



 Visions
of Britain 2020



Ageing and Retirement

October 2010

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Foreword from Friends Provident

Friends Provident is delighted to present the fourth of our **'Visions of Britain 2020'** reports. Produced with the Future Foundation, we aim to paint an insightful and realistic picture of British society ten years from now.

In previous reports, we have looked at the workplace of 2020 as well as the future health and well-being of the nation. Now we turn our attention to two of the most talked about issues today: ageing and retirement.

Of all mankind's achievements in the 20th century, the ability to extend human life is perhaps one of the most remarkable. Over the past 25 years the number of people aged 65 and above in the UK has increased by 1.7 million and since 1981, the number of centenarians in the UK has more than quadrupled. The boom is set to continue.

Although this is a cause for celebration for many individuals, it also poses significant questions for government, as well as companies and industries. How do we provide care for a growing number of older people? How can we support older people to stay independent? How can we respond to a healthier, more energetic community of older workers?

We are, of course, feeling the cost too. In an age of austerity, dealing with the financial challenges of an ageing population is a hotly-debated topic, as we consider how to fund a swelling number of people who are experiencing a longer period of retirement. In our report, we recognise that many challenges lie ahead but at the same time, there is room for optimism as we look forward to 2020.

At Friends Provident, we believe that with careful planning and consideration of the choices available to us, challenges can be made into opportunities. By making informed and considered choices about the future, we can secure the freedom to enjoy our lives.

We hope the fascinating insights within **'Visions of Britain 2020'** will help guide you in these choices.

Trevor Matthews, CEO, Friends Provident

Foreword from the Future Foundation

In the eighteenth century Voltaire wrote; "I advise you to go on living solely to enrage those who are paying your annuities. It is the only pleasure I have left." Voltaire died at 83 much to the dismay of many, except those who were paying his annuities and funding his retirement. His great quote pricks the modern conscience and seems every bit as valid 200 years on.

The Future Foundation has been commissioned by Friends Provident to examine ageing and retirement in this third part of the **Visions of Britain 2020** series. Few issues are grander in scale or more intractable than our ageing population, as the proportion of 'old' Britons inexorably rises. But what actually is 'old' and how might we define it in the future?

In this work for Friends Provident we examine how age boundaries are blurring and what old age means for us all. We also consider the vexed question of how retirement will be paid for – an issue with the potential to create conflict between the generations in a way we've never seen before.

Barry Clark, Future Foundation, October 2010

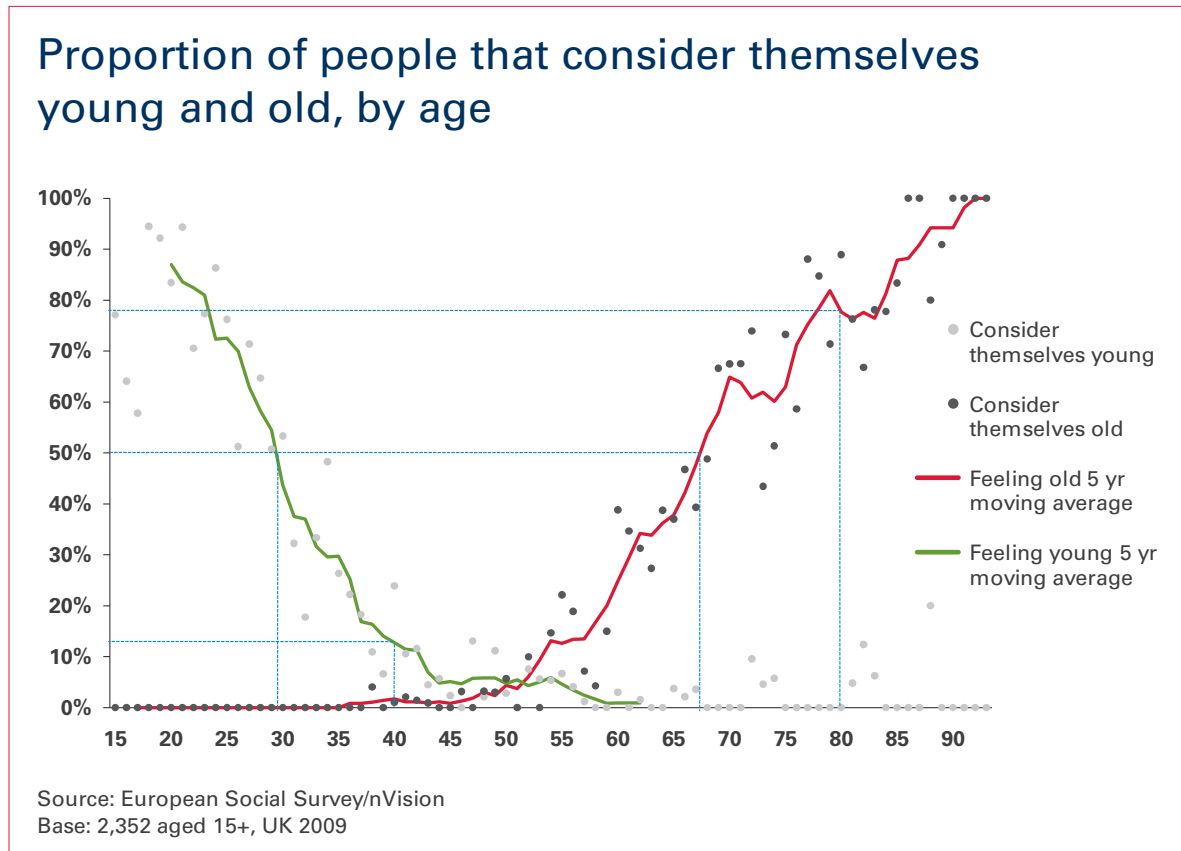
Executive Summary

Much has been written on the 'pensions crisis' with many warnings of extremely difficult times ahead, not just for retirees, but for all us. We recognise that many challenges lie ahead but at the same time we believe that there is room for optimism as we look forward to 2020.

- A healthier, more energetic community of older workers. For many older workers better health creates significant opportunities both in terms of financing retirement and of being fulfilled through work in later life – 51% of workers want to continue working after the retirement age so they can remain active.
- Employers will need to facilitate a graduated retirement and will be motivated to do so by skills shortages which will encourage them to retain knowledge workers.
- Property assets. With equity release schemes being gradually rehabilitated in the public consciousness, the considerable asset that many older people live in can be used to fund retirement more easily. Among retired people 77% want to remain in their own home.
- Older individuals can make a huge contribution to local communities through volunteering and are already doing so with 51% of volunteers being aged 60 years or over (British Household Panel Survey /The Future Foundation).
- Less than one in five retired people think that it's their responsibility to leave an inheritance to their children. Instead retired people expect to help their children and increasingly their grandchildren with education and housing costs. Furthermore, 26% of grandparents expect to contribute to the cost of tertiary education.
- Auto-enrolment. This promises to increase the numbers of people saving for a pension by several million. While the effect may not be truly apparent by 2020 the prospects for the longer term are good. The proposals for the National Employee Savings Trust (NEST) pension scheme promise to provide some income for several million people who previously would have had nothing beyond the state pension.
- The internet is the leading source of advice on pensions – 29% of citizens seek advice online (compared to 25% receive advice from Independent Financial Advisers and 23% who use banks for financial guidance).

Introduction

By 2020 it will take longer to feel old. The majority of 'Baby Boomers' are reaching retirement in good health and with a youthful mindset intact. Reaching 65 does not necessarily mean an abrupt change in lifestyle and preferences, indeed our research shows that consumers think they will retire when they are 67 – beyond the current statutory retirement age. Old age has been postponed and the age at which we consider ourselves to be old is steadily moving upwards. It is only at the age of 68 that the majority of Britons feel old, but even at 80, 20% state that they still do not feel old (Source: European Social Survey, 2009).



In 1917 there were just twenty four people in the UK aged 100 or older, however life expectancy has risen dramatically. Last year there were 9,000 people aged 100 and older. By 2033 it is estimated that there will be 64,000 centenarians and older (ILC, The Future of Age, 2009).

The extension of working lives will further boost the perception that we are not old, thus redefining what we perceive retirement to be:

“By 2020, I think people are not going to be ‘retiring’ as traditionally they did, simply because there are so few jobs for life as there used to be for previous generations and most people now have portfolio careers. The word ‘retirement’ will simply be re-invented or interpreted differently. People aged 65 to 75 will continue to work, in some capacity, assuming they are healthy and fit to do so. Pensioners will be less easy to spot, ‘in disguise’ if you will. They will be hard to recognize as they will be doing so many ‘normal’ things.”

Frances Kay, Editor of The Good Non Retirement Guide

In 2020 many old people will be younger in attitude, tastes and energy, and with 51 % of Britons saying they wish to continue working after they reach the retirement age, it is clear they feel they will have the health and skills to do so.

Defusing the Pensions Time Bomb

In this report we will evaluate the ‘pensions crisis’ and the potential for inter-generational conflict. Our focus will mainly be on citizens, however—as David Blake of the Pensions Institute at Cass Business School points out – the pensions crisis also has a corporate dimension with pension fund deficits hampering the investment and dividend programmes of British businesses over the next ten years and beyond.

The pensions crisis is fast becoming a reality that we cannot ignore, with an ever ageing British workforce. As more people retire there is an exponential growth in the numbers claiming state pension. With 60% of consumers planning to fund their retirement through their state pension, the situation will become unsustainable with taxpayers having to dig deeper to support the growing numbers of retired people. This has prompted some to suggest that this will create tensions and, potentially, inter-generational conflict. The sheer scale of the problem is quite alarming – the Confederation of British Industry (CBI) estimates that public sector pensions are a £1 trillion ‘unfunded liability’ (CBI, Getting a Grip, April 2010). For private sector workers the risk is that they may not have saved sufficient funds and prepared adequately for retirement.

The recent interim report on public sector pensions from Lord Hutton has grasped this nettle of inequity in pension arrangements between public and private sector workers. Historically the more generous nature of public sector pension schemes was put down to the fact that salary levels were lower in the public sector than in the private sector. However this is no longer the case with the average salary in the public sector now exceeding the private sector.

Commenting on the Hutton Report, Trevor Matthews, Chief Executive Officer Friends Provident says:

“The Hutton report is a welcome step in the right direction given the need to address fundamental challenges for public sector pensions. We absolutely endorse the need for an adequate level of retirement income for all workers, whether public or private sector but would caution that Government must tackle exactly how the cost of the public sector will be shared between the employee and the tax payer. We are also encouraged that the report makes the progressive suggestion of looking at a CARE scheme to address the imbalance between male and female pension provision in the public sector.”

The pensions crisis in 2020 is imagined by Frances Kay to mean:

“More than likely higher taxation in every direction and benefits cuts across the board. All benefits will be means tested, so that people who do not need an allowance will not get it. However pension credits should and will be available, but only for those in dire need. The poorest in society will always need some help and it should be there for them. Those who don’t depend on this financial buffer shouldn’t receive it.”

Frances Kay, Editor of The Good Non Retirement Guide

Our research for this report indicates that currently 32% of British adults do not have a pension.

Though this is a worrying figure, we believe that there is room for optimism with the crisis becoming less severe over the next ten years due to a number of factors that are explored in this report. Auto-enrolment in pensions, greater awareness of the need to save, an expectation and desire to work for longer, increasing housing assets, a skills shortage and equity release all promise to improve the circumstances of those planning to retire in 2020. Looking ahead, there will be a fortunate combination of employers wanting workers to remain in their posts for longer and a greater desire among employees to continue. At the same time auto-enrolment means that far more of these workers will be making active

provision for retirement. It is likely that by 2020 we will, as a nation, be better prepared for old age as we start to make the most of the choices available to us.

It is likely that we will view the Baby Boomers retiring now as a golden generation who are leaving the workforce with a quality of pension that won't be seen again as final salary schemes continue to close to new members. By 2020 the concept of retiring early will become the preserve of a much smaller group.

One additional issue is property. The Pensions Policy Institute (PPI) estimates that the value of housing wealth owned by people over the State Pensions Age could increase by 40.5% from £907 billion in 2009 to £1,274 billion in 2030 (in 2009 earnings terms). The implication here is that the number of pensioner households with medium or high value houses who could release their housing wealth in order to support their retirement could increase by a third from 3.9 million households in 2009 to 5.2 million in 2030 (PPI).

In this report we'll set out a more optimistic vision of the future of retirement based on the factors above from our consumer findings.

