



# CCPC

## PENSIONS RESEARCH

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# INTRODUCTION

# 1

# OBJECTIVES & METHODOLOGY



**757 interviews with adults aged 18+ who are not yet retired.**



**Survey conducted through computer-assisted telephone (CATI) interviews, with fieldwork conducted between 17<sup>th</sup> and 31<sup>st</sup> July 2023.**



**Data are weighted in line with the most up-to-date population estimates for gender, age, social class and region.**

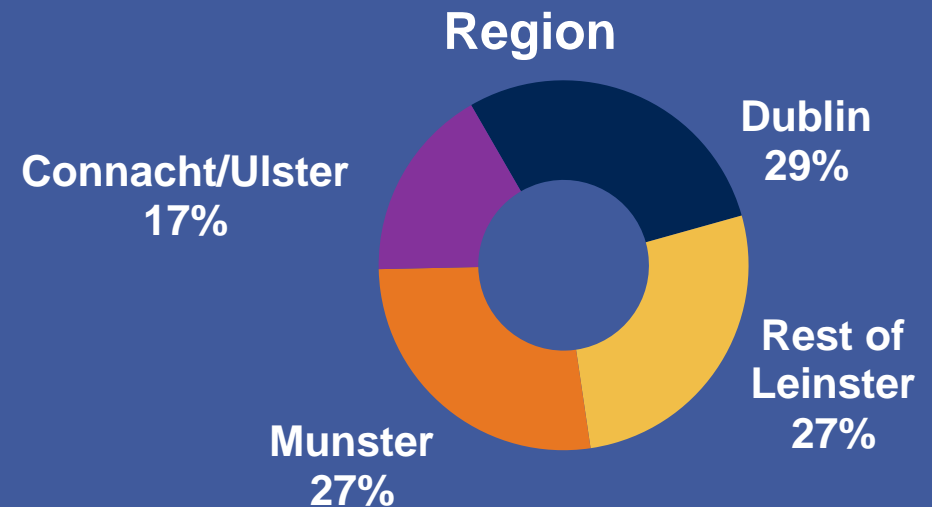
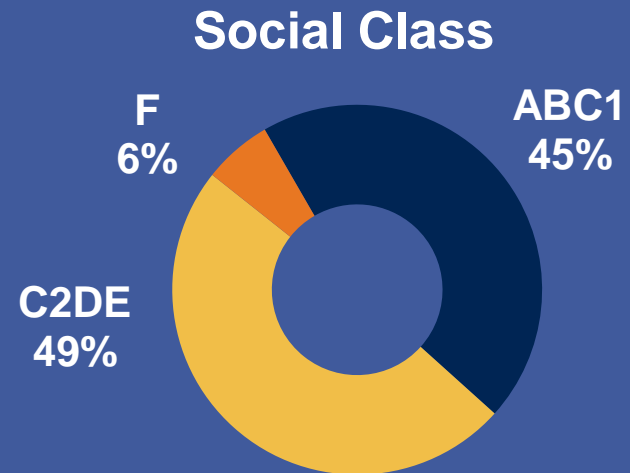
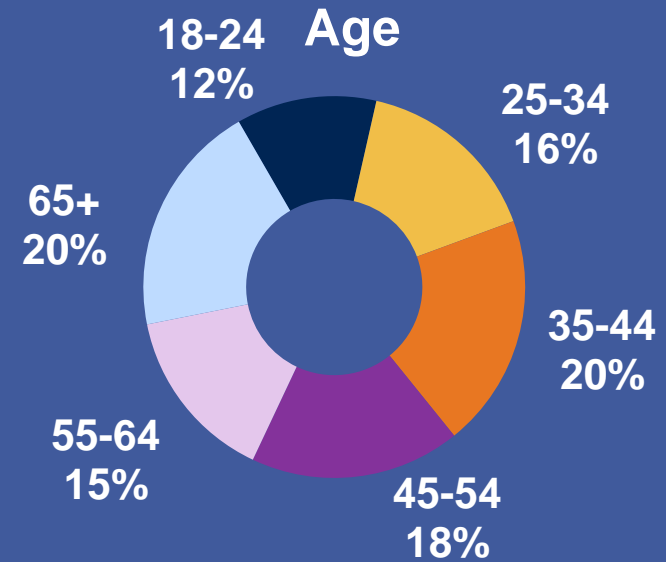
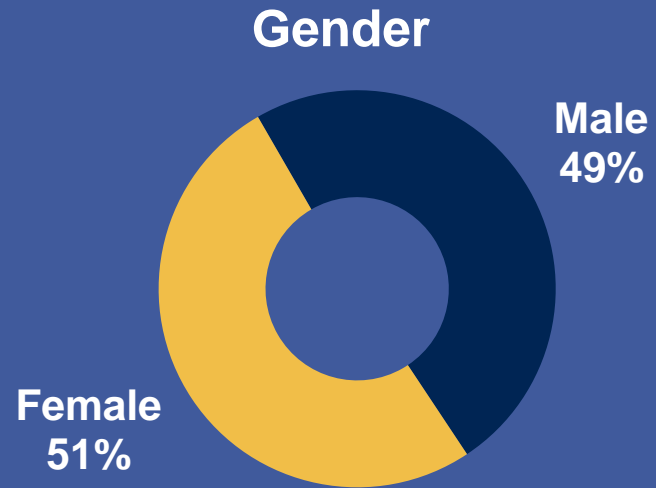
## Objectives

