

Pensions Portfolio: Communications tracking research October 2011

DWP Professional Services Group, Communications Directorate

Research report: 7

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Executive summary

This report contains the findings of tracking research commissioned by the Department for Work and Pensions (DWP) Professional Services Group Communications Directorate, which was carried out in October 2011. The research was designed to enable DWP to track attitudes and intended/ actual behaviours in relation to pensions and later life, and to evaluate the success of their communications in influencing these.

Fieldwork was carried out by a third party research company, GfK NOP, using their face-to-face omnibus survey, with a total sample of 1,745 adults, (1,185 for the standard sample, plus 560 for the boost) from Great Britain, aged between 22 and the State Pension age.

The analysis was carried out at the total standard sample level, and for key audience sub-groups, including those aged 50 or more and carers. The boost sample was included when analysing the results of the two previously defined attitudinal segments (“daunted” and “unprepared” (definitions below in section 1.2)), who have been identified as core audiences for the communications. As a result of this, please note when comparing results from this wave of research for these segments, that this is the first time that respondents in each of these groups have been boosted, (in order to provide more robust standalone samples for each of them), and therefore results may not be directly comparable to those of previous waves.

Responses amongst working age people highlighted that measures are largely stable, and that, in the majority of cases, changes are not statistically significant.

Key findings are:

- The proportion of respondents (in the standard sample) claiming to have seen, heard or read anything about workplace pensions is stable wave-on-wave at 41 per cent. This is despite a wording change in the question from “... about pensions or saving for later life ...” to “... workplace pensions ...”.
- Nearly two-thirds, (61 per cent) of respondents in the standard sample agree that they “... would always save in a work pension if one is available”, and this figure has remained almost unchanged since 2009. Those in the “daunted” segment are less likely to agree with this, (53 per cent).
- Around six in ten, (55 per cent) of the standard sample already have financial plans or savings in place for retirement. However, this figure is lower amongst the “daunted”, (38 per cent), and “unprepared”, (37 per cent) segments.
- The main barrier to saving for retirement is “it’s a struggle to cope with just basic day-to-day expenses”, (37 per cent). This is higher amongst the “daunted” segment, (61 per cent).

- There is some awareness and understanding of key communications messages, including the impact of greater life expectancy on retirement planning, and that people can work beyond State Pension age and indeed, may need to do so.
- Prior to being interviewed for this survey, two-thirds of respondents (from the standard sample) were not aware of the new law requiring all employers to enrol their workers into a workplace pension scheme.
- Some people find it difficult to articulate what they think the benefits are to saving in a workplace pension, although the vast majority do believe that it is something that employers should automatically enrol their staff into. Of them, half would remain in a workplace pension if they were to be automatically enrolled into one, even though in most cases they cannot really explain their rationale for this.

Acknowledgements

This research was commissioned by the Department for Work and Pensions (DWP) Professional Services Group Communications Directorate. GfK NOP were contracted to carry out the fieldwork, with analysis and reporting carried out in-house by the Communications Research and Evaluation team. DWP would like to thank all individuals who participated in or contributed to the development of this research.

1 Background

1.1 Communications strategy

Over the next decade the Government's programme of reform to state and private pensions aims to get millions of people to change their behaviour in relation to planning and saving for later life. This is a massive challenge, requiring a change in attitudes, and ultimately behaviours, towards planning and saving for retirement and pensions.

The role of communications in contributing towards these aims is to:

- Meet "duty of care" requirements to inform individuals about State Pension reform and other changes which may materially affect them
- Encourage better decisions about saving for retirement
- Support the success of workplace pension reforms
- Increase awareness and understanding around retirement income options among various "at risk" groups.

1.2 Target audience

The Department for Work and Pensions' (DWP's) pensions and working longer communications have three key target audiences. These are:

- People of working age
- Employers
- People of pension age.

This report outlines the results of the latest wave of tracking research which has been developed to evaluate DWP's success in communicating with the working age audience on this subject.

Pensions and retirement planning are perceived to be complex, and many people choose not to think about them because they find it boring, confusing, frightening, or not personally relevant. In particular, many of the audience groups most likely to be impacted by State Pension reforms are often the least engaged.

DWP Communications have developed a segmentation model of the working age audience in order to get a better understanding of who the most hard-to-reach groups are, and to enable better targeting of communications around pensions and later life. The model was developed in 2008, and has been used to identify key audience groups, and to assist in the development of more effective communications.¹

The model, (see overview in Annex B), divides the working age population into five segments based on their attitudes and behaviours around retirement saving. Two of these segments have been identified as key audiences for communications because they are the least likely to be sufficiently prepared for their retirement, and therefore require the highest level of support and persuasion. These segments are:

- “Daunted” – covering 21 per cent of the working age population who are typically older individuals with lower incomes. They lack confidence in personal finance, and so have both practical and emotional barriers to saving.
- “Unprepared” – covering 28 per cent of the working age population who tend to be younger people for whom retirement seems so far off that saving for it is not their priority.

Other key audiences for the communications include those aged 50 or more and carers, who have been targeted with some specific communications messages in order to ensure that they are informed about how to maximise their State Pension, and the options that exist around working longer.

¹ <http://research.dwp.gov.uk/asd/asd5/WP72.pdf>

1.3 Communications activity and context

In the past, DWP have used a range of paid-for channels to cascade their pensions' messages. These have included:

- Radio
- Press
- Online.

DWP have also used low-cost and no-cost channels for this purpose including:

- The Directgov website
- Jobcentre Plus advisers
- Public relations (PR)
- Partnerships with stakeholder organisations.

Since June 2010, DWP's communications approach has moved away from paid-for activity to focus predominately on low-cost options, including partnerships, PR, and media relations. The exception to this is paid-for radio clinic activity, which took place in February to March 2011, and targeted people aged 50 or more about specific changes to the State Pension.

In addition to DWP communications activity, awareness of, and attitudes to pensions and working longer messages are affected by a range of other sources of "noise", and it is important to bear this in mind as context for this research. Such "noise" can include coverage in the media about the State Pension and retirement age, public sector pensions, as well as the more general debate about pension changes and banking and investment pressures that have been ongoing in recent times.

