

# Pensions Portfolio: Communications tracking research

## March 2012

DWP Professional Services Group, Communications Directorate

Research report: 8

January 2013

© Crown copyright 2013

You may re-use this document/publication (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence> or write to The Information Policy Team, The National Archives, Kew, London, TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

This publication is also available on our website at:

<http://www.dwp.gov.uk/comms-ci-research>

Any enquiries regarding this publication should be sent to the DWP Communications Research and Evaluation Team at: [comms.researchandevaluation@dwp.gsi.gov.uk](mailto:comms.researchandevaluation@dwp.gsi.gov.uk)

First published: January 2013

ISBN: 978-1-78153-360-4

Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other government department.

# Contents

Contents .....	3
Executive summary .....	5
Acknowledgements .....	7
1. Background .....	8
1.1 Communications strategy .....	8
1.2 Target audience .....	8
1.3 Communications activity and context .....	9
1.4 Research objectives .....	11
2. Research approach .....	12
2.1 Survey methodology .....	12
2.2 Sampling .....	12
2.3 Questionnaire .....	12
2.4 Analysis .....	13
3. Main findings .....	14
3.1 Awareness of messages and sources .....	14
3.2 Campaign recognition .....	17
3.3 Steps taken towards retirement planning .....	23
3.4 Financial plans and saving .....	24

**Pensions Portfolio: Communications tracking research – March 2012**

3.5 Barriers to saving .....	26
3.6 State Pension .....	27
4. Automatic enrolment and awareness of benefits .....	28
APPENDIX A – Questionnaire .....	32
APPENDIX B – Segmentation .....	48

# 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 March 2012. 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 its 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 2,113 adults from Great Britain, aged between 22 and the State Pension age.

The analysis was carried out at the total sample level, and for key audience sub-groups, including 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. This wave of research utilised a larger overall sample size to ensure more robust standalone samples for the “daunted” and “unprepared” segments.

Key findings are:

- A reduction in other noise about workplace pensions has led to a decline in levels of top-of-mind awareness of the issue: 30 per cent had seen, heard or read anything about workplace pensions. Levels of awareness of campaign messages have remained at the same level observed in October 2011.
- Levels of recognition of campaign materials, considering spend, were higher than for the 2010 campaign. Press/poster advertisements were better recognised than in 2010, and radio has delivered similar reach. Online has performed well in relation to spend.
- Although engagement with the adverts is at a lower level than in 2010, data suggest that repeating the campaign has the potential to further drive messaging.
- There were no changes in the proportions who had taken steps towards planning for retirement, but there were some suggestions that the campaign has started to prompt conversations and information seeking.
- Understanding of the future of the State Pension and its role was still limited. There was a decline in the proportion of people understanding that it will cover basic living costs: more people thought it would not cover the basics.

## Pensions Portfolio: Communications tracking research – March 2012

- Increasing understanding of employer and government contributions to pension pots increases desire to save in a pension, as does understanding that the State Pension will need to be topped up.
- Reactions towards automatic enrolment remain broadly positive. Only one-third had heard of it, but three-quarters thought it was a good idea. Only one in eight thought they would opt out.
- There are still some gaps in knowledge and attitudes for those potentially eligible for automatic enrolment: they are less likely than average to know about automatic enrolment, or to think that it is a good thing. However, they are just as likely as the average to say they will stay enrolled.
- As at previous waves, respondents in the “daunted” and “unprepared” segments were less likely to have seen, heard or read anything about workplace pensions or picked up on any campaign messages. This reflects their lack of engagement with saving for retirement.

# Acknowledgements

This research was commissioned by the Department for Work and Pensions (DWP) Communications Directorate. GfK NOP were contracted to carry out the fieldwork, analysis and reporting. 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.

A particular focus of the communications strategy is to raise awareness and communicate the benefits of automatic enrolment, particularly among those who are potentially eligible.

## 1.2 Target audience

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 has developed a segmentation model of the working age audience to get a better understanding of who the hardest-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.<sup>1</sup>

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, 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. This tends to be younger people for whom retirement seems so far off that saving for it is not their priority.

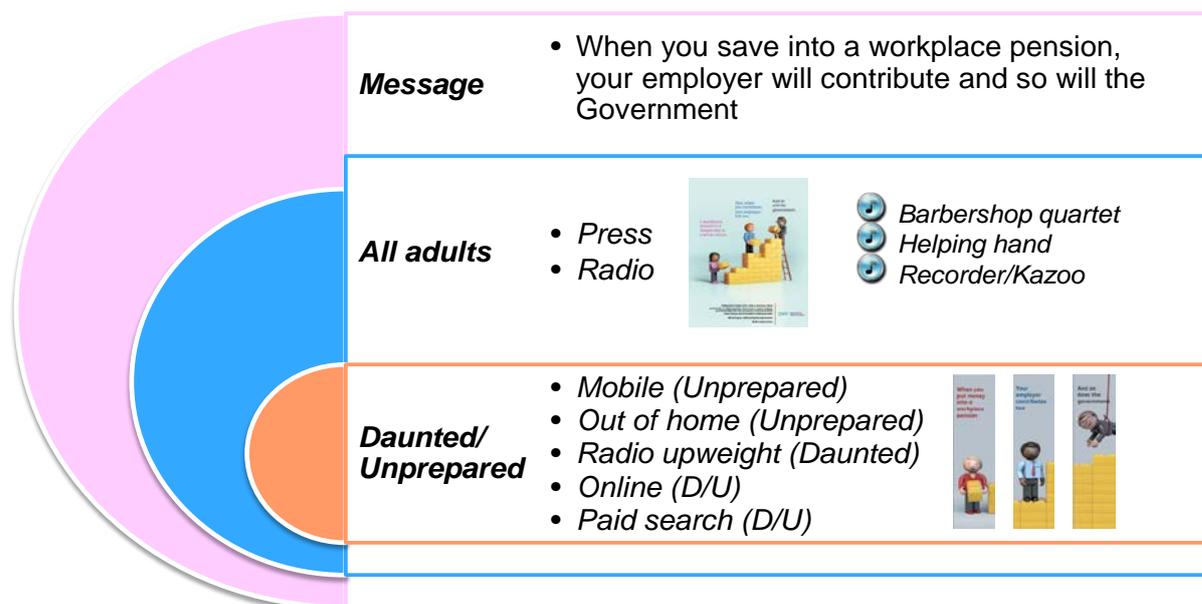
## 1.3 Communications activity and context

A new DWP campaign was launched in January 2012 and is intended to run until October 2012 (when automatic enrolment begins). The campaign activity which was relevant for the March 2012 research utilised a range of paid-for channels to cascade the message down. The campaign materials and messaging are summarised in Figure 1.

