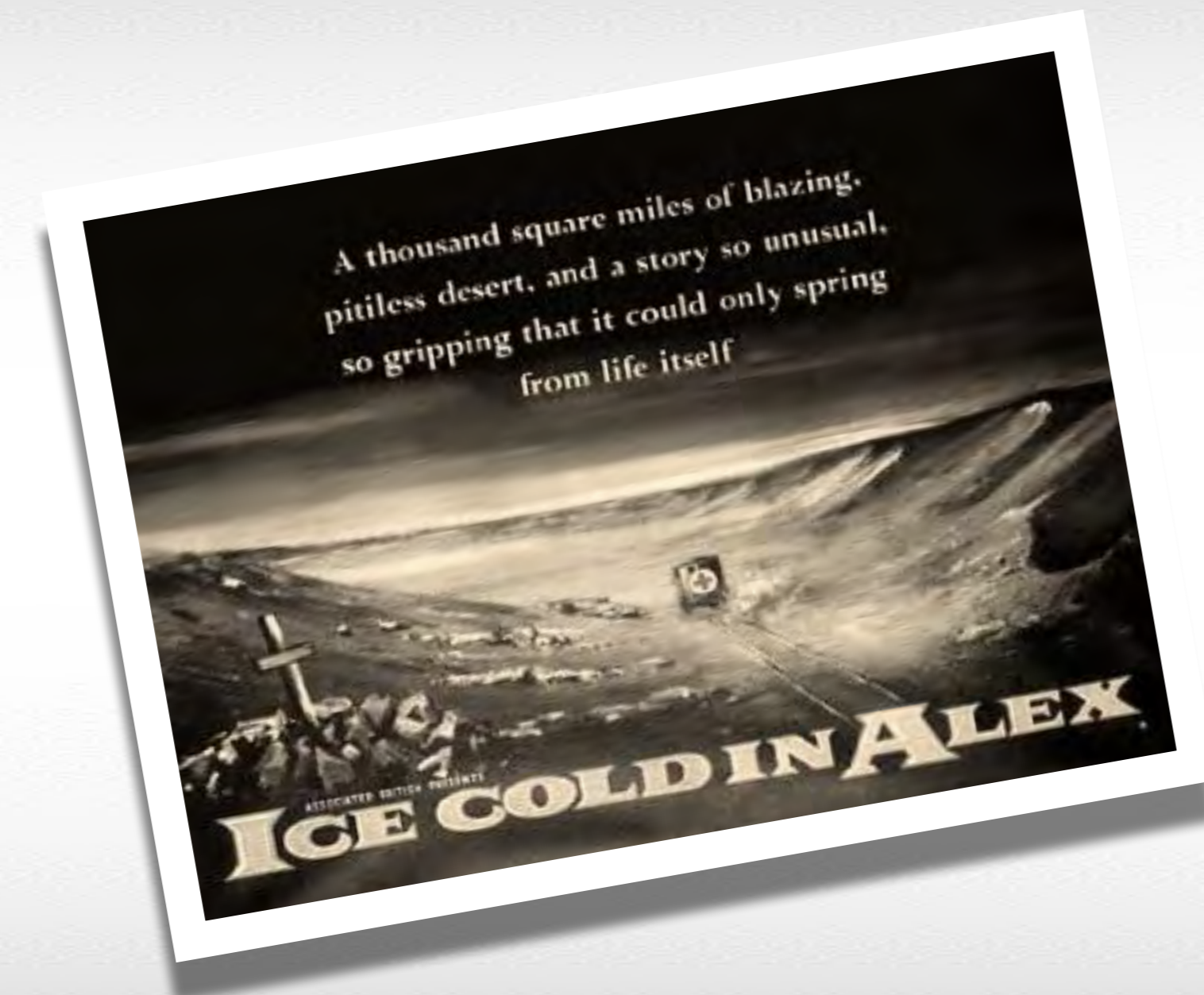




Mayuri Reddy

getting in touch with your future self



ICE COLD IN ALEX

Produced in 1958

starring: John Mills, Anthony Quayle, Sylvia Syms, Harry Andrews

1958

John Mills, Anthony Quayle, Sylvia Syms, Harry Andrews



no one told me
I shouldn't let go!