1. Optimum Retirement

Key Findings

- **“I would expect the same numbers of people in pensioner poverty (and reliant on State income) that we see today. We know savings rates aren't high enough. We're not going to see any effect by 2020 from auto-enrolment.”**

Andrew Harrop, Age UK

- The age at which consumers would like to retire is 62 years of age, however the reality is that on average consumers retire 5 years later at the age of 67 years old
- 38% agree that company pension schemes are better than private schemes
- Awareness of NEST pensions is very low with 13% having any knowledge of the programme and 57% of that group stating that they felt it would have no impact on them
- The older we get, the more we desire to stay in our current property – 77% of people aged 65 + wish to do so
- In real terms the amount that people inherit, on average, has increased by 80% in the last 11 years (at real 2008 prices)
- The prospects for equity release appear brighter with a more positive perception among those who have used them according to new research from Age UK.
- 'Cliff-edge' retirement is coming to an end and there is clear evidence that more us will gradually reduce our work commitments before fully retiring
- Among those who have already retired, 70% did so before the retirement age. Currently only 30% of workers anticipate that they will retire early.

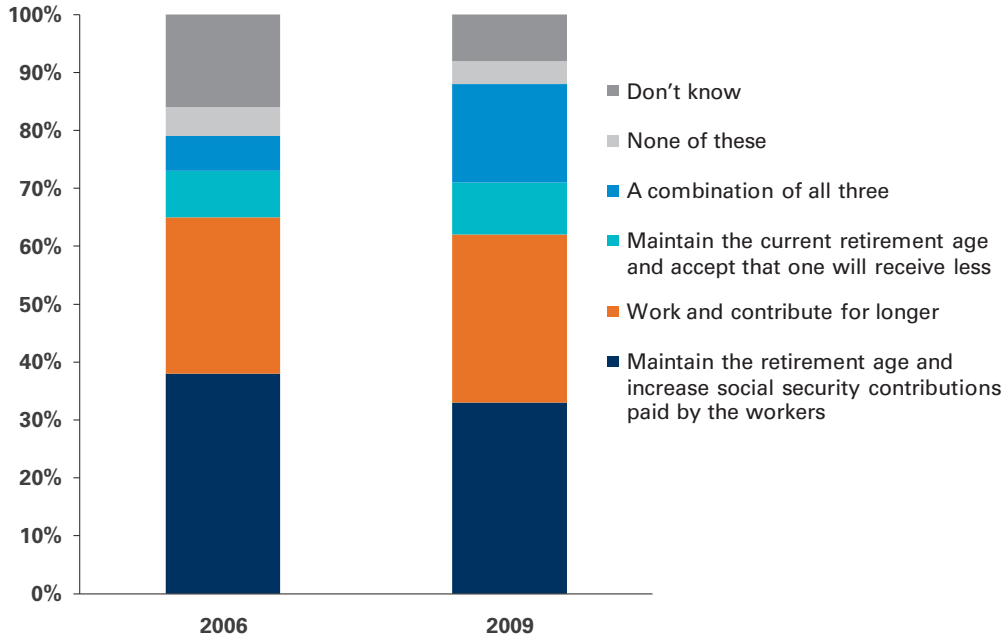
Funding Retirement

In recent years the public mood regarding pension provision has been shifting with an increasing acceptance that the solution is for individuals to continue to work and contribute for longer. In 2006 38% of the population supported increasing social security payments while keeping the retirement age stable. At the same time the number of people supporting an extension of the retirement age increased gradually to 29%. Three years later the picture has changed only slightly with 33% supporting an increase in social security payments.

Options aimed at guaranteeing the financing of the pension system

% who would prefer each option

“According to you, which of the following possibilities aimed at guaranteeing the financing of the pension system in (our country), would be most acceptable for someone working?”



Source: Eurobarometer/nVision
Base: 1,300 respondents aged 15+, UK

It is our view that this trend will accelerate—partly because of the recession.

The other seismic shift we will see in the next decade is the growth in the number of individuals with defined contribution pensions. The study demonstrated that across the aggregate sample, more people have a defined contribution pension than a defined benefit scheme. The proportion varies by age with defined benefit schemes largely the preserve of older workers (42% of the retired claim to have a DB scheme compared to only 11% of those aged between 25 and 34) whereas, defined contribution schemes are the opposite. The Pensions Policy Institute estimates that around five million people are saving in defined contribution schemes today and that by 2020 there could be fifteen million in DC schemes. This represents a major shift in the burden of risk and is demonstrative of the fact that a fast-growing number of British employees will have to accept more responsibility in saving for their retirement so that they are able to maintain a comfortable standard of living post-retirement.

Given that the burden of risk is being transferred from employers to employees and that DC schemes are less generous than defined benefit schemes, it is likely that individuals will respond by increasing their options and financing their retirement in a growing and diverse number of ways.

Prospects for Early Retirement

70% of the retired people surveyed claimed to have retired early (i.e. before the statutory age which is currently 65). Looking ahead, the proportion of all respondents who believe they will be able to retire early is less than one in three. This is likely to reflect a degree of realism about having to work longer to finance an extended number of years in retirement.

All of the experts on the Delphi Panel believe that financial imperatives will force people to work past their retirement age by 2020. 60% of the experts believe that it's unlikely that we'll start saving earlier or be better prepared for retirement in 2020 and hence working for longer is inevitable. The impact of the recession, as well as rising life expectancy, on the value of annuities is another factor that will make it more difficult for people to retire early. 80% of our Delphi Experts believe that the recession has disrupted the plans of those saving for retirement now.

It may be that, beyond 2020, most of us will see early retirement as a feature of a distant, final-salaried age.

When will we retire?

No member of the Delphi Panel felt that Britons will want to retire early by 2020. Moreover, all but one of our experts felt that the notion of a 'default retirement age' will have gone in ten years. The panel of experts concur that financial imperatives will force people to work for longer – imperatives exacerbated by the recession.

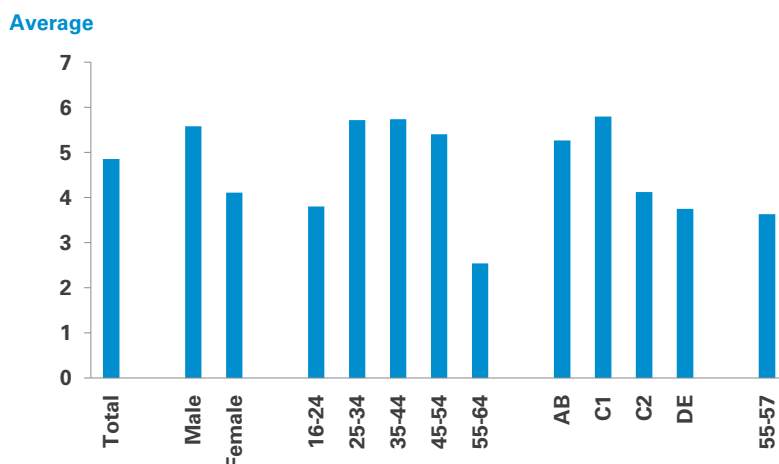
Friends Provident agrees that the Government's recent consultation process to look at scrapping the Default Retirement Age (DRA) will not only make it easier for people in the UK to work longer but it will also provide greater individual choice and freedom to work as long people want to.

“Axing the default retirement age will provide greater individual choice but people need to be aware of the reality of working longer. As a nation we should start seeing retirement as a process in our lives and not a one-off event. We need to provide the right savings options to enable employers to provide a suitable savings culture that will encourage people to take control and start investing in their future today.”

Trevor Matthews, chief executive officer, Friends Provident

The data collected in the survey sample further supports this view of longer working years. When looking at the difference between when people would like to retire and when they think they will retire, the average gap between the two was found to be five years. On average, most people would like to retire at 62. However most believe they'll retire at 67. It is possible that this estimate is a bit optimistic as it's unlikely that the majority of the sample would have a firm grasp of their financial position on retirement. Nonetheless, this gap between the preferred retirement age and the actual estimated age of retirement illustrates the widespread assumption that we will have to work for longer.

Difference between the age at which people think to retire and the age at which they **would like** to retire



Source: Friends Provident/The Future Foundation
Base: 726 respondents aged 16+ not retired, GB, 2010

Conversely, the data contrasts with the experience of the current generation of retirees. When questioned, 60% of people aged 65 who are retired stated that they retired early. For a large portion, (43%), this was due to the fact that they could afford to retire before the age of 65. However, it is important to note that 29% retired early for health reasons. That three in ten retired early due to ill-health is important at a time when many assume that the vast majority of workers will be capable of working until they are 67 or older.

The issue of health puts a great deal of uncertainty and pressure into planning for retirement. The fundamental risk being an individual's assumption that they will be able to work comfortably to 67 or beyond may be slightly over-confident.

Health issues may also reinforce inequalities.

“There is also evidence of rising health inequalities so the concern is that even if on average people can work for longer, we need to make sure that this is true wherever you live and in every income group.”

Andrew Harrop, Age UK

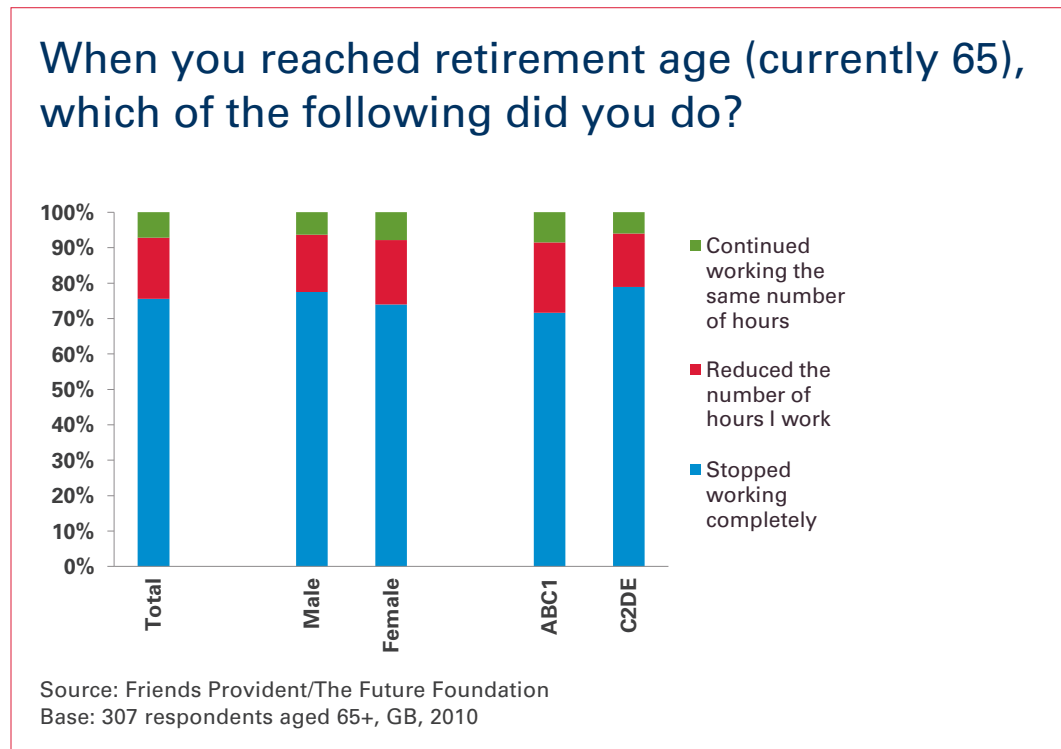
Furthermore, we must look at the type of work people are retiring from. Additional working years for someone employed in a desk job may not be unreasonable, but asking workers to continue employment in which they are providing some form of physical labour could be problematic. As a result, this can create an issue with fairness; consequently a one-size-fits-all retirement age may not be just.

For now, the most likely outcome will be for State Pension Age to increase in line with life expectancy – a scenario already outlined by the Pensions Commission. Indeed 60% of the experts on our Delphi Panel think it is likely that the State Pension Age will have reached 70 by 2020.

The end of 'cliff edge' retirement?

It is our opinion that the abrupt transition from working life to retirement is softening with increasing numbers making the transition by working progressively less over a period of time.

The research found that while currently the majority of retired individuals stopped working completely at the age of 65, one in five made a more gradual transition. This type of phased retirement is more common in white collar jobs.



Looking ahead to 2020, this type of retirement will become more common.

There are two types of phased retirement. In the first instance, the individual would gradually reduce the number of hours in a current job, while in the second occurrence, the person in question would take on a part-time or voluntary job after their primary employment role comes to an end. Our research for this report illustrated that, among those who continued working beyond the age of 65, the majority (70%) worked less hours in their existing job while 30% changed career. As we will see in the Influence on Society section of this report, volunteering is another option being embraced by retirees.