---

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

**Figure 1: Details of campaign**



DWP also used low-cost and no-cost channels for communications purposes, including:

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

In addition to DWP communications activity, other sources of “noise” can also affect people’s awareness of and attitudes to pensions and working longer messages. 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, retirement age and 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. In March 2012 consumer confidence remained low, sitting at a similar level to that seen in October 2011.<sup>22</sup>

<sup>22</sup> Consumer Confidence Barometer, GfK NOP (March 2012).

## 1.4 Research objectives

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

## 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

### 2.2 Sampling

The research was conducted among a nationally representative (standard) sample of 2,113 adults from Great Britain, aged between 22 and the State Pension age. This reflects the intended audience for 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. Questions about automatic workplace pension enrolment and awareness of the benefits which were new in October 2011 were repeated at this wave. A number of questions dealing with campaign measures were also included; some reinstated from March 2010 (the last above-the-line campaign) and others new to this wave.

Some questions were suppressed in March 2012 (for example, perceptions of the State Pension, partnership and classification questions) as it was deemed acceptable for these to be asked only every six months.

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 included in Appendix A below.

## 2.4 Analysis

GfK NOP analysed the results using a set of weighted data tables and raw survey data. 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 GfK NOP, 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 sample, as well as the two segments identified as the focal point of the communications (the “daunted” and “unprepared” segments). For some key questions, additional analysis has been carried out among those who recognise the campaign and those who are potentially eligible for automatic enrolment.

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 sample this is also indicated.

## 3. Main findings

### 3.1 Awareness of messages and sources

To understand the wider context of attitudes towards pensions, it was desirable to assess what sort of communications respondents were being exposed to on the subject generally. This would allow for a better understanding of the environment in which the campaign was operating, and how respondents' perceptions might be influenced by the kind of messages coming through.

#### Awareness

Spontaneous awareness of workplace pensions communication remained stable between October 2010 and October 2011, with around two in five respondents saying that they had seen, heard or read anything about workplace pensions. However, in March 2012 there has been a decline in spontaneous awareness (30 per cent, compared with 41 per cent in October 2011), which now stands at similar levels to March 2010 (the post-wave survey for the last above-the-line campaign)<sup>3</sup>.

The decline in spontaneous awareness was seen among all respondents, and to a similar extent regardless of age, gender and segment. Given that this was a universal trend, it is likely to be because of a reduction in other 'noise' surrounding the subject (for example, budget, low consumer confidence), rather than a reflection of changes in DWP communications.

This hypothesis is further supported by the fact that spontaneous awareness has even significantly decreased among those in the "really sorted" segment: a group which tends to be more financially aware and more aware of other messages than the average.

Looking specifically at the targeted segments, there has been a decline in the proportion of the "unprepared" and "daunted" segments that have seen, heard or read anything about workplace pensions.

---

<sup>3</sup>It is worth mentioning that comparisons from March 2011 or earlier and October 2012 or later are likely to be affected by changes in the question wording at the October 2012 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 ..."). Given that the earlier wording refers to a broader subject matter for communications, we might expect a slightly lower response to the newer wording.

- Spontaneous awareness among the “unprepared” segment has fallen from 40 per cent a year ago to 33 per cent in October 2011 and 24 per cent in March 2012.
- Among the “daunted” segment, spontaneous awareness has decreased from 34 per cent a year ago to 27 per cent in October 2011 and 20 per cent in March 2012.

## Channels

Radio, press and online channels were used as part of the campaign, but the proportion of respondents mentioning these channels has not increased in March 2012. However, this is not surprising given the extent to which other ‘noise’ in these channels could overwhelm DWP communications around these subjects. Similar to the decline in spontaneous awareness, the drop in prompted awareness of communications is likely to be a reflection of reduced ‘noise’ around these subjects, and this decline is apparent across various channels.

There has been a significant decline in the proportion of respondents who have seen, heard or read anything about workplace pensions on the television (excluding advertising from pensions or savings companies). Although television is still seen as the primary source for information on workplace pensions, just 14 per cent recalled hearing anything about pensions in this way, compared with 27 per cent in October 2011.

There has also been a decline in the proportion of respondents that claim to have read about workplace pensions in the press: 12 per cent had read in newspapers (compared with 21 per cent in October 2011) and one per cent in magazines (similar to October 2011).

Similar to previous waves, seven per cent were aware of communications about workplace pensions on the radio, while five per cent were aware of communications online. Levels of awareness in other campaign channels have remained less stable.

Communications through employers was a new option presented to respondents in March 2012, as there was an expectation that some employers would have started to take action in informing employees about changes regarding automatic enrolment. One-tenth had read about workplace pensions in a letter from their employer, while five per cent had had a discussion with them. These channels were most commonly experienced by those in AB social grades<sup>4</sup> (“letter from employer” 18 per cent and “discussed with employer” eight per cent) and those with pension provision (“letter from

---

<sup>4</sup>AB social grades (higher and intermediate managerial, administrative or professional occupations)

employer” 15 per cent and “discussed with employer” seven per cent). As these are the groups most likely to already have a pension, it would suggest that most employers are not yet broaching the subject with those potentially eligible for automatic enrolment.

Patterns for those in the “daunted” and “unprepared” segments were similar to those for the total sample. However, respondents in the “daunted” segment were least likely to have had any communication about workplace pensions through their employer, or to be aware of communications on the radio; a channel employed by the campaign in targeting key segments. Awareness of radio has held up for the “unprepared” segment, though this proportion is still lower than for the “competing priorities” and “mainly sorted” segments.

## Messages

Respondents were asked whether or not they had recently seen, heard or read any advertising, news or publicity about a range of subjects which were shown on a card. These subjects represented some of the key messages which DWP was trying to communicate as part of the campaign. Most prominent in the campaign materials were the messages that millions of employees will be enrolled into workplace pensions, that employers will contribute and that the government will too.

The messages that people were most likely to have seen, heard or read are as follows:

- The law will change which means employers will enrol workers into a pension (16 per cent)
- If you put money into your workplace pension, your employer will too (12 per cent)
- If you put money into your workplace pension, the government will too (11 per cent)
- State Pension is a foundation for retirement saving and will only cover the basics (10 per cent)
- People who don't have workplace pension schemes will automatically be enrolled into one (10 per cent)
- Getting a pension doesn't have to be complicated (10 per cent).

