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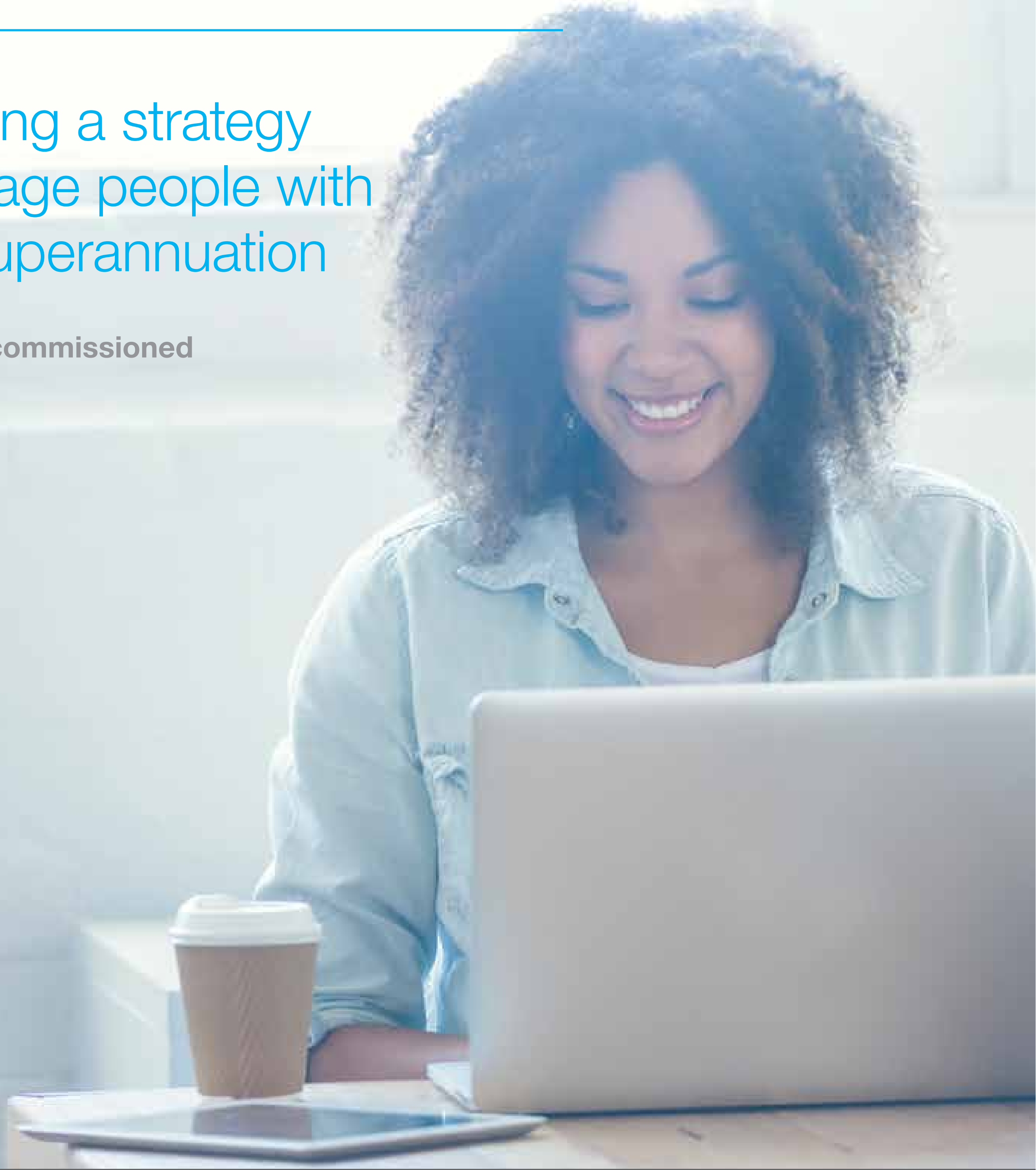
Financial Literacy Australia

PROJECT SUPERPOWER

Informing a strategy to engage people with their superannuation

Research commissioned by CHOICE



Qualitative Research Report

By Pollinate Pamela Souvlis, Samantha Siva, Alice Hacker & Howard Parry-Husbands

ABOUT US

Set up by consumers for consumers, CHOICE is the consumer advocate that provides Australians with information and advice, free from commercial bias. By mobilising Australia's largest and loudest consumer movement, CHOICE fights to hold industry and government accountable and achieve real change on the issues that matter most.

To find out more about CHOICE's campaign work visit www.choice.com.au/campaigns

When it comes to issues that consumers should care about, super is about as important as it gets.

It's the most significant financial asset most Australians will ever have. It determines our quality of life in retirement - which with rising life expectancy is an ever greater proportion of our lives. And you only get one shot at it - if you make the wrong decisions early on, they can be very hard to undo.

Yet we know that consumers find it hard. When we ask Australians to rank financial services products by complexity they put super among the top of the list.

All of this convinced CHOICE that we needed to know more about how consumers interact with their super: What do they know about it, what are they doing now, and what would prompt them to take more action?

We are grateful that Financial Literacy Australia saw a similar need and provided funding for this unique research project.

In part, the research confirmed what we already knew: that consumers find super complex and confusing. But it also revealed many surprises.

Most importantly, it gave us a sense of hope. When equipped with the right information, consumers can move from being confused and disengaged, to informed and motivated.

This research will inform our next phase of work in trying to help consumers navigate the complex world of super. But we also hope that it is a useful resource for industry, regulators and government, because if we want to give Australians the best possible quality of life in retirement, it starts with helping them become actively engaged with superannuation throughout their working lives.

Alan Kirkland
Chief Executive Officer
CHOICE

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ACKNOWLEDGEMENTS

This research was supported by a grant from Financial Literacy Australia.

Understanding Australians' engagement with superannuation was only possible thanks to the contributions of the 54 participants, including 30 people who invited researchers into their homes to share their experiences and perspectives.

EXECUTIVE SUMMARY

This research seeks to explore how superannuation fund members currently think and feel about super, how they currently engage, and what would prompt them to become more engaged.

In particular, the research focuses on how to assist consumers to take steps that would improve their super balance over time and, ultimately, their retirement income. To understand how the barriers and triggers to engagement differ across different groups of consumers, we focus on three distinct segments: Young Adults, New Mothers and Pre-Retirees.

The research finds that the range of factors affecting people's failure to engage with their super includes their personal experience and understanding of money, the challenges of dealing with a system that is not user-friendly, and their negative expectations of dealing with super funds.

Disengagement with super is intimately connected with peoples' deeply held beliefs about money, which often leads them to prioritise immediate financial needs over future financial needs.

"You can't access it until you're like 60 or something so it's not something I think about really. There's a lot more other stuff in my life that's more important right now"
Young Adult

Among Pre-Retirees, super occupies the realm of money 'worries' and as such can quickly elicit feelings of guilt, shame, incompetence, and avoidance. These feelings are often accompanied by an overwhelming fear that it is too late to take action.

"I worry that I made a terrible decision 20 years ago"
Pre-Retiree

For people who were disengaged with their super, a lack of knowledge about basic features of the super system is often the biggest barrier to engagement. Put simply, they don't know what they don't know about super. The 'system' feels impenetrable, and it becomes easier to relegate super as just 'a line on the payslip' and 'money I can't touch until who knows when'. This has a paralysing effect on people who nevertheless know that they should be doing something about their super.

"I didn't know there was anything I could do. I thought only my employer could speak to the super company"
New Mother

"I get those slips and I don't even open the envelope, I file it away knowing that one day I might need it"
New Mother

Also of significance are people's negative expectations or experiences of dealing with super funds, particularly where funds have failed to establish a personal and trusting relationship or meaningful communication with their members.

"I just assume it is going to be difficult to deal with. Even the thought of calling them, where would you even start"
Pre-Retiree

"I tried to consolidate once but it became too hard so I didn't bother – exactly what I expected"
Young Adult

But it is clear that people do care about their money and their super, and they can be motivated to act in order to reconcile this internal tension or cognitive dissonance about super.

People want to make the right decisions, but they want it to be simple. They don't want to be 'educated'.

"Don't make me read, I'll never make the time"
New Mother

"I don't want to know what all my options are, or what I what 'could' do. Just tell me what I 'should' do!"
Young Adult

Insights across all three target audiences have shown that when it comes to engaging people with super:

- People are not the problem – there are administrative and systemic flaws in the super system that make it difficult for people to engage (even when they want to).
- We need to make it simple for people to develop and maintain 'healthy habits' when it comes to super, that people take forward through to retirement.
- A one-size-fits-all approach to the 'branding' of super using imagery of blissful retirement won't work. We need to tailor communication to the very specific needs of each audience.

People can become engaged with super. But we need to give them a message of hope: that there are simple steps they can take that will give them some control over their future.

OBJECTIVES AND METHODOLOGY

1 | Project purpose

Despite the proliferation of resources available to help people manage their super, problems with consumer engagement persist and in some cases are getting worse. CHOICE, along with partners in the wider governmental, industry, and non-governmental sectors, recognised a need to work with people to improve their engagement with super.

2 | Research objectives

To improve engagement and address specific issues among three target audiences: Young Adults, New Mothers and Pre-Retirees. Objectives for each audience were as follows:

Young Adults
To find a new way to communicate simple messages to this audience about choosing a super fund, account consolidation, and avoiding lost super.

New Mothers
(taking or planning a career break, or recently returned to work)
To motivate action by communicating the impact of taking a career break on super and the small steps that can make a large difference.

Pre-Retirees
To help establish and implement realistic financial retirement goals and strategies.

The key output of the research was to identify and prioritise a range of strategies that could increase super engagement among each target audience. The remit of the research was to explore potential tools, content, and campaigns, or a combination of all of these.

3 | Methodology

Insights were informed by six different stages of qualitative research.

Stage 1 involved a literature review of current papers and articles around engagement with superannuation.

