

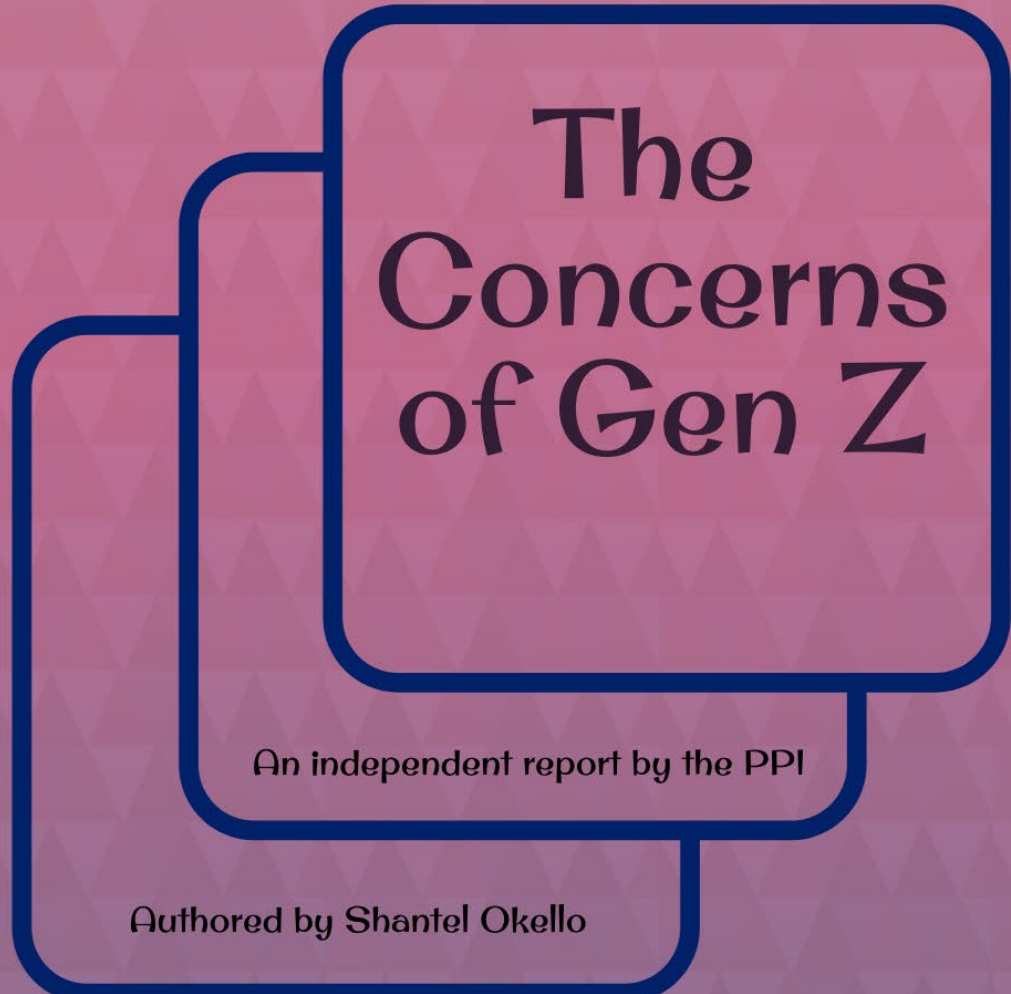
Weds 26 February 2025



Adrian



Zuri



Isabella



Malik

Chair's Welcome

Iona Bain

Young Money and PPI Governor

Pensions Policy Institute
PPI



#PPILaunch



OUR VISION

BETTER-INFORMED POLICIES AND DECISIONS THAT IMPROVE LATER LIFE OUTCOMES

OUR MISSION

WE PROMOTE INFORMED, EVIDENCE-BASED POLICIES & DECISIONS FOR FINANCIAL PROVISION IN LATER LIFE THROUGH INDEPENDENT RESEARCH & ANALYSIS

WE ARE A TRUSTED SOURCE OF INFORMATION

We balance the argument by providing objective and accessible information on the extent and nature of later life financial provision, and any associated implications.

