



## WORKPLACE PENSIONS SURVEY

**September 2011**

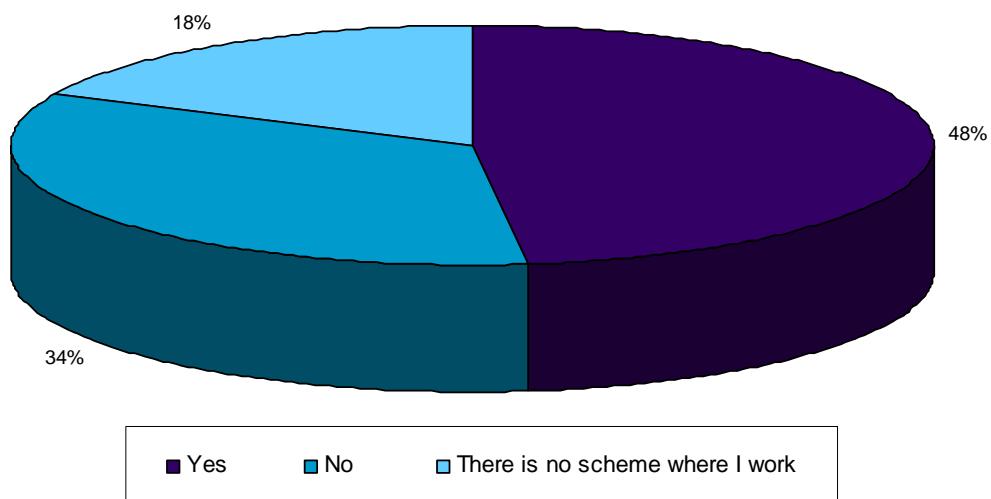
## Introduction

This short report summarises some of the headline findings from the NAPF's Autumn Workplace Pension Survey. Our Workplace Pension Survey tracks the opinion of the general public on pensions and assesses how confident they are in pensions as a way of saving for retirement.

896 employees in Great Britain were interviewed for the survey, and the data has been weighted to match the profile of respondents from the same survey in 2010 to ensure comparability. Fieldwork was conducted from 9<sup>th</sup> to 11<sup>th</sup> September 2011 and the respondents answered questions online.

48% of those surveyed were members of a workplace pension scheme, whilst 34% were not. 18% said they did not have access to a scheme where they worked.