Stage 2 involved 30 two-hour qualitative in-depth interviews with people to gain an understanding of the motivations, triggers, and barriers to super engagement. Ten people from each of the target groups were sampled, with a range of engagement levels (engaged and unengaged), and income levels (Appendix A provides a breakdown of the interview sample). All in-depth interviews were conducted in Sydney. All fieldwork was conducted by Pollinate researchers and attended by CHOICE in April and May, 2016.

The results from these interviews were analysed to inform Stages 3 and 4, a download with the CHOICE team and a four-hour collaborative workshop conducted in June 2016, to co-create and generate ideas to engage people with their superannuation.

The workshop was facilitated by three moderators from Pollinate, and involved six unengaged consumers (two from each of the target groups, selected as 'typical' participants from the in-depth interviews), three superannuation industry experts and three representatives from CHOICE.

Based on insights emerging from the workshop, Pollinate and CHOICE collaborated to develop 33 ideas to engage people with their superannuation, grouped under six themes (Stage 5). These ideas were taken forward for testing and development in the final stage of research – a co-creation Pollination Session with unengaged consumers (Stage 6).

Eight respondents from each of the target audiences (n=24), who were screened and identified as being unengaged with super (Appendix A), participated in the session. Representatives from CHOICE and industry stakeholders observed the session and were invited to contribute at various points.

Together with consumers, Pollinate identified ideas that had cut-through and impact with each of the target audiences. These ideas were developed and refined further with consumers during the session.

The data was subsequently reviewed and analysed, and fed into the strategic recommendations contained in this Report. The ideas recommended to take forward encompass tools, messaging and campaign ideas designed to improve consumer engagement with super.

SUPER ENGAGEMENT MODEL

Within each target audience the divide between the 'engaged' and 'unengaged' was not so black and white. In fact, while engaged consumers were quite well defined (i.e. they had taken tangible steps or actions towards consolidating funds, changing funds, manipulating their investment options, etc.), different levels of unengaged consumers were revealed.

People in a car is a helpful analogy to illustrate these levels of engagement with super (see Figure 1):

- **Engaged and in control = the driver** – the person who is fully engaged with the road ahead, knows the direction they are travelling and the destination they are headed towards.

- **Unengaged but curious = the front passenger** – aware of the direction the car is going, interested in knowing more and even keen on learning how to drive. But just not sure how to get in the driving seat.

- **Unengaged and happy = the back seat passenger** – happy to let someone else drive, no urgency to get in the front seat. They know the car is moving but don't have any interest in driving it. They don't want to think about where they are going or how they will get there.

- **Unengaged and avoiding = in the boot** – totally in the dark and want to stay there. No idea what is happening and have no interest in knowing.

In the following sections insights from each target audience will be detailed. This model will be used as a starting point, to illustrate case studies that demonstrate how these different levels of engagement play out across consumer groups.

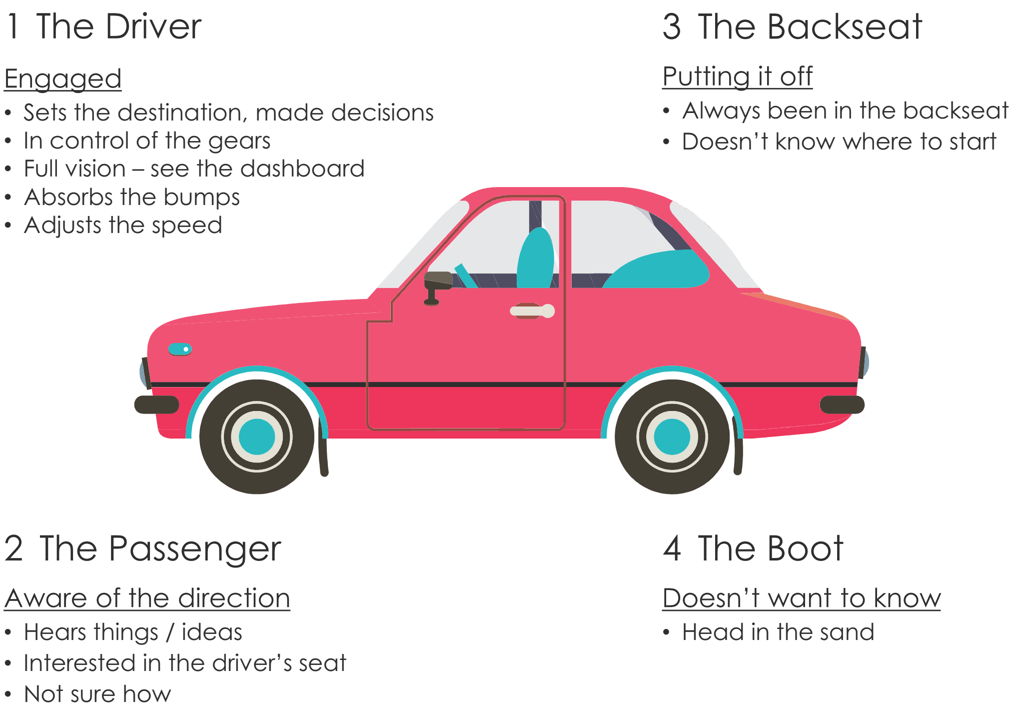


Figure 1: Levels of Consumer Engagement. Model developed by Pollinate as a framework for illustrating engagement with super.

Young Adults Levels of Engagement: Case Studies

a | Driver

Catherine is a 19-year-old living with her mother and two sisters*. She is heavily involved in Scouts and Sunday school. She is studying a Bachelor of Arts at University, and working part time in McDonalds. Highly responsible with money – actively budgeting, she has a positive and mature attitude to super. She is strongly influenced by her mother, an ex-accountant and checks her super balance regularly. Catherine feels more knowledgeable about super than most people her age, but acknowledges that there is a lot she does not know and is eager to learn more.

b | Passenger

Raj, 26 is married and living with his wife. He recently bought his first house. Raj has a responsible attitude to money and feels he has made a good move by getting on the property ladder. He is consciously saving to have money 'in reserve' in case something unexpected happens. He does not know much about super but is interested in learning more.

c | Backseat

Allan is 19 years old. He lives with his parents and two brothers and is studying commerce at university. He is currently saving to buy a house with his brother and has a responsible attitude to money. He knows his super is with REST, but other than that, he has a very limited understanding of it. Allan trusts his employer has chosen what is best for him and feels it is all being taken care of. He is not interested in reading about his super and does not open letters from REST. Super is not a priority right now, however he is open to understanding more about it one day.

d | Boot

Abbey lives at home with her parents and younger sister. She is 19 years old and is heavily involved in sport and fitness. She goes to the gym regularly and competes in throwing discus. Abbey is not actively saving or budgeting and relies heavily on her parents for financial support. She is completely unaware of super – she has no idea what super is and thought it was a form of tax that was being taken out of her pay. She feels that most people her age also do not know what super is and believes she only has one super fund as she has only ever had one job.

*All names have been changed to protect the identities of respondents.

New Mums Levels of Engagement: Case Studies

a | Driver

Mary is a 41-year-old mother to an 18 month old, with another baby on the way*. She lives with her partner, but they keep their finances separate. She has always been financially responsible, but a consultation with a financial advisor changed her life - she was 'mortified' to learn her super balance at 38 and took immediate action. She consolidated funds, and is now looking into self-managed fund with her partner – investing in property is the goal.

b | Passenger

Candice is a mother to a 4-year-old, and is currently pregnant. She is 33, living with husband. Their finances are together. Candice has strived to be financially independent as she comes from a financially unstable background. She has a mortgage and one investment property. Candice has heard people talk about super but she does not know much about it. She wants to know how to make it grow and what a self-managed fund is, but doesn't know who to ask.

c | Backseat

36-year-old Li is the mother of an 8-year-old and an 18-month-old. She lives with her husband and they keep finances together, but she is in control of it. Recently, Li returned to work part-time and they are working towards gathering assets to secure her children's future – mortgage, car, investment property. She made an effort to consolidate super funds years ago, but now super is not the priority. Li intends to do something about it when she goes back to work full-time ... maybe.

d | Boot

Jo is a 35-year-old mother of two (a 4-year-old and a 1-year-old) living with her husband. She hates talking about finances, after growing up in a financially stressed household. Jo completely defers control to her husband. They are renting a small apartment, but have an investment property. She dreams of owning a house with a garden, and sending the kids to private schools, but has no idea how to make that happen. Super is way too complicated and distant for Jo to care about.

*All names have been changed to protect the identities of respondents.

Pre-Retirees Levels of Engagement: Case Studies

a | Driver

Gary is 51 years old, and identifies himself as having always felt responsible. He has seen a financial advisor at his super fund. Gary set himself an income goal and is aware of how much he needs to live on (1m tracking at 900K). He has his assets in order, with a super fund, house and shares in a managed fund.

b | Passenger

Chloe has worked two jobs for the last 35 years. She is 59 years old and is the main breadwinner in the house, with her husband retiring in a month. She is aware that her current super balance is $300,000 and has her assets in order, with a savings account, no mortgage. Chloe worries about their ability to afford to live in retirement. She has heard about salary sacrifice, but is unsure how to proceed.

c | Backseat

56-year-old Mo has paid off his mortgage and has put his children through school. He is proud of his financial achievements, living within his means. He currently has two jobs and guesses that when he retires he will need $500 per week to live. He currently has no plans about how to achieve that, but loves the safety of super and will rely on the pension if his super runs out.

d | Boot

Stephanie is a 45-year-old who lives with her partner and no children. She is currently working to pay off an apartment, but would prefer to live in a house where she would not have to 'smell other people's cooking'. She hates super because it is too volatile and is money that she is unable to access. Stephanie would prefer to put the money into paying off her mortgage, yet she does not think that she will have enough money for her retirement.

*All names have been changed to protect the identities of respondents.