PRESERVATION



Benchmark
Member Survey

39%

regretted their
decisions

49%

didn't understand
tax implications

45%

of members did not understand impact of lack of preservation



NOT ABLE TO VISUALISE OUR FUTURE SELVES

to make better decisions about preservation ... today

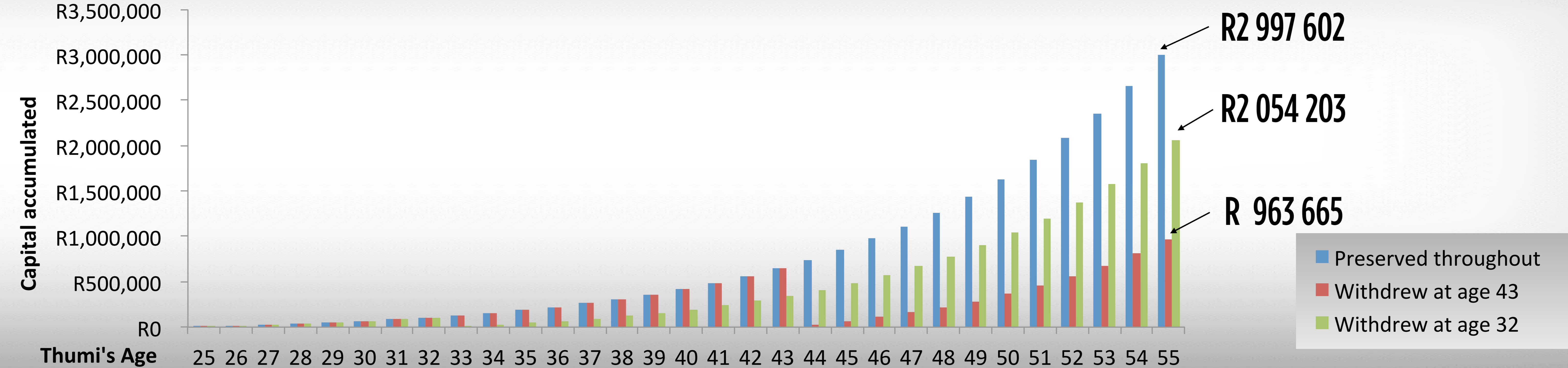


Benchmark
Member Survey

77% withdraw from funds



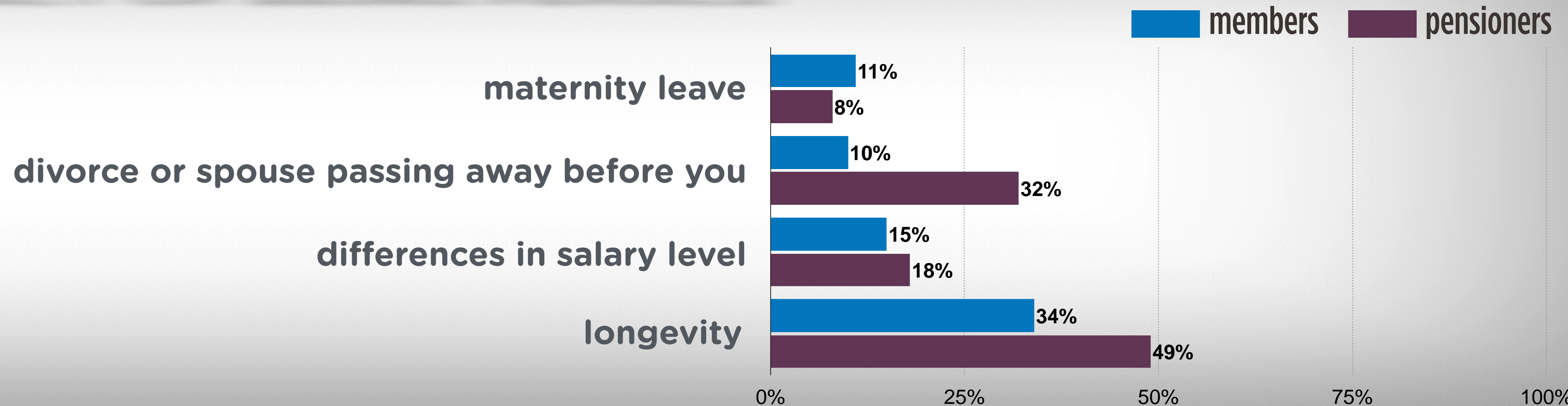
THE EFFECT OF THUMI'S DECISIONS



THE IMPACT OF BEING FEMALE



have you considered these aspects?



THE IMPACT OF LONGEVITY



Gertrude Weaver, (b. July 4, 1898)



Emma Morano - Born November 29, 1899



Susannah Mushatt Jones - Born July 6, 1899

1%

of funds tailor communication to female members

13%

of trustee boards had discussed female specific issues

21%

of women believed female issues were highlighted at induction.



Benchmark 2015

survey background



2015
survey

100

standalone funds
including
10 union funds

100

participating employers in
umbrella funds

252

pensioners

50

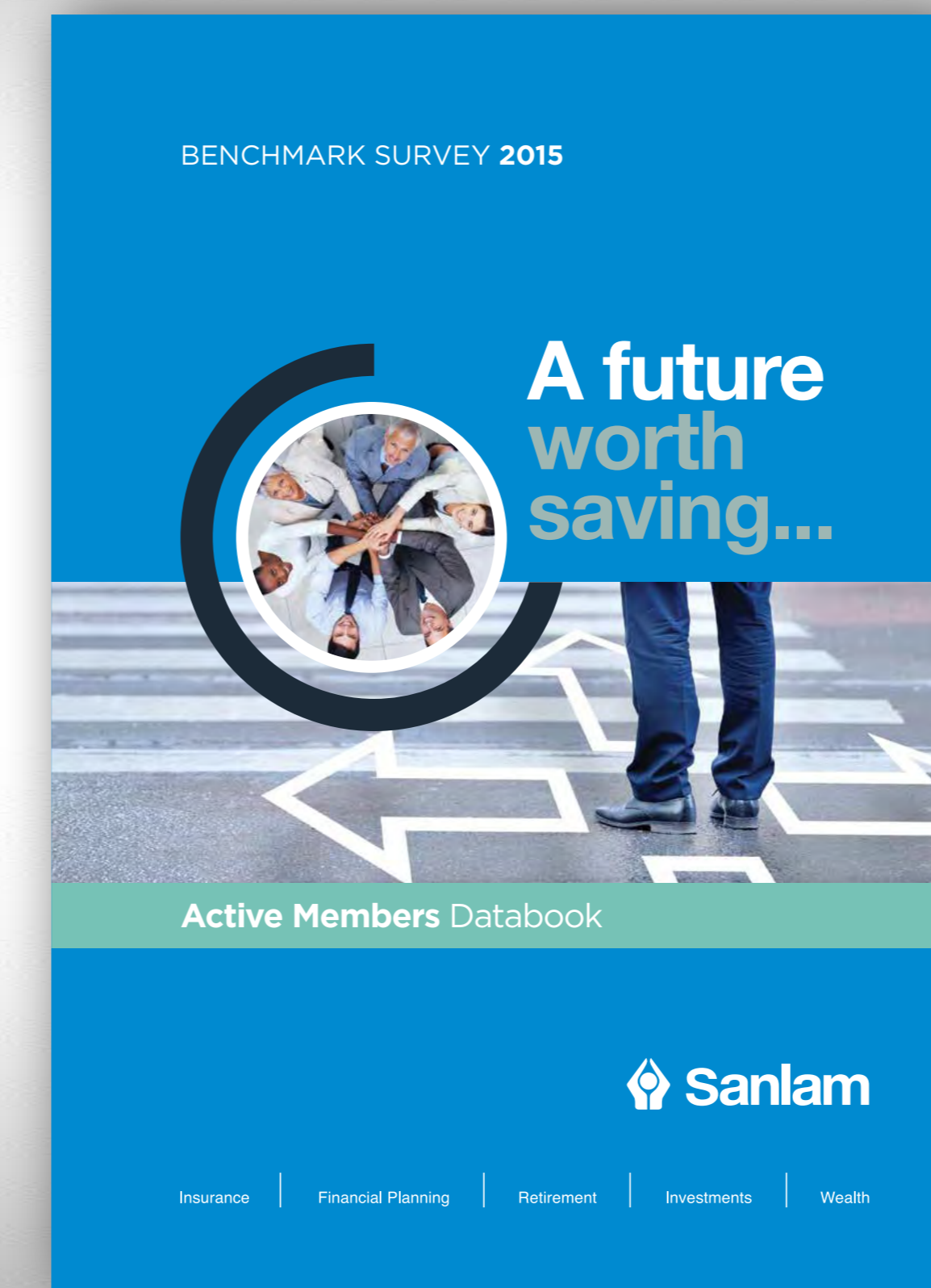
additional sample
of **pensioners**
with retirement
income
>R25 000 pm

