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## Technology: The key to bringing pensions and financial wellbeing closer together

Despite the turmoil and upheaval caused by the recent COVID-19 pandemic, the effectiveness of defined contribution (DC) standard investment strategies have generally stood up pretty well.

Older scheme members should have benefitted from the effects of lifestyling, which will have put a brake on their losses when stock markets fell. Those who are further away from retirement have the peace of mind that their investments will have time to recover before they need to access them. Both of these factors set pensions apart from many other forms of saving in the current environment.

By including minimum auto-enrolment employer contributions in its Coronavirus Job Retention Scheme payments, the government has also reinforced the importance of continuing to save for retirement, even in difficult times.

However, many scheme members will now need to review their wider financial wellbeing, including their retirement plans. Pension schemes must do all that they can to provide support as individuals rethink and reshape their finances, and to take this opportunity to encourage members to include pensions as a part of their everyday money management.

Too often workplace schemes have operated separate from other savings and at a distance from employees' broader financial planning. As a result, instead of seeing pensions as a part of planning for the long term, employees aren't engaged with their retirement savings. And yet, pension savings need to be seen as a constant drumbeat at every stage of financial planning and thought of as part of everyday spending.

Technology can play a major role to bring pensions closer to other aspects of employees' financial lives and help them to take control of their retirement savings. Aon is embracing this with the latest version of the Well One Money app. Employees who save into The Aon MasterTrust or the Bigblue Touch Group Personal Pension, as their workplace scheme, can automatically access Well One Money to support their financial planning.

By using features like Open Banking to build a picture of an employee's spending and saving habits, Well One Money can help members better understand how they spend and save at present, and where they might be able to make changes to achieve their retirement goals. Integrating the app with Aon's DC workplace pension schemes means that employees can seamlessly manage both their long-term and short-term financial goals in a single place.

Well One Money is also a great platform for using nudge techniques based on members' personal circumstances to support better money habits. Seemingly impossible undertakings for members, such as building a financial safety net or improving employees' standard of living for retirement, can become a reality when supported by small, achievable changes and suitable messaging. This can also be a great way to help members see the value of contributing regularly to a pension scheme by making it a more visible, tangible part of their finances.

Even before the COVID-19 outbreak, employees were already asking for more help with their financial wellbeing.

According to research from fintech specialists Moneyhub, 45% of employees said that their biggest priority was to simplify the process of planning for the long term. For savers in the middle years of their career, this is particularly pressing, with over 80% of respondents aged between 35 and 54 saying that they need help in this area. Aon's 2018 Living the Dream survey of DC pension scheme members reported similar findings, as only 41% of respondents felt they were saving enough for their long-term needs, including pensions.

Around a quarter of those surveyed by Moneyhub also said that they also wanted simpler ways to manage bills (24%) and to build up a savings buffer for the future (24%). Helping members with their wider financial wellbeing is also important for pension savings – by enabling members to manage their short-term finances more effectively, they will be in a better position to believe they can save for retirement.

Over the coming months, many scheme members will need to reshape their financial goals and retirement plans. Technology such as Well One Money, in conjunction with The Aon Master-Trust or Bigblue Touch GPP arrangement, can now make those goals more tangible and trackable. That, in turn, will make sure pensions take their proper place as part of good long-term financial planning.

For more information about Aon's Well One Money app, [click here](#)

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