

# How do DC Members' Attitudes and Beliefs Shape their Engagement?

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**STATE STREET**  
**GLOBAL ADVISORS.**



# Research... Like Mexican Food!



Nachos



Burritos



Tacos



Fajitas

# Retirement Confidence Monitor

## Retirement Confidence Monitor

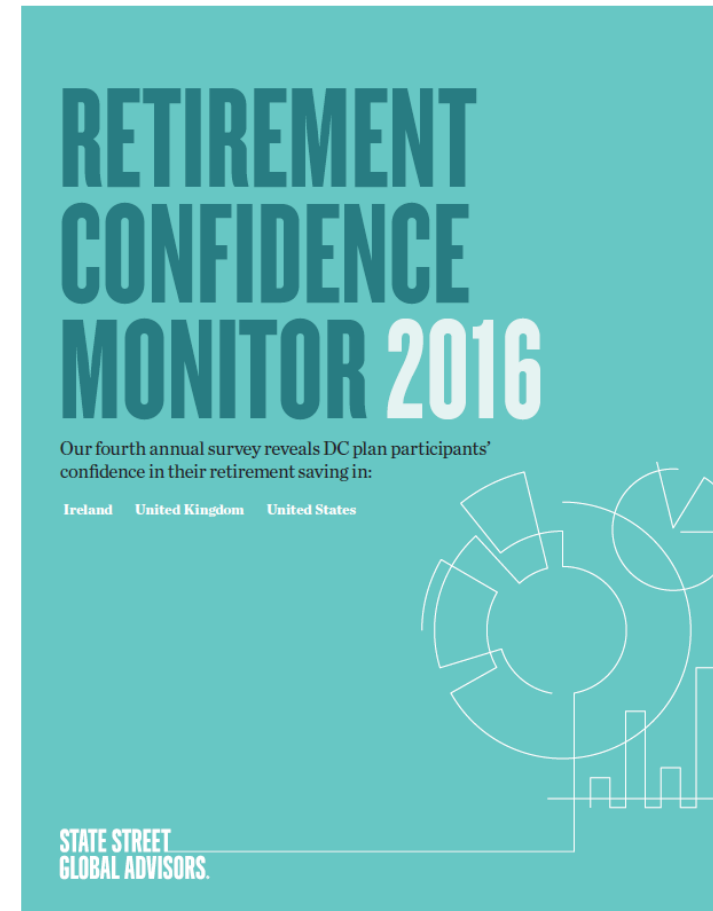
- Fourth annual survey of DC plan members and participants' in Ireland, United Kingdom and United States
- Tracks confidence in their retirement security and satisfaction with retirement plan

## New for 2016!

- Added a battery of questions about wellness and financial literacy
- Conducted multivariate analysis to uncover clues to what lies beneath confidence