“I think [gradual retirement] is more likely than the old model of working to the day before your 65th birthday and then the day after that you just stop. I think it’s more likely that we’ll see more in the way of retired people shifting from full-time work to part-time work. But that does depend on employers being willing to structure jobs in a way that will enable people to do that.”

Niki Cleal, Pensions Policy Institute

From the perspective of older workers themselves, Frances Kay felt that phased retirement is highly advantageous.

“Absolutely. Retiring in stages is the way to go. Naturally there will be people retiring in their 30s, 40s, 50s, depending on their careers or their pension schemes, but if you are an ordinary person, one of the thousands of people with a normal job earning an average salary and after 65 still have something to offer, then part-time retirement is absolutely logical.”

What jobs will be available to retirees?

By a ratio of two to one our Delphi Panel of experts are inclined to think that older workers will seek jobs which carry less responsibility as they wind down to full retirement.

Andrew Harrop is of the view that employers will have to become more flexible, recognising that many older people will seek a new work life balance, trading responsibility for less hours and less money whilst being able to spend more time with their families.

“...part of the challenge is to redefine what we mean by retirement, making sure that people focus from their mid-50s onwards on a decade or so of transition. Employers need to wake up to the need to offer more flexibility in terms of the type of jobs available, making sure there are opportunities for people to change in to less stressful roles with their current employers.”

In terms of what sort of occupations people can do, it’s true there are some which aren’t always suitable as you get older... But they are quite few in number; heavy manual work and some safety-critical jobs where there is an evidence-based argument for asking people not to carry on. In almost all sectors there’s no evidence that performance declines.”

Given the steady move towards a knowledge-based economy it seems probable that more white-collar workers will continue to work for their current employer while blue-collar workers may be forced into changing roles, perhaps into retail jobs.

The survey data found that 30% of people who work beyond the retirement age change career to do so. How many people do so by 2020 will depend greatly on how employers perceive the contribution of older workers at a time of skills shortages. As explored earlier in this report qualified and experienced white-collar workers will be better able to exploit the post-retirement opportunities that become available. For less skilled-workers whose jobs may contain physical labour, the outlook is less positive.

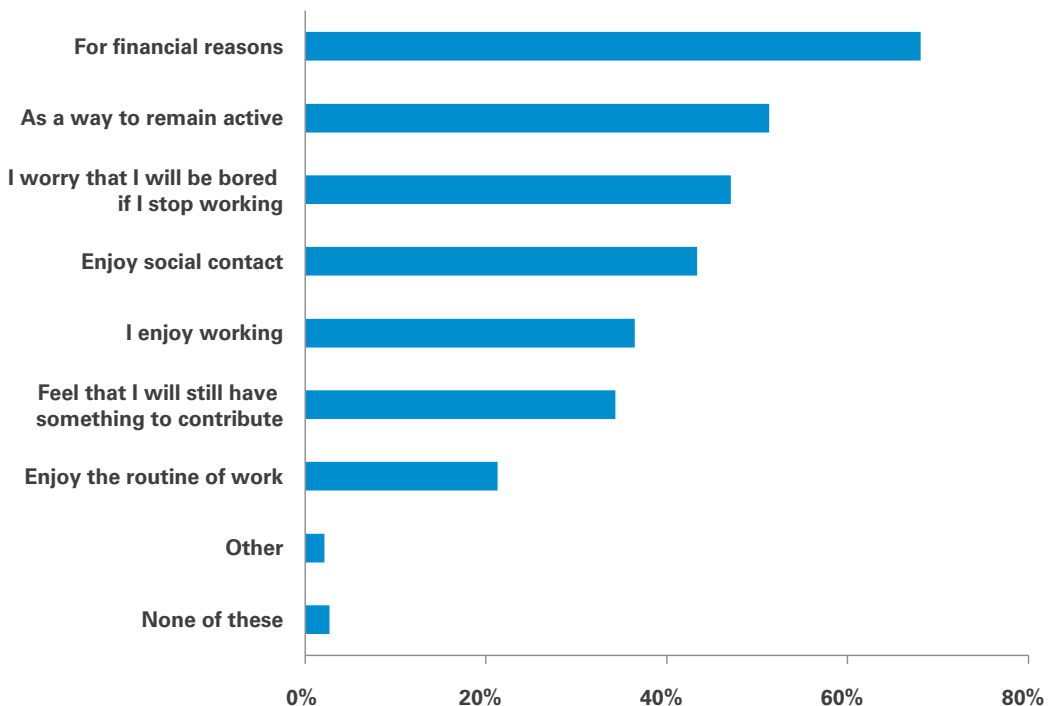
Will working longer make us happier?

Almost half of our respondents (47%) fear that they will get bored when they stop working, with 43% stating that they enjoy the social contact that comes with work. Moreover, a number of those individuals’ surveyed stated that they did not wish to retire completely as they feel that extending their working lives is one of the things that keeps them going by letting them continue to contribute to society whilst also remaining engaged and active. Women may be more involved than men. There’s a significant difference in the importance of social contact post-retirement between the genders; asked why they’d want to work beyond the statutory retirement age, 37% of men give ‘social contact’ as a reason compared to 50% of women.

“I think the majority of people that are fit and well want to continue to be useful. I believe there is nothing worse than being a statistic; being ‘economically inactive’. Naturally it depends on factors such as their age, education and economic status. Better educated people, the managerial types will want to share their experience in various ways – as consultants, teachers or in the voluntary sector.”

Frances Kay, Editor of ‘The Good Non Retirement Guide’

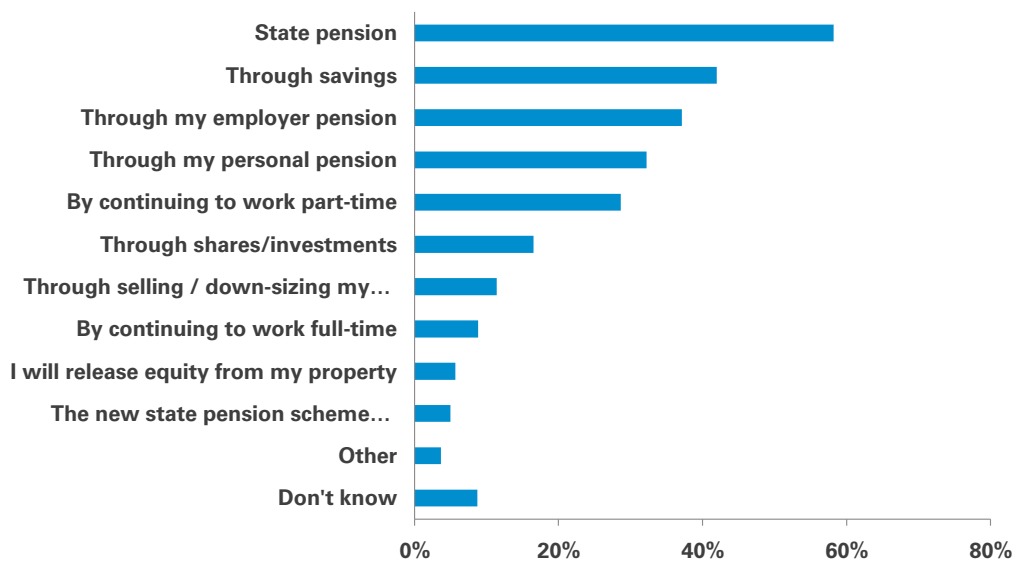
For which of the following reasons do you think you will work beyond the statutory retirement age?



Source: Friends Provident/The Future Foundation
 Base: 376 respondents aged 16+ not retired who say they will be continuing working after retirement age, GB, 2010

The graphs above demonstrate that while many people will be happier when they work for longer because they find it fulfilling, there is the visible emergence of risk of a social divide between the ABC1 group – the majority of them knowledge workers and their C2DE counterparts.

“How are you funding your retirement?”

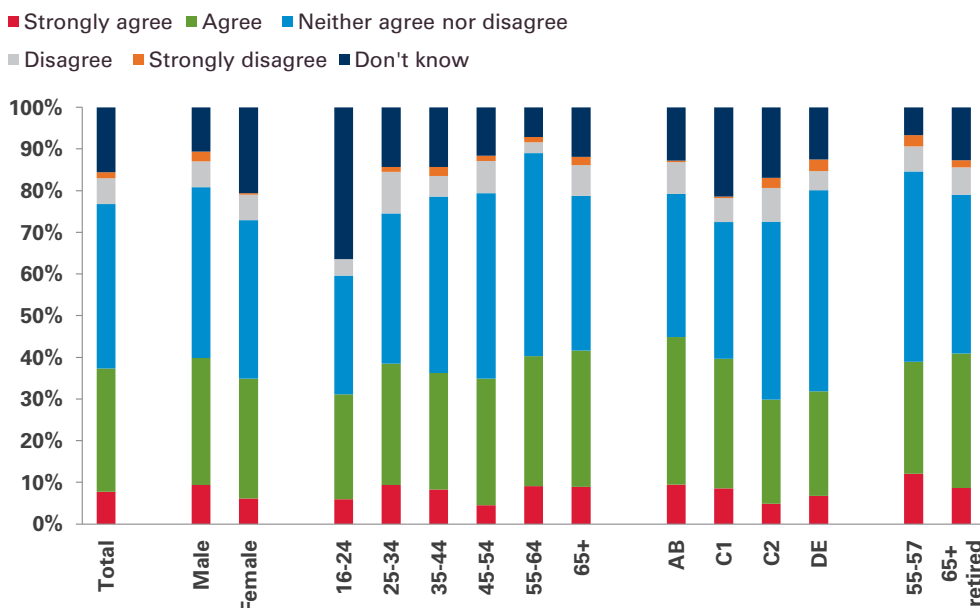


Source: Friends Provident/The Future Foundation
 Base: 1005 respondents aged 16+, GB, 2010

Company pensions

The chart above further illustrates the viewpoint that people are funding their retirement through a number of different channels. Furthermore, it also shows that over one-third of workers (37%) have a company pension scheme. Surprisingly less than 40% of the sample felt that employer schemes are better than private schemes. It seems surprising that employer pensions are not viewed more positively as employers commonly contribute towards them. We maintain that pension provision would be greatly enhanced if the benefits of company schemes were made more apparent to all employees.

Employer pension schemes are better than private pension schemes



Source: Friends Provident/The Future Foundation
Base: 1005 respondents aged 16+, GB, 2010

With state provision being squeezed over the next ten years what might the role of employers be?

“...I think most employers—frankly—don’t see it as their job to advise people on pensions. I think that’s been the trend. I think employers have wanted to get less involved in giving people advice on pensions and have a more arm’s length relationship.”

Niki Cleal, Pensions Policy Institute

Can employers fill the gap in providing advice on pensions?

“...it depends on the company or organisation. Some will be able to provide advice for their employees on pensions but for a substantial number of people they will be better taking independent financial advice from whichever source is most appropriate for them. There will be a greater need and emphasis on early pre-retirement planning whether that is through courses, groups or direct to individuals.”

Frances Kay, Editor of The Good Non Retirement Guide

We’ll discuss sources of advice in greater detail in the Devolving Decisions part of this report.

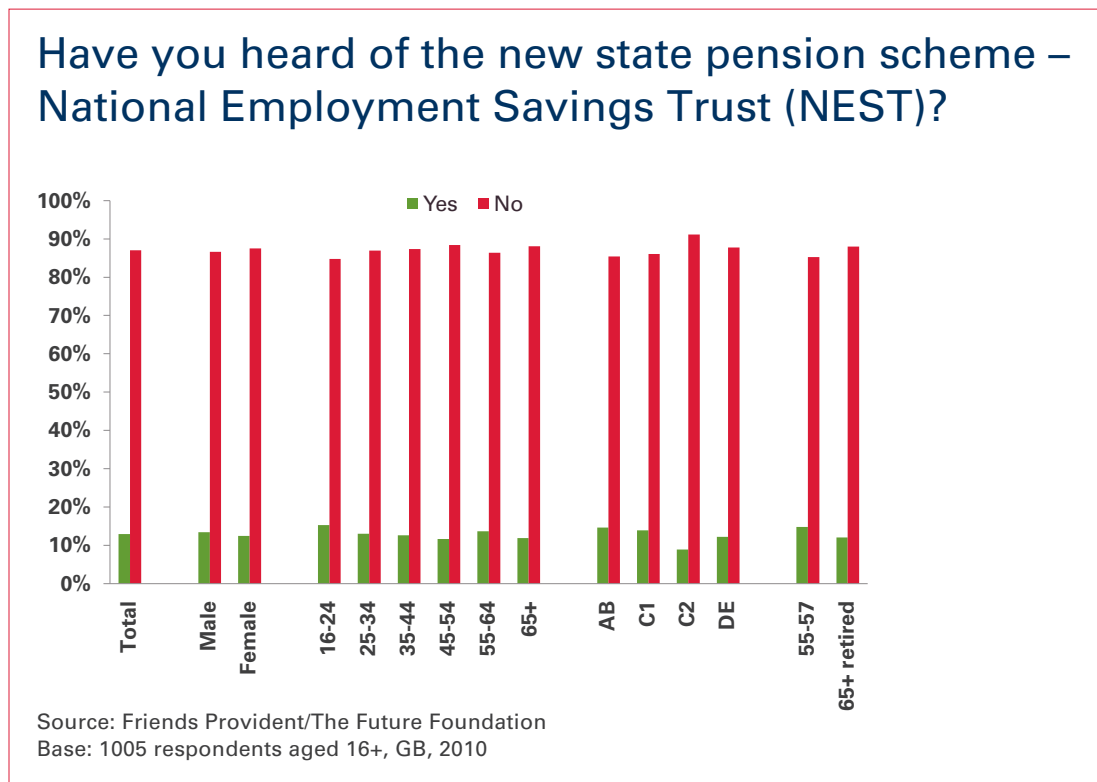
National Employment Savings Trust pensions (NEST)

Worryingly, the study found that less than one third (32%) of the population do not have a pension and 48% of the population state they “can’t afford to pay into a pension scheme at the moment.” The government has been developing its own system to encourage low to middle wage earners to contribute to a personal pension plan, known as the National Employment Savings Trust scheme, to be steadily introduced from 2012. The idea is that individuals will automatically be enrolled in the programme once they have started working.

