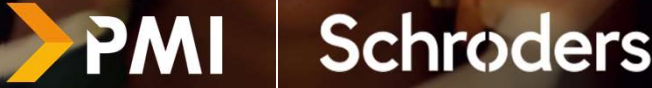




Lifetime Savings Initiative

Association of Financial Mutuals Conference



Rich Fox – Head of Public Policy, UK - Schroders

Mission Statement of the LSI

“

To look across the entire UK savings system and identify actionable recommendations for industry and policy makers that solve key pain points preventing people from being able to secure their financial future, and in doing so, create a more sustainable national Lifetime Savings Model.

”

Because it matters



Financial resilience

- 1 in 4** Households have low financial resilience¹
- 46%** Have less than £1,000 in household savings²
- 44%** Reduced likelihood of falling into 'problem debt' with £1,000 in savings³



Housing

- 64%** Home ownership across the UK (down from 71% 10 years ago)⁴
- 3x** More people projected to be renters in retirement within 20 years⁵
- 9% p.a.** Average contributions to cover cost of rent in retirement (from age 22)⁶



Long-term savings

- 1.8tn** Total household savings sitting in cash (vs. FTSE 100 mk cap £1.9 tn)⁷
- 3%** Av. millennial households predicted to reach PLSA moderate standards⁸
- 8%** Of UK consumers received financial advice⁹

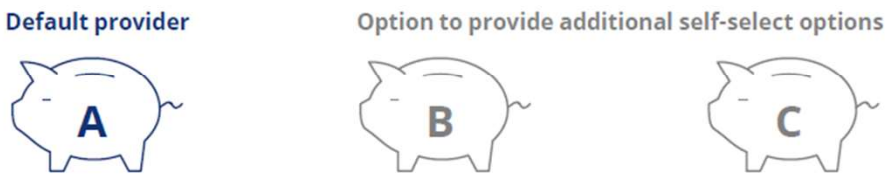
Sources: ¹FCA (2023). ²Finder (2024). ³Stepchange (2017). ⁴ONS (2003,2022). ⁵PPI (2023). ⁶Schroders analysis based on ONS and PPI data (2023). ⁷The Times (2023). ⁸The Peoples Pension (2022). ⁹FCA (2022).

National Short-term Savings Plan

1. **Employer** sets the default contribution rate



2. **Pension Scheme Trustees or IGC** select a default provider



3. **Employer** sets the recommended limit



*£1,000 is referred to as a sensible target based on research by StepChange. This amount of liquid savings cuts the chances of going into problem debt by almost a half.



A National Short-term Savings Plan (NSSP)



A National Lifetime Savings Plan (NLSP)

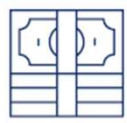
National Lifetime Savings Plan

Pension contributions

Current auto-enrolment minimums



Additional contributions



Pension (pre-55)

Inaccessible



Accessible before age 55



Considerations for mutuals...

- 1 Does this match your experience with your customers? Does it resonate?
- 2 Opportunities to be the provider of the NSSP?
- 3 Links to maturing Child Trust Funds? Is this another 'hook' to engage young people in saving and investing?