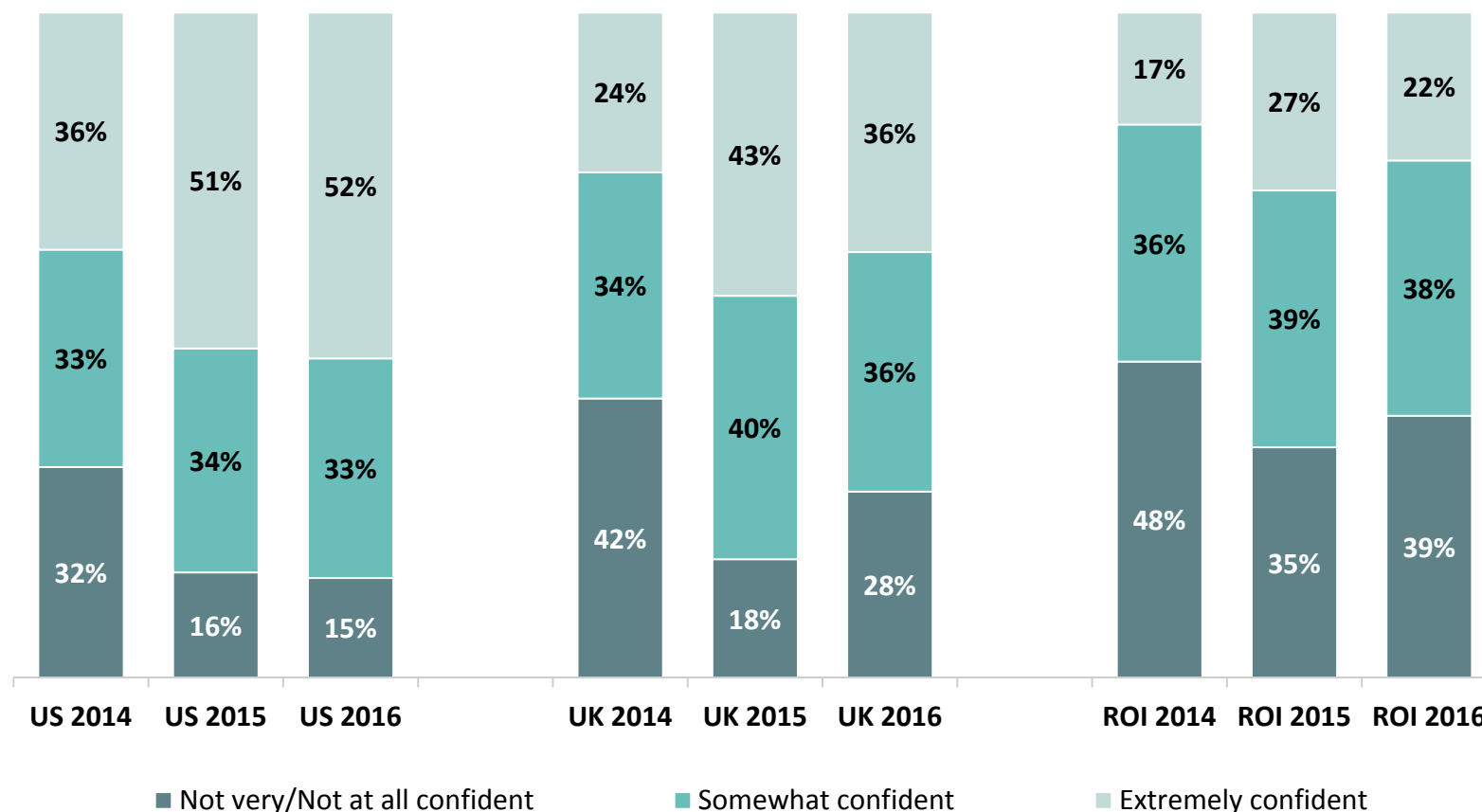
## New Retirement Styles

- By comparing confidence, wellness and literacy, we identified four unique retirement styles
- Retirement style reveals where individuals are in their retirement journey
- Useful for plan sponsors in both plan design and engagement



