



Retirement Benefits Authority

Safeguarding your retirement benefits

**A REPORT ON YOUNG SAVERS SURVEY
PREPARED FOR THE
RETIREMENT BENEFITS AUTHORITY
(RBA)**



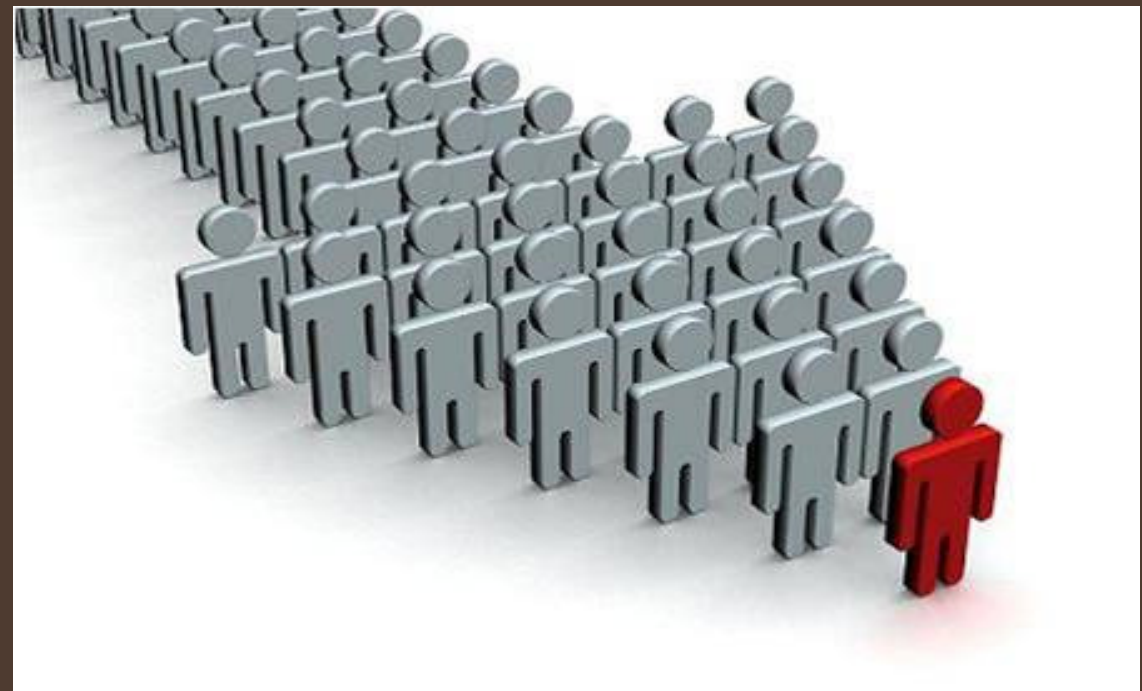
Prepared By
Infotrak Research & Consulting
A global network Affiliate of Harris Interactive Global
www.infotrakresearch.com
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THE RESEARCH OBJECTIVES

The Research Objectives



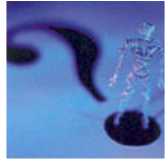
Main Objective

- To gauge the level of knowledge, perceptions, attitudes and practices of the Kenyan youth towards saving for their retirement.

Specific Objectives

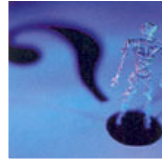
- To identify the current perceptions and attitudes towards retirement in general and saving for retirement by the youth.
- To find out if the youth are involved in any economic behaviour whose genesis involves the retirement factor
- To establish the current knowledge levels of the youth with regard to retirement benefit schemes and the economic implications of retirement
- To establish the awareness levels among the youth of the Retirement Benefits publicity campaigns
- To determine the impact of the Retirement Benefits publicity campaigns among the youth in Kenya
- Determine the levels of impact of each of the Retirement Benefits Authority Campaign materials

KAPtrak Approach



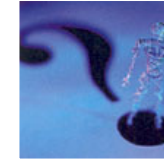
QUALITATIVE

- Focus groups
- FGDs with Youth
- 4 FGDs
 - Nairobi (2 FGDs)
 - Mombasa (1 FGD)
 - Kisumu (1 FGD)
- ABC1 Male
- ABC1 Female
- C2 Male
- C2 Female



QUANTITATIVE

- Face to face Survey
- Youth 20 - 34 yrs
- ABC1C2
- 1200 interviews in Four major urban areas viz; Nairobi, Mombasa, Kisumu, Nakuru



