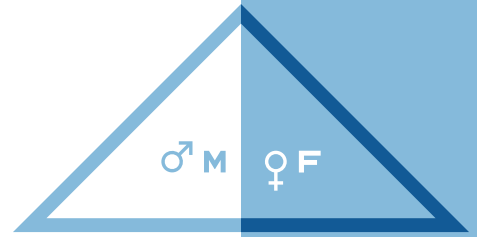


Gender, Age & Pension Savings

New research for the pension industry into communication biases

Prepared by Behave London





Actions speak louder than words

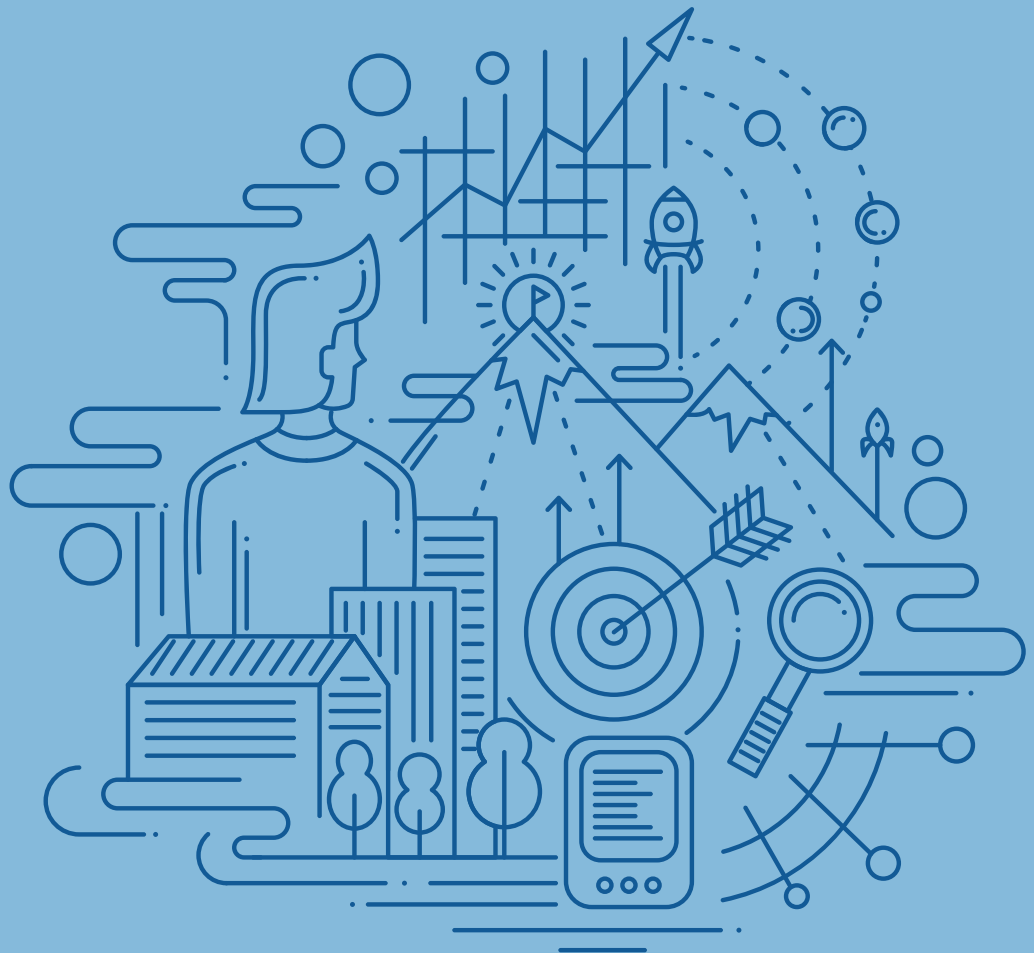
How people say they feel about risk does not necessarily match the language they respond to. Women and men talk differently about pensions but how do they react to different message types? Why is this important? Because the right messaging may help everyone save more.

WE ANALYSED 1,756,866 WORDS, AND SURVEYED 1,255 MEN AND WOMEN.

Here we show you how you can communicate more effectively with your scheme members using two simple techniques.

Contents

- 4** Foreword
- 6** Executive Summary
- 10** Action Plan
- 12** Research Methodology
- 14** Research Findings



Foreword



Darren Philp
The People's Pension

We embarked on this project with the aim of understanding how best we can communicate with scheme members. We wanted to find out whether the type and style of communication should be tailored specifically according to age and gender, and the degree to which the positivity of communications could aid people in achieving better retirement outcomes.

Our results were somewhat surprising. While we found that people responded far more positively to Promotion-focused messaging, we didn't find significant differences in age or gender. What came through strongly though is that talking positively about pensions has the scope to deliver most change. And while this won't solve the retirement savings conundrum overnight, small incremental improvements, could, as a whole have a greater impact.

For far too long the pensions industry has focused on negative language when communicating. But the outcome of this research is clear: everyone prefers positive, Promotion-focused messaging. Project fear doesn't work when it comes to pensions!

So the pensions industry (and dare I say it, the media) has to put aside its negative messaging and promote the benefits of saving. Only by doing this will we give people the best possible chance of achieving their aims for their retirement.



Nigel Aston
State Street Global Advisors

In terms of how we communicate, it's commonly believed that men are from Mars and women are from Venus. This research busts that myth; men and women may be from the same planet after all - at least when it comes to pensions. That's not the end of the story though and our research points to some interesting divergence in the way women talk about their own savings and how they actually prefer to be communicated with by others. We believe that this knowledge can be put to effective use by those who care about improving retirement outcomes for all.

As an asset manager, our major focus is to deliver an effective, well-governed and age-appropriate investment solution for those in the default fund. Our glide paths evolve asset allocation over time in line with members' changing needs for risk mitigation and return. This research suggests that a communications glide path is also needed to effectively engage members along their retirement journey. The one-size-fits-all model must evolve into a more targeted approach which delivers the right messaging at the right time.

We hope you enjoy this report and get some practical tips on helping members to feel more informed and confident about their pension, whatever their gender or age.

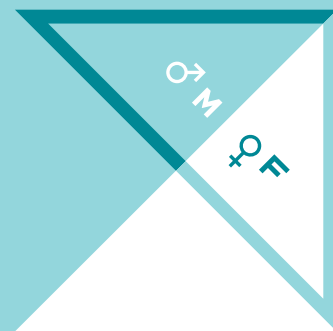


Michelle Cracknell The Pensions Advisory Service

This report is a really good catalyst for a change to more positive messaging on pensions. Many of our customers do refer to their pension with comments that may have been true 20 years ago, but are no longer true. Pensions are more flexible and can be tailored to suit personal needs and products are more competitively priced with more options for where money is invested.

Our helpline has calls from customers who are confused and often frustrated. By equipping customers with the questions to ask of themselves or others, we see customers have a “light bulb moment”, which leads to them being motivated to take the next steps.

Undoubtedly, one of the barriers that customers have for contacting us or for saving for their retirement is the complexity of the different rules applying to pensions and the jargon, which is perfectly summed up in this enquiry *“I am a little lost in the world of pensions and planning for my future. I do not have a clue where to start and find all the information on the internet very confusing.”* With some guidance and positive messages, this customer was empowered to save for his retirement. There are others like him!



Executive summary

As a nation we are under-saving for retirement. The new State Pension and the introduction of automatic enrolment both provide a good foundation on which people can develop pension savings, but it is widely believed that this will not be enough for many people. Something somewhere has to give if we are to solve the savings crisis.

Developing the evidence

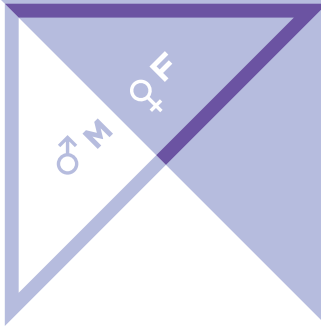
Communication is a key component to helping people save for their retirement, and for too long this has been an industry that has communicated in jargon. Recent work by the Association of British Insurers (ABI) has focused on developing a simpler pensions lexicon that should help cut out some of this. This is a positive step, but we believe that it's not just jargon that gets in the way of people making good decisions. In addition the industry, as a whole, tends to use negative language to describe pensions; is this the right approach?