503

telephone
interviews
with **active members**
of retirement
funds



2015
survey

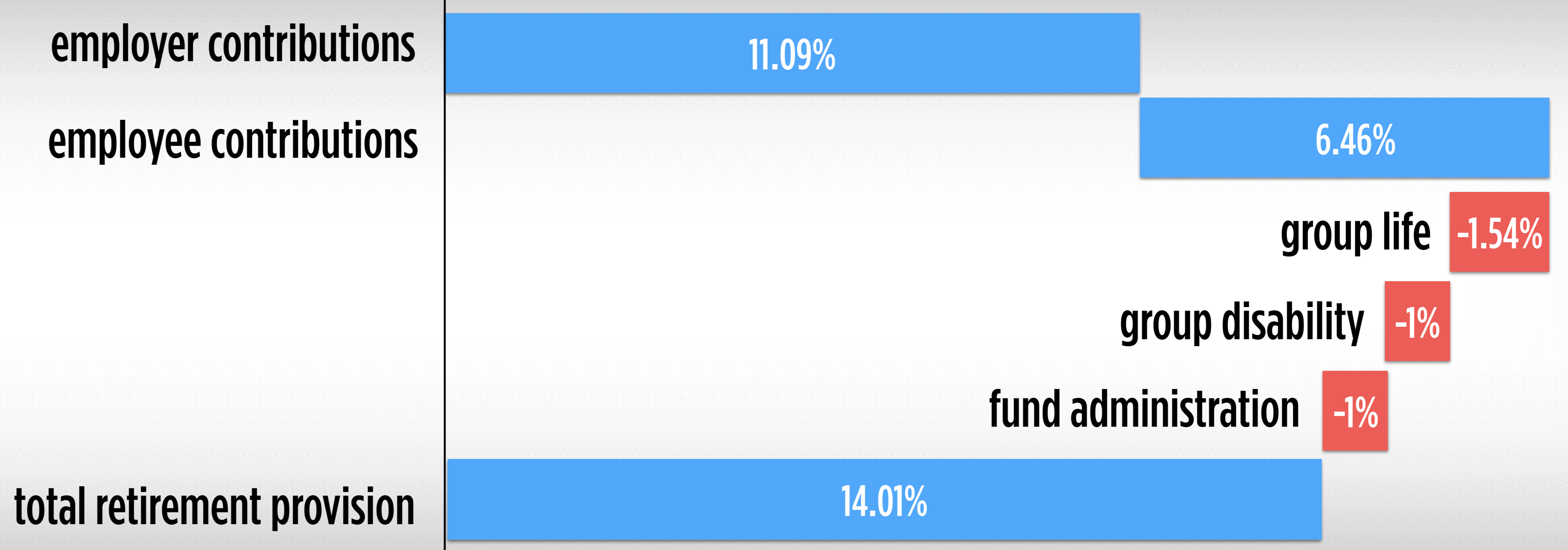


sanlambenchmark.co.za

- survey results
- customised search
- comparison tool
- presentations



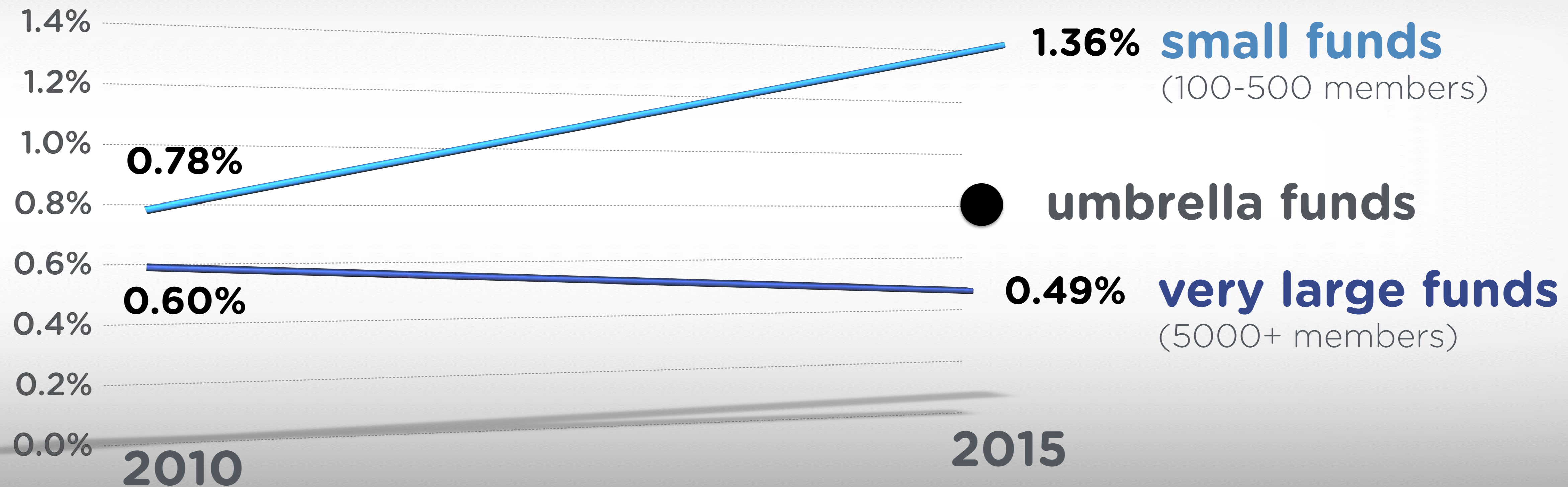
2015
contributions





2015
contributions

FUND ADMINISTRATION DEDUCTIONS





PRESERVATION



2015
survey

INDUCTION COMMUNICATION

EMPLOYER PERSPECTIVE

74%

member
responsibility
in DC fund

65%

where and how
to access more
information

53%

preservation

36%

believed
retirement
savings not
covered

57%

benefits of
starting to
save early

53%

tax benefits

19%

investments

12%

preservation



**communication
when leaving
employer**

78%

provide members
with **information
at withdrawal**

25%

have procedures
and forms
specifically
**designed to
encourage
preservation**

1 in 10

communicate to
members specifically