The economic climate is an additional factor which affects attitudes towards planning and saving for later life. Over the last few years the difficult economic climate has resulted in lower levels of consumer certainty in wider perceptions of the economy. This is reflected in the fact that in March 2011 expectations for the general economic situation for the coming 12 months were 29 points lower than in March 2010.²

1.4 Research objectives

This research was commissioned to enable DWP to measure and track awareness of their pensions' communications activity and messages, as well as performance against attitudinal and intended/ actual behavioural measures.

² Consumer Confidence Barometer, GfK NOP (April 2011)

2 Research approach

2.1 Survey methodology

This research was conducted using GfK NOP's face-to-face omnibus survey. The survey employs in-home face-to-face interviewing, using a random location sampling approach, with a boost to provide robust samples of key sub-groups within the target audience.

2.2 Sampling

The research was conducted among a nationally representative (standard) sample of 1,185 adults, plus a boost of "daunted" and "unprepared" respondents of 560 people from Great Britain aged between 22 and the State Pension age. This reflects the intended audience for the Department for Work and Pensions (DWP) pensions and working longer communications.

2.3 Questionnaire

The questionnaire was based on the question set used for previous waves of the research, and the core questions remained unchanged to ensure comparability with existing data. New questions about automatic workplace pension enrolment, and awareness of the benefits of this were added for the first time this wave. New classification questions were also added for the first time this wave, and although these aren't included in this report, they will be used as a baseline, and reported on in future waves of this research.

The questionnaire also included a set of questions which enabled each respondent to be allocated to one of five attitudinal segments, further details of which are shown in Appendix B below. This enabled the results to be analysed by segment, in addition to other key variables such as age and caring responsibilities.

The questionnaire that was used for this wave is shown in Appendix A below.

2.4 Analysis

GfK NOP provided a set of weighted data tables and raw survey data to DWP so that the analysis of the results could be conducted in-house. The data was weighted to reflect the national population profile of the target audience by:

- Age
- Gender
- Employment status
- Government region.

The data analysis was carried out by the DWP Communications Research and Evaluation team, and included significance testing, which was undertaken to determine any key wave-on-wave changes, and to establish notable differences between audiences and segments. Statistical significance was tested at a 95 per cent confidence level.

The analysis primarily focuses on the overall standard sample, as well as the two segments identified as the focal point of the communications, (the “daunted” and “unprepared” segments), which were boosted for the first time this wave. For some key questions, additional analysis has been carried out for people aged 50 or more and carers.

Where the report refers to scores for agreement with a statement, this is based on a score of eight to ten, where respondents were asked how much they agreed with a particular statement on a scale of one to ten, (where one means “disagree strongly”, and ten means “agree strongly”). Where questions were not asked of the whole (standard) sample this is also indicated.

3 Main findings

3.1 Awareness of messages and sources

3.1.1 Messages

The proportion of respondents from the standard sample claiming to have seen, heard or read anything about workplace pensions was sustained at 41 per cent, (vs. 45 per cent in the previous wave of research). This pattern is replicated amongst people aged 50 or more, (41 per cent vs. 45 per cent). However, there is a significant downward turn amongst the “unprepared” segment, (40 per cent vs. 33 per cent), and the “daunted” segment, (39 per cent vs. 27 per cent).

A note of caution around these results is that the question wording was amended this wave from “... having seen, heard or read anything about pensions or saving for later life ...” to “... having seen, heard or read anything about workplace pensions ...” which is likely to have skewed the results. Notwithstanding this, these results continue to suggest that external “noise” and “chatter”, (see section 1.3 above) around this topic do influence public awareness and perceptions on these issues.

The messages that people were most likely to have heard are:

- That there is going to be an increase in the State Pension age, (45 per cent)
- That people are living longer, (40 per cent)
- That you can work beyond State Pension age if you want to, (33 per cent)
- That you may need to build on a State Pension with a pension of your own, (20 per cent).

The messages that people in the standard sample have heard significantly more this wave than last wave are:

- That, the law will change which means employers will automatically enrol workers into a pension, (15 per cent vs. ten per cent)
- That the State Pension is a foundation for retirement saving, (13 per cent vs. six per cent).

Questions around new messages that people in the standard sample may have heard on this topic, perhaps unsurprisingly, achieved particularly low penetration as follows:

- That if you put money into your workplace pension, your employer and the tax man will too, (12 per cent)
- That people who don't have workplace pension schemes will automatically be enrolled into one, (nine per cent)

- That people could have 20 years of retirement to look forward to, (nine per cent)
- That getting a pension doesn't have to be complicated, (eight per cent).

Those who had not heard any of the messages returned to 30 per cent, (from 26 per cent in the last wave), which constitutes a significant upwards change.

The groups of people who are least likely to have seen, heard or read anything about pensions, savings for later life, or working past State Pension age include:

- Single people, (32 per cent, vs. 45 per cent of people who are married/ living as a couple)
- Unemployed people, (34 per cent, vs. 46 per cent of people who are working)
- People from the DE social grade, (28 per cent vs. 62 per cent of people in the AB social grade, and 38 per cent in the C1C2 social grade)
- Younger people, (22 per cent of 22 to 24 year olds, vs. 49 per cent of people aged 50 or more)
- People who are not white, (27 per cent vs. 43 per cent of people who are white).

3.1.2 Channels

The results also indicate that television is the primary channel driving awareness of key messages on workplace pensions. Around a third of the overall standard sample, (27 per cent), recall hearing these messages via this channel, whilst 21 per cent claim to have read about them in newspapers, and ten per cent on the radio. Less than a tenth, (seven per cent) of respondents from the standard sample selected "online" as the channel through which they have heard of these messages. Again, it should be noted that whilst none of these results were significantly different from the previous wave's, the wording for this question was amended this time to read "... have you seen, heard or read anything about workplace pensions ..." from "... have you seen, heard or read anything about pensions or saving for later life ..", which may have affected results.

3.2 Steps taken towards retirement planning

The survey asked respondents about some basic steps that they could take towards planning for their retirement, and whether they had partaken in certain activities related to this in the previous 12 months.

The results demonstrate that people in the standard sample were much more likely to have taken an informal step, such as talking to their friends and/ or family about their financial security for older age, as opposed to having engaged in a more formal activity, such as talking to their employer. Specifically, just under a third, (28 per cent) of respondents from the standard sample said that they have had a conversation with friends, family or work colleagues in the last 12 months on this subject. In contrast, only seven per cent had spoken to their employer about changes to workplace pensions. This figure is further reduced to five per cent when examining the “unprepared” respondents, (significantly less than the nine per cent achieved in the previous wave), and two per cent amongst the “daunted” respondents, (again significantly less than the six per cent of the previous wave). Again, these results may have been affected by the question wording change for this wave to “... spoken to my employer about changes to workplace pensions” from “... spoken to my employer about pension schemes”.