There is also a lack of trust in an industry that historically has more often than not overpromised and underdelivered. While the industry has undoubtedly taken steps in the right direction, there is a need to work hard to improve people's perceptions of pensions.

We wanted to test whether style, nature and overarching messaging were key influencing factors in getting a positive response. So The People's Pension, State Street Global Advisors and The Pensions Advisory Service (TPAS) joined forces with Behave London to commission a piece of research to establish whether the industry has an opportunity to better tailor and focus its communications. In particular, we wanted to look at whether messaging could be better tailored according to age and/or gender to resonate more with pension savers.

There are commonly held notions about the way that men and women differ when it comes to savings and investments. For example, there are assumptions that women take less risk, they are more nervous about pensions and investments and they are less financially literate than men.

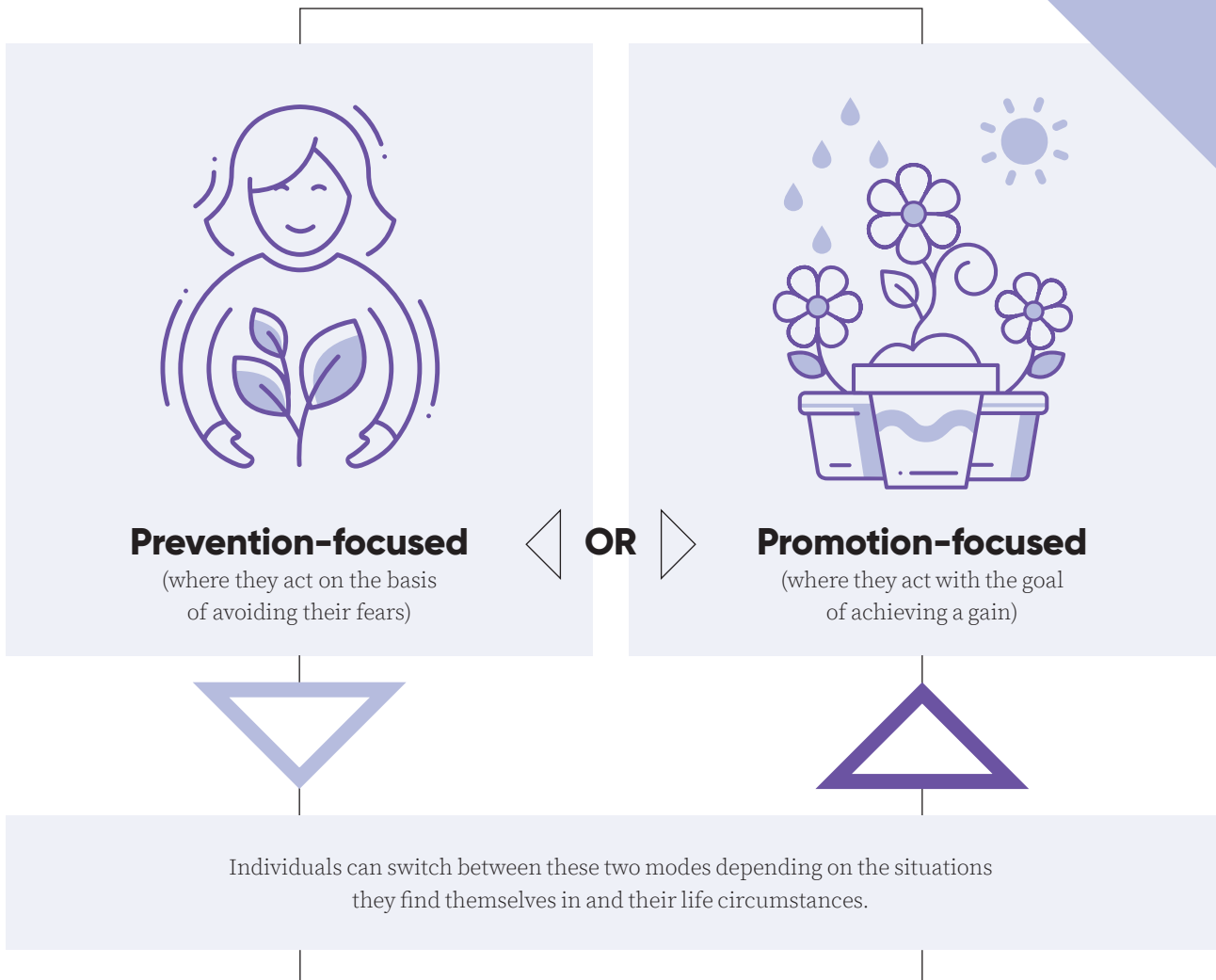
We set out to test whether this was true. First we analysed 1.7 million words typed into enquiry forms for The Pensions Advisory Service. We found that women use more negative language and more cautious language compared to men, in describing their pension problems.



“THE THEORY UNDER-PINNING THIS RESEARCH IS KNOWN AS... REGULATORY FOCUS THEORY.”

We then set out to test if women would respond better to more negative pension messages: if we match the language they are using themselves, does it lead to them responding more?

The theory underpinning this research is known in the behavioural science world as “Regulatory Focus Theory”. This states that people tend to view the world in two different modes, either:



Busting the myth

What we found busts the myth that women are more risk averse, and therefore are more likely to respond to Prevention-focused messaging. We found that women:

- used a lot of negative terms (“worried”, “concerned”, “confused”) when speaking about saving for their retirement;
- were more apprehensive about pensions in general; and
- were slightly more risk averse (section 3, page 18 of this report), less confident in their own financial literacy and less financially capable than men.

However, there was no difference in the way men or women reacted to messages about pensions – they both respond better to Promotion-focused messaging. What we did find is that people were more likely to respond to both Promotion-focused (built on achieving a gain) and Prevention-focused (built on achieving a loss) messaging as they got older. And non-savers reacted negatively to Prevention-focused messaging.



What does this mean?

So what are the implications of this research for the way we communicate about pensions? Should we communicate differently for men and women?

The answer is no. It was overwhelmingly the case that non-pension savers reacted negatively to Prevention-focused messaging, so “operation fear” would certainly not work with this group. Furthermore, given that all those surveyed responded more positively to Promotion-focused messaging, care is needed to encourage people as a whole to save more for their retirement using words and phrases such as:

“IMPROVE YOUR CHANCES LATER IN LIFE, BY INCREASING YOUR PENSION SAVING.”

“ENHANCE THE QUALITY OF YOUR LIFE IN RETIREMENT BY SAVING MORE.”

“BUILD YOUR PENSION POT AND HELP IT GROW WITH OUR AWARD-WINNING WORKPLACE SAVINGS SCHEME.”

What was also clear was that people’s perceptions of pensions may be heavily influenced by the communications they receive – whether it’s their annual newsletters or flicking through the personal finance pages of their weekend paper. Negative or Prevention-focused messaging resonates with people, but in the wrong way¹. It could reduce people’s willingness to engage with pensions. Previous research sponsored by The People’s Pension and State Street Global Advisors, “New Choices Big Decisions”, characterised people to have the tendency to bury their heads in the sand when they feel overwhelmed by the messages they are receiving.

¹This is called the “social amplification of risk”. See the work of Roger E. Kasperson et Al. 1988.

We should champion the role communications play in creating a robust savings culture. Focus on the positives – promote the benefits of saving.

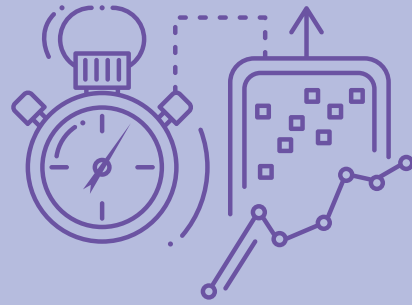
→ If you can target specific groups, do:

- As people get older, they are more likely to respond to both Promotion-focused and Prevention-focused messaging.
- Avoid using Prevention-focused messaging with non-savers.