Although the wording of some messages in March 2012 is slightly different to the wording used in October 2011, they are alike enough to allow for comparison. The levels of awareness for each of the messages mentioned above are similar to those in October 2011, with the increases seen since March 2010 having been maintained.

The proportion of people who said that they were aware of at least one of the campaign messages was 35 per cent, which represents a decline since

October 2011 (64 per cent). However, this can almost certainly be accounted for by the change in the wording of some messages asked about and the fact that some of the messages that respondents were most aware of in October 2011 were not included in March 2012. Overall, 60 per cent of respondents said that they had not heard any of the messages.

To a certain extent, the messages mentioned by respondents can be attributed to the campaign, as recognisers were more likely than non-recognisers to be aware of any message (54 per cent of those who recognised campaign adverts mentioned any of these messages, compared with 27 per cent of those who did not recognise them when shown or played later in the interview). However, messages were less likely to be mentioned by those recognising online adverts (54 per cent), and particularly those recognising **only** online adverts (39 per cent), suggesting these are not raising awareness to the same extent.

The radio campaign appears to be particularly successful at communicating the messages that employers will contribute and that the government will contribute (mentioned by 23 per cent and 24 per cent of radio recognisers respectively).

In terms of the targeted segments, the “daunted” group was less likely than other segments to have mentioned any of the messages (27 per cent mentioned any message, compared with 35 per cent “unprepared”, 41 per cent “competing priorities”, 40 per cent “mainly sorted” and 40 per cent “really sorted”. In particular, the “daunted” segment was less likely to have seen, heard or read the message that employers will enrol workers into a pension (11 per cent, compared to 16 per cent on average) and that employers would contribute (seven per cent compared with 12 per cent on average). This pattern is consistent with the lower levels of engagement shown by this group and supports the reasoning for having specifically targeted them.

## 3.2 Campaign recognition

In order to assess the impact of the advertising exposure, respondents were shown/played the press, radio and online advertisements and were asked whether they had seen or heard them before. Findings are compared with those from March 2010, the post-wave survey for the last above-the-line campaign.

Three in ten respondents (31 per cent) recognised at least one of the advertisements they were shown or played. This represents a lower proportion than the four in ten recognisers in March 2010 (39 per cent). Recognition of the radio advertisement was lower than in March 2010 (18 per

cent, compared to 35 per cent); although when recognition is considered in proportion to spend the levels remain similar over time.

Press/poster advertisements were better recognised (14 per cent in March 2012, compared with six per cent in March 2010), and recognition as a proportion of spend was also slightly higher for the March 2012 campaign. Online advertisements were recognised by 11 per cent of respondents in March 2012 and performed well in proportion to spend, however they were not part of the campaign in 2010 so no comparisons can be made. Overall, recognition of any advert as a proportion of spend was higher for the March 2012 campaign (23 per cent per £million spend) compared with March 2010 (17 per cent per £million spend).

Patterns of recognition by segment remained similar to those seen in March 2010, with those in the “competing priorities” segment more likely to be aware (35 per cent in March 2012). Reflecting lower levels of engagement with the subject matter as a whole, the “daunted” segment was less likely than other segments to recognise any campaign advertisement (28 per cent) and their levels of recognition of each media were slightly, but not significantly, lower. For the “unprepared” segment (34 per cent), patterns of recognition did not differ significantly to the average.

Looking now at each media separately, firstly **press/poster** advertisement, national newspapers were most commonly mentioned (five per cent) as a source of the press/poster advert, while very few said that they had seen it out of the home on a poster (two per cent). Six per cent of respondents thought that they had seen it somewhere but couldn't remember where.

Three **radio** advertisements were used in the campaign (Helping Hand, Barbershop Quartet and Recorder/Kazoo) and a selection of these were presented to respondents during the survey. During the campaign, Helping Hand was played more often than the other two advertisements, but the levels of recognition were no higher (14 per cent, compared to 13 per cent each for Barbershop Quartet and Recorder/Kazoo). It is also worth noting that recognition of Helping Hand as a proportion of Gross Rating Points (GRP) was much lower than for the other advertisements (2.8 per cent, compared with 9.5 per cent for both Barbershop Quartet and Recorder/Kazoo), suggesting, perhaps, that Helping Hand is less memorable than the other radio adverts.

Three **online** advertisements were presented to respondents: Stilts, Rope and Ladder. There was no significant difference in the proportion recognising each (Stilts nine per cent; Rope and Ladder each seven per cent).

## Perceptions of campaign advertisements

Respondents were asked to think about all of the advertisements that they had seen or heard and select statements which they thought applied to them. Few were concerned or confused by any of the advertisements but levels of engagement were somewhat lower compared with the 2010 campaign.

- One-fifth (20 per cent) thought that the advertisements were aimed at people like them<sup>5</sup>
- Fifteen per cent said that it made them think about their own situation<sup>6</sup>
- Fourteen per cent agreed that it told them something they did not know (27 per cent in March 2010).
- Fewer than one in ten respondents said that the advertisements made them want to find out more about saving into a workplace pension (nine per cent), or made them feel that saving in a workplace pension is something they could do (eight per cent). These responses are not comparable with March 2010.

For some, the campaign did not provoke any memorable response, with three in ten respondents (30 per cent) saying they didn't really notice the advertisements. This represents a higher proportion than the twenty-five per cent who said this in March 2010.

However, on a positive note, the proportion of respondents who said that the advertisements were worrying is significantly lower for the March 2012 campaign (two per cent<sup>7</sup>).

Respondents who were potentially eligible for automatic enrolment tended to react fairly positively to the advertisements. They were more likely to say that the advertisements made them want to find out more about saving into a workplace pension (13 per cent) and that it is something they could do (11 per cent). They were also more likely to say that they learned from the advertisements (14 per cent).

## Perceptions of campaign advertisements by segments

The “unprepared” segment were no more likely than average to have perceived the advertisements as being aimed at them (20 per cent). However, they were more likely to have said the advertisements told them something they didn't know (20 per cent).

---

<sup>5</sup> Comparisons to March 2010 not possible

<sup>6</sup> Comparisons to March 2010 not possible

<sup>7</sup> Comparisons to March 2010 not possible

The “unprepared” segment (along with the “competing priorities” segment) were the most likely to have reacted positively to the campaign messages.

The “unprepared segment” was:

- More likely to have said the advertisements made them think about their own situation (19 per cent)
- More likely to have said the advertisements made them want to find out more about saving into a workplace pension (12 per cent, the same as in March 2010)
- More likely to have said the advertisements made them feel that saving in a workplace pension is something they could do (11 per cent).

