



RE-RUN GENERATION REPORT





Mark Polson

Head of Customer
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Standard Life

They say that if you want to look for the source of power, follow the money. And that's what the financial industry has done for the last 20 years – followed the money that the baby boomers have accumulated during their extraordinary lives.

We're not complaining. It's worked great for us and them. But this preoccupation has led us to neglect a generation that will be almost the same size as the boomers and in the next decade will more than double their representation in the workplace. 28 to 40 year-olds are one of the most diverse and fragmented of all generations with a mindset and attitude entirely their own. They are the Re-Run Generation who've grown up in a culture that can't look to the future and finds comfort in the near past.

They're opting out. They're hoping for the best. They're rationalising on their feet, and as we'll see in this report, many of them are trusting to fate. But deep down they know that this won't wash. These are smart, educated, savvy people who know they aren't doing what they should be to secure their future.

This generation has it tough. The accidental accrual of valuable final salary pensions is ancient history. Inheritances are less certain than they were as third agers live for today (or face the stark reality of long-term care). Providing for their future is up to them. Yet they are not interested in pensions which relate to a future they can't imagine, let alone save for. Pensions are far money, more like a tax than savings.

Simply put, the financial services industry has failed to challenge or support this generation. Standard Life want to put that right – not just because it's the right thing to do but also because this generation are the boomer generation of tomorrow. They are where the money and the power will be – but only if someone can help them get on the road.

That's why we're launching the active money personal pension (AMPP), designed specifically to fit the way this generation want to live and save. AMPP is part of the active money lifeplan, an interconnected suite of pension vehicles designed to flex and grow as lives go on and needs change.

Our industry is renowned for finding something it wants to sell and trying to force it down people's throats. AMPP started with a conversation with customers and grew from there. It's inside-out financial services and we hope it's a good first step for the Re-Runners.

Each generation gets to remake the world in their own image. The baby boomers have had it their way for a long time. The Re-Runners are just getting started. It's going to be an exciting time.



Damian Barr

Author and journalist

Nostalgia is now. It's never been more fashionable or more fun to revel in the recent past. Music, fashion, film and television are all raiding the attic for ideas. We could take our retro obsession as far as bringing back another Tory government.

Prequel follows sequel follows remake follows reimagining as we extend the culture of our childhood and teens into our adult lives. But why? And at what cost?

The Re-Run Generation is 28-40, they're no longer young but not yet old. They are, or want to be, forever youthful.

They are Peter Pans who spend more time and money looking and feeling younger than their parents or grandparents. For them 40 is the new 30. I say they but I'm 33 and just as guilty as my peers of looking over my shoulder sighing for the past.

And why not?

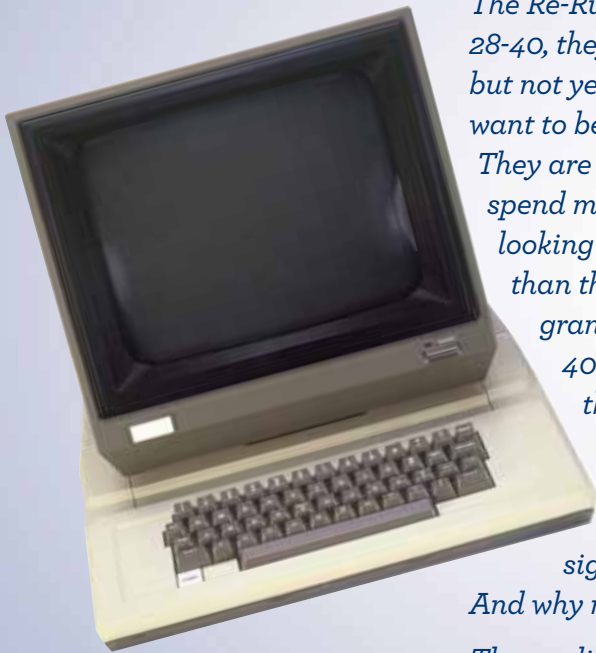
The credit-crunched eco-apocalyptic terror-tastic times we live in are, basically, not fun. We grew up with good times or at least the promise of them. New Labour. Cool Britannia. Post-Kyoto. Optimism was the order of our day. We hark back because the present is so relentlessly pessimistic. Perhaps we think that by reliving good times we can bring them back?

Yet the future, however uncertain, is inevitable. The

Standard Life research shows we know we're going to grow older and live longer than previous generations. We don't even think the State will give us much help. Yet still, we devote endless time, money and energy extending our youth. By making the past so much a part of the present we risk making our future riskier still. Nostalgia threatens to spiral into narcissism, an endless loop of re-runs.

There is little more boring or stressful than financial planning. Especially as financial products seems to be made with another, more stable, generation in mind. Re-Runners are more interested in what money enables us to do with our increasingly flexible fragmented lives and careers. Thanks to student loans, we are a generation skilled at juggling debts. Final salary pensions, where employers pay into a pot for your future retirement, are as much a thing of the past as free university education.