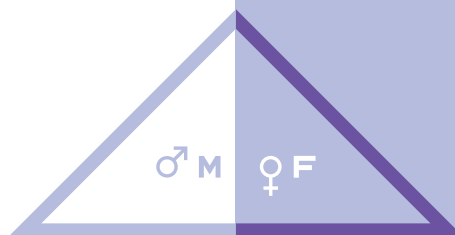
Marginal gains

We believe that getting the behavioural messaging right in pensions communications will encourage more people to at least think about their financial futures. And it's about identifying and delivering small incremental improvements. Individually these improvements might make only a marginal difference but collectively they could have a real impact. Getting the focus of pensions messaging right could be an incremental improvement well worth making if we want to get one step closer to solving the savings crisis.

No one thing will solve the savings conundrum, but a number of small improvements could have big consequences.



“GETTING THE FOCUS OF PENSIONS MESSAGING RIGHT COULD BE AN INCREMENTAL IMPROVEMENT WELL WORTH MAKING IF WE WANT TO GET ONE STEP CLOSER TO SOLVING THE SAVINGS CRISIS.”



Action plan

Our key findings give us, as an industry, a clear call to action to help drive engagement with two simple techniques.

1

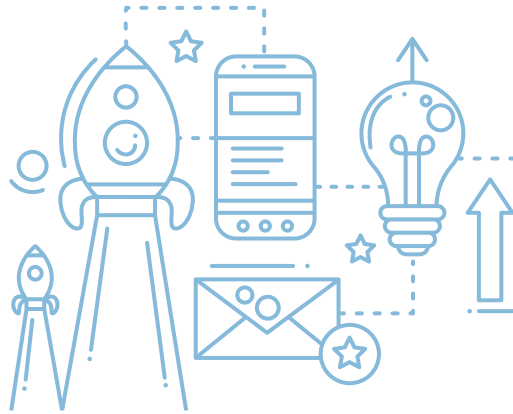
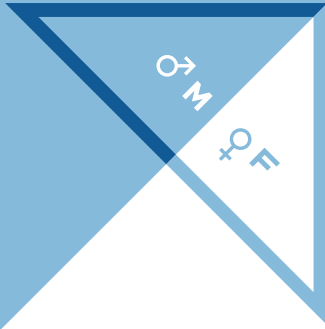
Positivity Positivity Positivity!

The outcome of our research is clear: everyone prefers positive, upbeat messaging. The pensions industry and the media should put aside negative messaging and promote the benefits of saving.

The lesson here is that if you are trying to motivate the young and non-savers to engage with pensions, the worst message you can give them is one of doom-and-gloom. Lecturing does not help.

Messages which were effective in spurring people into action <input checked="" type="checkbox"/>	Messages which were ineffective in spurring people into action <input type="checkbox"/>
“Save for your retirement! Improve your chances later in life, by increasing your pension saving.”	“Ignoring your pension planning?” Have you been ignoring your plans for later life? Prevent disaster, and start saving more today.”
“How to improve your retirement. Enhance the quality of your life in retirement by saving more.”	“Protect your children via your pension. Find out how saving for later-life can shelter your children from financial stress.”
“Grow your pension savings. Build your pension pot and help it grow with our award-winning workplace savings scheme.”	“Nagging feeling about pensions?” Elevate the quality of your life in retirement by saving more.”





2

Age brings balance

Consider pensions communications that target specific age groups. Lifestage is everything.

Most defined contribution (DC) schemes have an investment glide path that aims to match asset allocation to age-related risk tolerance. In other words, the closer to retirement we get – and hence with less time to recover from shocks – the less able we become to absorb downward corrections in the market. This is a very sensible approach.

Our research re-confirmed that attitude to risk follows the same progression as our assumed tolerance of market readjustments. i.e. we actually feel less inclined to take risk the older we get as well as being more susceptible to loss itself. We found that survey respondents were more likely to respond to the Prevention-focused messaging as they got older. This is unsurprising perhaps, but it's reassuring to know that de-risking glide paths is the right approach in terms of fitting in with changing attitude to risk as well as from an investment perspective.

This would indicate that, as well as an investment glide path, the industry should be considering a corresponding messaging glide path. In our research, different messages worked for different age groups. For the industry, this offers an opportunity to engage with members at every stage of the investment path in more effective ways.

**“GROW YOUR PENSION SAVINGS.
BUILD YOUR PENSION POT AND HELP
IT GROW WITH OUR AWARD-WINNING
WORKPLACE SAVINGS SCHEME.”**

Research methodology

Much of the Regulatory Focus Theory shows engagement can be increased with a segmented and targeted approach to communications.

The theory states that when you are deciding how to act, your choices are ultimately guided by a fundamental motivational goal. This project set out to determine whether the same applied when talking about and reacting to pensions messaging. Specifically we wanted to test whether we could increase engagement by utilising the findings of the Regulatory Focus Theory².

Our hypothesis was that men and women use different words to talk about pensions and therefore will respond differently to different kinds of pension messaging. This is based on Regulatory Focus Theory which suggests that men are generally more Promotion-focused (i.e., they act with the goal of achieving a gain), whereas women are generally more Prevention-focused (i.e., they act on the basis of avoiding their fears).

Our aim was to assess whether such differences could be detected in the language people used when talking about or responding to communications and if by identifying these differences, we could use targeted communications more effectively.

As outlined in this report, the project consisted of two phases: first, a review of data from The Pensions Advisory Service (TPAS) data and second, an online survey.

1

A review of TPAS data

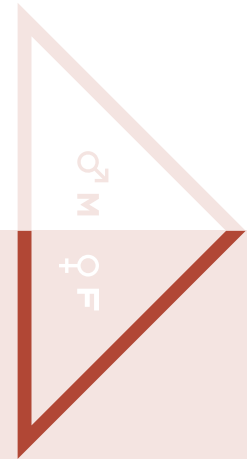
TPAS granted us access to an anonymised copy of their web enquiry records. We analysed 39,883 records from the period 1 April 2015 – 31 March 2017 as part of the word analysis. By analysing the web enquiries, and excluding all other forms of contact, the researcher ensured that the words that people were typing were their own (and not the transcript of a call or interpretation of an email or letter to TPAS).

To analyse the words in the comment fields, we used a qualitative content analysis tool called NVivo. With our Regulatory Focus Theory framework in place we analysed the words that occurred most frequently across all the comments, and then mapped those by gender and age.



²Regulatory fit effects of gender and marketing message content
Jane McKay-Nesbitt, Namita Bhatnagar, Malcolm C. Smith

1255 MEN AND WOMEN TOOK PART IN THE SURVEY. THE DATA WAS THEN WEIGHTED TO REPRESENT THE GENERAL PUBLIC.



2 An online survey

Based on the insights offered by the TPAS data, we subsequently created a survey aiming to further understand people's perceptions and behaviour regarding every-day risks, as well as their susceptibility to different messages. We used the survey to test the following:

- A.** Respondents' personal savings orientation; we asked "How do you feel about your finances?"
- B.** How financially literate respondents feel, defined in five different ways
- C.** How much risk respondents take in their daily lives
- D.** Respondents' emotions towards pension saving, using:
 - Words
 - Pictures describing emotional states such as calm/nervous and positive/negative
- E.** How Prevention-focused (i.e. motivated by avoiding fears) or Promotion-focused (i.e. motivated by achieving a gain) our respondents feel by testing how likely they are to take action after being shown a particular message

As part of the analysis, we wanted to address the following key questions:

- Is there a clear delineation between responses to Prevention-focused and Promotion-focused pension messaging?
- Do women or men respond better to either Prevention-focused or Promotion-focused pension messaging or a combination of the two?
- Does age have an impact?
- Can we identify a correlation between language used when writing about pensions by individuals and language that they say would make them take action?

Crucially, we wanted to explore the correlation between how people articulate themselves when communicating about pensions and the messages that they responded to positively.

Alongside this, we set out to determine whether respondents would react differently to Promotion-focused or Prevention-focused pension messages.

