

Where is God in Pensions?

Tony Hodges draws attention to the coming crisis in pension provision, leading to poverty in old age, and major social consequences. He argues that God is indeed concerned, and draws on the biblical arrangements for provision for old people by family, but suggests that in today's world, God is using pensions to provide for us in our old age. However, we need to be aware of the need for savings for the future.

Why I've been committed to Pensions

As a Christian who has worked in the field of pensions for 30 years I have to admit that I do find them interesting – but not for the reasons you might think. They challenge my faith and force me to ask deep questions about our attitude to money, how investment works and how the original intention of an idea designed to bless people can morph into an administrative machine where people are reduced to a cell in a spreadsheet.

Now aged 68 and chairman of an 80 person pension communications company with offices on three continents, you might think I find the technical side of pensions riveting. I do not. I find it extremely

difficult and quite boring. But that's why I do what I do. Pensions are so important to the long-term wellbeing of our society that it's vital we help people engage with them. People need to be in the best position to make wise decisions. I want to help them see when there are important pensions decisions to be made during their career. I want people to know how to make a good decision. I do what I do, therefore, through a sense of calling.

I was educated in an area far from pensions, but found myself in 1987 led to a job advising large companies on how best to explain their company pension scheme to employees. I had been converted many years prior to this while reading *Mere Christianity*

by C S Lewis. By way of personal preference, I would not have gone the way I have been led. However, once we surrender to Christ, our lives are no longer our own, and if His way for me was to be 'in pensions' then that was the way I had to go. Our pilgrimages differ but have the same purpose and destination, which is to glorify Him.

The Concern

Despite Jesus' injunction "Do not worry about your life" (Mt 6.25), many Christians are deeply concerned. The current uncertain economic environment has seen pension deficits balloon and trust shattered. Young people, saddled with student debt, worry about how



they can afford a pension – or if without one, whether they must continue working ‘forever’. The public is worried about the impact of Brexit and this, together with the recent US election result, has caused pensions assets to shrink further as the value of the pound reduces. There is also concern at the highest levels of government. Experts know that many pension schemes are going to run out of money and not be able to pay their promised benefits. We seem to be moving towards social unrest, division, deprivation and anxiety through a lack of long-term planning. The short-term election cycle is no help: governments are unwilling to make the choices that will secure our long-term future because to do so might make them unelectable.