**before periods of
unemployment** with
a tailored message

50%

of members said
the employer just
provided them with
a form and **did little
else to encourage
preservation.**



communication
when joining
new employer

1 in **4**

have forms and
procedures designed
to **encourage**
members to bring
over their previous
savings



preservation information
could be standard with
all job offers!

70%

of trustees say
non-preservation is
the **biggest mistake**
a member will make
during their retirement
savings journey.

PRESERVATION ... no 'roll-back'



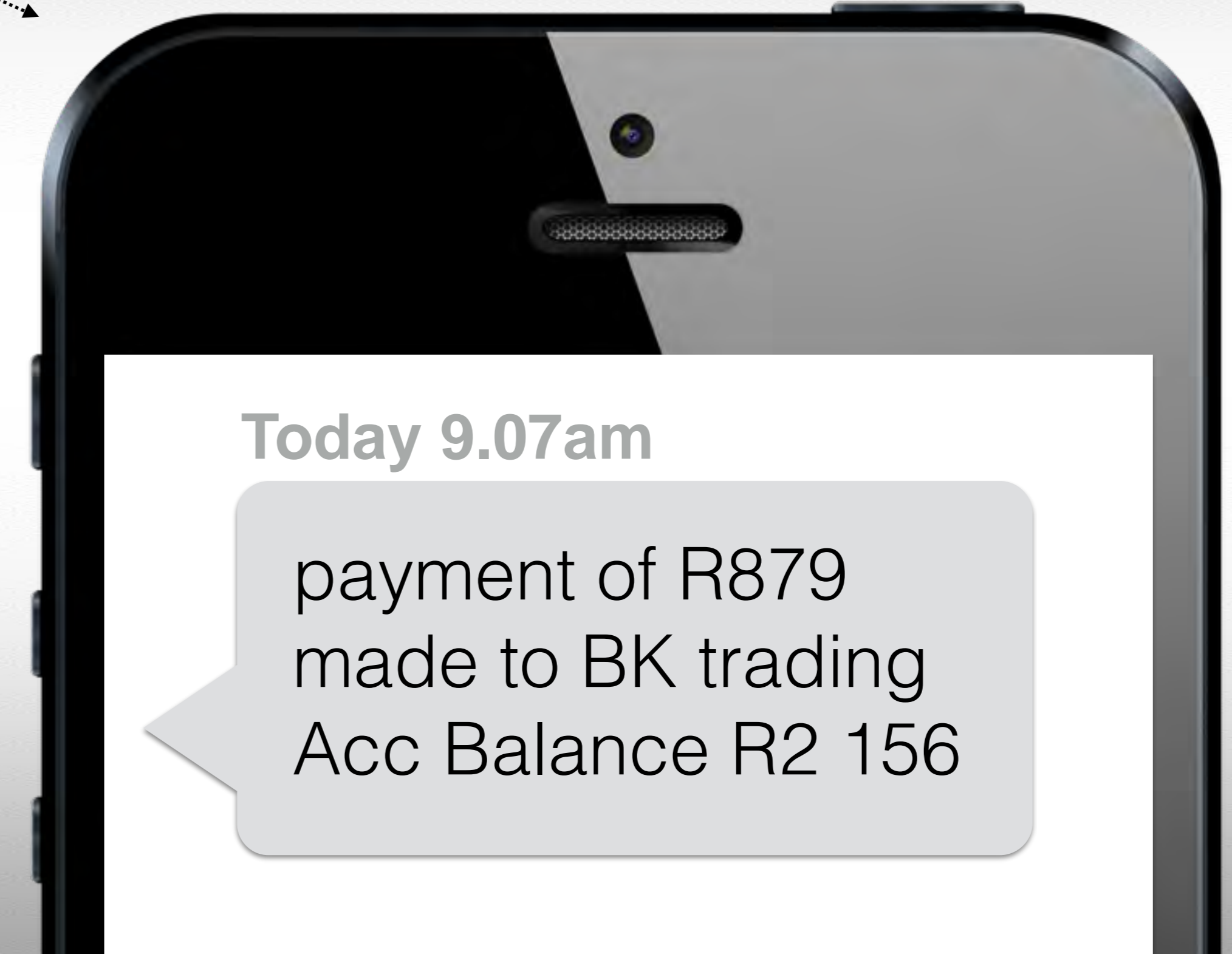
- focus on eliminating chance of unintentional withdrawal
- TFIs could overcome reluctance to save in vehicle that restricts access
- understand what is competing with immediate needs and concerns
- help members to visualise their future selves





**qualitative
survey**

budgeting tool!