WE LEAD THE DEBATE

Through contributing impartial analysis and commentary to the policymaking process.

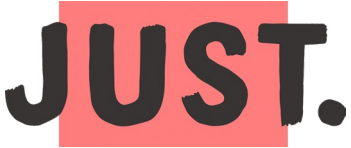
WE ENCOURAGE RESEARCH

Both at the PPI and in collaboration with others, which in turn informs policy and decision-making.

WE MODEL IMPACT OF POLICY CHANGES

We analyse long term outcomes under the current UK pensions system and the impacts of possible reforms.

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We are funded from donations from our Supporters
THANK YOU!

Event overview

The event today is the official launch of the report
The Concerns of Gen Z.

This research examines the long-term financial security of Gen Z and its implications for the wider pensions landscape.

#PPILaunch

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of Actuaries

Key Findings

Shantel Okello

Policy Researcher

Pensions Policy Institute (PPI)

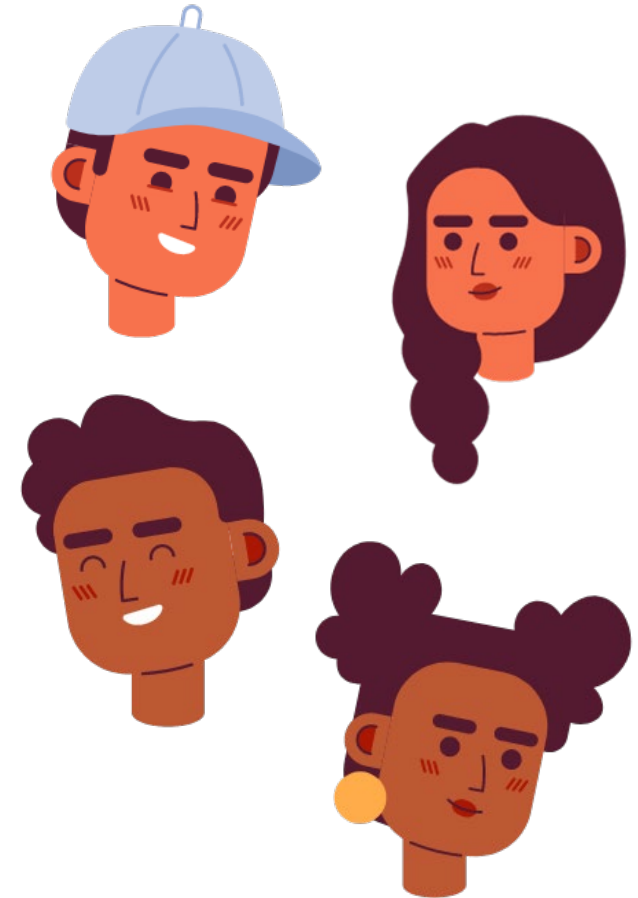
Pensions Policy Institute
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#PPIlaunch

Overview

- ✓ **Who is Gen Z and what is their financial reality?**
- ✓ **Pension saving and engagement challenges**
- ✓ **What does this mean for retirement savings?**
A look at our case study profiles (supported by PPI modelling)
- ✓ **What lies ahead for Gen Z?**
- ✓ **Key takeaways**



Who is Gen Z and what is their financial reality?



Average UK house price is **8x** annual salary

Average debt for graduates is nearing

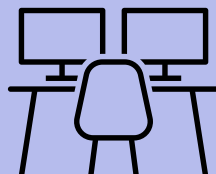


£50k

Average age of first-time parents has risen



to **29** years



Preference for **flexible work**

Average age of first-time buyers has risen to



33 years

Pension saving and engagement challenges

Risk of forgotten savings, lack of trust in pensions, and a preference for digital content

Many Gen Z'ers may have pension pots they have lost track of



73% of us expect the State Pension to be reduced!



