HAS IT OVERTAKEN PENSIONS AS THE MOST LUCRATIVE INVESTMENT FOR RETIREMENT?

Bank of England chief economist Andy Haldane was labelled ‘irresponsible’ by Tom McPhail of Hargreaves Lansdown for advocating investing in property rather than a pension scheme. But is Haldane justified?

**Key findings on the Office for National Statistics’ Wealth in Great Britain:**
Early Indicators Estimates from the Wealth and Assets Survey
Wave 5: July 2014 to December 2015

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**Fig. I. “Which option would make the most of your money?” (Jul 2014 to Dec 2015)**

- Property: 45%
- Other: 30%
- Employer pension: 25%

**Fig. II. “Which option would make the most of your money?”**

- Property: 50%
- Employer pension: 45%
- Other: 5%

**Fig. III. “I understand enough about pensions to decide about saving for retirement”**

- Agree: 20%
- Neither agree nor disagree: 60%
- Disagree: 20%

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**Personal Development at ONS**

**Statistical Skills Developed**

- **Dummy Variables**
  - I split multivariable questions (those requiring respondents to check all that apply, instead of one single answer) into dummy variables to generate time-series and cumulative frequency counts.

- **Overcoming Reliability Issues**
  - I evaluated different effects of proxy approximation weights, since the Early Indicators Article samples is only a subset of the full survey’s population. Full weights are not yet available, adversely affecting sampling variation (i.e. in oversampling the wealthy).

- **Familiarity with Statistical Methodology**
  - I selected indicators from the WAS dataset to target the appropriate elements of economic wellbeing, namely saving for retirement, credit commitments, debt burden and funding for pensions.

- **Familiarity with Statistical Software**
  - Independent work on SPSS let me appreciate the utility of statistical problems, e.g. significance testing, multicollinearity, in real world contexts.

**Professional Skills Developed**

- **Adaptability**
  - I quickly adapted training in Stata to SPSS interface and applied statistical skills I developed in my quantitative studies, e.g. in coding dummy variables and recoding scalar variables (such as age) into ordinal variables.

- **Time Management**
  - I cooperated with the Methodologies department on dataset weighting and thought ahead to prepare the SPSS syntax beforehand, thus maximising my productivity.

- **Teamwork & Problem Solving**
  - Working in a team entailed a proactive attitude to helping my co-workers. I acted independently by applying further data analyses to lessen the team’s workload. I applied skills I learned in Excel training to identify the largest changes in data across proxy weights.

- **Dealing with Clients**
  - Writing the Early Indicators Article required a sensitive understanding of ONS’ audience. ONS provides statistical information not only to the public sector in the UK, but also to major private firms nationally and internationally.

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**Areas for Improvement**

- Greater savvy about SPSS and statistical concepts.
- Expand technical skillset to other media of statistical programming, e.g. Python, R.
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