OBSERVATION

- Inactive
- Active
- Observe & report on youth reactions to retirement planning



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Executive Summary

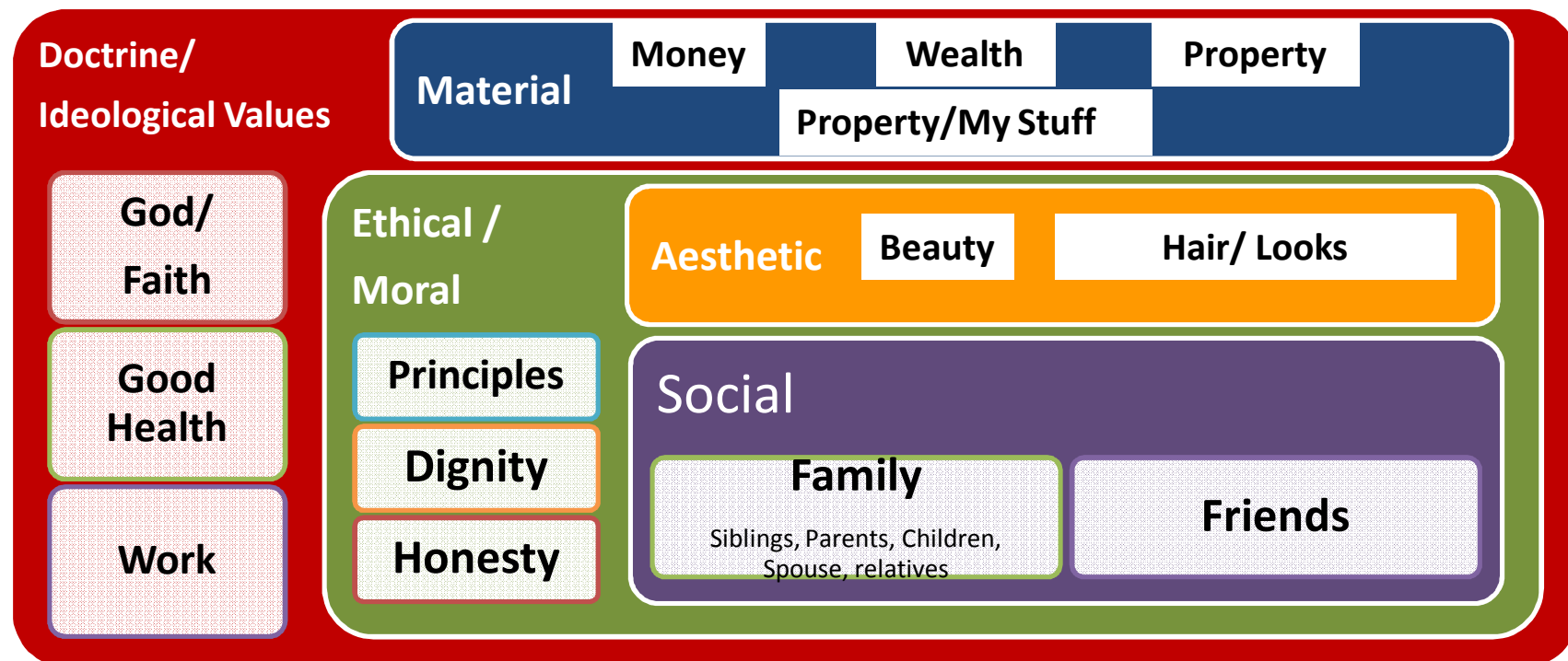


Youth Behaviour: Attitude & Perceptions towards Life

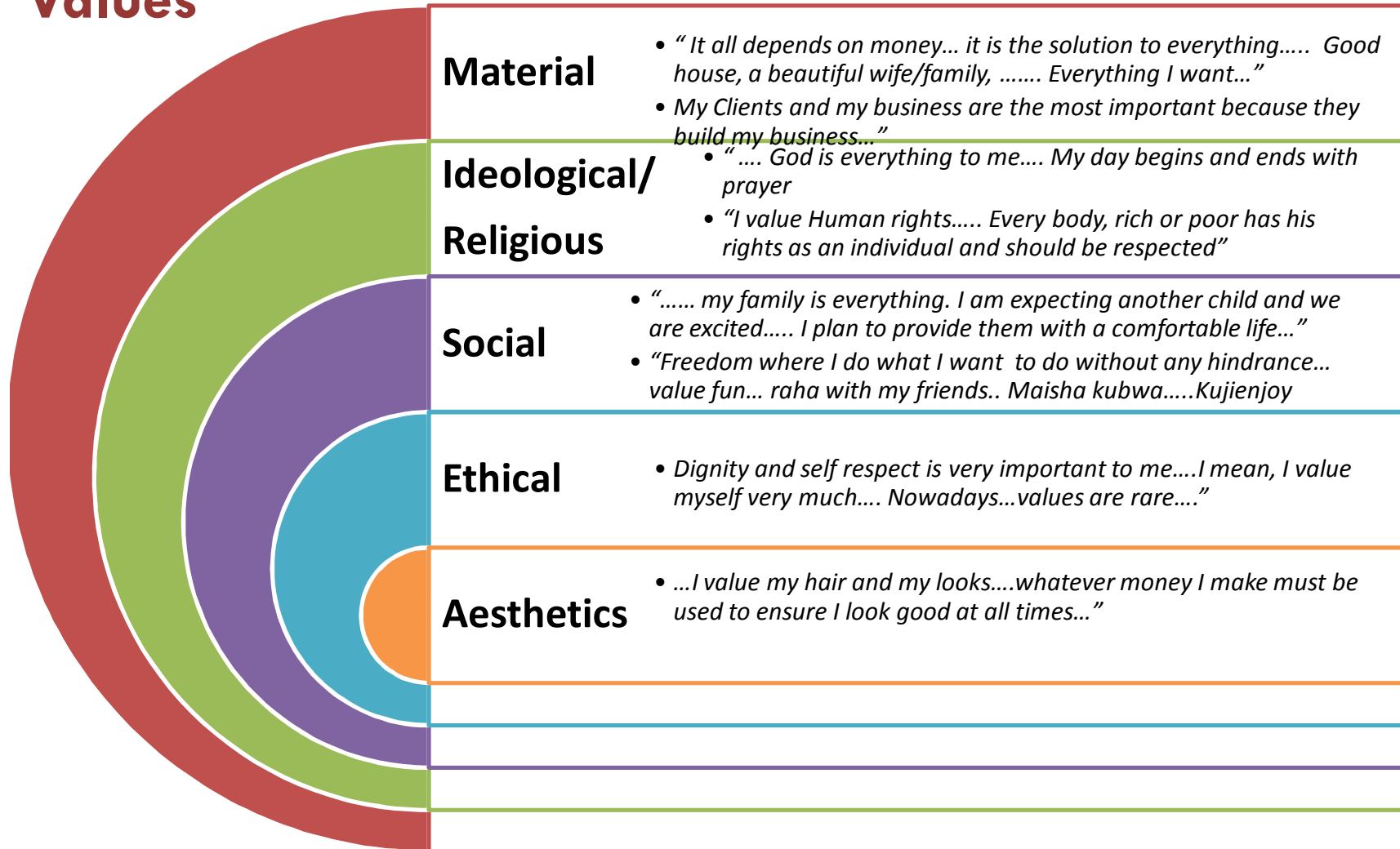
- **The Youth in Kenya are extremely aspirational.**
 - They seek to live luxurious comfortable lives in the future. Whilst some are already working towards this objective, there are those who tend to feel that there is still sufficient time for them to think & plan for the future. They are thus currently living a 'day at a time'.
- **The Youth today are more inclined towards self employment as part of their future plan and deem this as the means to a successful future**
 - Business & self employment are deemed as one of the surest ways to achieving a comfortable life in the future. As such, youth are working towards self employment, be they in school, permanent or casual employment or unemployed.
 - The environment has cultured the youth to believe that self employment is one of the surest ways of attaining "self actualization".
- **Values material are increasingly taking prominence in Youth ideals.**
 - Money and all things material are perceived to be very critical in attaining life goals and dreams. Youth tend to lay great emphasis on money and wealth; property and tangible material things.
 - Youth want to be rich /comfortable by the time they are 30-40 years old
 - Youth want to own property; houses as early as the age of 25 years
 - Youth want to get into self employment because in their opinion this is a quick and sure way of making money

Values

- Respondents from all the focus groups conducted stated more or less similar values. This could mean that the general culture and belief system of young adult Kenyans is more or less the same.
- Money and material values were mentioned by most as a definite means to an end. In other words, money is perceived by young people as a facilitator of comfort, relationships etc.
- However, social values are also very important. The youth value their family, friends, and children. They also value the time they spend with people. Doctrinal/ideological values mainly evolved around the value of religion & God.
- People also mentioned the value of their time and space, of their belongings commonly referred to as “my stuff”. Over and above this many of the respondents also value their dignity and principles



What they had to say about their Values



Goals and Aspirations

- The young adult population seems to have big dreams, aspirations and goals. Most of the aspirations point towards “a stress free, comfortable future”.
- This group generally perceives self employment as the ultimate route to self actualization and prosperity & wealth.
- Whilst people think about slowing down and retiring in the future, only some claim to be actively doing something to ensure their retirement years are comfortable.
- All in all, however it was unanimously stated in all the groups stated in various ways that they would definitely like to achieve the best in life.

SOME OF THE ASPIRATIONS

- **STRESS/COMFORTABLE FREE LIFE**
- **OWN A HOME**
- **OWN A BUSINESS/ BE AN ENTREPRENUER**
- **OWN A FARM/SHAMBA**
- **OWN PROPERTY; PLOTS, MATATUS ETC**
- **RETIRE BY AGE OF 30/45 YRS**
- **START A FAMILY**
- **POSITIVE FUTURE FOR KIDS**



