14th Annual Retirement Policy Conference

Progress Amid Turbulence: Building Towards a Secure Retirement

February 28, 2023
Keynote
The Unintended Consequences of UK Pension Regs

Stephen McCourt
Managing Principal/Co-CEO
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Why the UK Pension Crisis Matters to the US

Speaker: Stephen McCourt, Co-CEO

February 28, 2023
Why the UK Pension Crisis Matters to the US

LDI ("Liability Driven Investing") Strategies have stripped the UK of a critical source of domestic savings.

UK Defined Benefit Plan Assets
- $3.0 trillion
- 110% of GDP
- $90 billion UK equities
- 3% UK equity market cap

US Defined Benefit Plan Assets
- $17 trillion
- 83% of GDP
- $5 trillion US equities
- 11% US equity market cap

2. Department of Labor, Federal Reserve.
3. Financial Times, “Is there a pot of pension money to rehabilitate UK plc?”, Helen Thomas, February 7, 2023. In 2000, nearly 50% of pension assets were invested in UK assets.
UK Plan Sponsors have allocated unnecessary (and valuable) capital to their Defined Benefit Plans that could have been deployed more productively.