**To understand current retirement planning in 2023. This follows a similar study conducted in 2022.**

- Ownership of pensions
- Reasons for not having a pension
- Other forms of retirement planning currently in place or expected to be used
- Awareness of the basic state contributory pension payment
- Willingness to pay automatic contributions in a compulsory pension scheme

**Questionnaire was designed by Ipsos in consultation with the Competition and Consumer Protection Commission.**

# DEMOGRAPHICS OF RESPONDENTS (WEIGHTED)



Base: All aged 18+ not currently retired: 757

# EXECUTIVE SUMMARY

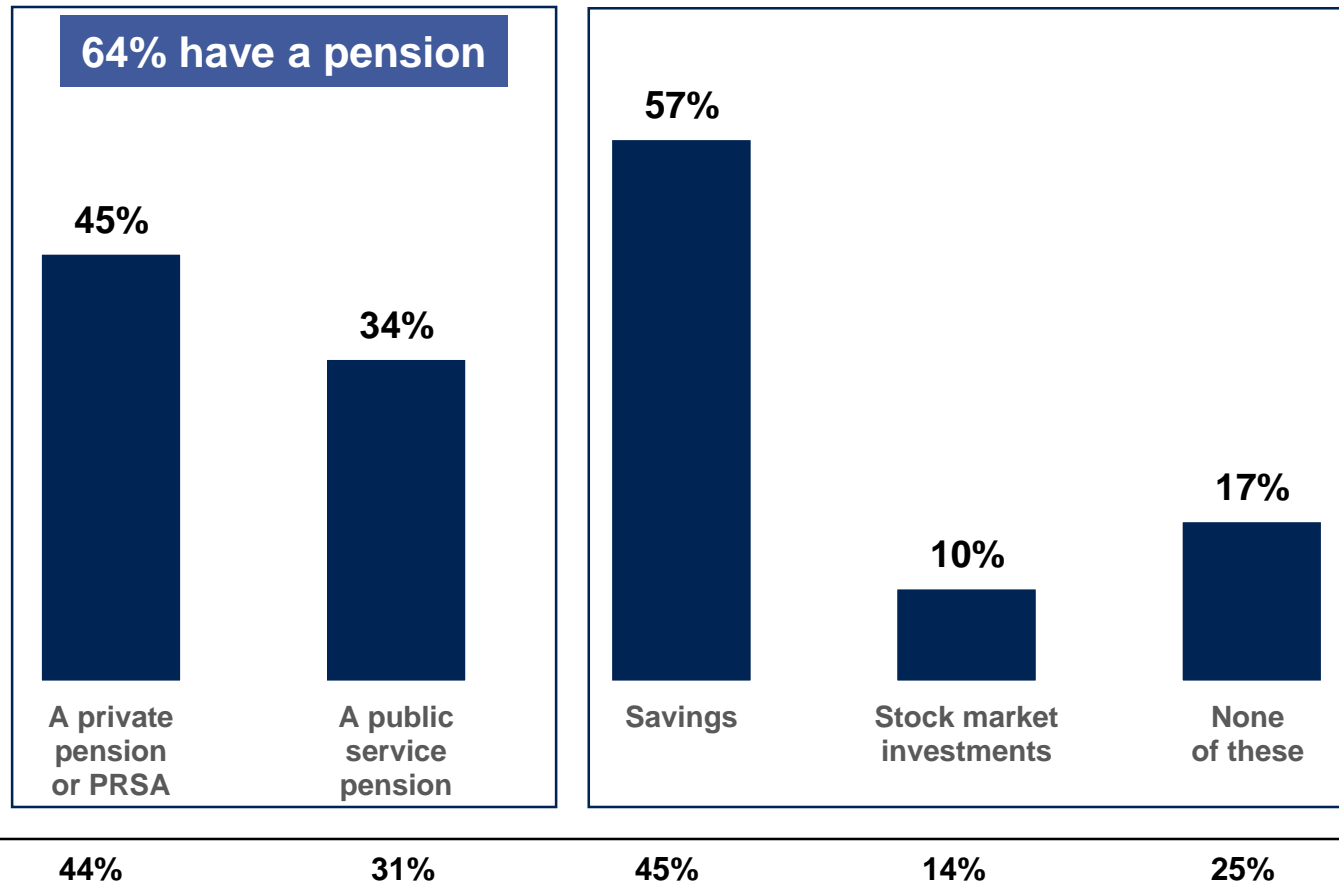
- Roughly two-thirds of adults not already retired have a pension which is similar to that measured in 2022.
- While most of those with insufficient retirement planning are from younger age groups, around 1 in 10 of 45 to 64 year olds do not currently have any form of retirement planning.\*
- Cash savings play a strong role in retirement planning with 57% intending to use these (higher than in 2022). This is particularly relevant for men (64%) and those in social class AB (76%).
- As in 2022, 8% have no retirement planning in place and do not know what funding they will use in retirement. This is highest among 18 to 24 year olds (22%), social class DE (17%) and women (10%).
- 25% cannot identify how much the basic state contributory pension pays, and 37% under-estimates the amount paid. 22% correctly identify that it pays between €250 and €266 per week.
- Almost 7 out of 10 would be willing to pay automatic contributions into a compulsory pension scheme. There are similar levels of willingness among those with no current pension as well as across all socio-demographic groups.

