Centre for Ageing Better

A Tale of Two 60s

Preparing for a decade of transition

September 2026

About us

Centre for Ageing Better

The UK's population is undergoing a massive age shift. In less than 20 years, one in four people will be over 65.

The fact that many of us are living longer is a great achievement. But unless radical action is taken by government, business and others in society, millions of us risk missing out on enjoying those extra years.

At the Centre for Ageing Better we want everyone to enjoy later life. We create change in policy and practice informed by evidence and work with partners across England to improve employment, housing, health and communities.

We are a charitable foundation, funded by The National Lottery Community Fund, and part of the government's What Works Network.

Learn more at **ageing-better.org.uk**

Contents

Definitions

These definitions are explained in more detail in our a Tale of Two 60s Introductory Report and feature throughout this work:

Latent class analysis (LCA) – a statistical technique for grouping people based on patterns in their answers to certain questions. It works on the assumption that people who are similar in measured characteristics share some hidden unmeasured characteristic that can explain behavioural or attitudinal differences between the different sub-groups. LCA was used to identify different sub-groups of people in their 60s in 2002-03 and in 2023-24.

Benefit unit – a single adult or a married or cohabiting couple and any dependent children that are assessed jointly for eligibility for benefit receipt. The number of equivalent adults in a benefit unit formed the denominator for the derived income variable used in the LCA.

Equivalent adult – a way of converting the number of people in a benefit unit into adult equivalents. For example, a couple counts as about 1.6 equivalent adults, rather than two because of economies of scale in sharing living costs. Children are assigned a fraction of an adult equivalent depending on age, with younger children counting for less than older children or teenagers. The income of the benefit unit is divided by the number of equivalent adults in it to give the income per benefit unit equivalent adult.

When speaking about the different experiences of people in their 60s, our analysis identifies two distinct groupings. There is obviously a range of experience within these, but for the purposes of the report we refer to these as:

The precarious group – a sub-group of 60-69 year olds that Ageing Better analysis of English Longitudinal Study of Ageing data from 2023-24 has found share similar characteristics. These include being more likely to be living on a low income, defined as less than £326 per benefit unit equivalent adult per week, often feeling short of money, living on state benefits, a private renter and certain other characteristics.

The secure group – a sub-group of 60-69 year olds that Ageing Better analysis of English Longitudinal Study of Ageing data from 2023-24 has found share similar characteristics. These characteristics include being less likely to be living on a low income (defined as less than £326 per benefit unit equivalent adult per week), less likely to have less than £2,000 in savings, less likely to often feel short of money, more likely to be a home-owner, more likely to be educated to at least O-level and more likely to have a private pension.

Key findings

1. **A large minority of people are finding themselves trapped in a vicious cycle with financial precarity causing under-preparation for later life, which leads to further precarity.** Here the term precarity points to circumstances in which individuals lack the financial protections (e.g. pensions, home ownership) to weather later life events (e.g. health decline, divorce) without spiralling into hardship. For people in their 60s who are living a precarious later life, short-term financial pressures have blocked and continue to block their ability to plan and save for the future. This leaves them falling into deepening hardship.

2. **It is difficult for people to understand and prepare for an uncertain future.** People often find it challenging to consider what their later life will be like and therefore to adequately plan and save for an unknown later life. For those facing precarity, this has severe consequences leaving them financially vulnerable as they age. More support is needed to ensure people are equipped to understand and prepare for the potential outcomes of later life.

3. **People living in precarity and underprepared for later life are highly vulnerable to macroeconomic shocks.** When price shocks hit, like those seen in the inflationary spikes of recent years, these people are ill equipped to absorb the impact. At the extreme end, this is leaving people choosing between eating or heating and falling into debt. This lack of resilience is a significant concern going forward as the impacts of the US-Iran conflict on consumers are still being realised.

4. **There is a further crisis of under-preparation for later life coming down the tracks.** Evidence suggests future cohorts are not adequately planning and saving for later life. Coupled with rising numbers of private renters approaching later life and increases to the State Pension age (SPA), without action the future is more people facing hardship in a later life they are unprepared for.

5. **Our expectations for later life are not matching up to reality.** People are not expecting the challenges of health issues, divorce and life on a single income. This is despite falling healthy life expectancy and a rising proportion of people in their 60s living in a single adult household. The result is that they are unprepared for these challenges, driving them into a later life of stress, anxiety and deep financial precarity.


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Executive summary

There is a crisis of under-preparation for later life. Far too many people are unable to plan and save, resulting in severe challenges by the time they reach their 60s. This is a problem for people in their 60s now and there is clear evidence that this will persist into the future,

Those living in precarity today – living on a low income without the financial protections (pensions, home ownership, work income) to weather sudden life events (health decline, divorce, redundancy)- are unable to adequately save and plan earlier in their adult life. Financial need has prevented them from having the material means to pay into savings and resulted in them thinking in the short term. The result of this is vulnerability to later life shocks, like health crises, redundancy, rent rises, bereavement or divorce, and macroeconomic forces. When these problems present this group are not prepared to weather the storm and find themselves pushed into deeper hardship.

Behind all of this are outdated and inaccurate expectations for later life. People living in precarity did not expect to be limited by poor health, a single household income and financial insecurity. Instead, their expectations were rooted in the later life their parents enjoyed of retirement, good health and financial security. Later life is presenting a confusing picture to many, where they are forced to live a precarious life, they did not expect and could not prepare for.

All of this points to an urgent need to act now to ensure people are prepared for the future and have the support to navigate insecurity today. Otherwise, many more will face the disappointment and hardship of a precarious later life, and those facing it now will slip further from safety.

Recommendations

Support people now who are living unprepared for a decade of transition

1. Government should strengthen financial support for those approaching SPA who cannot work.

This could include:

- Exploring earlier access to elements of pension income for those unable to work.
- Reviewing the adequacy of working-age benefits for those approaching retirement.

2. Ensure a secure later life for those reliant on state income after SPA.

Government should explore options for ensuring a financially secure later life for those reliant on state income alone by:

- The Second Pensions Commission and the third State Pension Age Review giving explicit focus to this group.
- focusing on this group as a target for any future reforms to the State Pension. Any changes must seek to enhance the financial security of this group, with all changes subject to evaluation and impact assessment.

Alongside this, the government should ensure people reliant on state income in later life are aware of their options by:

- Providing support and guidance in people's communities and trusted settings to understand the income options available to them as they approach SPA.
- Improve uptake of Pension Credit by moving towards more automatic take up using data matching and pre-filled claims.

Prevent future cohorts from entering their 60s unprepared for later life

3. Employers should support their workers to prepare for later life through an intervention of support and guidance in mid-life.

An intervention delivered by employers for their staff in their mid-life considering work, finances, lifestyle, health, home, family and retirement would encourage people to engage with these issues before it is too late. We are calling on employers to step in and fill this role by providing the mid-life support that could help people navigate later life with the security they need.

4. DWP should ensure mid-life support is available to those not in work or in self-employment.

Mid-life support to prepare for later life must also be available to people not in employment.

Currently the government is supporting mid-life interventions for people not in employment through its website, which is open to all and signposts to sources of support, and a Jobcentre-based offer for benefits claimants.

We are calling on the government to capitalise on the potential of these offers. Strengthening the support these offers provide and the wider awareness around them would allow people to prepare for later life before precarity hits.

5. The government should ensure people have the information they need to plan for later life.

Too many people suffer misunderstanding and surprise at the financial mechanisms, opportunities and vulnerabilities that are important and unavoidable aspects of later life.

To address this problem, the government should tackle low understanding and uptake of vital systems. This could be addressed by prompting people at key risk points such as leaving work, cutting hours, or starting caring, alongside making State Pension record checks easier to identify and complete.

Policy must take a holistic approach to tackling the challenge of this decade of transition

Government should bring in a consistent, holistic approach to policymaking related to older people and later life. This should include:

6. An independent commissioner to champion the rights of older people and ensure policymaking considers the needs of England's ageing population.