RESEARCH INSIGHTS

The different phases of research built cumulatively to form a coherent picture of people who are unengaged with superannuation.

Nine key insights emerged across target audiences that highlight opportunities to reframe super in the interest of improving consumer engagement and understanding. These insights into unengaged consumers are detailed below.

1 | People don't know what they don't know

Among the unengaged there is profound lack of knowledge about super. A significant number of people were even unaware of the basics of super – what it is, how it works, and how it affects them.

The fact that it is taken out pre-tax, that people cannot access the money immediately, that super balances are communicated via an annual (often paper) statement means that super is easy to ignore. Super was completely off the radar for the majority of unengaged people consulted in this research.

Unsurprisingly then, little is known about the options and opportunities that are available and where to go for information. A number of unengaged consumers did not even know that they were able to take charge of their own super accounts, or that there was anything they could do themselves.

"I thought it was a tax that is taken out of my account"
Young Adult

"I didn't know there were different kinds of funds and that you should change"
Pre-Retiree

"I didn't know there was anything I could do. I thought only my employer could speak to the super company"
New Mother

According to the Four Stages of Competence Model, which outlines the stages of learning a new skill (see Figure 2), unengaged consumers are 'unconsciously incompetent' – they are unaware of their own lack of knowledge. In using this model, the researchers do not intend to express judgement about the capabilities or motivations of consumers but to utilise the model as a means of gaining insight into the stages involved as people take greater control over financial affairs. A good metaphor to illustrate this model is driving a car: As children we have no idea we can't drive until we get behind the wheel at age 17 – when we become 'consciously incompetent'. In the process of learning we become aware of every action, every turn, and strive to be 'consciously competent'. Eventually, once driving becomes second nature we become 'unconsciously competent'.

The research suggests that we must think of equipping consumers in the same way – opening the door to engagement by moving consumers through the Four Stages of Competence. People need to move from 'unconscious incompetence' to 'conscious incompetence' before they will act – and become 'consciously competent'.

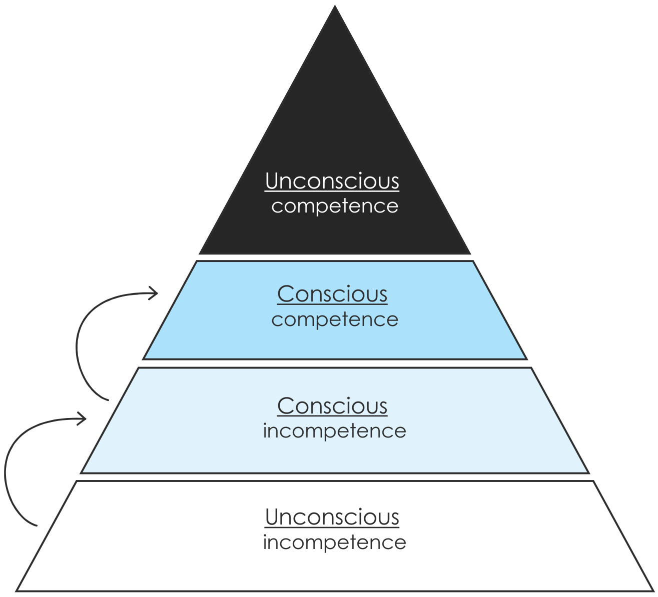


Figure 2: Four Stages of Competence
Model developed in the 1970s to describe the psychological states involved in obtaining a new skill – moving from incompetency to competency (developed by Noel Bruch at Gordon Training International) (Adams, 2011)

2 | Conflict and tension about super lie just below the surface

However, moving people to a state of 'conscious competence' is no easy task. Once the veil is lifted and super is finally tabled for discussion, people become quickly agitated.

Firstly, the nature of financial literacy and the complexity of super means most people don't know where to start, and are too daunted to broach the task of understanding their super. The 'system' feels impenetrable, and it becomes easier to relegate super as just 'a line on the payslip' and 'money I can't touch until who knows when'. There is also a feeling of guilt and shame – people know super is their money and they should be doing something about it (this is particularly so for New Mothers and Pre-Retirees for whom super is becoming increasingly relevant).

Ultimately this tension drives avoidance behaviour, or people 'putting their head in the sand'. But it is clear that people do care about their money and their super – and they can be motivated to act in order to reconcile this internal tension or cognitive dissonance about super.

3 | People are looking for answers, not more 'information'

As much as people might want to do something about their super, they feel incompetent to act. The subject matter is complex and the language impenetrable to the layperson.

People want to make the right decisions, but they don't want to upskill or be 'educated'.

"Don't make me read, I'll never make the time"
New Mother

"I don't want to know what all my options are, or what I what 'could' do. Just tell me what I 'should' do!"
Young Adult

More education in this area is not the answer. To engage, the opportunity here is to provide answers and a short cut to decisions. The research suggests that we must help people 'do' first – and in all likelihood, they will learn in the process of doing.

4 | Money 'troubles' take priority over money 'worries'

Money 'worries' are deep-set, inherent beliefs about money. They speak to our beliefs around current and future security, about our ability to manage and be ok in the long-term. Money worries are emotionally charged and can elicit our greatest fears and discomforts around money.

Money 'worries' were found to drive poor choices or inhibit positive financial behaviours of Pre-Retirees, with a number of people identifying feelings of shame and loss of self-respect if experiencing money problems. A mentality of 'self-blame' often arose – having poor judgement, making bad decisions, being a bad parent.

"I worry that I made a terrible decision 20 years ago"
Pre-Retiree

"I worry that my kids will never afford to buy a house"
Pre-Retiree

Money 'troubles' are about what is happening 'now'. They are about paying bills, paying the mortgage and they require urgent action. Money troubles are easier to solve, and the payoff is immediate. Humans are hard-wired to focus on the short term – so it is not surprising that this is where most people's focus lies.

Being set in the 'future', super lives in the realm of money 'worries' – and as such can quickly elicit feelings of guilt, shame, incompetence, and avoidance. However, the opportunity lies in bringing super into the realm of money 'troubles' – into the now, the urgent, the present, the actionable.

Behavioural economics tells us that there is inherent bias for people to fear loss more than they value gain. This is one way to bring super into people's worlds today, and identify an immediate benefit for super to be on peoples' radar.

5 | 'Life Lessons' reveal saving is inherently rewarding

Making a habit of 'saving' is universally viewed as a positive. This piece of money wisdom is typically passed on from parents to their children when they are young.

"I say to my kids, just put a little bit away each week as a good habit"
Pre-Retiree

"How you manage your money (save) says a lot about you as a person"
Pre-Retiree

"I give my mother $200 a month in cash to save it for me otherwise I would just spend it"
Young Adult

It is the process of saving, not just the end goal, that is its own reward. Saving is considered by all groups as a good thing to do – it fits with our belief system around money, i.e. 'saving is a reflection of the work I have put in and the actions I have taken'. It is the small incremental steps that people make that help them feel empowered and fulfilled. Saving helps people feel disciplined and in control, and there is a particular satisfaction from the small sacrifice people make when saving money.

In this insight lies an opportunity to reframe super. Changing the rhetoric around super being all about the big end-goal, to smaller steps that are rewarding every step of the way. Reframing super as a saving behaviour, something that you 'do' has the potential to be inherently rewarding.

6 | Uncertainty and lack of trust around superannuation

Across target audiences, and across the engaged and unengaged, there is reticence and scepticism in dealing with their super. Three factors contribute to this uncertainty and lack of trust:

Changes to Federal legislation – Superannuation laws keep changing and seemingly for the worst. Government is seen to be trying to get at the money or reduce the benefits for the average Australian. People feel unsure about the future of superannuation and feel they have no control over the outcome.

Uncertainty about super funds – People often feel kept 'in the dark' by the super funds. This is felt to be deliberate or due to a lack of interest in their customers. Many people claim not to have ever had any personal contact from their super fund (verbally, rather than just in writing) for over 20 years. Super funds by their nature are seen to be biased and self-serving – putting their own interests before the interest of their customers. This experience has certainly tarnished many peoples' trust in their super funds.

"I think they try to deliberately make it hard to leave or to consolidate because they don't want you to leave the fund"
Young Adult

Volatility in the markets – Market instability exacerbates feelings of loss of control, with global forces suddenly having tangible impacts on the individual. Pre-Retirees have lived through the Global Financial Crisis and seen their funds go down, but also importantly, their parents' funds go down at a time when their parents heavily relied on their super income in retirement. The share market and the world in general is seen to be volatile still, and people are scared and unsure about the security and stability of money in the markets. This serves to fuel people's disillusionment in super.

Overall, there feels a systemic injustice at work that undermines individual action rather than facilitates it. In this system, individual self-blame is the status quo for failure. However, there is an opportunity to call out this injustice and work as the people's champion towards systemic solutions that give a voice and path to action for the individual.

7 | Dealing with super is a 'chafe'

Even without trying, unengaged consumers assume that dealing with their super will be more hassle than it's worth. There is uncertainty around how to contact the funds (by phone or email) and an assumption, based on interactions with similar corporations (e.g. government services, big businesses) that it will involve time, frustration, and require details they never have to hand.

"I just assume it is going to be difficult to deal with. Even the thought of calling them, where would you even start"
Pre-Retiree

"I get those slips and I don't even open the envelope, I file it away knowing that one day I might need it"
New Mother

"I tried to consolidate once but it became too hard so I didn't bother – exactly what I expected"
Young Adult

Unfortunately, the low expectations of super companies are often realised, making the task of reaching out to funds ever-more daunting for consumers. When every action is challenging, communicating with super funds is perceived as impossible.

This presents an opportunity to call out this flaw in the system. Some banks and mobile phone providers are good proxies here. As service providers that are in more regular contact with consumers, they have developed customer interfaces and user experiences that are often more direct (e.g. via online tools, apps and 24/7 assistance). Super funds desperately need to extend a similar olive branch to customers to prompt the unengaged. And customers need a smoother 'backroom' process and a short-cut to dealing with super companies to make it worth their while.

