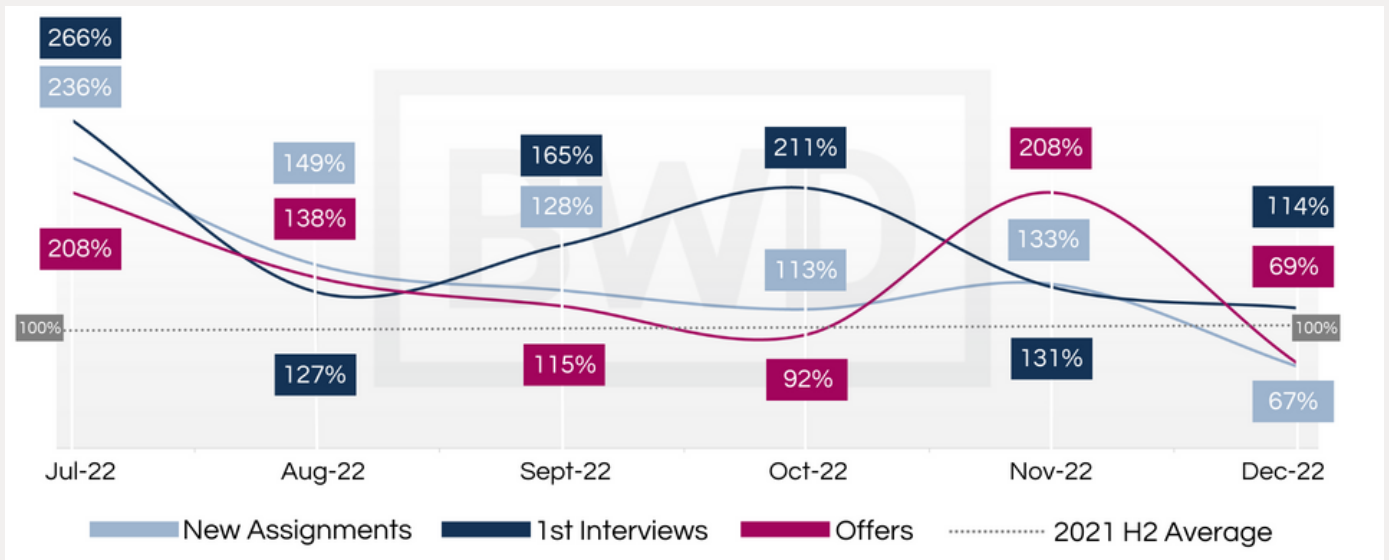


# BWD ACTUARIAL, INVESTMENT & PENSIONS MARKET REPORT - H2 2022



## WELCOME...

As we predicted in our H1 market report, following a frantic and, for us, record-breaking H1, there was a definite slowdown in recruitment over the summer, which lasted much longer than normal.

Prolonged perhaps by the seemingly never-ending Conservative Party leadership election – initially triggered by Boris Johnson’s “resignation” way back in July and eventually concluding with Rishi Sunak assuming office at his second attempt in October.

This had a direct impact on market confidence evidenced by the lull in offers from August through to October, followed by the peak in job offers and new assignments occurring in November.

**10% INCREASE IN NEW ASSIGNMENTS**

Encouragingly, even with the extended summer slump and subsequent drop in interviews and offers over this period, H2 still saw a 10% increase in new assignments compared to the first half of the year, suggesting the pensions and actuarial industry is buoyant going into 2023.

**24% AVERAGE SALARY INCREASE**

Despite the growth in compensation falling below inflation across the market in general, for those moving role during the second half of last year we saw exceptional increases.

On average, in H2, offers were around 24% higher than a candidates’ current salary, whereas in H1 the figure stood at around 18%, giving increases of 19% and 21% over the year for males and females, respectively.

Some of the most significant salary increases were for candidates moving firms after recently qualifying, but the trend illustrates the fight to attract talent in a candidate-short market.

