

HIGHLIGHTS FROM 'GENERATION LOST' RESEARCH

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Valentina Rullo: On calling on our insurance clients, it became apparent that Millennials were an overlooked cohort when it comes to savings and retirement. Indeed one client, when asked, "How do you market to 30 year olds?" he replied, "I just tell them to come back when they're 40". So we wanted to better understand what it is that might appeal to the millennial generation, in order to work with our clients to help them solve the millennial challenge, and I am one, to save more.

The survey, in collaboration with Cambridge University, is a follow-on from our 2014 survey. Specifically, it looks at three topics: education, products, and social finance.

The University surveyed over 1,000 Millennials from different countries, including the US, Brazil, the UK, the Netherlands, Japan, and Australia. We picked those countries because we either liked or disliked their current systems.

Kate Anderson: The single thing really that struck me was the extent to which Millennials are ignorant because they're being ignored.

The Cambridge University research team themselves were surprised to realise how little financial services education both they and their fellow Millennials had received, either through financial services firms or through their own schooling.

By way of example, only one in five quizzed realised that, over your working life, you should be looking to accumulate around 10 times your final salary for your pension pot. 90% of our Millennials were guessing when it came to calculating their retirement needs, with over 50% admitting that this was a blind guess.

That said, the good news is that around 80% of our respondents said they wanted further education around pension returns and options. Another statistic that stood out for me is that around 90% felt that there were limited, poor or no options for investing in social finance.

Valentina: To encourage Millennials to save more for their lifetime needs, there are some recommendations.

First of all, stronger education; it will require Government, educational institutions, and the financial service industry to work together. Millennials, specifically, want to be engaged via different channels and more frequently, and not annually, as is now the case.



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The Millennials want the truth. They want bold messaging and they want to be told about financial costs and the implications of old age.

Another recommendation from the team was an app that allowed Millennials to compare their savings to each other and to the industry benchmark, and also to help us understand any savings shortfall that we might have in the future.

The app could also help educate the Millennials on the tax benefits of saving, and demonstrate the benefits of dollar cost averaging and compounding. Millennials were also supportive of apps and vehicles that provide automatic lifecycle adjustments.

Kate: We believe that with proper product design and education, Millennials can be encouraged to save more for their lifetime needs.

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