“...Age UK is very supportive of NEST. It’s a pension scheme for a segment of the market that the insurance industry haven’t served in the past. This is a group of people who move jobs all the time, who are low-paid or middle earners. Just offering them financial advice is incredibly expensive given the amount they have to invest. NEST is a straightforward product for this group, which they can easily transfer across jobs. Basically, we don’t think there is a private sector solution for this segment of the market.”

Andrew Harrop, Age UK

Current awareness levels for NEST are considerably low with only 13% of respondents having any knowledge of the programme. More concerning is that, of the proportion that are aware of NEST, 57% feel that it will not have any impact on their retirement savings.



Given the coalition government’s policy of reducing spending there is some uncertainty about whether NEST pensions will go ahead. At the time of writing the DWP seems likely to push ahead with the scheme largely due to pension providers rejecting proposals to form a private sector alternative.

“...I think if NEST isn’t there, then the question is, who else will provide pensions for some relatively low-earners? I think the big change is actually the auto-enrolment element of the reform rather than NEST.”

Niki Cleal, Pensions Policy Institute

Professor David Blake of the Cass Business School offers qualified support to the scheme:

“[It] depends on whether employers dumb down on their contribution rates – if that happens NEST will not be a success. But if it helps 7m to save more for their retirement, then it will be a success.”

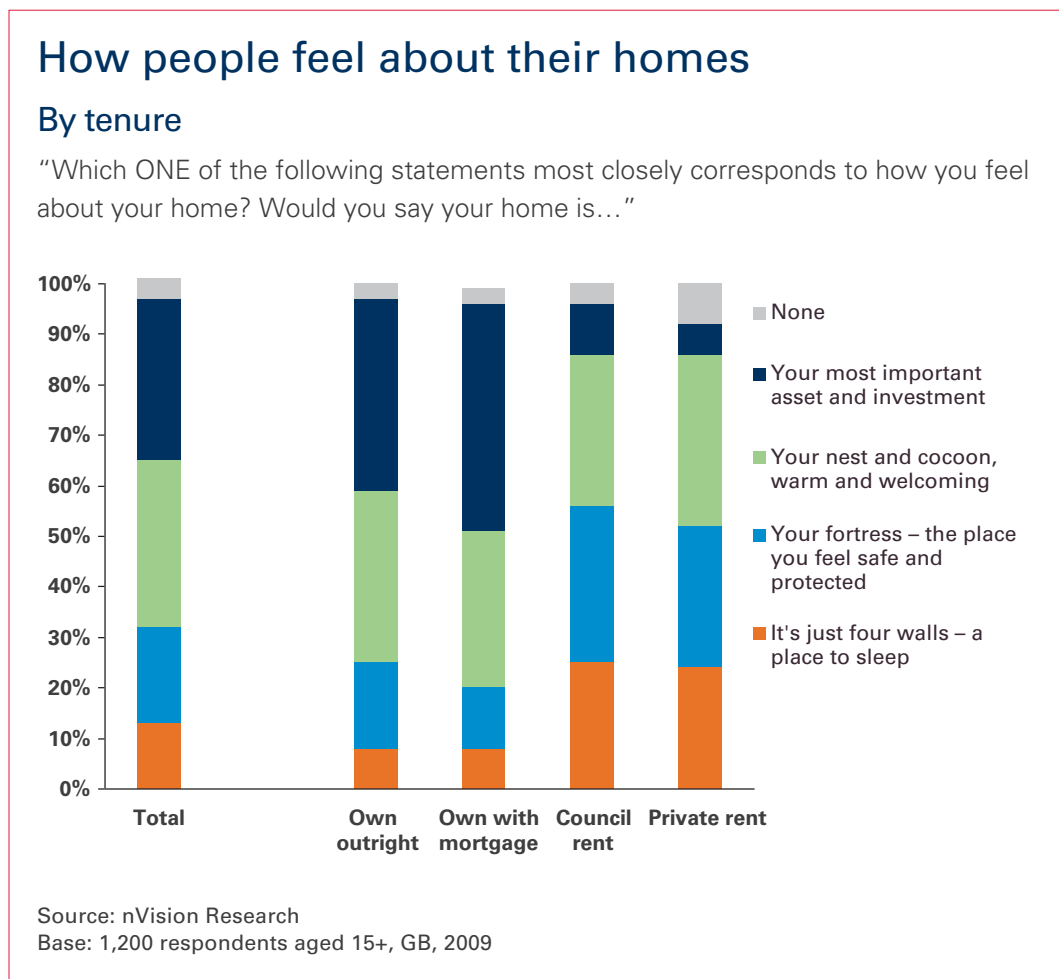
Pension Pots

“Pensioners are likely to have more varied baskets of assets and income in the future. Findings from the retirement income and assets project indicate that in future, many pensioners are likely to have a greater variety of income and assets, including housing wealth, available for use in retirement. Future generations of pensioners may also have access to more housing wealth.”

Pensions Policy Institute, February 2010

Frances Kay agrees that a mixed portfolio is inevitable:

“[Without final salary pensions] The only safe thing will be a mixed bag... There will have to be a portfolio with different schemes – shares assets, property...”



There's no question that people still see their house as an investment although, interestingly, people with a mortgage are more likely to agree than those who own outright. However, it is important to make the distinction between people appreciating the value of their house and actually planning to use that asset. Only 11% of the total sample plan on selling or down-sizing their property to fund retirement and a smaller proportion –6%–plan on releasing the equity in their property.

Equity Release

From the data collected, our research¹ shows that only 6% of our respondents are considering equity release as a means of funding retirement. However, the experts we spoke to believe equity release will become more common by 2020.

Age UK has recently conducted their own research into equity release schemes and the outcome has demonstrated that people welcome such schemes.

“...The research showed that people who have bought equity release are incredibly positive, much more so than we were expecting actually. We thought people would view them, reluctantly, as a last resort, but among those people who have used equity release, there is a really very warm reception to it.”

Andrew Harrop

Mr Harrop believes that negative perceptions of equity release schemes stemming from problems in the past are being overcome.

“I think the industry does suffer from a reputational problem from cowboys in the early days and actually you can get better products now than was the case.”

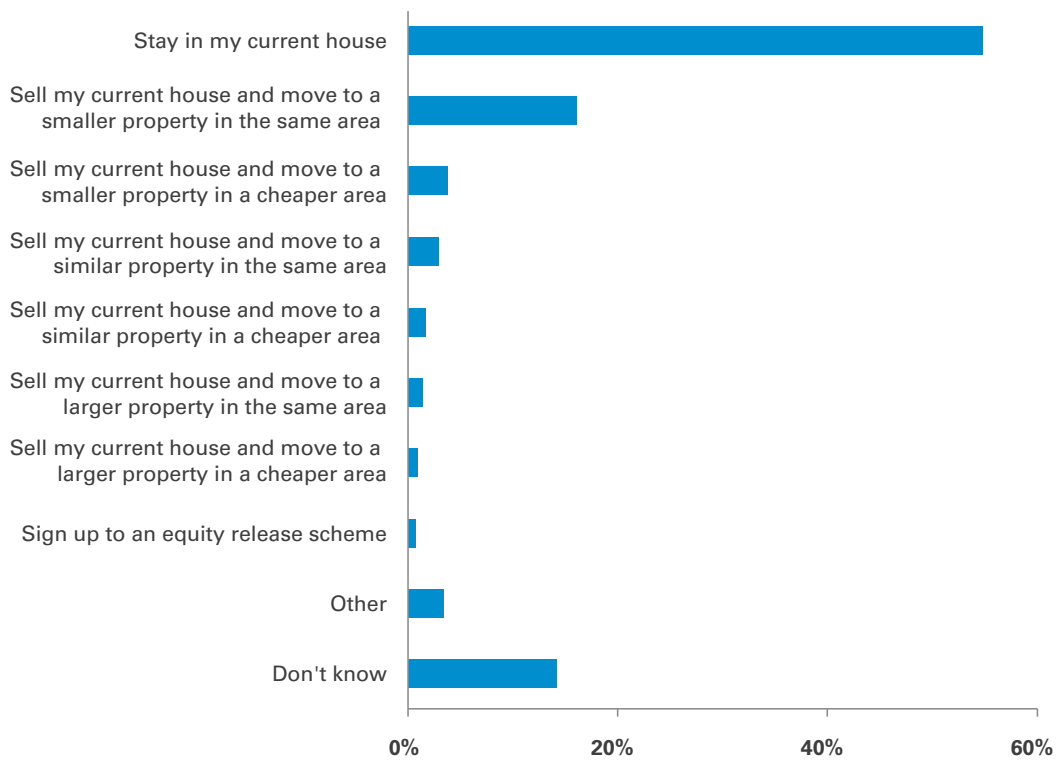
Clearly the legacy of equity release schemes leaves many distrusting them, but the demise of final salary schemes and increased longevity could mean equity release schemes will become more commonplace in the future.

Home Sweet Home

Across the total sample, the majority of respondents (55%) anticipate staying in their current property when they retire. Only 16% plan to sell their house and move to a smaller one in the same area. Thus, while a substantial number of home owners perceive their property as their largest and most valuable asset, they are reluctant to realise the value of that asset by selling it to help fund retirement.

¹ Age UK research: Housing and Finance in Later Life: A study of UK equity release customers, by Louise Overton at the University of Birmingham for Age UK, June 2010. The research, sponsored by the Economic and Social Research Council (ESRC), was based on a survey of 553 equity release customers and 26 follow-up semi-structured interviews. Around three-quarters of the sample were drawn from four equity release providers and the remaining quarter was drawn from databases belonging to Age UK, published in July 2010

Which of the following do you intend to do/did you do regarding your property when you retire?



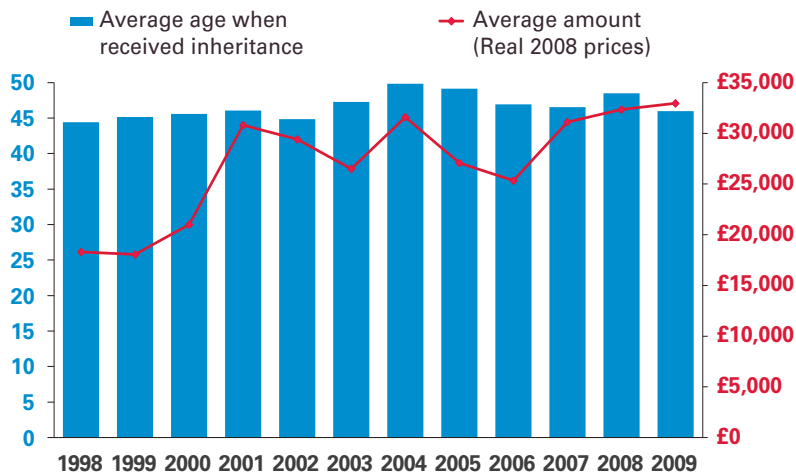
Source: Friends Provident/The Future Foundation
 Base: 653 respondents aged 16+, GB, 2010

The desire to stay in one's own home continues to increase as people get older while the intention to down-size declines. Among people aged 34-44, 42% want to stay in their own house when they retire. For people aged 65+ the proportion soars to 77%.