# FINDINGS

# 2

# ALMOST TWO-THIRDS HAVE A PENSION, WHILE ALMOST 1 IN 5 CURRENTLY HAVE NO SAVINGS-BASED ARRANGEMENTS IN PLACE

## Types of retirement arrangements currently in place



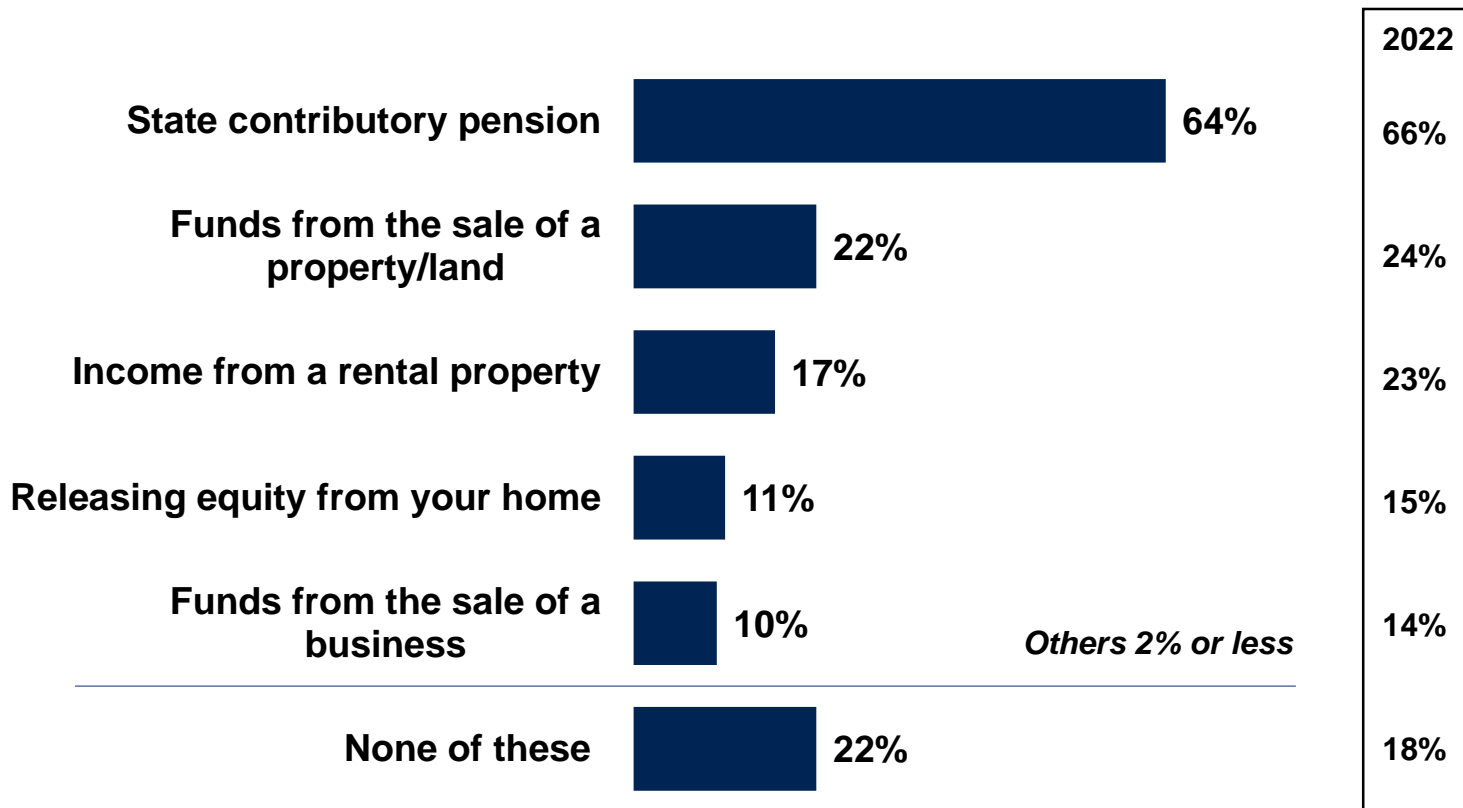
- The percentage of pension ownership is slightly higher at 64% a slight increase of two percentage points compared to 2022 (62%).
- The use of savings as a way to fund retirement increased by 12 percentage points from 45% in 2022 to 57% in 2023.
- As in 2022, pension ownership is lowest in the 18-24 age group where 18% have a pension. The majority of older age groups have a pension. However, pension ownership among the 45-54 age group has declined by 9 percentage points at 76% compared to last year's results (2022: 85%).
- 71% of those currently working have a pension (2022: 68%).
- There is a wider social gradient in pension ownership captured in 2023 with 85% of social class AB having a pension, compared with 45% of social class DE, (79% and 45% respectively in 2022).
- 21% of women have none of these arrangements in place, compared to 14% of men (2022: 29% vs. 22%).

