

## Press Release

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PR/16/09

20th April 2009

### **CONFIDENCE IN PENSIONS RETURNING BUT REBUILDING CONFIDENCE MUST REMAIN A PRIORITY FOR 2009**

There has been a small but important improvement in employee confidence in pensions according to the fourth National Association of Pension Funds (NAPF) Workplace Pensions Survey<sup>1,2</sup> published today.

Over the past 12 months, the NAPF Pensions Confidence Index has risen from +3% to +7%, and is up from a low of just +1% in December 2008. (See Annex 1 for full survey results.)

Alongside the increase in confidence, employees continue to consider pensions to be the most important benefit their employer can offer on top of their basic salary – 34%, ahead of bonuses and holidays. By comparison, flexible working and bonuses had declined in popularity.

Nevertheless, rebuilding confidence in pensions must remain a priority for 2009, the NAPF warned.

**NAPF Chief Executive, Joanne Segars, said:** “Confidence in pensions is better than it was a year ago. But the current economic environment means that whilst employee confidence in pensions remains positive, it is also very fragile.

“No matter how long and deep the recession, we still need to provide for old age. We can do that most effectively if working people are confident about pensions. That is why we urgently need a national campaign led by

Government and actively supported by the pensions industry, worker representatives and business to rebuild confidence in pensions.”

Other key findings include:-

- (1) Pensions remain the best way to save for retirement (39%). Those stating property to be the best way to save for retirement fell from 25% in Q1 2008 to 20% in Q1 2009. (See annex 1: table 2.)
- (2) Pensions remain the most important benefit (34%) that employers can provide on top of a basic salary, an increase from 30% in Q1 2008. For the first time, women consider a workplace pension to be more important than flexible working. (See annex 1: table 3.)
- (3) 47% of employees who said they had no access to a pension at work said they would feel more loyalty towards their employer if they did offer a pension. (See annex 1: table 5.)

**Ends**

**Notes To Editors**

- 1 The February/March 2009 findings were carried out by TNS among 1,232 GB full and part-time employees (self-employment excluded from research) aged 16 - 64 between 24<sup>th</sup> February 2009 and 2<sup>nd</sup> March 2009.

Previous fieldwork was carried out from 16<sup>th</sup> December 2008 to 22<sup>nd</sup> December 2008 (Q4 2008) 4<sup>th</sup> September to 11<sup>th</sup> September 2008 (Q3 2008) and 14<sup>th</sup> to 21<sup>st</sup> February 2008 (Q1 2008).

*All figures subject to roundings.*

- 2 The NAPF Workplace Pensions Survey report can be found:-  
<http://www.napf.co.uk/policy/research.cfm>

**About The National Association of Pension Funds**

The NAPF is the leading voice of workplace pensions in the UK. We speak for 1,200 pension schemes with some 15 million members and assets of around £800 billion. NAPF members also include over 400 businesses providing essential services to the pensions sector.

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## ANNEX 1

### Overall Confidence

**Table 1:** When it comes to saving for retirement, how confident are you in saving into a pension compared to other forms of saving? (all employees).

		All Employees	Men	Women	Members of a workplace pension scheme	Employees who choose not to join an available workplace pension scheme	Employees with no access to a workplace pension scheme
<b>Confident</b>	Q1 2009	50%	55%	45%	70%	32%	32%
	Q4 2008	47%	55%	39%	66%	29%	27%
	Q3 2008	58%	65%	49%	75%	41%	38%
	Q1 2008	48%	55%	41%	64%	31%	30%
<b>Not Confident</b>	Q1 2009	43%	40%	46%	27%	57%	59%
	Q4 2008	46%	40%	53%	31%	62%	64%
	Q3 2008	36%	32%	41%	21%	50%	55%
	Q1 2008	45%	41%	48%	31%	58%	62%
<b>Confidence Index</b>	<b>Q1 2009</b>	<b>+7%</b>	<b>+15%</b>	<b>-1%</b>	<b>+43%</b>	<b>-25%</b>	<b>-27%</b>
	Q4 2008	+1%	+15%	-14%	+35%	-33%	-37%
	Q3 2008	+22%	+33%	+8%	+54%	-9%	-17%
	Q1 2008	+3%	+14%	-7%	+33%	-27%	-32%

