



**Derailing the future
of economic growth:
Demographic risks
and financing
pressures facing the
UK SME economy**

Written by

The
Economist

Intelligence
Unit

Contents

Foreword	3
Executive summary	4
Trapped at the business helm	6
The 'capital-lite', 'Babybust' generation	9
The big squeeze: finance & regeneration	11
The challenge of transferring the business to the next generation	13
A potential long-term growth penalty for the UK economy	15

About this report

In November 2012, the Economist Intelligence Unit, on behalf of Zurich, surveyed 549 small business owners and directors in the UK to explore what SMEs think about the current economic landscape and how they are adapting in order to survive and succeed.

In addition, in-depth interviews were conducted with two SME experts. Our thanks are due to the following for their time and insight:

Clive Lewis, Head of Enterprise at the Institute of Chartered Accountants in England and Wales

Grainia Long, Chief Executive of the Chartered Institute of Housing

Priyen Patel, Policy Adviser at the Federation of Small Businesses

Stephen Roper, Director of the Enterprise Research Centre and Professor at Warwick Business School

The report was written by Anna Lawlor and edited by Monica Woodley of the Economist Intelligence Unit.

Foreword



Today, small business owners, economists, institutions and government are beginning to look further into the future with regards to risk; no doubt, in part, due to the short-termism which resulted in the financial crisis. As part of this, it is becoming widely recognised that the UK is facing a major demographic challenge, with the ageing population becoming an increasing socio-economic risk.

Much focus has been given to the demographic 'timebomb' in relation to healthcare and welfare provision, national debt and wider social implications. However, it is notable that there has been less attention given to the implications for the small business and the UK SME sector, the very lifeblood of the national economy and employment. Ninety-nine per cent (99%) of UK firms are small businesses¹.

When commissioning this research, we were interested in the potential long-term economic risk associated with declining rates of capital and savings in the younger generation (Generation X and Y) and this trend's implications for the SME sector, in which personal finance plays a critical role. *What might a 'capital-lite' generation mean for the regeneration and long-term vitality of the SME economy?*

Personal capital, whether in the form of savings or home equity, plays a critical role in SME resilience. It often provides the financing for start-up formation; the economic means to grow the business through various stages; and, perhaps most importantly, the reserving mechanism to manage downturns in the economic cycle and demand.

A small business owner's equity within their firm is also often the sole means of financial support for personal retirement. An owner unable to release this equity through sale or generational transfer of the business may be forced to work long past state retirement age – and this lack of 'generational renewal' can impact business sustainability over time.

This year's WEF Global Risk report² cites 'severe income disparity' as the top global risk most likely to manifest itself over the next 10 years. For the SME sector, we see this also linked to 'wealth disparity' between the 'baby-boomer' and capital-lite 'baby-bust' generations; indeed, baby-boomers currently hold 80% of the net personal wealth within the UK economy³. It is this wealth distribution – and its impact on the SME sector – that may lead to an emerging long-term economic risk, or *growth penalty*, for the UK.

The SME sector is the engine room of the economy, both in terms of long-term resilience and sustainable growth. This potential demographic risk is, as of yet, un-recognised and represents a significant issue for debate amongst the business community, policy-makers and indeed society today.



Richard Coleman
Director, SME
UK General Insurance
Zurich Insurance plc

¹FSB: Small Business Statistics 2012 (<http://www.fsb.org.uk/stats>)

²Global Risks 2013, World Economic Forum

³Generation "bust" banked less than baby boomers in their youth, CII, January 9, 2012

Executive summary

The UK's small and medium-sized enterprises (SMEs) face a complex mix of demographic and financing pressures – as baby-boomers reach retirement age – with worrying consequences for both SMEs themselves and the broader UK economy.

A survey of 549 SMEs, conducted by The Economist Intelligence Unit on behalf of global insurer Zurich, finds a dangerous conflation of shifting age demographics, poor succession planning, dwindling pension incomes and a new generation of would-be entrepreneurs stifled by poor access to start-up funding and low levels of personal capital. This combination is likely to create business challenges that may act as a drag on the UK's economic growth in the long term.

