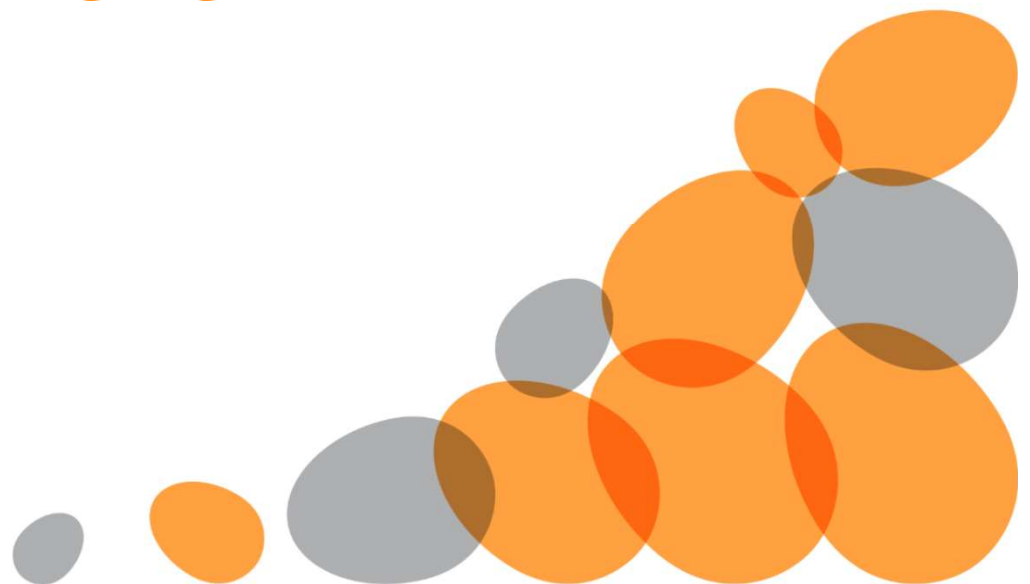




# NEST auto enrolment and liquidity

Getting the balance right

NEST Public

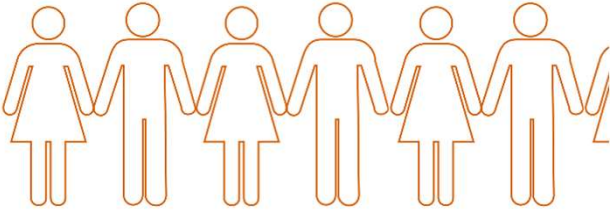


# Legal information

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# What is NEST?



£££



# How successful has auto enrolment been?

- How many people have been enrolled through auto enrolment?

**Under 5 million**

**6 - 7 million**

**Over 9 million**

- What percentage of a worker's salary is the minimum contribution?

**2%** 

**5%**  April 2018- 2019

**8%**  April 2019 onwards

- How much was contributed through auto enrolment in 2016?