BACK TO OLD SCHOOL VALUES?



- many 'Apps' available
- lack of real understanding
- apathy still has firm grip

“ I have learned this from my boyfriend.
He says however much money you have left in your bank account, divide it by how many days there are left in the month and that’s how much money you can spend today
He is brilliant with his money. ”

survey participant

WISHFUL THINKING?

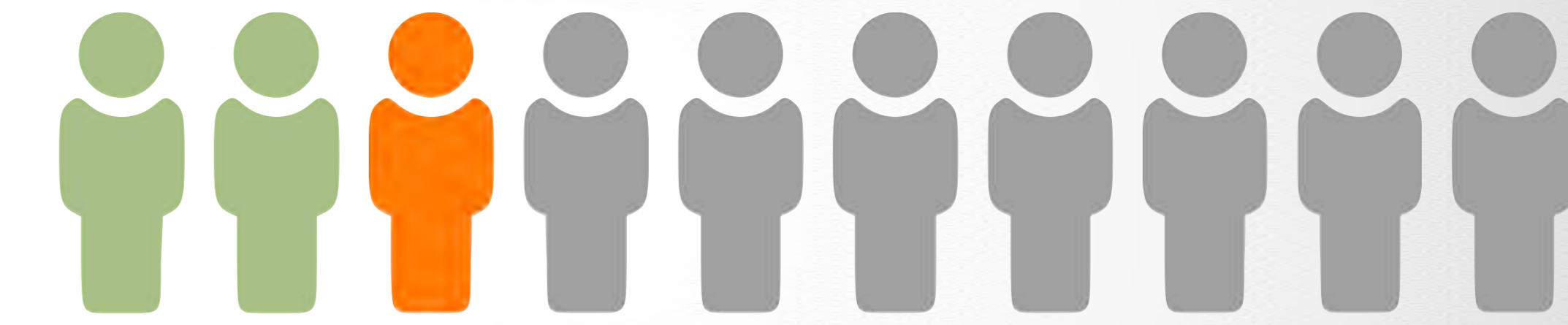


quantitative
survey

60%

of Funds have
**stated target
Pension**

know stated
target pension
exists and what it is



know there is a stated
target pension, but
not what it is

PAYING ATTENTION TO INVESTMENT CHOICES?



quantitative
survey

42%

of Fund members
invest in the
default option

default

top reasons for investing in default:

1. **trust** trustee choices
2. just wanted to **know savings are growing**
3. do **not** have **enough knowledge / expertise**

72%

**don't revisit
their decisions!**

THE IMPACT ...

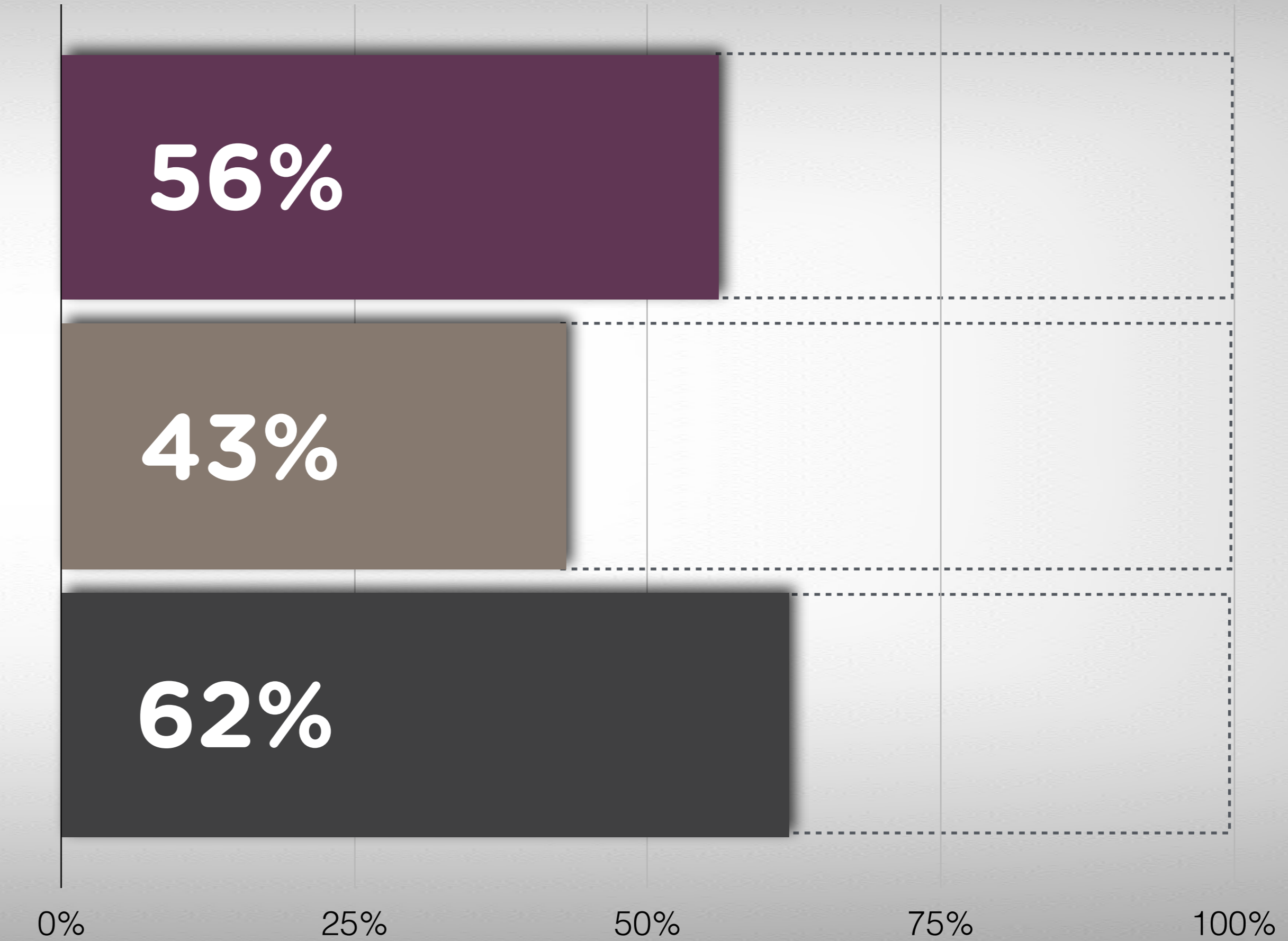


**pensioner
survey**

able to maintain
pre-retirement standard of living

believe have sufficient
income to last rest of life

experience a reduction in income
compared with pre-retirement income



WHY HAD INCOME DECREASED?