Almost two-thirds (63%) of small-business owners are aged over 50, with just 11% aged 40 or younger. This age profile might imply that most survey respondents are preparing for retirement, but of those aged over 60, just one-third (36%) say that they have a clear succession plan for transferring ownership and control of the business – meaning that SMEs may be significantly under-prepared for the retirement of their owners.

However, these baby-boomers may not be planning for succession because they are not willing or able to stop working yet. Just two-fifths of survey respondents aged over 60 say that they are currently dealing with their retirement, or expect to have to do so in the next five years.

The reality of having to 'work 'til you drop' is the product of increasing longevity, poor market returns affecting pensions – or lack of a pension entirely – and a lack of finance that would allow younger entrepreneurs to buy-out the businesses of the older generation. The top three concerns of respondents regarding the sale or transfer of control of their businesses in the next five years are a limited number of buyers, limited access to finance for prospective buyers and availability of capital for the next generation.

But this is not just a problem for small-business owners who are unable to move on. The ageing of SME owners and the workforce, as with the ageing of the overall workforce, has implications for the growth prospects of SMEs – as well as the wider economy – in terms of productivity, pay growth, domestic demand and overall growth.

The implication could be a 'growth penalty' on the UK economy, just as it is reeling from the volatility of multiple recessions and continuing economic stagnation.

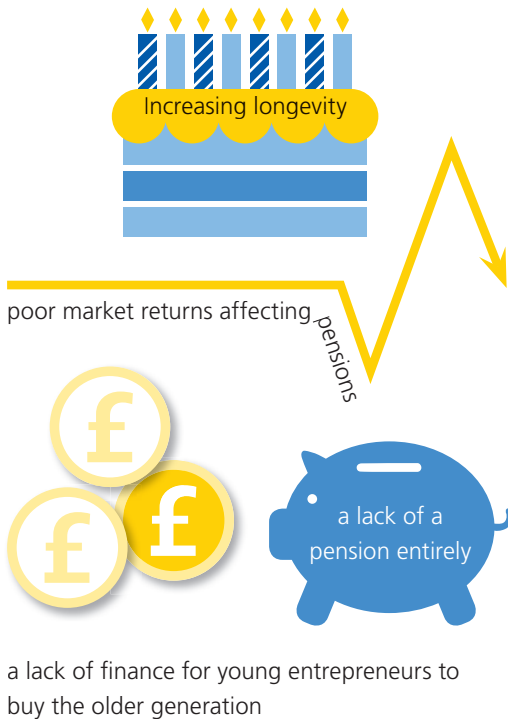
The complex mix of demographic and financing pressures

Trapped at the business helm

Just **40%** of UK SME owners aged over 60 are currently dealing with their retirement



They are having to **'work 'til you drop'** because of:



Just **36%** of SME owners age 60 have a **clear succession plan**

Top concerns of UK SME owners about selling their businesses:



Source: Economist Intelligence Unit

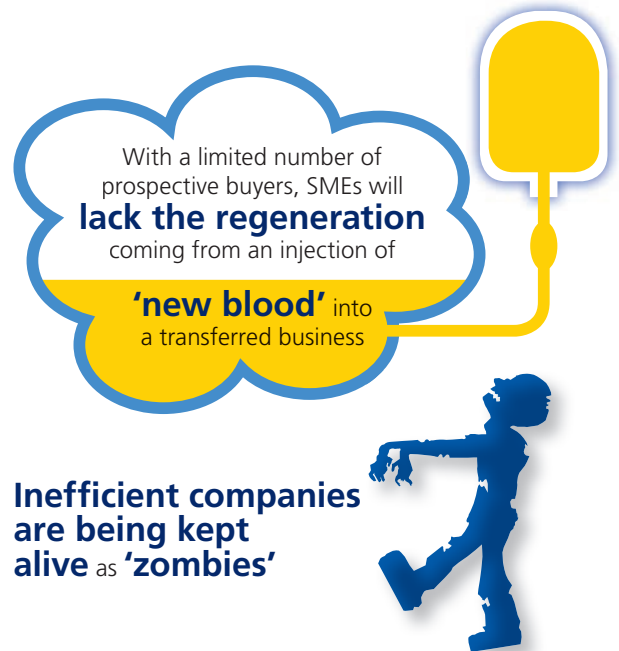
The 'BabyBust' generation

Babyboomers' offspring Generations X & Y

are more indebted and **'capital-lite'** due to:



An army of 'zombie' SMEs



Inefficient companies are being kept alive as 'zombies'

A long-term growth penalty

The ageing of SME owners has implications for the growth prospects of SMEs and the wider economy in terms of **productivity**, pay growth, domestic **demand** and overall **growth**



Trapped at the business helm

The lack of SME succession planning has been compounded by poor pension provision by small business owners. Almost one-half of this group – 1.3m people – have no pension savings at all and 18% plan never to retire⁴. Almost one-third (29%) admit that they will be reliant on a state pension when they do retire, significantly higher than the 16% of people reliant on a state pension across all employment types. Of business owners without a pension, 63% said that they do not plan to start one in the future, compared with 13% who said that they did and 24% who were undecided.

Clive Lewis is Head of Enterprise at ICAEW, a world leading professional membership organisation that promotes, develops and supports over 140,000 chartered accountants worldwide.

Clive Lewis, the Head of Enterprise at the Institute of Chartered Accountants in England and Wales (ICAEW), says: “It always used to be that business owners almost saw their business as their pension, which they would sell out of and realise that sum. Now, because annuity rates are so poor, interest rates are so low and the capital sum they would need to retire at (is so large), it means that they are currently better off carrying on running the business”.

He adds: “For as long as annuity rates and interest rates remain low, this will continue to be the case. The average age of many professions is getting older, with people working past the age that 10 years ago they would have otherwise retired at.”

Drawing from the business ‘pension pot’

Under current legislation, the current state pension age will rise from 60 for women and 65 for men, to 66 for both between 2018 and 2020, and then to 67 between 2026 and 2028. The national retirement age (and the inherent state pension liabilities) are politically contentious and have attracted an inconsistent policy approach by various political parties. Current government plans are for five-yearly reviews of the national retirement age.

Even so, the state pension was always designed as a social safety net, not as a default pension. Currently, the maximum state pension is £107.45 per week. While it is hard to determine the average salary levels of UK small-business owners, the average annual earnings of £26,500 for full-time workers in the UK dwarfs the annual income of £5,602⁵ from a state pension.

Priyen Patel is a Policy Adviser at the Federation of Small Businesses (FSB), the UK’s largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms.

Priyen Patel, a Policy Adviser at the Federation of Small Businesses (FSB), says: “We’re seeing an increase in those continuing to work past retirement age. A lot (of small-business owners) will have thought they would get a certain level of retirement income, which probably will not be achieved now and there is a funding gap for the lifestyle they want and expect. Living longer, and the expense of living longer, is a consideration for them”.

Business owners without a private pension who are reliant on the sale of their business to fund retirement provision are stuck in limbo following the financial crisis. Data from Sellability Score, an online ‘sellability’ ranking tool, last year found that 40% of small-business owners would walk away from their business tomorrow for less than £500,000, and one-third said that at least one-half of their retirement income would be funded by the sale of their business.

⁴Prudential, October 2012. http://www.pru.co.uk/guides_tools/articles/801462224-Almost-half-of-b/

⁵Office of National Statistics

The impact of poor planning on business sustainability and risk

Just 3% of survey respondents are aged over 70 (with the largest proportion of those, 35%, working as sole traders) but more than one-fifth (21%) are aged 61-70 and traditionally should be either retired or preparing for retirement.

Yet the survey found a surprising lack of preparation for retirement on the part of the business owner. Just over one-third (36%) of respondents say that they have a clear succession plan for transferring ownership and control of the business. This figure rises to just 45% for those who say that they are currently dealing with the retirement of the owner, or expect to do so within the next five years. Unsurprisingly, the highest levels of preparation are among the group aged 71+, but even there, less than one-half (47%) say that they have a clear succession plan.

However, SMEs do recognise that their lack of preparedness for business transfer is a challenge. Over one-half (56%) of respondents agree that SME owners wait too long before thinking about succession planning. The impact of procrastination is even more apparent to those currently dealing with the retirement of the business owner or who expect to do so in the next five years – almost two-thirds (64%) believe that SME owners wait too long to figure out succession.