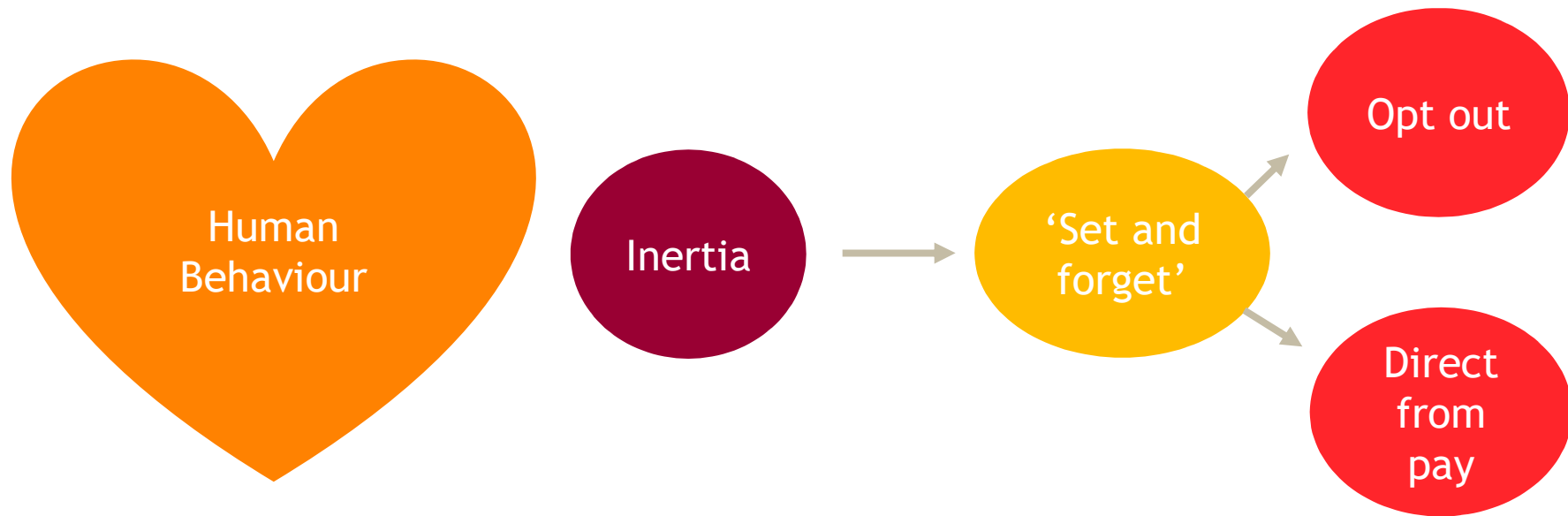
**£53 billion**

**£87 billion**

**£186 billion**

Source: Department for Work and Pensions (2017)

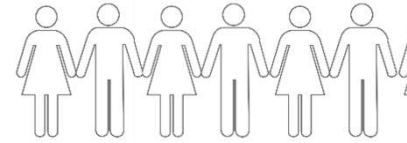
# Why has auto enrolment worked?



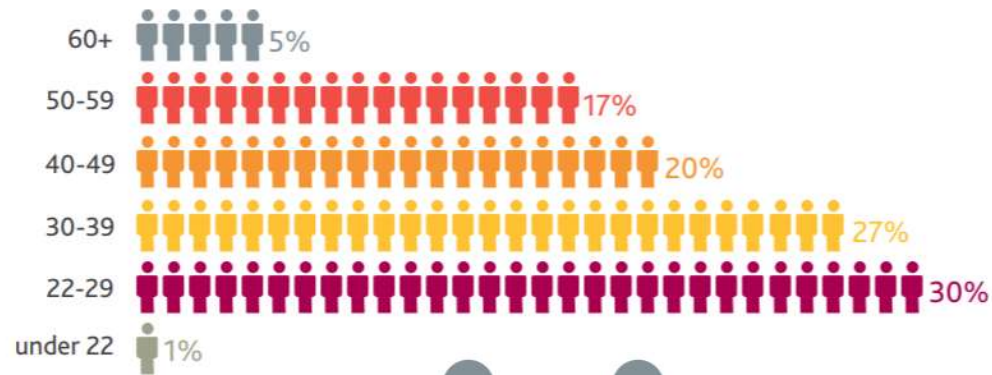
How can we apply knowledge of human behaviour to other savings products?



