



# How A Focus On Broader Financial Wellbeing Can Benefit Member Retirement Planning

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Helping People Build Better Futures

# Current Pension Communications

## How We Communicate

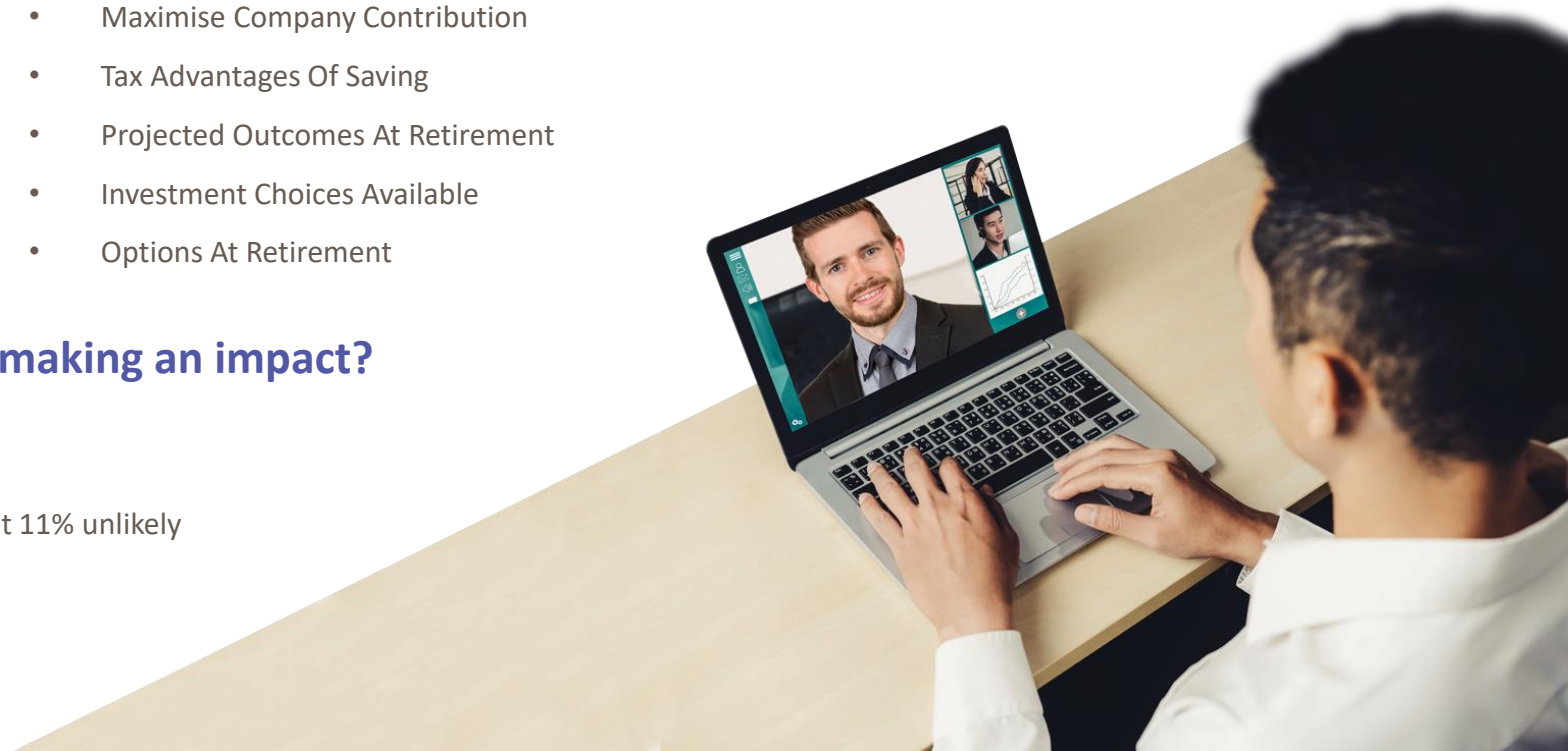
- Annual Benefit Statements
- Scheme Booklets
- Online Portals
- Worksite Presentations/Webinars
- Individual Consultations

## What We Communicate:

- Start In Plan ASAP
- Maximise Company Contribution
- Tax Advantages Of Saving
- Projected Outcomes At Retirement
- Investment Choices Available
- Options At Retirement