	We have a clear succession plan for transferring ownership and control of the business			SME owners wait too long before thinking about succession planning		
	Agree	Disagree	Don't know/not relevant	Agree	Disagree	Don't know/not relevant
Currently dealing with retirement of the owner/ expect to deal with it in the next five years	45%	28%	27%	64%	16%	20%
Not currently an issue	27%	25%	48%	48%	15%	37%

Source: The Economist Intelligence Unit.

So are SME owners just burying their heads in the sand about the future? Or is the lack of succession planning a sign that many do not believe that they will be able to retire any time soon?

The survey finds a multitude of factors influencing small-business owners to work longer and remain at the helm of their business, including poor pension provision and lack of buyers, as well as concerns about the next generation's ability to 'take the reins' of their business successfully.

Trapped at the business helm

Table 3

	I am concerned that the retirement of the owner will have a negative impact on the company's performance	The next generation has different ideas about how the business should be run
Agree	27%	39%
Disagree	38%	19%
Don't know/not relevant	36%	42%

Source: The Economist Intelligence Unit.

Whatever the drivers, the result of SMEs being ill-prepared to transfer business ownership – paving the way for the existing owner's retirement – will challenge the next generation of SME owners. The top concerns of survey respondents who are currently selling or transferring control of their business – or expect to do so in the next five years – are a limited number of buyers, availability of capital for the next generation and limited access to finance for prospective buyers.

Lord Andrew Turnbull, a former head of the civil service, wrote in *The New Demographics: Reshaping the world of work and retirement report*⁶ in 2007: "If the first generation saves and accumulates assets, it can only turn those into cash to spend in retirement by selling them to the following generation. If the following generation fails to save enough, the price it gets for its assets will be poor". Post-financial crisis, the challenge facing UK SMEs is not so much the prospect of a severely reduced price being offered for the business – although this may also be the case – but more that the next generation of business owners have limited personal wealth with which to invest and do not have sufficient access to start-up loans.

⁶http://www.smf.co.uk/files/2413/2317/5103/The_New_Demographics.pdf

The 'capital-lite', 'Babybust' generation

According to the latest *SME Finance Monitor*⁷ report by BDRC Continental, a market research firm, one-half of all SMEs interviewed in the last quarter of 2012 (54%) had some personal element to their business finances – be that a personal bank account, a facility in a personal name, an application for a facility made in a personal name or an injection of personal funds into the business in the past 12 months. The personal funds of most respondents (60%) were capital injections of £5,000 or less.

Baby-boomers' offspring – "Generations X and Y" – are perhaps the most indebted the UK has ever seen. Growing up in households among the most indebted in the world – according to a report by a consulting firm, PwC⁸, last year, in which on average families have £8,000 of unsecured debt – young Britons have grown up in a credit culture. Along with living costs, university fees of £27,000-£36,000 balloon to an average of £53,000 – funded by student loans. The PwC report found 'worrying' spending habits among 25-34 year-olds, where one-quarter have used credit to fund essential purchases in the last year. The Consumer Credit Counselling Service has been contacted by ten-times the number of under-40s seeking help for high-interest payday loans in the past three years, as young people struggle to service a mountain of debt.

This 'Babybust' generation is also 'capital-lite', with UK home ownership reaching its lowest level since the mid-1980s. Higher deposit requirements, along with a tight labour market, stagnant wage growth and restricted bank lending have all constricted this valuable source of capital. According to the Chartered Institute of Housing (CIH), home ownership among people aged 25-34 has dropped by 24% between 2011 and 2012, to 43% currently. While overall home ownership fell by 4 percentage points, to 64% between 1992 and 2012, possession of property by people older than 65 grew by 16 percentage points during the same period.

Grainia Long is Chief Executive of the Chartered Institute of Housing, the leading professional body for the housing sector.

Grainia Long, the Chief Executive of CIH, says: "The country's chronic shortage of affordable homes to buy means young people are being denied the same opportunities enjoyed by their parents and grandparents. In many parts of the country, rising demand in the private rented sector is pushing both rent and house prices ever higher, making it even harder for young people to save for a deposit – while the deposit they need to get a mortgage becomes even larger".