Q.1 Which, if any, of the following arrangements do you currently have in place that you will use to fund your retirement?

Base: All aged 18+ not currently retired: 757

# VARIETY OF OTHER FORMS OF RETIREMENT FUNDING EXIST WITH NOTABLE DIFFERENCES ACROSS SOCIO-DEMOGRAPHIC GROUPS

Other types of funding expected to be used in retirement



- Only 36% of 18-24 year olds expect to use the state contributory pension (although this may suggest lower levels of awareness of this provision). It rises to 69% for 55-64 year olds. Notably, both figures are lower by respectively 10 and 8 percentage points compared to 2022.
- Using funds from the sale of a property/land, releasing equity from their home and using funds from the sale of a business are highest amongst social class AB at respectively 33%, 23% and 18%.
- Those living in Dublin (23%) and amongst social class ABC1 (25%) are most likely to expect to use income from a rental property.
- As in 2022, 8% have no retirement planning in place and don't know what funding they will use in retirement. This is highest among 18-24 year olds (22%), social class DE (17%) and women (10%)

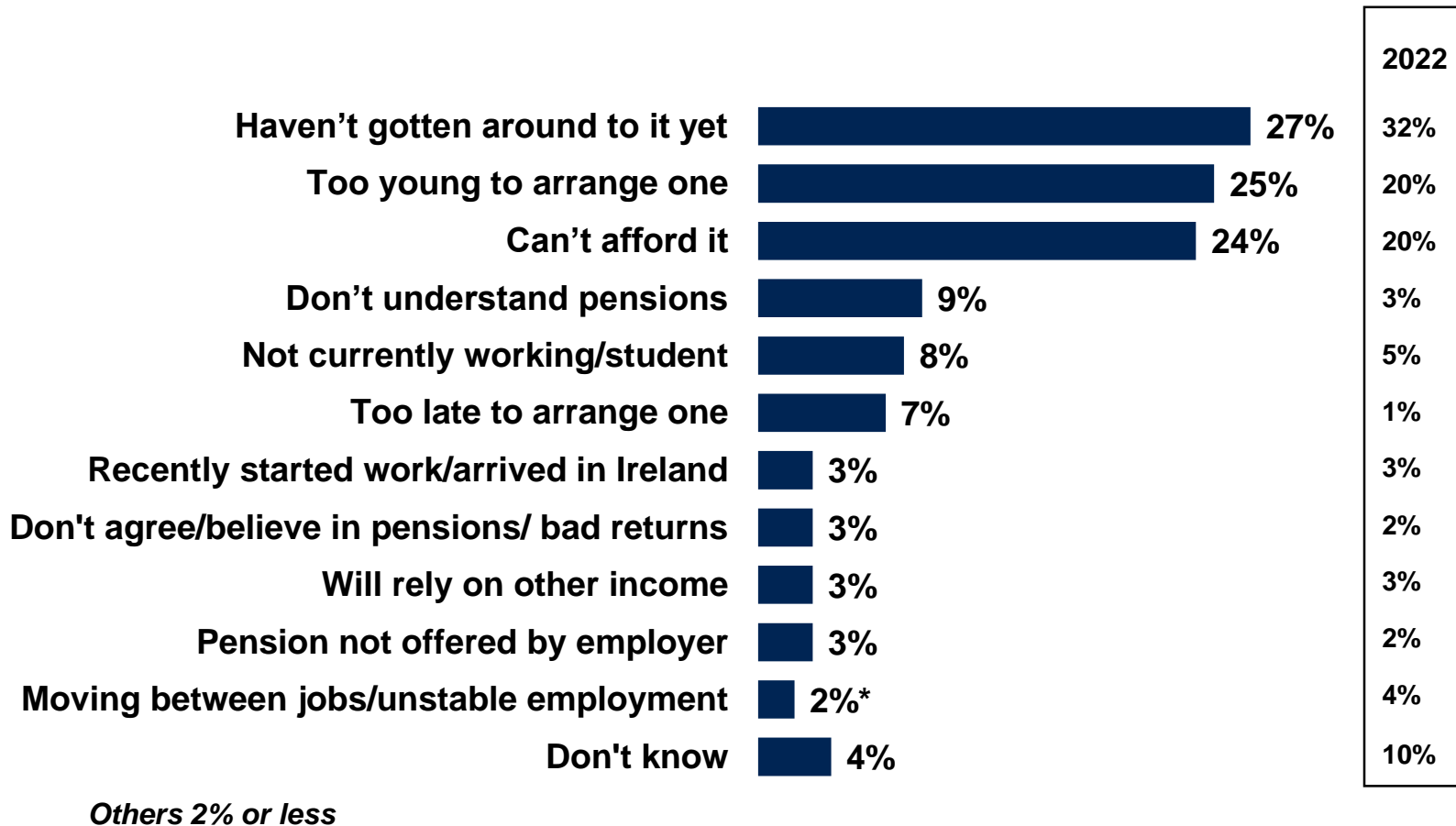
Q.2 And which, if any, of these do you expect you may also use to fund your retirement?  
 Base: All aged 18+ not currently retired: 757