3.3 Financial plans and savings

3.3.1 Attitudes and intentions

Over a third, (36 per cent) of the standard sample, (excluding those who are retired and not working, and who do not expect to work again in the future), agree that they “need to find out more about saving for retirement”.³ This result is stable wave-on-wave, with the previous wave’s result also being 36 per cent, and remains higher amongst the “unprepared” segment, (46 per cent).

Over a third, (34 per cent) of the standard sample, (excluding those who are retired and not working, and who do not expect to work again in the future), agree that they “would like to start saving in a pension”.⁴ This percentage also remains stable when comparing it with the previous wave, (37 per cent), and is slightly higher for the “unprepared” segment, (36 per cent).

One of the key measures of behavioural intent explored in this research is levels of agreement with the statement “I would always save in a work pension if one is available”. The results of this remain relatively high with nearly two-thirds, (61 per cent) of people in the standard sample agreeing strongly with it this wave. This result

³ All respondents except those who are retired and doing no work, and do not expect to do any work in the future

⁴ All respondents except those who have retired

is also stable wave-on-wave, with 63 per cent agreeing in the previous wave. Those in the “daunted” segment however are less likely to agree, (57 per cent).

3.3.2 Existing plans and savings

Around six in ten, (55 per cent) of the standard sample said that they already have “financial plans or savings in place for their retirement”. This is lower amongst the “daunted” segment, (38 per cent), and the “unprepared” segment, (37 per cent).

When asked in more detail about the extent to which they have planned for retirement, one-third, (34 per cent) of respondents in the standard sample said that they have “started to save but know that they need to save more”. One-fifth, (20 per cent) said that they know they need to “start thinking about it, but haven’t got round to it”, while a further fifth, (22 per cent), haven’t “thought about how they will manage financially in old age” at all. Seven per cent say that they have “found out information but haven’t actually started to save yet”. Only 14 per cent of respondents in the standard sample stated that they are “saving for their retirement and are confident that they will have enough to live on when they retire”.

Moreover, the “daunted” and “unprepared” segments are less likely than the standard sample to feel that they have sufficient measures in place for their retirement. Thirty-one per cent of the “daunted”, and 34 per cent of the “unprepared” segments respectively, agree that they “have not thought at all about how they will manage financially when they retire”.

The survey also asked respondents about their perceptions of the extent to which people close to them are saving enough for retirement. The purpose of this question is to give an indication of the social context for the Department for Work and Pensions’ (DWP’s) communications, and whether perceived social norms are likely to work for or against their objectives. The findings indicate that most people from the standard sample do not believe that their friends and family are saving in a workplace pension, with only ten per cent believing that more than three-quarters of them are doing so.

3.4 Barriers to saving

The research signals that many people face ongoing financial pressure which acts as a significant barrier to them saving for later life. Indeed, 37 per cent of respondents from the standard sample strongly agree that “it’s a struggle to cope with just day-to-day expenses”, with this being the main barrier identified. The same problem is also the main barrier for the “daunted” segment, with nearly two-thirds of them, (61 per cent), strongly agreeing that this is the case.

The other main barriers at the standard sample level are:

- There always seems to be other things to spend money on, like holidays or the family, (15 per cent)
- I just haven’t got round to it yet, (12 per cent)

- Retirement is too far away to think about, (12 per cent)
- I expect to carry on working, (ten per cent).

These findings imply that many people (from the standard sample) take a short-term view of their financial situation, and that persuading them to think seriously about their future finances is a major challenge for the Government and DWP Communications.

3.5 State Pension – knowledge and perceptions

3.5.1 Existence and eligibility

The proportion of people from the standard sample who believe that the State Pension will exist when they reach retirement age is relatively low, (17 per cent). However, amongst those who are aged 50 or more, and therefore closer to retirement, it is higher at 33 per cent. A similar proportion, (15 per cent) of the standard sample agree that “almost everyone will get a basic State Pension”, which is the same result as was achieved in the last wave.

These findings may be linked to an awareness of the fact that the State Pension age is going up. Indeed, around six in ten, (67 per cent) of people from the standard sample think it is “definitely true” that “the age at which people can receive the State Pension is going up”, which constitutes a significant increase from the last wave’s results of 63 per cent. Furthermore, those aged 50 or more are more likely to think that this is “definitely true”, (79 per cent). Significant wave-on-wave increases also occur when looking at the “unprepared”, (60 per cent vs. 53 per cent), and “daunted”, (56 per cent vs. 48 per cent) groups.

Just under half, (47 per cent) of all respondents from the standard sample think it is “definitely true” that the “age at which women receive the State Pension is increasing to match the age at which men receive it”. This is inline with the last wave’s result of 49 per cent. Women aged 50 or more were more likely to agree with this statement, (70 per cent), reflecting the fact that this is the group for whom a change to retirement age is likely to have the most immediate impact.

3.5.2 Amount

Nearly half, (47 per cent) of the standard sample perceive that the “State Pension will cover basic living costs but no more”. Around a third of the same group, (32 per cent) think that “it will not even cover basic living costs”, while 15 per cent think that it will “cover a little more than basic living costs”. The “daunted” segment are slightly more likely to agree that “it will not cover basic living costs”, (35 per cent), while the “unprepared” segment are slightly less likely to agree, (30 per cent).

These findings show that many people in the standard sample believe that they “will need to top up their State Pension with money from other private pensions and savings”. Indeed, around seven in ten, (69 per cent) of respondents from the standard sample agree that this is the case, as was also the case in the last wave. Levels of agreement with this statement were lower amongst the “daunted” segment, (57 per cent), and the “unprepared” segment, (66 per cent).

When asked for a specific figure that they thought was closest to what is currently the maximum weekly State Pension, less than a third, (28 per cent), selected the correct amount of “£100”. The same percentage selected “£140”, whilst 13 per cent believe the amount to be as low as “£60”. On the other hand, eight per cent selected either “£190” or “£250”. This demonstrates that many people in the standard sample lack the knowledge to accurately estimate the amount of the current weekly State Pension, with over a fifth, (22 per cent), selecting “Don’t know”. This further indicates that there are low levels of awareness relating to the specific amount of money that people receive as part of the State Pension.