# Who are NEST's members?



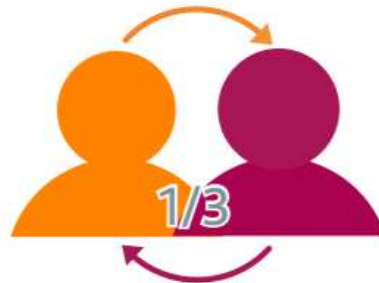
## Median member income



## Opt out



## Changing jobs



# Impact of auto enrolment review

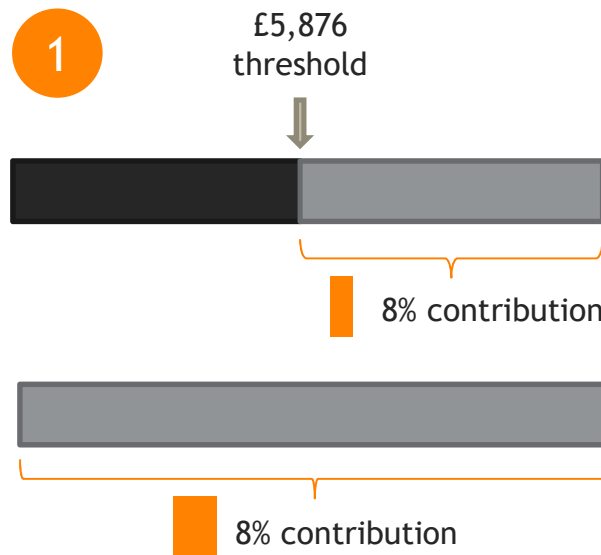
 Department for Work & Pensions

Automatic Enrolment Review 2017: Maintaining the Momentum

1


2

Cm 9546



2



 £470 annually



# What's the right amount to save?



Not enough for retirement

Can't cope with financial shocks

Opt out of pension saving



# People lack liquid savings

Of the working age population in the UK...

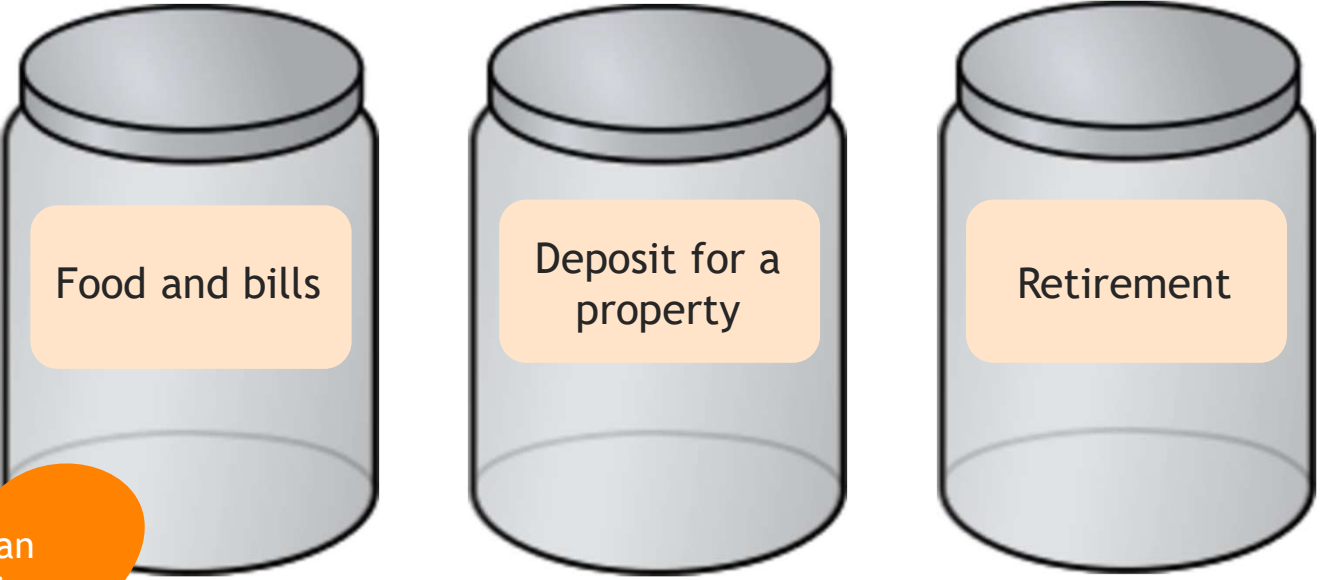


42%  
of NEST members in MAS  
'squeezed' segment

Sources: Money Advice Service (2016), Department for Work and Pensions (2017)