**pensioner
survey**

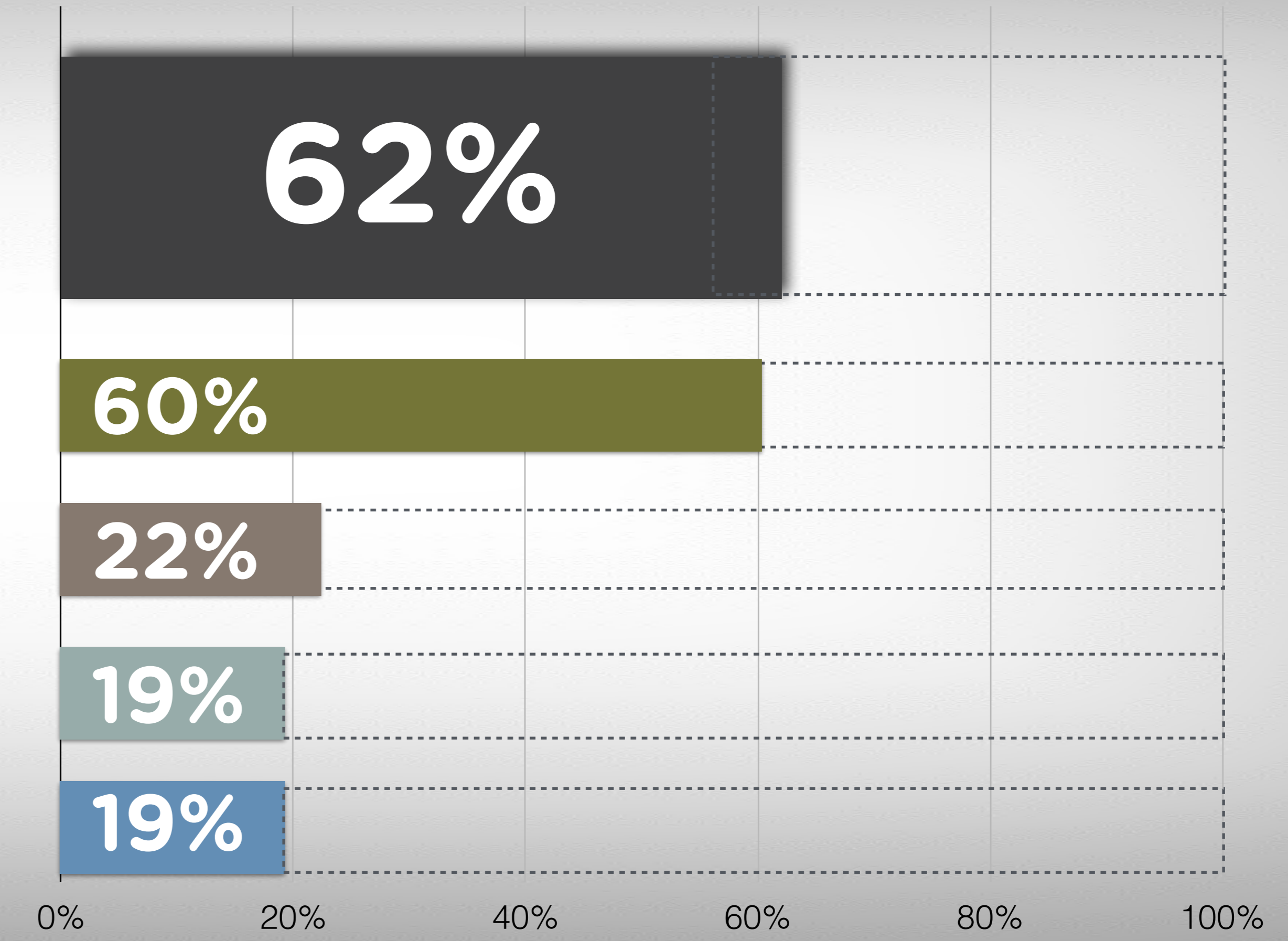
**experience a reduction in income
compared with pre-retirement income**

not keeping up with inflation

due to market downturn

spent lump sum

still paying off pre-retirement debt



IMPACT OF NOT PRESERVING?



**pensioner
survey**

changed funds during life time

took cash when changing funds

base pensioner

affluent pensioner

25%

20%

74%

40%

changed funds during life time	25%	20%
took cash when changing funds	74%	40%

ADVICE FOR THEIR YOUNGER SELVES?