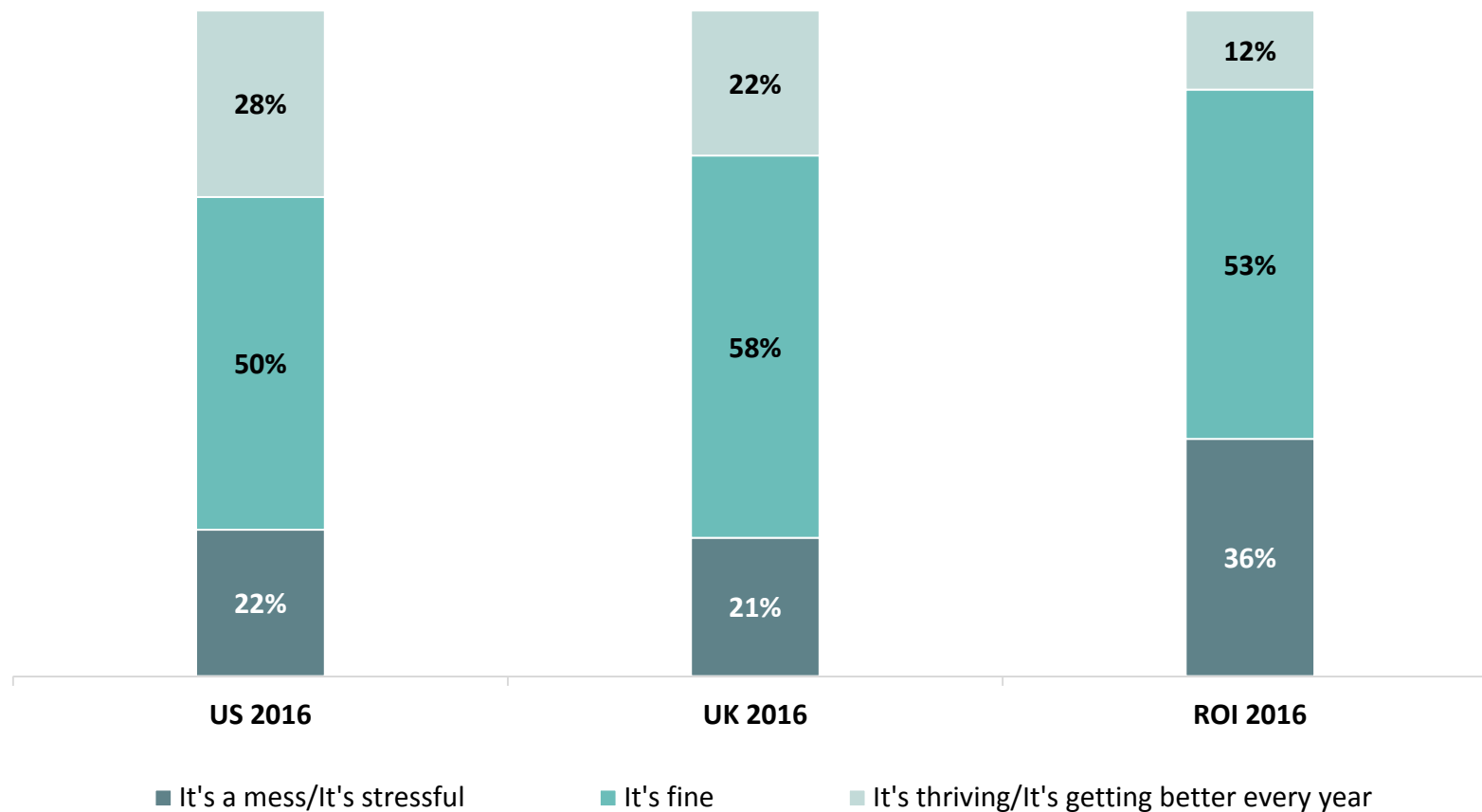
Source: SSGA Retirement Confidence Monitor 2016

