zealand (15 per cent) and North America (12 per cent) rather than more exotic locations such as South East Asia (4 per cent) and China (3 per cent), which are far less popular choices.

Surprisingly, five per cent of the population say they don't want to go on holiday at all when they retire – instead they think they will prefer to stay at home. Northerners are far more likely to be home-birds than Southerners, with eight per cent of those living in the North saying they don't want to go on holiday when they retire versus only three per cent of Londoners.

Simon adds: *“Our study reveals that there is a definite trend for people tightening their belts and becoming more realistic in their expectations when it comes to their retirement years. However people do have options to maximise their retirement income and we would advise that people seek financial advice to work out a retirement plan that will suit their individual circumstances and help provide them with an income for life. With Lincoln i2Live, retirees can protect their retirement income levels while maintaining a level of security with the unique Lincoln i2Live Income Guarantee Option.”*

This press release is intended for investment professionals and journalists and should not be relied upon by private investors or any other investors. Lincoln i2Live is a product range issued by Lincoln Assurance Limited. Full consumer product information can be found at www.lincolnuk.co.uk.

Ends

About Lincoln i2Live

Lincoln Financial Group offers customers a range of flexible options to take them through each stage of retirement planning, including a personal pension plan for consolidation, an income drawdown for income flexibility and an investment-linked flexible annuity to continue income and investment flexibility after age 75. Lincoln i2Live offers i2Live Accumulator, i2Live Drawdown and i2Live Annuity under one umbrella, and allows customers to move from one product to the next to suit their circumstances.

Since Lincoln i2Live was launched in 2007, Lincoln has made a number of improvements to the product following ongoing feedback from IFAs on the needs and requirements of customers. These

include a smaller annual plan fee, lower minimum investment, wider age of entry for i2Live Annuity and greater flexibility of the Income Guarantee Option.

Notes to editors

Source

* Opinium Research carried out an online poll of 2,050 British adults between 17 February and 19 February 2009. Results have been weighted to nationally representative criteria

Contact:

Pressenquiries@lincolnuk.co.uk

Carol Watkins, Lincoln Financial Group

01452 637175

Rachel O'Hare, Lansons Communications

0207 7294 3625

RachelO@Lansons.com

Jennifer Comerford, Lansons Communications

0207 7294 3678

JenniferC@Lansons.com

About Lincoln Financial Group

Lincoln Financial Group is the UK business name of Lincoln National (UK) PLC and its UK subsidiary companies.

Lincoln National Corporation, the parent group, is listed as LNC on the New York Stock Exchange and is one of the world's largest organisations, placed in the FT Global 500 in 2007. Lincoln National Corporation was founded in 1905 and has a proud heritage of over 100 years financial strength and security, with long term credit ratings* (as at 27 August 2008) of 'A+' from Standard & Poor's, 'a' from AM Best, 'A+' from Fitch and has assets under management of more than \$221 billion (as at 30 June 2008) and more than \$10.6 billion in annual revenues (for the year ended 31 December 2007).

The UK operation dates back to 1934 with assets under management of £4.74 billion (as at 30 June 2008). Lincoln in the UK is passionate about doing the best for its customers at or in retirement, by bringing to the market reliable and flexible solutions which enable transition through retirement, protecting and enhancing wealth to enjoy an income for life. It serves the needs of customers nationwide either direct or through financial advisers and is dedicated to building excellent customer service.

In the UK, Lincoln Financial Group includes Lincoln Assurance Limited, Lincoln Investment Management Limited and Lincoln Unit Trust Managers Limited, which are each authorised and regulated by the Financial Services Authority. Any information offered will relate to the life assurance, pension and unit trust products and services of the Lincoln Financial Group, or may relate to other types of products or services of carefully selected partner companies not part of the Lincoln Financial Group. No personal financial advice or recommendations will be given.

* All ratings have a "stable" or creditwatch positive outlook as defined by the respective agencies.