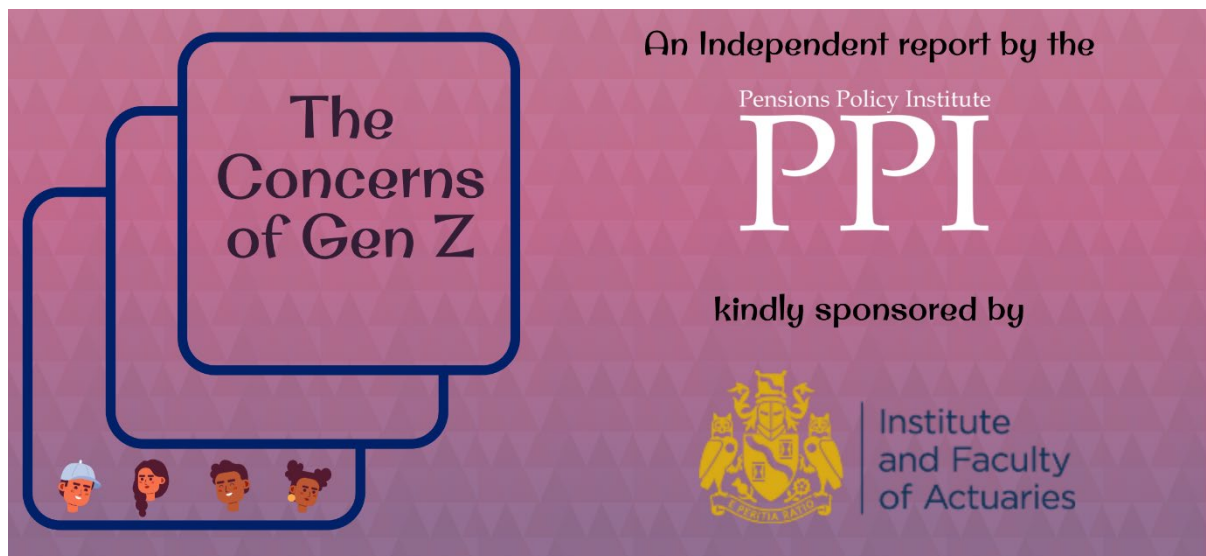


PPI Launch Event Write Up Z

The Concerns of Gen Z

Overview



On Wednesday 25 February 2025 the PPI launched a research report, [The Concerns of Gen Z](#), which was kindly sponsored by the Institute and Faculty of Actuaries (IFoA).

This research examines the long-term financial security of Gen Z and its implications for the wider pensions landscape. As the first cohort to benefit universally from automatic enrolment, Gen Z has greater early access to workplace pensions than previous generations. However, economic instability, high living costs, and shifting employment patterns create barriers that threaten their ability to save adequately for retirement. The report explores these challenges alongside potential policy responses to improve Gen Z's retirement outcomes.



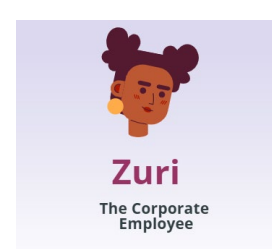
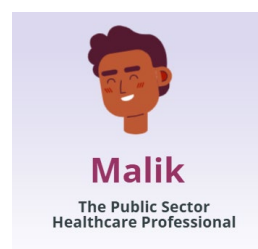
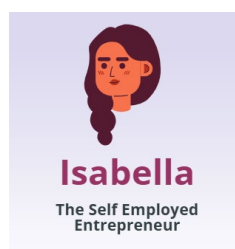
The event which was hosted by **Hogan Lovells International LLP** was chaired by Iona Bain, PPI Governor and attended by over 50 people representing a cross section of the industry, and featured a debate organised by Debate Mate.

Research Findings – Shantel Okello, Policy Researcher (PPI)



Shantel Okello set the scene by describing the economic realities for Gen Z. She described the increasing difficulty of purchasing a home, owing to the disparity in the growth of wages and house prices. She spoke about the increase in the levels of student debt, which puts financial pressure on young people. She described the delays in milestones in life, as the average age of becoming a homeowner and becoming parents increases. She then described the changing preferences regarding working patterns, with Gen Z workers valuing adaptability and flexibility, and finally highlighted that all these characteristics contribute to poorer pensions adequacy for Gen Z.

She then elaborated on these pension challenges. A higher rate of changing jobs increases the likelihood of accumulating lots of pots with many different providers, and therefore increases the likelihood of losing some of these pots as they become harder to keep track of. A higher amount of economic instability increases scepticism about the pension system. On top of this, the emergence of social media means that there are many sources of financial information, which Gen Z listen to and place trust in, whilst simultaneously not taking regulated financial advice. This presents an opportunity for better engagement on the one hand, but also means that lots of Gen Z savers are being encouraged to make potentially unwise choices by unregulated sources.



Shantel then introduced 4 case studies that had formed part of the research. These 4 individuals were:

- **Adrian** - A graphic designer with an irregular income, who was considering delaying retirement.
- **Isabella** - An entrepreneur who reinvests into her business rather than saving towards a pension.
- **Malik** - An NHS worker with a DB pension.
- **Zuri** - A woman with a conventional corporate career, who anticipated challenges around having children and being able to save during this period.