Those aged 50 or more are more likely to know the correct amount, (35 per cent), which is probably a result of their closer proximity to State Pension age. Those in the “daunted” segment are marginally more likely than average to select “Don’t know”, (27 per cent), and less likely to select “£100”, (26 per cent).

A quarter, (25 per cent) of respondents in the standard sample think it is “definitely true” that there are things they can do to increase the amount of State Pension they will receive. This is slightly higher amongst those aged 50 or more, where one-third, (33 per cent), believe this to be the case, again reflecting their closer proximity to State Pension age.

3.6 Changes in life expectancy

As highlighted in section 3.1 above, there is some awareness of messages relating to the fact that people are living longer and therefore facing longer retirements. The questionnaire contained a number of attitudinal statements to test this which are specifically intended to explore the extent to which people believed the messages to be true, and the impact that this has on their attitudes towards saving for later life.

Overall, the results to date demonstrate that people in the standard sample are, at least to some extent, taking on board messages about increasing life expectancy. Moreover, there is relatively strong agreement, (53 per cent “definitely agree”), that

“on average, people live longer than they did in comparison with their parents’ generation”. Moreover, many people appear to relate this awareness of increasing life expectancy to their beliefs about retirement planning. Around half, (49 per cent) of the standard sample, think that it is “definitely true” that “because people in this country are living longer nowadays, it is now more important for them to save in a pension”. This is slightly lower amongst the “unprepared”, (40 per cent), and “daunted”, (34 per cent) segments, and for the “daunted” segment this is significantly lower than it was in the last wave, (48 per cent). This demonstrates that these key target respondents are progressively linking their longevity with a requirement to save for later life less and less.

3.7 Extending working lives

A number of the attitudinal questions in the survey focus on the option of working beyond State Pension age, and people’s attitudes to doing so. The results show that awareness of the option of working past State Pension age is high, with around two-thirds of the sample, (64 per cent) considering it is “definitely true” that this is a possibility. Furthermore, half, (50 per cent) of respondents in the standard sample also think that it is “definitely true” that changes to the law will make it easier for people to do so.

According to this research, the top five reasons why people in the standard sample might choose to keep working past State Pension age are:

- Because I couldn’t afford to stop working/ no choice but to carry on, (31 per cent)
- Because I’d like to have more money to spend, (27 per cent)
- Because I enjoy my work, (26 per cent)
- Because my work keeps me active/ my mind active, (21 per cent)
- Because I enjoy the social side of working/ getting out/ meeting people, (13 per cent).

Perhaps unsurprisingly, the most common reason, selected by nearly one-third, (31 per cent) of respondents from the standard sample to continue working past State Pension age is out of necessity. However, smaller significant minorities also choose to do so out of pleasure, for the mental and physical health benefits, and for social reasons. Just over one in ten, (11 per cent) of people in the standard sample would not consider working longer under any circumstances.

The research also seeks to establish people’s attitudes towards working beyond State Pension age by asking them, (with the exceptions of those who were already retired) to what extent they agree with the statement “if I have to work past the State Pension age, I think I will have failed”. Only a small proportion, (16 per cent) agree with this statement, implying that there is some, albeit limited willingness to consider working beyond State Pension age, and that there is a slowly reducing stigma

attached to doing so. This result is inline with the previous wave's finding of 18 per cent.

3.8 Automatic enrolment and awareness of benefits

This wave, a number of new questions were asked about automatic enrolment into workplace pensions and respondents' awareness of the potential benefits of it. Overall awareness of automatic enrolment is low, however it does have clear appeal.

The results show that before being interviewed for this survey, two-thirds, (66 per cent) of respondents from the standard sample were not aware of the new law requiring all employers to enrol their workers into a workplace pension scheme. This figure is even higher amongst the "unprepared", (76 per cent), and "daunted", (73 per cent) segments.

When asked what they thought the advantages were of saving in a workplace pension, the top five responses overall are:

- My employer will make a contribution, (54 per cent)
- It is a hassle free way to start a pension, (42 per cent)
- It makes saving money easy, (38 per cent)
- The government pays a contribution, (33 per cent)
- It helps me take control of my future, (30 per cent).

These results were generally lower when examining the "daunted" data, and about the same when looking at the "unprepared" figures. They demonstrate that while a significant percentage of the population do see real advantages to saving in a workplace pension, there are plenty of people, and in particular those who are the most "daunted" who do not, and therefore there is still more work for communications to do in this area.

A high three-quarters, (74 per cent) of respondents in the standard sample think that it is a "good thing" that the law is forcing all employers to automatically enrol their workers into a workplace pension scheme. This result is the same for the "unprepared" respondents, and slightly lower, (but not significantly so), at 68 per cent, for the "daunted" segment. Only seven per cent of the standard sample disagree with this.

Moreover, 30 per cent of respondents in the standard sample who are not currently in a workplace pension scheme, would "definitely" remain in a workplace pension if they were automatically enrolled into one, (please see the table below for further details). Only 12 per cent of people in the standard sample said they would "probably" or "definitely" leave a workplace pension scheme if they were automatically enrolled into one, (please see the table below for further details). The fact that so many more respondents from the standard sample claim that they would remain within a

workplace pension if they were automatically enrolled in one despite most not having a good/ rationale reason for doing so, demonstrates the potential power of automatic enrolment as a catalyst for getting people enrolled into a pension.

Participation	All (%)
Definitely stay in	30
Probably stay in	22
Probably choose to opt out	7
Definitely choose to opt out	5
I am not sure/don't know	36

Table: Stated participation in a workplace pension scheme

Base: All respondents not in a workplace pension

The top five reasons why people (in the standard sample) who are not currently in a workplace pension scheme would choose to remain in it if they were automatically enrolled into one are:

- Guaranteed pension/ secure future/ better retirement income, (15 per cent)
- Good idea/ makes sense, (ten per cent)
- Don't know enough about it/ would need to look into it more/ depends on contributions or what I would get, (ten per cent)
- Easy way to save/ would make more people save, (nine per cent)
- Removes pressure of arranging pension, (seven per cent).

Surprisingly, affordability (as a barrier to remaining in a workplace pension that you were automatically enrolled into) is cited by only four per cent of respondents from the standard sample. Moreover 14 per cent of people from this group state that they “don't know”, have “no reason”, or “haven't thought about” why they would remain in a workplace pension if they were automatically enrolled into one. Future tracking waves will assess if this increases as more people become aware of the financial reality of making contributions.