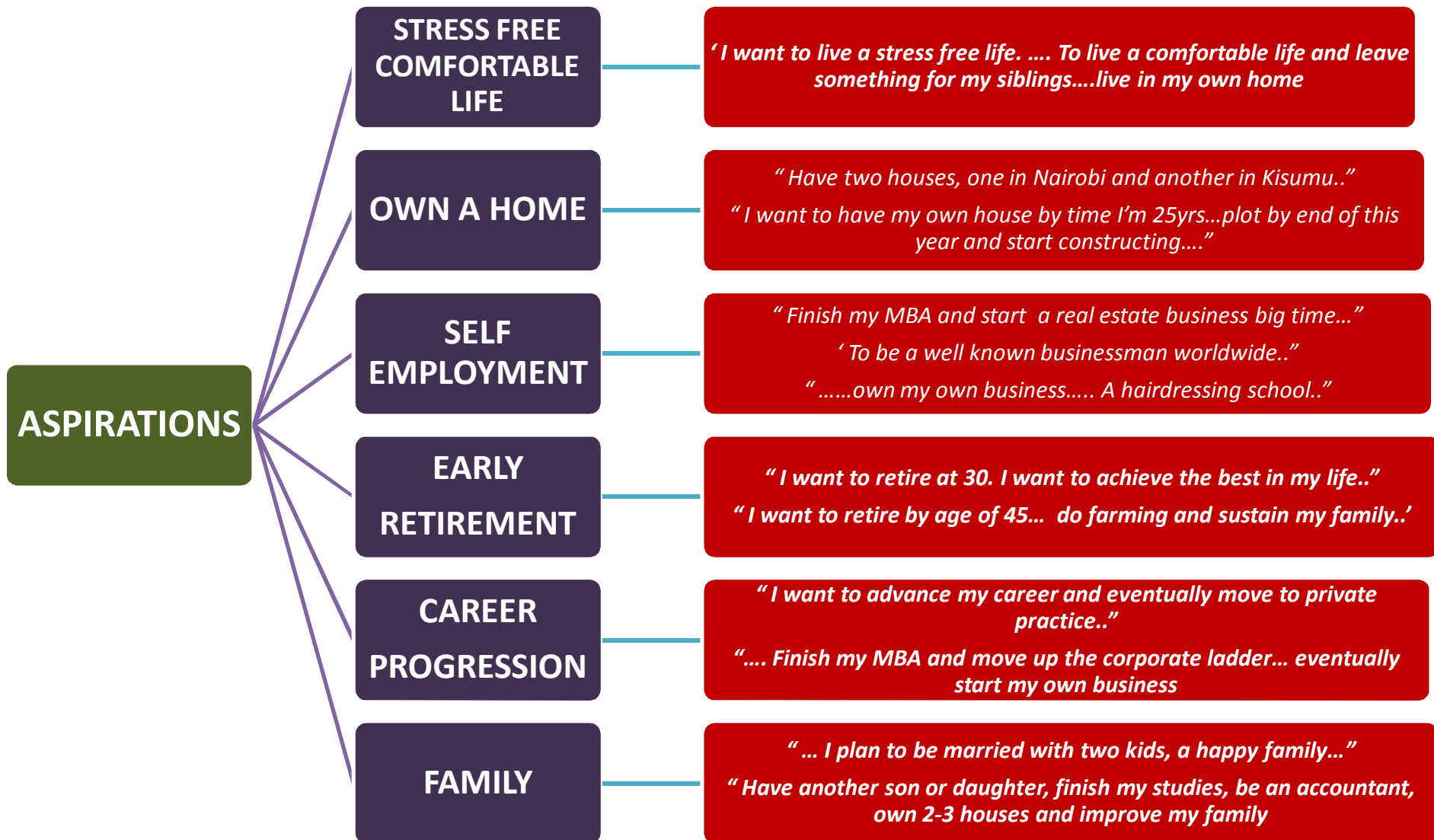
IN OTHER WORDS.....

- **FINANCIAL STABILITY**
- **EMOTIONAL STABILITY**
- **SOCIAL STABILITY**

THROUGH

- **SELF EMPLOYMENT**
- **CAREER PROGRESSION**
- **JOB STABLITIY**
- **HARD WORK & SACRIFICE IN THE EARLY YEARS**

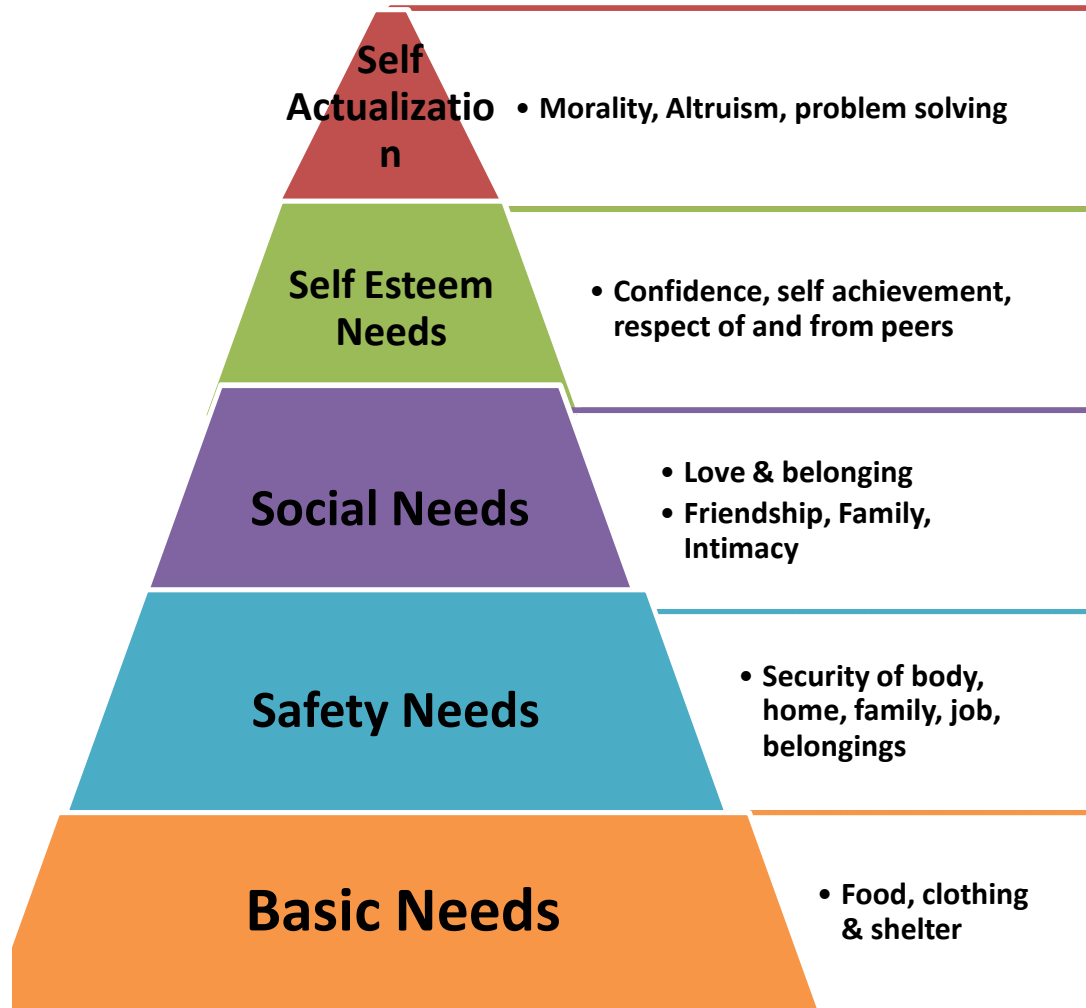
YOUTH VOICES ON ASPIRATIONS



Youth segment Needs Assessment

Borrowing from Maslow's Hierarchy of Needs

Kenyan Situation



- Unsurprisingly, the youth segment interviewed in the study exhibited similarities with Maslow's theory on needs.
- Currently most Young adults are occupied in dealing with the first three tier needs; basic, safety social needs.
 - *I'm just happy when I am able to ensure that my family has shelter, food & clothing and supplied with the basic utilities of electricity & water...."*
- Security needs are essential for peace of mind and the youth find this critical. They link this need predominantly to money "*Stability..enough money would make me feel secure.."*
- The Social needs are also very critical to this segment.
 - *".. Must load my phone to stay connected to my friends and family"*
- The top two tier of needs are currently quite aspirational for this group. Respondents aspire for success and prosperity in order to garner the respect of their peers. As such Self Esteem needs are partially met and more aspirational.
- "*Be in a position to influence decisions made nationwide, especially economic decisions.."* stated one respondent who aspires for Self Actualization in the future. Most respondents link this set of needs with entrepreneurship & self employment

