

Isle of Man Pensions Survey



"some interesting insights into current attitudes"

Amber Buckingham
 abuckingham@bwcigroup.com



Since the signing of the Paris climate change agreement in 2015 we have been encouraged to be more aware of the way we treat the environment and protect the world for future generations. Social investment is one way in which we may be able to make adequate retirement provision whilst also contributing to positive changes both in our community and throughout the world.

What is social investment?

Social investment is an investment that is intended to provide a positive social impact, as well as financial return. Examples include loans to charities and social impact bonds (where the level of return you receive depends on the positive social impact of investment in a particular cause).

Another article in this edition of Bandwagon has highlighted that the UK has recently introduced a regulatory requirement for pension scheme

trustees to mention in their Statement of Investment Principles the extent to which they have taken ethical considerations into account in the selection, retention and realisation of investments.

What do the public think?

While trustees now have to consider socially responsible investment, what do pension scheme members think about it?

The Isle of Man Financial Services Authority has published the results of a survey into views around pension planning, as part of their "Pension Matters" campaign, to assess local residents' attitudes to, and knowledge of, pensions. The survey asked similar questions to a 2017 UK survey undertaken by the Chartered Institute for Securities and Investments. A comparison of the results of the two surveys provides some interesting insights into current attitudes.



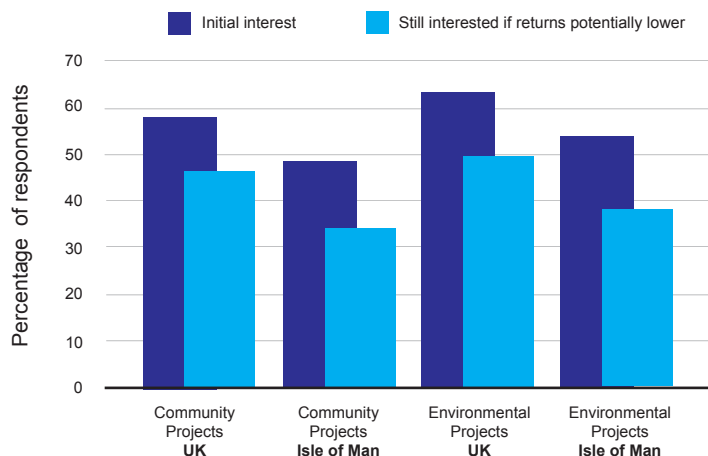
Location PO Box 68, Albert House
 South Esplanade, St Peter Port
 Guernsey, GY1 3BY
Tel +44 (0)1481 728432
Fax +44 (0)1481 724082
Web www.bwcigroup.com

Survey results

Most people surveyed felt they knew what a pension was (97% in both the UK and the Isle of Man). However, only 57% in the UK felt they knew how a pension worked, compared with 66% in the Isle of Man. Both surveys indicated that there was a significantly greater understanding of pensions amongst men than women.

Respondents to both surveys were asked for their views on whether they would be interested in investing their pension fund in social investments, such as community or environmental projects. They were also asked if the risk of a lower return would affect their views.

Overall, the surveys' results suggest that there was more interest in the UK in social investment than in the Isle of Man. There were also fewer respondents in the UK being discouraged by the possibility of lower returns. Interestingly, in both jurisdictions, environmental projects were slightly more popular than community projects.



Conclusion

While this analysis is based on the samples surveyed and is not necessarily representative of pension scheme members as a whole, the results do suggest that there is considerable interest in social investment, particularly environmental projects. Further details, including the full reports for the Isle of Man and UK surveys, can be found at:

<https://www.iomfsa.im/fsa-news/2018/oct/isle-of-man-pension-matters-what-are-manx-attitudes-to-pension-planning/>

<https://www.cisi.org/cisiweb2/cisi-website/misc-pages/yougov-pensions>