

Funding the Future Life

Pensions Policy Institute

20th November 2018

www.pensionspolicyinstitute.org.uk

Twitter: #PPIfuturelife @PPI_Research

Chair's welcome

Iona Bain

PPI Governor and Young Money
Commentator

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Research findings

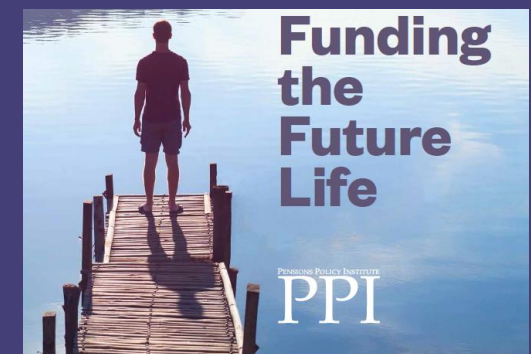
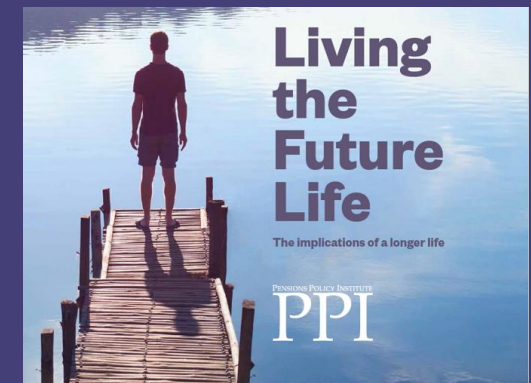
Sarah Luheshi
Deputy Director
PPI

#PPIfuturelife

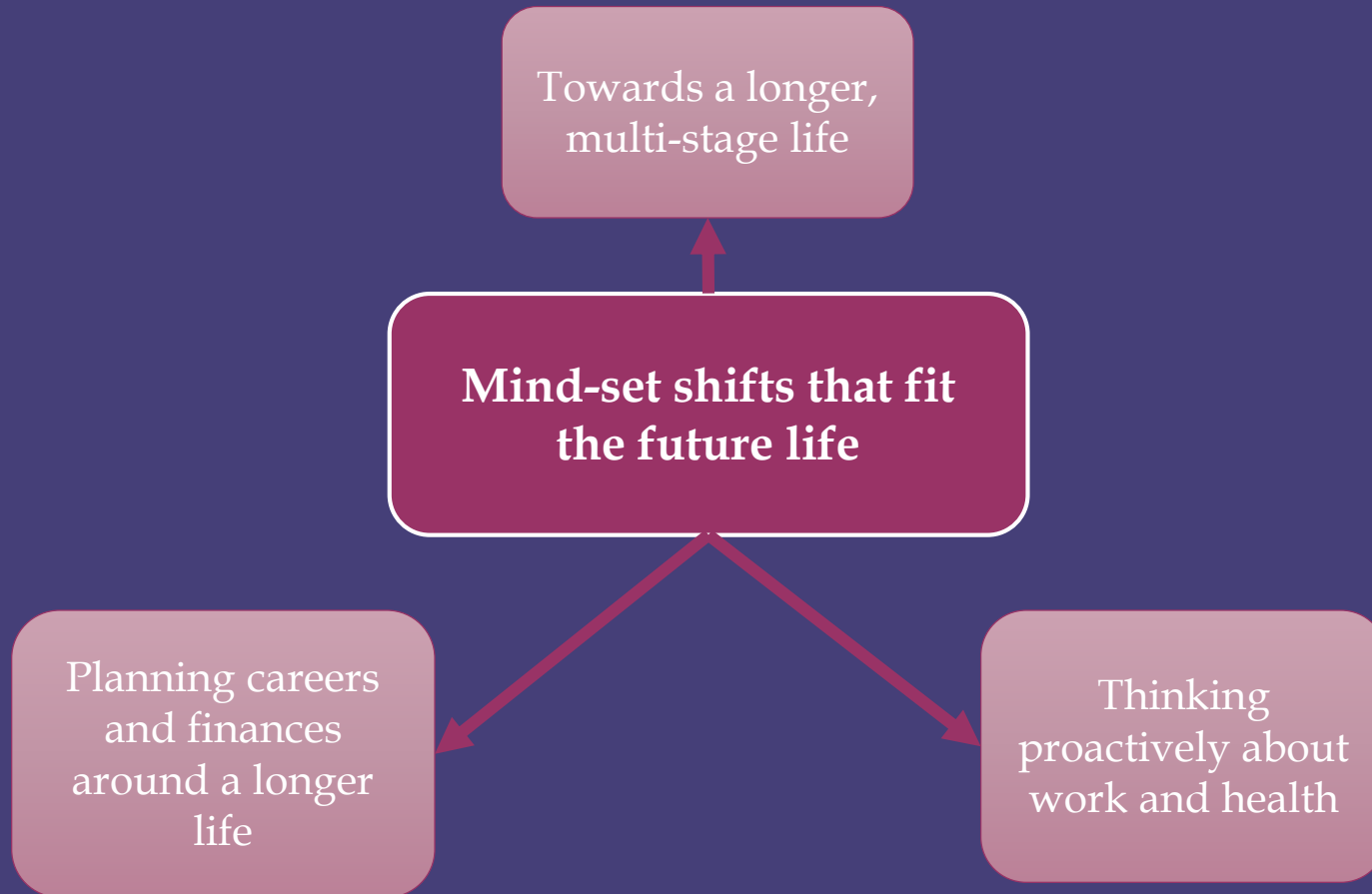
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The Future Life Research Series

