

As we emerge from the Covid-19 pandemic, the true extent of the financial strain it has caused for companies, people and the country as a whole is not yet clear. Many lost their jobs and although the furlough scheme supported workers when their employers could not, this month (September) it has been entirely phased out.

Many in the pensions industry looked to support those in financial need during the pandemic, whether that was a company helping fund food banks or an individual raising money through a fun run, but the links between the pensions sector and charity pre-date the chaos caused by Covid-19. For decades, pension organisations have been assisting charities in supporting those who need financial education, a better quality of life in old age and help with their mental health, but more can still be done.

Forming a partnership

A key way in which those in the pensions industry support those in need is through the formation of partnerships with charities. Examples of partnerships include Rothesay's partnership with Age UK, Pension Insurance Corporation's partnerships with Independent Age UK and Rethink Mental Illness, XPS Pensions' partnerships with several charities, including Stonewall and Tax Help for Older People, and the Pension Protection Fund's (PPF) work with Dementia Friends [see boxout].

Aegon, which made a number of donations and conducted fundraisers during Covid-19, chooses a national charity and several local charities to partner with each year, as Aegon CEO, Mike Holliday-Williams, describes: "Each year, we raise funds across Aegon UK for a national charity and in addition, each location chooses to support one or two local charities. For our national charity, we look for organisations who have a close link to our purpose – helping people to achieve a lifetime of financial security and making a positive impact.

Summary

- The pensions industry's natural link to financial education and supporting people in having a comfortable life in retirement has helped forge partnerships with charities.
- This link intensified during the Covid-19 pandemic, when many pension organisations stepped up to help people and companies that were struggling with their finances.
- Despite the work between charities and the pensions sector, more can still be done to not only raise funds for those in need, but also to help people understand their pensions and wider finances.

Joining forces

As an industry that is heavily entrenched in the worlds of financial education and later-life living, the pensions sector may feel more responsibility than most to support charitable causes. Jack Gray investigates the work being done in partnerships between charities and pension firms

"For 2021, our chosen national charity is the Prince's Trust. The Trust gives young people the practical and financial support to move forward with their lives, helping them to gain a greater stake in our economy and society."

Five years ago, Hymans Robertson established the Hymans Robertson Foundation. The foundation is independent of the firm, explains Hymans Robertson corporate social responsibility manager, Sarah Gilmour: "The foundation has sole authority to shape the programme and decide on partnerships.

"We are really focused on developing strong relationships, supporting their employability programmes with funding and engaging with them to deliver financial education training."

Current charity partners of the foundation include Barnardo's, FARE Scotland, the Prince's Trust and SportsInspired, while it also has a 'hardship fund', with which it can provide emergency funding to overwhelmed charity partners. Hymans Robertson Foundation CEO, Marcella Boyle, notes that working directly with the charities is

essential in understanding the best way the industry can assist those in need.

"We do nothing without speaking to the charity partners – they are the people on the ground," Boyle says. "We absolutely trust the partners we work with, and in their relationships with young people in communities, and when they are inviting us to volunteer to support them they trust us, so it is mutual."

Holliday-Williams adds that Aegon's charity strategy is "heavily employee led" and the firm's role is to "nurture this spirit and help employees" by providing the framework and financial backing through matched fundraising.

Fruits of your labour

The impact of charitable endeavours should not be underestimated. A careful selection process and creating a strong, communicative relationship with charity partners can drive change in areas that need it most. As pension organisations, many focus their efforts on financial education, financial hardship and the mental health challenges that financial stress can cause.

“We had a lot of people who were comfortable dealing with financial education and we thought, to reach more people, we would need a more strategic approach,” comments Gilmour. “We expanded our network of charity partnerships and really focused on developing strong relationships. We were supporting their employability programmes with funding and engaging with them to deliver financial education training.”

A close relationship with charities can create tangible evidence that an individual, firm or foundation is making a difference, which can help drive further charity work, as Holliday-Williams explains: “Over the years employees have volunteered at local primary school breakfast clubs, remodelled playgrounds, participated in dress down Fridays and charitable giving through payroll in addition to all the more formal events and challenges, and volunteering has

become a priority for many.”

Boyle adds that the Hymans Robertson Foundation has a charity partner speaking at every board meeting, which “really strengthens” the links between the foundation and its partners. “From the ‘on the ground’ point of view the board hears what impact the funding is making, so we are never far removed from hearing from charity partners,” she notes.

More ways than one

Donations, fundraising and volunteering are not the only ways pension professionals can help charities. GJH Pensions director, Gareth Hopkins, established the Charities Pensions Club (CPC) in 2016 to help charities ensure they are practising good governance within their own pension schemes. The group meets and discusses what pension-related issues charities are struggling with, and how they might overcome them.

“Charities are an interesting sector because they have to spend their money carefully,” Hopkins states. “One of the purposes of the club is bypassing consultancy if they can. It’s ‘let’s use what resource you do have.’

“In terms of those who attend, it’s people such as in-house pensions managers and finance directors. They will discuss amongst themselves the issues they are having to understand what the potentially most cost-effective way to go about resolving any issues they have might be.

“It is also ensuring, from a governance perspective, that they are doing the right things with those market comparators. For that industry, there is a reputational risk if they are spending too much on one thing.”

The CPC is evidence that the pensions industry’s involvement with charities can take many forms, with all having their role to play in helping those in need.

➤ **Written by Jack Gray**



➤ Dementia Friends

In an industry that supports people later in life, much of the charity work undertaken is with charities that support the older generations. One example is the PPF’s work with Dementia Friends, a programme run by the Alzheimer’s Society that aims to change peoples’ perceptions of dementia.

“Protecting our most vulnerable members is a key priority for us and it made complete sense for us to not only partner with the Alzheimer’s Society, but to support them as our corporate charity,” says PPF chief customer officer, Sara Protheroe.

“Through delivering the Dementia Friends awareness sessions to all our member-facing employees, we can feel confident knowing our most vulnerable members are supported when they get in touch.”

Protheroe notes that two in every 100 people aged between 65 and 69 have dementia, with this being a “key time” for pension savers when making decisions about their retirement.

“We believe it’s extremely important for pension schemes to ensure their member-facing employees are able to quickly identify the signs of dementia so they can best support their most vulnerable members, especially at this critical time,” she adds.

“One of the key techniques that can help make a difference is understanding dementia and how to respond to it. That’s why the training team use real life stories, illustrations and key phrases, to encourage participants to think more broadly about their family, friends, strangers, as well as our members.”