# Mental Accounting



Food and bills

Deposit for a property

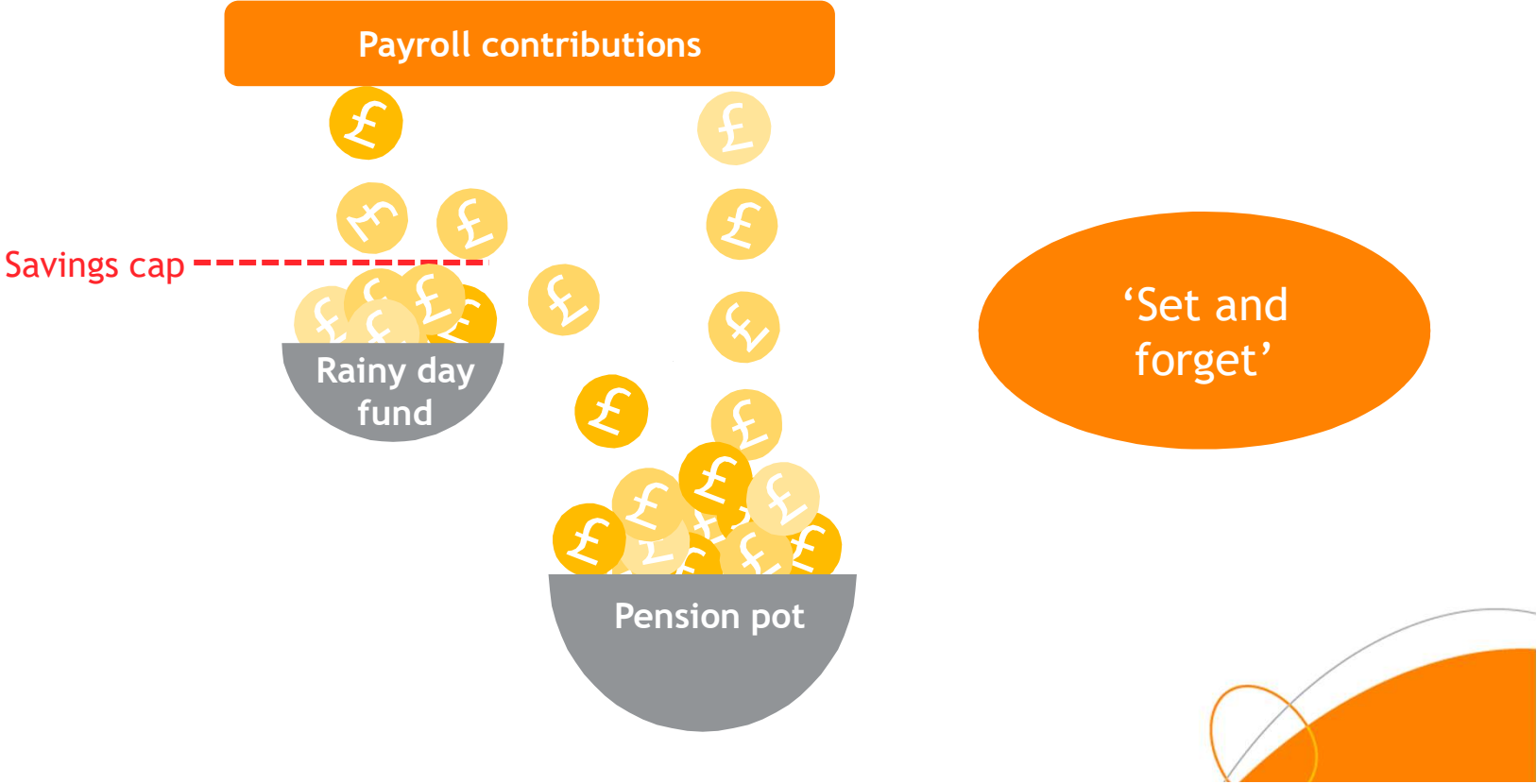
Retirement



Human Behaviour



# The sidecar account



# Unknowns and challenges

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Need to define detail

How will the money be used?

Is the demand there?

Can't enrol automatically

Best framing?



## Over to you....

---

What impact  
would this  
product have on  
your customers?

How might it be  
received?

What level of  
savings is right  
for the rainy day  
component?

What should the  
criteria of  
withdrawal be?

Thank you for listening



# Complete liquidity?