# Confidence to Meet Retirement Goals?



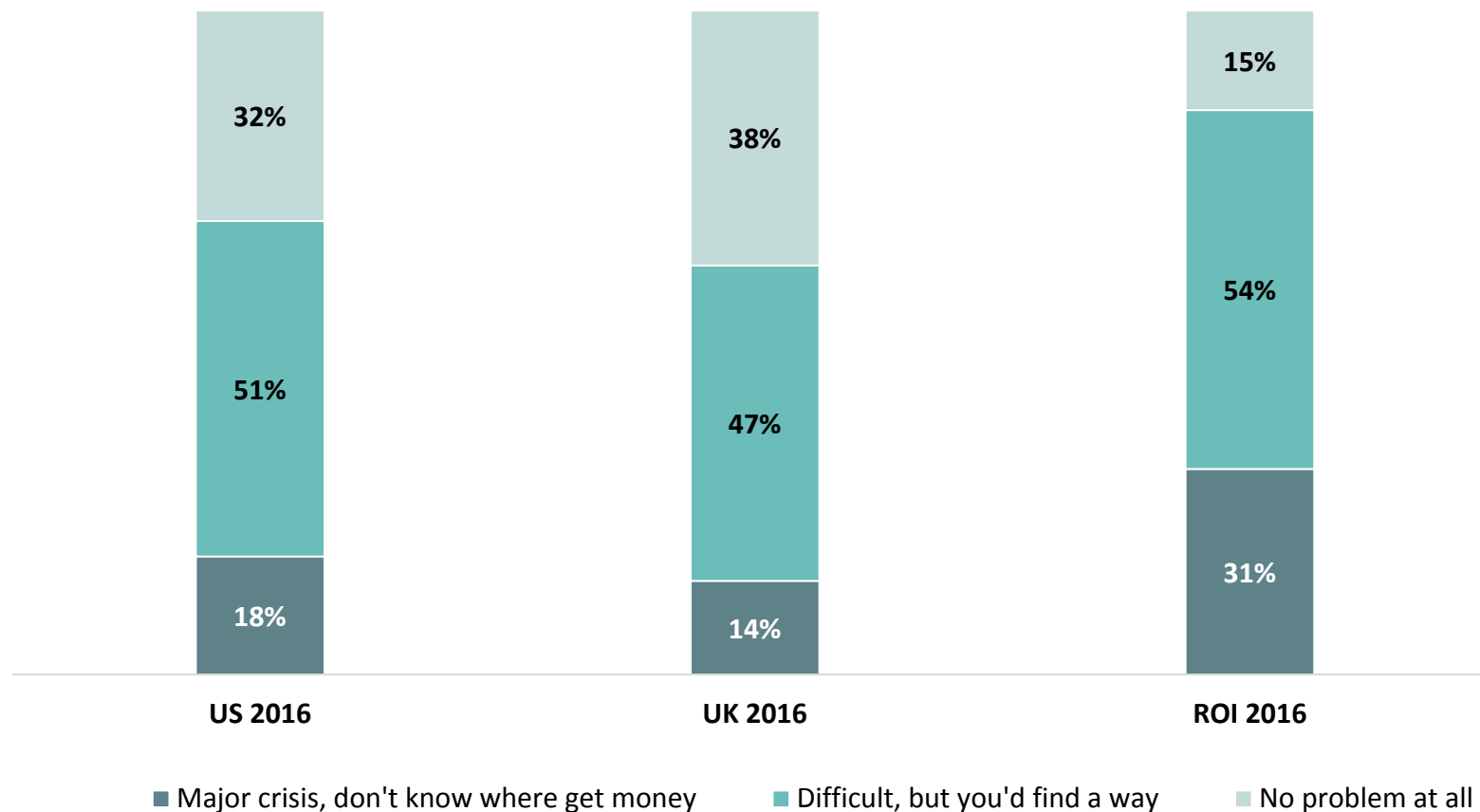
Source: SSGA Retirement Confidence Monitor 2016

# Financial Self-Assessment



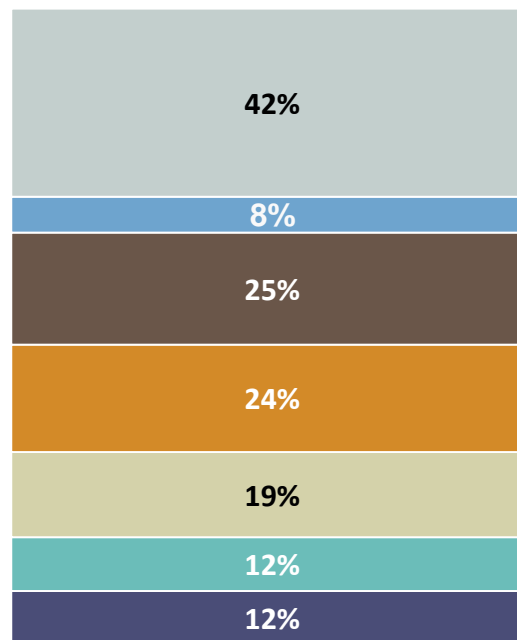
Source: SSGA Retirement Confidence Monitor 2016