For each of our messages, we showed respondents a statement about pensions, and then asked "**How likely are you to seek further advice having read this?**" Respondents could then score how likely (or unlikely) they were to seek advice.

1,255 men and women from the general public took part in the survey. We matched age bands in the UK with geographic region to get a national representation and ensured a 50/50 male/female split for the purposes of our research.

Summary of our key findings

1

Personal savings orientation

Respondents were asked “How do you feel about your finances?” using a series of questions, and then calculated their scores to establish their personal orientation towards saving. The higher respondents scored, the better their savings orientation. The lowest possible score was 9, while the highest was 45.

Split by gender only

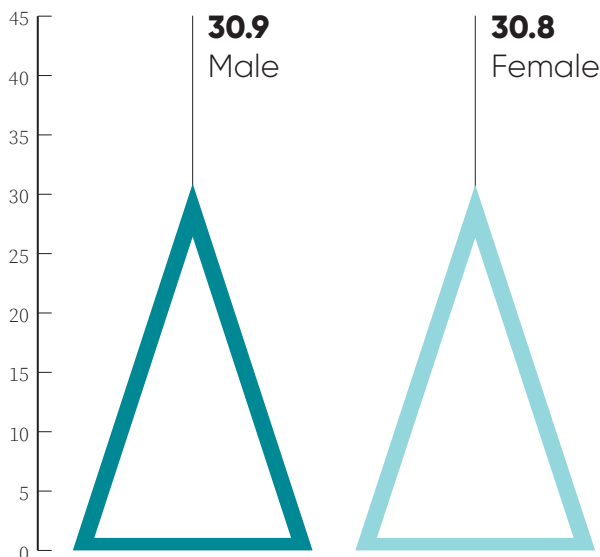
Women and men overall had a near identical intention to save.

Can we increase people’s propensity to save, regardless of age and gender, by adapting the way that we communicate?

Split by age only

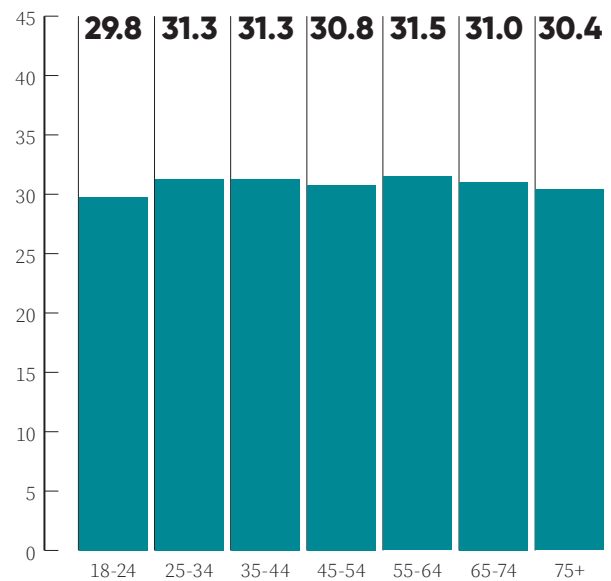
It may not surprise you: the young were less inclined to save albeit by a small margin. The lowest possible score was 9, and the highest was 45.

Personal Savings Orientation by Gender



SOURCE: Behave London GAPS Survey of 1255 people. Chart shows how men and women rated for Personal Savings Orientation. We asked our respondents “How do you feel about your finances?” and we asked them to answer a series of questions, and we calculated their score to find their personal orientation towards saving. The higher they scored, the better their savings orientation. The lowest possible score was 9, and the highest 45.

Personal Savings Orientation



SOURCE: Behave London GAPS Survey of 1255 people. Chart shows how different age groups rated for Personal Savings Orientation. We asked our respondents “How do you feel about your finances?” and we asked them to answer a series of questions, and we calculated their score to find their personal orientation towards saving. The higher they scored, the better their savings orientation. The lowest possible score was 9, and the highest 45.



2 Financial literacy

**How do men and women see themselves?
Self-rated financial knowledge on a scale of 0-5**

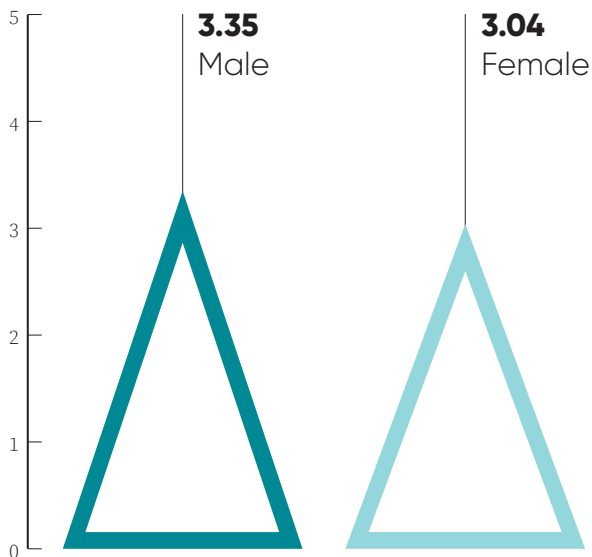
We asked “**How would you rate your overall financial knowledge?**” The scores below show the average score by age group, where 1 is the lowest possible score, and 5 is the highest.

Women respondents rated themselves lower than men when it comes to financial knowledge.

We can see that, generally, self-rated financial knowledge ticked up with age.

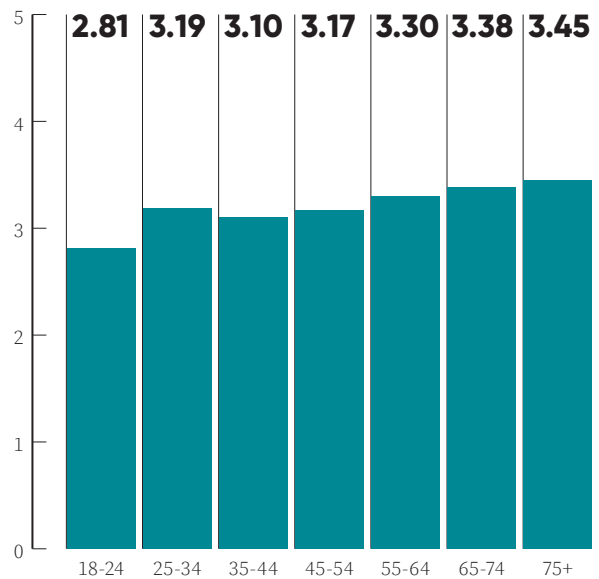
Split by age only

Self-rated Financial Literacy out of 5



SOURCE: Behave London GAPS Survey of 1,255 people. Chart shows how men and women rated themselves when asked “How would you rate your overall financial knowledge?” The table shows the average score, 1 is the lowest possible score, and 5 is the highest.

Self-Rated Financial Literacy out of 5, by Age



SOURCE: Behave London GAPS Survey of 1,255 people. Chart shows how different age groups rated themselves when asked “How would you rate your overall financial knowledge?” The table shows the average score, 1 is the lowest possible score, and 5 is the highest.

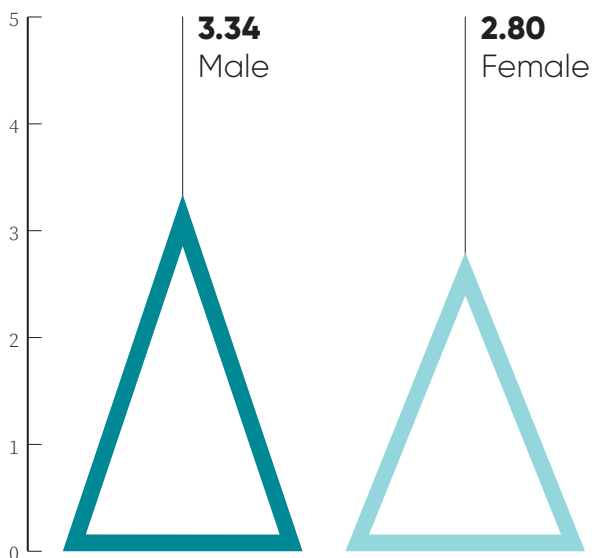
Financial literacy (actual)

Armed with the survey's findings about how people see themselves, we wanted to see what happens when we put them to the test. We asked our respondents five financial literacy questions, which have been tested in other studies. Other research (Lusardi & Mitchell, 2008) suggests that women have much lower levels of financial literacy than men, and that this explains women's reduced tendency towards financial planning for the future. We used this as a basis for our survey, to test financial literacy in five ways: numeracy, interest compounding, inflation, time value of money, and money illusion (which is the belief that money has a fixed value in terms of its purchasing power).