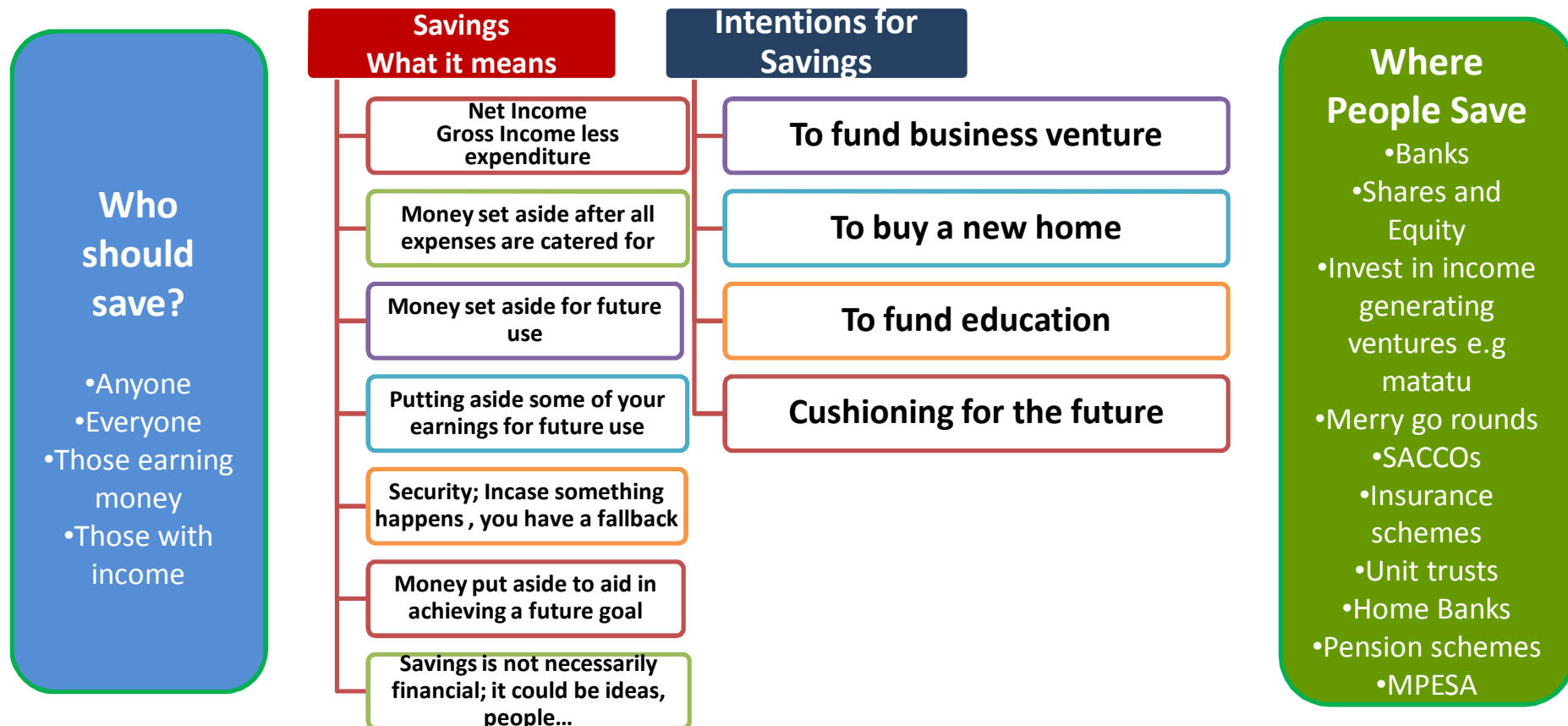
Youth & Savings

- **Approximately 80% of the youth either employed or self employed engage in some form of saving. In the unemployed segment on the other hand, only 20% are saving.**
- **Whilst the reasons for saving vary, majority of the youth are saving for the future.**
 - To safeguard them and their families in the retirement years
 - To invest in a business
 - To cater for contingencies/emergencies
 - Children's education
- **Single people are the least inclined to save. Only 63% of single youth who are employed are currently saving.**
 - It is the married, widowed, divorced/separated youth who are actually saving at approximately 80%
 - The single people tend to feel that they have their whole life ahead of them. Having no burdens and responsibilities inclines them toward a free spirit kind of lifestyle.
- **Women are more inclined towards saving than their male counterparts. The ratio of men to women saving in 4:6. Various reasons are given**
 - Men have more responsibilities and are expected to be the sole providers for their families
 - Women are cultured from a young age to save and be careful with expenditure.

Understanding of Savings

In common usage, saving generally means putting money aside, for example, by putting money in the bank or investing in a pension plan. In a broader sense, saving is typically used to refer to economizing, cutting costs, or to rescuing someone or something. In terms of personal finance, saving refers to preserving money for future use - typically by putting it on deposit - this is distinct from investment where there is an element of risk. (Wikipedia Dictionary)

- Respondents generally defined saving in more or less the same manner as described above.



Women are more susceptible to Saving than Men



- Why women are able to save more

Culture & Upbringing

"Women from a tender age are trained & nurtured to save more money irrespective of what they earn."

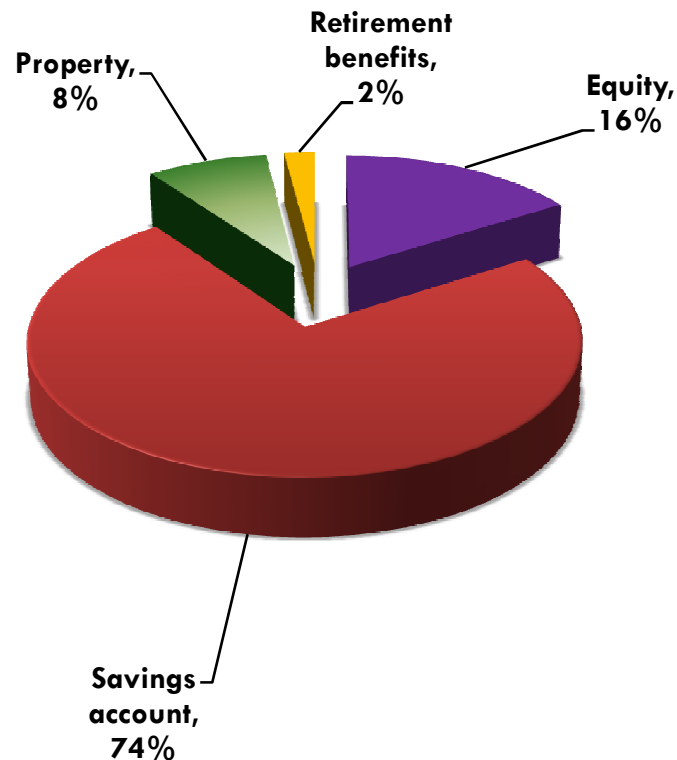
Patriarchal Society

"Society expects the man to be the key breadwinner...in the home, women expect men to cater for all the expenses...it is thus expected that they save .."

Careful Nature of Women

"Women know that the man's money is for everybody, but their money is their own. They carefully save their money and spend wisely unlike men who despite responsibilities, tend to spend in a more care free manner"

Where the Money is Saved

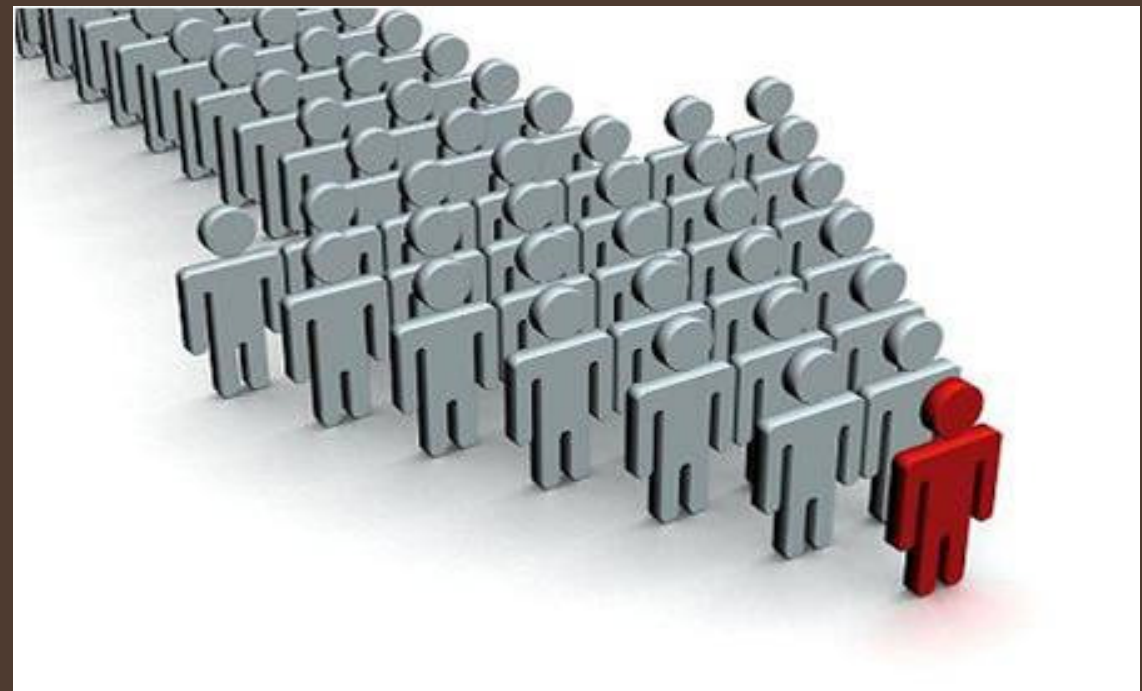


- Most youth save between 5-15% of their earnings
- The money is generally saved in the bank where people feel they have easy access to the funds.
- There seems to be a general feeling of myopia towards pension schemes due to bad experiences/ publicity. The NSSF financial saga; pyramid scheme scams etc left several people skeptical about saving options that they do not have direct access to.