# Ability to Handle 3-Month Health Crisis



Source: SSGA Retirement Confidence Monitor 2016

# Impact of Raise in Age for State Pension



ROI 2016

- Work longer full-time
- Work longer part-time
- Save more
- Use personal pension savings until qualify for State Pension
- Use other savings/resources until qualify for State Pension
- Access other State benefits
- Haven't thought about/wasn't aware

Source: SSGA Retirement Confidence Monitor 2016



# The Journey...





# Global Psychographic Segmentation



Source: SSGA Retirement Confidence Monitor 2016

# The Armchair Traveller...



- No interest in going on the retirement journey
- Little confidence they're on track
- Feel employer is very unhelpful
- Slight preference for the default fund

Source: SSGA Retirement Confidence Monitor 2016

# The Tourist...



- Willing to go along for the ride
- No interest in the details
- Unsure about whether they'll ever reach their destination!
- Very strong preference for the default fund

Source: SSGA Retirement Confidence Monitor 2016

# The Co-Pilot...



- Actually want to go on the retirement journey
- Moderately confident they'll get there
- Will happily read anything they're given
- Strong preference for the default fund

Source: SSGA Retirement Confidence Monitor 2016

# The Adventurer...



- I'll chart my own course
- Quite confident they'll meet their retirement goal
- Own sourced information is better than employer
- Unlikely to accept the default fund

Source: SSGA Retirement Confidence Monitor 2016

# The Approaches...

# The Armchair Traveller... The Approach



- Not a complete lost cause!
- A life event often creates focus
- Use inflection points to aid engagement

Source: SSGA Retirement Confidence Monitor 2016



# The Tourist... The Approach



- Low confidence with little “get up and go”
- Really appreciates automation
  - Auto enrollment
  - Auto escalation
- Little need for detailed communication
- Need a strong default option

Source: SSGA Retirement Confidence Monitor 2016

# The Co-Pilot... The Approach



- They welcome assistance
- Leverage curiosity with online tools and check lists
- Link financial knowledge to fund options
- Outline specific actions to help meet goals

Source: SSGA Retirement Confidence Monitor 2016

# The Adventurer... The Approach



- They still need support
- Use links to multiple industry leading sources
- Ensure adequate range of fund choices

Source: SSGA Retirement Confidence Monitor 2016

# Summary — Lessons Learned



- General best practices should apply
- However understand that different segments of members exist
- Simply knowing what motivates them can aid plan sponsors explore different engagement and communication techniques

Source: SSGA Retirement Confidence Monitor 2016

# Survey Methodology

TRC conducted 2,817 online interviews, approximately 12 minutes in length. Partner panels were used for all contacted participants.

- Interviewing was conducted 13–27 May 2016

Individuals were qualified as:

- Age 22–70 years
- Working at least part-time
- Private or non-profit industry
- Employer Retirement Savings Plan:
  - Enrolled and contributing
  - Enrolled, not contributing
  - Offered, not enrolled (had with previous employer/never had)
- Primary decision maker or share responsibility in investment decisions
- No critical industry affiliation
- Where applicable, results are shown for 2014 and 2015
- Significant differences between years and across countries are noted with letters



Audience	Number of Completes	Sample Error
US: 2014	725	±3.64
US: 2015	864	±3.33
US: 2016	1,089	±2.97
UK: 2014	1,000	±3.10
UK: 2015	799	±3.47
UK: 2016	1,038	±3.04
ROI: 2014	150	±8.00
ROI: 2015	351	±5.23
ROI: 2016	690	±3.73

Source: SSGA Retirement Confidence Monitor 2016