Without an asset to borrow against and in a tough lending environment, the next generation of would-be business owners are greatly disadvantaged. This is recognised by the survey respondents: 29% said that they worried there would be a limited number of buyers for their business, while 18% were concerned that prospective buyers would have limited access to finance. Another 18% were concerned that the next generation would have insufficient available capital.

⁷<http://www.sme-finance-monitor.co.uk/>

⁸'Precious Plastic' report by PwC. <http://www.ukmediacentre.pwc.com/News-Releases/Precious-Plastic-2012-Three-successive-years-of-paying-off-their-debts-but-UK-consumers-are-still-saddled-with-8000-in-unsecured-debt-per-household-11c6.aspx>

The 'capital-lite', 'Babybust' generation

Table 4: Why are you concerned about selling or transferring control of your business in the next five years?

(Respondents currently dealing with selling or transferring their business and those who expect to deal with it in next five years)

Limited number of buyers	29%
Limited access to finance for prospective buyers	18%
Availability of capital within the next generation	18%
Skill level within the next family generation	14%
Skill of the prospective owner(s)	14%
Ability to market the business	14%
Other	3%

Source: The Economist Intelligence Unit.

For many businesses, access to private capital was crucial in the start-up phase, and even more so when purchasing an existing business, or investing in, growing and expanding a business through its different stages. A poll of 5,000 small-business owners by PeoplePerHour, a website for freelance employment, found that 76% of respondents had needed to use their own personal savings as working capital, while 13% had used redundancy money as a source of funding. Only 3% of small-business owners polled said that they were able to secure a bank loan to get their business off the ground, highlighting the banks' reluctance to lend to what they perceive to be riskier ventures – start-ups. For a 'capital-lite' generation, business ownership may rest more heavily on personal, private financial backing rather than entrepreneurial flair. Personal capital can also be needed to sustain a business in the latter stages, acting as reserves during tough times.

The big squeeze: finance & regeneration

There has been a steady stream of newspaper headlines warning that small businesses are starved of finance, hampering their ability to invest and expand. In the first quarter of 2012, 70% of small businesses rated credit availability as 'quite poor' or 'very poor', according to the Federation of Small Businesses's *Voice of Small Business Index* report⁹. By the fourth quarter of last year, access to credit had supposedly eased, yet 68%¹⁰ of small businesses still rated it as 'quite poor' or 'very poor'.

One-third of all new money applications made in 2012 were made by first-time applicants (FTAs) and this proportion has increased over time, according to BDRC¹¹. FTAs are also more likely to have a worse than average external risk rating and this proportion has increased, up to 74% in 2012. The proportion of other applicants with a worse than average risk rating has also increased over time, to 54% of those seeking a new/renewed facility (but not their first) and 43% of those renewing an existing credit facility. Analysed by year of application, first time applications made in 2012 were slightly more likely to have ended the process with no facility (54%).

Mr Patel says that in addition to restricted lending, the financial crisis has reduced appetite for risk among investors. That means routes such as venture capital, which can provide financing to fund takeovers of existing businesses, have also reduced lending.

With a funding squeeze limiting the number of prospective buyers for a business (the prime concern over the next five years for survey respondents), individual businesses and the SME economy as a whole will lack the vital regeneration that typically comes from an injection of 'new blood' into a transferred business. Under new ownership, a business can be given a new lease of life when the new owners bring their own skills, experience, zeal and ambition to bear. The investment of time, finance and effort required to purchase an existing business typically motivates the owners to make the necessary changes and improvements for the business to thrive.

Mr Lewis says: "The danger is that (small-business owners) leave it so long that they themselves are past wanting to be in the business, they put less effort in and the business starts to decline just when they want to sell it".

Attack of the zombies

If demographic and macroeconomic factors stall the handover of existing businesses, the necessary redevelopment stage of a business' life cycle will be replaced by an economy of moribund businesses – an army of 'zombie' SMEs. A 'zombie' company is one that generates just enough cash to service its debts, but does not have enough capital to invest into the business. There are estimated to be 146,000 such companies in the UK, according to R3, an insolvency firm.