An independent Commissioner for Older People and Ageing would act as a driving force to ensure government takes a wider policy lens to meet the long-term demands of our ageing population.

7. A strategy for longer working lives.

Government should set out a clear vision for supporting people to remain in work, return after leaving, receive support when they cannot continue, and transition into retirement. This should be achieved through a dedicated strategy for longer working lives, bringing together employment, skills, health, care and pensions policy.

Chapter 1: Introduction

The ten years from age 60 to 69 is a transitional stage of life with a raft of potential, transformational challenges. This fourth report in Ageing Better's *A Tale of Two 60s* research programme explores how people prepare for this stage of life and the extent to which they are able to do so adequately.

The moving target of later life finances

Before moving into an exploration of how people prepared for their later life, it is worth understanding the circumstances that many people end up facing in later life. The first three *A Tale of Two 60s* reports showed that people in their 60s today have faced a changing and challenging landscape of work, wealth, pensions and health.

To enjoy a secure life into our 60s and beyond, people need the income and wealth to be able to meet their routine costs but to also absorb the financial shocks when unexpected life events (e.g. divorce, illness) inevitably occur. *A Tale of Two 60s* has so far highlighted how people are reaching later life without the necessary financial protections:

- A Tale of Two of 60s: Introducing a Decade of Transition outlined how 29% of 60–69-year-olds are facing a precarious later life. This group are more likely to have low incomes, minimal savings, no private pension and to rely on benefits. They are less likely to be in work and more likely to rent, leaving them poorly equipped to absorb shocks such as divorce, ill health or job loss without falling into hardship, debt and reliance on benefits. This group will increase in size to 2.1 million people by 2033 highlighting the urgency of this growing problem.
- A Tale of Two of 60s: Work in a Decade of Transition showed that work in later life is a financial necessity for this precarious group, denying them choice around work and retirement. This also presents a catch-22, as they are excluded from work by health issues, caring responsibilities and ageism in the labour market. As a result, they find themselves in spirals of hardship, relying on state support as they struggle through an insecure later life.

- A Tale of Two of 60s: Unequal Wealth in a Decade of Transition revealed that many people in their 60s have been excluded from two great boons in wealth. The past two decades saw increasing levels of home ownership and rising house prices, while automatic enrolment has seen a huge increase in people saving into workplace pensions. Behind this though are a substantial minority, including much of the precarious group, that have been excluded from this growth in later life wealth. The result is that they face ongoing and increased housing costs and insufficient protection from later life shocks. This unequal wealth among people in their 60s appears destined to continue into the future, with renting rising among cohorts approaching their 60s and issues of exclusion and under saving still present in the current pensions system.

In each of these reports we saw how work, housing and pensions all presented a moving target to the current cohort of 60-69 year olds as they moved through adulthood towards late life. We saw substantial challenges for people in their 60s today with evidence that these will persist and even grow in their scale and impact into the future.

This raises the question then of whether people were able to prepare for a later life so fraught with uncertainty, challenge and change. This report pulls these issues together to understand if and how people prepared for a later life in the face of such profound uncertainty.

What do we mean by planning and saving?

This report is primarily focussed on two aspects of preparation for later life:

- **Saving.** This can be paying into financial instruments focussed on retirement, such as pensions, but also putting money aside for future use in savings or current accounts. Essentially this is about how people protect money for use later in their life.
- **Planning.** We consider this as how people think ahead to their future and their later life. It can include considerations of likely events in later life, how their responsibilities and capabilities might change and what their needs might be. It is broadly the act of looking to the long-term to consider what life might be like and what needs to be done to prepare for it.

Preparing with precarity

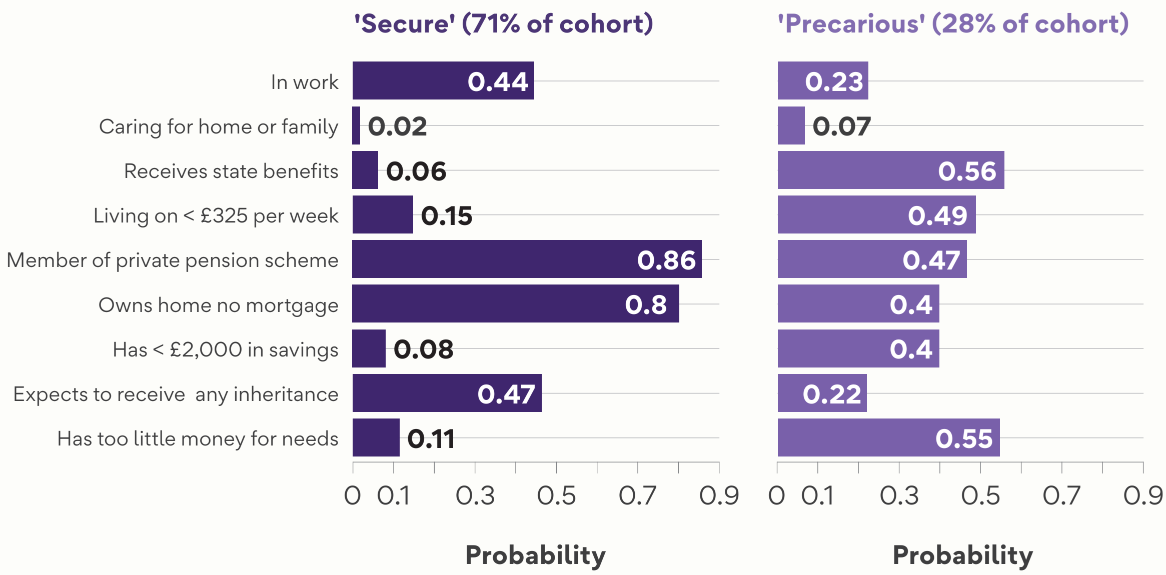
Throughout *A Tale of Two 60s* we have focussed on the experiences of people facing precarity in their 60s. This group offers insights into some of the deepest issues faced by those in the most challenging circumstances in later life. This report will again focus on this group, with all qualitative data in the report drawn from interviews with 30 people likely to fall into this group.

The precarious group are defined by a range of variables that mean they are likely to be experiencing financial insecurity so are less able to withstand the additional challenges that can present in later (e.g. health issues, caring responsibilities).

Figure 1: Selection of economic variables in the LCA of 60-69 year olds in England

About 29% of English 60-69 year olds in 2023-4 were in a sub-group that is likley financially precarious

Impact of measureable factors on propability of being a member of 'Precarious' vs 'Secure' class of 60-69 year olds



Source: English Longitudinal Study of Ageing, Wave 11, 2023-24
Margins from latent class analysis. CFAB analysis. • n= 2,504

Alongside the economic variables outlined above, those in the precarious group are more likely to hold certain demographic, education and health characteristics. As shown below, they are more likely to be single, from a racially minoritised background, female, in fair or poor health and less likely to be educated to O-level or past the age of 19.

Figure 2: Characteristics of the precarious group

The precarious group

More likely to be:

- **Single** (0.5 vs 0.18)
- **From a racially minoritised background** (0.18 vs 0.09)
- **Self-rated health fair or poor** (0.71 vs 0.14)
- **Female** (0.63 vs 0.53)

Less likely to:

- **Be Educated to at least O-level** (0.34 vs 0.72)
- **Have post-19 education** (0.09 vs 0.36)

The precarious group equates to around 1.8 million people across England. By 2033, 251,000[1] more people will sit within the precarious group if nothing else changes. This will mean more people facing a precarious later life and living in hardship as they age.

Focussing on the challenges the precarious group face in relation to preparing for later life are vitally important. It shines a light on some of the most vulnerable people in their 60s today and offers insight into what is needed to support those potentially facing the same challenges in the future.