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BARRIERS TO SAVING

“Hand to Mouth” main deterrent to Saving

- The Youth segment feels that they face many challenges when trying to saving.
- The high cost of living/inflation makes it very difficult for most young people to save.
- Many state that their needs far outweigh their income.
- **There are two schools of thought on savings:**

Impossible to Save

- This pessimistic yet realistic view opines that life is expensive, needs are many, income is limited.
- *Sometimes in Nairobi, it is impossible to save. You know Nairobi...you earn just what you need to spend. Anybody who earns less than Kshs 30,000 is struggling...there are so many dependants..*
- Income barely meets all the needs
- Needs far outweigh income leaving one in a constant deficit

Save from whatever little earned

- This is a more optimistic view that tends to opine that “kidogo kidongo hujaza kibaba”. One respondent capped it rightly as follows:
 - *“We should stop seeing that whatever we are earning is less...whatever little we earn , we should save from that.”*

- **However, there are those respondents who feel that lack of awareness on the importance of saving, how to save, where to save and when are the main barriers to saving. The reiterate by stating that**
 - *“ Information on saving is limited...people need information to be aware that whatever job , there is no security unless one saves...”*
 - *“People need to know the various avenues of savings. They need to obtain relevant information on why they need to save..”*
 - *“ There have been so may rip off.... Pyramid schemes...people need to be assured that their money is secure & accessible when needed.*

Extravagance/Lack of discipline as a barrier to saving

- The youth in Kenya have be cultured to adore material things. As such for them their disposable income is used for flashy lifestyle; posh apartments, posh cars; partying, fancy clothes.... And to be bought NOW!
- The youth are also very competitive; peer pressure is as expected, very eminent. They want to ape /copy the opinion leaders in their social network. They are easily influenced by marketing campaigns and promotions that touch on image



Lifestyle of the youth is too flashy

“Lust of the eye” is reason we don’t save; I look at my friend and want to have what thy have

Our Culture

We as youth have a culture of now, now, now... we don’t think about the future... any money is for flashy things

No need to save now, when I am young & free



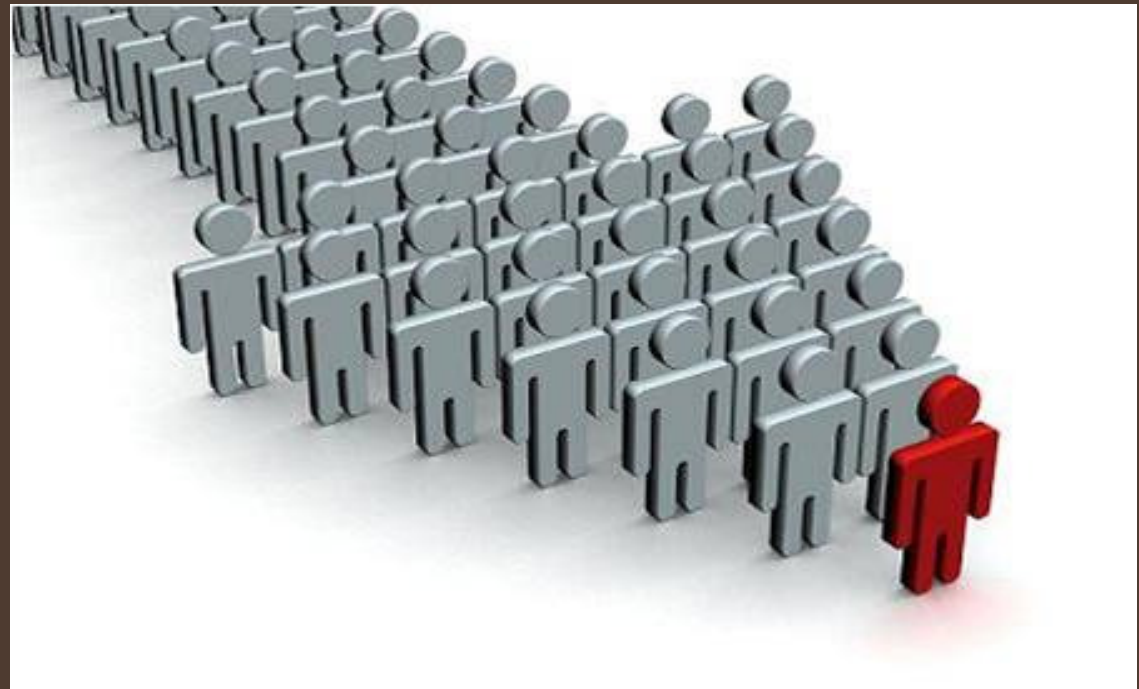
If I had dependants, I would save more...another thing is education on savings... I don't see why I'm saving and right now I don't have much responsibility so the cash I get I just spend on basic needs and luxuries.....

- Young people feel they have their whole lives ahead of them. Interestingly those who have to face responsibility and burdens early in life appreciate saving more than those who are only catering for themselves.
- To them, there is a whole life ahead of them and now is not really the time to belabour with saving.
- This “Generation Y” is concerned with keeping in touch & being connected; they like image and fashion; they will spend on designer brands for phones, clothes etc
 - Their affinity for material things is extremely high.



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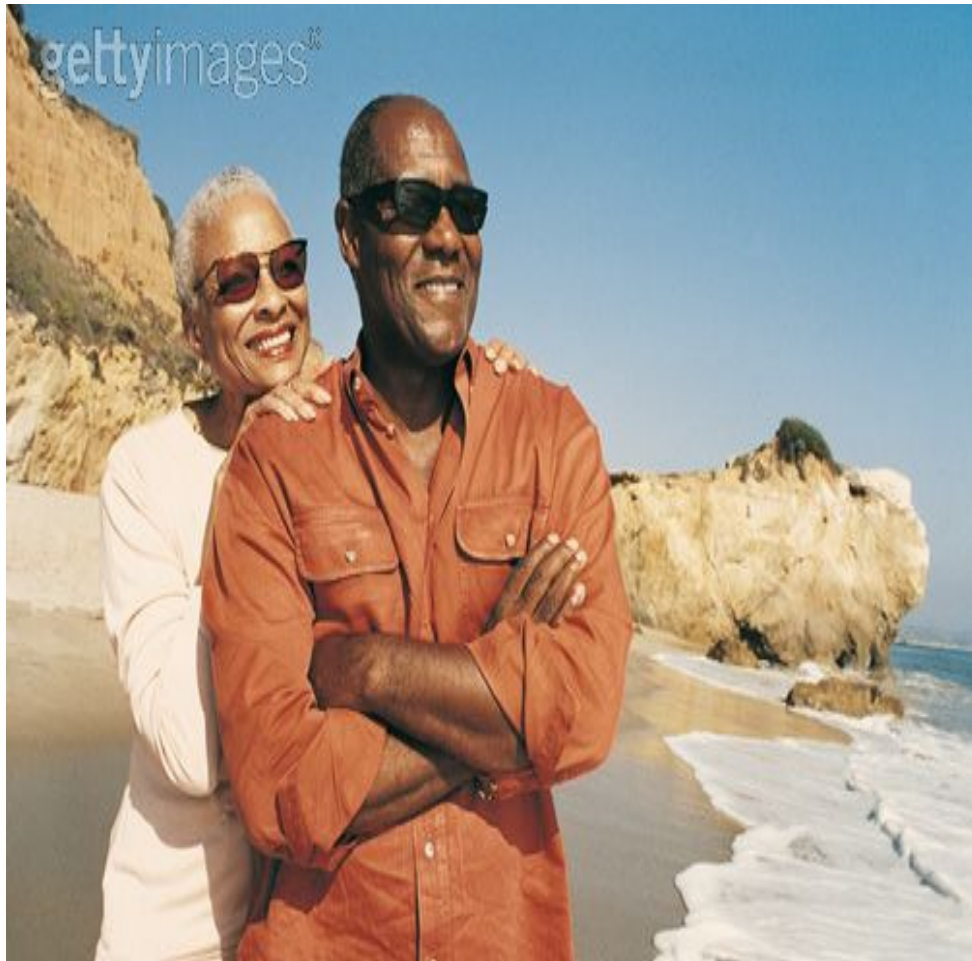
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UNDERSTANDING OF RETIREMENT