However, the “unprepared” segment were also the most likely to have said they “didn’t know what to do now” (eight per cent), suggesting that although the campaign is resonating with them, it is not giving a clear enough call to action.

The “daunted” segment’s reactions to the campaign did not differ significantly to the average.

### **Perceptions of campaign advertisements by campaign exposure**

Recognisers (those who had seen or heard any of the campaign advertisements before they were interviewed, and therefore had seen/heard them more than once) tended to react more positively than non-recognisers (who had seen/heard them once only in the interview). This is reflected in the finding that just 22 per cent of the recognisers (compared with one-third (33 per cent) of the non-recognisers) said they “didn’t really notice” the campaign advertisements. This suggests that the campaign’s messages have potential to grow with further exposure.

One-quarter (25 per cent) of recognisers said that they thought the advertisements “were aimed at people like me” (compared to 17 per cent of non-recognisers). Twenty-two per cent of recognisers (27 per cent among online advertising recognisers) said that the advertising “made me think about my own situation”, whereas just 12 per cent of the non-recognisers said it had made them think in this way. Differences between recognisers and non-recognisers were also apparent at the last post-wave survey (March 2010), although this was to a slightly lesser degree.

The differences in response between recognisers and non-recognisers provide an encouraging indication of the current campaign’s impact. The differences are sufficient to show that repeat exposure to an advert helps to drive positive perceptions, because those who recognise the adverts (that is, those who have seen or heard them one or more times before) were

**Pensions Portfolio: Communications tracking research – March 2012**

significantly more likely to have positive perceptions than those who had only seen or heard them once (in the interview). As such, this indicates that the campaign is not yet wearing out.

## Impact of advertisements

### **Campaign messages which drive positive perceptions of automatic enrolment**

Campaign messages that empower respondents (into thinking that saving in a pension is something that they could do) were the most likely to drive positive views of automatic enrolment, as were those messages that make workplace pensions appear less intimidating.

For example, the majority (89 per cent) of those who said that the campaign messages “made me feel that saving in a workplace pension is something I could do” also felt that automatic enrolment was a good thing. Similarly, a high proportion (87 per cent) of those who said the campaign messages “made the subject of workplace pensions seem less scary” also felt positively towards automatic enrolment.

This is further evidence to suggest that continued communication of the key campaign messages may effectively impact on positive attitudes towards automatic enrolment.

### **Campaign messages encouraging respondents to stay enrolled**

Campaign messages that told respondents something new, made them want to take action and empowered respondents (into thinking that saving in a pension is something they could do) were the most likely to drive positive likelihood to stay enrolled if automatically enrolled. Among those who didn't already have a workplace pension:

- Forty-four per cent of those who said that the campaign messages “made me want to find out more about saving into a workplace pension” also said that they would ‘definitely’ or ‘probably’ stay enrolled if they were automatically enrolled to a workplace pension
- Two in five (40 per cent) of those who felt the campaign messages were empowering (“made me feel that saving in a workplace pension is something I could do”) also said they would ‘definitely’ or ‘probably’ stay enrolled if they were automatically enrolled.

### **Impact of advertisements on likelihood to stay enrolled**

While three-fifths (63 per cent) of those who were in work but did not have a workplace pension said the advertisements made no difference to their view, three in ten (31 per cent) said the advertisements made them more likely to stay enrolled if they were automatically enrolled.

Recognisers were more likely than non-recognisers to say that the advertisements would make them stay enrolled. Two in five (38 per cent) of

recognisers said that the campaign advertising would make them more likely to stay enrolled compared to just 27 per cent of non-recognisers who said the campaign would have a positive effect on their likelihood to stay enrolled.

There were differences by segment in terms of the impact of the advertising on people who were in work but did not have a workplace pension, and their likelihood to stay enrolled. Those in the “unprepared” segment was the most likely to say that the advertisements were likely to encourage them to stay enrolled (38 per cent said either ‘a lot’ or ‘a little’ more likely). The “unprepared” segment was also the least likely to say that the advertisements made no difference (54 per cent) to this decision.

### **Actions taken as a result of the advertising**

One-quarter (23 per cent) of those who recognised at least one advertisement from the campaign had taken some action as a result: most frequently mentioned action was speaking with other people about what they had seen or heard. Nine per cent of recognisers had spoken to family or friends (rising to 13 per cent of press/poster advert recognisers) and seven per cent had spoken to people at work.

Although reactions to the campaign overall were slightly less positive than in March 2010, the proportion of recognisers who have taken action as a result has not declined (23 per cent, compared with 19 per cent in March 2010).

## **3.3 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 participated in certain activities related to this in the last 12 months. The aim of these questions was not only to get a measure of the kinds of actions that are likely to be taken (which could be used in formulating a realistic ‘call to action’ for future campaigns), but also to link these to campaign exposure to assess shorter term impact.

Half of respondents (50 per cent) have done something in relation to pensions or saving for later life, however a similar proportion (49 per cent) had done nothing. This does not represent a significant change from October 2011. Respondents were most likely to have taken the informal steps of either talking to their friends, family or work colleagues (26 per cent), looking at their company/personal pension (26 per cent) or looking at their State Pension (11 per cent).

Fewer than one in ten respondents (seven per cent) had taken the more formal measure of speaking to their employer about changes to workplace

pensions and there have been no significant changes in this proportion over time.

Recognisers of the campaign were slightly more likely to have taken any steps than respondents who did not recognise the campaign (54 per cent, compared with 47 per cent) suggesting the current campaign is to some extent driving action. In particular, recognisers of the campaign were more likely to have **spoken to their employer about the changes** (10 per cent, compared with six per cent of those who did not recognise the campaign) perhaps suggesting the campaign is starting to prompt conversations.

Similar to previous waves, the “daunted” and “unprepared” segments are particularly likely to have done nothing, reflecting their lower levels of engagement with pensions as a whole (66 per cent and 59 per cent respectively, compared with 46 per cent “Maybe Sorted”, 35 per cent “Competing Priorities and 33 per cent “Really Sorted”). Given that the campaign has been shown to be effective in prompting action, this further reinforces the decision to target these segments.

Further reflecting their lack of engagement with the subject of pensions, the “daunted” segment remains less likely to have had **a conversation with friends, family or work colleagues** (16 per cent, compared with 26 per cent on average).

## 3.4 Financial plans and savings

### Attitudes and intentions

In order to assess attitudes towards pensions and saving, respondents were asked how much they agreed or disagreed with a series of statements.