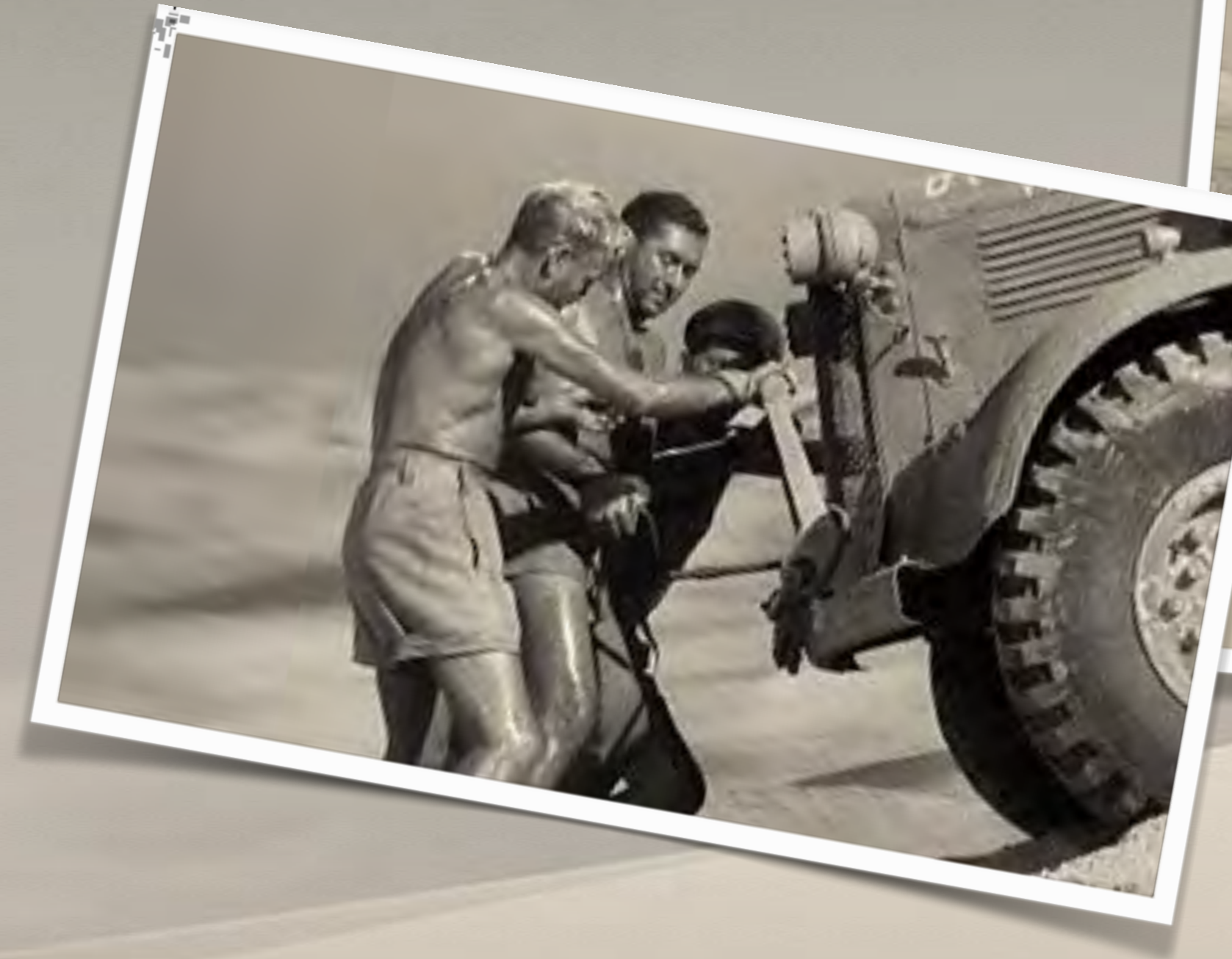
pensioner
survey

‘save from an earlier age’

‘plan for retirement from an early age’

‘save as much as possible!’