8 | Communication by super funds fails to resonate

Many of the advertisements and communication on super assume a level of knowledge that people do not have (e.g. 'Boost your super and pay less tax with a TTR strategy', see Figure 3). Disengaged consumers struggled to understand basic concepts associated with the super industry and could not engage with material that relied on industry terminology or jargon. For example, while people recalled advertising about types of funds, they were not necessarily able to articulate the difference between an Industry Super Fund and a Retail Super Fund or which of those they have.

Much of super advertising is targeted at older people and retirees, with established category codes being images of happy grey haired couples walking along the beach, or scenes of 'disastrous retirement' – which few people, including Pre-Retirees relate to. Retirement is quite a daunting time and uncertain time for most people. Adding to this, communication that is focused on the future and retirement makes super even more distant.

Much of the advertising uses 'parent to child' tone of voice (talking down, from above), which can feel patronising, and at worst fall into parody.

People also perceive all communications from super funds to be sales oriented – communicating in the interest of their fund not in the interest of the individual and their money. This makes it hard for the unengaged to trust super companies.

There is an opportunity to challenge the established category codes of super communications. An opportunity to get real – speak plainly, honestly, and unemotionally about super, without pulling on heart-strings or falling into parody. There is also an opportunity to move away from always linking super with 'retirement' so that it becomes more relevant across target audiences.

9 | People are looking for an independent, impartial partner

Unengaged consumers have little faith that their super funds will work on their behalf to steer them towards decisions that are in their best interest. Financial advisors can also be hit and miss (particularly among Pre-Retirees, some of whom report receiving poor advice in the past).

Therefore, in this space a gap has opened up for a safe place to go for independent, unbiased advice that will work in people's best interest. There is a need for a trusted advisor with no self-interest that will break down the jargon and help people make decisions quickly and easily.

Figure 3: Examples of super fund advertising.

UNDERSTANDING OUR AUDIENCES

1 | Young Adults

CHARACTERISTICS OF YOUNG ADULTS

They live in the moment

Young Adults are predominantly concerned with the present – the future is a distant idea that will take care of itself. There is a sense that they are infallible and not easily threatened. Some admitted to 'blowing' money on things (e.g. gambling, Uber taxis, clothing, nights out) but not worrying about the consequences – just tightening their belt until next pay day.

"I've been wasting so much money on Uber lately... it's just so convenient. And if I didn't have it I'd be late everywhere because I'd have to get the bus and that takes ages!"
Young Adult

Immediate rewards, gratification and 'wins' are important for this audience.

Developing self-identity

Young Adults did not have a strong sense of who they are or who they want to be. They are still working it out, living life to the fullest to understand their own path. In developing their own sense of self-identity, they use others as a point of comparison. They are externally referent to help 'benchmark' their progress and know whether they are on the right track.

Focus on progressing in life

Young Adults were focussed on making positive progress in their lives – they wanted to achieve key milestones and get to the 'next big thing' (e.g. career, relationship, moving out, etc). They were driven to grow and better themselves.

In their pursuit of self-improvement and personal development, Young Adults desired constant affirmation – seeking social recognition for their achievements.

"Once you start (working), there is no limit on what you can achieve, the limit is yourself"
Young Adult

Seeking independence

Financial and personal independence has been delayed for many Young Adults, and many were still dependent on their parents. Some had given up on owning their own home (all were based in Sydney), but still striving for financial independence outside the housing market – owning a car, working and travelling overseas, and having a full life were still within their reach.

That said, the majority of Young Adults had a clear (and somewhat traditional) vision of where they would be in their 30s – a stable and enjoyable job, financially secure, owning a property, and having a family.
This was consistent across engaged and disengaged Young Adults.

"I'll own a place by then ... so I won't have to worry about buying one any more ... I'll have a good job ... something I love doing and I'll probably have a couple of kids too"
Young Adult

"(By 35) I would have done all my travelling and just settled down by that age. Steady job. Kids. Husband. Own home"
Young Adult

As such, freedom and financial smarts / savviness are important to this audience.

Social Awareness

Many Young Adults have a strong belief in doing the 'right thing' and are sensitive to social injustices.

Young Adults are idealistic by nature and focus on issues that they care about and understand, such as the environment and animal welfare. A number were working to use their skills and abilities for the greater good, working and volunteering in a variety of capacities to contribute to their community.

"I just want to give back. I got a lot out of high school and I want to give back to the students and impart some of my knowledge"
Young Adult

DRIVERS AND BARRIERS TO ENGAGING WITH SUPERANNUATION

The engaged

The engaged were a mix of naturally financially responsible and getting the right information at the right time. One young woman received a welcome pack when starting her job at McDonald's which gave her the tools to understand super and what she could do immediately. She viewed super as a long-term savings option and was positive about its growth and setting herself up well for the future, now:

"It's like 'yay I have super now', it's not very big but it is still there. (I think of) my future super, as shooting dollar signs – my super in the future is a super hero, bigger and better and more powerful … it means I have money for the future."
Young Adult

The unengaged

Conversely for the unengaged, super was either a problem that was too hard to solve:

"When I think of my super I think of spilling a whole box of cereal on the floor – it goes everywhere … it is a scattered mess and there are bits of cereal under the table and under benches. It is going to stay there forever unless you go and pick it up … it's chaotic and all over the place"
Young Adult

Too distant for to worry about:

"You can't access it until you're like 60 or something so it's not something I think about really. There's a lot more other stuff in my life that's more important right now"
Young Adult

Or they were completely unaware of what super was:

"I don't know what super is … I thought it was just another tax"
Young Adult

A key problem here was that the unengaged never thought about how many super accounts they could – or should have. A number assumed they only had the one account, or that employers would sort it out for them. Where the likelihood is that they could have had multiple accounts with different employers:

"When I started working at the bank they gave me all the forms, they asked me what my super account was. I didn't think I had one so I just filled out the forms … Before that I worked at Gloria Jeans for a while but I don't think I had super … but maybe I did?"
Young Adult

"I just click default and because I don't have to worry about it and it is all sorted out for me. Laziness would be the reason I tick the box"
Young Adult

CHANGING THE CONVERSATION ON SUPER – TO THE HERE AND NOW

During the research Young People were exposed to a number of common facts and messages around super. Two had impact:

> ***'Having more than one super account means paying more than one set of fees'***
>
> ***'If you have multiple accounts, you're probably paying for multiple sets of life insurance'***

These statements suddenly revealed an injustice around super that most had previously been unaware of:

- That they could be 'double paying' unnecessarily
- That they could be wasting money
- That they might be being 'ripped off' by super funds

Invoking this sense of injustice provides a reason to act – to prevent the preventable from happening right now, and standing up for your rights. But the question remained … how?

REFRAMING SUPER FOR YOUNG ADULTS

Based on insights from the Young Adult audience, the research points to the following model of communication to engage Young Adults with their superannuation:

Table 1:
The communications opportunity for Young Adults

Current life frame	Current super frame	Opportunity to reframe super	Desired response
Live for today The future will work itself out No point in planning now	Something to think about when I'm older	*Messaging* "Having more than one super account means you could be losing thousands to the super Companies (that's equivalent to your yearly Netflix & Spotify subscriptions combined, or a trip to Bali)." *Call to action* "Consolidate now. It's easier than you think." *Re-frame super* "Watch out for your super. It's the best saving you can do."	*Rational* Invoke a sense of injustice: "it's not right." Be smart – don't be 'double-crossed' by the big end of town Live better today *Emotional* Affirmation – "I'm winning."

2 | New Mothers

CHARACTERISTICS OF NEW MOTHERS

Motherhood makes the future present

Imminent family responsibilities bring the future into sharp focus. The newfound responsibility brings all aspects of life into consideration – goals of independence are being realised, questions around the meaning of life and love are central.

Asset accumulation and getting set up for future security plays on their mind – nailing down the mortgage, looking into investment property/ies, potentially looking into shares. So too does income protection – life insurance, mortgage protection, disability protection all become real options to consider.

During pregnancy is a prime time for women to start planning for their future.

"My financial advisor ... the best $220 I ever spent"
Young Mother

Resigned and preparing for the financial 'hit' of maternity leave

Budgeting goes into overdrive during pregnancy. A number of New Mothers were not expecting maternity leave pay from their employers. But even those who were accepted that it would be minimal. So during pregnancy the common behaviour was to account for every dollar coming in and going out of the household, creating detailed spreadsheets, bookkeeping, and saving as much as possible.

"I saved between $50,000-$60,000"
Young Mother

Pregnancy is the time to take control of life admin

Early pregnancy represents a time to tie up loose ends and get the 'house in order', to clear the way to focus on birth and new motherhood in later pregnancy.

"I just started clearing out cupboards and organising stuff. You try and take control just before everything goes out of control"
Young Mother

A mentality of 'set and forget' prevails – getting things on track so they can stay in a hold pattern for a few years. Pregnancy is great time to re-set financial goals. But after the baby is born it's too late. The budget is set until mothers go back to full-time work.

A strong desire to 'get it right'

New Mothers spend a lot of time researching, scouring baby blogs, and trying to upskill for motherhood. They are in a state of 'conscious incompetence' at this moment. And they are open and receptive to help and advice that will put them on the right track for motherhood.

Not in complete control of their finances

Despite a strong desire to get their affairs in order, many women are not in complete control or their finances. Traditional stereotypes are seen, with many women deferring control, or sharing control with their partner. While trust is inherent in these relationships, there is some anxiety that exists beneath the trust – with women fearing financial vulnerability in the case of divorce, accident, or death.

"I trust my husband ... but I do question that trust"
New Mother

Gender inequality suddenly hits home

New Mothers become all too aware of the penalties of taking time out of the workforce to have a family. They now face the reality of lost income, job insecurity, reduced pay once back at work, and / or promotion limitations. For the first time New Mothers felt the 'glass ceiling' affect them personally.