Only one of our five Delphi Panel experts anticipates that retired people will sell their current property to fund retirement.

Inheritance

Average age when consumers receive an inheritance and the average amount (in real 2008 prices)



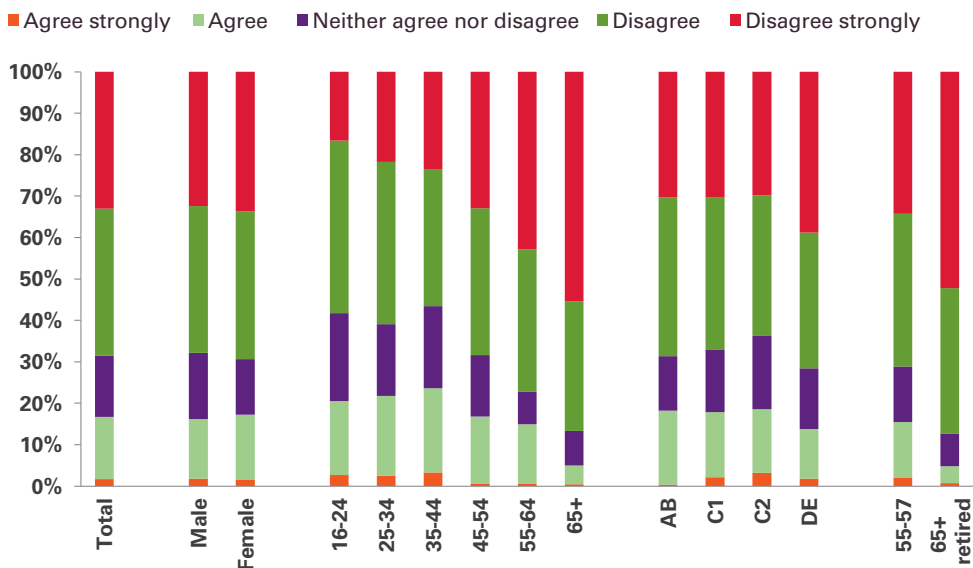
Source: British Household Panel Survey/nVision

Base: c.300 respondents in each wave that have received an inheritance or bequest in preceding 12 months, GB

The average value of inheritances has been moving steadily upwards over the last 11 years to a current average value of around £33,000. On average, those individuals who do inherit money do so between the ages of 40 and 50.

Our findings show a low level of expectation and inheritance with less than one in five having planned for it.

My financial plans for the future include money I will inherit



Source: Friends Provident/The Future Foundation

Base: 1005 respondents aged 16+, GB, 2010

The future trends for inheritance are less clear. With older people living for longer there may be less for the younger generations to inherit.

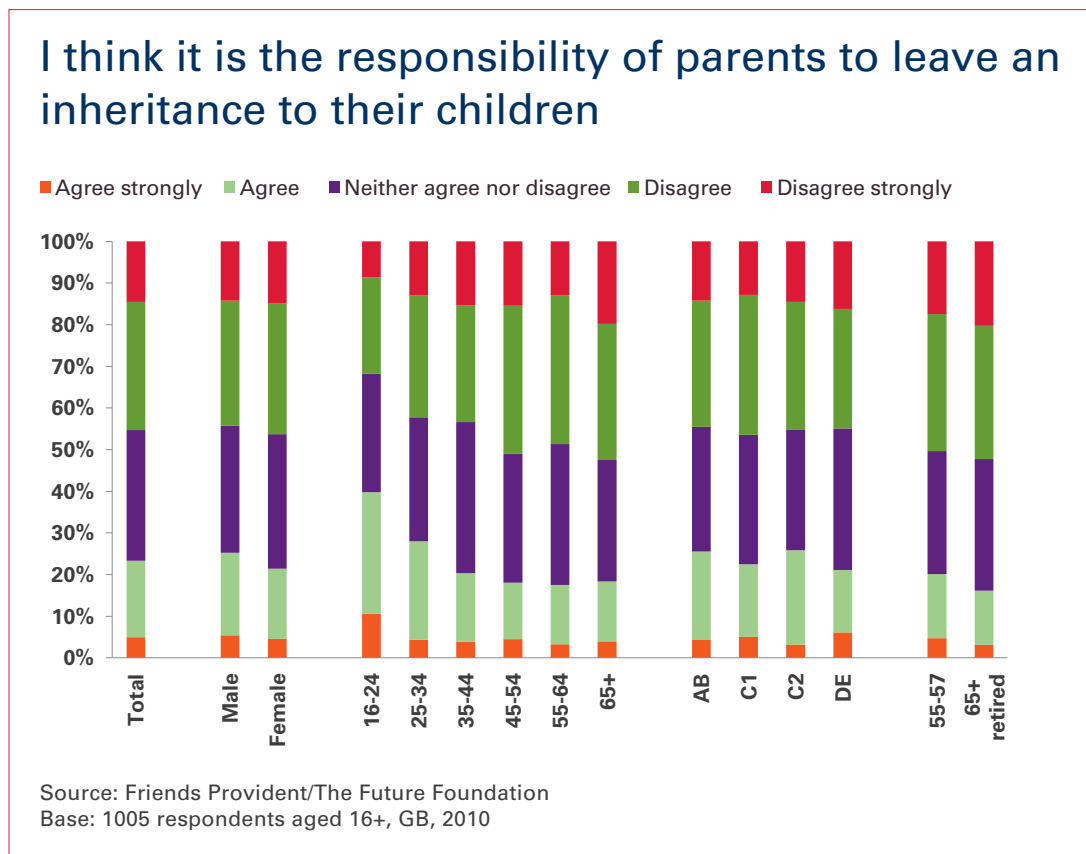
At the same time, some older individuals may want to enjoy their retirement, travelling and experiencing more now that they have the free time to do so.

Insight is provided by examining current attitudes towards inheritance. A striking pattern has emerged indicating that as people get older the number agreeing with the notion that it is the responsibility of parents to leave money to their children declines. The group least likely to agree are the retired.

All five members of the Delphi Panel felt that by 2020, retired people will spend more of their savings and leave less to their children.

“...obviously there is the potential for older generations to effectively spend what would have been an inheritance that they might have passed onto their children. So that suggests we might see smaller patterns of inheritance in the future. But I think it’s important to recognise that only a minority of people receive inheritances anyway. So whether or not that is going to make a huge difference in totality I think is questionable.”

Niki Cleal, Pensions Policy Institute



Conclusions

Two elements of the British mind-set are illustrated vividly in this research. First of all, there is a certain sense of pragmatism. The option of retiring at 65 is declining in popularity while the option of working for longer is more appealing. This is further supported by the fact that. What may make working for longer more acceptable is the changing nature of jobs for the mature worker as the abrupt transition to retirement becomes a graduated one. Moreover, it is important that we widen our frame of reference when we think of how people prepare for retirement – a process that may start when workers are in their fifties. Employers have an important part to play in this, making more flexible arrangements for older workers.

The second classically British element to this analysis is our attitude towards property. Home owners still consider their house to be their principal asset – which it is. However as we get older we show less willingness to cash in on the value of our properties by moving to a smaller house. In this environment equity release schemes – slowly being rehabilitated into the public consciousness – may have an important role to play as retired individuals will have to support themselves for much longer with some requiring long-term residential care. The increasing cost of retirement may be the driving factor behind a relatively low level of agreement with the notion that parents should leave an inheritance to their children.

2. Devolving Decisions

Key Findings

- Two in five consumers believe that there are too many pension products currently available, yet despite this experts believe that there will be yet more pension products available in 2020
- Technology can help consumers – the internet is now the most used source for pensions advice
- The impact of the Retail Distribution Review² may increase the role of the internet further
- Over half the population find pension products confusing
- Employers are unlikely to fill the advice gap

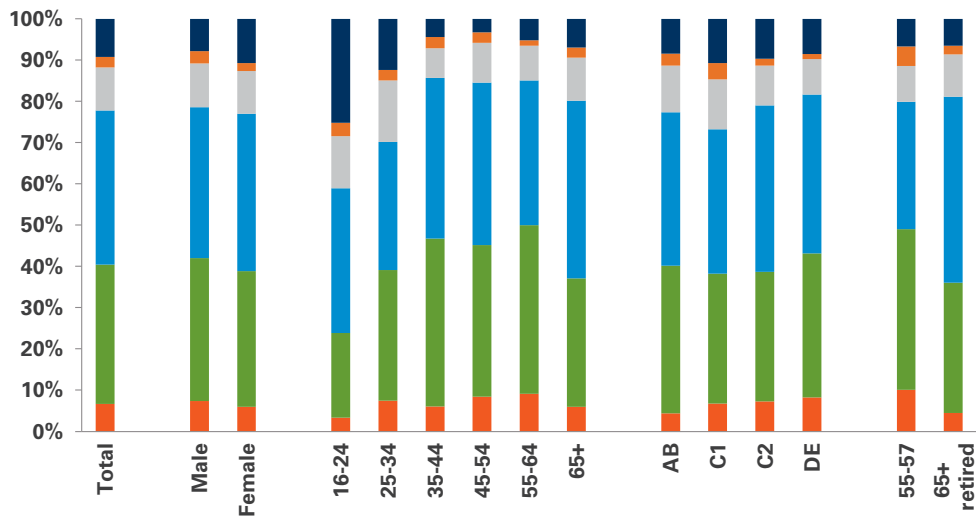
Choice and the Retail Distribution Review

One of the defining features of our consumer society is how much choice we have. As consumers we like choice as long as it's easy to navigate. With pensions the situation becomes much more complicated with 40% of the total sample stating that there are too many pension products available and that the vast amount of choice is not only daunting but highly confusing. The Delphi Experts were all in agreement that the profusion of pension products is confusing to most consumers with two out of the five stating that older people will face 'information overload' in terms of the number of products available to them by 2020.

2 In June 2006, the FSA created its Retail Distribution Review (RDR) programme to help enhance consumer confidence in the retail investment market. To this end, the RDR supports clear education of consumers about different types of products and services, improved professional standards in the industry and clear, fair, practices in remuneration for financial advice. The RDR has a target for full implementation of 31 December 2012.

There are too many pension products available

■ Strongly agree
 ■ Agree
 ■ Neither agree nor disagree
■ Disagree
 ■ Strongly disagree
 ■ Don't know



Source: Friends Provident/The Future Foundation
 Base: 1005 respondents aged 16+, GB, 2010

Financial providers are concerned that one of the consequences of the Retail Distribution Review will be that consumers will find it less easy to get advice and that they are likely to have to pay more for it. It's also likely that there may be fewer advisers around as many may retire or leave the industry. Providers (and others) believe that many will balk at the increased cost of expert advice and either go without or seek informal advice from a variety of non-professional sources. All of our Delphi Panel experts believe that recommendations contained within the RDR will have little effect in helping older people make the right investment decisions.

It was found that 57% of consumers find pension schemes confusing. There is certainly a need for advice and only a minority of people are currently willing to pay for it. Currently 30% of us claim to be willing to pay for good financial advice. Predictably this varies with social grade – 42% in the AB group agree against only 19% of those in the DE group.

Looking ahead, 37% of our sample anticipated having to pay for financial advice in the future.

Technology and Choice

The report further illustrated that the internet is the primary source for most people when it comes to obtaining financial advice with 29% stating that they use the internet compared with 25% who use IFAs, 23% who use banks and 14% who turn to newspapers.

