

## USS members shape retirement saving for the future

USS has published the results of the largest ever survey of pension scheme members' attitudes to risk, and has revealed how its research has helped to develop the new USS Investment Builder due to launch this autumn.



The USS Investment Builder will be available to all 150,000 active members of the scheme, and any one joining the scheme in future; membership of this new section will be automatic in respect of salary above £55,000 but will be available to all members if they wish to make additional contributions. Each of the scheme's 370 participating employers has pledged to match the first 1% of any additional contributions made.

To support the design and development of this new section of the scheme the trustee has carried out a comprehensive programme of research, which included a survey of scheme members' attitudes to risk.

Building on the research, USS Investment Builder has been constructed to allow members to manage their defined contribution (DC) savings in two ways. Those members who want tailored products suited to their retirement needs and who want to be faced with few decisions have been identified as '**do it for me**' members. These members will be able to use the two lifestyle funds being offered by the trustee.

Those members who want to make active choices but who either want some additional help and support, or who are comfortable to make their own investment decisions, have been identified as '**let me do it**' members who will be able to choose from a range of alternative blended funds or stand-alone funds.

### Bill Galvin, Group Chief Executive Officer, said:

"USS is completely focussed on providing the best possible outcomes to employees of the higher education sector, and our product development has been informed by very comprehensive research and engagement with our members."

"The default strategy for members responds to what we were told about how members see their DC saving in the context of their overall retirement provision, so it will focus on growth for the majority of our members' working lives. Approaching retirement volatility is reduced, but some growth elements are retained right through to members' targeted retirement date. Members can of course change their contribution levels, risk profile and investment horizon by making simple choices, or engage more deeply in bespoke asset allocation decisions if they wish to do so."

"We are grateful to all the members, our research partners and others, who contributed to this research, the feedback has helped us to build an offer tailored to members' needs, at better value than the wider market."

Within the **let me do it** group members' needs varied between those who wanted clearly labelled higher/lower risk options, those who wanted to make their own investment and asset allocation decisions from a wider range of funds, and those who wished to make investment decisions based on ethical or religious beliefs.

Around half (49%) of USS members responding to the survey indicated they had a strong interest in ethical investment, an ethical lifestyle fund will therefore also be provided for those in the **do it for me** group, alongside a stand-alone ethical equity fund for those who wish to make more active choices.

Ten self-select funds will be made available providing members with a range of options for constructing their own investment portfolios, using the major building blocks in different asset classes but without undue cost or complexity.

### Professor David Blake, Director of the Pension Institute at Cass Business School, said:

"The USS survey of members is the largest ever conducted in the UK for exploring pension scheme members' attitudes to investment risk. The findings support our previous research which suggests that members' decisions about their retirement savings are often based more on perception of the investment world and themselves rather than on reality. The survey data have provided USS with a rich source of information from which they can draw upon to understand their members' attitudes to investment risk and develop their USS Investment Builder proposition specifically for the benefit of the academic sector as part of the new hybrid scheme."

### Related information



- Summary of the investment options
- Key findings from the research
- Policy beliefs
- USS Investment Builder a summary of research
- USS qualitative member research

### News and announcements

### Press releases