The Office of National Statistics (ONS) has suggested that "competitive pressures on low productivity firms to improve their performance or exit the market may have become less effective in 2008 and 2009, perhaps reflecting reductions in the cost of credit and increased forbearance by lenders". This fuels concerns that banks unwilling to register losses and a low interest-rate environment could be tying up capital that would be better invested elsewhere in the economy, effectively crowding out the introduction of new, more productive and competitive firms – and ultimately stifling innovation and regeneration of industry sectors. The ONS added that this productivity shortfall between 2008 and 2009 was concentrated in smaller UK firms and those that are foreign owned.

⁹<http://www.fsb.org.uk/frontpage/assets/q1%20vosb.pdf>

¹⁰<http://www.fsb.org.uk/frontpage/assets/q4%20vosb%20index.pdf>

¹¹BDRC SME Finance Monitor Q4 2012

The big squeeze: finance & regeneration

This lack of regeneration comes at a time when the competition UK SMEs face is 'internationalising'. UK 'zombies' are not just competing with each other; they must survive in a market where challengers from other countries, free from the restraints faced in the UK, are rapidly changing the marketplace.

Those entrepreneurs who would previously have provided management buy-out, venture capital and other business succession and transfer options, have had limited options themselves. As we have seen, entrepreneurs often must self-finance, but according to the *SME Finance Monitor* report, of the 44% of respondents who have chosen to inject personal funds into a business venture, 26% said it was based on necessity rather than will.

The challenge of transferring the business to the next generation

There is a logical conclusion to the conundrum of what happens to younger, would-be business buyers, and that is a rising number of start-ups. In 2011 (the latest figures available) there were 261,000 new business registrations, an 11% increase on the previous year, according to the ONS¹². In 2011 the number of de-registrations (business 'deaths') was 230,000, an 8% decrease compared with 2010.

The data does not provide an age breakdown for the business 'births' and 'deaths', so it is impossible to confirm a trend of younger entrepreneurs excluded from taking over existing businesses, and choosing to set up in competition to those firms instead. However, in terms of sectors, there does appear to be some correlation between ageing business owners who fear the next generation are not skilled enough to run the business and the sectors with the largest net reduction in 'live' businesses.

Of the survey respondents aged 61-70, the majority operate within the professional/financial services sector (26%), manufacturing (26%) and property management (24%). The skills issue is most prevalent among business sectors categorised as 'skilled trade occupations': healthcare (33%), manufacturing (19%), property management (17%) and construction (16%).

In the 2011 ONS figures, construction reported the sharpest contraction in new businesses (a net growth rate of -2%), followed by finance and insurance (-1%). There were also net contractions in business growth for property management (-0.5%) and manufacturing¹³ (-0.3%), while healthcare bucked the apparent correlation (perhaps also a result of the ageing population), with net growth in business numbers in 2011 – up by 2%.

Given that start-ups are disadvantaged compared with well-established businesses in terms of customer relationships, brand awareness and access to funding – as evidenced by the disheartening figures for the longevity of start-up businesses – Britain's next generation of small-business owners face even more of an uphill battle than before.

Handing over the reins

For some SMEs, succession planning is difficult, as the owner is synonymous with the business. Mr Lewis says that the elements that made the business sustainable under a founding business owner – from long-term client relationships to experiential knowledge of the market – could put off potential buyers if those benefits are not transferable.

Some SME owners find it difficult to hand control to another owner, worried that the business will be adversely affected. Almost two thirds (62%) of survey respondents say that they are concerned about the possibility that their retirement could have a negative impact on the company's performance.

For those respondents currently dealing with the owner's retirement, or expecting to do so in the next five years, the skills of prospective owners and those of the next family generation (for family businesses) are their biggest concerns beyond financing worries.

Table 5: Why are you concerned about selling or transferring control of your business in the next five years?

(Respondents currently dealing with selling or transferring their business, and those who expect to deal with it in next five years)

Skill level within the next family generation	14%
Skill of the prospective owner(s)	14%

Source: The Economist Intelligence Unit.

¹²Office of National Statistics: <http://www.ons.gov.uk/ons/rel/bus-register/business-demography/2011/stb-business-demography-2011.html>

¹³In the ONS report, there is no sector labelled 'manufacturing'. These figures relate to 'production'.