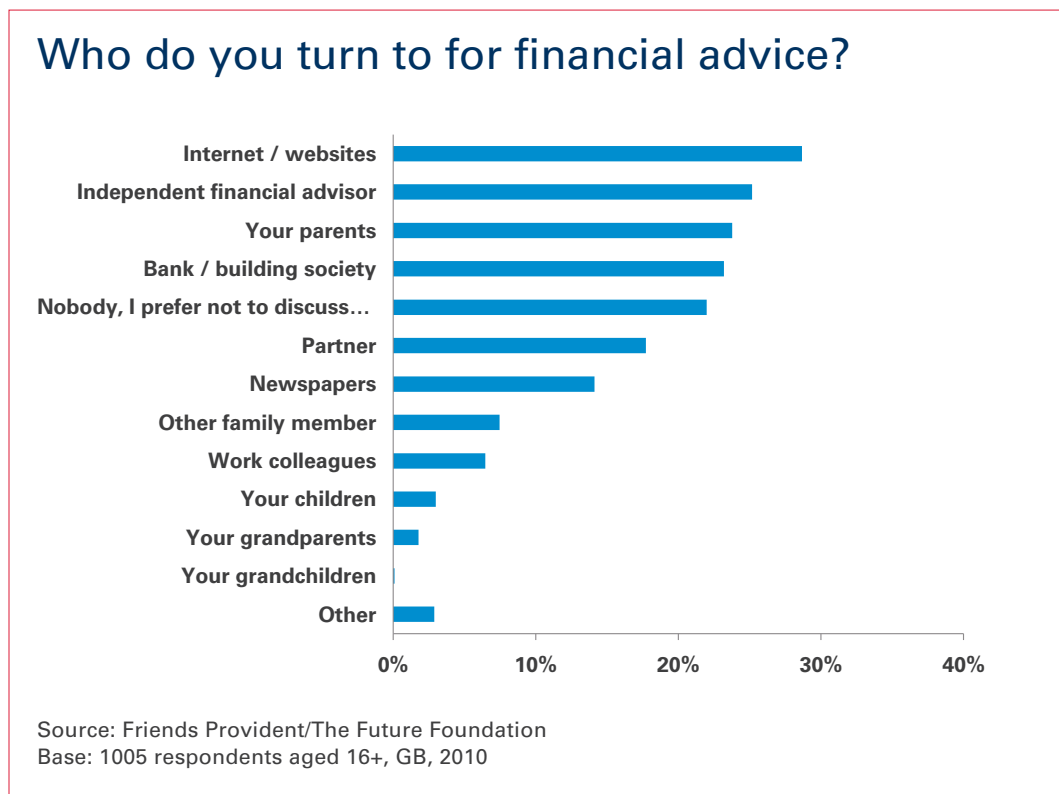
The internet has many advantages – it is quick, easy to navigate and has a number of consumer and expert reviews with popular individuals such as Martin Lewis, who are perceived to be consumer champions.

“...There is a new online publication for people over 65. A few years ago there would be no likelihood that those over 65 would have known what an online publication was. So many things are computer-based now, that older people will have to get used to the online world and many already are.”

Frances Kay, Editor of The Good Non Retirement Guide

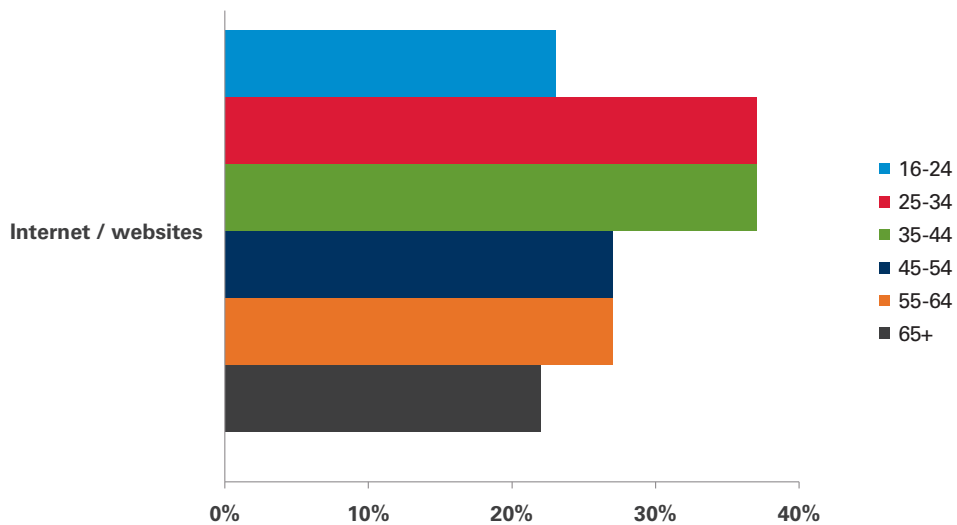
Over the last twenty years or so there has been a marked increase in the ‘personalisation of authority’ – we’re increasingly distrustful of authority in its manifold forms; government, institutional and corporate. Instead we confer trust on those closest to us; work colleagues, friends and family. Even though these individuals have no expertise or specialist knowledge, we trust them more than traditional sources of authority. As a society we’ve also come to trust consumer opinion posted online. We believe much of what we read, largely because we perceive it as having been written by people like us. This poses some problems for financial providers.

With the RDR threatening to reduce the numbers of IFAs, a likely consequence is more people going online to get information.



While use of the internet is biased towards younger people it would be wrong to assume that older people don’t use it. Technology does have a role to play in planning for and monitoring retirement funds. That said, there is an important distinction to be made between those people over 65 and those over 75. While many in the former group will feel relatively comfortable using technology, internet use is much less widespread among people aged 75 and more. This will change a little by 2020 as internet users grow older. However digital exclusion is an issue as the largest increase in the retired population over the next decade is among those aged 85 and more.

Who do you turn to for financial advice?



Source: Friends Provident/The Future Foundation
Base: 1005 respondents aged 16+, GB, 2010

Pension Confusion

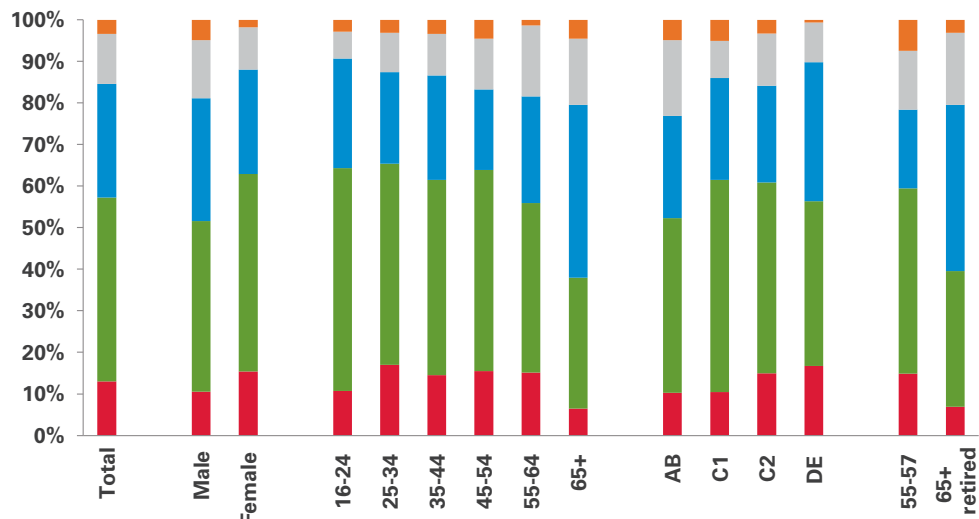
All of our Delphi Panel experts agree that current pension products are at times overwhelming to most consumers.

“...(there) are too many poorly designed products which don’t deliver good pensions at a reasonable cost” (Professor David Blake)

At the same time three out of five of them believe that there will be more pensions products available in 2020 than there are now. Currently 41% of people agree that there are too many pensions products available – the proportion rises steadily with age, peaking among people aged between 55 – 57 (49%).

I find pensions schemes confusing

■ Strongly agree
 ■ Agree
 ■ Neither agree nor disagree
 ■ Disagree
 ■ Strongly disagree



Source: Friends Provident/The Future Foundation
Base: 1005 respondents aged 16+, GB, 2010

Worryingly, it's not just pensions schemes and products that confuse people. Advice on pensions is also hard to understand; 64% of the sample described pensions advice as 'not clear enough'.

Baroness Sally Greengross OBE, a crossbench peer and Chief Executive of the International Longevity Centre, believes that it is essential that advice is made simpler.

"I think that several organisations have been attempting to make it simpler to understand what is going on. And indeed if you could look it all up on the internet that would help. But for most older people in the near future, we've just got to explain. Some of the charities got together as a one-stop place to get all that advice. [It's] terribly important that it's dead easy – one phone number."

Pensions are not simple products but the confusion surrounding them is a concern as it will put some off asking questions and researching products. It seems to us that there is a need for a trusted adviser capable of expressing pensions advice with clarity. At present it's hard to see who this adviser could be.

Can Employers fill the Advice Gap?

At a time when 25% of the population don't know where to get pensions advice from, it's tempting to think that employers may fill the advice gap. Three of our five Delphi Panel experts believe that employers will be providing more guidance to employees on planning for retirement (though not necessarily on pensions and investments). Niki Cleal of the Pensions Policy Institute believes that, while employers will provide access to pensions, they'll be much less keen on advising on pensions. One of the principal reasons for this is that employers will want to avoid consequent liability if the advice turns out to have disadvantaged the individual.

"I don't see employers wanting to step into that [advice] gap at all. I see employers wanting to focus on their business. And I don't think they see it as their role."

"...I think, therefore, the question becomes, so where will people get their advice from? And I think there's a big policy question there and it remains to be seen whether or not other advice services step into that breach."

Niki Cleal, Pensions Policy Institute

Conclusions

Given the confusion over pensions there seems to be an opportunity for imaginative providers to create simpler products and to explain them with clarity. Given the perception of complexity, it is not surprising that more people turn to the internet to guide them through the complexities of pensions. Perhaps British workers would be better prepared for retirement if they had better and clearer advice from a trusted source. Currently too much effort is required from consumers and it's likely that some will not conduct enough research or ask the right questions. Many people find pensions highly confusing and difficult, expressed in the prolix industry language of the providers. Already one in four don't know where to get advice from. There is clear need for an independent, trusted adviser on pensions.

3. A New Contribution to Society

Key Findings

- A move towards local government and local volunteering offers a chance for communities to benefit from the skills and energies of older people
- Older people can benefit from being involved in communities, building local networks and contributing their experience
- To understand the financial circumstances of older people we need to consider their families and the commitments they have to them
- All of our experts agreed that there is likely to be more pressure on retired consumers to financially support their grandchildren in 2020. Grandparents are increasingly involved in the financial support of grandchildren – 26% expect to contribute to the cost of tertiary education
- Old people are not the poorest in society but their wealth is often hard to access as it's tied up in houses that they wish to remain in
- The 'golden age' of pension income wealth is fading although half the people currently aged between 55 and 64 are planning to retire early

The Big Society

The 'Big Society' has the potential to revolutionise the way we are governed. The core idea of devolving power to communities is currently influential not just in this country but in many others. It has the potential to be a very significant change to our society. We believe that older people have the biggest contribution to make in this new society.

“Our ambition is for every adult in the country to be a member of an active neighbourhood group.”

Conservative Party Manifesto, April 2010

The coalition government believes in a Big Society in which individuals will have a greater say in the running of the own communities. Power will be devolved from the centre to the community with all of us encouraged to get involved through volunteering our time and energy. Who might be involved most in these neighbourhood groups?

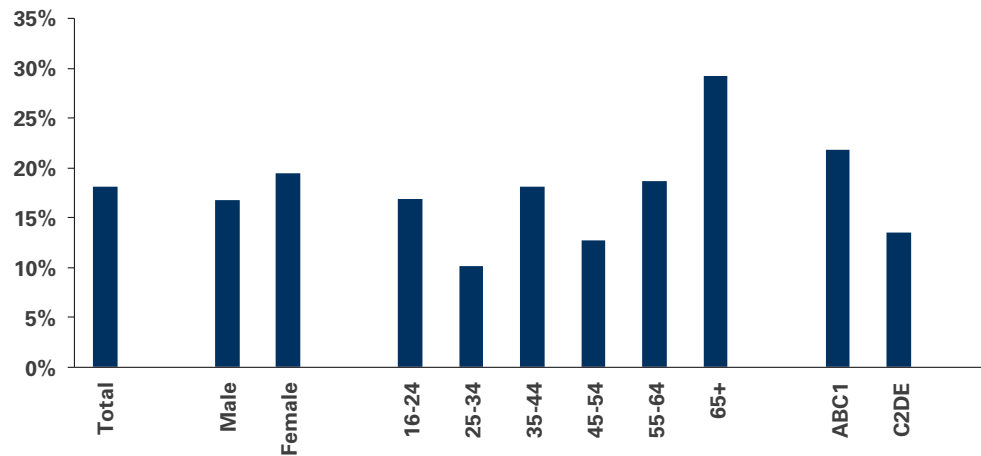
“As is common with anything produced by self-appointed volunteers, the leaflet proposed an exclusively geriatric vision for the postal district in which we lived, one completely at odds with its population.”

Rory Sutherland, Ogilvy UK, writing in The Spectator, 14 August 2010

Mr Ogilvy's point is not without some foundation in fact. Our own research shows that concern for our local communities rises with age; a concern that is reflected in voluntary participation rates.

Voluntary involvement in local community

“Have you done any of the following in the past 12 months? Volunteered for the local community (e.g. for a local charity or as a school governor/other community role etc.)”