# INERTIA, AGE AND COST OF LIVING ARE KEY REASONS FOR NOT YET HAVING A PENSION ARRANGEMENT IN PLACE

## Reasons for not having a pension in place



- As in 2022, there are only limited socio-demographic differences in reasons for not having a pension in place currently.
- This suggests that reasons for not having a pension may be driven more by mindset rather than lifestage or other factors.
- As in 2022, almost half (49%) of 18-24 year olds believe they are too young to arrange a pension.
- 19% of 25-34 year olds report that not understanding pensions is a reason why they don't currently have a pension in place.

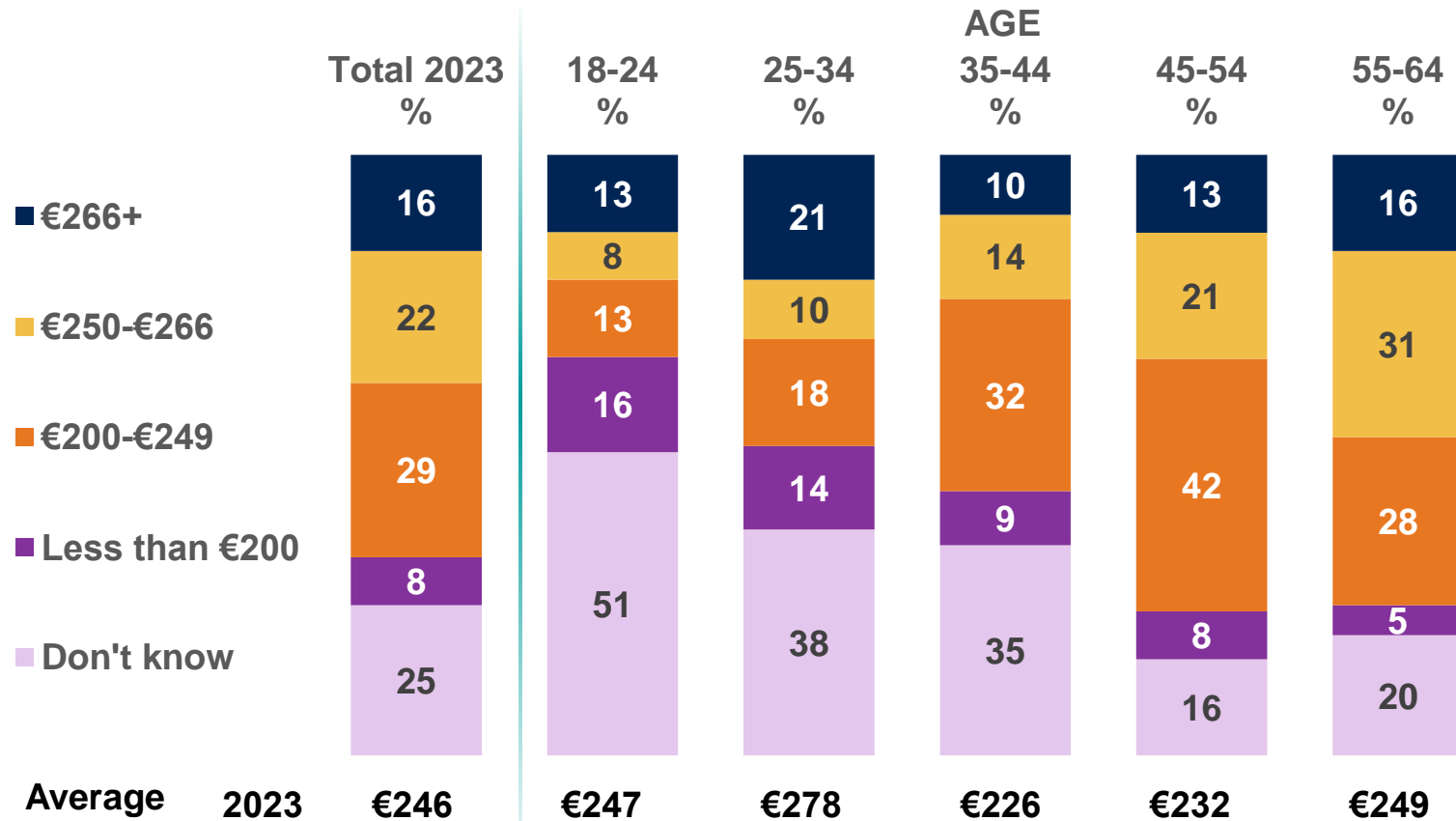
Q.3 For what reasons do you not have a pension arrangement in place currently?  
 Base: All with no private pension, PRSA or public service pension: 272

\* Included for comparison purposes



# 1 IN 4 CANNOT IDENTIFY HOW MUCH THE BASIC STATE CONTRIBUTORY PENSION PAYS

## Awareness of the basic state contributory pension payment



- A quarter (25%) say they don't know how much the basic state contributory payment is per week. This figure is down by 7 percentage points compared to last year's results (2022: 32%).
- Estimates were typically lower than the actual payment (€265) in 2023, with 29% identifying it as paying between €200 and €249 per week. Notably, 42% of those aged 45 to 54 identify it as paying between €200 and €249 per week.
- Those aged between 18 and 34 (14%) were least likely to give an estimate with 43% saying they did not know how much it pays.