1 Office for National Statistics (2025), Population projections for regions by five-year age groups and sex, England

Chapter 2: The inequality of preparing for later life

This chapter outlines the inequality that exists in how able people are to prepare for later life. It sets out the way people commonly prepare, including approaches to planning and saving, alongside the barriers to preparing faced by those living a precarious later life today.

An unequal planning and saving landscape

For most people, planning and saving for later life exists in some form throughout their adulthood.

Saving is something that commonly begins in early adulthood but, there is clear inequality in who saves and when. Around three in five (59%) people started saving for retirement in their 20s and 30s.[2] However, 66% of people earning £53,000 a year or more started saving in their 20s compared to just 22% of people earning less than £12,500 a year.[3] Similarly women were less likely than men to start saving in their 20s and renters less likely than homeowners,[4] potentially reflecting the income differences within these groups. All of this points to clear inequality in when people can start saving for later life.

There is evidence that there is substantial inequality in who is and is not equipped to plan for later life. For example, people working in professional occupations are more likely to have considered how long they expect to spend in retirement[5] and underpinning this is evidence that people with higher incomes have greater understanding of interest on savings, compound interest and inflation alongside access

2 DWP (2025), Planning and Preparing for Later Life 2024

3 Ibid

4 Ibid

5 DWP (2024), Attitudes and Awareness before State Pension age

to financial information from their employer.[6] Conversely, renters and people living alone are more likely to say that it is difficult to imagine retirement,[7] possibly reflecting the difficulty of imagining a time when they could live without the income of work. It seems then that the capacity to plan for later life is undercut with inequality and held further from the reach of the less financially secure.

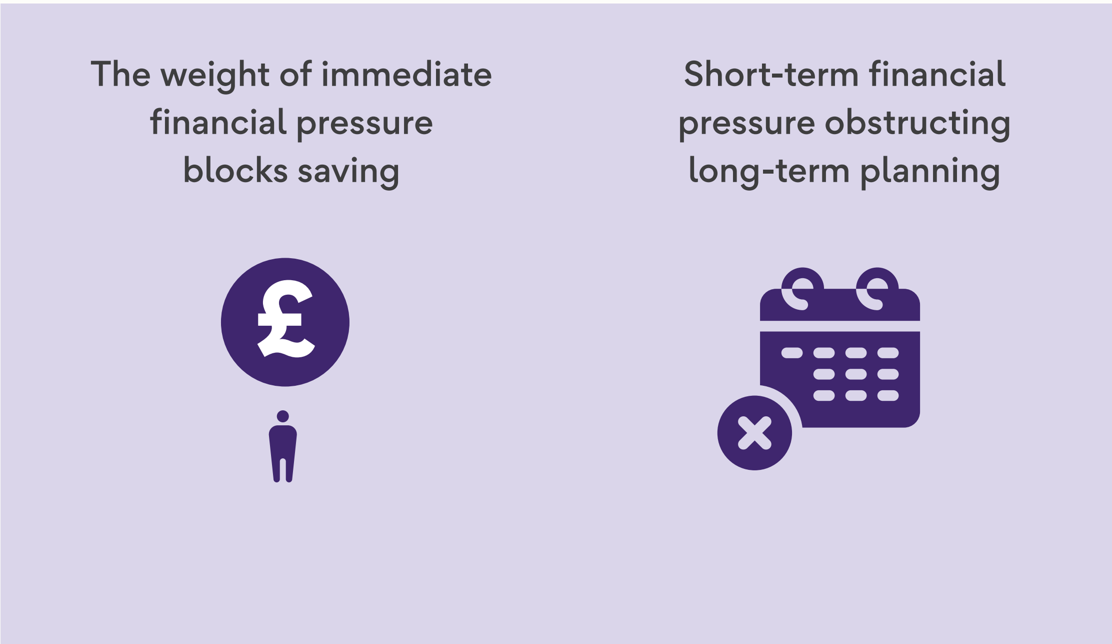
The precarious group will likely sit on the sharp end of this inequality. Their experiences therefore offer crucial insight into the barriers that prevent people from adequately preparing for later life.

Survival today blocking preparing for tomorrow

There were two substantial barriers that prevented many participants from preparing for later life. Both were the result of the acute financial pressure they had faced.

Figure 3: Barriers to long-term planning caused by short-term financial need from qualitative interview data

Acute financial need causes financial and cognitive barriers to planning and saving



6 The Department for Work & Pensions (2025), Planning and Preparing for Later Life

7 The Standard Life Centre for the Future of Retirement (2024), How our perceptions and expectations of retirement and work are changing

The first was the material barrier of financially coping in the short term which prevented people from effectively saving for the future. For participants who had experienced financial insecurity across several years, they had spent most of their lives living week to week, with little scope for saving or thinking about their long-term financial situation. Material deprivation and persistent short-term financial pressures act as insurmountable barriers to saving for the most financially insecure in our society.

“I literally live from one benefit payment to the next. That's kind of how it is for me. And you know I've tried many times to save. But I've never managed to save more than a hundred, £200. And then something happens, or a bill comes in.”
Post-SPA, renter, male, single

The second, was the challenge of engaging in long-term planning while having to focus so heavily on their immediate financial survival. This prevented people from engaging in long-term planning around finances as they were conditioned to focus on short-term sustainability. For these people their 60s had also appeared a long way off when they were younger, in a broader context of trying to make ends meet today and tomorrow, and as such it was difficult for them to consider their life in twenty, thirty or forty years’ time. This issue was exacerbated by some issues of knowledge and understanding about financial planning. In a few cases, participants had also been diagnosed with neurodivergent conditions later in life and felt these had acted as an additional barrier to their ability to plan.

“In my 50s, I've never looked forward, at least so I'm blinkered or myopic. I just haven't read, I never have. I do now, but previously, I didn’t look ahead. Pity for me.”
Post-SPA, renter, male

Challenging choices for an uncertain future

Misunderstanding of vital sources of income, such as pension or benefits entitlement acted as a barrier to preparing for the future. In some cases, this presented as incorrect assumptions, for example that women could only receive a lower rate of State Pension or that reaching SPA would mean a loss of working age benefits without a replacement. In other cases it was an acknowledgement that they simply did not have a firm grasp on how pensions operate. This knowledge gap is alarming and directly undermines people's capacity to financially plan and save for later life.

"I mean, I don't understand a lot of it, to be honest, and I don't think enough is explained to people. It's just, I mean basically, I'm told, you pay into a pension and then when you finish work, you get something out of it. You know, basically, I didn't really know a lot about."
Pre-SPA, renter, male

Even where people planned for later life, the precarity of their situation meant they remained vulnerable to forces beyond their control. For example, one participant was made redundant in later life and put their redundancy payment towards starting a business in the hospitality sector. This effort to secure their long-term future was destroyed when the COVID pandemic hit driving their business to failure. In this we can see how the fortunes of people with limited other means of security can be undercut even as they try to secure a more prosperous future.

"I decided to take kind of like a voluntary redundancy package... after a while of kind of getting myself back together, I ended up starting my own business... I was about to launch in 2020. I was all ready to launch and then COVID happened."
Pre-SPA, owner with a mortgage, female, single

Budgeting but not long-term planning

When asked about their confidence making financial decisions people living precariously typically focussed their answers on short-term budgeting. Here they expressed confidence budgeting in the short term, outlining a strong understanding of where every pound they spent went, how much every bill would cost and the exact value of their sources of income. This was a necessity to manage the acute financial need they often faced and showed the fine balancing act needed to keep above water. Glaring by omission though, was how rarely planning or long-term financial decision making was mentioned.

"To the penny what I've got in my bank every day. I know exactly what all my bills cost me. If you ask me now, how much do I pay for my water? My car tax, I could tell you to the penny, just off the top of my head, so I always know."
Pre-SPA, owner with a mortgage, female

Where people did point to planning and saving this was for specific treats in the medium term. This included saving for a meal out, trips to visit family or holidays. This reflected the fact that the term of planning was limited by their financial insecurity.