Source: nVision Research
Base: 1,500 online respondents aged 16+, GB, 2010

As a result local activism, volunteering and representation is likely to be biased towards more senior members of the community, particularly when you consider that the 60+ population will rise from 13.81m in 2009 to 19.53m in 2020 (Population Projections/National Statistics, 2009). There are many positives to this. Energetic older individuals have much to contribute as a result of their life experience as well as skills and aptitudes and are likely to have a better knowledge of their immediate area.

Baroness Greengross believes that volunteering has a very important part to play in how people make the transition into retirement.

“...they should gain a toe-hold in the local community where they live so that they know the organisations, they know interesting things to do, they know people, so that when they do eventually retire they are not just stranded... You could call it the Big Society if you want... ...but it’s terribly important that people feel an identity.”

Andrew Harrop of Age UK also believes that the voluntary sector should be a part of a longer process of retirement. He also thinks that there is a substantial constituency of older people who want to contribute to the community.

“A lot of people want to get into volunteering or want to get involved with community groups, adult education, things like that. In response, employers need to package work up to create flexible retirement options.”

Older people are quite likely to enjoy an influential place in a more localised society. There may be unintended consequences stemming from this – an over-representation of their views for example. Overall the benefits of their knowledge and experience, their willingness to get involved and their increasing numbers mean their influence will be undeniable and essential.

Older Citizens and Affluence

We challenge the notion that old people are the poorest in society.

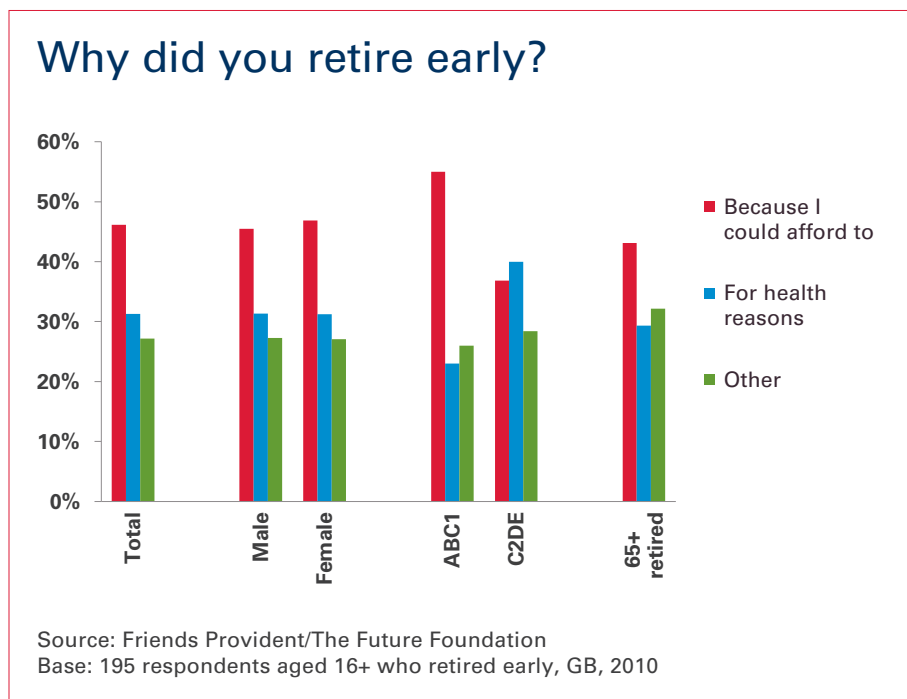
“They’re not. There are just a lot of very poor pensioners. I mean it’s still quite difficult if you are living purely on the State pension, but you do get additional benefits if that’s all you’ve got because of the pension credits and so on. Pensioners did quite well under the last government and a lot were brought out of poverty. The problem is our ghastly system of claiming benefits which is so complex.”

Baroness Sally Greengross, Chief Executive, ILC

Many retired people hold substantial assets and for many of those who will retire in 2020, the future looks positive.

A huge amount of valuable housing stock is owned by older people who are resident in them for longer than anyone imagined in the 1990s. Indeed, home ownership has increased among older people. If the current trend continues, around 80% of people over the State Pension Age could be owner-occupiers over the next few decades (Pensions Policy Institute, 2010). The number of pensioner households with a medium or high value property was around 3.9 million in 2009. By 2030 the PPI estimates the number will be 5.2 million. As demand for property still exceeds supply, these older homeowners are living in a continually appreciating asset. The PPI estimate that there could be a 40% increase in the value of housing wealth to 2030. As a result many older consumers are in a privileged position as home owners.

In terms of income some retired people are well-placed thanks to defined benefit schemes. Our research shows that, among retired people, 70% left the workforce early. In 43% of cases this was because they could afford to. We also know that half the people currently aged between 55 and 64 are planning to retire early.

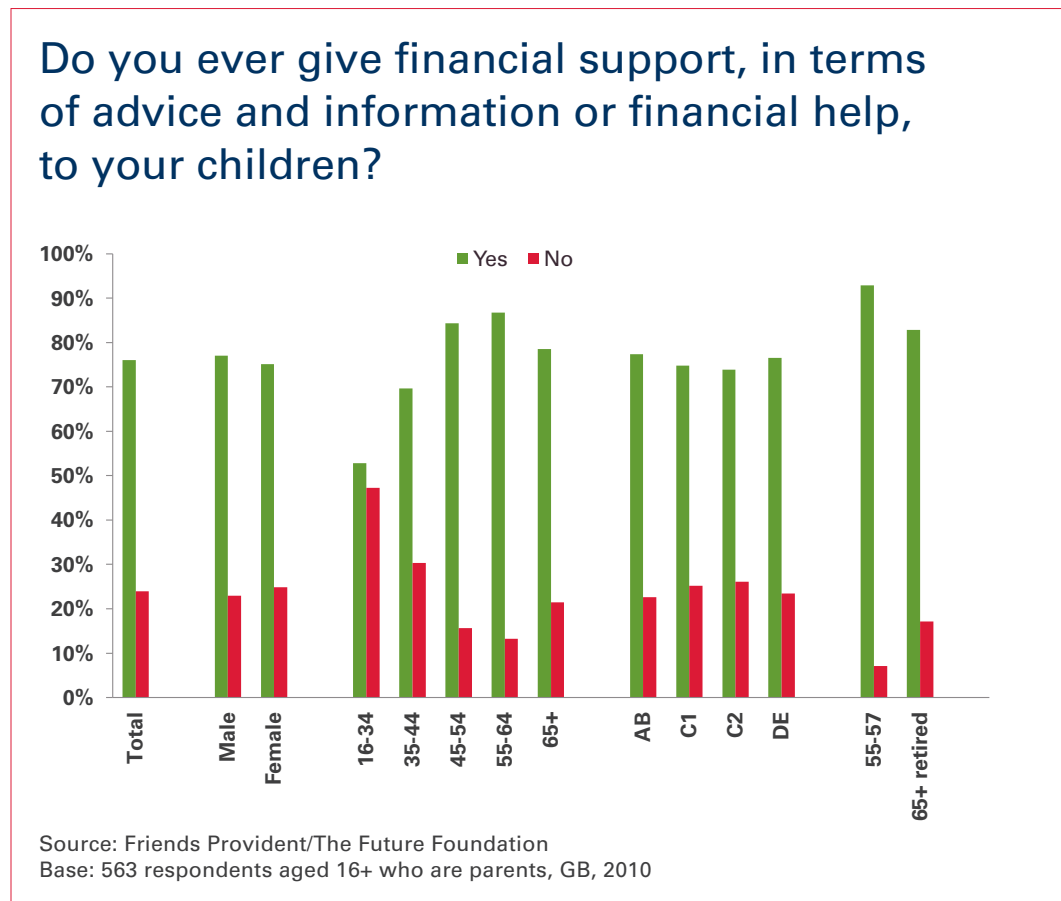


Every discussion on retirement comes back to property. Home ownership has the potential to become socially divisive. With older people remaining in their homes for longer properties are not coming back onto the market, and equity isn't being released in the way imagined only a short time ago. Longevity has the effect of further curbing the supply of property at a time when younger people struggle to afford starter homes. Simultaneously older people are residing in appreciating assets which they can't easily benefit from. In these circumstances equity release schemes are not just attractive but necessary.

The Financial Commitments of Family

Despite the fact that older people retire from work they do not retire from their families. Among those already retired, 83% are providing financial support to their children – only a slightly smaller proportion than those at the peak of their earning power (84% among those aged 45 – 54).

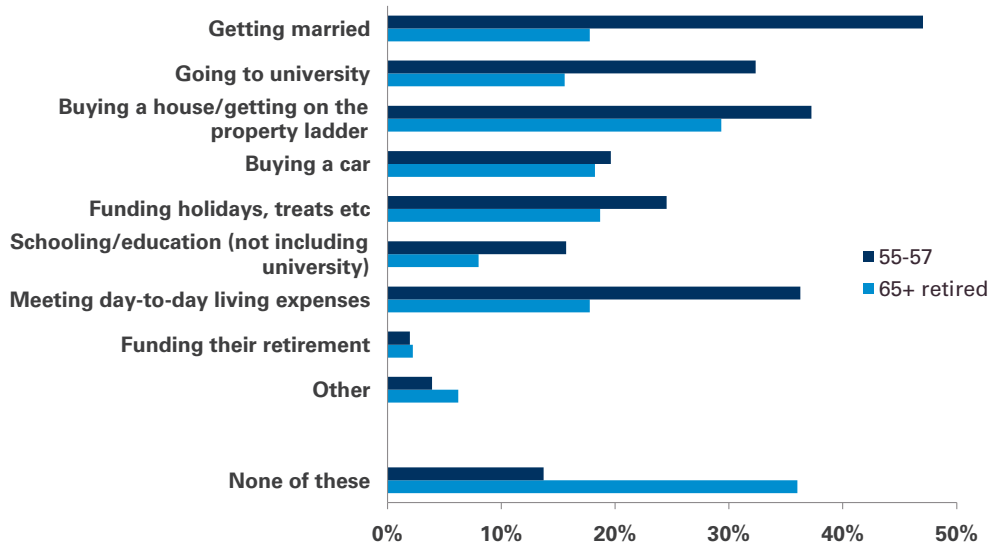
It is likely that pressure to support other family members – and children in particular – will grow over the next ten years. The scarcity of affordable property, the cost of weddings and the inevitable increase in undergraduate fees are the three most obvious sources.



Three in ten people over 65 expect to have to help their children buy a house. At a time when pensions are becoming less generous this is a considerable drain on fairly modest savings.

We have singled out people aged 55 – 57 as they will be at retirement age in 2020. There are some very significant demands on their savings at this age – with many people having children later in life, this age group is heavily affected by the rising cost of tertiary education as well as the desire to help their children get onto the property ladder or even to fund a car. For a growing number of people there will be a squeeze on the ability to top up pensions in their fifties.

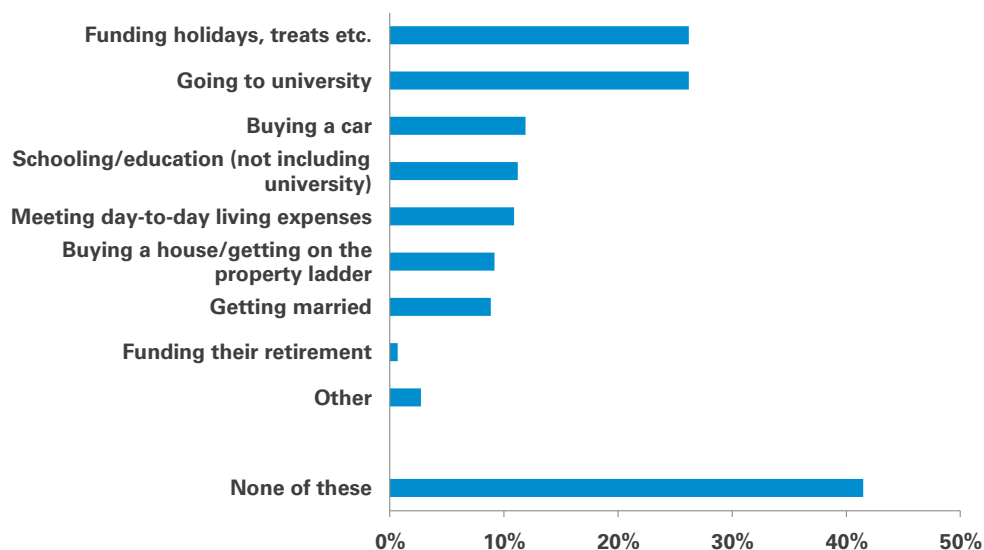
For which, if any, of the following reasons have you or do you expect to have to help your children financially?



