

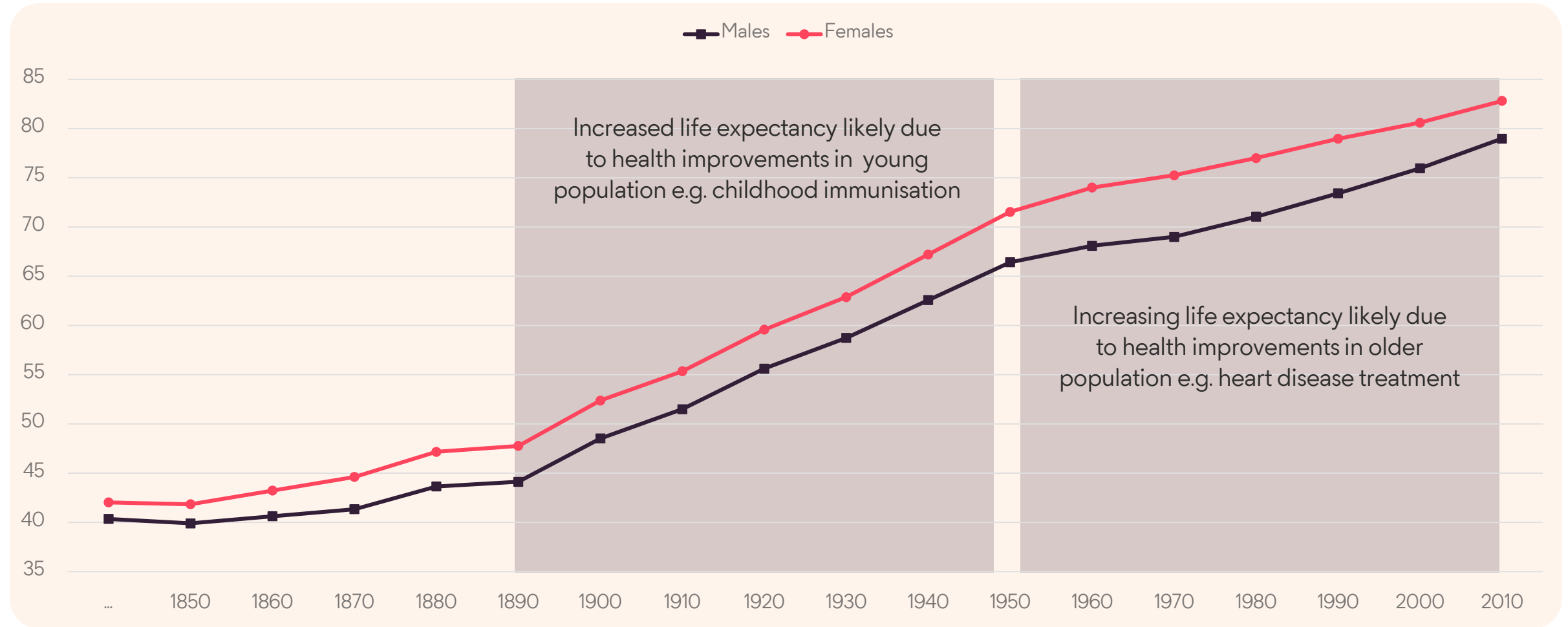
Meeting the longevity challenge

Catherine Foot
Director, Phoenix Insights

Professional Pensions Live Conference
London, 17th May 2022

We are living much longer than previous generations