On balance therefore, these findings signal that while some people find it difficult to articulate what they think the benefits are to saving in a workplace pension the vast majority do believe that it is something that employers should automatically enrol their staff into, and of them, half would remain in one if this were to happen to them, even though for most people, they cannot really explain why.

Appendix A: Questionnaire

Planning and saving for later life – ticker 5

NOTE: ALL QUESTIONS SHOULD HAVE “DON’T KNOW” AND “REFUSED” ANSWER OPTIONS UNLESS OTHERWISE STATED. “DON’T KNOW” AND “REFUSED” ANSWER OPTIONS SHOULD NOT BE SHOWN ON SHOW CARDS OR READ OUT

INTRODUCTION ON RANDOM LOCATION OMNIBUS

I have some questions about people’s plans for the future on behalf of the government, and would be interested in your views.

INTERVIEWER TO ADD IF NECESSARY

These questions are being asked on behalf of the Department for Work and Pensions, (DWP).

Your name and individual details will remain confidential to the research company, and will not be revealed to DWP.

Your answers will be combined with other people’s who complete the survey, and will not be linked to your name or address.

DWP was previously known as the Department for Social Security, (DSS), and the Department for Health and Social Security, (DHSS).

A Check eligibility for boost samples

I’d like to start by asking you a bit about you ...

CHECK DEMOGRAPHIC QUESTIONS ALREADY ASKED. IF RESPONDENT IS AGED UNDER 22, A FEMALE AGED 60 OR MORE OR A MALE AGED 65 OR MORE THEY DO NOT QUALIFY FOR THIS SURVEY. ALL OTHERS CONTINUE

ASK ALL WHO ARE RETIRED, (CODE 7 @ RLO WORKING STATUS QUESTION)

A5b. Are you doing any kind of paid work?

Yes, retired from main job but doing some paid work

No, retired and doing no paid work

IF NOT CURRENTLY DOING PAID WORK, (I.E. STILL AT SCHOOL, IN FULL TIME HIGHER EDUCATION, NOT ABLE TO WORK, LOOKING AFTER HOME/ FAMILY, RETIRED, UNEMPLOYED, OR NOT WORKING FOR OTHER REASON), THEN ANSWER THE FOLLOWING QUESTION. ALL OTHERS GO TO QA9., (CODES 5, 6, 8, 9 OR 10 @ THE RLO WORKING STATUS QUESTION, OR CODE 2 @ QA5B.)
SHOW CARD 1
(ANAYSIS VARIABLE)

A8. Do you personally expect to do paid work in the future?

Definitely
Probably
Probably not
Definitely not
It depends, (NOT SHOWN ON SHOW CARD)

ASK ALL
(ANALYSIS VARIABLE)

A9. Can I just check, do you look after, or give any unpaid help or support to family members, children aged under 12, friends, neighbours, or others, because they have long-term physical or mental ill-health or disabilities, or problems related to old age?

IF YES, PROBE FOR NUMBER OF HOURS SPENT GIVING HELP PER WEEK

No, not at all
Up to 20 hours a week
More than 20 hours a week
I am a full time carer

B Attitude to work and savings

The first set of questions is about some of the things you are doing at the moment.

REITERATE REASSURANCES OF CONFIDENTIALITY

ASK ALL
SHOW CARD 2

B1. Different people have different approaches to how they like to organise their lives.

(MAGIC QUESTION)
RANDOMISE
READ OUT
SCORE FOR EACH STATEMENT
ENTER ANSWER (ONE TO TEN)
REMOVE "DK" AND "REF" CODES

For each of the things I read out, could you give me a score out of ten? One means that you are not that sort of person at all, and ten means that you are definitely that sort of person.

I like to feel that I am in control of my life
I just take each day as it comes
I focus on my work and doing well, (DO NOT ASK THOSE WHO ARE RETIRED
AND DOING NO PAID WORK, (QA6.))
I have so much going on at the moment that I can't really think about the future

(MAGIC QUESTION AND CAMPAIGN INDICATOR)
CODE UP TO TWO
REMOVE "DK" AND "REF" CODES

B2. Thinking about your current situation, which of the things on this card, if any, would you say is the MOST important to you at the moment? Please only tell me the one or two things which are really key priorities for you at the moment.

- Buying or moving house
- Clearing debts
- Starting a family
- Doing well at work or getting a new job
- Learning a new skill
- Building up some savings
- Having a good social life
- Paying off your mortgage
- Becoming or being your own boss
- Having more time to relax and enjoy yourself
- Saving for later life
- Putting money somewhere to make it grow
- None of these

SHOW CARD 3
(MAGIC QUESTION AND CAMPAIGN INDICATOR)
CODE ALL THAT APPLY
REMOVE "DK" AND "REF" CODES

B4. Which of these things would you find really hard to give up or scale back on if your finances were stretched?

- Your social life
- Running a car
- Shoes or clothes
- Going on holiday
- Being able to treat family or friends
- Spending on a hobby or interest
- Spending on the house or garden
- Being able to put money aside for a rainy day
- None of these

ASK ALL
SHOW CARD 4
(MAGIC QUESTION)
ENTER ANSWER (ONE TO TEN)
REMOVE "DK" AND "REF" CODES

B5. What score would you give yourself out of ten for your overall knowledge of financial matters, where one means that you know nothing at all, and ten means that you know a lot about financial matters?

SHOW CARD 5

(MAGIC QUESTION)
ENTER ANSWER (ONE TO TEN)
REMOVE "DK" AND "REF" CODES

B6. And could you give me another score out of ten, this time for how confident you feel generally dealing with financial matters? Again, one means that you don't feel at all confident, and ten means that you are very confident.

ASK ALL EXCEPT THOSE WHO ARE RETIRED AND ARE DOING NO PAID WORK, (CODE 13 @ QA6.)
(MAGIC QUESTION)
RANDOMISE
READ OUT
CODE ALL THAT APPLY
REMOVE "DK" AND "REF" CODES

B7. I'd now like you to think a bit about later life and not being in paid work, and what that might be like. Which of these do you agree with?