- Pensions and retirement in the context of demographic change
- *Living the Future life*: how might the future be different to traditional trajectories?
- *Funding the Future life*: what funding is required to meet the costs of the future life?



Living the Future Life: Three critical mind-set shifts



Living the Future Life:

Five components to living a longer productive life

Resilience

- Financial resilience
- Being creative about employment

Agility

- Adapting to emerging opportunities
- Acquiring new skills

Health

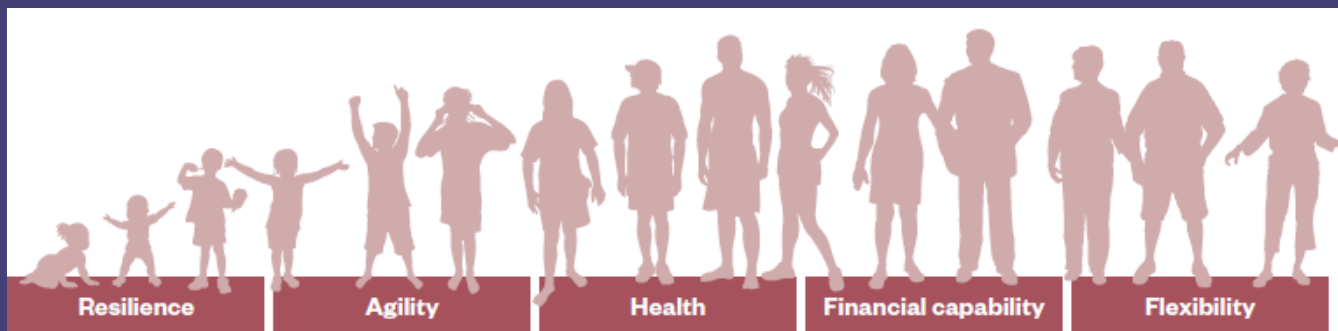
- Holistic view of wellness
- Investing in prevention, treatment and care

Financial capability

- Ability to save
- Budgeting and financial management

Flexibility

- Mobility and new ways of connecting
- Changes in housing



Funding the Future Life - Headline findings

- Some younger people have a traditional mind-set about their lives
- The distinction between short and long-term saving is increasingly blurred
- Recognition that there is a gap between what will be required and what is available to help bridge it
- Technology could aid saving, financial capability and money management

Some younger people have traditional mind-sets

Multi-stage mind-set

- 34% would like one job for life
- 56% are happy they will be able to secure a job
- 36% would change career path / job type because of technological / other developments
- 78% agree that they need to keep their skills up to date

Pro-active thinking mind-set

- 65% happy to change and consider jobs in developing areas
- 49% agreed that social connections lead to a fulfilling life. 23%, however, disagreed with this.

Financial planning mind-set

- 46% do not feel they have savings to fall back on
- 59% would like to own their own home in the next 10 years
- 66% would like to work part-time, freelance / consult or run their own business approaching retirement; 11% want to stop working altogether

I can't imagine retraining or changing employers

I would like to work for different employers ... but stick to the same career path

... might move out of London to afford to buy my own home

I hope to be involved in volunteering organisations and projects that support my local community

Why do these mind-set shifts matter?

Tom



Financial services sector, median earner. DC Pensions. Made redundant

Scenario One

- Retrains (MBA)

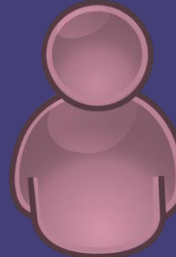
Scenario Two

- Struggles to find a job, unemployed for 3 years

Scenario Three

- Gets his MBA and eventually purchases a house

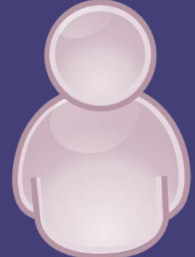
Tara



Social work sector, LGPS, median earner.

- Scenarios varied around caring responsibilities for
 - children,
 - parents and
 - both

Maya



Social work sector, median earner. DC pensions. Married.