Split by gender only

Worryingly, for the females involved in this research, our findings are in line with previous research – the women we surveyed were indeed less financially literate than men. We should also point out that the women we surveyed were more likely to be lower paid and in part-time employment and, financial literacy was also correlated to income. Nevertheless, this research finding is in line with other published research.

Financial Literacy Test Score out of 5



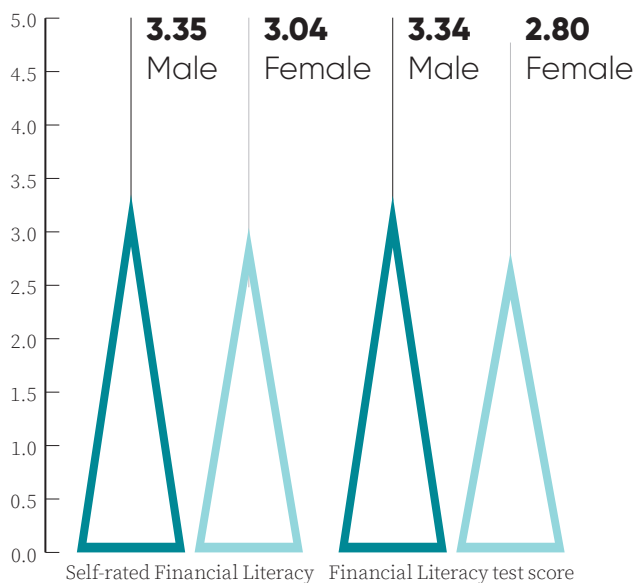
SOURCE: Behave London GAPS Survey of 1,255 people. Chart shows how men and women scored in a test of financial literacy using five questions, each measuring a different behavioural aspect of money: Numeracy, Interest Compounding, Inflation, Time value of money, and Money illusion (which is the belief that money has a fixed value in terms of its purchasing power). The table shows the average score for males and females.

"NOW WE KNOW HOW PEOPLE SEE THEMSELVES, WHAT HAPPENS WHEN WE ACTUALLY TEST THEM?"



So how do men and women stack up in terms of perceived and actual financial knowledge:

Self-Rated Financial Literacy Vs Actual Test Score, by Gender



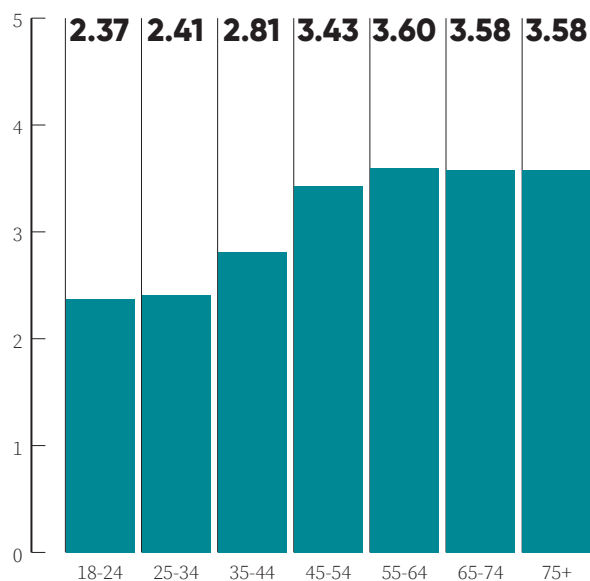
SOURCE: Behave London GAPS Survey of 1255 people. Chart shows 1) how men and women scored in a test of financial literacy using five questions, each measuring a different behavioural aspect of money: Numeracy, Interest Compounding, Inflation, Time value of money, and Money illusion (which is the belief that money has a fixed value in terms of its purchasing power). Scores are average for the number of respondents in each group. 2) Shows how men and women rated themselves when asked people “how would you rate your overall financial knowledge?” The table shows the average score, where 1 is the lowest possible score, and 5 is the highest.

Women achieved lower scores when tested on their actual financial knowledge compared with how they rated themselves whereas men’s scores were close to equal to their expectations. This is a somewhat surprising finding because it implies that when it comes to financial knowledge, women may not be aware of what they do not know, and that could be contributing to their lack of future-focus when it comes to saving for a pension.

Split by age only

In our sample, financial literacy rose with age. It’s perhaps no surprise that 25-34 year olds over-rated their abilities.

Actual Financial Literacy, on a scale of 1-5, by Age



SOURCE: Behave London GAPS Survey of 1255 people. Chart shows how different age groups scored in a test of financial literacy using five questions, each measuring a different behavioural aspect of money: Numeracy, Interest Compounding, Inflation, Time value of money, and Money illusion (which is the belief that money has a fixed value in terms of its purchasing power). The table shows the average score for each age group.

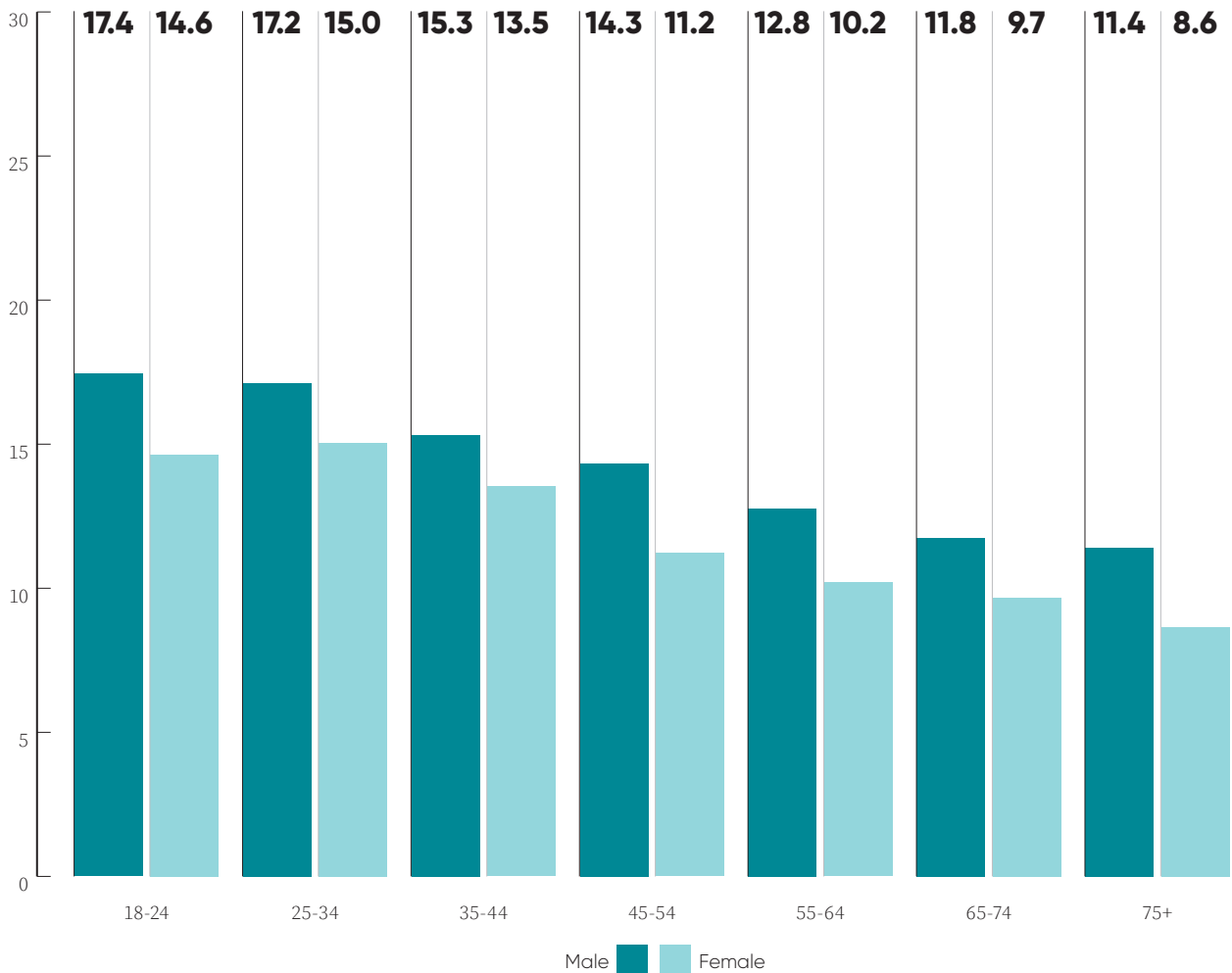
3

Risk taking

Respondents were asked about six types of every-day risk-taking: recreational, health, career, financial, safety and social. These were then combined to give each respondent an overall risk-taking score.