The contrast between the confidence and capability of short-term budgeting and the lack of long-term planning shines a clear light on the challenges for preparing for the future in a life of precarity. It underlines how the need to focus on surviving today comes at the expense of planning for the long term.

Unprepared cohorts coming down the tracks

There is evidence that this lack of preparation is not contained to people in their 60s today. Data points to future cohorts also facing a later life they have not been able to effectively consider ahead of time.

Coming down the line is a gap in planning among people approaching or in later life. More than half (53%) of 40-44 year olds have no idea how much income they need in retirement[8] and fewer

8 DWP (2025), Planning and Preparing for Later Life 2024

than two in five (39%) adults aged 55-64 had considered how many years of retirement they needed to fund.[9] Alarmingly, starting to plan for retirement is commonly left until late in adult life, in peoples 40s (17%), 50s (23%) and 60s (10%), with just 11% starting planning in their 20s or 30s.[10] This shows that a large minority of people are not engaging in detailed planning for their later life or are not doing so until half of their working life is behind them.

Similar to this there is evidence of a great many people under-saving for later life. More than half (54%) adults aged 40 to 44 have no savings and more than one in four (27%) savings under £15,000, with low levels of savings persistent well into the 60s age groups (see chart below).[11] Among Generation X, the oldest of whom will be 61, one in five (20%) expect their lifestyle to continue or improve upon retirement but are barel saving enough to achieve the minimum income they will need.[12] Similarly, the Second Pensions Commission estimates that around four in ten (43%) working age people are under-saving against income replacement targets.[13] It seems then that many people will be approaching later life without adequate savings.

9 DWP (2024), Attitudes and Awareness before State Pension age

10 DWP (2025), Planning and Preparing for Later Life 2024

11 Ibid

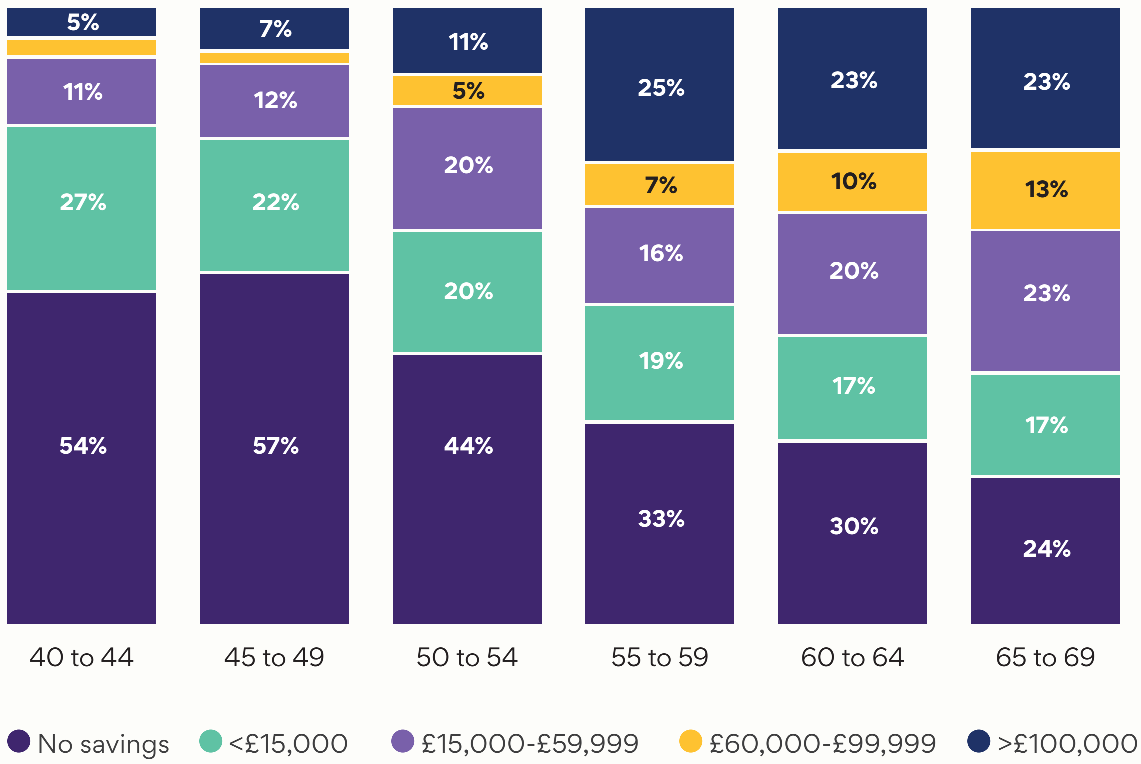
12 International Longevity Centre (2021), Slipping between the cracks? Retirement income prospects for Generation X

13 The Second Pensions Commission (2026), Pensions 2050: Evidence and Future Priorities

Figure 4: Amount of savings by age

Most people in their 40s have no savings

Self-reported household savings and investments value by age



Planning and Preparing for Later Life 2024, n=3,600

Behind this under saving is people turning to saving too late in life. While saving for retirement does typically start earlier than planning, around two in five (41%) people had not started saving until their 40s or later, when nearly half of their working life was behind them.[14]

All of this points to a future where more people will face the same circumstances in later life as the precarious group: staring down an insecure future they are unprepared for.

A desire for more support

Given the lack of longer-term planning, there is a strong case for providing more support in this space.

As it stands, awareness of existing support is low. This is true across people in and approaching later life, with 40 to 75 year olds typically

14 DWP (2025), Planning and Preparing for Later Life 2024

unaware of existing sources of support to prepare for retirement.[15] The Check your State Pension Forecast service is an exception to this, which just over three in five (62%) have heard of,[16] however the overall low level of awareness of support is alarming. Before people are even in a position to utilise support options that could prepare them from later life, they need to be aware of their existence.

The precarious group highlighted the appetite that exists for support to prepare for later life. Many of the people we spoke to not only expressed a strong desire for more support but were disappointed they had not received it. For this group there was a sense that they had been forgotten and ought to receive more support. This desire for additional support centred on support for making financial decisions later in life, with a clear desire for more knowledge and guidance to navigate the turbulence of an insecure later life. Where participants had already found support this was in periods of severe need where they had spoken to financial advice and debt support organisations.

“I think the government, if they could really get some more information out there for say, people approaching 60s, you know, late 50s, early 60s. Because a lot of the things I had to find out for myself, there wasn't a person or a place that you could go to and ask.”

Post-SPA, renter, male, single

The desire and need for more support among this group lays down a direct challenge to policymakers to step up for those facing precarity in later life. People need support to move through later life and have a clear willingness to engage. It is up to the Government to fill this void and provide people with the tools to move out of a later life of precarity.