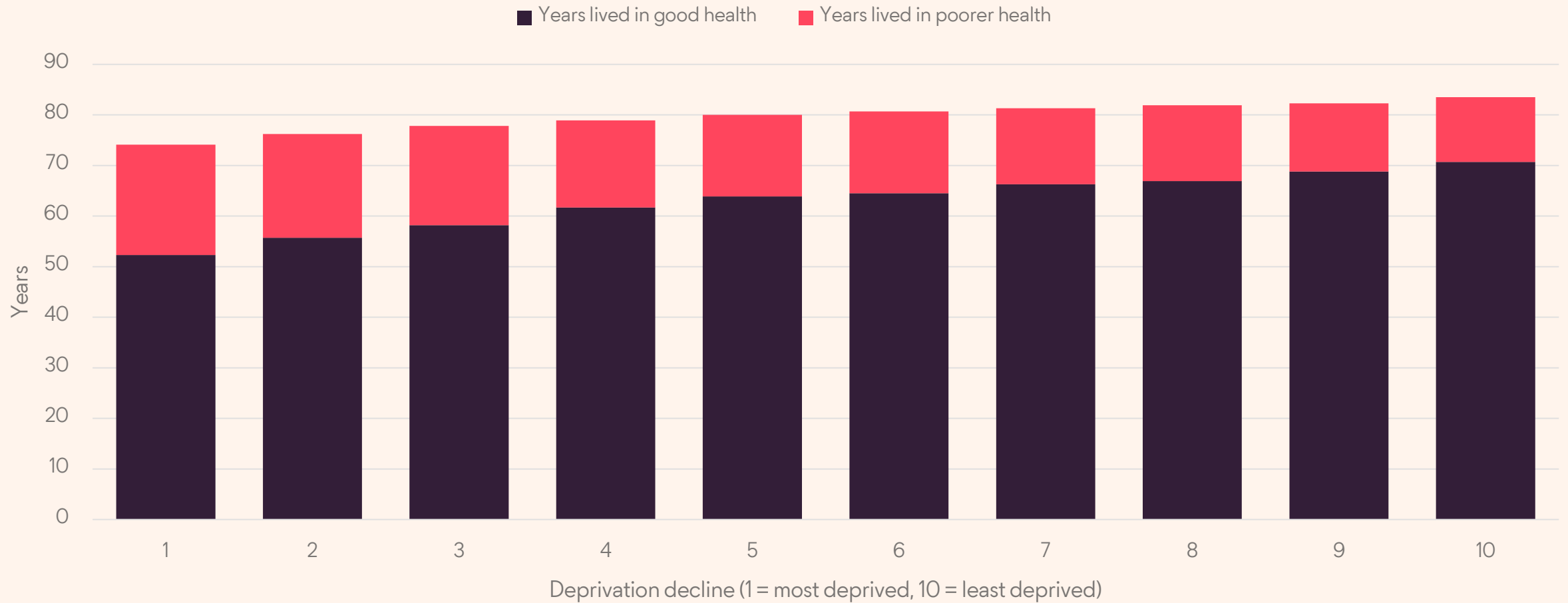
Life expectancy at birth, England and Wales, 1841 to 2011



Source: Decennial Life Tables ONS

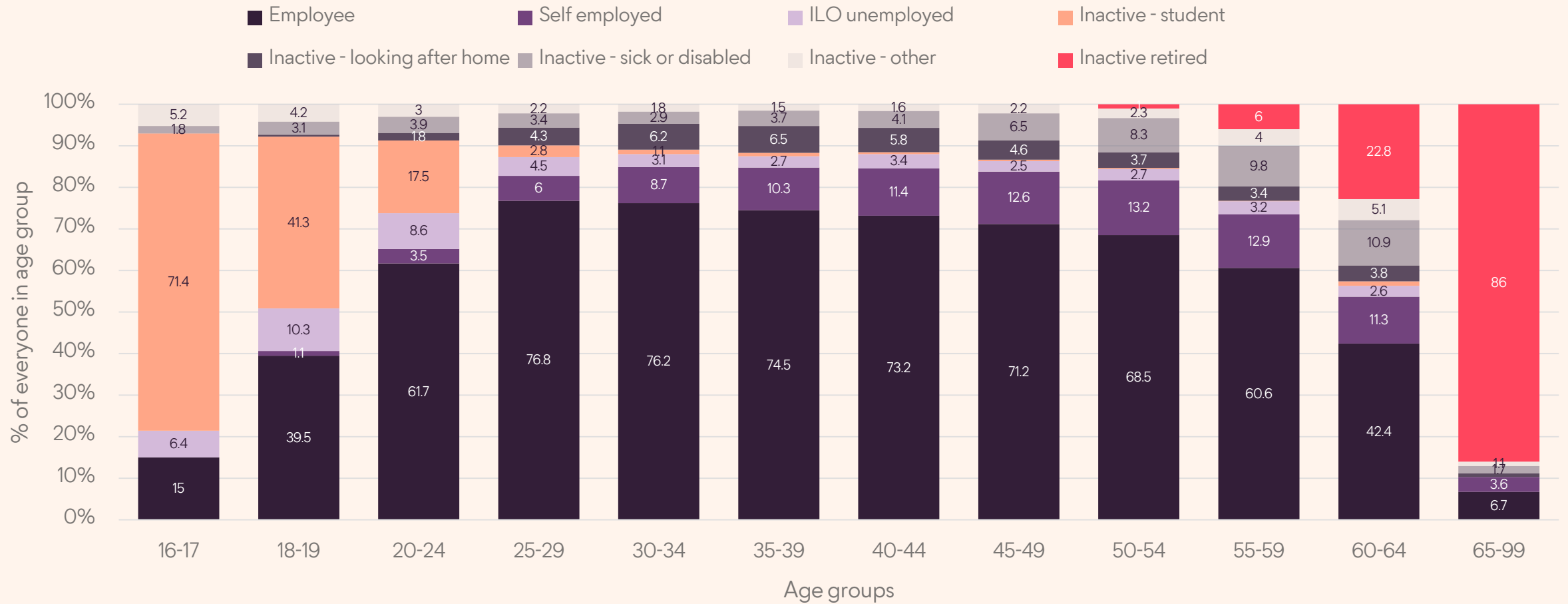
But there are large inequalities in life expectancy and healthy life expectancy