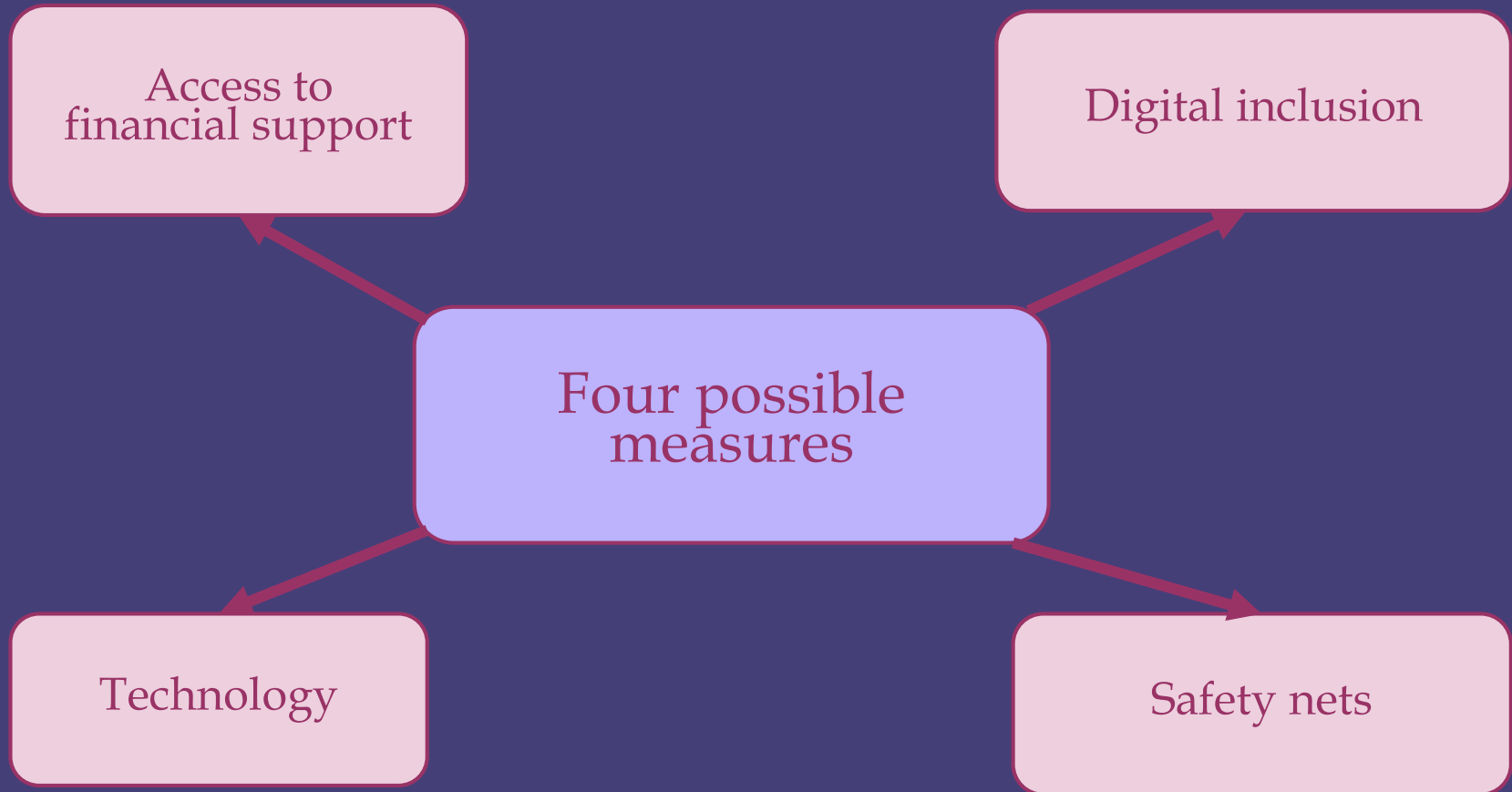
Scenario One

- Divorces and remains single

Scenario Two

- Divorces and remarries

Possible measures to address inequalities



Is it just an individual mind-set shift that's required?

- How can the policy landscape help consumers with savings strategies that reflect a multi-stage life?
- How suitable is the product landscape to support individuals?
- Technology is already reshaping how we do things, how can it facilitate the shift required for the future?

Panel Discussion:

*The most important element for the
future -
policy, product or technology?*

Please observe Chatham House Rule

Laura Webster

Department of Work and Pensions

The case for Policy

Please observe Chatham House Rule

Gregg McClymont
B&CE

The case for Product

Please observe Chatham House Rule

Ben Leonard

META Finance

The case for Technology

Please observe Chatham House Rule

Policy, Product or Technology?

Audience vote

Open discussion and questions from the floor

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Please stay and join us for a drink

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