

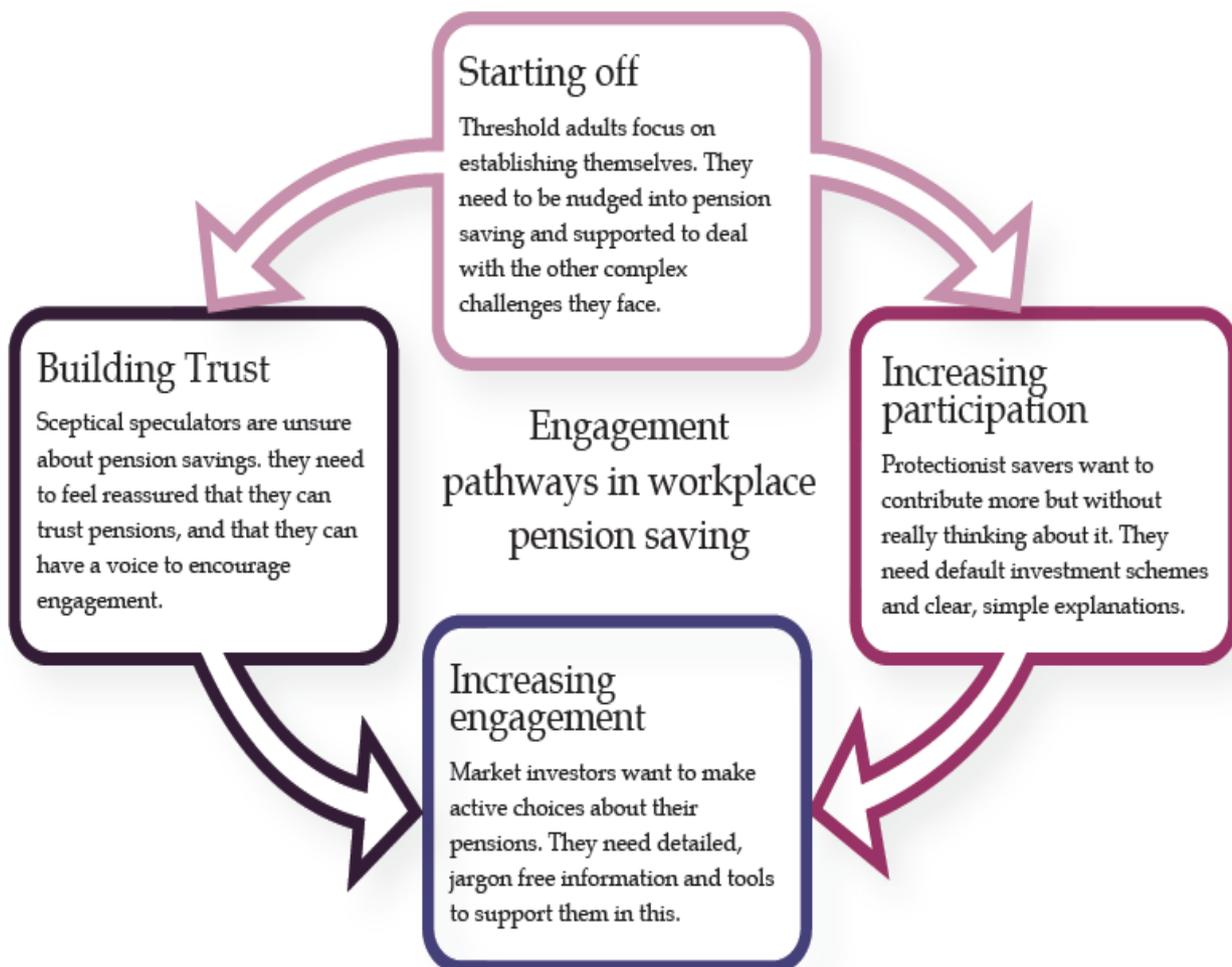
PRESS RELEASE

EMBARGOED UNTIL: 0001 WEDNESDAY 15TH MAY 2019

PENSIONS POLICY INSTITUTE

PPI

“One size does not fit all when it comes to engaging with pension saving”. says Pensions Policy Institute