Understanding of Retirement

*Retirement is the point where a person stops employment completely. A person may also semi-retire and keep some sort of retirement job, out of **choice** rather than necessity. This usually happens upon reaching a determined age, when physical conditions don't allow the person to work any more (by illness or accident), or even for personal choice (usually in the presence of an adequate **pension** or personal savings).*

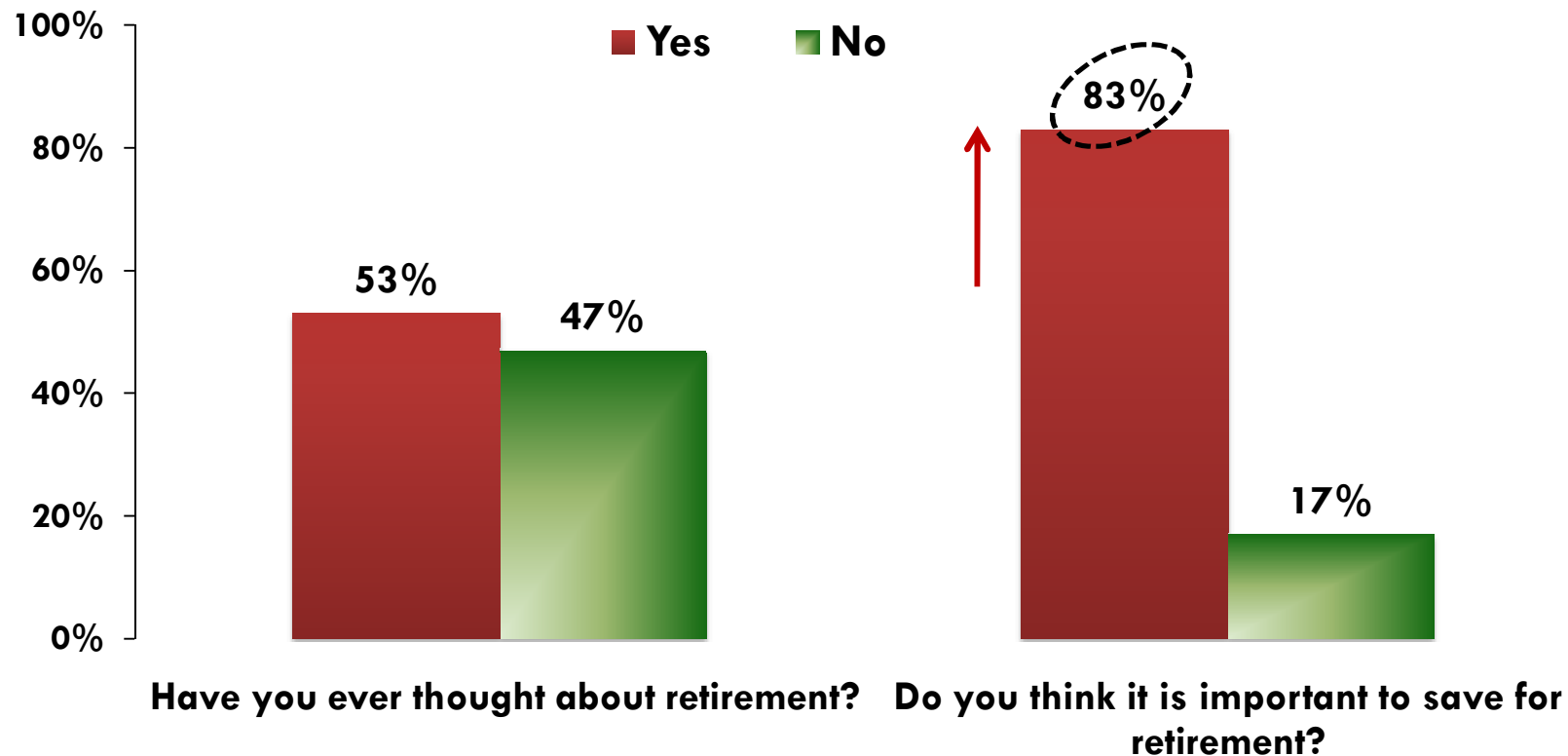


What the Youth define retirement as

- Point where one stops working
- Self employment where one is not directly involved in the job
- Point where you reap what has been sown through several years of hard work
- When one is not productive anymore
- When a person feels they have accomplished all their goals
- Point where one has earned and saved enough to sustain himself
- Time to relax after many years of hard work

Thinking about retirement and importance of saving for retirement

- Asked if they have ever thought about retirement, more than half of the respondents (53%) replied in the affirmative



- Interestingly, when asked whether it is important to save for retirement, a considerable number of them (83%) indeed thought so

Considered & planned for retirement

- Youth in the formal employment sector seem more inclined towards saving than those in self employment. Those in the unemployed sector whilst appreciating the need to save for retirement don't have sufficient resources to make it happen

Ever Considered Retirement	Yes %	No %
Employed	83	17
Self Employed	64	36
Unemployed	1	99

- Whilst several youth feel positively inclined towards retirement, many also perceive retirement as
 - a foreign phenomena;
 - a concept for the employed
 - a way in which the system cleans out older workers
- There also seems to be a knowledge /information gap on what retirement is/or should be. They claim not to understand the concept of retirement very well

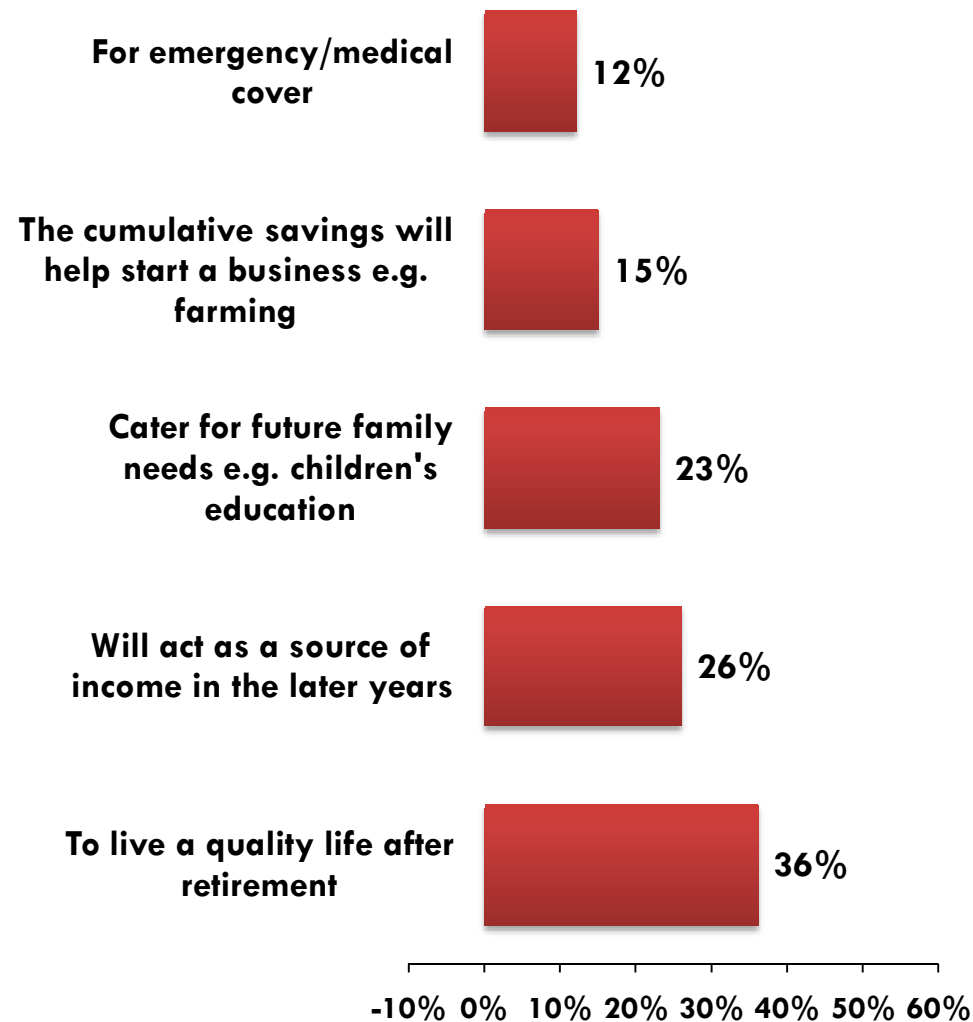
What comes to mind at the mention of retirement?