Just over one-third (34 per cent) (excluding those who are retired and not working, and who do not expect to work again in the future) agreed that they “need to find out more about saving for retirement”. This result is stable wave-on-wave (36 per cent in October 2011), and remains higher among the “unprepared” segment (43 per cent), who are less likely to have plans for their retirement. The “daunted” segment is also less likely to have plans for their retirement but was no more likely than average to agree that they need to find out more (35 per cent). There were no differences in response based on campaign exposure.

Over one-third (37 per cent) of the 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”. This finding has remained stable over time (34 per cent in October 2011) and in spite of the economic climate. It is interesting that the “unprepared” and “daunted” segments were no more

likely than average to agree that they would like to start saving in a pension (40 per cent and 35 per cent respectively), despite being less likely than other segments to already have plans in place for their retirement. The “competing priorities” segment is consistently more likely than average to agree they would like to start saving in a pension (47 per cent in March 2012). There were again no significant differences by campaign exposure.

## Existing plans and savings

Just over half of respondents (54 per cent) said they have financial plans, savings, work or personal pensions in place specifically for their retirement. This represents no change on the finding in October 2011 of the survey (55 per cent). As in October 2011, this figure is lower among the “daunted” and “unprepared” segments (each 35 per cent). When asked in more detail about the extent to which respondents have planned for retirement:

- Almost one-quarter (23 per cent) have not “thought about how they will manage financially when they retire”
- A further one-fifth (19 per cent) said that they know they need to “start thinking about it, but haven’t got round to it”
- Eight per cent of respondents said that they have “found out information but haven’t started to save yet”
- Three in ten (30 per cent) said that they have “started to save but know that they need to save more” (significantly less than said this in October 2011, 34 per cent)
- Around one in six (16 per cent) showed a greater degree of foresight, stating that they are “saving for their retirement and are confident that they will have enough to live on when they retire”. This remains similar to the proportion that gave this answer in October 2011 (14 per cent).

As at previous waves, respondents in the “daunted” and “unprepared” segments were least likely to have started to engage with saving for retirement. Thirty-eight per cent of the “daunted” and 32 per cent of the “unprepared” segments agreed that they “have not thought at all about how they will manage financially when they retire”. It is also worth pointing out that there has been a further increase in the proportion of those in the “daunted” segment who have not yet started to engage with saving for retirement, which may suggest that they are more sensitive to changes in the economic environment (from 31 per cent in October 2011 to 38 per cent in March 2012).

Reflecting their segment profiles, those in the “mainly sorted” and “really sorted” segments remain the most likely to already be saving for their retirement and confident they will have enough to live on (23 per cent and 35 per cent respectively, compared with 16 per cent on average). This represents a significant increase for both segments since October 2012.

## 3.5 Barriers to saving

To identify the key barriers to saving, respondents were presented with a list of reasons why they might not have (enough) money put aside for retirement. There were no significant changes in response over time, with research again suggesting that many people face ongoing financial pressure and that this acts as a significant barrier to them saving for later life. Indeed, 35 per cent of respondents mentioned that “it’s a struggle to cope with just day-to-day expenses”, with this being the main barrier identified.

Other reasons given for why respondents might not have (enough) money put aside for retirement also remained similar over time:

- There always seems to be other things to spend money on, like holidays or the family (mentioned by 13 per cent in March 2012)
- 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 (12 per cent)
- I would rather enjoy a good lifestyle now (ten per cent).

Nine per cent said “I don’t feel I know enough about what would be the best option for me” with those in the “unprepared” and “competing priorities” segments particularly likely to say this (22 per cent and 19 per cent respectively). To some extent this represents an opportunity for DWP, in that automatic enrolment will make the decision for an otherwise indecisive group. However, the benefits of workplace pensions must still be communicated to this group to minimise the chance of them opting out.

As at previous waves, the “competing priorities” and “daunted” segments were more likely than other segments to mention that “it’s a struggle to cope with just day-to-day expenses” – mentioned by 62 per cent and 59 per cent respectively. This compares with 30 per cent “unprepared”, 14 per cent “really sorted” and 13 per cent “mainly sorted”.

These findings imply that many people 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. As in October 2011, and reflecting their segment profile, the “unprepared” segment were significantly more likely to agree with statements referring to barriers to saving that related to living and spending for the present rather than the future: 43 per cent of the “unprepared” segment said “retirement is too far away to think about” and 18 per cent said “I would rather enjoy a good lifestyle now”. Thirty-seven per cent of the “unprepared” segment said they

“haven’t got around to it yet’, although this represents a slight decrease from October 2011 (44 per cent).

## 3.6 State Pension

A number of questions were asked to explore perceptions of the State Pension (for example, whether respondents knew what living costs it would cover) and what impact these perceptions had on respondents’ feelings about workplace pensions. This is because the campaign communications in the longer term aim to position the State Pension as a foundation for retirement, and it is important to track whether this is understood.

Approximately two in five respondents (39 per cent) perceived that the “State Pension will cover basic living costs but no more”. Respondents appear to have become more negative over time, as this finding represents a significant decrease of eight percent from the equivalent finding (47 per cent) in October 2011. The proportion of those thinking the State Pension “will not cover basic living costs” has increased accordingly to 42 per cent. This is an increase of 10 percent from October 2011 (32 per cent). One in ten respondents (10 per cent) thought that the State Pension will “cover a little more than basic living costs”, and just one per cent thought that “it will cover a lot more than basic living costs”.

Respondents who recognised the press advertisements were more likely to be aware that the “State Pension will cover basic living costs but no more” (45 per cent), as were those agreeing that “workplace pensions are a good thing” (43 per cent agreeing, compared with 37 per cent disagreeing). This was of particular interest as it suggests that raising awareness of what the State Pension will cover (or rather, what it will not cover) may help people to see workplace pensions as a good thing in terms of supplementing their income later in life.

The proportion of the “daunted” segment who believed that the State Pension “will not cover basic living costs” has increased over time, from 35 per cent in October 2011 to 42 per cent in March 2012. The “unprepared” segment remains similar, being slightly less likely than other segments to agree that “it will not cover basic living costs” (34 per cent, compared with 42 per cent on average).

These findings suggest that many people believe that they will need to supplement the State Pension. Indeed, around seven in ten respondents (67 per cent) agreed that they “will need to top up their State Pension with money from other private pensions and savings”, keeping largely in line with the findings from October 2011 (69 per cent). Respondents that recognised any

campaign advertisements were no more likely to agree that they “will need to top up their State Pension with money from other private pensions and savings” than those that recognised none of the campaign materials.