**Figure 1 – Are you a member of the pension scheme where you work?**

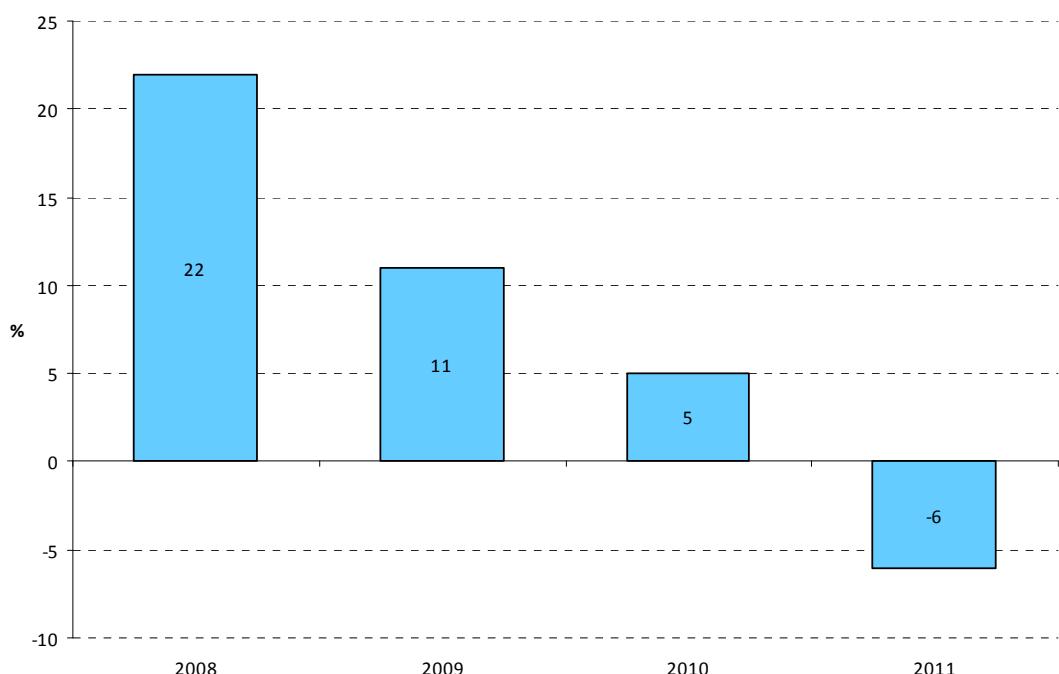


## Results

### Pension saving – confidence compared to other savings

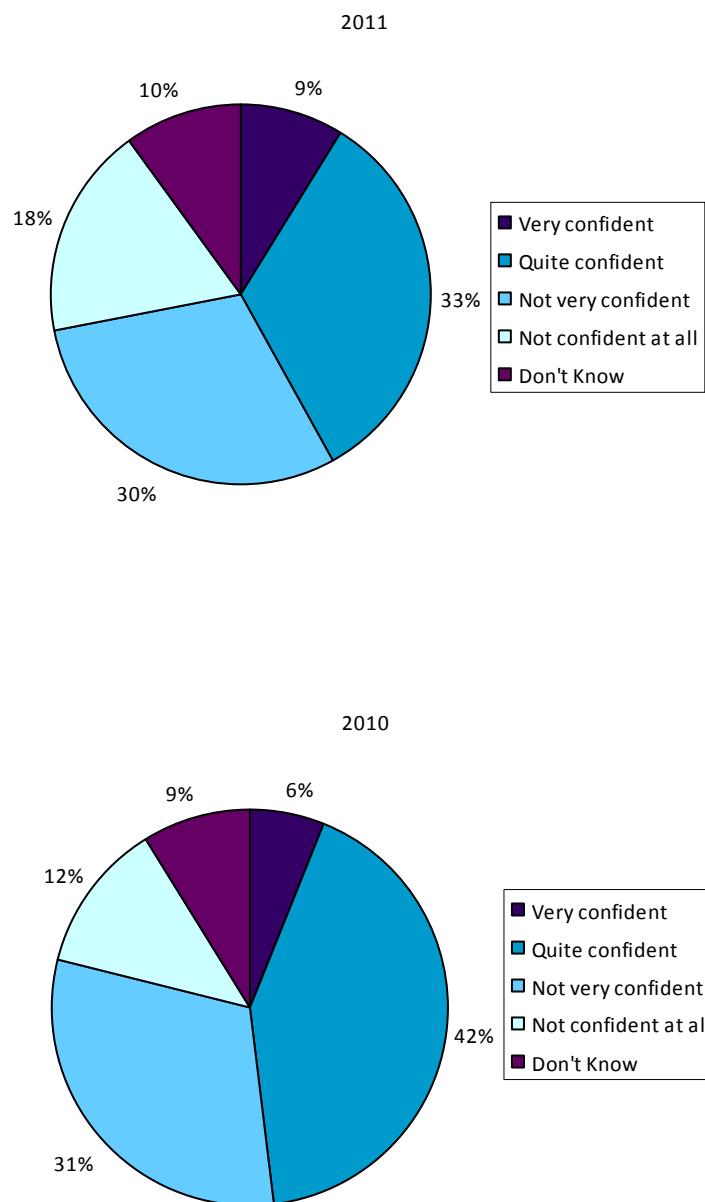
The confidence index measures the difference between the numbers who are confident and not confident in pensions, compared to other ways of saving for retirement. The confidence Index for 2011 is negative at -6%, meaning that 6% more people say they are *not confident* in pensions, when compared to other forms of saving, than *confident*. This has fallen steadily from 22% in 2008 in the early stages of the downturn.

**Figure 2 – Confidence Index**



The strongest growth since last year was in the group who said they were not confident at all which has risen from 12 to 18%.

**Figure 3 – When it comes to saving for retirement, how confident are you in pensions compared to other ways of saving?**