15 DWP (2025), Planning and Preparing for Later Life 2024

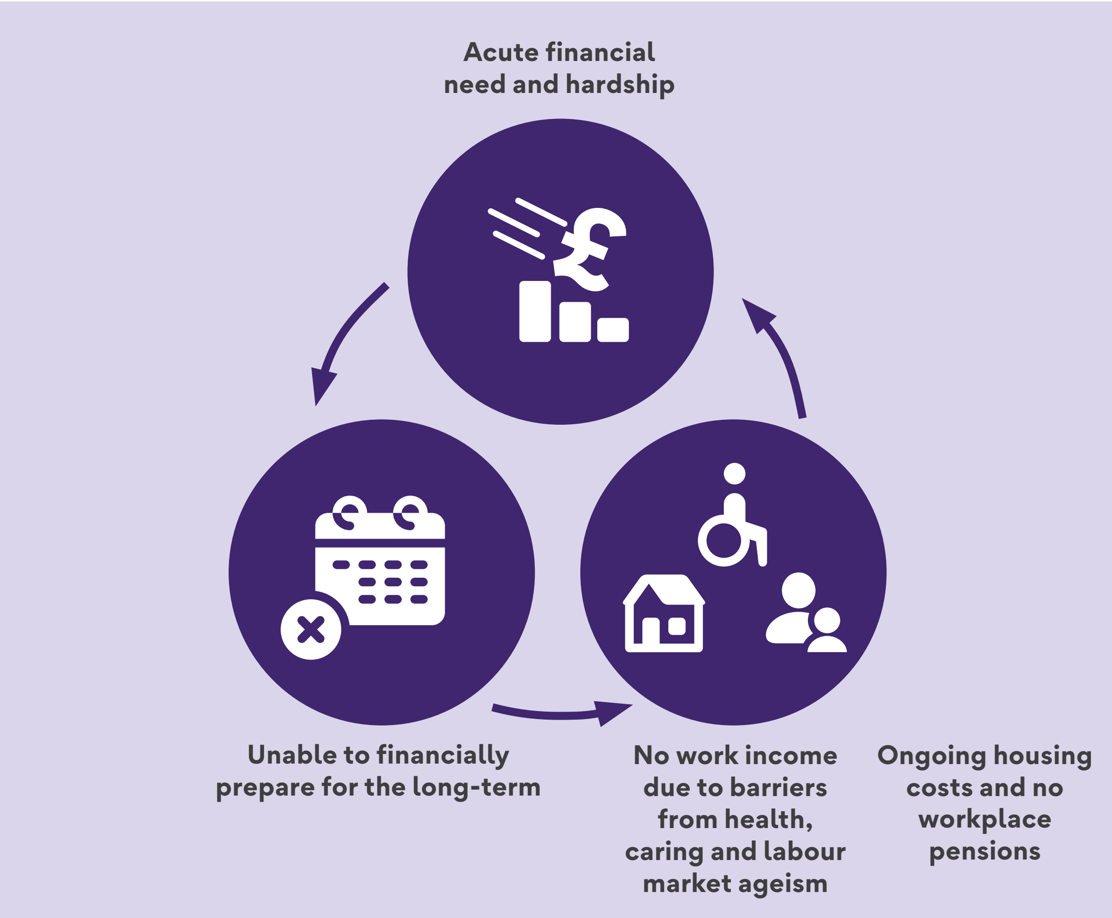
16 Ibid

No more options

For those living in precarity, the problems caused by not having been able to prepare for later life are compounded by limited opportunity to change their circumstances when they get there.

Figure 5: The cycle of precarity and struggling to prepare for later life, drawn from qualitative interview data

Precarity feeds under-preparing for later life, which feeds precarity



This group has severely limited options to earn income and prepare for the future through work. They are nearly half as likely to be in work (0.23 vs 0.44 among the secure group), more than three times as likely to be caring as their primary activity (0.07 vs 0.02 among the secure group) and more than four times as likely have fair or poor health (0.71 vs 0.14 among the secure group). Alongside providing an income, employment allows people to save into workplace pensions and can act as a source of guidance and information for future planning.[17] Exclusion from work means that their options for earning an income and preparing for the future are severely limited.

The precarious are also restricted in later life by their housing circumstances. They are half as likely to own their home (0.4 vs 0.8 among the secure group) so renting and being tied to mortgage payments are a likely aspect of their later life.

This is a group that is also likely without the security of workplace pensions. They are far less likely to have a workplace pension than their secure peers (0.47 vs 0.86) and often find themselves with only limited savings accrued after the introduction of automatic enrolment.[18] The result is that they face later life without the income and security pensions can provide.

Not being able to prepare for later life underpins many of these issues which then serve to compound the precarity faced by many people in later life. Without the opportunity to earn through work or the financial certainty of home ownership or workplace pensions, this group is left with few options. The result is that they find themselves in an inescapable prison of precarity in later life, with insecurity reinforcing insecurity.

17 DWP (2025), Planning and Preparing for Later Life 2024

18 The Centre for Ageing Better (2026), A Tale of Two 60s: Unequal Wealth in a Decade of Transition

Chapter 3: The impact of insecurity

This chapter outlines the result of the accumulation of life circumstances that left the precarious group unable to prepare for later life.

The devastating toll of later life precarity

This section outlines how a lack of security coming into later life plays out in practice. As the previous chapter shows, the precarious group face severe limitations to their capacity to prepare for later life. The result of this is that they must navigate later life without the necessary financial protections, often with devastating impacts.

Sudden shocks and limited safety nets

In the interviews it became clear that much of the precarious group had experienced significant life events in their 60s, or late 50s, that had a substantial impact on their financial security. These events included:

- Divorce
- Sudden health issues (e.g. cancer diagnosis)
- Business failure
- Redundancy
- Moving back to UK from overseas
- Costly housing repairs

There were two impacts from these events: incurring unexpected costs and limitations on participants' income. Some of these events resulted in only one of these, for example redundancy only inhibited participants ability to earn an income and housing repairs was simply an unexpected cost. Some events had both of these effects, for example sudden health issues prevented participants from being able to work but also resulted in the unexpected costs of disability (e.g. having to take taxis due to impaired mobility).

For some participants these events had clustered, experiencing two or three of these events in the past decade. For these people, the effects were compounded with significant loss of savings and earning potential.

"I'd gone through a second divorce and had a lot of stress in my life and financially. Basically I lost my house to pay off my ex-wife and I was having to work harder than I should have been in my late 50s… slowly my mobility started going, my hands weren't working, the fatigue, oh, it was incredible… basically went to bed and didn't get up for three months… I had a spell in hospital for 10 days and they did every test under the sun… they said, well, we haven't sent you to rheumatology yet…diagnosed me within 10 minutes of walking in the room."
Pre-SPA, renter, male

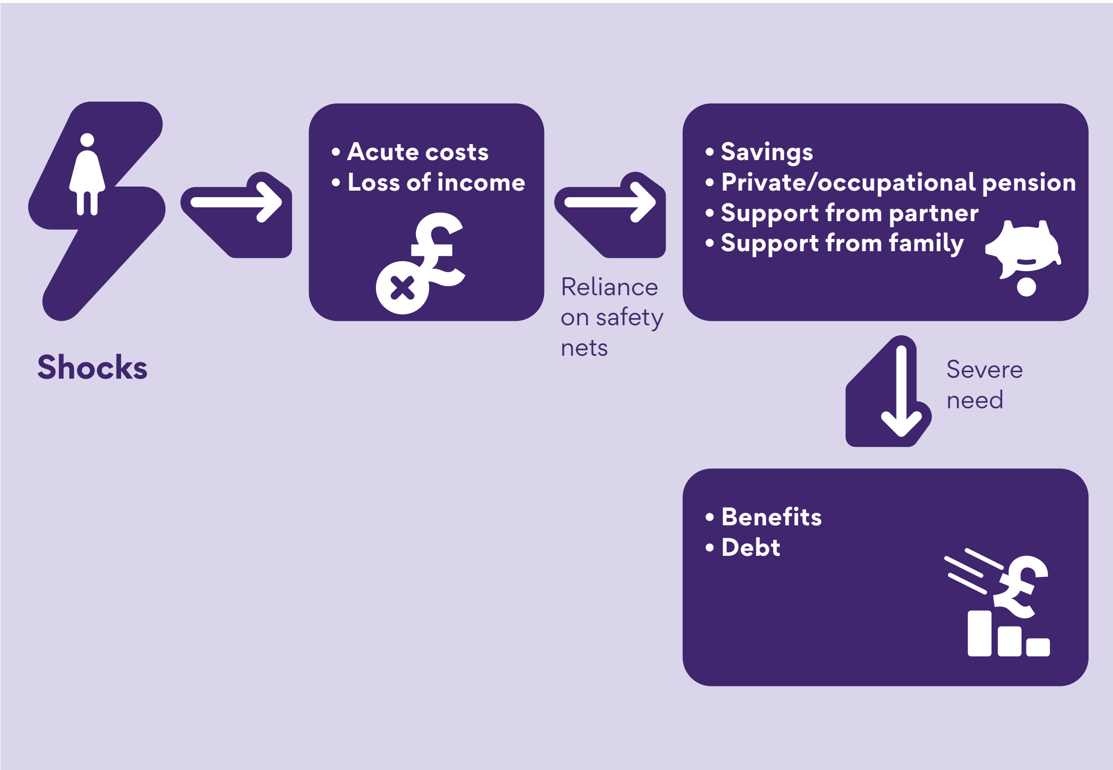
Some participants had support systems that softened the damage caused by these events. Some of these had been accrued through long-term planning and saving, such as workplace pension savings, other forms of savings and property wealth (and the ability to access finance against this). Other protective factors were born out of personal relationships, such as financial support from a partner and financial support from friends or family members. However, these protective factors were typically not sufficient (e.g. only small levels of savings or workplace pensions) to prevent them from experiencing acute financial need, accessing state support and incurring debt.