Levels of agreement that they “will need to top up their State Pension with money from other private pensions and savings” were lower among the “daunted” segment (51 per cent) and the “unprepared” segment (59 per cent, down from 66 per cent in October 2011). This is not surprising for the “unprepared” segment, given that they were less likely to think the State Pension will not cover basic living costs. However, for the “daunted” segment it indicates that, despite an increase in the proportion believing the State Pension will not cover basic living costs, this thought has not yet carried through to thinking about what this means for them personally.

## **4. Automatic enrolment and awareness of benefits**

At the October 2011 wave, a number of new questions were introduced to ask about awareness of automatic enrolment into workplace pensions, and respondents’ attitudes towards it. Of particular interest was whether respondents potentially eligible for automatic enrolment were likely to remain enrolled. As at the October 2011 wave, awareness of automatic enrolment was fairly low but respondents were happy to acknowledge the benefits.

### **Awareness**

Awareness of automatic enrolment has remained stable over time with one-third (34 per cent) of respondents claiming to have been aware (prior to the interview) of the new law requiring all employers to enrol their workers into a workplace pension scheme. This figure was lower among the “unprepared” (24 per cent) and the “daunted” (26 per cent) segments, again similar to October 2011 and reflecting their lower engagement with the subject of pensions.

Recognisers of the campaign were more likely to be aware of automatic enrolment than non-recognisers (49 per cent, compared to 28 per cent), with awareness particularly high among those who recognised the radio advertising (56 per cent).

Among those potentially eligible for automatic enrolment, awareness increased up from 23 per cent in October 2011 to 28 per cent in March 2012. This group remains less likely than average to be aware of the change (34 per cent on average), but the gap is closing.

## Perceptions

In order to track changes in perceptions of workplace pensions as automatic enrolment rolls out, respondents were asked what they thought the advantages were of saving in a workplace pension and prompted with a list of potential benefits.

The benefits most likely to be perceived by respondents were:

- My employer will make a contribution (57 per cent)
- It is a hassle-free way to start a pension (44 per cent)
- It makes saving money easy (43 per cent)
- The government pays a contribution (40 per cent, an increase from 33 per cent in October 2011)
- It helps me take control of my future (36 per cent).

Almost nine in ten respondents recognised at least one benefit (87 per cent). There has been an increase over time in the proportion mentioning the government contribution as a benefit (40 per cent in March 2012, compared with 33 per cent in October 2011). Although there were no differences between those who recognised any campaign material compared with recognising none, a significantly higher proportion of those who recognised the radio campaign mentioned government contribution as a benefit (45 per cent of radio advert recognisers, compared with 39 per cent of non-recognisers). This suggests the radio advertising may be communicating the benefit of government contribution more effectively than other campaign materials.

There has also been a significant increase over time in the proportion of those potentially eligible for automatic enrolment recognising the benefits of saving in a workplace pension. In October 2011 three-quarters (77 per cent) of those eligible for automatic enrolment could see any benefit, but this has risen to 83 per cent in March 2012.

The “daunted” segment remained less likely to recognise any benefit to saving in a workplace pension (78 per cent) while the “really sorted” (95 per cent) and “competing priorities” (96 per cent) segments were more likely to do so. Those in the “unprepared” (87 per cent) segment were similar to the average.

These results 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.

In October 2011, three-quarters of respondents (74 per cent) thought it was a “good thing” (either “definitely a good thing” or “maybe a good thing”) that the law was forcing all employers to automatically enrol their workers into a workplace pension scheme. Although the overall proportions saying ‘a good thing’ remain similar over time (75 per cent in March 2010), there has been a significant increase in the proportions who said it was “**definitely** a good thing” (increasing from 43 per cent in October 2011 to 49 per cent in March 2012).

The proportions in the targeted segments that thought that automatic enrolment was ‘definitely’ or ‘maybe’ a good thing have remained unchanged between October 2011 and March 2012, with the “daunted” group still being less likely than other segments to think it is a good thing (“daunted” 69 per cent, “unprepared” 74 per cent).

There were no strong differences in perceptions of automatic enrolment by campaign exposure, with three-quarters (75 per cent) of campaign recognisers and non-recognisers each thinking automatic enrolment is a good thing. Those potentially eligible for automatic enrolment remained significantly less likely than the average to think that it was a “good thing” (72 per cent compared to 75 per cent respectively).

## Staying enrolled

A key objective of the research was to indicate what proportion of respondents were likely to stay enrolled after automatic enrolment, as well as whether the campaign is effective in persuading those who are potentially eligible to want to stay enrolled.

In March 2012, just over half (55 per cent) of respondents who were not currently in a workplace pension scheme would “probably” or “definitely” remain in a workplace pension if they were automatically enrolled into one. In March 2012, only nine per cent of respondents said they would “probably” or “definitely” **leave** a workplace pension scheme if they were automatically enrolled into one. These findings remained stable over time (in October 2011 52 per cent said they would remain enrolled and 11 per cent said they would opt out).

The fact that a much higher proportion claim that they would **remain** within a workplace pension if they were automatically enrolled in it – despite most not having a good rational reason for doing so – demonstrates the potential power of automatic enrolment as a catalyst for getting people enrolled into a pension.

In March 2012 there were no differences by campaign exposure in terms of staying enrolled, where 57 per cent of campaign recognisers said they would stay enrolled compared to 54 per cent of non-recognisers.

Among those who were not currently in a workplace pension scheme there were no significant differences by segment in March 2012. The proportions in the “daunted” and “unprepared” segments who would stay enrolled remained unchanged over time (51 per cent and 59 per cent respectively). The “maybe sorted” segment was however, consistently more likely to say that they would opt out than any other segment (18 per cent in October 2011 and 20 per cent in March 2012), perhaps reflecting the fact that they are more likely to have other plans for their retirement.

The top reasons why people who were not currently in a workplace pension scheme would choose to remain enrolled if they were automatically enrolled into one were:

- Good idea/ makes sense (15 per cent, an increase from 10 per cent in October 2011)
- Guaranteed pension/secure future/better retirement income (10 per cent, down from 15 per cent in October 2011, perhaps as result of perceptions of broader financial problems)
- Easy way to save/would make more people save (11 per cent)
- Removes pressure of arranging pension (four per cent).

Affordability (as a barrier to remaining in a workplace pension that you were automatically enrolled into) was cited by only two per cent of respondents as a reason to opting out. Further future tracking waves will serve to assess if this increases as more people become aware of the financial reality of making contributions.

Moreover, 13 per cent 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. A further 12 per cent also felt they needed more information, saying they “don’t know enough about it”, “would need to look into it more” or “depends on contributions or what I would get”.