Financial products finally seem to be catching up with the new financial realities of the Re-Run Generation. We are the market now and the industry seems to be responding to our unique and challenging needs. So now we must split our focus between paying off the past and planning for the future.



The Cultural Context

What was the most recent film you saw? Chocolate you bought? Fashion trend you noticed? Or friend you spoke to on Facebook? If it was Star Trek, a Wispa, shoulder pads or school friend then don't fear you are entirely typical of someone who lived through the noughties.

More than any other decade, the last was about retro. Brands we knew from childhood were back on the shelves. Cartoons we'd loved became top grossing films and pop groups we'd consigned to history triumphantly returned to Wembley. Even wearing your school uniform out on a Friday night became (momentarily) cool as we rushed to get to School Disco.

In no small part, Facebook and other social media networks were to blame. Being able to track down Barry from Class 5 at junior school and finding out what he did last night was the new (work) pastime. Sharing embarrassing photos from your childhood, joining ageing pop groups fan sites, the past has never been as now.



Nostalgia rules UK

At London Fashion Week one in five designers cited a retro influence in their 2010 Autumn/Winter collection or overall design.

Almost half of the top ten grossing films in 2008 and 2009 were remakes.

Film versions of the cartoon Yogi Bear and series The A Team are amongst blockbusters planned for 2010.

One in five of UK TV channels predominantly broadcasts re-runs from the 70s, 80s and 90s .

128 major bands reformed in 2007-2009 with one in three of those who reformed having a number 1 hit .

Bands included Faith No More, New Kids on the Block, Take That, Blur, Spice Girls, All Saints, James, The Verve, The Police and Led Zeppelin.

In Campaign Magazine's review of advertising in the noughties, 1 in 5 of the top ten adverts for TV/cinema, press and posters had a retro theme.





The Re-Run Generation

The latest study from Standard Life considers the impact nostalgia has had on those aged 28 to 40 who became adults in the nineties and noughties. It found the nostalgia paradigm has played into the emotional weaknesses of this age group, encouraging people to look to the past rather than their future.

This age group is far more likely to be fascinated by things from their youth, feel happiest when they think about being young (and anxious about growing up) and love the return of retro. They in effect are the 'Re-Run Generation'.

Re-Runners are not unrealistic about the future, they know how long they are likely to live and even how long they are likely to be in retirement. But, they don't plan for what they know. Around a third (29%) even believe that their financial future could be secured by fate. And this is a problem. Just over a third (34%) of those in this age group think they will spend 20 years in retirement suggesting they may need to safeguard their future need to reality check their finances. To help, Standard Life has launched the active money personal pension, specifically designed to meet the needs of the 'Re-Run Generation'. For more information including tips and tools on planning for your financial future go to www.getarealitycheck.co.uk





Three in five (59%)

Think their generation is fascinated with things from their youth, which raises to 67%* of those who are anxious about growing up.

(*47% agree and 20% strongly agree)

Fifty percent

Agree with that 'my generation is nostalgic because youth was a great time and we now find ourselves struggling to meet expectations'



Sixty two percent

Think they will live into their 70s and 80s and 84%* know they cannot expect the state to support them in their retirement

(*36% said they know they cannot rely on the state at all and 48% said they would like to, but know that they have to make their own plans)

Four out of five (82%)

like or love the fact that retro brands from their youth are making a comeback (69% like this and 13% love it). Which goes up to 86%* if they are also anxious about getting older

(*71% like it and 15% love it)



One in three (33%)

feels anxious or scared about growing up and getting older and two in five (40%) feel other people their age have done more than them by now

Two thirds (67%)

plan 15 years or less ahead for their finances (the minimum age that this generation will typically retire at is 67) (Source: ONS, 2008). Just under one in three (29%)* believe fate will play a part in securing their financial future

(*23% agree and 5% strongly agree)



* All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2064 adults of which 475 were aged 28-40 years old. Fieldwork was undertaken between 30 December - 4 January 2010. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).



Fantasy financial planning?

Maybe it's time people gave their pension plans a reality check.

Their two year old son can kick a ball a good metre – surely the kind of talent that will earn him a fortune in the future. But what if he doesn't get signed to Barcelona after all?

We think people should make sure their financial plans match the reality of their future. So, from 30 January our Reality Check consumer campaign will encourage people aged under 40 to visit a financial adviser and review their pension plans. And when it comes to signing up exciting new clients for your business, our new **active money personal pension** will help you keep them onside.



To find out more visit
www.adviserzone.com/realitycheck
or speak to your account manager



Speak soon.

Case studies are available on request. For more information on the active money lifeplan or if there is anything more about Standard Life we can help you with, please call us.

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