45% of us rely on social media for financial information!



77% of us trust the financial guidance provided by social media influencers!

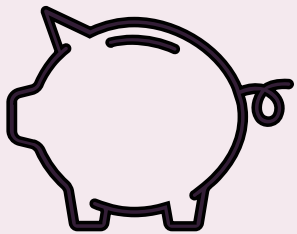


What does this mean for retirement savings?

Case study profiles



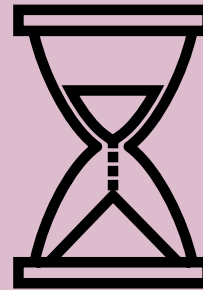
What lies ahead for Gen Z?



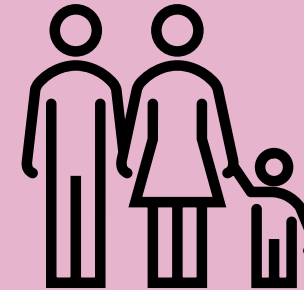
Inadequate savings to meet working life standards



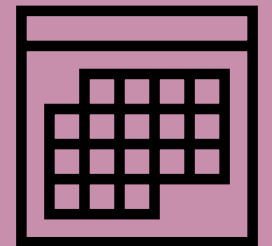
Low levels of homeownership may mean renting in retirement



Longer lives and DC pensions put Gen Z at risk of outliving their savings






Shifts in household structure may affect caring responsibilities



Delayed retirement may be common

Key Takeaways

Progress in Retirement Saving 	Barriers to Adequate Savings 	Gaps to Address 
Automatic enrolment ensures early pension participation for many	Self-employment and gig workers exclude many from workplace pensions	AE contributions may be too low to ensure adequate retirement outcomes
Pension dashboards could improve engagement	Housing costs & student debt limit savings	Multiple deferred, small pots can lead to lost pensions
	Reliance on DC pensions shifts more risk to individuals	Digital engagement must improve

Sponsor's Response

Alexandra Miles FIA

Chair, Pensions Gap Working Party

Institute and Faculty of Actuaries

#PPILaunch



Pensions Policy Institute

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Adapting pension systems for future generations

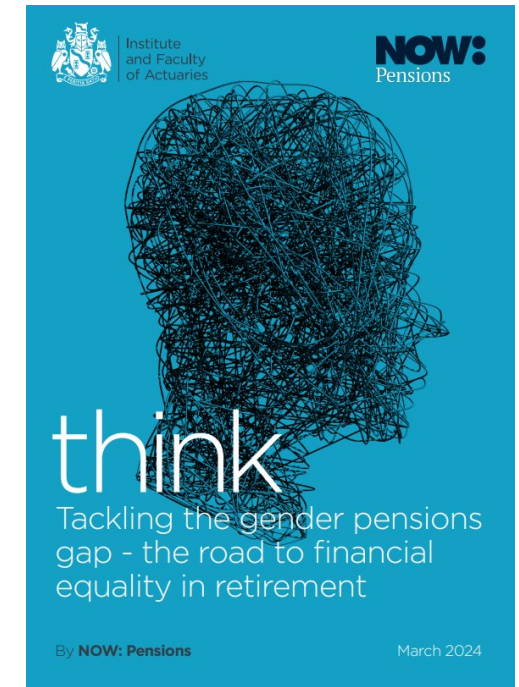
Alexandra Miles FIA
Institute & Faculty of Actuaries



Why do we Actuaries care? And how can we help?

