The Great Risk Transfer: have we got the balance right?

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chaired by Susan Murray

#GreatRiskTransfer
The Great Risk Transfer: have we got the balance right?

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The transfer of risk from employers, the state and other institutions is a significant challenge but little understood.

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- Increased longevity
- Advances in technology
- Low-interest rates
- Changes in financial regulation
What do people understand to be the main long-term risks to their financial wellbeing?
Pensions  
Work  
Health  
Insurance

Housing  
Pensions  
Health  
Work  
Insurance

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“After the Second World War, there was a realisation that we were all in this together and there was an absolute need to make sure that everybody was provided with the minimum [...] the [idea] the state provides support for all of us together in all kinds of ways has been steadily eroded.”
“My friends and my generation are just completely hopeless about the future and the way we envision it, it's just, we're gonna work until we're 70. And maybe then we can retire if we have saved up some money ourselves.”
Only 45% of people are aware of the need to make choices about how they invest and when they access their pension.

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Awareness of choices available to manage and access pension savings:

50% of ABC1 vs. 37% of C2DE

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Awareness of managing financial risk of pensions at different ages

31% of age 16-34

60% of age 55-64

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52% of people said that Government should be “entirely responsible” for ensuring that everybody has a decent standard of living in retirement.

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Action #GreatRiskTransfer
36% of people said they don’t know whose financial advice or guidance they can trust.

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34% of people said the cost of financial advice or guidance prevented them from seeking it out.

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Recommendations

- Don’t be shy, talk about money
- Expose the myth of choice
- Avoid financial risks compounding
- Invest in trust advisors

- Universally accessible pensions dashboard
- Affordable basic insurance
- Secure and affordable housing
- Fair work/responsible business

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