Overall, the results showed older people to be more risk averse than younger people. Women were found to be slightly more risk-averse than men.

Risk By Age And Gender



SOURCE: Behave London GAPS Survey of 1255 people. Weighted by male and female respondents in each age group. Self-reported answers on six types of every-day risk-taking: Recreational, Health, Career, Financial, Safety and Social. These were then combined to give each respondent an Overall Total Risk Taking Score. Group scores show the combined average score of each gender within that age group.

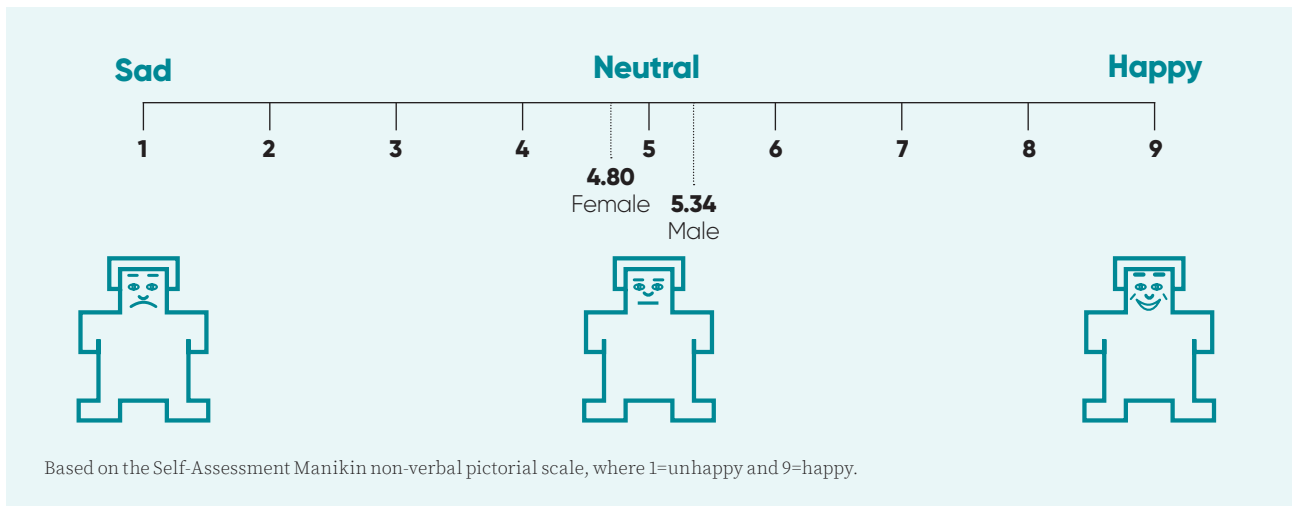


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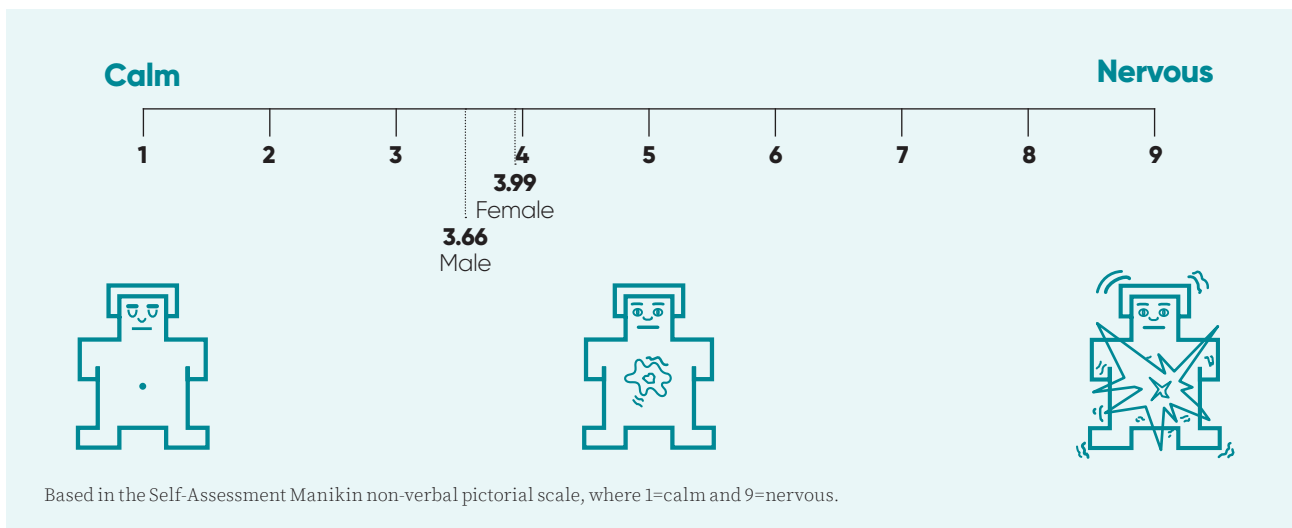
Feelings towards pensions

Respondents were asked to use The Self-Assessment Manikin (SAM), which is a non-verbal pictorial assessment technique that directly measures pleasure³. Respondents were asked to “please choose a picture which best represents how you generally feel about pension savings”.

The pictures are below (from sad to happy). When analysing by gender men reported more positive feelings about pension savings (5.34) than women (4.80).



When asked how they felt (from calm to nervous), Women also reported more nervous feelings (3.99) than men (3.66), especially women aged 35-54.



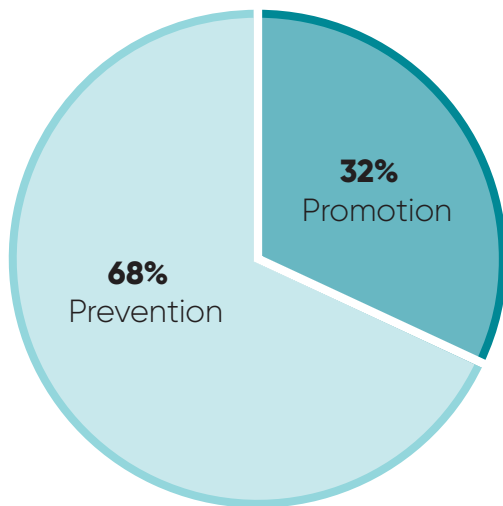
³ The Psychological terms for this is “Valence”. SAM is based on the PAD emotion model of Mehrabian.

5

Reactions to pensions messaging

Our analysis of the TPAS data found that, as a rule of thumb, people used Prevention-focused words when contacting TPAS.

TPAS – Promotion and Prevention words used



Despite this, when it came to receiving messaging – both men and women responded better to Promotion-focused language.