"From my last work where I managed to put a few grand away, you know, literally it went and you know that's not living luxuriously. That's just living day-to-day. So that's it. I also needed to lose a lot of weight for my surgery, and that cost me money to have injections."
Pre-SPA, renter, female, single

Some participants received support from their family. In some cases, this was direct financial support in the form of gifts or loans to help with ongoing costs or one-off expenses. There were a few instances of non-financial support in the form of advocacy, for example one participant's daughter effectively pushed for her to receive social housing that was suitable with her health needs.

"My oldest son does help me a lot. If I need anything, he'll get me shopping. And if I need to go anywhere. [He's] a mechanic. So I get my car fixed free."
Pre-SPA, renter, female

Figure 6: The effect of later life shocks on the precarious group



The value of support from a partner was acknowledged by some participants. Here participants pointed to the practical financial support that their partner provided, for example noting the importance of a partner's workplace pension to meeting household costs. A few participants also pointed to the advice of their partner in supporting them to make financial decisions, including those about their pension. The support of a partner was also noted by some single participants, who lamented it was harder for them to absorb unexpected costs on a single income suggesting they were missing a useful financial safety net.

“He's [participant’s husband] been retired eight years now. And I think it if it wasn’t for his works pension, we'd struggle even more.”
Post-SPA, renter, female

The impact of these shocks, and the limited capacity to absorb them, illustrates the fine balance of the finances of the precarious group. The loss of a job, the sudden decline of health or the breakdown of a relationship in later life are not variables people can control for. For the precarious group, these unpredictable life events were a push into financial insecurity or serious hardship. Facing these challenges is often an unavoidable fact of life. However, being driven into financial hardship as a result can be avoided, if structures exist to prepare and support people.

A lack of resilience to macro shocks

Alongside vulnerability to sudden life shocks, precarity causes a lack of resilience to external economic shocks. For the precarious group, this presented as varying degrees of financial need because of the cost of living crisis. For some, this meant cutting their costs and changing their lifestyle but for others it resulted in more profound hardship. Consistent though, was a sense that the increased cost of living had caused a lasting impact on their life.

Figure 7: Resilience of precarious group to macroeconomic events from qualitative interview data

People living in precarity do not have the financial resilience to withstand macro-economic shocks

The challenge of adapting to the increasing cost of living was outlined almost universally by participants. Here the challenge of paying for utilities and food was the focus of participant's difficulties. Without the security of pensions, home ownership or the income of work, people struggled to weather this storm.

"You've now got to deal with the rising cost of living. It's going up a lot. It's going up a lot. It's crept up incrementally, but it's going up a lot. I said a couple of times already, but the heating costs have gone up a hell of a lot. But, food costs in general."
Post-SPA, renter, male

Unable to absorb the increased cost of living, participants were forced to make cuts to their expenditure. The scale of these cuts reflected the varying levels of insecurity participants displayed. For the most financially precarious it was a choice between heating and eating or accruing credit card debt to cover basic living expenses.

“Last night for my dinner I had a tin of mackerel and half a bowl of noodles, that was it. You know, you've got to take what you can, isn't it? It's not good. Everything's changed. Everything's quite expensive.”
Pre-SPA, renter, female

The vulnerability of precarious 60-69 year olds to macroeconomic shocks has a timely relevance as we await the full impact of the US-Iran conflict. This conflict will bring further cost of living pressures, some of which the UK economy has started to feel, that will push more people into deeper financial hardship in later life. Without action, the lack of resilience felt by this cohort will present among future cohorts and future economic shocks will continue driving spirals of financial crisis in later life.

The anxiety of an insecure later life

Navigating later life in precarity placed a great weight on participants. The toll of this was variable according to the depth of their hardship, with the most severe examples presenting profound, unshakeable restrictions to their wellbeing.

For many participants, their financial circumstances were a cause for considerable stress and anxiety. The pressure of trying to meet their basic living costs with limited capacity to earn caused ongoing anxiety.

“Wellbeing, does that include mood? Does that include anxiety?.. I think about it [financial security] every day. It's like something that I've got to keep on top of.”
Post-SPA, renter, male, single

Often participants framed their financial anxiety around their family. Participants outlined a desire for more money to be able to go on holiday with family, to visit family and to buy their grandchildren the occasional treat. This highlights the person toll of financial precarity through the restrictions it places on family life.

"My daughter wants to go away on holiday next year. She said, she'd help me pay for the holiday, but it's like monthly pay. But I'm trying to put like the odd £5, £10 away. I know it don't sound much, but I got a whole year...I know it's going to be difficult."
Pre-SPA, renter, female

There was a group of participants who expressed a strong frustration, even bordering on anger, that they were facing precarity in later life. This group included many people who had been financially secure in the past or felt they had made decisions that should have resulted in a secure later life (e.g. buying property, maintaining a regular income). For this group there was a sense that they were hard done by, having worked hard and made decisions with a secure future in mind. Often these people felt that that they had been forgotten by the state as they fell into insecurity. For these people, there was a profound injustice to their situation and the lack of support available to them.

Conversely, some participants who had always faced hardship or had recently faced extreme insecurity, such as homelessness, were more optimistic about their circumstances. For these people, there was a sense that they had been in worse positions so were grateful for what little security they had including simply having a roof over their head. There were a few participants in this group that had recently faced severe health issues, so for them this positivity focussed on the fact that their health was relatively stable after a sudden, sharp decline. This group highlighted the emotional resilience needed to survive lasting hardship.

"There is always someone a lot worse off. So I'm always grateful for what I've got and thankful for what I've got. And it has been that tight that I've gotten to the stage where, like, oh years ago, well, we used to run out of gas and electric... I've always had financial worries, but, I don't know how, I don't really let them get on top of me."
Pre-SPA, owner with a mortgage, female

When examining precarious finances, the toll this takes on the person can often get lost in the practical considerations of income, wealth and survival. This chapter shows clearly that the result of precarity in later life is often anxiety and undermined wellbeing. Many people just want a secure later life enjoyed with friends and family. This is possible, and with the right action can be realised.

Chapter 4: Expectations

Imagining what later life will hold presents a substantial challenge. At its broadest level, most people find it difficult to imagine their life beyond SPA and actually those closer to SPA, aged 55+, find it more challenging to do so compared to 45-54 year olds.[19] Even as people approach later life, they struggle to see a clear picture of what it will be like.

The challenge of what to expect for later life is even more stark for the precarious group, who reach their 60s with six decades of disadvantage weighing them down. What then do the most vulnerable expect for their later life and what can it teach us about ageing and supporting the generations to come?