Factor	Association Level
Termination of employment/business	45%
Old age	33%
Poor health	24%
Poverty i.e. no more earnings/salary	22%
Restful period	18%
Savings	9%
Death	4%
Retirement schemes e.g. NSSF	3%

- Retirement, according to nearly one half of the respondents is strongly associated with loss of employment/business while a third of them mentioned old age as the main factor associated with retirement
- One quarter of the study participants stated that retirement was associated with ill health hence inability to work
- Other factors associated with retirement included:
 - Poverty
 - Restful period
 - Savings
 - Death
 - Retirement schemes

What comes to mind at the mention of retirement?

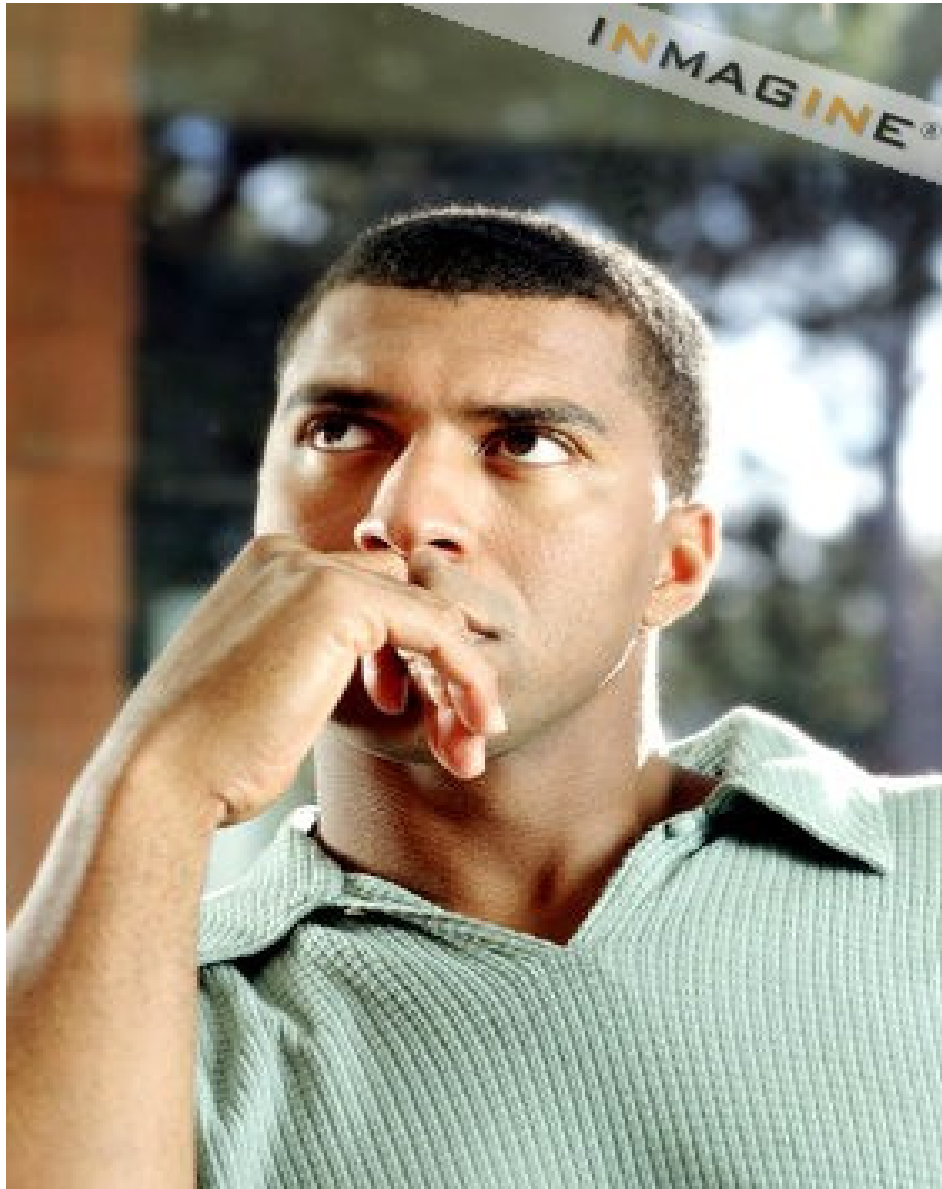
Importance of saving for retirement



- Majority of the respondents who had thought about retirement and indeed the importance of saving for retirement highlighted the fact that “retirement savings enables one to live a quality life after retirement”
- Other reasons highlighted included:
 - Will act as a source of income in the later years
 - Cater for future family needs e.g. children's education
 - The cumulative savings will help start a business e.g. Farming
 - For emergency/medical cover

Why do you think its important to save for retirement?

The Dreams of Retirement evolve around relaxation & comfort



“ I don’t want to work too hard when I retire... At that time I should be able to enjoy the fruits of my labour...”

“ I will have my own company and my children will be running it... I will be a phone call away..on holiday...travelling around the world”

“Spending time with my grandchildren...living large and giving directives on how I want things to run

Do all the things I have wanted to do...travel..wake up late... just enjoy life everyday..”

The Retirement Misnomer – a foreign phenomena



“..Like any Kenyan, we have never been taught what retirement is.

It is a foreign thing. To me it is still vague, we are not used to this.

At 55 years people are still physically fit and can use their brains.....

We don't really benefit from retirement, you follow the money till you die....

Most of us do not know our hearts desire....

My self, I am putting in place mechanisms to safeguard my future... but I will never retire!....just move from one level to the next!....”

Contrasting Views on Retirement

Whilst retirement signifies that point in when one stops working completely & benefits/ from their pension, certain contrasting views arose from the discussions

LACK OF UNDERSTANDING OF THE CONCEPT

“Personally, I just don’t understand the concept at all; when exactly does one not work at all in Kenya today...?”

NEED NOT BE IN OLD AGE

“I don’t think retirement must be when one is old; to me, so long as you have achieved your life goals, you can retire...”

ONLY WHEN ONE CAN’T WORK ANYMORE

“Kama mwili imekwisha...when the body is tired, then it is in order to retire and leave those who are fit to work..”