Healthy life expectancy at birth, England 2017 to 2019



To make the most of longer lives, we need to rethink what we do and when we do it

Economic activity by age



CIPD analysis of APS Jul 2020 – June 2021
Combined categories 'unpaid family worker' and 'Government training scheme' with 'Employee'

Areas of focus



Who we are



Our expert external advisors:



Lord Victor
Adebowale



Baroness
Camilla Cavendish



Professor
Lynda Gratton



Claire Hawkins



Andy Briggs



Catherine Foot



Professor
Sarah Harper CBE



Baroness Ruby
McGregor-Smith CBE



The Rt Hon
Amber Rudd

Claire Hawkins, Phoenix's Director of Corporate Affairs and Investor Relations, also sits on the advisory committee, and it is chaired by Phoenix Group CEO, Andy Briggs, who is also Government Business Champion for Older Workers.

Our Director of Phoenix Insights is Catherine Foot, a research and policy specialist in longevity and ageing. Catherine will be recruiting a small staff team to Phoenix Insights over the next few months.

Our three core activities



Our first research: The Longer Lives Index

Launched March 2022



Working with Frontier Economics, we have conducted a new survey of over 16,000 people aged over 25 across the UK who are not yet retired, exploring their financial readiness for retirement and later life.

We have explored five critical dimensions of financial readiness, looking at savings and housing but also work, health, and support from and to family and friends.

In each dimension, we asked people about

- Their **expectations** and plans for the future
- How **confident** they are about that dimension of their life when they are older.