Experts in long-term risk management

Exploring opportunities to change public policy
and individual saving habits

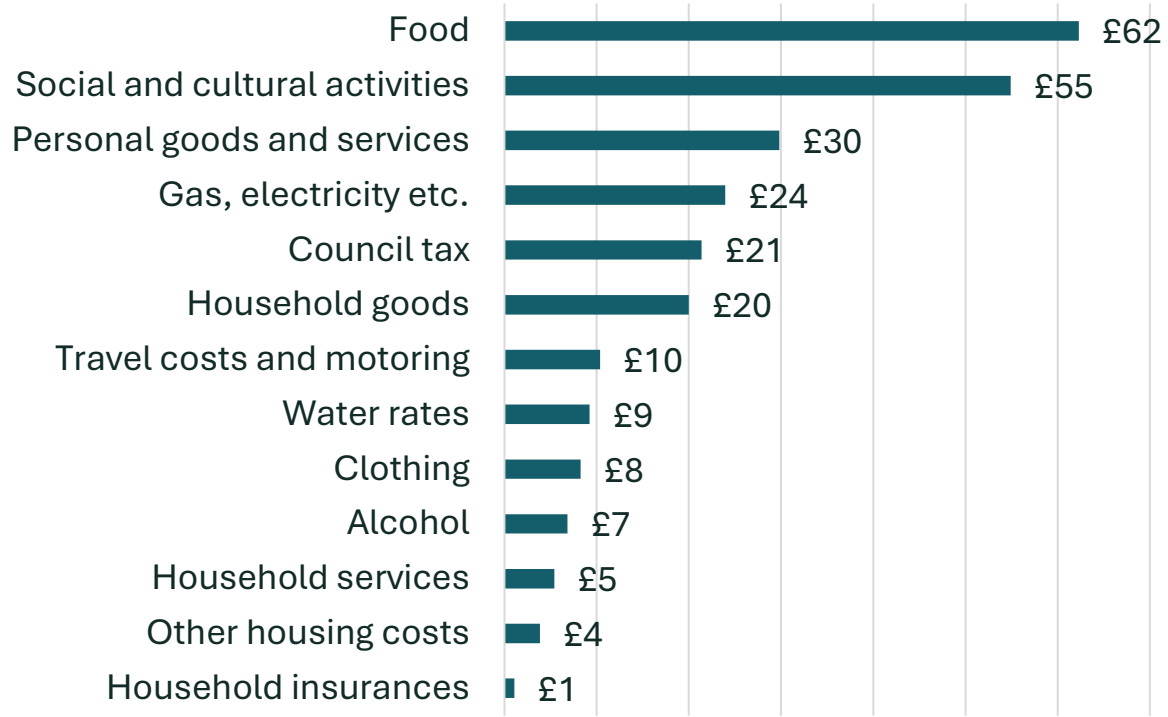


It's complicated, And not all about pensions



What do people need to secure dignity in retirement?

Minimum Income Standard, £pw



Total: £257 (MIS)

Median rental costs, £pw

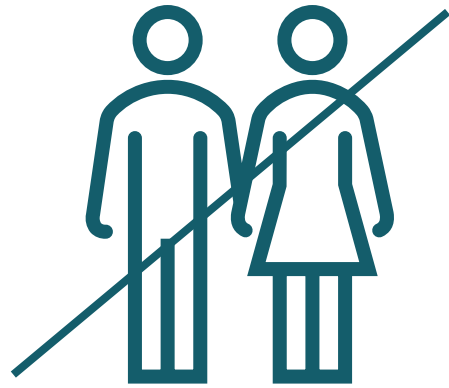
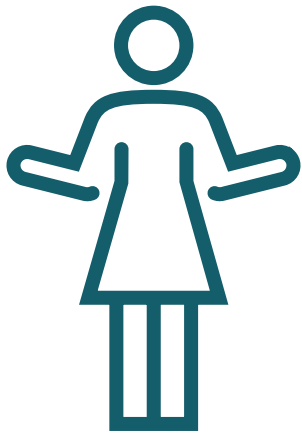


Expected rental costs: £196

Total expenditure: £453 pw

Sources: <https://www.lboro.ac.uk/research/crsp/minimum-income-standard/calculator/>
 English Housing Survey, 2022/23, average pw housing costs 2022/23: <https://www.gov.uk/government/collections/english-housing-survey>

Who will struggle the most?