Every mother expressed resentment in the inequality of the system. But felt they had no choice – they had to play the game.

"What am I supposed to do? I have to take the time off. I just need to make sure we stay afloat while I'm off work"
New Mother

Super is forgotten income

As every dollar is accounted for in the lead-up to maternity leave, super is forgotten – it is never considered part of the income to cover. And once women leave work to prepare for birth, the window of opportunity to deal with super is closed – the maternity budget is set.

"It's invisible ... I just think of it as something my employer takes out. I didn't think it mattered when I'm not working"
New Mother

"Well now we've accounted for all the money we have, it's too late to add another expense now"
New Mother

DRIVERS AND BARRIERS TO ENGAGING WITH SUPERANNUATION

The engaged

Triggers to engagement tended to involve a naturally financially-responsible mindset, typified by 'sensible investing':

"I see super as a piece of the pie. It will supplement the income from our investments"
Young Mother

And being canny and suspicious with finances:

"I'm always checking to make sure employers are putting it in and I'm not getting ripped off"
Young Mother

But by far the most impactful journey to engagement came from being 'shocked into submission' – finding out after years of working that their super balance was low, or that unnecessary fees had chipped away at it:

"I get very sad and depressed and in shock because I wasn't expecting to have so little"
Young Mother

The unengaged

For the unengaged the common theme is that more immediate priorities have pushed super off the radar.

Either the timing isn't right while mothers are working part-time or not working:

"I'm just getting back into work now ... but I'll talk to the super guys when I'm fully back to work"
New Mother

Or super is too mysterious, and there are too many questions holding them back to take action:

"Super is a huge road that I can't see the end of ... I wish I knew how it worked"
New Mother

Or they are completely avoiding the conversation:

"I'm drawing a big blank"
New Mother

The key gap is that super has no demonstrated relevance for this point in women's lives. They have no reason to act now – super is on hold while their career is on hold.

CHANGING THE CONVERSATION ON SUPER – TO A LOSS THAT YOU CAN AVOID

During the research New Mothers were exposed to a number of common facts and messages around super. One had impact:

> ***'Taking a career break to have a family can reduce your super balance by up to $50,000 by the time you reach retirement age'***

This statement was the 'shock to the system' that many women needed. It elicited further outrage in the inequality of the system. But it also highlighted additional lost income that most had previously been unaware of:

"$50,000 is such a big figure. I had no idea it could be that much"
New Mother

"Why don't they tell you this? ... This is what I need, a kick *up the backside to do something about it!"*
New Mother

Provoking New Mothers through this shocking message could be just the motivation they need to act. Evoking the sense of inequality that many already feel can be effective – it isn't fair, mothers shouldn't be penalised with their super too. But the question still remains ... what should I do? And how?

REFRAMING SUPER FOR NEW MOTHERS

Based on insights from the New Mothers audience, the research points to the following model of communication to engage New Mothers with their super:

Table 2:
The communications opportunity for New Mothers

Current life frame	Current super frame	Opportunity to reframe super	Desired response
Watershed time – window of opportunity to get life sorted for the family, including getting finances in order Need to plan how to manage with one/ less income	Super is on 'pause' while my career is on 'pause'	*Messaging* Taking time out from the workforce to have a family can reduce your super balance by $50,000' *Call to action* 'There are three changes you need to make now...' *Re-frame super* 'Your super can still grow while you work on growing a family'	*Rational* Bringing super into focus Invoking a sense of inequality Make super a priority – rather than an afterthought – during pregnancy *Emotional* We (mothers) deserve it – 'for the good of me and my family'

Once Mothers come to understand their super situation and what action is required, there is potentially a desire to spread the word and help others who are in similar situations. This highlights an opportunity to collaborate with or develop mother-to-mother networks to share questions, advice and ideas.

"There are a lot more people in my shoes who will find themselves at my age in the same situation, and I don't want that for anyone"
New Mother

3 | Pre-Retirees

THREE TYPOLOGIES OF UNENGAGED PRE-RETIREES

Through the research process, three different typologies emerged within unengaged Pre-Retirees. (outlined in Table 3).

Younger Pre-Retirees

These people are in their mid-to-late 40s, still paying of a mortgage or renting. Typically, they have no other investments or no substantial other investments outside their home and super. They still probably have kids that are dependent in high school. Their attitude is one of feeling 'middle aged' rather than 'old' and in this sense still feel they have plenty of time before retirement.

Indeed, they were resisting being 'old' as ageing is scary. But in the background, their future financial security is beginning to weigh heavily on their minds.

Older Pre-Retirees

These people are generally aged 55 plus. They own their own home outright or are still paying off a mortgage. They are more likely to have no dependent children. They have often reduced their working hours or changed jobs to lessen the workload.

The Older Pre-Retirees recognise that they have entered the new or 'third stage of life'. They tend to live each day one at a time and are somewhat resigned or accepting of their lot in life. They have no plans for retirement and tend to think that their fate is in the hands of something bigger.

Affluent Pre-Retirees

These pre-retirees could be anywhere from 45 plus. They own their own home or are paying off a mortgage, they have super but what distinguishes them from the other two groups is that they have other substantial assets outside of superannuation – this could be the expectation of inheritance, a business or a considerable share portfolio.

Table 3:
Unengaged Pre-Retiree Typologies

Current life frame	Younger Pre Retirees (Late 40s)	Older Pre Retirees (55 plus)	Affluent Pre Retirees (45 plus)
Financial position	Still paying off mortgage or renting Super with no investments/ inheritance Children are still dependent	Own their home Children are independent Working less	Own home/ paying mortgage Other substantial assets outside of super
Attitudes	Still feel middle aged Resisting 'old' age Future is scary Hoping for the best	In a new stage of life Live each day at a time Accept 'their lot' See pension as fall back to super	More confident in finance See super as just one piece of the pie Want/need a more holistic financial plan

These people are generally more confident in matters of finance and see their super as just one bit of their financial pie. They are looking for a more holistic financial plan and are not interested in super advice in isolation.

As such, they are not the focus of this research. Insights from the Pre-Retirees group are therefore focused on strategies to help engage Younger and Older Pre-Retirees with their superannuation.

CHARACTERISTICS OF PRE-RETIREES

Retirement is daunting

Ageing is a concept that frightens people. And funnily enough, it always comes as a surprise – age creeps up on people, they feel 18 forever. And even at 59 years old, retirement still feels very far away – people do not imagine they will necessarily stop working at 65 years, but rather will drop down to part-time/casual work for as long as they can. The reality of retirement feels like a far cry from the positive images in the media of retirees enjoying a fun-filled future of travel and relaxation.

"I don't feel different from when I was 18"
Pre-Retiree

"I am 60 next month – HOLY CRAP. How did that happen … it just snuck on me"
Pre-Retiree

"(Ageing) scares the living hell out of me. What would I do?!"
Pre-Retiree

"Don't want to be old or get old … like my parents. Irrelevant, not able to work or contribute, dependent, immobile"
Pre-Retiree

Financial worries and anxieties are palpable

With their focus shifting to the next stage of their lives, there is heightened anxiety around having no plan for retirement or way of knowing what they will need to survive.

Cognitive dissonance reaches its peak in this age group, where the fear can be so great it gives way to avoidance behaviours, 'head in the sand' or resignation to fate (made my bed, now I lie in it).

Feelings of guilt and shame are exacerbated by feelings of failing their children, or being a 'bad parent'. Their anxieties about their own future are second to the stress of being unable to provide a secure future to their children – or worse, being a burden on their children.

"My daughter is embarrassed about our car and I look at her and feel … I don't know, a bit sad"
Pre-Retiree

"Never want to have to decide between buying new shoes or a coat for my son like my dad had to do"
Pre-Retiree

"I want to be able to help them with a deposit for a house"
Pre-Retiree

They feel disempowered and trapped

The culmination of these concerns and anxieties is a sense of disempowerment. Many Pre-Retirees feel trapped in their current financial situation and do not see any way out. They know that super is important, however, feel that they have no control or input into their super fund and are now paralysed into inaction. The unengaged do not know if what they have is enough and are unsure what can be done, if anything – the common catchcry is 'it's too late'.

Feel cynical and insecure when it comes to super

Pre-Retirees express a sense of being at the mercy of the government and changes to superannuation legislation. They have lived through the Global Financial Crisis (GFC) and significant market volatility, and consequently are wary. They express distrust that super funds will work in their best interests to put them on the path to a positive future. As a result, some purposefully keep multiple super funds to ensure they 'don't keep all their eggs in one basket' in case one fund goes down.

In addition, bad past experiences with financial planners have left many in this group feeling that advisors have their own agenda, and are distrustful of the services provided by financial advisors.

Trust is only given if an advisor is recommended by a friend. They would like independent, unbiased advice but they don't know where to turn for financial help.

"These super funds are looking after hundreds of thousands of my dollars and I've never heard a word from them"
Pre-Retiree

BARRIERS TO ENGAGING WITH SUPERANNUATION

There are a diverse range of attitudes in this group towards super.

Across all groups the property market is seen as the most 'rock solid investment', and for many the foundations for their financial future into retirement. For these individuals super is seen as the 'cream on the cake' – a separate source of money, but it will never be enough on its own (more likely for Younger Pre-Retirees):

"I just bought an investment property with a 25-year loan"
Pre-Retiree

However, for those who have no retirement plans super is seen as a glimmer of hope – 'a jar of money' that will keep them afloat for a bit longer:

"Once it runs out I'll go on the pension"
Pre-Retiree

But for the more vulnerable, super can be a source of despair. The more reliant people are on super (without other income to fall back on), the more anxious they are about it, and the more they put their 'head in the sand':

"I'll take it as it comes"
Pre-Retiree

For the more vulnerable (more likely Older Pre-Retirees) significant barriers to making financial plans and goals exist. These stem from:

- Anxiety and shame around making bad decisions
- The potential of seeing a grim future
- Fear of the embarrassment of exposing their financial situation
- Resignation that it is too late, they have 'missed the boat' and are now trapped in their current financial situation.

