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The lived experience of saving: decisions after automatic enrolment

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People aren’t saving enough through workplace pensions and it’s not clear how to engage them

Qualitative methods aimed to understand the complex and contextual nuances of decision-making

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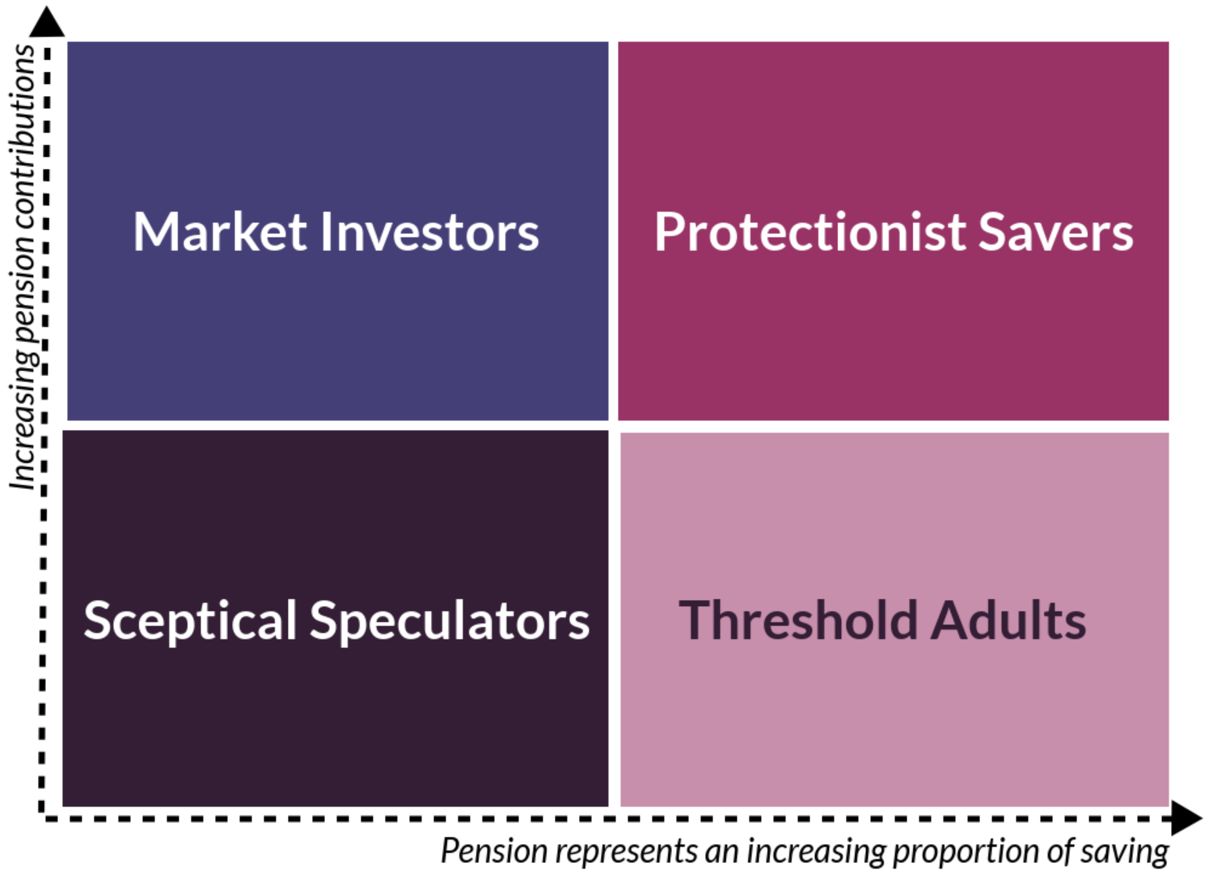
The research revealed a typology of approaches to workplace pension saving



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Threshold Adults are at the start of their pension saving journey and have more important life goals

Threshold Adults	• Aged 22 – 39 years old • Focus on achieving goals of adulthood, such as buying a house or achieving job security • Limited pension participation • Most knew about financial incentives and still weren't interested in increasing contributions • Fatalistic approach to long-term saving

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Protectionist Savers had increased contributions but did not engage with the details of their scheme

Protectionist Savers	• Aged from 25 years upwards, had achieved establishment goals • Saw pension saving as a social norm, reinforced by peers, partners and parents. • Saw matched contributions as a recommendation • Happy being part of the system and didn't consider the details of their scheme

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Sceptical Speculators need to feel more confident about participating in workplace pension saving

Sceptical Speculators	• Across all age groups and were active savers/investors • Had often sought out information about workplace pension yet still sceptical about the long-term • Limited pension saving in order to prioritise other, varied forms of saving and investment

Market Investors are active in terms of managing their pension as part of their investment portfolio

Market Investors	• Tended to be older and male, with specific financial knowledge or experience • Active investors, who felt they were making rational decisions (albeit often not the case) • Importance of 'free cash' rather than the long-term performance of the scheme

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The typology raises important considerations about the model of workplace pension decisions

The market investor approach requires specific knowledge, access, social and economic capital.

The gendered nature of decision-making may reinforce penalties of career breaks and lower pay for women.

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