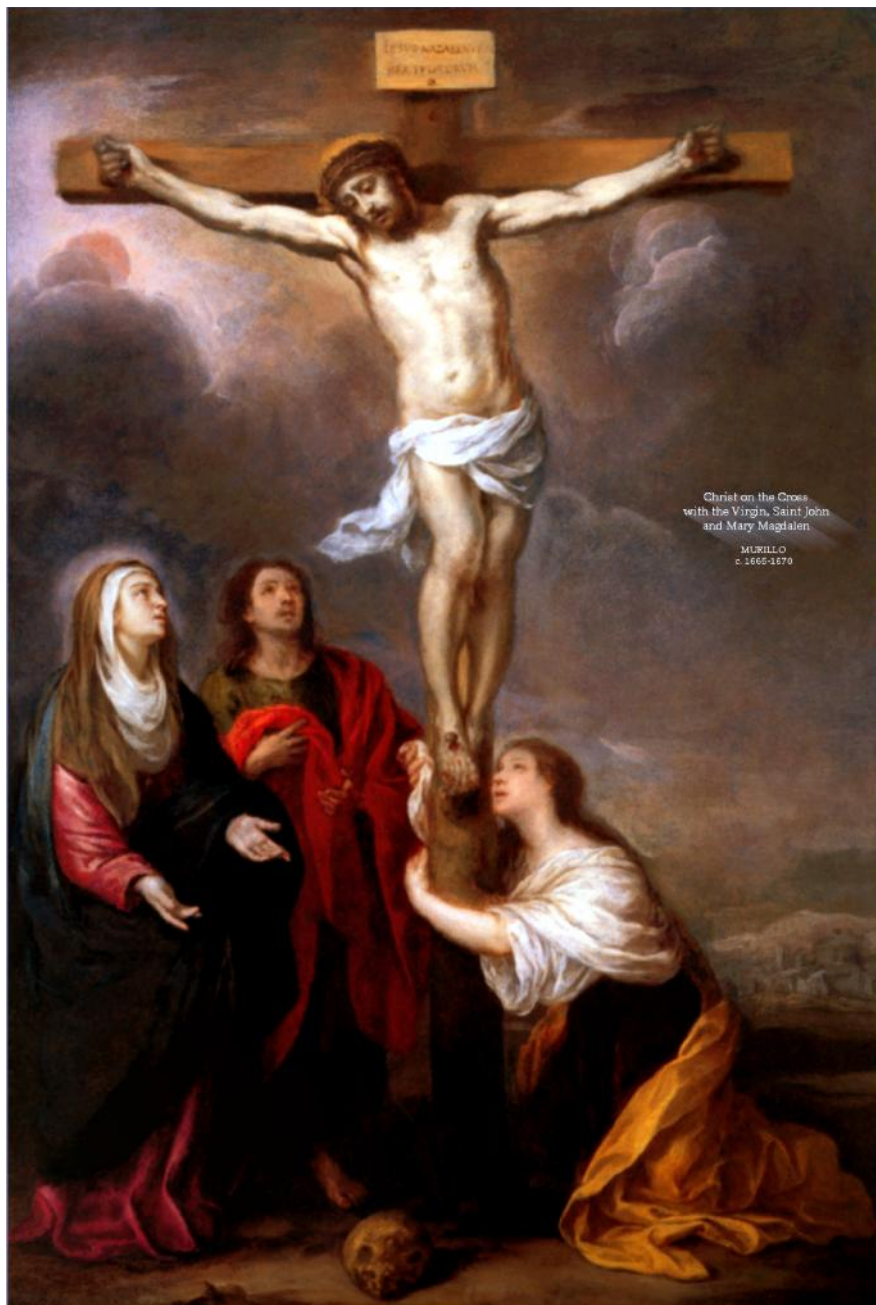
Pensions are about People

My concerns are widely shared. At a recent pensions conference I attended in Australia, this question came up again and again: ‘How do we get people engaged, willing to save and more active in pension decision-making?’ The pensions manager of a £26bn pension scheme with 300,000 members was challenged by the same question. I explained that we cannot get people engaged until we understand the nature of the communication problem.

Engagement is not about pensions, it’s about people. Our understanding of what a person is will determine how we communicate. As Christians, we understand that each person is made in the image of God. This is at odds with a pensions culture where the solution often seems to be just to provide more and more information. The bewildered member simply does not know what to do with it.

Pensions: our Attitude and God’s

Pensions are about our future quality of life. In a world besotted with living in the now, we struggle, as Kierkegaard said, to be weaned from the momentary. Pensions may not be



Provision

“Woman behold your son” - Jesus provides for his mother.
Christ on the Cross, 1665, Bartolomé Esteban Murillo.
Princeton University Art Museum, Princeton, NJ, US.

eternal but they are certainly long-term. The famous quote about cricket may apply: “The English, not being a naturally religious race, invented the game of cricket to give themselves a sense of eternity!” The same can be said of pensions. The spirit of the world says “have all you want, and have it today”. Pensions say “you’ll have to wait”.

Pensions are about provision – and so is God. The first recorded new

name of God after Elohim and Adonai is Jehovah Jireh, the Lord our Provider. Abraham encountered God providing a lamb on Mount Moriah to save Isaac and exclaimed “Jehovah Jireh!” (Gen 22.14). The origin of the word ‘provision’ is instructive. The Latin ‘pro’ and ‘vide’ mean ‘for’ and ‘see’. The bible tells us that where God foresees he provides. ‘God sees’ is always a prelude to ‘God acts’. Foreseeing is something Jesus spoke about. Where possible he wants us to

foresee, as in his parable about the man building a tower or the king going to war (Luke 14.28-32).

Financial planning is about another type of war: working out whether we can win the battle for a future standard of living. Jesus' teaching in the Sermon on the Mount (Mt 5-7) says a great deal about money, treasure and attitude. "The birds of the air do not sow or reap or store away in barns, yet your heavenly Father feeds them" (Mt 6.26). "Store up for yourselves treasure in heaven" (Mt6.20). Jesus was unequivocal about our motivation. Our faith should not be in a pension but in God. We should see our future provision always as from God. God may choose to use a pension fund but He is always to be understood as our first and ultimate source and provider.

Pensions and the Kingdom of God

So what have pensions to do with the Kingdom of God? The answer is 'everything' because God is concerned about the alleviation of poverty in old age. Psalm 71.18 reflects the yearning of the elderly believer: "Even when I am old and grey, do not forsake me, my God," while Psalm 37.25 declares, "I was young and now I am old, yet I have never seen the righteous forsaken or their children begging bread. They are always generous and lend freely.."

God embedded pensions - the idea of future financial protection - into everyday life through his design of the multi-generational family. The way God spells 'pension' in the Old Testament is 'children' (Psalm 127.5). God's speaks of our children as arrows in a quiver. Provision for old age wasn't meant originally to be an old folk's home, it was meant to be within the loving confines of a God-fearing family, where the frail were looked after and loved by responsible offspring who knew in turn that their children would look after them. But with the breakdown of family structure, society has had to find other ways of looking after its

ageing population. So the modern pensions system was born.

God is interested because pensions are meaningless without people and God's first interest is people. He cares about the desires of our hearts, knowing that we can only be satisfied when we are trained to discern His will in every situation, and committed to putting that discerned will into practice. We are to see pensions as we are to see all things, in the light of the Kingdom and the teaching of Jesus.