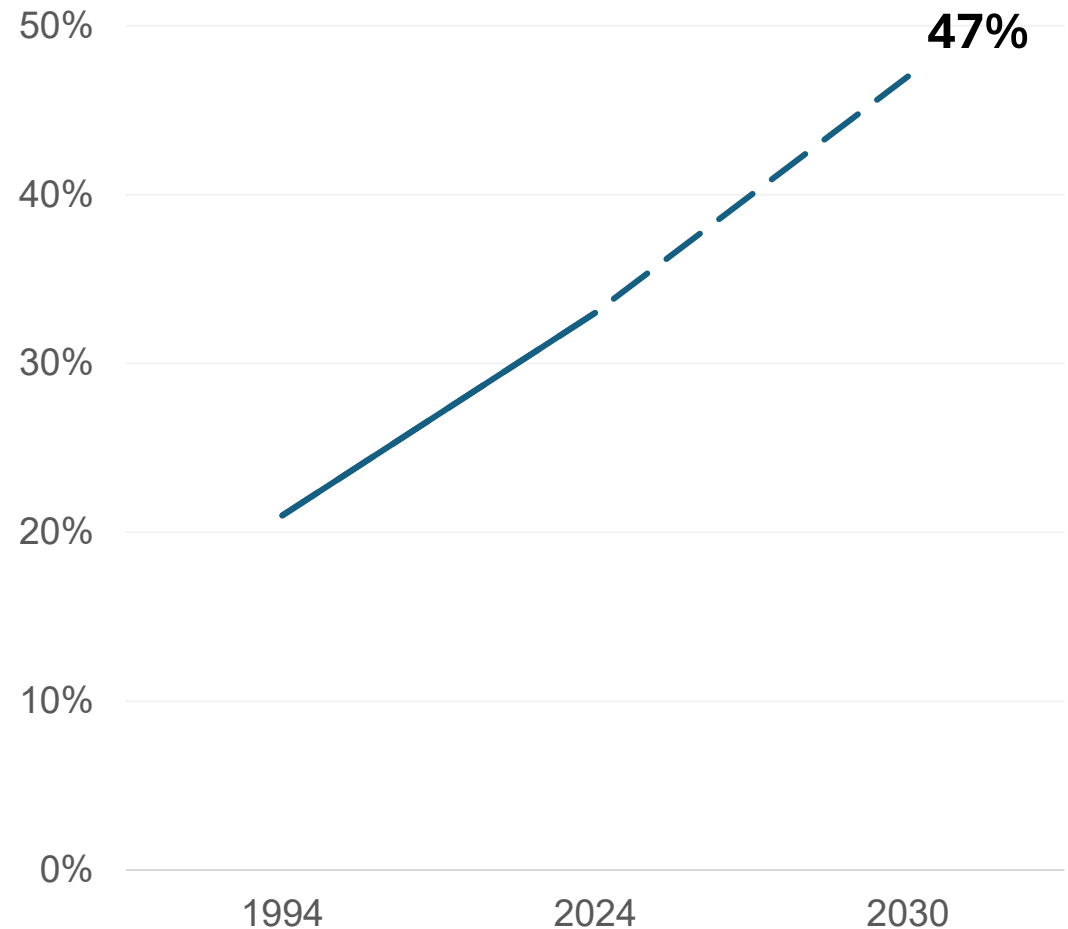


Retirement is an individual pursuit...

“Retirement is perhaps the greatest and most deeply personal career transition you'll ever make.