Expecting a later life like mum and dad's

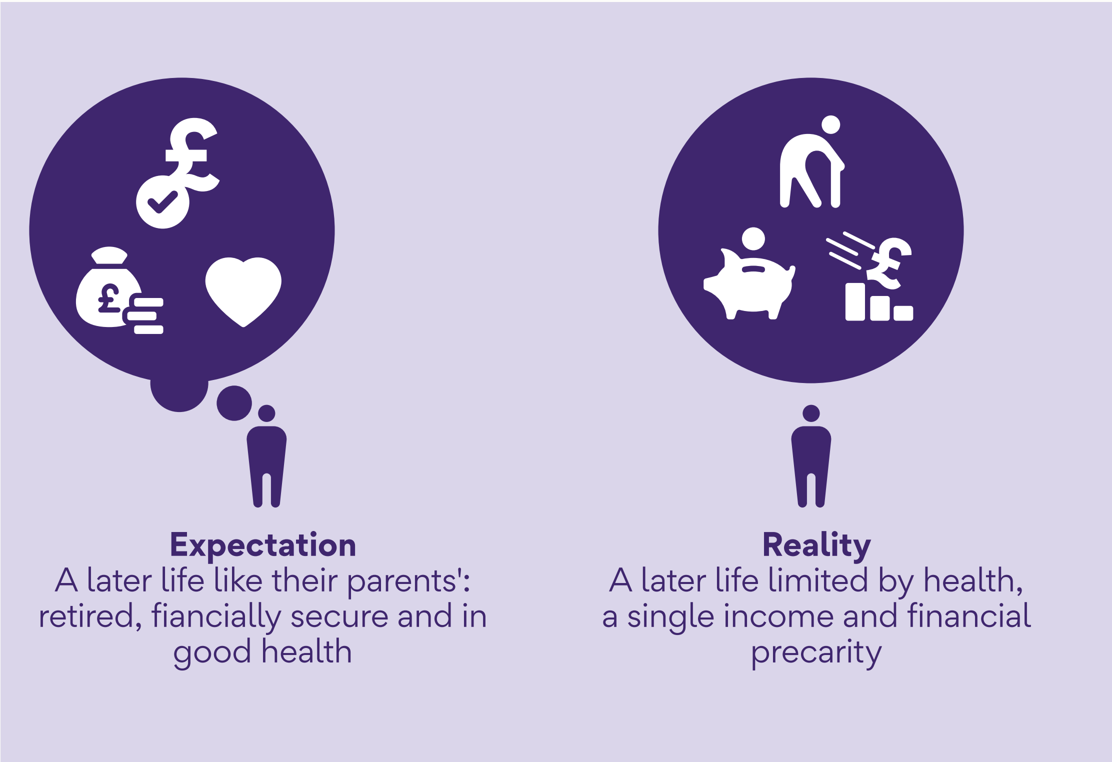
Often the precarious group expected this period of their life to reflect their parents' experience. This was typically seen as a time of retirement, financial security, regular holidays and good health. By contrast, this group were working and / or in poorer health and struggling financially. Recalling a 60s that was unattainable for them was a source of disappointment and anguish, highlighting the challenges they faced in their own lives.

"When my mum was 60, she was going holidays, going out dancing, everything. I thought I'd be like my mum, really did. Thought I'd be able to keep up with her...and I never thought I'd be like I am at the age of 60. And it's really depressing and I feel down all the time."
Pre-SPA, renter, female

19 The Standard Life Centre for the Future of Retirement (2024), How our perceptions and expectations of retirement and work are changing

Figure 8: How expectations compare to reality for people in their 60s drawn from qualitive interviews

Expectations of later life are outdated and inaccurate for those facing precarity



Behind this are changes to the State Pension between generations. People might have expected to receive a similar entitlement to the one their parents held under the old system but the shift to a single-tier State Pension reduced the amount given to new claimants.[20] This means that the State Pension, which was the primary income source for many, looks very different from the one their parents accessed. Furthermore, the rises in SPA as this group approached later life mean that the State Pension is unavailable to them for most of their 60s.

"You reach an age like, I don't know, 59, 58 and then they start bringing all these new laws in all these goals. But basically everything moves on another two or three years and you think, well, you should be protected...for example, they change the

20 The Institute for Employment Studies (2014), A single-tier pension: what does it really mean?

pension age, if you're 60, that shouldn't affect you....so they've moved my retirement now another 12 months...they move the goal posts, don't they?"
Pre-SPA, owner with a mortgage, female

A later life limited by health issues

Despite the prevalence of health inequality and falling healthy life expectancy,[21] people on lower incomes are generally less likely to consider their own or family members' health when planning for retirement.[22] This phenomenon presented in the disparity between the expectations and reality of later life for the precarious group.

The decline of their physical health was a commonly mentioned source of disappointment and frustration. This was true for those participants who had suffered serious health problems and illnesses, but also for those participants who felt tired more easily and had less severe musculoskeletal problems (e.g. arthritis). Most of these participants had found themselves unable to continue in work, despite a need to maintain the income it provided, causing further financial stress. These participants had not expected to be limited in their activities in their 60s so their situation was a shock and a disappointment.

"We're just outside in a little village and it's beautiful where we are...I used to love going for walks up there every day with the dog, all times of the year, it was beautiful. It doesn't matter what time of the year it was, it was lovely and I can't go up there anymore. I can't walk up there because of my mobility and that really does sort of get to me."
Pre-SPA, renter, male

Health issues had deep implications for these people beyond the financial stress of being excluded from work. They were unable to take part in physical activities that they had previously enjoyed (e.g. playing tennis, walking the dog, playing with their grandchildren) limiting their personal lives. In some cases, the long-term health conditions and

21 ONS (2026), Healthy life expectancy, UK: between 2011 to 2013 and 2024 to 2024

22 DWP (2025), Planning and Preparing for Later Life 2024

disabilities meant they were less able to go out and visit friends and family which diminished their social circles. In more severe cases participants were reliant on people coming to visit them for social interaction. The result of all of this was a steep erosion of their wellbeing, driving many towards loneliness, in a time already marked by severe financial stress.

"It would be nice just to have friends that I could ring up and say, Are you doing anything today? Do you fancy going to the cinema or to the theatre, or fancy meeting up in town for a coffee? You know, and there isn't that around me, unfortunately."
Post-SPA, renter, male, single

Later life on a single income

Many people plan for later life with their partner, pooling their resources and ambition for their 60s and beyond. However, more people in their 60s are living in a single adult household than were two decades ago.[23] What happens then when relationships breakdown, flipping expectations for later life?

Those who experienced later life divorce found it led to a significant deviation between their experiences and prior expectations. For these people, their partner had formed a part of retirement planning expecting shared income, housing and savings. Instead, they were living on a single income, in some cases had to take out a costly mortgage or move to rented accommodation, and their savings had been eroded by the financial costs of divorce. The result was that they had substantially less resources than expected and faced much higher costs. This pushed them back into work, if their health allowed, or debt, if it did not.

23 The Centre for Ageing Better (2026), A Tale of Two 60s: Introducing a Decade of Transition

"When I was married, yes, thought for the future. Good old fashioned endowment policies looked into those managed to get one that was very rewarding, paid out when it should. Everything I had went into savings that helped to pay the mortgage off and the plan was hubby retires at 60, we've got enough savings for mortgage free...things took a different path."
Pre-SPA, owner with a mortgage, female, single

A later life denied adequate preparation and pushed into precarity is beyond the expectations of many. Despite this it is forced upon many people, as circumstances beyond their control transform the later life they had expected to have. The divergence between expectations and reality highlights how unprepared people are for later and the devastating disappointment that comes alongside their material hardship. This is devastating for those suffering these circumstances.

Waiting on a windfall

A very small group expected some inheritance from their parents. For these people, the prospect of receiving money from their parents had the potential to provide greater security in the future. However, it was an unrealised option with no set date at which they would receive this windfall. It was therefore an expectation with no impact on their current difficulties.