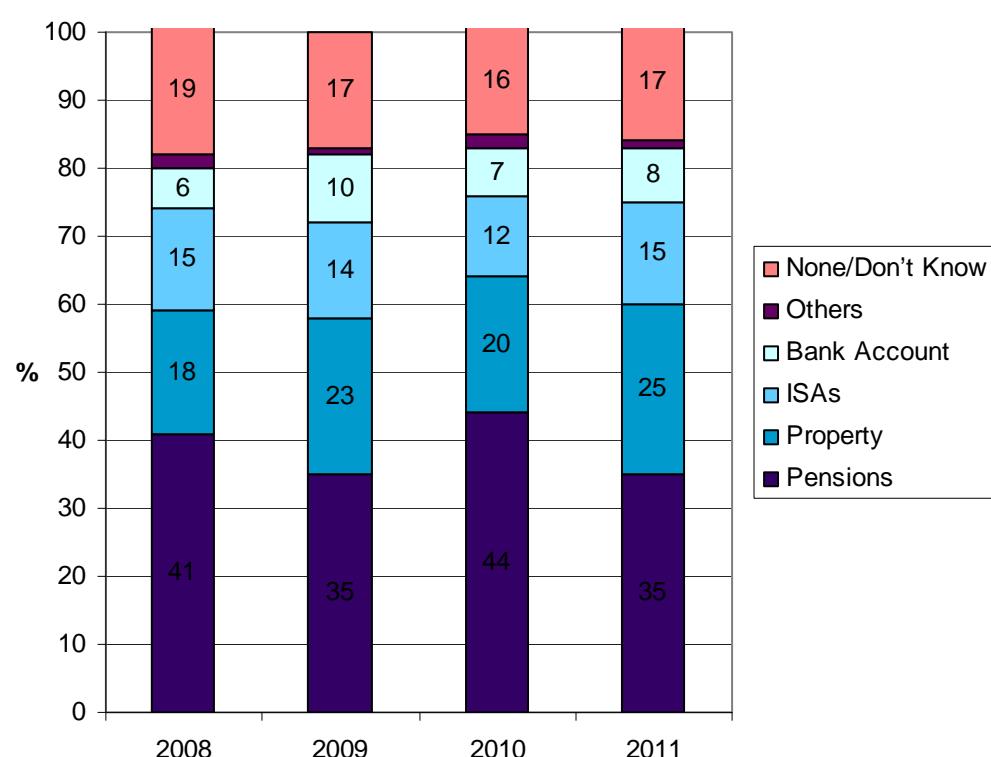


## **Best way to save for retirement**

Whilst pensions are still the most popular way to save for retirement, their popularity has waned since last year, with both property and ISAs having grown in popularity.

The proportion stating pensions as the best way to save from retirement fell by 9 percentage points to 35%. The popularity of property as the best way to save for retirement is now at its highest level since the survey began, with 25% favouring that route.

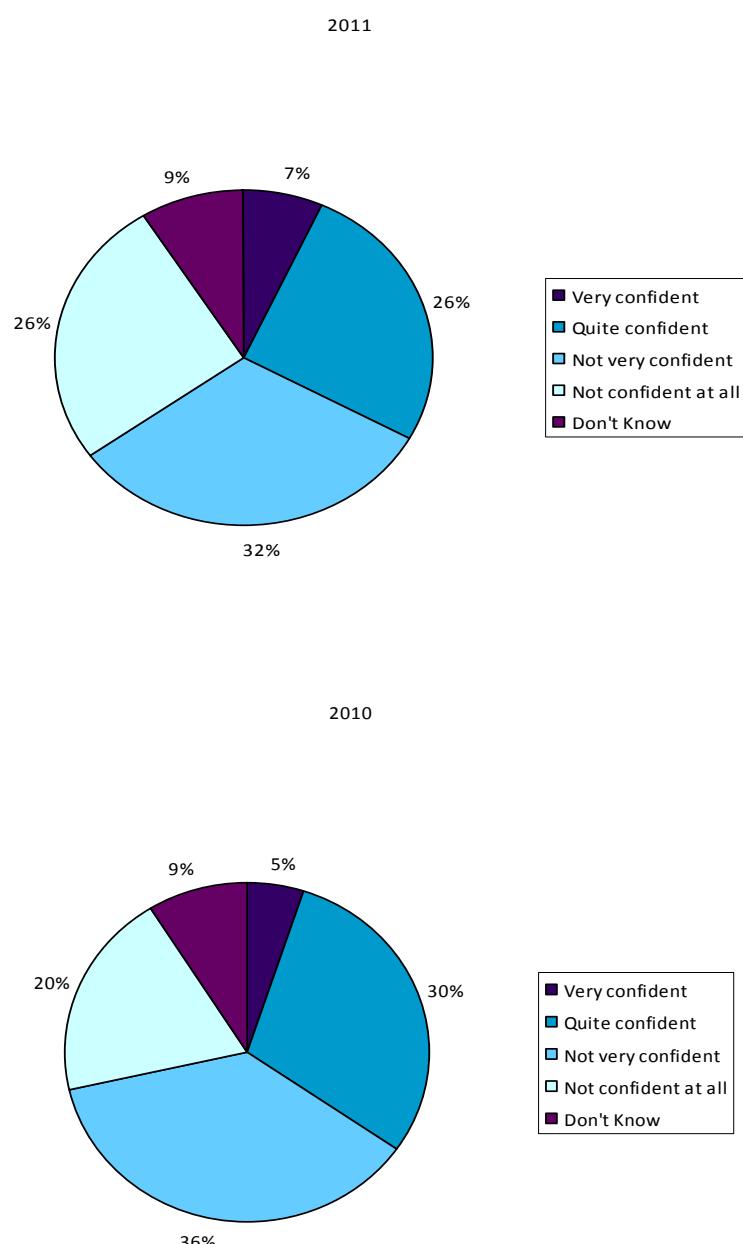
**Figure 4 – Which of the following do you consider the best way to save for retirement?**



