

Event starting soon...



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

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with Shelagh Young, John Taylor and Mubin Haq
chaired by Susan Murray

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Institute
and Faculty
of Actuaries

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

Shelagh Young, David Hume Institute

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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?

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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. ”

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“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.”

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Only 45%

of people are aware of 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

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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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