- I will do all the things I don't have enough time to do now, like hobbies or seeing friends
- I expect to live in a very similar way to how I live now
- I really don't want to think about it
- I can't imagine what it will be like
- I expect I will have to watch what I spend more closely
- I'm really looking forward to being retired
- None of these, (DO NOT READ OUT)

ASK ALL
SHOW CARD 6

Here are some things that other people have said about retirement and life expectancy. For each one, please tell me if you think it is true or false.

Definitely true
Probably true
Probably false
Definitely false

B8a. On average, people live longer than they did compared to their parents' generation, (NEW QUESTION THIS WAVE)

B8b. Because people in this country are living longer nowadays, it's more important for me to save in a pension.

C Knowledge about, and general perceptions of the State Pension

The next few questions are about pensions, and to start with I would like you to think only about the State Pension, that is the pension that people may receive from the Government. We will come on to talk about other types of pensions a little later.

ASK ALL
SHOWCARD 3 AGAIN

C1. For each thing I say, please say whether you think it is true or false.
IF NECESSARY: If you don't know that's fine, just say so, and we will skip to the next one.

(ATTITUDES TO PENSIONS AND CAMPAIGN INDICATOR)
(CAMPAIGN MEASURE)

Definitely true
Probably true
Probably false
Definitely false

CAMPAIGN MEASURES
READ OUT

Almost everyone will get a full basic State Pension
There are things people can do to increase the amount of State Pension they will get
The State Pension will exist when I reach retirement age
The age at which people can receive the State Pension is going up
The age at which women receive the State Pension is increasing to match the age at which men can receive it
People have the option of working past State Pension age
The law is changing which will make it easier for people to work beyond the age of 65

SHOW CARD

C1b. Which of these is closest to the maximum weekly amount of Basic State Pension that people can get?

£60
£100
£140
£190
£250
Don't know

(ADAPTED FROM THE ATTITUDES TO PENSIONS AND SEGMENTATION QUESTIONNAIRE AND CAMPAIGN INDICATOR)

DO NOT PROMPT

CODE ALL THAT APPLY

C2. Many people choose to keep working past State Pension age. What might make you want to do that?

- Because I enjoy my work
- Because I enjoy the social side of working/ getting out/ meeting people
- Because work keeps me active/ my mind active
- Because I am making a contribution to society
- Because I would pay less tax/ National Insurance (NI) if I continue working past State Pension age
- Because I couldn't afford to stop working/ I have no choice but to carry on working
- Because I like to have more money to spend, (NEW STATEMENT THIS WAVE)
- It's a good way to ease into retirement
- Other, (PLEASE SPECIFY)
- Nothing

ASK ALL

READ OUT

The next few questions are about the State Pension. This is made up of the basic State Pension and, for some people, the second State Pension, additional Pension, or SERPS.

SHOW CARD 7

CODE ONE ONLY

C7. Which of these statements best describes what the State Pension will cover?
IF NECESSARY: By "basic living costs" we mean things like housing, heating, and food.

- It will not cover basic living costs
- It will cover basic living costs but no more
- It will cover a little more than basic living costs
- It will cover a lot more than basic living costs
- Don't know

SHOW CARD

READ OUT

ANSWER ON A SCALE OF ONE TO TEN, WHERE ONE MEANS "DISAGREE STRONGLY" AND TEN MEANS "AGREE STRONGLY"

C8. How much do you agree or disagree with the following statement about the State Pension? Please take your answer from this card.

I will need to top up my State Pension with money from other pensions, savings etc.
to make sure I have enough to live on in retirement

D Saving for retirement

ASK ALL

The next set of questions are about your financial plans for retirement.

(SEGMENTATION QUESTION AND CAMPAIGN INDICATOR)

D1. People plan for their retirement in different ways, and at different stages in their life. Do you currently have any financial plans, savings, work, or personal pensions specifically for your retirement?

Yes
No

IF YES @ QD1.

SHOW CARD 8

(SEGMENTATION QUESTION AND CAMPAIGN INDICATOR)

CODE ALL THAT APPLY

INTERVIEWER NOTE: IF ARMY PENSION, CODE AS "COMPANY PENSION",
PROBE FOR WHETHER BEING PAID INTO

IF STAKEHOLDER PENSION, CODE AS "PERSONAL PENSION", PROBE FOR
WHETHER BEING PAID INTO

D2. Which of the following, if any, do you have specifically for your retirement?

- A company/ work pension in your name that is currently being paid into
- A personal pension that you are currently paying into
- A company or personal pension in your name that is no longer being paid into
- An ISA
- Premium bonds
- Other investments
- Other savings
- A main home you plan to sell or downsize or release money from
- A second home or property you rent out
- A business you plan to sell
- A partner with a pension
- An inheritance you expect to benefit from
- Plan to work for as long as you can
- Plan to work for a few years past State Pension age
- State Pension
- Other, (PLEASE SPECIFY)

CODES 1-3 – DO NOT ASK THOSE WHO ARE RETIRED AND DOING NO PAID WORK, (CODE 2 @ QA5B.), AND THOSE WHO "DEFINITELY" OR "PROBABLY" DO NOT PLAN TO DO ANY PAID WORK IN THE FUTURE, (CODES 3-4 @ QA8.)

CODES 4-5 – ASK ALL
SHOW CARD 9
(CAMPAIGN INDICATOR)
ROTATE STATEMENTS
READ OUT

D7. How much do you agree or disagree with the following statements about pensions? Please answer on a scale of one to ten, where one means you “disagree strongly”, and ten means you “agree strongly”.

I would like to start saving in a pension, (DO NOT ASK IF CODED 1, 2 OR 3 @
QE2.)

I need to find out more about saving for retirement
I’m going to need some savings to cover me for later life

ASK ALL

Pensions are a good way to save for retirement
I would always save in a work pension if one is available

SHOW CARD 10
ANSWER ON A SCALE OF ONE TO FIVE

QD7a. Looking at this card, which number best represents how much you have planned for your retirement?

I haven’t thought at all about how I will manage financially when I retire
I know I need to start thinking about how I will manage financially when I retire, but I haven’t got round to it yet

I have found out information, but haven’t started to save for my retirement yet

I have started to save for my retirement, but I know I need to save more

I am saving for my retirement, and am confident that I will have enough to live off comfortably when I retire

SHOW CARD 11
(MAGIC QUESTION AND CAMPAIGN INDICATOR)
CODE ALL THAT APPLY
REMOVE “DK” AND “REF” CODES

D9. There are lots of reasons why people might not have money put aside for their retirement, or perhaps not as much as they could do. Are any of these KEY reasons in your case?