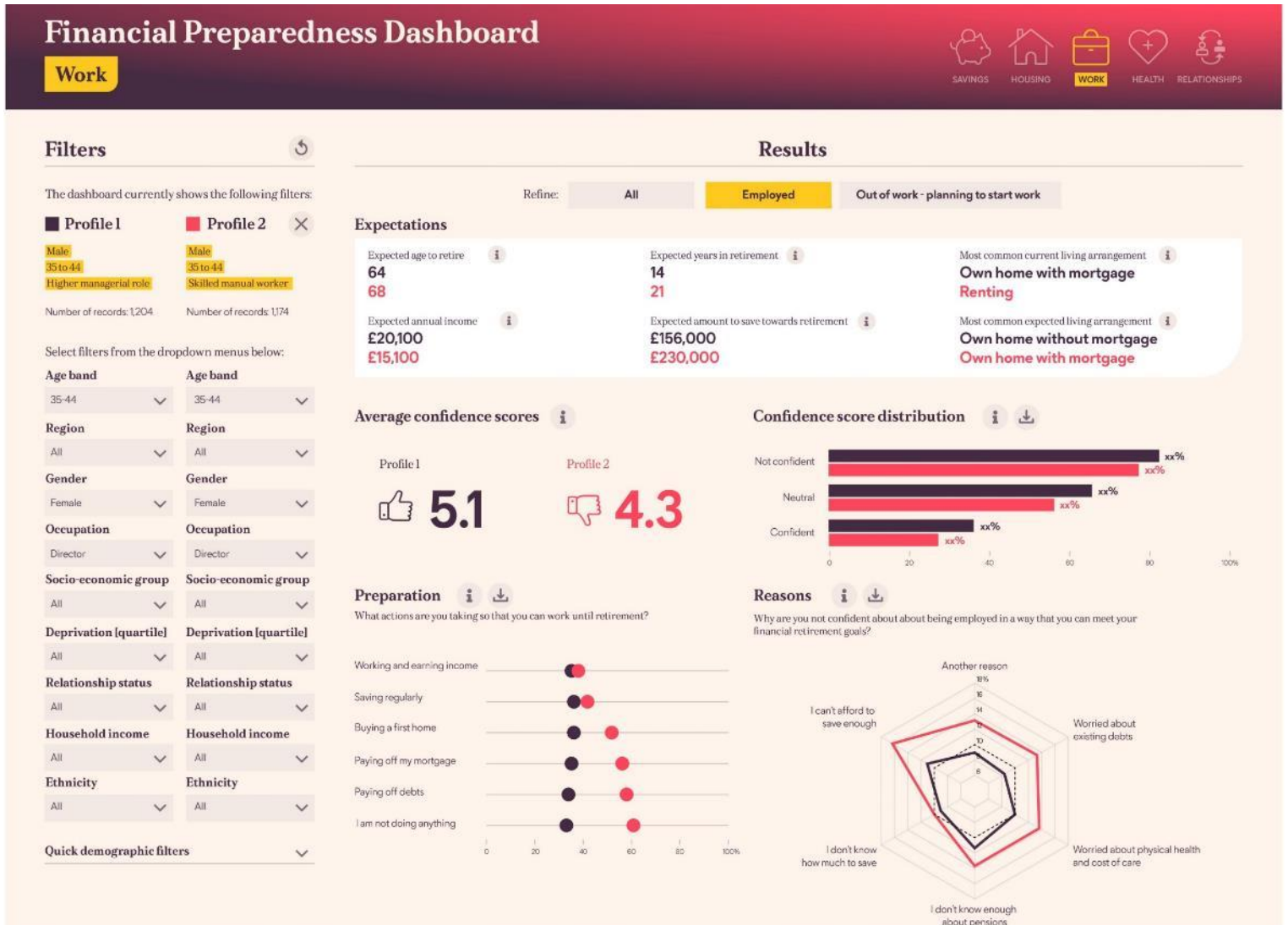
We also asked participants to share with us some information about the value of their existing pensions and savings as well as their income, and used this data to model the gap between current wealth and how much people may need to save for the retirement they want.

We have analysed the data by a range of variables including age, gender, ethnicity, geographic region and income.

The Longer Lives Index

The data is available to explore and download through a bespoke digital data hub

www.thephoenixgroup.com/longerlives



Some key data points

36%

are not saving enough to meet
their financial goals

53%

expect to retire before they
are 65

28%

expect to be renting in retirement,
over half of whom don't think they
will be able to afford it

38%

are worried ill health will prevent
them from working as they get
older

5.2/10

is the average confidence score
for future saving, the lowest of all
dimensions

1 in 5

expect to rely heavily on financial
support from others, especially
people aged 44 and younger

Key recommendations

- **Expand auto-enrolment** – the government should look to cover the millions of self-employed people and those aged under 22 with pension auto-enrolment. Additional defaults should be explored, such as auto-escalation of pension contributions when salary increases, along with nudges when personal circumstances might change that enable greater interest/capacity for saving – for example, children leaving home.
- **Boost financial information, guidance and education** – People should be able to get more holistic financial guidance and advice at a much younger age. We need government, regulators and industry to help make access to good advice and support about our future finances the norm for all of us, rather than the preserve of the wealthy few.
- **Eradicate workplace ageism and support skills development and reskilling throughout life** – employers must be proactive about tackling age-bias in recruitment and hire age-positively, enable flexible working, support staff with caring responsibilities and health conditions, and encourage career development and training for staff of all ages.
- **Tackle regional inequalities and improve pay and progression** – the government should use the levelling up agenda to tackle in-work poverty and the prevalence of precarious jobs with very low pay and few prospects for progression. Supporting people with health conditions is also critically important, too many people are forced into early retirement due to health problems.
- **Safeguard housing futures** – given the millions expected to be renting in retirement, addressing housing affordability and availability now, along with strong rights for tenants, will be critical to supporting people to afford a decent standard of living in later life.

Our ambition



Our ambition is to take the opportunities that longevity presents to the forefront of public debate and the political and economic agenda.

We believe that **now is the time to embed action to support longer lives across social and economic policy and business practice, putting it at the heart of decision-making.**

We can and must shift our society away from one stuck in twentieth-century structures and ways of living, to one that truly embraces and makes the most of our longer lives.

Thank you