The three **Promotion-focused** messages with the strongest response rates were:

- “SAVE YOUR RETIREMENT!**
IMPROVE YOUR CHANCES LATER IN LIFE, BY INCREASING YOUR PENSION SAVING.”
- “HOW TO IMPROVE YOUR RETIREMENT.**
ENHANCE THE QUALITY OF YOUR LIFE IN RETIREMENT BY SAVING MORE.”
- “GROW YOUR PENSION SAVINGS.**
BUILD YOUR PENSION POT AND HELP IT GROW WITH OUR AWARD-WINNING WORKPLACE SAVINGS SCHEME.”



The messages with the weakest response were all those with a **Prevention** theme:

- “IGNORING YOUR PENSION PLANNING?**
HAVE YOU BEEN IGNORING YOUR PLANS FOR LATER LIFE? PREVENT DISASTER, AND START SAVING MORE TODAY.”
- “PROTECT YOUR CHILDREN VIA YOUR PENSION.**
FIND OUT HOW SAVING FOR LATER LIFE CAN SHELTER YOUR CHILDREN FROM FINANCIAL STRESS.”
- “NAGGING FEELING ABOUT PENSIONS?**
ELEVATE THE QUALITY OF YOUR LIFE IN RETIREMENT BY SAVING MORE.



5.1

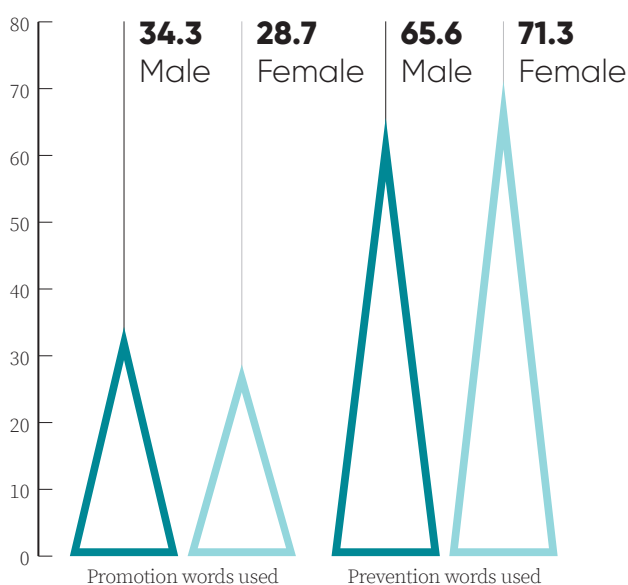
Reactions to pensions messaging by gender

Use of words (TPAS)

When contacting TPAS about pensions using their online enquiry form, both men and women were more likely to use **Prevention-focused** words, such as: *anxious, unaware, worried, obligation, losing, cheated, unsure, loss, risk*. Both men and women use fewer **Promotion-focused** words like *aim, reward, pleasure, gain, grow, enjoy, happy, success, excited*.



TPAS – Promotion and Prevention words used by Gender



SOURCE: Behave London. Created using a NVivo analysis of data and Python, of The Pensions Advisory Service records. Sample: 2,808 female, 3,754 male. Promotion-focused words: aim; reward; pleasure; gain; grow; enjoy; happy; success; excited. Prevention-focused words: anxious; unaware; worried; obligation; losing; cheated; unsure; loss; risk.

However, women and men differ in how they communicate their feelings about pension savings. Men used more promotion-focused language whereas women used more Prevention-focused language.

Response to messages

When it comes to responding to messaging about pensions our online survey found that both men and women responded to Promotion-focused messaging. Women also responded to Prevention-focused messaging, but to a lesser degree than Promotion-focused messaging. Men, however, said they were unlikely to take action as a result of a Prevention-focused message. In contrast to the premise of the Regulatory Focus Theory, our survey suggests that gender is of little consequence in how people react to Prevention-focused and Promotion-focused pensions messaging.

5.2

Response to pensions messaging by age

Based on the TPAS data, despite common perceptions young people are actively engaged with their pensions. Young women under 30 have overtaken men in the same age group in contacting TPAS for information.

Our online survey found that attitudes to Prevention-focused and Promotion-focused messaging are similar between genders but different across age groups, with people more likely to respond to Prevention- focused messages as they get older.



Promotion-focused

Male and Female – Response to all 5 promotion messages (scores range from -3 to +3)



SOURCE: Behave London GAPS Survey of 1255 men and women. After each message respondents were asked "How likely are you to seek more information having read this?" Score represents the total of all positive "likely" responses and all negative "unlikely" responses, divided by the number of people in each group, by gender. Respondents chose from the following options, and a weighted score was used for all the messages, so that a stronger response carried more weight than a weaker response. How each response was scored is in brackets: Extremely likely (+3), Moderately likely (+2), Slightly likely (+1), Neither likely nor unlikely (0), Slightly unlikely (-1), Moderately unlikely (-2), Extremely unlikely (-3). A score of close to 1 is positive score, and a score closer to -1 a negative score.



Prevention-focused

Male and Female – Response to all 5 prevention messages (scores range from -3 to +3)



SOURCE: Behave London GAPS Survey of 1255 men and women. After each message respondents were asked "How likely are you to seek more information having read this?" Score represents the total of all positive "likely" responses and all negative "unlikely" responses, divided by the number of people in each group, by gender. Respondents chose from the following options, and a weighted score was used for all the messages, so that a stronger response carried more weight than a weaker response. How each response was scored is in brackets: Extremely likely (+3), Moderately likely (+2), Slightly likely (+1), Neither likely nor unlikely (0), Slightly unlikely (-1), Moderately unlikely (-2), Extremely unlikely (-3). A score of close to 1 is positive score, and a score closer to -1 a negative score.

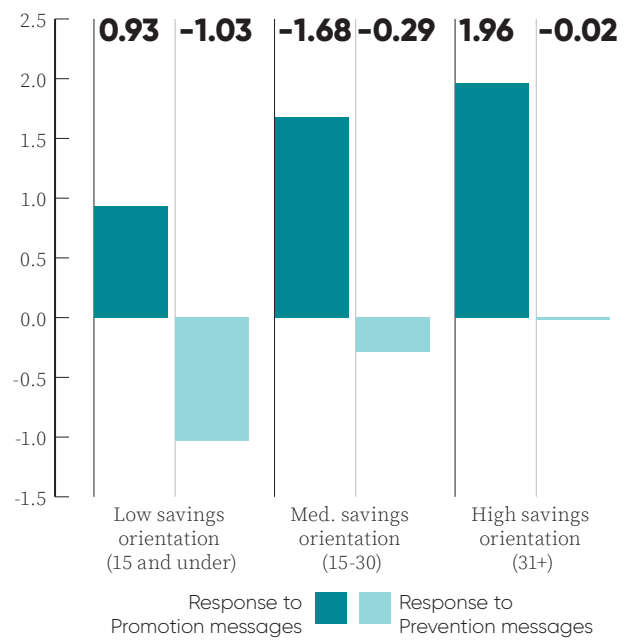
5.3

Promotion vs prevention scores by personal savings orientation

To look at how the propensity to save might influence how our respondents felt about Promotion-focused and Prevention-focused messages, we split them into three groups: Low savings orientation (scoring under 15), Medium (15-30) and High (31-45). Our findings confirmed that everyone preferred Promotion-focused messages. Those who are highly motivated to save, perhaps unsurprisingly, responded best to positive Promotion-focused messages. They were unmoved by negative messaging. Interestingly, where people already had a low savings orientation, they reacted negatively to negative Prevention-focused messages. The lesson here is that if you are trying to motivate non-savers into taking action to save, the worst message you can give them is a message of doom and gloom. Lecturing does not help.



Response to Promotion/Prevention Messages by overall personal savings orientation (scores range from -3 to +3)



SOURCE: Behave London GAPS Survey of 1255 people. Chart shows how respondents rated Promotion-focused and Prevention-focused messages by their Personal Savings Orientation. For Personal Savings Orientation we asked our respondents “How do you feel about finances?” and we asked them to answer a series of questions, and we calculated their score to find their personal orientation towards saving. The higher they scored, the better their savings orientation. The lowest possible score was 9, and the highest possible score was 45.

