

# The Pension Puzzle

How can young people contribute more from less?

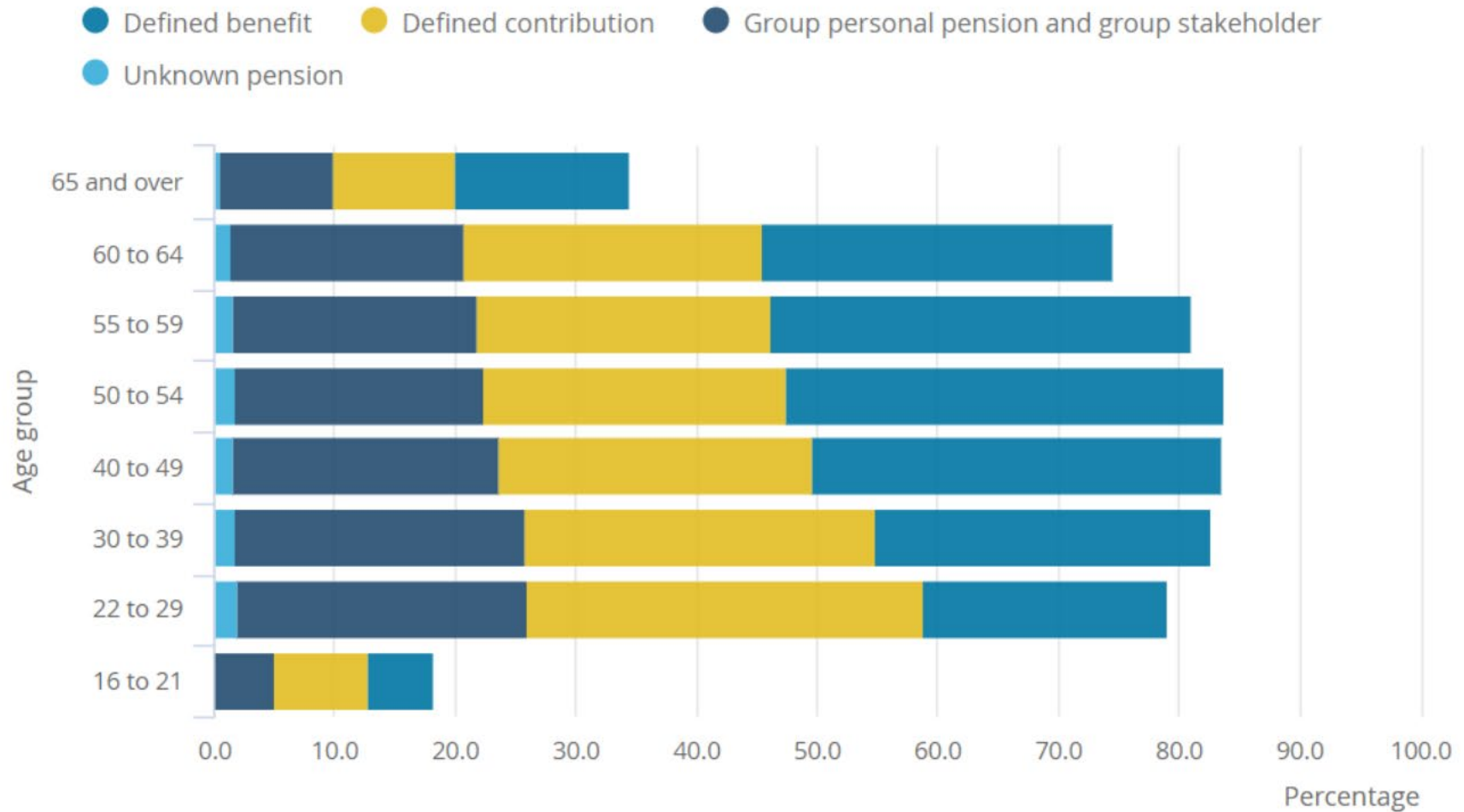


**Iona Bain**

**Founder of the Young Money Blog & Agency  
Financial writer, commentator and speaker**

# The pensions youthquake is underway...

Proportion of employees with workplace pensions: by age band and type of pension, UK, 2018



**Private sector employees**

**Small and micro employees**

**The un-enrolled (gen Z and the self-employed)**

**Employees in "elemental" jobs and net pay schemes**

**Renters**

**Public sector employees**

**Large/blue chip employees**

**Employees in professional sectors**

**Wealthy employees and those enjoying consistent pay rises**

**Homeowners who can contribute more**

**...but there will be unforeseen aftershocks**



# The risk of default duds

**"We recommend that governments reconsider policies that significantly limit exposure to return-seeking assets such as equity, and if not in place, consider introducing default investment parameters with the aim of encouraging greater investment in such assets, such as via target-date funds.**

**While consistent saving is important to build retirement money, being mindful of long-term returns on retirement portfolios is crucial to ensuring that an individual doesn't outlive their savings. Many young to middle-age savers should change their risk outlook, understanding that outliving their savings is a far greater risk to them than short-term investment risk."**



World Economic Forum, "Investing In (and for) Our Future" report, June 2019

# 4 potential pieces for the pensions puzzle

## 1. Information...but not too much





## 2. Education...but not too soon



**"Young adults are better suited to planning for 'life right now', while working-age adults respond best to planning around life events – such as changes to health, employment or relationships – and the 'teachable moments' they create."**

**Young Money Blog, October 2018**

The Telegraph

### 3. Flexibility...but only up to a point

◆ Premium

🏠 > Money > Pensions > Financial planning

## Why we must let young savers tap into pensions for property and emergencies

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## 4. Choice...but not for its own sake





# Thank you!



[youngmoneyagency@gmail.com](mailto:youngmoneyagency@gmail.com)

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