"I've got parents I'm inheriting from, but they're in their 90s and that's very precarious. You know, I could be fine in a few years."
Pre-SPA, owner with a mortgage, female, single

It is worth noting that this represents a privileged position that is uncommon among the precarious group. Compared to their secure peers, they are less than half as likely to expect to receive any inheritance (0.22 vs 0.47). For most navigating precarity in later life, inheritance is not a life raft they can expect to find safety on.

Conclusions

The findings of this report, and the *A Tale of Two 60s* research programme more broadly, force us to question how we as a society treat later life.

As it stands, we have a group struggling in precarity at a stage of life they were unable to prepare for. Their options for recovery are limited with a vast potential for falling further into the financial abyss. As we look to the future, there are clear warning signs that this problem will only grow as the population ages and the challenges faced by the precarious group persist. The evidence of this research affords us an opportunity to ask if this the society we want to be.

If the answer is no, then something must change. Here a challenge is laid at the feet of the government, to step up and ensure precarious later lives are consigned to the dustbin of history. Now is the time to act to support people suffering a precarious later life and those at risk of facing one in the future. Failure to do so is an acceptance of the insecure later lives prevalent in our society – something that we must deem unacceptable in the UK today.

Recommendations to tackle these problems

Support people now who are living unprepared for a decade of transition

This report has shown that there is a substantial cohort navigating later life unprepared for the challenges it presents. These people are facing precarity and instability which is driving cycles of deprivation and debt. They need support now or they will fall into deeper hardship.

1. Government should strengthen financial support for those approaching SPA who cannot work.

This programme of research has identified a group of people having to stop work before reaching state pension age, who often face sharp income drops and limited support.

Government should strengthen financial protection for this group, recognising that inability to work in later life is often the result of structural barriers with deep roots (long-term illness, disability, caring responsibilities, ageism in the labour market) rather than of temporary issues with a quick fix. This could include:

- Exploring earlier access to elements of pension income for those unable to work.
- Reviewing the adequacy of working-age benefits for those approaching retirement.

Enhancing Universal Credit payments by 20% for those aged 66 during the current SPA rise to 67, for instance, would cost approximately £0.14 billion – a small fraction of the £10 billion annual fiscal savings created by the increase.

2. Ensure a secure later life for those reliant on state income after SPA.

For those reaching later life unprepared and facing precarity, the State Pension and Pension Credit maybe their only source of income. It is likely that there will always be a group of people who find themselves in this situation after being excluded from work or struggling on a low income for long periods of their life. However, we have seen that far too often this income is insufficient, forcing people into work past SPA or into spiralling debt.

Government should explore options for ensuring a financially secure later life for those reliant on state income alone by:

- The Second Pensions Commission and the third State Pension Age Review giving explicit focus to this group.
- Focusing on this group as a target for any future reforms to the State Pension. Any changes must seek to enhance the financial security of this group, with all changes subject to evaluation and impact assessment.

Far too many people reliant on state income misunderstand or are unaware of their opportunities to access funding. There is opportunity here to ensure people are more aware of their options in later life. Here the government should:

- Provide support and guidance for people at or approaching SPA so that they understand the income options available to them. This support should be available in people's communities and trusted settings so that it is readily accessible.
- Improve uptake of Pension Credit by moving towards more automatic take up using data matching and pre-filled claims.

Our systems of support for later life are failing our most vulnerable. Current and future opportunities for reform must meet the basic needs of those most reliant on state support.

Prevent future cohorts from entering their 60s unprepared for later life

The challenges of entering later life unprepared are not unique to the current cohort of 60-69 year olds. This report has shown that there are warning signs that future cohorts will face the same challenges and more people will face a precarious later life without adequate financial protections in the future, unless action is taken.

3. Employers should support their workers to prepare for later life through an intervention of support and guidance in mid-life.

This report has highlighted the barriers that prevent people from engaging in planning and saving for later life. Acute financial need and the lack of mental bandwidth while navigating short term challenges have kept the precarious group from preparing for their later life, with insecurity the result.

Employers already perform a vital role in preparation for later life through workplace pensions but should take this further to help their staff fully prepare for their future. An intervention delivered by employers for their staff in their mid-life considering their work, finances, lifestyle, health, home, family and retirement would encourage people to engage with these issues before it is too late. We are calling on employers to step in and fill this role by providing the mid-life support that could help people navigate later life with the security they need.

There is potential benefit here for employers. Improved financial wellbeing of their staff would strengthen resilience across the workforce, reducing pressure on public services and helping drive a more stable, inclusive economy.

4. DWP should ensure mid-life support is available to those not in work or in self-employment.

Support in mid-life to prepare for later life must be available to all. Many people facing precarity today experienced periods out of employment in adulthood through caring responsibilities, health issues, unemployment and self-employment. These people must not be excluded from any future interventions aimed at helping people to prepare for later life.

Here the government has a crucial role to play. Currently the government is supporting mid-life interventions for this group through its website, which is open to all and signposts to sources of support, and a Jobcentre-based offer for benefits claimants. While awareness of these offers is low there is clear appetite for this support. For example, just 2% of people aged 40-75 were aware of the government's Midlife MOT offer but after being introduced to it interest was high, particularly among younger age groups (69% of 40–44 year olds and 64% of 50–54 year olds who had not retired said they would consider taking part in a Midlife MOT in the future).[24]

We are calling on the government to capitalise on the opportunity of interest in these offers. Strengthening the support these offers provides and the wider awareness around them would support people to prepare for later life before precarity hits. As well as the benefits to the individual, this preventative approach would likely lead to substantial cost savings by reducing the number of people reliant on state support later in life. Government must make the most of these interventions.

5. The government should ensure people have the information they need to plan for later life.

Adequate information and understanding are foundational to being able to plan for later life. The *A Tale of Two 60s* research programme has found clear evidence that many people suffer misunderstanding and surprise at the financial mechanisms, opportunities and vulnerabilities that are important and unavoidable aspects of later life.

If future cohorts share these experiences, then many will face similar challenges preparing for later life. To address this problem, the government should tackle low understanding and uptake of vital systems. This could be addressed by prompting people at key risk points such as leaving work, cutting hours, or starting caring, alongside making State Pension record checks easier to identify and complete.

24 DWP (2025), Planning and Preparing for Later Life 2024

Policy must take a holistic approach to tackling the challenge of this decade of transition

The *A Tale of Two 60s* research programme has shown how health, wealth and work combine to shape later life security. For too many people, difficulties across these areas compound to create a precarious life shaped by instability, debt and spiralling hardship. Policy is not currently equipped to tackle the holistic picture of later life financial security. This must change.

Government should bring in a consistent, holistic approach to policymaking related to older people and later life. This should include:

6. An independent commissioner to champion the rights of older people and ensure policymaking considers the needs of England's ageing population.

The cross-cutting nature of the challenges people in their 60s face requires action that draws across policy areas. An independent Commissioner for Older People and Ageing would act as a driving force to ensure government takes a wider policy lens to meet the long-term demands of our ageing population. Their direction would promote the holistic solutions needed to ensure people stop falling between the cracks into a precarious later life.

7. A strategy for longer working lives.

Throughout this programme of research the challenge of people not being able to work into later life has been clear. Policy has moved to promote longer working lives, primarily through increases to the SPA, without effectively tackling the barriers that persist in preventing people from remaining in work for longer. The government needs to remedy this failure.

Government should therefore develop a dedicated strategy for longer working lives, bringing together employment, skills, health, care and pensions policy. With the SPA rising and major employment reforms underway, now is the right time to set out a clear vision for supporting people to remain in work, return after leaving, receive support when they cannot continue, and transition into retirement.

Let's take action today for all our tomorrows.
Let's make ageing better.

The Centre for Ageing Better is pioneering ways to make ageing better a reality for everyone, including challenging ageism and building an Age-friendly Movement, creating Age-friendly Employment and Age-friendly Homes. It is a charitable foundation and part of the government's What Works Network.

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