As such this is the most difficult target audience to help (particularly Older Pre-Retirees). Solutions, therefore, need to focus on empowering this group and providing concrete steps to regain control of their finances and take action.

CHANGING THE CONVERSATION ON SUPER – IT'S NOT TOO LATE

During the research Pre-Retirees were exposed to a number of common facts and messages around super.

Few had impact or cut-through, and it was determined that messaging alone could not move this audience. They needed decisive action.

However, during discussions, a few key take-outs emerged that seemed to change Pre-Retiree perceptions, give them hope, and help them finally face up to the reality of their situation:

- 45-50 is not too late to do something about your super
- Super is the biggest asset you will ever have, next to a house
- Super = savings
- A plan gives you choices

These provide us with valuable starting points to help reframe super for this audience. But the help they need is more hands-on and interventionist.

REFRAMING SUPER FOR PRE-RETIREES

Based on insights from the Pre-Retirees audience, the research points to the following model of communication to engage Younger and Older Pre-Retirees with their superannuation:

Table 4:
The communications opportunity for Younger Pre-Retirees (Late 40s)

Current life frame	Current super frame	Opportunity to reframe super	Desired response
Getting to a stage in life (health etc.) and feel that they should probably do something about finances Still have time before retirement Scared of future – do not see that they will ever have enough to sustain themselves in retirement	Their home as the best asset, so paying the mortgage is better than putting money into super Super is viewed as unstable – 'it can go down and the government might change the laws' Do not see super as something on which they are able to rely	*Messaging* '45yrs is the time to start saving more into your super. Your small saving now will make a difference' 'Set a small goal and see how it feels' 'Your home plus a healthy super means you have two legs to stand on' 'It's easier than you think' *Call to action* 'Regular small steps, from now on' *Re-frame super* 'super is my other leg to stand on'	*Rational* Invoke a sense of hope – re-set goals, start of something new Taking action is taking control Stimulates thought process: 'I can do it' *Emotional* 'I feel in control now'

Table 5:
The communications opportunity for Older Pre-Retirees (55 plus)

Current life frame	Current super frame	Opportunity to reframe super	Desired response
"Make do as I always have." Prepared to downsize or rely on the pension See saving as the last remaining option ("Nothing I can do about it now except try to save my pennies.") Avoiding action – feel paralysed, trapped	Too late to 'do anything' now –feel hopeless Take personal responsibility, "it's my own fault." Sense of regret/lament that super was not in place for their whole life (like young people – 'if only')	*Messaging* "A plan gives you choices. There is a plan for you." "Retirement is a process." "Make a difference to your life (in retirement), like being able to shout the grandkids to the movies, eat at your favourite restaurant or take a holiday once a year..." *Call to action* "Contact your super fund and make an appointment." "10 questions to ask you super fund..." "Where to go if you are not sure..." *Re-frame super* "I have the right to a plan for my money (super)."	*Rational* Having choice Freedom from feeling trapped Lifeline *Emotional* Security Inner harmony – peace of mind

SUMMARY OF AUDIENCE INSIGHTS

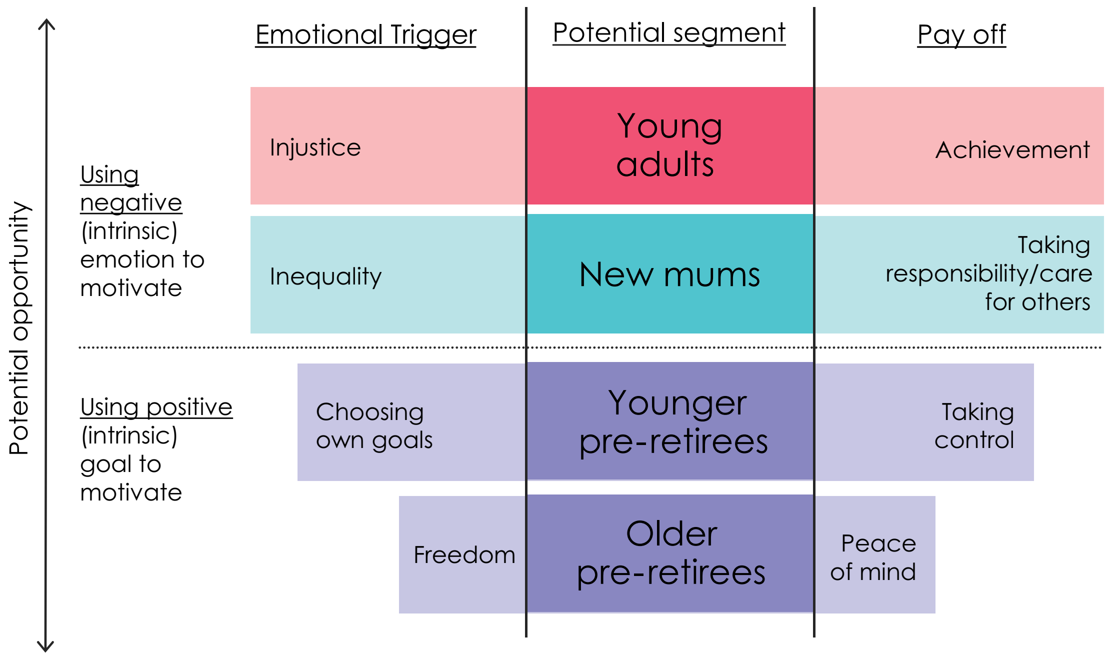
Insights across all three target audiences have shown that when it comes to engaging people with superannuation:

- People are not the problem – there are administrative and systemic flaws in the super system that make it difficult for people to engage (even when they want to)
- A cultural shift is needed – to ingrain new 'healthy habits' when it comes to super, that people take forward through to retirement
- A targeted approach is required – to meet the very specific needs of each audience and challenge their current super frames.

The research reveals that the greatest opportunity is to focus efforts on Young Adults and New Mothers. These groups have a lot more to gain from early intervention. There are specific levers that bring super into the present and have the potential to trigger action today:

- ***For Young Adults – invoking a sense of injustice that they could be 'ripped off' by paying fees on more than one super fund***
- ***For New Mothers – invoking a sense of inequality at the significant amount of super mothers could lose as a result of taking time out of the workforce to raise a family.***
- ***Pre-Retirees are overall a more challenging group to help. However, there feels like a stronger opportunity with Younger Pre-Retirees (late 40s), than Older Pre-Retirees (55 plus)***

Figure 4: Targeted opportunities by audience



IDEAS TO TAKE FORWARD

1 | Key opportunities

A PEOPLE'S 'SUPER WATCHDOG'

The super system has inherent barriers that people want called out. Therefore, independent advocacy groups like CHOICE have an opportunity to step up as a 'partner for the people', calling out the flaws in the super system, and putting pressure on industry to reach out and be accountable to customers.

This advocacy could also take on the role of re-framing super for each target audience – with a core message that super is 'the best saving you'll ever do', overlayed with key provocations targeted at each audience.

The outcome of this will be to alleviate pressure on consumers, shifting them away from self-blame and avoidance due to perceived incompetence with super. Empathising and calling out that the system is at fault and needs to change could enable trusted, independent partners to help people navigate and make good decisions in the meantime.

A CENTRAL PLACE

People would value super being grouped together with their everyday financial administration. Developing (or facilitating) the inclusion of super in a centralised 'one-stop-shop' for all financial matters is another opportunity to drive engagement.

The ideal, although in practice extremely complex to achieve, would be a centralised system for all financial dealings that would provide consumers with a single place to manage their finances and direct questions (e.g. via myGov or linked to online banking).

This would increase awareness of super by linking it to other financial admin, rather than treating it as a separate (and forgettable) entity.

SEGMENT-SPECIFIC MESSAGING

Segment-specific messaging is critical to provoke and demonstrate the relevance of super in people's lives today. Communications should be given at times and places appropriate to the target audience, via audience-specific platforms, thus increasing accessibility of messages, and subsequently, the likelihood of engaging the intended audience.

DIGITAL DECISION-MAKING TOOLS

People don't want more information – they want help to make decisions. Therefore there is an opportunity to develop digital tools that streamline decision making, simplify the options for consumers and recommend the best options. The ability personalise tips and advice to the individual will be critical in the success of this tool.

OPT-IN REMINDERS FOR MONITORING

People need reminders or a push, especially when they are avoiding something (e.g. the dentist, their taxes).

Super is no different. And people welcome the idea of opting-in for regular reminders/alerts for super 'check-ups' annually (or every two years). This would ensure that super stays on the radar, and prompt more regular consideration and behaviour around super – e.g. reviewing finances more regularly, tracking progress. Like savings, consumers are likely to feel empowered as they see their super grow in small steps, and may feel more inclined to accelerate its growth when they can.

2 | Design guide for strategy development

In going forward to develop products, messaging and campaigning strategies, the following 'rules of engagement' emerged from the research:

a. Come to me and make it easy
Be in people's world, simplify access to people's super data, and help them make decisions based on what they should do now, and how they can do it

b. Make it tangible
Provoke them and get on the radar by putting super in the present, and making it worth people's while to care (via implied loss or providing hope, depending on the audience)

c. Make it personal
Personalise recommendations through profiling tools so people feel confident recommendations are relevant to them

Using this framework, audience-specific interventions are detailed below.

