

THE END OF WORK



Until the 20th century a pension was a B&B in the south of France where you would start your day with a baguette and a café au lait. Before then people didn't *retire* because retirement was an unknown concept.

The *end of work* (one of the main reasons for going to work) was to pay the bills

and save for a rainy day and you just kept going. If there was some cash left over from time to time, maybe you could take a holiday and visit a pension in the Dordogne.

Plus ça change; now the *end of work* is to pay the bills, save for a rainy day and retire from work. Oh, and we now expect to go en vacances every year. Oh, and we also borrow money to buy a house and get an education.

A decreasing number of workers enjoy membership of a final salary pension scheme (if that's you, you are one of the fortunate!), everyone else has to build their own pension or savings pot. Over the next couple of years the government is introducing a scheme that means that almost everyone will pay into a pension (you will have to opt out if you don't want to join).

But it's a lot to ask of a job: pay the bills, go on holiday, repay the mortgage, repay the student loans,

save for a rainy day and build up a pension. The average graduate will earn about £1,600,000 over the course of a working lifetime; someone starting work at 18 will earn about £1,000,000. Will that amount of money stretch far enough to pay for everything?

We have to think ahead to the time when we can't or don't want to go to work to pay the bills. The best plan is that by the time you have reached the end of work you have been able to reduce your outgoings (debts paid off, regular saving stopped) and can enjoy an income from investments (a pension fund, savings or perhaps a second property).

A wise resolution would be to, 'forego the use of some of our wealth and resources today so as to enjoy them in the future'.

The money you earn today needs to be spent on more than just today's bills. For every £100 that arrives in your bank account try this: allocate some for giving away (say £10), some for saving for a rainy day (£10) and some for when you want to stop work (£10), some for repaying debt (£10) and spend the rest today (£60).

The *end of work* is for your income to be higher than your spending – both today and when you "retire".

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