It’s a struggle to cope with just basic day-to-day expenses

I would rather enjoy a good lifestyle now

I don’t want to make the wrong decision

I don’t feel I know enough about what would be the best option for me

Retirement is too far away to think about
The state provides a financial safety net in retirement
I just haven't got round to it yet
There always seems to be other things to spend money on, like holidays or the family
My partner has enough pension and/ or savings for us both
I expect my house to make me enough money
If I have savings, I might miss out on means tested benefits now
If I have savings, I might miss out on means tested benefits later
I expect to carry on working
I don't trust banks/ financial advisers
I am saving for other things
I have never really thought about it
I am too old to start planning for my retirement
I don't think I will live that long, (NOT IN MAGIC QUESTIONS – NOT TO BE
SHOWN ON CARD)
I am already putting away enough money for retirement, (NOT TO BE SHOWN ON
CARD)
My employer doesn't offer a pension, (NOT IN MAGIC QUESTIONS – NOT TO BE
SHOWN ON CARD)
None of these

SHOW CARD 12

D12. Thinking about your friends and family, how many do you think are **saving into a workplace pension**? It doesn't matter if you don't know, but I'm interested in your perceptions. (CHANGE OF QUESTION WORDING THIS WAVE)

None
One in ten or fewer, (ten per cent or less)
More than one in ten, and up to a quarter, (ten per cent to 25 per cent)
More than a quarter, and up to a half, (26 per cent to 50 per cent)
More than a half, and up to three-quarters, (51 per cent to 75 per cent)
More than three-quarters, (76 per cent or more)
All

ASK ALL

SHOW CARD 13

(MAGIC QUESTION WITH EXTENDED SCALE)

ANSWER ON A SCALE OF ONE TO TEN, WHERE ONE MEANS "VERY WORRIED" AND TEN MEANS "VERY CONFIDENT"

REMOVE "DK" AND "REF" CODES

D13. Thinking about your current situation and retirement plans, would you say that you are worried or confident about the future?

SHOW CARD 14

(SEGMENTATION QUESTION AND CAMPAIGN INDICATOR)

CODE ALL THAT APPLY

D16. And can I just check, have you done any of these things in the past 12 months in relation to pensions or saving for later life?

- Looked into my State Pension
- Looked into/ at my company/ personal pension
- Looked at pension information online
- Spoken to my employer about working beyond age 65
- Spoken to my employer about changes to workplace pensions
- Had a conversation with friends, family or work colleagues
- Other (PLEASE SPECIFY)
- None of these

ASK ALL
SHOW CARD 15
(MAGIC QUESTION)
ROTATE STATEMENTS
ENTER ANSWER (ONE TO TEN)
REMOVE "DK" AND "REF" CODES
READ OUT

D19. I am going to read out some things that other people have said about later life and managing money. For each one, please tell me how much you agree or disagree by giving a score out of ten where one means that you "strongly disagree", and ten means that you "strongly agree".

- If I have to work beyond State Pension age, I think I will have failed, (DO NOT ASK THOSE WHO ARE RETIRED, (CODES 13-14 @ QA6.))
- Dealing with pensions scares me
- Anything I have for my retirement I have sorted out myself
- Pensions are the best way to save for retirement
- It is a good idea to have some savings in a pension so that you don't keep dipping into them
- It's not worth saving for retirement as I might not live that long, (DO NOT ASK THOSE WHO ARE RETIRED, (CODES 13-14 @ QA6.))

ASK ALL
SHOW CARD 16
(CAMPAIGN INDICATOR)
CODE UP TO THREE

D23. Looking at this card, where would you go to find out more information about pensions, saving for later life, or working past State Pension age? Please choose up to three options.

- Financial adviser
- Financial advice service
- Bank or building society

Directgov
Employer
Accountant
Friends/ family/ colleagues
DWP/ The Department of Social Security, (DSS)/ The Pension Service (tPS), (CODE 6)
The Financial Services Authority, (FSA)/ The Consumer Financial Education Body, (CFEB)
Her Majesty's Revenue and Customs, (HMRC)/ Inland Revenue
Government department – not sure which, (CODE 6)
The Pensions Advisory Service
Insurance company
Pension provider
Trade union
Citizens Advice Bureau, (CAB)
Age UK, (aka Help the Aged, Age Concern), or a similar organisation
Other advice service
Other television/ radio/ newspapers
Other (PLEASE SPECIFY)
None of these
Don't know

E Automatic enrolment and awareness of benefits (NEW SECTION THIS WAVE)

ASK ALL
READ OUT
ROTATE STATEMENTS

E1. Which of these do you think are benefits to saving in a workplace pension?

- It makes saving easy
- The government pays a contribution
- My employer will make a contribution
- It's a hassle free way to start a pension
- It helps me take control of my future
- None of the above
- Don't know

SHOW CARD
READ OUT

The next few questions are about workplace pensions.

In a workplace pension scheme, both employers and workers contribute. Because the government gives tax relief on pension contributions, the pension pot grows even more. Money saved in a pension can't be touched until you retire.

To help save more for their retirement, a new law is being introduced from 2012. It requires all employers to automatically enrol their workers into a workplace pension scheme, if they are not already in one. People can choose to opt-out of the pension scheme if they wish to.

This new scheme is going to start to be introduced from October 2012.

CHECK RESPONDENT UNDERSTANDS BEFORE PROCEEDING

E2. Can I just check before continuing with the interview, had you heard about this new law requiring all employers to enrol their workers into a workplace pension scheme?

- Yes
- No
- Don't know

READ OUT
FLIP ORDER OF STATEMENTS AT ALTERNATE INTERVIEWS

E3. And what do you think of the law to make all employers automatically enrol their workers into a workplace pension scheme? Is it ...

Definitely a good thing
Maybe a good thing
Not sure
Maybe a bad thing
Definitely a bad thing
Don't know

ASK ALL NOT IN A WORKPLACE PENSION, (QD1.). IF ALREADY IN A
WORKPLACE PENSION, GO TO SECTION F
READ OUT
FLIP ORDER OF STATEMENTS AT ALTERNATE INTERVIEWS

E4. Which of these statements best describes what you think you will do if your employer enrolls you into a workplace pension scheme like this?