## Are the methods and the messaging making an impact?

- Almost half of people not in a private pension plan
- Average pension contributions to DC plans of about 11% unlikely to provide adequate income
- Average age of joining a pension plan - 32



# Think Of Your Own Pension Scheme

## Within Most Pension Schemes

- Vast Range Of Ages/Multiple Generations
- Diverse Priorities When It Comes To Retirement Planning
- Diverse Wider Financial Priorities

**Member  
in their  
30s**

- Whether To Join
- What To Pay

**Member  
in their  
40s**

- Whether To Increase
- How To Invest

**Member  
in their  
50s**

- Plan Consolidation
- Drawdown Options

**Is Pension  
The Top  
Financial  
Priority?**

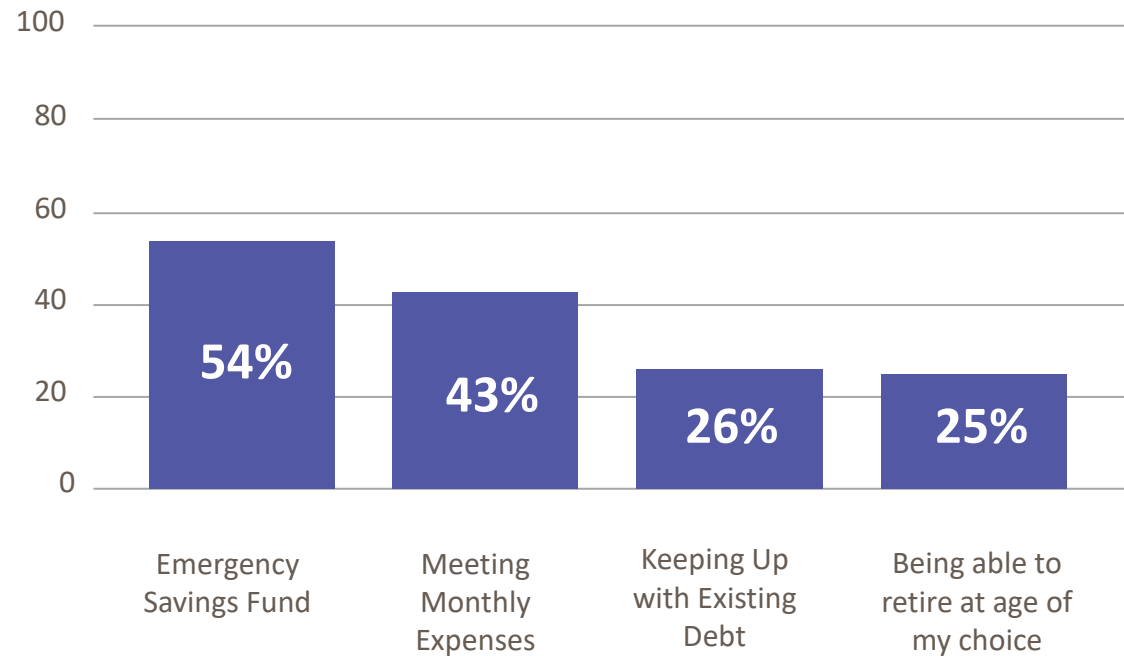


# What The Research Tells Us About Financial Priorities

Where Retirement Planning Comes in the List of Financial Priorities:



Top Financial Concerns (Irish Life/Coyne Research, 18-55 year-olds, Dec 19):



# What The Research Tells Us About Financial Priorities

Where Retirement Planning Comes in the List of Financial Priorities:

Irish Life Red C Research, September 2020, Priority Financial Need, next 12 months(18-55 year-olds):

1

Emergency Savings Fund

2

Short/Medium Term Investments

3

Life Assurance & Pension (Joint 3rd Each)



Irish Life

# What The Research Tells Us About Financial Priorities

Where Retirement Planning Comes in the List of Financial Priorities for Different Generations:

Top Financial Priorities, LCP Employee Financial Wellbeing Survey – May 2020

## 25-34 year olds

1

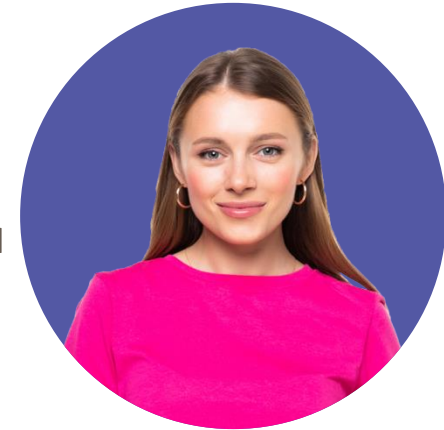
Debt Management

2

Emergency Savings Fund

3

Budgeting





# What The Research Tells Us About Financial Priorities

Where Retirement Planning Comes in the List of Financial Priorities for Different Generations:

Top Financial Priorities, LCP Employee Financial Wellbeing Survey – May 2020

## 35-44 year olds

1

Debt Management

2

Emergency Savings Fund

3

Saving For Retirement



# What The Research Tells Us About Financial Priorities

Where Retirement Planning Comes in the List of Financial Priorities for Different Generations:

Top Financial Priorities, LCP Employee Financial Wellbeing Survey – May 2020

## 45-54 year olds

1

Saving For Retirement

2

Emergency Savings Fund

3

Debt Management





# What About Those Closer To Retirement?

## What They're Doing:

- Most likely group to engage with online tools
- Most likely group to engage with pension communications
- Most likely group to attend pension events

## What They're Saying:

I Want To Build Up A  
Trusted Long Term Relationship  
With My Pension  
Provider/Representative

I Wish I'd Engaged With My  
Retirement Planning Sooner

I Feel Overwhelmed  
With All the Information  
Around Retirement/Drawdown  
Options

Irish Life/Red C Focus Groups, Feb 2021

# So Retirement Planning Isn't Prioritised By All, But Broader Financial Wellbeing Needs To Be:



Finances cited as

## #1 cause

of stress & anxiety in multiple studies



## 2 in 5

people say financial worries impact their health



## 2 in 5

people say financial worries impact their relationships

Sources: Irish Life/Coyne Research Dec 2019



# What Do We Mean When We Talk About Financial Wellbeing?



The extent to which someone is able to meet their known  
**Commitment And Needs**



The extent to which someone is able to meet their  
**Unexpected Commitments**



The extent to which someone has  
**Financial Resilience**  
to maintain this in the future



# So Let's Engage With People On Their Financial Wellbeing



Let's Provide Information, Education And Guidance To People,  
On Financial Topics That Matter To Them,  
Including, But Not Limited To, Retirement Planning.

# How Do We Engage?



## We Need To Get To Know Employees/Plan Members

- Get To Know People's Financial Attitudes/Concerns – Don't Assume We Know Them Already
- Aim To Understand their Financial Needs
- How? By Asking Them.



# How Do We Engage?



## We Need To Tailor Our Approach

- We Need To Invite People To Specific Group /Individual Events relevant to them based on what they tell us
- We Need To Nudge People To Appropriate Online Tools & Resources based on what they tell us
- We Need To Provide Onsite/Online 1-2-1 Guidance Sessions To Suit Their Needs And Understanding

# How Do We Engage?



## We Need To Nurture Long-Term Relationships

- We need to develop trusted, long-term relationships with employees based on years of interactions and experiences together

# Examples Of People's Needs



## Those Focused on 'Managing Money'

### People Who:

- Want help getting the grips with day-to-day spending
- Want to learn more about budgeting and smarter money management
- Want to make a start towards achieving longer-term financial goals like being well set for retirement (by starting in pension/making a more meaningful contribution)



## Those Focussed On 'Growing & Protecting Money'

### People Who:

- Want to learn more about the considerations around saving or investing money
- Want to learn more about the levels of financial protection they should have in place
- Are interested in developing clear financial goals – i.e. specific income at retirement, ability to early retire