*Will you switch gears, slow down, or stop work entirely?
Will you have the money, good health, and the companionship you need to enjoy it?”*

UK workforce demographics, aged 50+



...with broader societal implications

W Change in age mix, labor intensity, or productivity growth needed to sustain GDP per capita growth in 2023–50

Fac

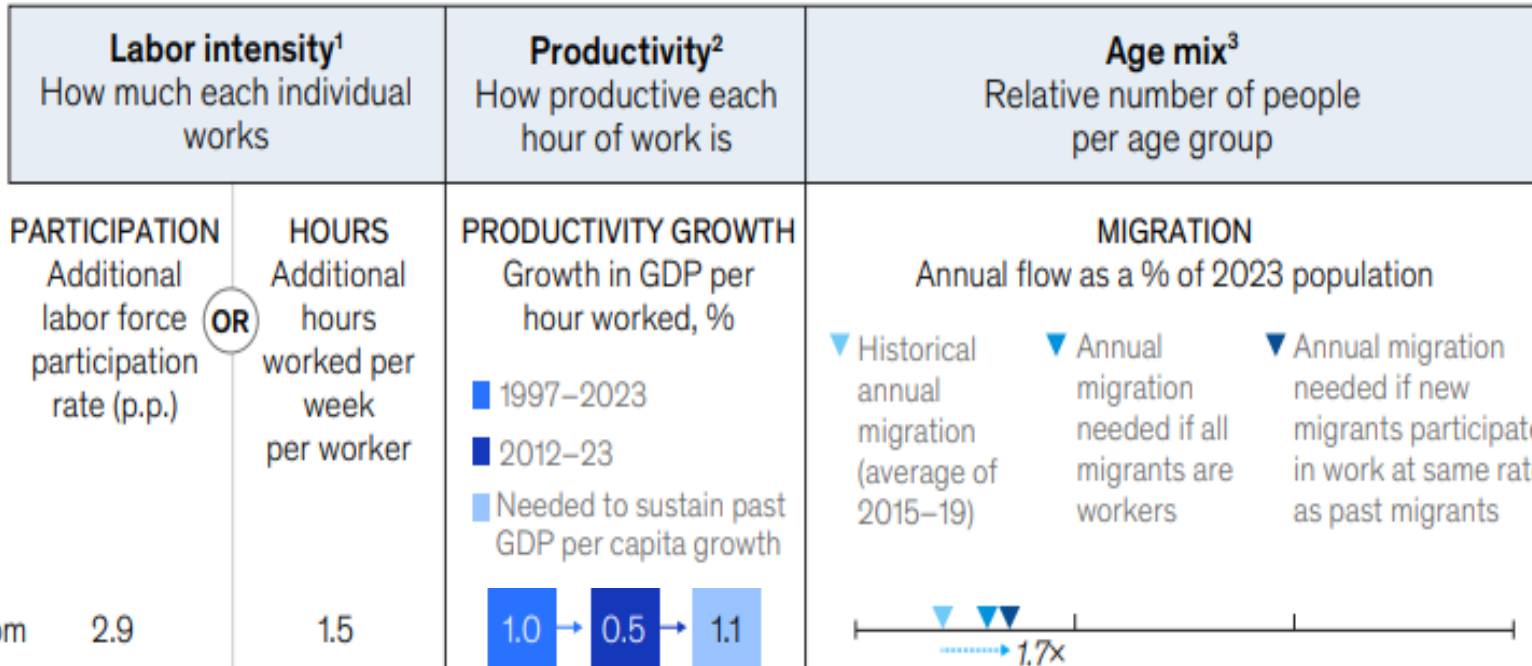
GD

40,0

30,0

20,0

10,0



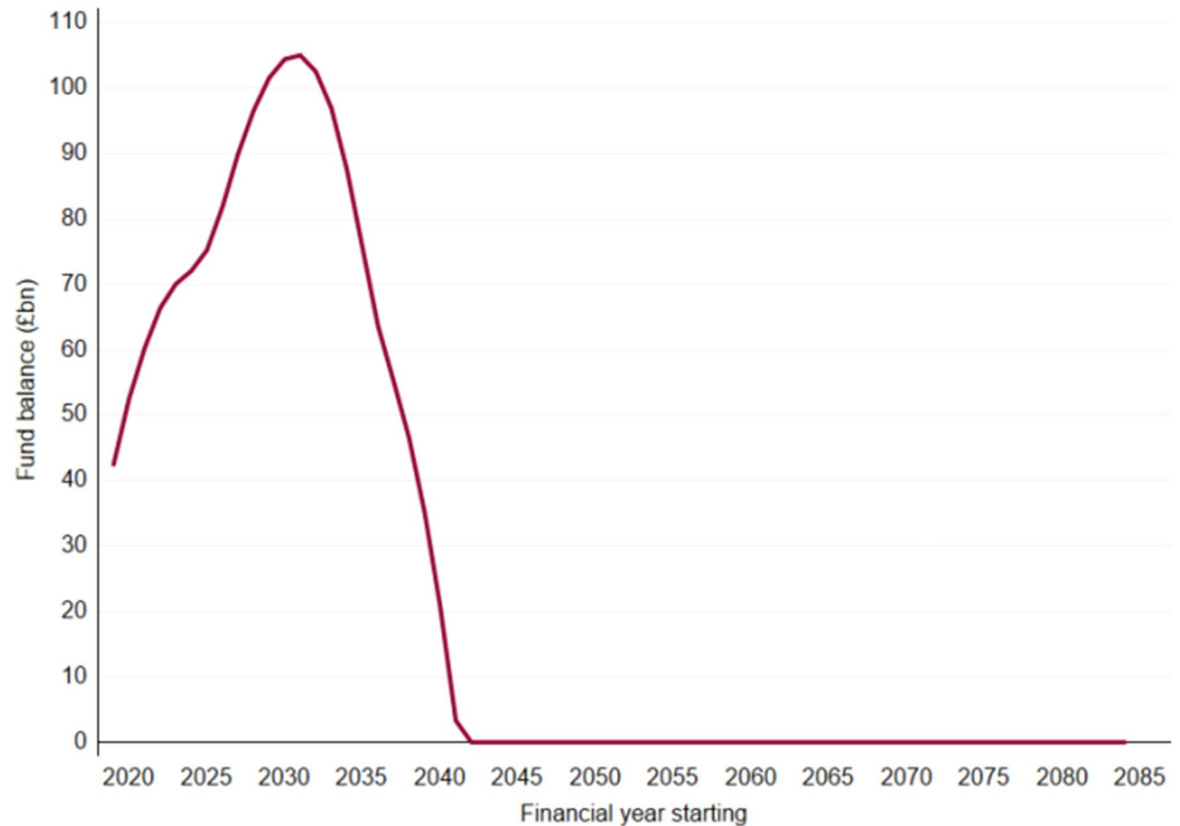
Source: World Population Prospects 2024, United Nations; ILOSTAT; The Conference Board; McKinsey Global Institute analysis