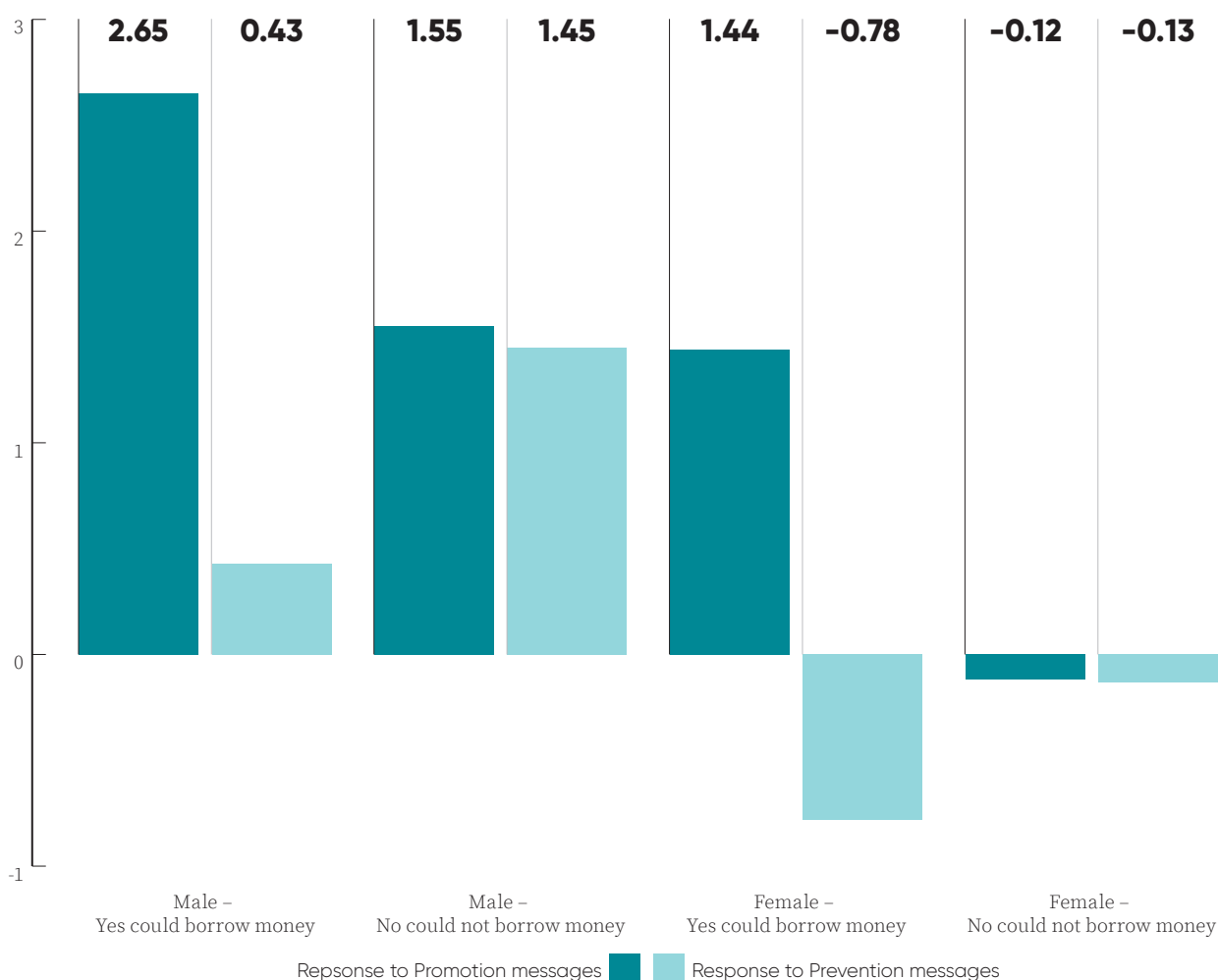


5.4

Response to pensions messaging by affordability

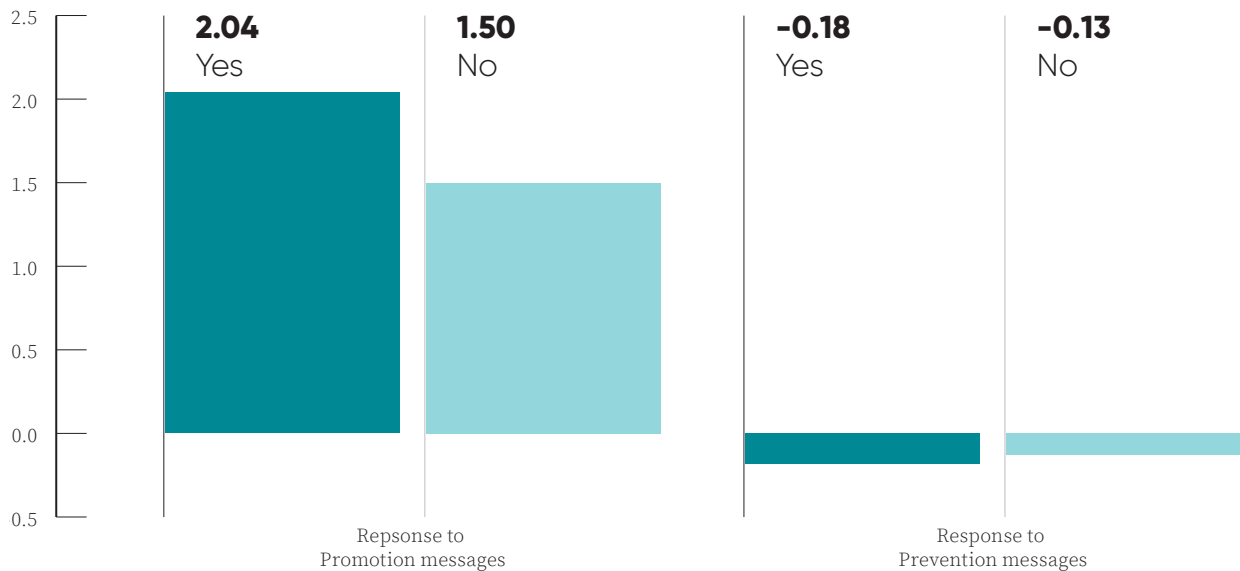
Our survey suggests that affordability is a key issue. Both men and women responded better to Promotion-focused messages when they had the financial backup of family and friends. This could indicate that those without support are less likely to respond to pensions messaging, as they are possibly not in a position to save.

If you experienced a financial emergency tomorrow, and needed £3000, would a friend or relative be able to lend it to you? (scores range from -3 to +3)



SOURCE: Behave London GAPS Survey of 1255 men and women. After each message respondents were asked “How likely are you to seek more information having read this?” Score represents the total of all positive “likely” responses and all negative “unlikely” responses, divided by the number of people in each group, by gender. Respondents chose from the following options, and a weighted score was used for all the messages, so that a stronger response carried more weight than a weaker response, so those responding “Extremely” likely or unlikely are weighted (3), “Moderately” likely or unlikely (2), “Slightly” likely or unlikely (1). Those responding “Neither likely nor unlikely” received a null score (0).

Average response to Promotion and Prevention messages when asked:
 If you experienced a financial emergency tomorrow, and needed £3000,
 would a friend or relative be able to lend it to you? (scores range from -3 to +3)



SOURCE: Behave London GAPS Survey of 1255 men and women. After each message respondents were asked “How likely are you to seek more information having read this?” Score represents the total of all positive “likely” responses and all negative “unlikely” responses, divided by the number of people in each group, by gender. Respondents chose from the following options, and a weighted score was used for all the messages, so that a stronger response carried more weight than a weaker response, so those responding “Extremely” likely or unlikely are weighted (3) “Moderately” likely or unlikely (2), “Slightly” likely or unlikely (1). Those responding “Neither likely nor unlikely” received a null score (0).



“THE LESSON HERE IS THAT IF YOU ARE TRYING TO MOTIVATE NON-SAVERS INTO TAKING ACTION TO SAVE, THEN THE WORST MESSAGE YOU CAN GIVE THEM IS A MESSAGE OF DOOM AND GLOOM. LECTURING DOES NOT HELP.”

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