

**SAVINGS & INVESTMENTS POLICY PROJECT SEEKS TO
ADDRESS UK SAVINGS DEFICIT**

The Savings and Investment Policy (TSIP) project, established last September to develop pan industry strategic proposals to take to Government and the regulator, is gaining considerable traction amongst the financial services community. The project now has representation from banks, building societies, mutuals, life companies, asset managers, stock brokers, wealth managers, financial advisors, the key trade bodies, technology firms, asset servicing and consumer groups.

The first stage of work – identifying the challenges that UK savers face - illustrated the complexity of choice that consumers have to make when deciding how to allocate their income and manage their personal finances. It also demonstrated that there are some significant trends that consumers may well be aware of but are not taking the appropriate action to address. For example, we all know that we are living longer but what does this mean in the context of saving for retirement? Whereas someone born in the 1950s had 45 years to save for an average of 15 years in retirement, someone born in 1990 has 48 years to save for an average 23 years or more in retirement. Clearly consumers need to save more to fund these extra years, however the opposite is happening.

Both the State and employers have greatly reduced the amount that they will contribute or pay as income and at the same time we are seeing the lowest level of personal savings to pay for retirement in 50 years. Add to that high levels of consumption, more personal debt, increasing costs of living and higher house prices and it is clear that our nation is running head first into a crisis. We can avert this but it needs a change of culture and a return to personal financial responsibility. This is what the project is seeking to address.

Work on strategic proposals to help consumers' financial wellbeing is starting in February. 46 pan industry firms and consumer representatives are already committed to working on solutions that help the nation. The project is still seeking additional firms to join and would welcome mutuals, building societies and consumer groups – if you are interested, please contact TISA and offer your support.

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