GOAL





FUTURE SELF

Stanford University



Hal Hershfield



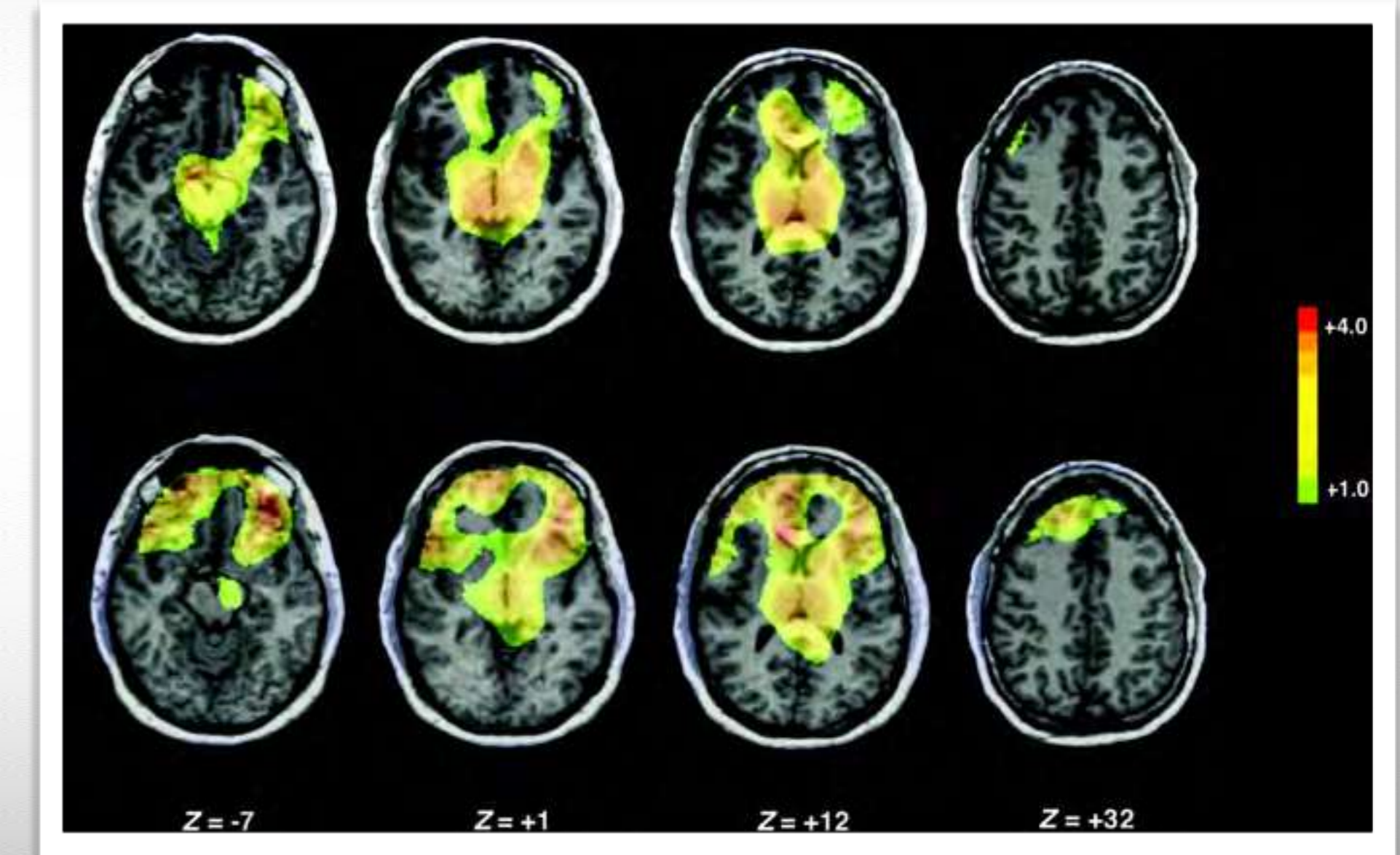
student volunteers



Natalie Portman



future self



Stanford
University



Hal Hershfield

2 groups

shown own face in photograph



shown own face digital altered 50 years older

Q.

how much of your salary would
you allocate to a retirement fund?

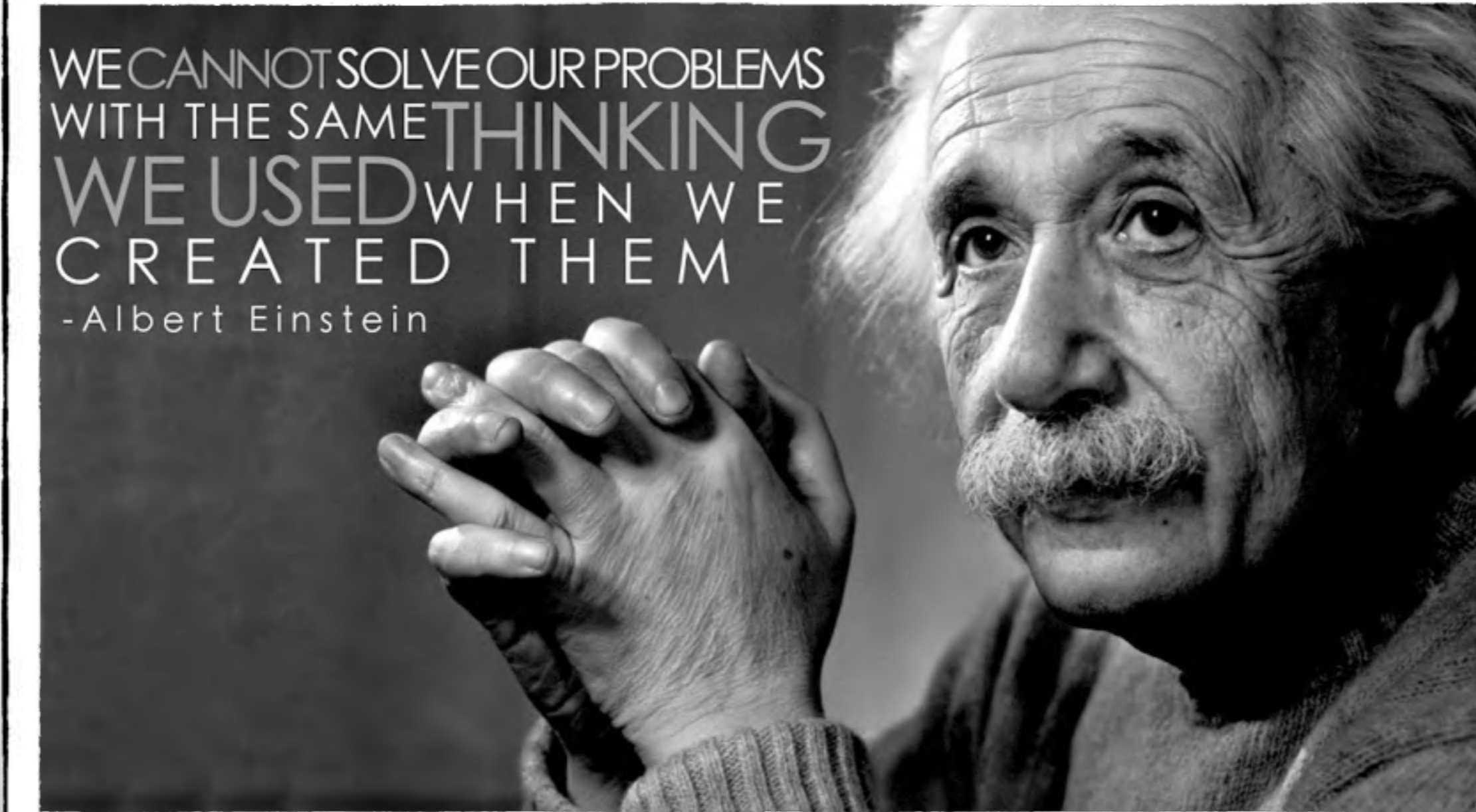
30% MORE!

IMAGINE RETIRING TOMORROW ...

R1 000 000

into inflation linked annuity \longrightarrow = R3 100 per month?

DAWIE DE VILLIERS 2014 ...



WE CANNOT SOLVE OUR PROBLEMS
WITH THE SAME **LANGUAGE** WE USED
TO CREATE THEM

LACK OF

PRESERVATION

dipping into our retirement savings as borrowing money from our future self, with little or no intention of ever paying it back.

SELF PRESERVATION