## Those Focussed On 'Preparing For Retirement'

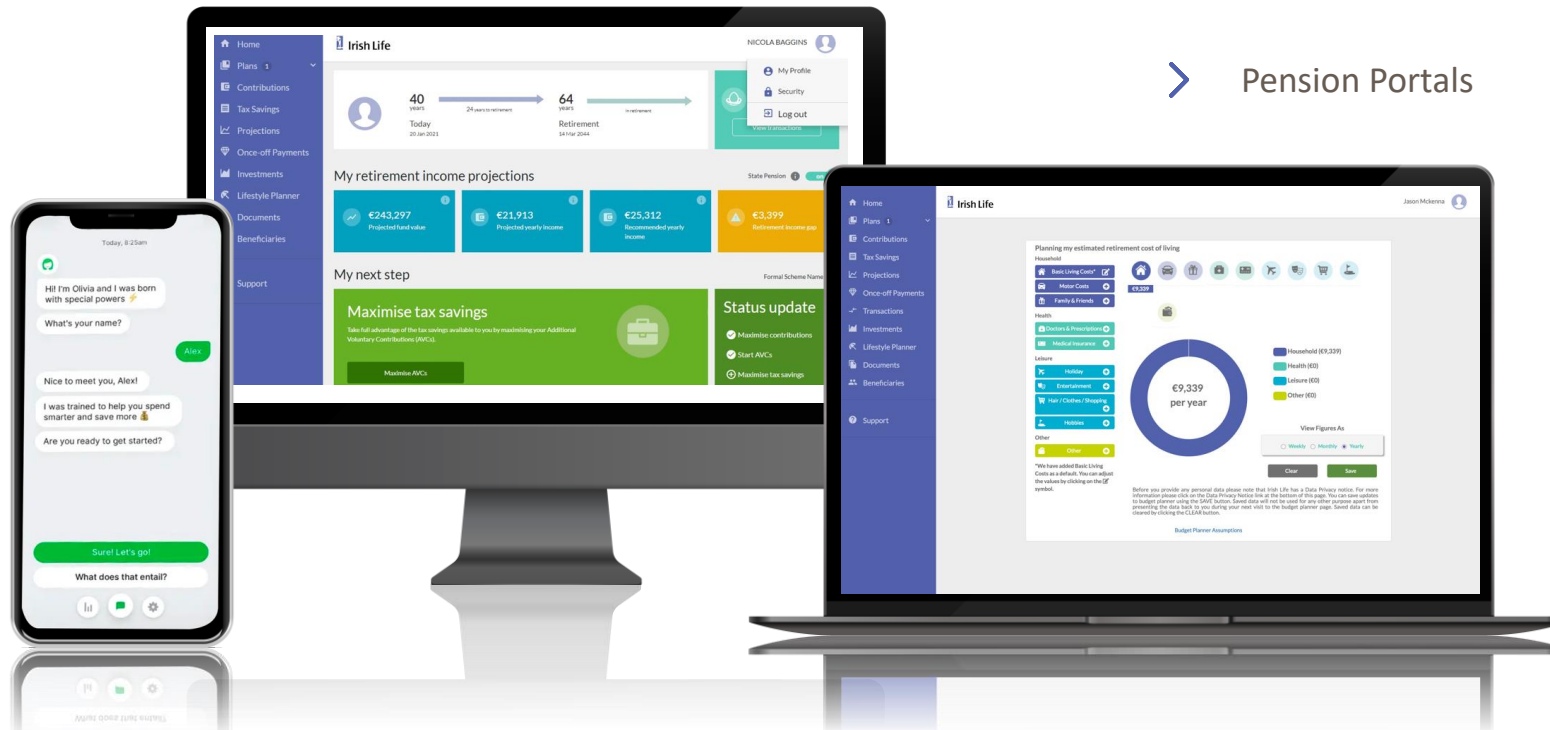
### People Who:

- Are in the last 5 to 7 years before retirement
- Want to ensure they're on track to meet their retirement financial goals
- Want to know about the last specific actions to take in the run-up to retirement (E.g. Consolidating Pensions, One-Off Contributions)

# In-Person Support Combined With Digital Support

People should be nudged towards tools that help them develop good financial habits, for example:

- > Budgeting Tools/Apps
- > Investment Risk profilers
- > Pension Portals



# Looking Ahead – Financial Wellbeing As A Pillar Of Overall Wellbeing

**Robust Retirement Planning** Is a Pillar Of  
**Financial Wellbeing** Which Is A Pillar Of  
**Overall Wellbeing**

- Clear link between Financial Wellbeing & Overall Wellbeing
- Further opportunities to engage people on finances through Wellbeing Programmes/Interventions

- We're all interested in our Overall Wellbeing,
- Which Means We're All Interested In Our Financial Wellbeing,
- Which Means We're All Interested in Robust Retirement Planning
- Some Of Us Just Might Not Know It Yet!





# Thank you

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