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### The Best Method of Saving for Retirement

**Table 2:** Which of the following do you consider to be the best way to save for retirement? (All employees)

		All Employees	Men	Women	Members of a workplace pension scheme	Employees who choose not to join an available workplace	Employees with no access to a workplace pension scheme

						pension scheme	
Pensions	Q1 2009	39%	42%	37%	52%	28%	23%
	Q4 2008	36%	40%	32%	47%	21%	30%
	Q3 2008	45%	50%	40%	57%	32%	34%
	Q1 2008	40%	42%	37%	53%	33%	25%
Property	Q1 2009	20%	24%	17%	19%	20%	26%
	Q4 2008	22%	23%	20%	19%	22%	30%
	Q3 2008	20%	19%	22%	18%	21%	27%
	Q1 2008	25%	27%	23%	20%	28%	33%
ISAs	Q1 2009	16%	14%	18%	14%	17%	21%
	Q4 2008	18%	15%	21%	15%	24%	13%
	Q3 2008	16%	17%	16%	12%	22%	19%
	Q1 2008	14%	14%	15%	13%	14%	13%
Bank Account	Q1 2009	8%	10%	7%	4%	14%	10%
	Q4 2008	9%	9%	9%	6%	15%	10%
	Q3 2008	7%	7%	6%	4%	115	8%
	Q1 2008	6%	7%	5%	4%	5%	8%

Other answers but not included: others, don't know.

### The Most Important Employee Benefit

**Table 3:** What do you consider is the most important benefit, on top of your basic salary, an employer can offer? (All employees)

		All Employees	Men	Women	Members of a workplace pension scheme	Employees who choose not to join an available workplace pension scheme	Employees with no access to a workplace pension scheme
Pension	Q1 2009	34%	38%	31%	51%	17%	27%
	Q3 2008	32%	38%	26%	48%	17%	17%
	Q1 2008	30%	35%	25%	45%	12%	17%
Flexible Working	Q1 2009	20%	16%	25%	17%	25%	18%
	Q3 2008	19%	12%	28%	16%	21%	25%
	Q1 2008	23%	17%	29%	19%	30%	24%
Bonus	Q1 2009	17%	19%	15%	10%	24%	21%
	Q3 2008	19%	20%	18%	14%	24%	25%

	Q1 2008	21%	24%	17%	13%	29%	30%
<b>Generous Holiday Allowance</b>	Q1 2009	12%	10%	13%	8%	15%	15%
	Q3 2008	13%	14%	13%	9%	18%	18%
	Q1 2008	11%	9%	14%	10%	15%	13%
<b>Health Insurance</b>	Q1 2009	8%	9%	6%	7%	8%	8%
	Q3 2008	7%	8%	6%	6%	7%	8%
	Q1 2008	7%	8%	6%	3%	2%	6%

Other answers include - Life insurance, Gym Membership, Other, Don't Know (all collectively come to 10%)

This question was not asked in the survey for Q4 2008.

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## Pensions and Loyalty

**Table 4:** Does having a pension make you feel more loyal to your employer? (All members of a company pension).

		<b>All Employees</b>	<b>Men</b>	<b>Women</b>
<b>Yes</b>	Q1 2009	41%	47%	35%
	Q1 2008	39%	43%	35%
<b>No</b>	Q1 2009	53%	49%	58%
	Q1 2008	57%	54%	61%
<b>Don't Know</b>	Q1 2009	6%	4%	8%
	Q1 2008	4%	4%	4%

**Table 5:** If your employer did offer a pension would you feel more loyal towards them (All with no access to a company pension scheme)?

		<b>Employees with no access to a workplace pension</b>
<b>Yes</b>	Q1 2009	47%
	Q1 2008	49%
<b>No</b>	Q1 2009	35%
	Q1 2008	33%
<b>Don't Know</b>	Q1 2009	18%
	Q1 2008	18%