Overall, these findings appear to confirm, that 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 those potentially eligible, half would remain in one if enrolled, even though most people cannot really explain why they would do so.

# Appendix A: Questionnaire

## 452705 Planning and Saving for Later Life – February/March 2012

NOTE: ALL QUESTIONS SHOW DON'T KNOW AND REFUSED OPTIONS UNLESS OTHERWISE STATED. DON'T KNOW AND REFUSED OPTIONS ARE NOT SHOWN ON SHOWCARDS 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
- Your name and individual details will remain confidential to the research company and will not be revealed to the Department for Work and Pensions (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 DSS (Department for Social Security) and DHSS (Department for Health and Social Security)

### **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 OR FEMALE AGED 60 OR MORE OR MALE 65 OR MORE, SKIP TO NEXT SECTION OF OMNIBUS, OTHERS CONTINUE

ASK IF RETIRED (CODE 7 FROM 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 IN PAID WORK (STILL AT SCHOOL, IN FULL TIME HIGHER EDUCATION, NOT ABLE TO WORK, LOOKING AFTER HOME/FAMILY, RETIRED, UNEMPLOYED OR NOT WORKING FOR OTHER REASON), OTHERS GO TO A9 (CODE 5,6,8,9,10 FROM RLO WORKING STATUS QUESTION OR CODE 2 FROM A5B)

SHOWCARD

A 8 Do you personally expect to do paid work in the future? (analysis variables)

Definitely  
Probably  
Probably not  
Definitely not  
(not on card) It depends

ASK ALL

A 9 Can I just check do you look after, or give any unpaid help or support to family members, children under 12, friends, neighbours or others because they have long-term physical or mental ill-health or disability, or problems related to old age? (analysis variables)

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

REITERATE REASSURANCES OF CONFIDENTIALITY

ASK ALL

SHOWCARD

B 1 Different people have different approaches to how they like to organise their lives.

For each of the things I read out, could you give me a score out of 10. 1 means that you are not that sort of person at all, and 10 means that you are definitely that sort of person. (Magic questions)

RANDOMISE, READ OUT, SCORE FOR EACH STATEMENT

Enter answer (1-10)  
Remove DK and Ref codes

- 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 (don't ask to those who are retired and doing no paid work at A6)
- I have so much going on at the moment that I can't really think about the future

- B 2 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 1 or 2 things which are really key priorities for you at the moment. (Magic questions and campaign indicators)

CODE UP TO TWO RESPONSES

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 myself  
Saving for later life  
Putting money somewhere to make it grow  
None of these  
Remove DK and Ref codes

SHOW CARD

- B 4 Which of these things would you find really hard to give up or scale back on if your finances were stretched? (Magic questions and campaign indicator)

CODE ALL MENTIONED

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  
Remove DK and Ref codes

ASK ALL

SHOWCARD

- B 5 What score would you give yourself out of 10 for your overall knowledge of financial matters, where 1 means that you know nothing at all and 10 means that you know a lot about financial matters. (Magic questions)

Enter answer (1-10)  
Remove DK and Ref codes

SHOWCARD

- B 6 And could you give me another score out of 10 – this time for how confident you feel generally dealing with financial matters. 1 means that you don't feel at all confident and 10 means that you are very confident. (Magic questions)

Enter answer (1-10)  
Remove DK and Ref codes

SHOWCARD

ASK ALL EXCEPT THOSE WHO SAY THEY HAVE RETIRED AND DOING NO PAID WORK (CODE 13 AT A6)

- B 7 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? (magic questions) RANDOMISE, READ OUT, CODE ALL THAT APPLY

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)  
Remove DK and Ref codes

**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  
SHOW CARD

C 7 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.

CODE ONE ONLY

- 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

C 8 How much do you agree or disagree with the following statement about the State Pension? Please take your answer from this card

READ OUT

- 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

Answer scale (1-10) where 1=disagree strongly and 10=agree strongly

**D Saving for retirement**

ASK ALL:

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

- D 1 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? (Segmentation questionnaire) (campaign indicators)

Yes

No

IF YES AT D 1

SHOWCARD

- D 2 Which of the following, if any, do you have specifically for your retirement? (Segmentation questionnaire) (campaign indicators)

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.

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

Your partner has a pension

Expect to benefit from an inheritance

Plan to work for as long as you can

Plan to work for a few years past state pension age

State Pension

Other (specify)

CODES 1-3 DON'T ASK IF RETIRED AND DOING NO PAID WORK (CODE 2 AT A5B) AND DEFINITELY OR PROBABLY NOT DO ANY PAID WORK IN THE FUTURE (CODES 3-4 AT A8)

CODES 4-6 ASK ALL:

SHOWCARD

D 7 How much do you agree or disagree with the following statements about pensions? (campaign indicators). Please answer on a scale of 1-10 where 1 means you disagree strongly and 10 means you agree strongly (moved from B7) ROTATE STATEMENTS. READ OUT

- I would like to start saving in a pension (don't ask if E2 codes 1, 2 or 3)
- 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

SHOWCARD

D7a Looking at this card, which number best represents how much you have planned for your retirement?

INTERVIEWER: Respondent should answer on a scale of 1-5

- 1 I haven't thought at all about how I will manage financially when I retire
- 2 I know I need to start thinking about how I will manage financially when I retire, but haven't got round to it yet
- 3 I have found out information, but haven't started to save for retirement yet
- 4 I have started to save for my retirement, but I know I need to save more
- 5 I am saving for my retirement and am confident I will have enough to live comfortably when I retire

SHOW CARD

- D 9 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? (magic questions and campaign indicators)

CODE ALL THAT APPLY

- 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 advisors
- 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 question – not to be shown on card)
- I am already putting away enough money for retirement (not shown on card)
- My employer doesn't offer a pension (not in magic question – not to be shown on card)
- None of these
- Remove DK and Ref codes

SHOW CARD

- D 12 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

- None
- One in ten or fewer (10% or less)
- More than one in ten, up to a quarter (10%-25%)
- More than a quarter, up to a half (26%-50%)
- More than a half, up to three quarters (51% - 75%)
- More than three quarters (76% or more)
- All

ASK ALL  
SHOWCARD

- D 13 Thinking about your current situation and retirement plans, would you say that you are worried or confident about the future? (Magic question with extended scale)

Answer scale (1-10) where 1=very worried and 10=very confident  
Remove DK and Ref codes

SHOW CARD

- D 16 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? (Segmentation questionnaire) (Campaign indicators)

CODE ALL THAT APPLY

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 (specify)  
None of these

ASK ALL  
SHOWCARD

- D 19 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 10 where 1 means you disagree strongly, and 10 means that you agree strongly (Magic questions)

