



## DO OUR YOUNG PEOPLE UNDERSTAND PENSIONS AT ALL?

It has been an interesting month speaking with hundreds of new members about their attitudes towards pension savings.

40% of 18-30 years old would consider their knowledge to be less than adequate, three in five do not know what a workplace pension is and is considered "poor" or "very poor", according to some simple research taken by workplace pension provider NOW: Pensions.

When they were asked why they think their pensions auto-enrolment knowledge was poor, two out of five said that they didn't see a need to understand them because they were a long way off retirement. One in four said that they found pensions too difficult to understand, whilst the others said that they found pension jargon, terminology and technicalities too complex and there is a large barrier, preventing them from engaging or even broaching the subject.

A lot of these problems does stem from confusing jargon, which many providers do nothing to rectify. The information provided is usually conceived as dull and time wasting and does not allow the member to engage with it the scheme, what else it might have to offer and how they can grow their savings. A key element is how intangible "pension savings" seem.

At Box Pensions we have known this for a long time and our research has just confirmed this lack of understanding. We have created an engaging, comprehensive but easily understandable scheme that offers a lot of information that inclusive for people of all ages and understanding. Additional employee benefits with Unum and Perkbox will hopefully encourage members to think more about what they can achieve with a good pensions scheme. All these extra features are designed to the conversation going and are maintained to normalise pensions as a topic young people might discuss.

The Head of Box Pensions, Chris Benarr, said: "However, our more recent research here at Box Pensions shows the more than half of the young people we researched have little or no understanding of pensions. In addition similar findings at NOW: Pensions we identified a broader issue with young people who were completely disenchanted by the idea of retiring and don't think that they ever will. More than 2/3 would prioritise saving for a house deposit over saving into a pension in their 20's and 30's."