Source: Friends Provident/The Future Foundation
Base: 404 respondents aged 16+, GB, 2010

However, it is not just parents who are contributing to the rising costs of young people. Grandparents are also increasingly involved – among retired people one in four are helping with university costs.

For which, if any, of the following reasons have you or do you expect to have to help your grand-children financially?



Source: Friends Provident/The Future Foundation
Base: 294 respondents aged 16+ who are grandparents, GB, 2010

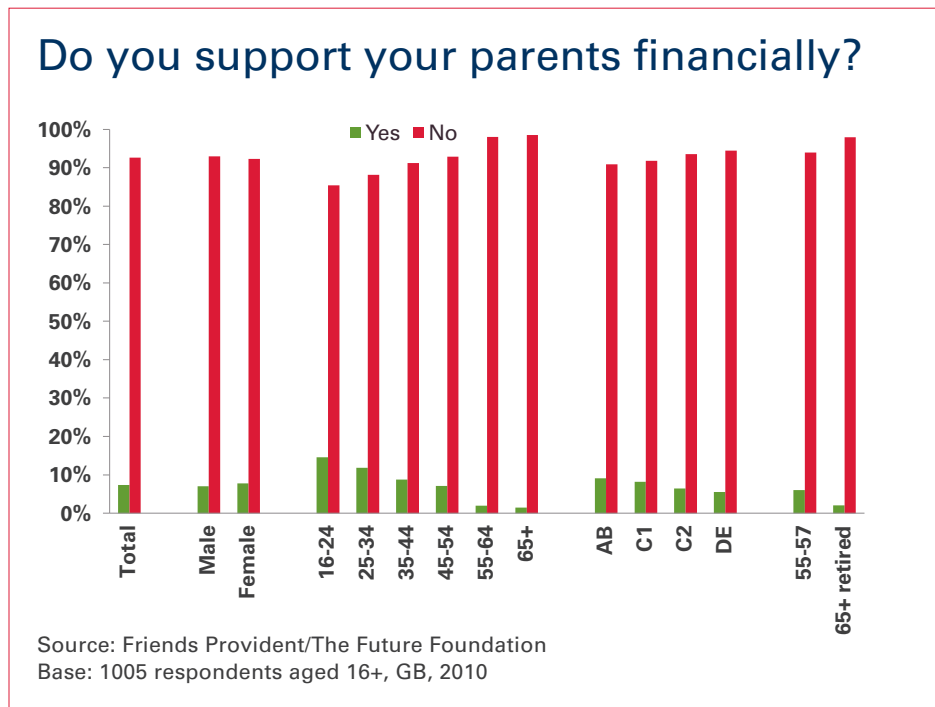
Among our Delphi Panel of experts, 60% agree that by 2020 there will be more pressure on retired people to support their children financially. None of our experts disagreed with the idea that there will be more pressure on the retired to support their grandchildren financially in 2020.

“People who are 60 now are much better off than their parents were at the same age. And the young, on the whole, have not done too badly, the reasonably well-educated have jobs and they are going to be fine and so money may well be passed on to grandchildren in lots of families.”

Frances Kay, Editor of The Good Non Retirement Guide

Previous Future Foundation research (nVision 2008 / 2009) has shown that money flows between generations in families – something that is emphasised in this work for Friends Provident. While most of the transfers of wealth are from old to young, some money does travel in the opposite direction. It’s our belief that families are acting increasingly as economic units with money being prioritised towards those most in need. Increasingly the family unit comprises three generations. With retired people often being fitter and more active, they tend to be more involved in child care than was previously the case.

In the discussion on pension we focus on the individual. However, to truly understand the situation of people who are retired or about to retire, it is vital to consider their families.



Conclusions

Voluntary work in the local community is something that appeals to many older people. It offers them purpose as they transition into retirement and the community can benefit from their energy and knowledge. Whether they will have a disproportionate influence is a point yet to be resolved however it seems that most communities would be grateful for the abilities of capable, often very skilled individuals. A political switch towards localism will require people on the ground and many older people will be well qualified for the task.

Much of the discourse on retirement is around pension income, but we believe that to fully understand the situation of pensioners, we need to understand their family unit. Many pensioners want to help their children with housing and education costs. Perhaps the relatively low number of pensioners who believe they have a responsibility to leave an inheritance to their children reflects the fact that they anticipate helping finance their children's lives as they attempt to set up their own homes and get started in life. This may also be the case for grandparents.

4. Conclusions

It is our view that by 2020 there will be some significant upsides to growing older. This may seem contrary to much of the discourse on later life and pensions which tends to be the covered quite negatively today. Despite issues such as an increasing demand for long-term residential care, skills shortages, the burden on the State and its tax payers to funding pensions and health inequalities, there are many positives.

Firstly the increasing health and vitality of older people has benefits beyond their immediate wellbeing. As the examples of energetic older people multiply and as more of us work on until our seventies, the perception of older people – among people of all ages – will grow more positive with the disparaging, patronising and inaccurate depictions of 'old age' fading. We argued in an earlier **Visions of Britain 2020** report that older workers will be treated with more respect as their experience comes to be valued. This will certainly be the case with knowledge workers (our 'elite' workers from our earlier **Visions of Britain 2020** report) who will be needed in a time of skills shortages.

“By 2020, assuming the economy recovers from the current downturn, we will absolutely need more people to work longer. From the perspective of employers, in terms of their demand for skills, there just aren't enough young people entering the labour market. Over the last decade, most of the employment growth in the country came from people over 50 working longer. And that's very likely to continue to be the case.”

Andrew Harrop, Age UK

Older people also have an important contribution to make within communities through volunteering and using their skills and experience of life to help others. The change in government is likely to increase localism and make more demands of volunteers – older people are the best placed to meet this challenge.

Our point here is that older people and their manifold contributions to our society will be valued more.

Secondly we believe that some of the commentary about funding retirement has been hysterical. While inter-generational conflict is a possibility we don't think it's likely. Only two of our five Delphi Panel experts believe that there will be tension between the generations by 2020 (let alone conflict).

“I can't see a war of the generations. I do think there are tensions that need to be looked at in advance so that we don't face them. They need to be worked out... You've got to be fair.”

Baroness Sally Greengross OBE

We accept that funding retirement will become more difficult for workers and more expensive. Much of the responsibility for pension provision is being transferred from the government and employers to individuals. The fact that so many find pensions complicated and advice difficult to understand is a worrying problem. On top of this more people are likely to have to pay for advice post the Retail Distribution Review.

Despite this there is still some room for optimism.

“I am [optimistic about the future]. And the reason for that is the introduction of auto-enrolment – people automatically being in a pension rather than having to make an active decision. I think that could really transform the level of pensions savings in the UK. All of the international evidence suggests that this will be the case and I think that, so long as policy-makers stick with auto-enrolment, we can be more optimistic about the levels of pension saving in the future.”

Niki Cleal, Pensions Policy Institute

80% of our Delphi Panel are of the view that auto-enrolment will have become compulsory by 2020 however, this does raise an interesting question for those about to retire.

Auto-enrolment has the potential to help up to seven million people save towards retirement.

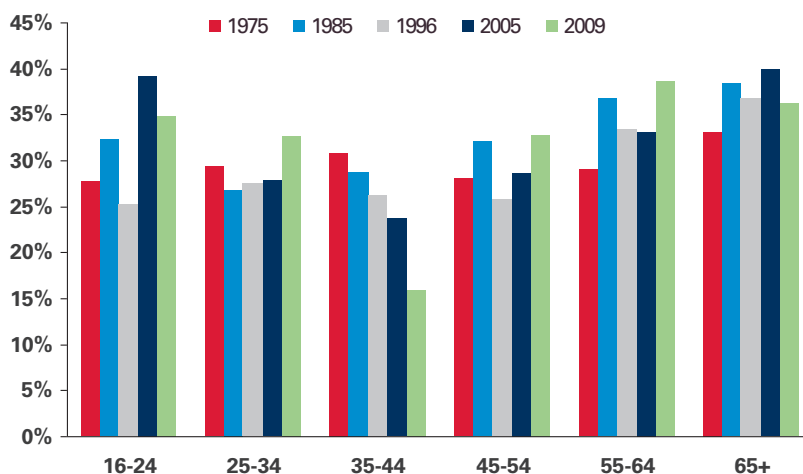
We are also encouraged by the number of people taking a realistic view of the provision they’ll need to make – research conducted in 2009 by the Future Foundation shows that 79% of the population believe that it is important to plan more than one source of income. When we combine this to the increasing acceptance of and, in many cases, enthusiasm for, working longer we see grounds for optimism.

Last year people aged over 65 were among the most satisfied with their lives (compared to other age groups). Since 1975 the trend in life satisfaction has been generally upwards for retired people – in stark contrast to those aged 35 – 44.

Life satisfaction

% who are very satisfied, by age

“On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the life you lead?”



Source: Eurobarometer/nVision
Base: 1,300 respondents aged 16+, GB

In concluding this discussion, we come back to some themes already apparent from previous Visions of Britain reports. The first is the rise of knowledge workers. Not only will they have better working lives than the less skilled, they will also have better retirements. Their skills mean that their services will continue to be in demand after what we currently consider the retirement age to be allowing them to act as advisers and consultants. Educated workers are also more likely to be able to afford professional advice on preparing for retirement. Furthermore, the theme of responsibility being transferred to the individual has been consistent and dominant in all our Visions of Britain – in terms of health, working life and ageing, the individual is becoming more responsible for their own destiny.

In our vision of 2020 citizens will increasingly have to look to themselves.

5. Perfect Planning Prevents A Poor Retirement

In the process of researching this report we've spoken to several experts. They have offered their thoughts on what workers need to do to prepare for retirement:

“In the future our ability to retire when they we want will require a cultural shift in thinking and government policy to support a savings culture. As individuals, we now have more choices but coupled with this comes increased responsibility and the need to plan adequately for retirement. It is crucial people do this planning early enough in life whilst there is a choice and don't simply waiting until they reach their mid 60s. Employers can play a pivotal role in encouraging and supporting their employees to ensure their savings are on track to meet their retirement goals, especially as they reach their mid 50s and the prospect of retirement begins to take more significant in their thoughts.”

Trevor Matthews, CEO, Friends Provident

“This is a really important point for people in their 50s and 60s – it's absolutely right to work for longer to top up your pension, particularly if you're in a defined contribution scheme where you'll see the benefit in the annuity. It's a shame to see that not many people take advantage of the deferred state pension, which we hoped would be a really popular way of getting more for your money. It doesn't seem to have really captured the imagination.”

Andrew Harrop, Age UK

“It depends on the individual case, but they generally need to decide on what their needs are. They must ask themselves a question; whether they are able to live the same way as when they worked. They must plan their budget. They must plan for retirement and do some serious budgeting so that they can live within their means. That will require some degree of compromise for most people, I suspect.”

Frances Kay

“I mean retirement is the ultimate long term issue. But really – ideally – people need to be planning from their twenties and thirties; very, very far in advance. Not in a terribly detailed way but just in terms of making provision for retirement.

“I think what we'll see is that the State pension will be largely a flat-rate benefit at a minimum basic subsistence level, a poverty prevention level, but not much more. If people want to have a comfortable standard of living in retirement they will need to make some provision for themselves in some way, whether that's through a private pension or some other form of saving.”

Niki Cleal, Pensions Policy Institute

“Save like Hell.”

Professor David Blake

Baroness Sally Greengross believes that becoming involved in the community is key as it build social links for later life, preventing isolation and satisfying our need as social beings to be with other people.

6. Methodology

To create this report we surveyed a nationally representative sample of 1,000 people. Our quantitative research was boosted with an additional 100 respondents aged between 55 – 57 (i.e. those at retirement age in 2020). In addition we surveyed another 100 people aged 65 and above to allow us to probe the opinions of retired people in a more robust way.

The following individuals were interviewed for the report and it benefits from their expert testimony:

Baroness Sally Greengross OBE, Chief Executive of the International Longevity Centre and cross-bench peer

Frances Kay, Editor of 'The Good Non Retirement Guide 2010 (published by Kogan Page)
"Everything you need to know about health, property, investment, leisure, work, pensions and tax"

Andrew Harrop of Age UK

Niki Cleal of the Pensions Policy Institute³

Professor David Blake of the Cass Business School

Finally we aggregated the views of a number of experts on a Delphi Panel in an effort to create a robust vision for 2020. Those individuals are: Dr Andreas Hoff (Oxford Institute of Ageing), Christopher Brooks (Age UK), Jane Vass (Age UK), Mervyn Kohler (Age UK) and Sue Adams (Care and Repair England).

³ Niki Cleal would like to state that she has expressed her own opinions in her comments within this report. Her opinions are not necessarily those of the Pensions Policy Institute.