The future role of the State

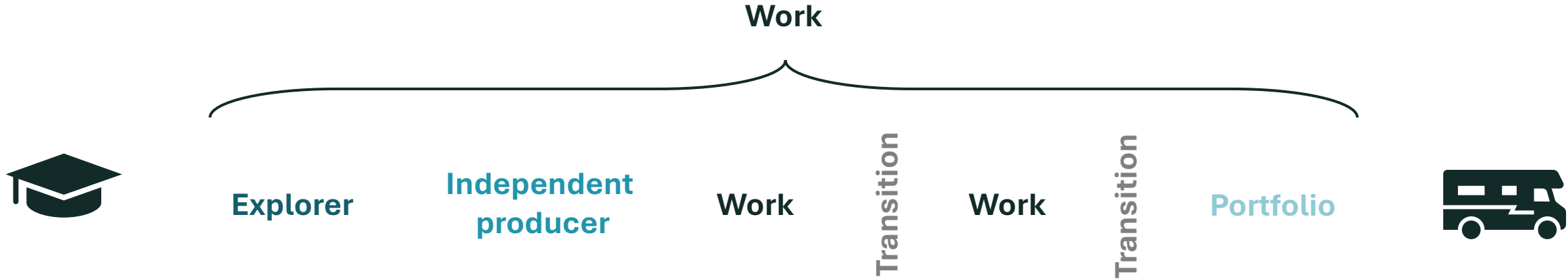
May 2006

Security in retirement:
towards a new pensions system

Chart 2.1 – Projected Fund balance 2020-2021 to 2085-2086



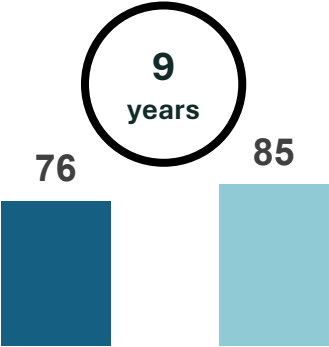
The future role of the Individual



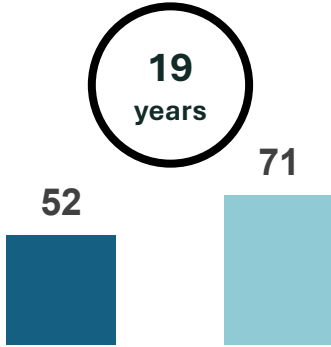
Average at birth, years

■ Most deprived ■ Least deprived

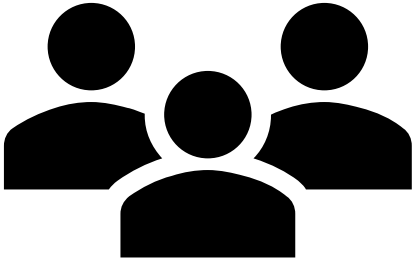
Life expectancy



Healthy life expectancy

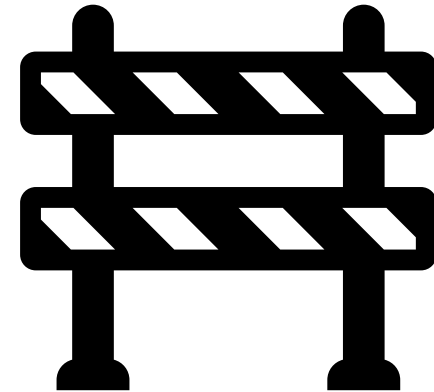
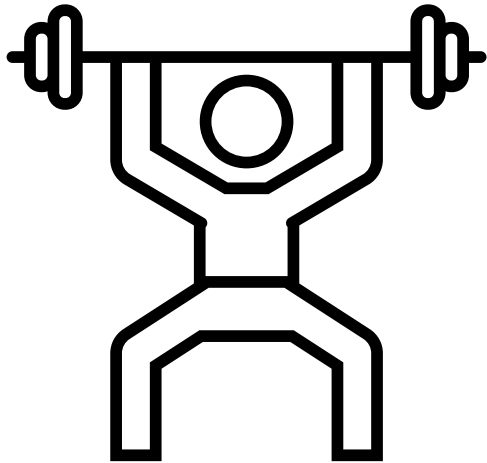


Saving more



Source: The 100-Year Life: Living and Working in an Age of Longevity by Lynda Gratton and Andrew J. Scott; ONS HBAI 2022/23 figs, after housing costs

The future role of the Employer



DEBATE MATE

**“This House believes that the pensions system
needs to be urgently updated for future
generations”**





Q&A Session



When asking questions please state:

- Your name
- Organisation name

Thank you

To the sponsors of this research report
The Institute and Faculty of Actuaries

- ❖ Iona Bain for chairing the event
- ❖ Debate Mate and their fantastic debating team
- ❖ Our panel, Alexandra Miles and Glyn Bradley
- ❖ Shantel Okello, report author
- ❖ Caolan Ward, Olivia Fox, Matthew Humphreys – IFoA
- ❖ Hogan Lovells for hosting the event today

Thank you for attending today