## H2 TRENDS: ACTUARIAL

With the shortage of actuarial talent, particularly at the nearly/newly-qualified level, H2 saw a continuation of the hiring strategies adopted in H1, including;

- Attracting international talent, offering sponsorship to those who need it
- Paying less attention to actuarial exam passes
- Offering more flexibility with hybrid (or fully remote) working
- Creation of more technically-focussed roles
- Expanding into new areas, e.g. risk transfer and ESG, with no prior experience required

## H2 TRENDS: PENSIONS OPERATIONS

Speed of interview process in the pensions operations market continued to be crucially important, with remote working meaning competition for candidates was fierce amongst administrators, team leaders, admin managers, project managers, governance consultants and GMP specialists.

To beat competitors, firms needed to be quick off the mark inviting candidates for interview, providing immediate feedback, conducting fewer interview stages, and making swift offers.

**FIRMS THAT DIDN'T REACT TO HIKES IN INFLATION... WILL HAVE A DISGRUNTLED WORKFORCE THIS WINTER**

The rising (and rising!) cost of living is felt more acutely by those on the lower end of the pay scale, so firms that didn't react to hikes in inflation (and mortgage rates) by offering one-off pay bonuses or above-average salary increases in H2, will have a disgruntled workforce this winter, whose heads will be easily turned by the temptation of higher salaries to pay their higher heating bills!

## THE GRASS ISN'T ALWAYS GREENER

## H2 TRENDS: INVESTMENT

Investment consultants regularly tell us they want to move to asset management, but the grass isn't always greener. After the gilts crisis in H2, which saw many asset managers working very long hours for no additional pay and likely no bonus in 2023, we have been flooded with asset managers wanting to move to investment consultancy for its job security and variety of work.

The fallout from the unprecedented market volatility witnessed in H2 continues, with the Work and Pensions Select Committee conducting an inquiry into the use of liability-driven investment (LDI) strategies by pension schemes, and recruitment across asset managers seemingly ground to a halt at the back end of 2022.

## CONTRACTING

H2 saw clients and candidates alike – across Investment, Pensions Operations, as well as Actuarial – more open to contract work, with candidates attracted to the flexibility and variety that contracting brings, along with higher remuneration and the lure of “being your own boss”.

## 5 REASONS TO HIRE CONTRACTORS:

- 1. Specific Skillset:** Contractors have knowledge of specific areas which can be particularly useful on projects that have a shelf-life; This can include knowledge of specific areas (e.g. GMP equalisation or Pensions Dashboards), expertise in using certain software or tools, or experience working on similar projects.
- 2. Stretched teams:** Already stretched teams often need immediate help, contractors plug gaps and add support to teams quickly - optimising growth and decreasing turnover.
- 3. Economic Uncertainty:** Contractors are hired on a temporary basis; you can scale up or down as you see fit through particularly busy periods or quieter ones.
- 4. D&I:** Help increase inclusion by providing an entry point for individuals who are underrepresented.
- 5. Immediate Solutions:** Has a crucial member of your team left? Contractors can be the solution to a problem you didn't foresee coming.

## OUTLOOK FOR 2023

Market commentators are predicting 2023 will be a record-breaking year for de-risking, with record volumes of buy-ins and buy-outs expected as a result of significant improvements in funding levels of defined benefit (DB) schemes in 2022. Recruitment demand is surging within risk-transfer teams at pensions consultancies and amongst bulk purchase annuity (BPA) insurers, and many are predicting 2023 will see a new entrant to the BPA market – the first since 2017.

MANY  
PROFESSIONAL  
TRUSTEE FIRMS  
ARE ACTIVELY  
RECRUITING THE  
**NEXT GENERATION**  
OF PROFESSIONAL  
TRUSTEES

Whilst the DB pensions market is shrinking, the demand for professional trustees is growing significantly. Just over half of the UK's 5,000 DB schemes currently have a professional trustee in some capacity – be that as Chair, co-Trustee or Sole Trustee – but due to the increasing governance burden in the advent of The Pension Regulator's single code of practice and incoming new DB funding code, this is expected to increase to 90% in the near future.