I would definitely stay in it
I would probably stay in it
I am not sure
I would probably not stay in it
I would definitely not stay in it
Don't know

ASK ALL WHO DIDN'T CODE "DON'T KNOW" AT QE4.
READ OUT

E5. Why do you say that?

Open-ended

F Awareness of communications about saving for later life

ASK ALL

Next I'd like to ask you about what you may have seen or heard about pensions or saving for later life.

(CAMPAIGN INDICATOR)

F1. Have you seen, or heard, or read anything about workplace pensions recently? I don't want you to think about advertising from pensions or savings companies, but anything else that you might have seen or heard.

Yes
No

SHOW CARD 17

(CAMPAIGN INDICATOR)

CODE ALL THAT APPLY

PROBE TO PRECODES

PROBE: WHERE ELSE?

F2. And can I just check, have you seen, heard, or read anything about workplace pensions via any of the following recently? (REVISED QUESTION WORDING THIS WAVE)

IF NECESSARY: Once again, I don't want you to think about advertising from pensions or savings companies, but anything else that you might have seen or heard.

Letter addressed to you in the post
National newspaper
Local newspaper
Radio
Magazine
Television
Poster/ billboard/ bus shelter
Internet
Leaflet
Jobcentre Plus
Financial adviser
Friends, family or work colleagues have discussed it
Other (PLEASE SPECIFY)
None of these

ASK ALL

SHOW CARD 18
(CAMPAIGN INDICATOR)
CODE ALL THAT APPLY

F5. Can I just check, have you seen, heard or read any advertising, news or publicity about any of the subjects shown on this card recently?

The increase in the State Pension age
That you can work beyond State Pension age
People are living longer
State Pension is a foundation for retirement saving and will only cover the basics
That you may need to build on the State Pension with a pension of your own
Changes in the way people join work pension schemes
Encouraging people to find out more information about saving for retirement/
pensions
The law will change which means employers will enrol workers into a pension, (NEW
STATEMENT THIS WAVE)
Getting a pension doesn't have to be complicated, (NEW STATEMENT THIS WAVE)
People who don't have workplace pension schemes will automatically be enrolled
into one, (NEW STATEMENT THIS WAVE)
If you put money into your workplace pension, your employer and the tax man will
too, (NEW STATEMENT THIS WAVE)

G Other classification questions, (analysis variables) **(NEW SECTION THIS WAVE)**

ASK ALL
SHOW CARD

G1. Have you visited any of these local services in the past month?

Jobcentre Plus
Sure Start Children's Centre
Citizens' Advice Bureau (CAB)
Library
GP surgery/ Health centre
Leisure centre
Post Office
None of the above
Don't know

SHOW CARD
CODE ALL THAT APPLY

G2. Which of these publications do you read regularly? By "regularly", I mean at least half of all issues.

Men's lifestyle magazines, (for example FHM, Zoo or Heat)
Women's lifestyle magazines, (for example More!, Grazia, Closer or Yours)
Local daily newspaper
Local weekly newspaper
None of these
Don't know

READ OUT

G3. When did you last listen to any national or regional commercial, (for example non-BBC) radio stations? Was it ...

In the past seven days
In the past four weeks
In the past 12 months
Longer ago or never listened to
Don't know

Standard omnibus questions measure whether respondents have used the internet in the past three months, the number of hours they have used it for in an average week, whether or not they have in-home internet access, and whether or not they have broadband.

ASK ALL WHO HAVE USED THE INTERNET IN THE PAST THREE MONTHS,
(STANDARD OMNIBUS QUESTIONS)

SHOW CARD

CODE ALL THAT APPLY

G4. Which of these things do you do on the internet nowadays?

- Socialising/ Keeping in contact with friends on social networking sites
- Contributing to an online chat room/ discussion forum
- Playing games on social networking sites, (for example Farmville or Bejewelled)
- Viewing videos online, (for example Youtube)
- Using online price comparison sites, (for example Money Supermarket or USwitch etc.)
- Grocery/ food shopping
- Online auctions, (for example eBay)
- Paying bills online
- Looking for a job, (for example Jobsite or Monster)
- Looking for a new home, (for example Find a property or Rightmove)
- Looking for discount/ voucher codes, (for example Groupon, Vouchercodes or Vouchercloud)
- None of these
- Don't know

Standard omnibus questions also measure whether or not respondents have a mobile phone.

ASK ALL WHO HAVE A MOBILE PHONE, (STANDARD OMNIBUS QUESTIONS)

SHOW CARD

CODE ALL THAT APPLY

G5. And which of these do you use your mobile phone/ device to do nowadays?

- Text messaging
- Making and receiving telephone calls
- Using apps
- Accessing the internet
- Reading/ scanning QR codes, (barcodes) for more information
- Playing games
- Looking for local deals, offers and vouchers
- Looking at price comparison websites
- Banking
- None of these
- Don't know

Appendix B: Segmentation overview

The Department for Work and Pensions carried out research in conjunction with the Personal Accounts Delivery Authority in 2008. This set out to explore individuals' attitudes to planning and saving for later life, and resulted in the development of an audience segmentation model for people of working age.

The overarching objectives of this research were to understand the potential population of working age people from a planning and saving for later life perspective, and gain insights to help better understand their motivations, attitudes and behaviours.

The research, conducted in the late summer and early autumn 2008, was carried out in two stages:

- Stage 1 – An initial qualitative stage consisting of 90 depth interviews to generate hypotheses and typologies.
- Stage 2 – A quantitative survey of 3,033 telephone interviews to challenge and test the qualitative findings and subsequently build a segmentation framework.

The key segments emerging from this research were as follows:

- “Daunted” – covering 21 per cent of the working age population who are typically older individuals with lower incomes. They lack confidence in personal finance and so have both practical and emotional barriers to saving.
- “Unprepared” – covering 28 per cent of the working age population who tend to be younger people for whom retirement seems so far off that saving for it is not their priority.
- “Competing priorities” – covering ten per cent of the working age population who tend to be relatively affluent and financially literate, and whose ability to save for retirement is hampered by other demands on their money, such as a mortgage.
- “Maybe sorted” – 15 per cent of the working age population who tend to have made some plans for retirement, but by and large, these are not based on personal private pension saving, and have no “Plan B” should their home, business, or partner’s pension not provide the retirement income they expect.
- “Really sorted” – 26 per cent of the working age population who tend to have good pension provision, and generally credible retirement plans. They are typically older people.