

# OVERCOMING BEHAVIOURAL IMPEDIMENTS TO RETIREMENT SAVING



“THE UK IS THE WORST IN THE WORLD IN SAVING FOR RETIREMENT”\*

1966

2016



**LOWEST RATE OF HOUSEHOLD SAVING IN 50 YEARS**

Source: Ready for Ageing? House of Lords Select Committee on Public Service and Demographic Change. HL 140. 2013

## PRESENT BIAS & ANCHORING

PRESENT BIAS



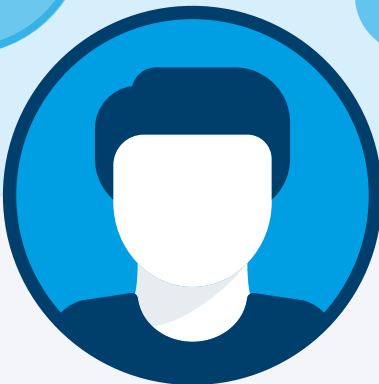
**LIVE FOR TODAY (CONSUMPTION)**

**CANNOT VISUALISE YOUR FUTURE SELF**



COMPOUNDS

COMPOUNDS



ANCHORING



\* **AUTO ENROLMENT MINIMUM CONTRIBUTION INADEQUATE DESPITE APPARENT GOVERNMENT ENDORSEMENT**



\* **WORKPLACE PENSION SCHEME MINIMUM CONTRIBUTIONS INADEQUATE DESPITE APPARENT EMPLOYER ENDORSEMENT**

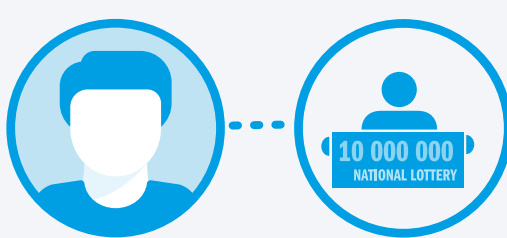
## PRESENT BIAS SOLUTIONS



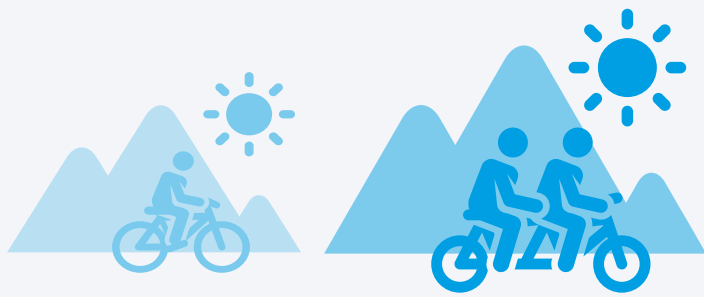
**CREATE AN AVATAR - IMAGINE YOUR FUTURE SELF**



**ISSUE A LOTTERY TICKET FOR EVERY £100 SAVED**



**VISUALISING WINNING THE LOTTERY BETTER ALIGNS THE COSTS AND BENEFITS OF SAVING**



**HELP PEOPLE VISUALISE THE ACTIVITIES THEY ENJOY TODAY THAT NEED FINANCING IN THE FUTURE**



**AUTO ESCALATION OF CONTRIBUTIONS. PAY NOTHING TODAY - DELAY THE COST OF SAVING**

## ANCHORING SOLUTIONS



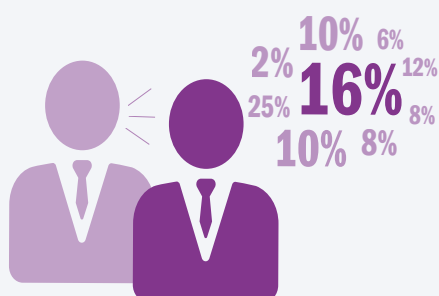
**BETTER FRAME INCENTIVES TO SAVING FOR RETIREMENT**



**USE SIMPLE MESSAGING**



**ISSUE A LOTTERY TICKET FOR EVERY £100 SAVED**



**PUBLICISE FAVOURABLE CONTRIBUTION AND COVERAGE STATISTICS THAT SHOW POSITIVE SOCIAL GROUP BEHAVIOUR TO ENCOURAGE OTHERS TO CONFORM TO SOCIAL NORMS**



**ILLUSTRATE ON PAY SLIP PENSION CONTRIBUTIONS TO DATE PLUS POTENTIAL INCOME STREAM AT TIME OF RETIREMENT**

To find out more visit [columbiathreadneedle.co.uk/behavioural](http://columbiathreadneedle.co.uk/behavioural)



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