3 | Audience-specific solutions

YOUNG ADULTS

In going forward to develop products, messaging and campaigning strategies, the following 'rules of engagement' emerged from the research:

Ideas for Young Adults

A COME TO ME & MAKE IT EASY	B MAKE IT TANGIBLE	C MAKE IT PERSONAL
Be in my world – "where I go"	Evoke injustice of being 'ripped off	Making right decisions
One stop-shop, pools information from different sources Right place – when in the mode to do other admin/finance e.g. tax time eg MyGov/ eTax - prompt me while I'm doing my tax while OR Link to online bank account	Having more than one Super account means you could be losing thousands each year to the Super Companies That's equivalent to your Netflix & Spotify subscriptions for one year /or a trip to Bali It is easier than you think …	How to find & consolidate Making decision on fund type, risk profile, insurance etc Benchmarking & tracking against peers (personalise) Providing support whenever they need (eg. online instant chat) Reassurance of decision Opt in for 2yrs review ie new job, promotion, change of address

Figure 5: Summary of ideas for Young Adults

A | Come to me and make it easy

Plant access to super in the places they go for financial administration

For Young Adults, access to super needs to be made easy – it needs to be centralised somewhere they are already accessing when in the mindset and mode to deal with their finances.

Key access points:

- **Etax and myGov** – ideal platforms to get on Young Adults' radar. Both frequently visited resources, particularly at tax time. And valued for making it easy – one login, one password, pools financial data linked to bank accounts, and pre-fills forms
- **Online banking** – also visited regularly, and ideal place to keep track of savings and super

B | Make it tangible

Messaging that evokes the injustice of being 'ripped off'

> *'Having more than one super account means paying more than one set of fees'*
>
> *'If you have multiple accounts, you're probably paying for multiple sets of life insurance'*

Young Adults need provocation, 'a wake up call' to stand up and listen regarding super. The primary messaging must plainly and simply speak to the money they are losing in fees right now if they have multiple super funds.

There is potential to strengthen this message by making the loss tangible and specific – e.g. 'this equates to $x,000 per year', or 'the equivalent to your Netflix & Spotify subscriptions for one year / a trip to Bali'.

The call to action must be empathetic and directive. Starting with 'It's easier than you think', and following up with 'do x,y,z'.

C | Make it personal

Profiling tools and personalised tracking

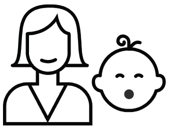
About me – Young Adults welcome the idea of a simple profiling questionnaire that will ensure that super recommendations are tailored to their specific circumstances and move beyond a blunt 'age band' based recommendation.

Where am I today – Based on this information, Young Adults want to benchmark themselves and their super against others in their circumstances. 'Am I above or below average?' is the key question – and based on they need affirmation that they are doing well, or they need to catch up.

What should I do, and how – Young Adults need clear guidance on how to consolidate accounts, or any other actions they should take (e.g. change risk profile). This must be step-by-step, with support available whenever they need it (e.g. online chat).

How am I going – Other tools that would benefit this audience are an opt-in one-year (or two-year) review reminder system. This would prompt people to update their details if they have changed jobs, addresses or been promoted. Young Adults also wanted to be able to track their progress against their peers, as this would also increase motivation to 'save' more and get ahead.

NEW MOTHERS



Ideas for New Mothers

A	B	C	(D)
COME TO ME & MAKE IT EASY	MAKE IT TANGIBLE	MAKE IT PERSONAL	ADDITIONAL PLANNING TOOL
Be where mothers are for advice/admin	Evoke inequality of mums losing super	What to do during mat leave/working PT	Maternity leave planner
Where I go Centralised - pools information Right time - doing admin/finance early pregnancy eg on MyGov Mothers have Centrelink/ Medicare app Mothers online networks - eg Kidspot, Essential Baby, Bubhub and CHOICE Link to online banking	Taking time out from the workforce to have a family can reduce your Super balance by $50,000 Super can work for you while you work on having a family	Profiling tool that leads you through your options and the impact on your Super Helps you to make the right decisions How to make the change Reassure and support Opt in for review end of maternity leave/ 1 year	Planning and budgeting tools for maternity that prefills things like cost of prams and nappies that CHOICE could do

Figure 6: Summary of ideas for New Mothers

A | Come to me and make it easy

Plant access to super in the places they go for financial administration and 'mum' advice

Like Young Adults, New Mothers also want super to be accessible in a central place where they deal with finance and 'life admin'. There is also an opportunity here to catch them when they are in the mindset of seeking help and advice on baby and pregnancy-related matters – and the ideal time is early pregnancy.

Key access points:

- **myGov** – New Mothers are on myGov regularly, with some reporting visitation up to twice a month. Centrelink and Medicare are their primary destinations, and a number mentioned using the app for easier access

- **Online banking** – an ideal location to keep track of savings and super together

- **Online mothers' networks (e.g. Kidspot, Essential Baby, Bubhub)** – New Mothers are regularly on these sites for ad-hoc advice and 'baby-proofing' advice

- **CHOICE** – perhaps the first exposure to CHOICE for a number of women comes during pregnancy, when they are researching prams and cots. This is an ideal moment for CHOICE to reach out to women regarding their maternity leave plan (with super included on the checklist)

B | Make it tangible

Messaging that evokes the inequality of Mums losing out on super

> *'Taking a career break to have a family can reduce your super balance by up to $50,000 by the time you reach retirement age'*

Like Young Adults, New Mothers need a shocking message to force them to act. In fact, a number said they wanted to be shocked – it's important for them to know the consequences of lost super at this moment in their lives.

Again the call to action must be empathetic and directive. Starting with planting the idea of 'Get your super to work while you take time to work on your family', and following up with 'do x,y,z'.

C | Make it personal

Profiling tools and personalised tracking

About me – New Mothers also welcome the idea of a simple profiling questionnaire that will ensure that super recommendations are tailored to their specific circumstances. Details must cover their age, working status, industry, years in employment, and time planned (or taken) for maternity leave to be credible.

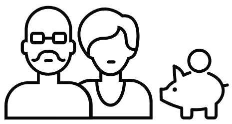
Where am I today – Further shock might come when New Mothers benchmark themselves and their super against others in their circumstances. Similar to Young Adults they want to know 'Am I above or below average?'.

What should I do, and how – Like Young Adults, New Mothers need clear guidance on how to consolidate accounts, or any other actions they should take (e.g. specific steps they can take to mitigate super loss during maternity leave). Again, this must be step-by-step, with 24/7 support available (e.g. online chat).

How am I going – An opt-in one-year (or two-year) review reminder system to track their progress, and re-set super goals once they return to full-time work.

Maternity Leave Planner – There is further opportunity to develop a Maternity Leave Planning Tool for New Mothers. Given that early pregnancy is a prime time for planning and advice, this tool could be a great help to New Mothers in planning and budgeting, with prefilled costs for maternal necessities (e.g. prams, nappies etc.). It could also help to get super on the budget so that it doesn't continue to be forgotten income.

YOUNGER PRE-RETIREES (LATE 40S)



Ideas
for Younger
Pre-Retirees

A	B	C
COME TO ME & MAKE IT EASY	MAKE IT TANGIBLE	MAKE IT PERSONAL
Connect with full financial picture	45 is the time	Saving strategy
In my financial world One –stop shop pulls in your financial information Ability to include other assets/ in the picture eg MyGov/ATO OR Link to bank accounts	Tap in the feeling that they know they should be doing something (not too late) Super "rule of thumb" Identify opportunity with of school fees, expenses less CHOICE as trusted advisor Video content of Personal stories overcome fear and feeling of incompetence (people CHOICE as enabler – direct people to tool	Start with short term goals– what they can achieve in 12 months Simulate different saving options How to implement savings plans Track progress – feeling in control and recognition of effort Reassurance – especially when funds go down Opt in 1yr to review and reset goals

Figure 7: Summary of ideas for Younger Pre-Retirees

A | Come to me and make it easy

Plant access to super in their financial world

Again, this age group requires a 'one-stop-shop' that brings in all financial information, including assets and other considerations.

Key access points:

- **myGov** – A prime destination at tax time for Etax
- **Online banking** – Again, an ideal location to keep track of savings and super together

B | Make it tangible

Messaging that evokes it's not too late to take control

45yrs is the time to save more into your super
Super is your other leg to stand on

Messaging targeted to this audience should be more empathetic, gently tapping into the tension they feel – that they know they should be doing something about their super but are not sure how to take action.

The message take-out must be that it's not too late. Embedding a new rule of thumb, that 45 is the right time to start.

Personal stories of others overcoming the same feelings and taking action may help motivate this audience. Further, additional funds now available to them with the end of school fees, fewer mortgage payments and expenses could be highlighted as an opportunity to save more.

C | Make it personal

Profiling tools and personalised tracking

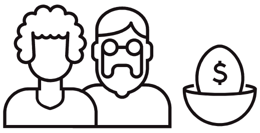
About me – Younger Pre-Retirees welcome the idea of a simple profiling questionnaire that will ensure that super recommendations are tailored to their specific circumstances. Details must cover their age, working status, industry, years in employment, and home ownership to be credible. BUT NOTE – unlike previous audiences, this is not for the purposes of benchmarking. Comparisons to their cohort are more likely to threaten than motivate. This is for the purpose of making tailored recommendations.

Super Saving Simulator – A tool to aid formulation of a savings strategy would be ideal for this group. This should focus on short-term goal setting, that are achievable in the next 12 months. The tool could simulate different contribution options (e.g. if you put $50 extra per month vs. $100) and how to implement the savings plan.

What should I do, and how – Like other audiences, Younger Pre-Retirees need clear guidance on how to consolidate accounts, or any other actions they should take (e.g. specific steps they can take to make voluntary contributions, or make a 5-year financial plan). Again, this must be step-by-step, with 24/7 support available (e.g. online chat). Consideration should be given to providing additional reassurance for this audience regarding the realities of market fluctuations and how to handle them.

How am I going – An opt-in one-year review reminder system to track their progress, and re-set super goals as their finances change (e.g. mortgage paid off, kids leave home). It should also be empathic and congratulatory, giving them a sense of control and recognition of the effort and the small sacrifices they make towards their super.