At the heart of the gospel are the two injunctions, "You shall love the Lord your God with all your heart and all your soul and all your might, and you shall love your neighbour as yourself." Loving your neighbour as yourself is related to another Old Testament idea, that we are our brother's keeper. The bedrock of pensions thinking for many years in the UK has been this essentially Judeo-Christian concept. It is embedded in the idea of a legal entity called a trust. A trust works on the basis of someone looking after your best interests with what is entrusted to their care. Trustees have a legal (fiduciary) responsibility to act 'as their brothers' keeper'. After extensive studies by the government in recent years as to the best governance structure for our pensions system, the unanimous conclusion was that Trust Law affords the best means of protection for employees' pensions. No wonder the system has worked so well. You can never beat God's way.

Pensions are a primary social good and designed for our wellbeing. Employer pension schemes are run at

considerable expense by dedicated professionals and with employers who understand the importance of long-term retirement provision in society. Fortunately there are many Christians in the pensions industry working hard for the best of their members. Of all the industries I've worked in during my 52-year career I've found pensions to be the most upright.

The Problems with Pensions

But we as a society are faced with massive changes.

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Firstly, pensions require stock markets to perform well, and the stark reality is that they haven't and do not look as though they will do for some time. In the 60 years since so-called modern pensions have existed, there has never been such a long period of poor market performance. This leads to growing financial strains in society.

Secondly, never, since records began, have we lived so long. Increasingly, the young are asking why they should have to fund the old. It should be no

surprise that the government already has a department that studies intergenerational tension.

A third problem is what appears to be a manifest injustice. 'Blank cheque' local authority pensions are slowly creating a two-tier society. Those working in local government will get a guaranteed pension related to their final salary. Their neighbours outside the public sector will largely be left to fend for themselves.

Speaking humanly, right now the future for pensions is bleak.

The reason this should concern us is that, as Christians, the church will

encounter more and more of the societal damage that occurs when the economy is weak. Marriages, families and jobs suffer as a result of financial stress. The key phrase in HR conferences these days, and a word that we will hear repeatedly, is 'resilience'. This is the world's nice way of saying 'the ability to handle stress'. When a section of society does not have enough money to live on it suffers a lack of wellbeing. A long period in retirement without sufficient income compounds loneliness, reduces the quality of life, accelerates ill health, fractures weak marriages and makes life just plain hard. Additionally, reduced pensions mean reduced tax income. Reduced tax income means fewer schools, hospitals, police and social services.

The Problem of Engagement

Experts in the pension field estimate that about a quarter of certain types of occupational pension fund are likely to default. Should trustees tell everyone, without knowing which funds default? It leaves communicators with a dilemma as to the advice they give. Do they take the path of extreme truth or balance it with compassion? Do they raise the anxiety level among pension scheme members by telling them that things are going to be bad for some, without knowing whom this will affect? Or do they tell everyone and raise the level of anxiety unnecessarily?

The issue of member engagement has emerged ever more strongly in the past 30 years. Member engagement, or rather, member disengagement, worries governments who know that without sufficient savings, taxes will have to rise. Governments around the world worry that their populations are not saving enough. They see a mounting catastrophe. And they are right. Millions of people will eventually face a large shortfall in their pension income, especially the young who, burdened with student debt, want to defer saving. The

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problem of disengagement is huge.

In this there are parallels with the Christian faith. There is a problem of disengagement. There are echoes of salvation in pensions: the promise of long-term reward through a current sacrifice and a 'leap of faith'. On the surface, pensions, like the Christian faith, appear to be a dry and boring subject

that spoils our enjoyment now. The dynamic vitality of the risen Lord Jesus in our midst is neither understood nor experienced. In an age when the spirit of the world is immediate gratification, the long-term nature of anything is questioned. This all puts pensions very low in the 'am I interested?' stakes. Perhaps if we could engage people with the long term nature of

pensions, it might give help to present the

There is a more important longer term issue we must all confront: our eternal salvation.

Pensions and the Christian Conscience

Christians are to be the conscience of society. As a committed member of the pension provider's profession and a committed Christian, the coming pensions crisis is a subject that exercises me considerably. The nation is simply not saving enough. It has been described as 'a nation sleepwalking into a pensions desert' and 'this generation is eating the lunch of the next'.

Our young people, burdened with student debt, are unlikely to see the golden age of pensions that is currently passing. Low market returns and increased longevity mean that if things do not change drastically, they will be consigned to a much longer working life and/or a much lower standard of living.

With markets set to perform with mediocrity for decades it is hard to see how much improvement can be engineered into the situation. Churches and Christians generally need to focus on issues with the widest societal impact. Pensions are just such an issue.

I started by asking, "Where is God in pensions?" For the seeking Christian, he is where he should be: in everything, right at the centre. It is up to those of us in the industry to do what Christians everywhere in every industry are called to do: to discern his Kingdom and put it into practice. Pensions are no exception. 📺



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