Date of Issue: Friday 3rd May 2019

Twitter: @PPI_Research

PRESS RELEASE

EMBARGOED UNTIL: 0001 WEDNESDAY 15TH MAY 2019

PENSIONS POLICY INSTITUTE

PPI

The Pensions Policy Institute (PPI) is today publishing **Engagement pathways in workplace pensions: an overview of pension decision-making**. Due to the falling private pension saving rates in the UK there are concerns regarding the adequacy of provision for later life. The automatic enrolment policy was implemented in 2012 to encourage private pension saving by automatically enrolling employees into workplace pension schemes. This policy has led to an increase in people participating in workplace pensions schemes, although the majority of those newly enrolled are saving at the minimum default contribution rates, which are unlikely to provide adequate levels of income in retirement. Latest research suggests that there may be **12 million individuals who are under-saving for their retirement***. It is still apparent that members do not appear to be engaging with financial incentives offered for greater contributions in the way expected. This highlights the need to better understand how individuals make decisions about their pension following automatic enrolment.

This report outlines the findings from qualitative research aimed specifically at understanding how individuals make decisions following automatic enrolment. The findings suggest that there are a variety of approaches to pension saving and identifies a typology of decision-making. The typology highlights four approaches to pension decisions, which are:

- Threshold adults,
- Protectionist savers,
- Market investors and;
- Sceptical speculators.

These groups engage with workplace pension saving in very different ways. The research demonstrated how people adjust their approach over time, suggesting pathways of engagement in workplace pension saving. The steps on the pathway require different interventions in order to support and encourage engagement.

* Department for Work and Pensions. (2017b). **Automatic Enrolment Review 2017: Maintaining the Momentum.**

PRESS RELEASE

EMBARGOED UNTIL: 0001 WEDNESDAY 15TH MAY 2019

PENSIONS POLICY INSTITUTE

PPI

This research was conducted by Dr. Hayley James as part of her successful PhD thesis. The PPI funds and supports a number of PhD students researching into areas of distinct policy relevance to pensions in the UK.



Dr. Hayley James, said “People think about and approach their pension in very different ways, depending on their life status and identity. It is really important to recognise that a one-size-fits-all approach to engagement in workplace pension won’t work and interventions need to reflect the subjective nature of pension decision-making.

Many straightforward interventions could be more effective when targeted at relevant groups.”

~~ ENDS ~~

For further information please contact -

Danielle Baker, Head of Membership & External Engagement (PPI)
020 7848 4467 or 07714 250 910, email: press@pensionspolicyinstitute.org.uk

Dr. Hayley James, Lead Researcher (PPI) 07969 911 475, email:
hayley.james@manchester.ac.uk

Notes for editors

1. **The Pensions Policy Institute (PPI)** is an educational research charity, which provides non-political, independent comment and analysis on policy on pensions and retirement income provision in the UK. Its aim is to improve the information and understanding about pensions policy and retirement income provision through research and analysis, discussion and publication. Further information on the PPI is available on our website www.pensionspolicyinstitute.org.uk.
2. Dr. Hayley James is a researcher at The University of Manchester Institute for Collaborative Research on Ageing (MICRA). Her Thesis examined the impact of automatic enrolment into workplace pensions on individual decision making, based on qualitative research methodology.

Date of Issue: Friday 3rd May 2019

Twitter: @PPI_Research

PRESS RELEASE

EMBARGOED UNTIL: 0001 WEDNESDAY 15TH MAY 2019

PENSIONS POLICY INSTITUTE

PPI

3. The PPI funds and supports a number of PhD students researching into areas of distinct policy relevance to pensions in the UK.
4. **Summary of participants:** There were 26 female and 16 male participants. Participants were aged from 20 to 49 years old, with incomes ranging from £10,000 per annum to over £60,000 per annum, but the vast majority of participants earned over £20,000 per annum.
5. We would like to thank the Economic and Social Research Council (ESRC), the UK's leading research and training agency addressing economic and social concerns, for funding this 3 year PhD studentship. Grant number ES/J500094/1.



Date of Issue: Friday 3rd May 2019

Twitter: [@PPI_Research](https://twitter.com/PPI_Research)