OLDER PRE-RETIREES (55 PLUS)



Ideas for Older Pre-Retirees

A COME TO ME & MAKE IT EASY	B MAKE IT TANGIBLE	C MAKE IT PERSONAL
Trusted source	There is hope/ a way out	Provide support
Network & communities - conversations with people they trust (high trust environments) Authentic, genuine people like me – personal stories Trusted representatives of the community	Making a plan gives you choice Small savings now can make the difference ie being able to shout the grandkids to the movies, or eat at your favourite restaurant or take a holiday once a year Your Super fund has a plan for you How to approach your Superfund	Choice as partner • 10 questions to ask your Superfund • 24/7 Helpline Choice as representative - contacting Super funds on your behalf

Figure 8: Summary of ideas for Older Pre-Retirees

A | Come to me and make it easy

Plant super advice in trusted and personal community networks

Given the fear and scepticism of Older Pre-Retirees, access to super needs to come from a trusted source, with authentic and trusted representatives.

A trusted source is more likely to inspire this group into action – because they will feel supported and nurtured through what they fear is a complicated and exposing process. Authentic, genuine personal stories of similar people would motivate this group as they would be relatable stories that could make the subject more accessible.

Potential access points:

- Local social networks and communities
- Content featuring trusted representatives may also cut-through, although these should still be relatable rather than aspirational
- CHOICE – through its member base

B | Make it tangible

Messaging that evokes hope and freedom

> *A plan gives you choices. There is a plan for you*
> *Retirement is a process*

Messaging should be empathic, but also directive. It should state plainly that there are options, the take out being all is not lost. Primary messaging should quell the fear and alleviate stress around their future finances.

The call to action should centre on supporting Older Pre-Retirees to approach their super fund, or to help them build a simple financial plan.

Secondary messaging around tangible benefits, such as 'being able to shout the grandkids to the movies' or 'eat at your favourite restaurant' or 'take a holiday once a year' could be good supports, but not leading messages.

C | Make it personal

An idependent, trusted advisor

Tell me how – New tools should provide support, from a trusted partner in navigating their finances.

A partner can provide 'cheat sheets' and step-by-step guidance on what Older Pre-Retirees should do.

Break down the indecision, shame and fear by holding their hand – e.g.:

- '10 questions to ask your super fund'
- 'DIY retirement plan'
- With 24/7 helpline for super-related questions

Additionally, a partner could offer to be a representative for Older Pre-retirees, contacting the super fund on their behalf.

WHAT NOT TO DO

From ideas that were less successful, learnings emerged regarding where not to cross the line:

1 | Don't fall into parody

From two ideas that centred on using humour to break down jargon and make complex super ideas more accessible, the research revealed that humour can backfire:

- Humour is subjective – and can easily go wrong
- Super isn't a laughing matter
- Nor should it be dumbed-down too much – it's a complex subject
- The facts should speak for themselves

The best approach is to use an adult-to-adult tone of voice. To not only challenge current superannuation category advertising (which can be clichéd and speak parent-to-child), but also to convey credibility and strength in straight-talking.

"It's a good idea but (super) might be too complex to break down"
New Mother

Super comedy skit

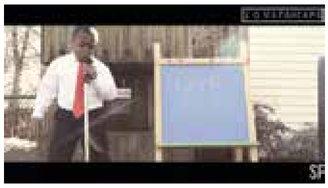
Using humour in short, shareable clips to effectively explain difficult concepts, such as Super, how it works & what you can do about it

Eg like from 'The Big Short'...

"... By the way these riskier mortgages are called 'sub-prime'. So whenever you hear 'sub-prime' think sh*t... our friend found out that these mortgage bonds that were supposedly 65% AAA rated were basically full of sh*t... so now he's going to 'short the bonds' which means to bet against. Got it? Good."

A 12 year old kid explains Super

Super explained in easy to understand terms, along the lines of what a 12 year old would say



Eg. like from Kid President...

"... How do I explain this? ... High Fives are kind of like hitting someone who is your friend ..."

Figure 9: Ideas centred on comedy that failed to resonate

2 | Don't information overload

From two ideas that centred on educating in a simple way, the research revealed that resources that look remotely 'wordy' (even if they do not intend to) can instantly alienate:

- The last thing people want is more to read – even a pamphlet will be too much
- Asking for time or attention can lose people
- Even with the promise of simplicity, only the most die-hard will bother

The learning here is that any resources must keep it simple, and keep it quick.

"Simple to understand, but need to be motivated to go read it"
Young Person

Superpacks for your first job

A simple information pack that helps you set up your Super the best way, right from the start of your career

'Super for Dummies'

A one stop shop that explains everything to do with Super in plain language

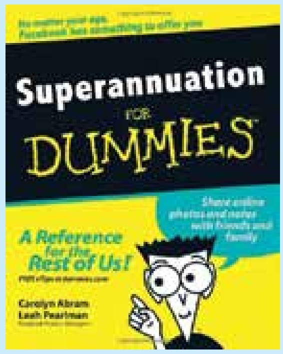


Figure 10: Ideas centred on accessible education that failed to resonate

3 | Don't direct to employers

From an idea centred on partnering with employers, the research revealed that employers are likely to be a challenging channel through which to engage people with their super:

- Employers aren't always trusted to be unbiased when it comes to super (a feeling they will steer employees to their preferred fund to minimise paperwork)
- Nor are they seen to be experts in superannuation.

While some employers are trusted implicitly by employees (e.g. schools), a number of people reported transient relationships with employers (particularly Young Adults) and were reticent to take their advice when it came to super.

The learning here is that a direct link must be made to avoid core messages being diluted or risk compromising its independence.

"It's smart but I don't think employers would care too much about an employee's super"
Young Person

Figure 11: Idea centred on partnerships with Employers

CONCLUSIONS

There is an opportunity to change the frames of reference around super to provoke unengaged consumers. This will involve shifting super from the future to present day, and repositioning it as a saving behaviour that involves progressive small steps – i.e. 'the best saving you will ever do' (see Figure 12).

From	To
Future (distant dream)	Now (action)
Promise of 'retirement'	'The best saving' you can do
Hard/ Frustrating	Easier than you think
Euphemistic & clichéd	Real/ empathic
End goal	The process

Figure 12: Summary of opportunities to reframe superannuation to improve consumer engagement.

This cultural shift in the super can be achieved by adopting some key strategies:

1 | Calling out the flaws in the system

Greater awareness is needed of the issues and the solutions in the super system in a way that does not lay blame with either super funds or consumers. In calling out the injustice of the system, stakeholders need to reassure people they are working to improve the regulation of the industry and working with the super industry to help them to simplify procedures in the best interest of their customers.

2 | Enable individual action

Campaigns with audience-specific messaging about super to get their attention and identify specific actions should be supported with tailored decision making tools for each target group. The tools would provide an opportunity to 'learn by doing'.

3 | Personal support

Stakeholders need to start to build a trusted relationship with consumers around super. This includes developing opt-in reminders and follow ups to help people keep their super – their money – on the radar. This would also ideally include helplines or online instant chat options to provide personal and instant answers to peoples' questions.

Such facilities would provide reassurance in making decisions which might affect significant financial outcomes. Reassurance would also provide recognition of effort in helping build relationships.

There is also an opportunity to take a more interventionist hands-on approach for the most vulnerable consumers – helping people interact with their super company and in doing so, developing a better relationship with their super fund.

As a final point, a cultural shift of this kind will only ever be achieved through sustained effort and 'baby steps' implemented over a period of time.

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APPENDIX A

QUALITATIVE RESEARCH RECRUITMENT CRITERIA

Table 6:

Qualitative In-Depth Interview Recruitment Criteria

Details	Young Adults n=10	New Mothers n=10	Pre Retirees n=10
Demographics	Aged 18-26 years 5 x females 5 x males	Aged 25-45 years 10 x females	Aged 45-59 years 5 x females 5 x males
Income	Spread of employment industries All working full time/part time	5 x Low/Medium household income of $70k-$100k 5 x Medium/High household income of $100k-$120+	6 x Low/Medium household income of $70k-$100k 4 x Medium/High household income of $100k-$120+
Engagement	5 x engaged 5 x unengaged	4 x engaged 6 x unengaged	5 x engaged 5 x unengaged
Other characteristics	Single income, no dependents Dual income, no dependents	3 x Planning a career break within the next 6 months 3 x On a career break – not currently working 4 x Recently returned to work part time	4 x with dependents living at home 6 x with no dependents living at home

DEFINITIONS

The 'engaged':

Defined as people who had done any of the following:

- Made a decision to change provider or fund type
- Started to make voluntary contributions
- Consolidated super accounts
- Updated contact details
- Searched for lost super funds
- Registered online with their fund, and viewed their balance online
- Attitude – they think it's important to be on top of their super

The 'unengaged':

Defined as people who:

- Have multiple funds (but may not have known how many – have perhaps been employed a number of times etc.)
- Hadn't consolidated funds
- Don't make additional contributions
- Unlikely to know their balance
- Attitude – they feel they should do something about their super, but they haven't got around to do it/ haven't thought about it/ is in the back of their mind

Table 7:

Pollination Session Recruitment Criteria

Details	Young Adults (18 26 years)	New Mothers	Pre Retirees (45 59 years)
Characteristics	Single income, no dependents Dual income, no dependents Young families Full or part-time employment (not self-employed) Have superannuation fund	Currently pregnant and planning a career break within the next six-months On a career break as a result of having recently had a baby Recently returned to work (full or part-time) within 12-months of having a child (not self-employed) Have superannuation fund Mixed income	With or without dependents Full or part-time employment (not self-employed) Mixed income
Definition of 'unengaged'	Multiple funds – may not be aware of number Have not consolidated funds Do not make voluntary/ additional contributions Unlikely to know their balance Limited interaction with super	Multiple funds – may not be aware of number Have not consolidated funds Not making voluntary contributions, spousal contribution Unlikely to know their balance Limited interaction with super Not considered impact of career break on super	Not yet identified amount they will need to retire Do not make voluntary/ additional contributions

choice
CHOICE .