

**PRESS RELEASE**  
**For immediate Release**  
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**“Future generations may have higher consumption needs but lower incomes” says Pensions Policy Institute**

The Pensions Policy Institute (PPI) is today publishing the fourth edition of their annual publication, *The DC Future Book in association with Columbia Threadneedle Investments*.

The DC Future Book, now in its fourth year of sponsorship from Columbia Threadneedle Investments, sets out available data on the DC landscape alongside commentary, analysis and projections of future trends.

**Daniela Silcock, Head of Policy Research at the PPI** said “Future retirement incomes are projected to decline, on average, as a result of reductions in Defined Benefit provision within the private sector. Therefore those reaching retirement over the next few decades will have lower than average private pension savings compared to older cohorts.

This group of people may therefore struggle to maintain the same consumption patterns as current pensioners, and they may need to spend a higher proportion of their income than previous generations due to providing more financial support and care to family members and being more likely to rent in retirement than previous generations.

People reaching retirement in the 2050s or later should experience an average increase in pension income as a result of increases in Defined Contribution income (arising from automatic enrolment).

Increased freedom in accessing DC savings may help people to meet consumption needs which vary during retirement. However people may struggle to know how to meet increasingly complex retirement needs, and some might benefit from using currently available secure products, such as annuities, advice and support and/or pre-designed retirement pathways and other forms of help.

**ENDS**

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**Notes for editors**

1. The Pensions Policy Institute (PPI) is an educational research charity, which provides non-political, independent comment and analysis on policy on pensions and retirement income provision in the UK. Its aim is to improve the information and understanding about pensions policy and retirement income provision through research and analysis, discussion and publication. Further information on the PPI is available on our website [www.pensionspolicyinstitute.org.uk](http://www.pensionspolicyinstitute.org.uk).
2. The DC Future Book in association with Columbia Threadneedle Investments is the fourth edition in an annual compendium of DC statistics, setting out available data on the DC landscape, projections of the future aggregate value of DC assets, and commentary and analysis of current trends.



3. Sponsorship has been given to help fund the research, and does not necessarily imply agreement with, or support for, the analysis or findings from the project.
4. The modelling uses the PPI suite of models and data from the ONS's Wealth and Assets survey (Waves 1 & 5) to explore how the number of scheme members and the value of DC assets may change and grow in future under assumptions that current trends continue. The report also sets out the potential range of distribution of DC assets in future, under a range of possible future economic fluctuations (based on historical data).