

CHASM Conference 2017

Financial decision-making in later life: Risks, challenges and opportunities

On Wednesday 21st June, CHASM held its annual conference on the theme of *Financial decision-making in later life: Risks, challenges and opportunities*. The event brought together an audience of over fifty representatives from the academic community, the financial services industry and financial services regulator, ageing charities and consumer groups, with presentations from **Chris Curry**, Director of the Pensions Policy Institute; **Louise Overton**, CHASM member and Lecturer in Social Policy; **Ben Franklin**, Head of Economics of Ageing at ILC UK; **Sue Lewis**, Chair of the Financial Services Consumer Panel, and a keynote address from **Jane Vass**, Director of Policy and Research at Age UK.

The speakers prompted a lively and stimulating discussion on the issues and challenges facing older people in an increasingly complex retirement landscape, with recurring comment and questions on the subjects of paying for care, financial capability, and risk and responsibility.

Chris Curry drew attention to the future security of defined benefit pensions, outlining the decline in the number of these schemes, and raising important questions about what this means for employers and individual savers, as well as a trend towards a preference for flexibility over security of retirement income.

Louise Overton examined the changes taking place in the UK equity release market, including the recent growth in lifetime mortgage sales and new product developments and flexibilities. Drawing on her latest qualitative research, she considered the opportunities, and risks, these changes bring for the financial well-being of older owners, as well as the challenges that remain in creating better outcomes for equity release consumers.

Saving and consumption in retirement was the focus of Ben Franklin's presentation, which pointed to little evidence of spending following a U-shaped pattern. Ben questioned the extent to which the new pension freedoms are likely to lead to improved well-being, given evidence of retirement savings being stored in low interest-bearing current accounts. Questions were raised about what these findings mean for improving financial capability among older people.

Sue Lewis' presentation - Advice and guidance for pension decisions: is it enough? – suggested that consumers are keen to do the 'sensible' thing when it comes to making pensions decisions, but few are confident in their ability to navigate the options available. People are fearful of the consequences of a wrong decision leading to 'analysis paralysis'. There is limited uptake of pensions guidance suggesting decision-making support needs to reach older people more effectively.

Finally, Jane Vass emphasised the need to consider financial decisions in the context of people's lives as a whole, providing a broader perspective on some of the issues facing older people, both now and

in the future. She called for a more joined-up approach to improving later life well-being, arguing that financial decision-making is 'never just about the money'.

You can access a video of the conference, or watch separate conference presentations from each speaker here: <http://www.birmingham.ac.uk/schools/social-policy/events/2017/06/21-06-17-chasm-annual-conference.aspx>