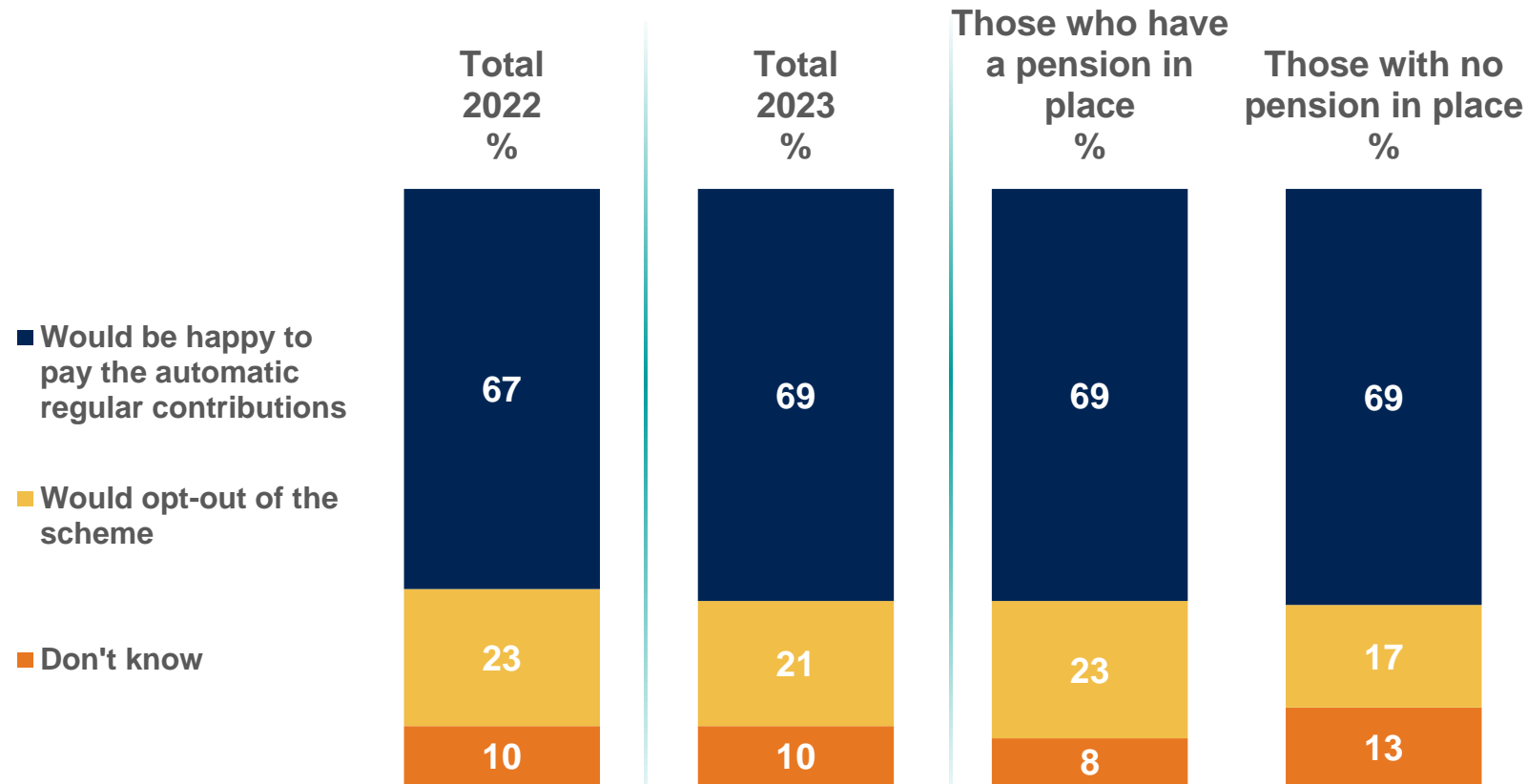
Q.4 To the best of your knowledge, currently how much does the basic contributory state pension pay, per week? Excluding add-on allowances, like the Living Alone Increase and the Fuel Allowance. Please answer to the nearest euro.

Base: All aged 18+ not currently retired: 757



# NO DIFFERENCE BY PENSION OWNERSHIP IN WILLINGNESS TO PAY CONTRIBUTIONS IN A COMPULSORY PENSION SCHEME

## Willingness to pay automatic contributions in compulsory pension scheme



- 79% of under-25s (2022:70%), where pension ownership is lowest, say they would be willing to pay automatic contributions in a compulsory pension scheme, with similar levels of agreement across older age groups.
- As in 2022 men are more likely than women to say they would opt-out of the scheme 26% vs. 16% respectively (2022: 27% and 19%).
- A similar difference exists across social class with 34% of ABs saying they would opt-out (2022: 30%) while only 18% of C2DEs say so (2022: 21%).

Q.5 If the Government were to bring in a compulsory pension scheme, where your pension was automatically set-up for you and deducted from your wages or salary, would you be happy to pay the automatic regular contributions or would you opt-out of the scheme?

Base: All aged 18+ not currently retired: 757

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