## Pension Income – confidence around retirement

Respondents were asked how confident they felt that their pension will give them enough money to live on in retirement. Similar to the same time last year, only around a third (35%) are quite or very confident that their pension will give them sufficient income in retirement. 1 in 4 were now not confident at all, compared to 1 in 5 last year.

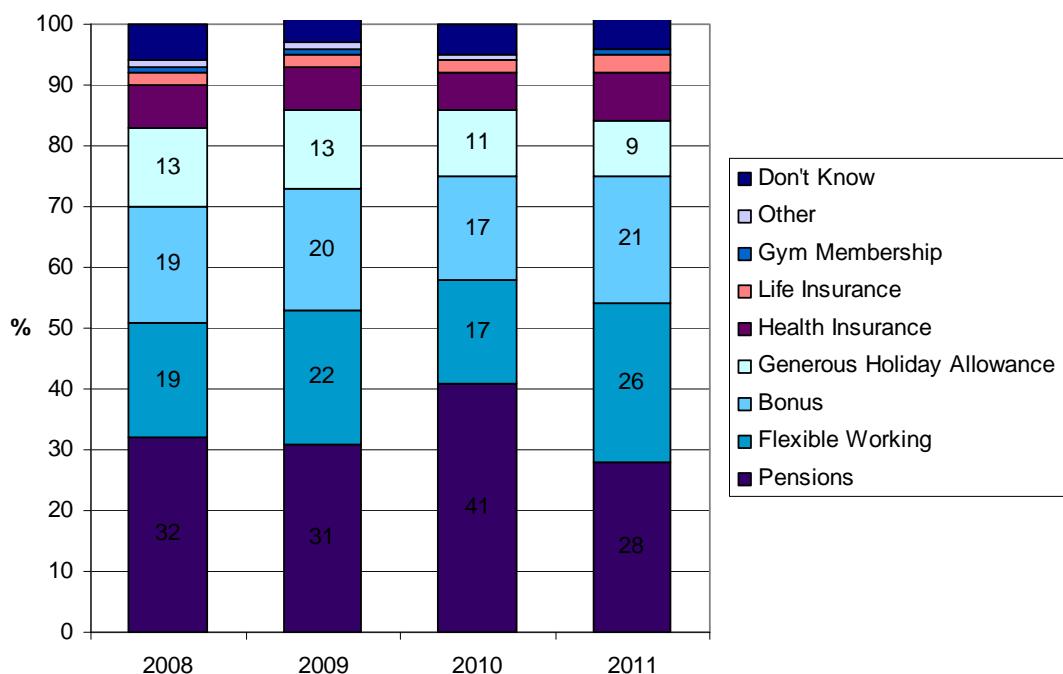
**Figure 5 – How confident are you that your pension will give you enough money in retirement?**



## Pensions as an employer benefit

Pensions are still considered the most important benefit, on top of a basic salary, that an employer can offer, but only just. The popularity of pensions fell by 13 percentage points, whilst flexible working and bonuses became more popular.

**Figure 6 - What do you consider is the most important benefit, on top of your basic salary, an employer can offer?**



## **Conclusion**

Overall, the results of the latest workplace pension survey suggest that confidence in pensions as a means for saving for retirement has continued to worsen against most measures in the survey.

Notably, the autumn confidence index has become negative for the first time in 2011, now standing at -6%, with more people saying they are *not confident* in pensions than confident. This was driven particularly by a growth in the group saying they are not confident at all in pensions compared to other ways to save for retirement – suggesting that a combination of recent policy and economic developments, and adverse market conditions, may have put some groups off pension saving altogether.

Similarly, a higher proportion this year are not confident that their pension will give them enough money in retirement, implying growing concerns around levels of adequacy in old age.

Despite these negative developments, the overall survey results show that pensions remain the most popular way to save for retirement, and the most popular employer benefit on top of the basic salary, and should therefore remain a priority for Government, industry and employers.