These 4 individuals are illustrative of Gen Z, showing their common working patterns and priorities, and bringing the challenges identified to life. They are expanded on further in the report.

Shantel then went on to say that at present, Gen Z are headed for a future where they have inadequate pensions and low levels of home ownership. As well as having inadequate retirement assets, they may have a longer life expectancy combined with greater health disparities, and an inability for many to extend their working life for health reasons. These factors could combine to mean that Gen Z face a greater risk of running out of money in retirement.

To conclude, Shantel noted that some of Gen Z's issues may be addressed by the high levels of participation brought by automatic enrolment, and the introduction of dashboards which may go some way to boosting engagement and lowering the number of lost pots. However, she highlighted that there are still many pensions policy challenges that need to be addressed to create a system that better serves Gen Z. The pension system needs to better serve those with irregular working patterns and find solutions to the issues of insufficient contribution rates, lost pots, and low levels of engagement.

IFoA – Alexandra Miles



Alexandra Miles then gave a view from the Institute and Faculty of Actuaries (IFoA), the research sponsor. She framed the issue of pension saving among Gen Z as part of a wider landscape of economic and social trends. She spoke about home ownership, student debt and fertility rates.

She then moved on to examine minimum income standards in depth, showing what contributed to living costs and how these standards were evolving and responding to economic circumstances.

She then demonstrated that the UK workforce is aging, with the average age of workers having increased. She explored the effects and implications of this, noting that it is driving economic growth, and that to sustain this economic growth, we would need a mixture of higher labour intensity, productivity, and immigration.

She then examined the role of the state, individuals, and employers in responding to these circumstances. In particular, she highlighted that there is a difference between life expectancy and healthy life expectancy, and that simply raising the state pension age would not be appropriate. She also spoke about the notion of a life having distinct phases of work and retirement, and how this notion is becoming less relevant as people become more likely to move fluidly between them.

DEBATE MATE

Debate – Debate Mate

Following the presentations, the next part of the event was a section organised by Debate Mate.

Two teams (Proposition and Opposition) debated the following motion:

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

Before beginning, the Debate Mate chair, James Waterfield, polled the audience, and found that all but one agreed with the motion.

The proposition and opposition teams then put forward three debaters each, who took it in turns to make a case for or against the proposition.

The proposition team spoke of their own real-life experiences, citing the lack of any spare money at the end of the month to be able to save, and the difficulties of renting. They argued that there is no silver bullet to fix the issues of pensions for Gen Z, but that multiple issues need addressing to make the pension system better suited to them. One is communication and engagement, so that Gen Z can engage more and earlier in life, with high quality sources of information. Another is giving Gen Z greater trust in the political system at large. The proposition team highlighted that with a triple lock that is widely acknowledged as not being indefinitely sustainable, and governments tempted to cater to pensioners as the largest voting bloc, that Gen Z need more of a reason to trust that the pension system is made with them in mind.

The opposition team also spoke of their own personal experience, showing that they were engaged in saving, but were more involved in investment outside pensions, such as trading stocks. They argued that the pension system has a role which it fulfils well, as a relatively safe and established choice for saving. They argued that it was not clear what the urgent updates would be, and that many problems such as housing are external to the pensions system, listing reforms that are needed in those areas to solve the root causes of those issues. They also argued that there are more differences within generations than between, and that the groups that are worst served by the pension system exist across generations.

The moderator then invited the audience to ask questions to the two teams. The audience asked many questions, including how they thought the pension system did or didn't serve the four case

studies highlighted in the report. Other themes among the audience questions were what the specific solutions might be, and whether there might be factors that negatively impacted other generations, or positively impacted Gen Z, which might need to be taken into consideration before any reform was made with Gen Z in mind.

Finally, one more debater from each team spoke. The opposition made the case that the system already effectively fulfils its role as a safety net and that the biggest priority should be communicating to Gen Z more effectively. They then continued to say that the problems affecting Gen Z are beyond the pension system, using the analogy of overcrowded prisons being a product of wider societal issues, and not simply a flaw of the prison system.

The proposition made the case that while it is true that these external factors cannot be entirely mitigated from within the pension system, that is not to say that the pension system shouldn't examine these factors and adapt to them. They argued that the pension system is only safe and reliable for a fortunate few, and that Gen Z are only choosing alternatives out of mistrust of the pension system. Finally, they argued that it is not for Gen Z to propose the updates to the pension system, but that the pension system must listen to Gen Z to understand their issues.

Following the conclusion of the event James then asked the audience to vote again on their support of the original motion. The result was that everyone in the room now agreed with the motion following the debate presentations.

Panel Discussion



Following the debate, Shantel Okello, Glynn Bradley, Alexandra Miles, and the Debate Mate teams took further questions from the audience. The debaters had been assigned positions to argue, and so they were asked to reflect on whether they personally agreed with the positions they had argued for. The audience then asked a range of questions, which covered a range of themes. One was how the pension system could better serve the self-employed. Another was how the advice and guidance market could be reformed, so that advice was more accessible, either by updating the advice/guidance boundary, or

creating other mechanisms such as tax breaks to allow for savers and employers to pay for advice more cheaply. Another theme was inheritance and wealth transfer, and how Gen Z might be affected by inheriting wealth and property. Finally, there were also questions about how the pension system might better appeal to Gen Z's appetite for risk, and their expectations in terms of reliability.