ROTATE ORDER OF PRESENTATION

Enter answer (1-10)  
Remove DK and Ref codes

READ OUT

- If I have to work beyond State Pension Age, I think I will have failed (don't ask those retired, codes 13-14 at A6)
- 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 you cannot keep dipping into them
- It's not worth saving for retirement as I might not live that long (don't ask those retired, codes 13-14 at A6)

ASK ALL  
SHOWCARD

D 23 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 (Campaign indicators)

CODE UP TO 3 MENTIONS

Financial advisor  
Financial advice service  
Bank or building society  
Direct Gov/Government website  
Employer  
Accountant  
Friends/family/colleagues  
DWP/DSS/The Pension Service (code 6)  
Money Advice Service  
HM Revenue & Customs/Inland Revenue  
Government department – not sure which (code 6)  
The Pensions Advisory Service  
Insurance company  
Pension provider  
Trade union  
Citizens Advice Bureau  
Age UK (aka Help the Aged, Age Concern) or a similar organisation  
Other advice service  
Other TV/radio/newspapers  
Other (specify)  
None of these  
I don't know

**E Automatic enrolment opt-in and awareness of benefits.**

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

READ OUT, ROTATE

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 above)  
(Don't know)

SHOW CARD AND 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 people 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 would start to be introduced from October 2012

CHECK RESPONDENT UNDERSTANDS BEFORE PROCEEDING

E2 Can I just check, before this 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

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

READ OUT, FLIP ORDER AT ALTERNATE INTERVIEWS

Definitely a good thing  
Maybe a good thing  
Not sure  
May be a bad thing  
Definitely a bad thing  
(Don't know)

ASK ALL NOT IN A WORKPLACE PENSION AT D1: THOSE WITH  
WORKPLACE PENSION GO TO SECTION F

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?

READ OUT, FLIP ORDER AT ALTERNATE INTERVIEWS

I would definitely stay enrolled  
I would probably stay enrolled  
I am not sure  
I would probably opt out  
I would definitely opt out  
(Don't know)

E5 Why do you say that?

Open ended for later coding

**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 **workplace pensions**

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. (campaign indicator)

Yes

No

SHOWCARD

F2 Can I just check, have you seen, heard or read anything about workplace pensions via any of the following recently? (Campaign indicator)

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.

CODE ALL MENTIONED: PROBE TO PRECODES: PROBE:  
WHERE ELSE?

**Letter from your employer**

**Discussed with my employer**

National newspaper

Local newspaper

**Radio advertising**

**Radio programme**

Magazine

**TV advertising**

**TV programme**

Poster/billboard/bus shelter

**Ad on the internet**

**Something else on the internet**

Leaflet

JobCentre Plus

Financial Advisor

Friends, family or work colleagues have discussed it

Other (specify)

None of these

ASK ALL  
SHOWCARD

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

CODE ALL MENTIONED

State Pension is a foundation for retirement saving and will only cover the basics

The law will change which means employers will enrol workers into a pension

Getting a pension doesn't have to be complicated

People who don't have workplace pension schemes will automatically be enrolled into one

If you put money into your workplace pension, your employer will too

If you put money into your workplace pension, the government will too

None of these

ASK ALL

I'd now like to show you some different advertisements. For each one, please could you tell me if you have seen or heard it before.

ROTATE ORDER OF ASKING ABOUT PRESS, RADIO AND ONLINE ADS

SHOW PRESS AD

F5a Have you seen this ad in any of these places recently?

MULTICODE

In a national newspaper

In a local newspaper

On a poster/billboard

Somewhere else (specify)

Seen somewhere not sure where

Not seen

READ OUT

Next I'd like you to listen to some radio ads

ROTATE ORDER OF PRESENTATION OF ADS PLAY 2 FROM A SELECTION OF 3 (BARBERSHOP QUARTET, HELPING HAND, RECORDER/KAZOO)

AFTER EACH, ASK:

F5b Have you heard this radio advertisement before?

Yes

No

Don't Know / Can't Recall

SHOW ONLINE ADS (FILMS) (SHOW 2 OF 3)

F5c Have you seen this ad or one like it on the internet recently?

- Yes – seen ad
- Yes – seen one like it
- No – not seen
- Don't know

SHOW CARD (2 VERSIONS: TOP>BOTTOM, BOTTOM>TOP)

F5d Thinking about all the ads you have just seen and heard, which of these statements, if any, do you think apply? (campaign indicator)

CODE ALL MENTIONED RANDOMISE ORDER OF PRESENTATION

PROBE: Which other statements apply to the ads you have just seen?

- They were aimed at people like me
- They were worrying
- They made me think about my own situation
- They made me want to find out more about saving into a workplace pension
- They made me realise that my retirement will be longer than I thought
- I didn't really notice the ads
- I am bored of seeing/hearing them
- They told me something I didn't know
- They made the subject of workplace pensions seem less scary
- They made me feel that saving in a workplace pension is something I could do
- They really stuck in my mind
- They are different to other ads about pensions
- I am not sure what to do now
- None of these

SHOWCARD

IF IN WORK BUT NOT CURRENTLY SAVING IN A WORKPLACE PENSION (WE DON'T KNOW THEIR INCOME AT THIS POINT SO CAN'T ENSURE THEY ARE EARNING OVER THE THRESHOLD)

F5f Which of these phrases best applies to you?

CHOOSE ONE ONLY

- These ads made me **a lot more likely** to remain in a workplace pension if my employer enrolls me
- These ads made me **a little more likely** to remain in a workplace pension if my employer enrolls me
- These ads made me **a little less likely** to remain in a workplace pension if my employer enrolls me
- These ads made me **a lot less likely** to remain in a workplace pension if my employer enrolls me
- These ads made no difference

SHOW CARD

F5g And have you done any of these things as a result of the advertising, publicity or news you have seen or heard? (campaign indicator)

CODE ALL MENTIONED

- Spoken to family or friends
- Spoken to people at work
- Searched for information at work
- Spoken to an organisation offering advice
- Visited DirectGov/government website
- Visited another website
- Spoken to my employer about a company pension
- Increased the amount I am saving for my retirement (if you were saving previously)
- Advised someone else to consider saving into a workplace pension
- Other (specify)
- Nothing

# Appendix B: Segmentation overview

DWP 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 of 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 motivations, attitudes and behaviours.

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

- An initial qualitative stage consisting of 90 depth interviews to generate hypotheses and typologies.
- 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 are 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 10 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 from it.

- “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.