Many Professional Trustee firms are actively recruiting the next generation of professional trustees – seeking candidates from a variety of backgrounds and diverse skill-sets, including actuarial, legal, investment, risk-transfer, pensions administration, covenant and in-house pensions management. Most firms are seeking candidates in the middle of their career, rather than at the end of their career, to boost their ambitious growth plans.

WILL 2023 SEE  
**EVEN MORE**  
**CONSOLIDATION**  
OF PENSIONS  
CONSULTANCIES?

Pensions dashboards are set to go live in 2023, and pensions schemes are rushing to cleanse data and develop systems in order to be ready in time to link up to the dashboard when required – this lends itself naturally to the use of contractors.

ESG and climate change are increasingly under the spotlight for pension schemes, and this has coincided with the increased demand for investment consultants with ESG expertise, and we predict 2023 will see continued growth of multi-disciplined, ESG-specialist teams.

And finally, January has already seen the dramatic news of Isio's intention to acquire Deloitte's UK's pensions business, following up their acquisition of Premier Pensions last year and a growing trend of pensions consultancies and professional trustee firms coming together. Will 2023 see even more consolidation of pensions consultancies? And what does this mean for people at the firms being brought together, in relation to promotion prospects and harmonisation of pay and benefits?

**BWD**

CONNECT, MESSAGE, EXPLORE...

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## ASK THE ACTUARY...

Our Investment, Pensions & Actuarial (IPA) team has a high-performing blend of experienced recruiters and industry experts, including our very own actuary, Rob Hammond, who has over 20 years' experience in the pensions industry as a qualified actuary.

Whether you are a client or a candidate, feel free to ask Rob a confidential question about trends and opportunities in the market.

## OUR ADVICE FOR CLIENTS

- There's a rich talent pool abroad - tap into it!
- Consider hiring contractors – for projects with tight deadlines or for filling temporary staffing gaps
- Embrace remote working and cast your net wider to attract talent right across the UK
- Keep the time between interview and offer stages short if possible - this will involve streamlining your interview process and remaining focused on the qualities you're looking for
- Consider a heavier focus on training for all new hires (not just graduate hires)
- Keep consistent contact with new joiners, even after they've accepted your offer
- Benchmark market pay using our [salary calculator](#)

### STRUGGLING TO FIND TALENT?

Talk to our experienced Financial Services recruitment consultants today to develop a talent-ready strategy.

[BOOK A CALL](#)

## OUR ADVICE FOR CANDIDATES

- Gain clarity on your needs and wants before committing to a move
- Speak to a recruitment firm with detailed industry knowledge – or Ask the Actuary (see previous page)
- Consider becoming a contractor – and be your own boss!
- Expect a quick interview process and make sure they answer all your questions
- Ask about their training schedule and personal development plans during the interview
- Know your CV inside out and back to front, read through it the night before an interview to give yourself the best chance of success
- Research the company prior to interview, fail to prepare, prepare to fail.
- Benchmark your salary using our handy [salary calculator](#)

### OPEN TO NEW OPPORTUNITIES?

Register with us today to be kept up to date on the latest roles & receive the latest market insights and general career advice.

[REGISTER](#)

## EXCEPTIONAL SERVICE. EXCEPTIONAL RESULTS.

BWD delivers proven financial services recruitment strategies that connect the best talent with the industry's leading companies.

And we're not all talk either. Based on feedback using Recruiter Insider, we are ranked in the top 5 agencies for both [client](#) and [candidate](#) experience.



### IN CASE YOU MISSED IT

Our H1 Market Report is still available to view on our website & simply [click here to view...](#)

FOR FURTHER INFORMATION, PLEASE CONTACT:

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