The complex challenge of business transfer

Stephen Roper is Director of the Enterprise Research Centre, an independent research centre which conducts policy relevant research on SME growth and development, and Professor of Enterprise at Warwick Business School.

Stephen Roper, a Director of the Enterprise Research Centre and a Professor at Warwick Business School, says: "They (SME owners) find it hard to let the next generation take over the reins, which can be immensely frustrating for the younger generation of managers and entrepreneurs. The danger is that this suppresses the entrepreneurial drive of a generation, who have the ambition, but who are not given positions of responsibility or decision-making".

However, he adds: "We have become better in the past 10-15 years in realising the value of recycling of experience and of institutionalising it. In the UK, we have a very active entrepreneurial community. We have some tremendous examples of owner/managers nurturing and mentoring younger entrepreneurs".

A potential long-term growth penalty for the UK economy

The first of the baby-boomer generation (born 1946-64) hit state retirement age in 2011 – starting a dramatic shift in the demographic of the UK's working population.

One in six Britons are currently aged 65 and over, but by 2050 that will change to one in four¹⁴. In 2008 there were 3.2 people of working age for every person of pensionable age. This ratio is projected to fall to 2.8 by 2033¹⁵. Hence the plans to increase the state retirement age incrementally, in line with longevity/mortality predictions.

The government recently considered the impact of the ageing population in *Ready for ageing?*, a report by the House of Lords Committee on Public Service and Demographic Change¹⁶. However, the report focuses – as with most research and recommendations – on how employers and the government can support older people to adapt and re-skill, as well as to wind-down work and take up pensions flexibly, in order to work longer. But there has been little attention paid to the issue of ageing employers themselves and a 'capital-lite' generation on a national basis – along with the wider implications.

An ageing population of small-business owners/managers unwilling or unable to transfer an existing business may not only displace younger entrepreneurs, but could have a negative effect on national GDP.

"All of the evidence suggests that businesses run by older entrepreneurs tend to grow more slowly than those run by younger entrepreneurs," Mr Roper says. "There is a negative correlation there. If it is true, that the population of owner/managers are ageing, that will carry with it a growth penalty for the UK".

Mr Patel believes that while a more 'congested' labour market would be the likely result of small-business owners/managers extending their careers past a set retirement age, it could have a positive influence on national productivity, owing to increased competition for jobs.

However, he adds that in a flexible labour market – which is considered a positive influence in the creation of a 'robust economy' – it is business rather than individuals that tend to benefit, which is 'not the best news for young people'.

But the ageing workforce has not brought a bump in productivity – in fact, the opposite has occurred. According to Michael Saunders and Ann O'Kelly, economists at Citi Research¹⁷, a global client research firm, demographic changes explain some of the recent weakness in productivity and pay growth, as evidence suggests that individual productivity tends to fall among older workers and pay growth is suppressed by increases in the workforce. Domestic demand is also affected, as people over 65 years of age – who increase spending when they retire, as they stop saving and start spending their pensions – delay retirement. They conclude that the effects on potential economic growth for the UK as a whole are likely to be adverse.

There are a range of possible consequences of the ageing of SMEs – lower productivity, slower wage growth, slower growing businesses – which, combined with the current lower levels of available financing and personal savings trends, are creating a situation that is stifling young would-be business owners and potentially slowing the UK's economic recovery. Because of the size of the SME sector, how the government and private sector deal with this complex mix of demographics and financing pressures will have serious repercussions for the wider economy in the long-term.

¹⁴Parliament.UK: <http://www.parliament.uk/business/publications/research/key-issues-for-the-new-parliament/value-for-money-in-public-services/the-ageing-population/>

¹⁵According to the government's actuary department

¹⁶<http://www.parliament.uk/business/committees/committees-a-z/lords-select/public-services-committee/report-ready-for-ageing/>

¹⁷Grey Britain: Population Ageing and the Economy, February 2013. <https://ir.citi.com/HQOG5I%2B55nA%2FFHqMgNkJPG9RdlbRm8nHCrX9hghQWf9fSo03jUxyMQ%3D%3D>

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