DEPENDANT ON AGE

“In Kenya, the mandatory retirement age especially in government is 60 yrs. It does not matter whether are productive or not”

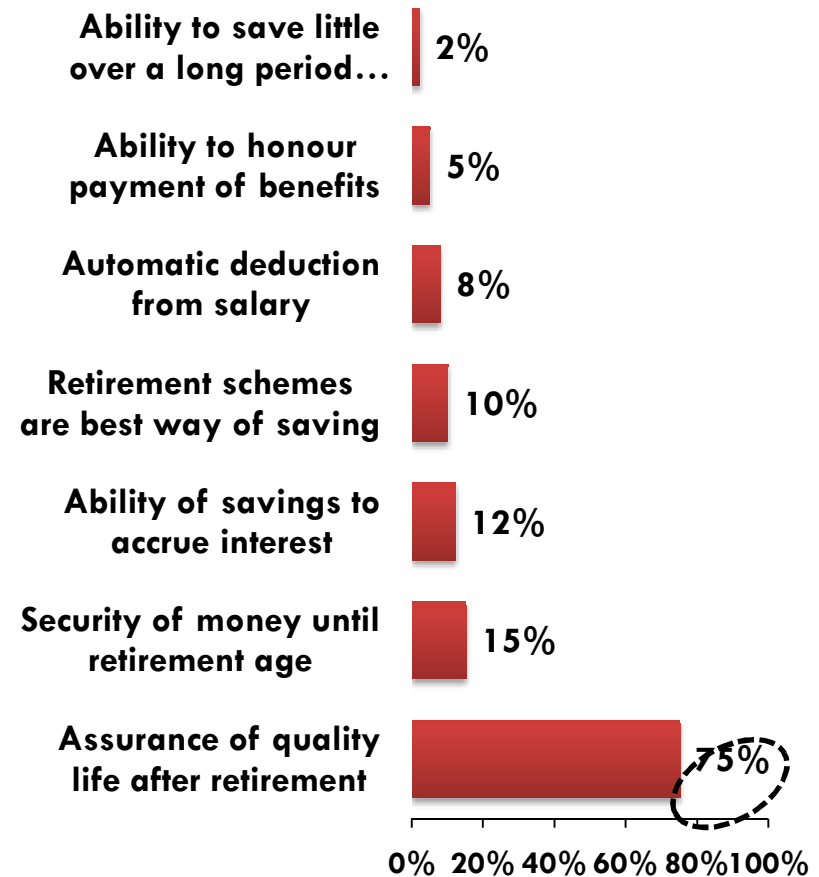
IMPOSED NOT CHOSEN

“Retirement is not really by choice...it is retrenchment Forced to leave to make room for others”

The Pros and Cons of retirement

Pros of schemes (<i>n</i> = 200)	Cons of schemes (<i>n</i> = 112)
Assurance of quality life in old age (44%)	Savings in schemes are not easily accessible (42%)
Interest on cumulative savings (42%)	Lack of information (31%)
Ability to offer good security of savings (15%)	Indifference (16%)
Ability to save little over a long period of time (5%)	Loss of trust in retirement schemes due to corruption (11%)
	Little interest accrued on savings (9%)

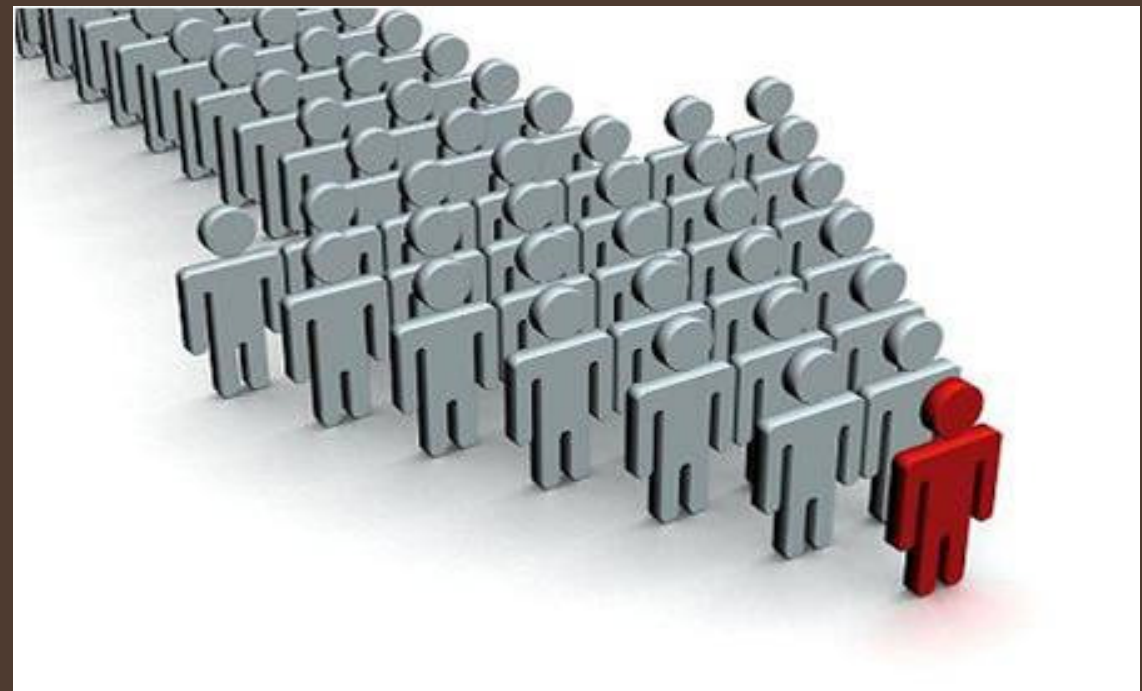
Barriers to using retirement schemes





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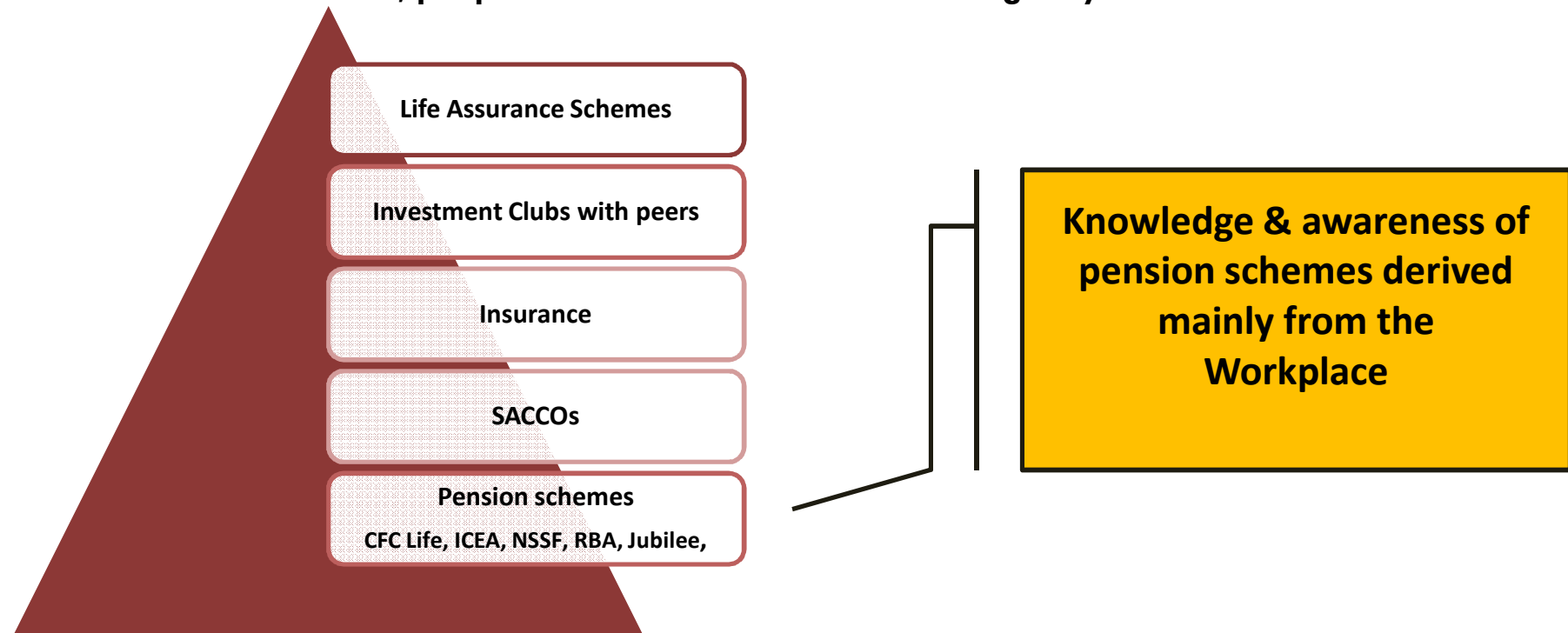
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RETIREMENT SCHEME MEMBERSHIP

How do people save for retirement?

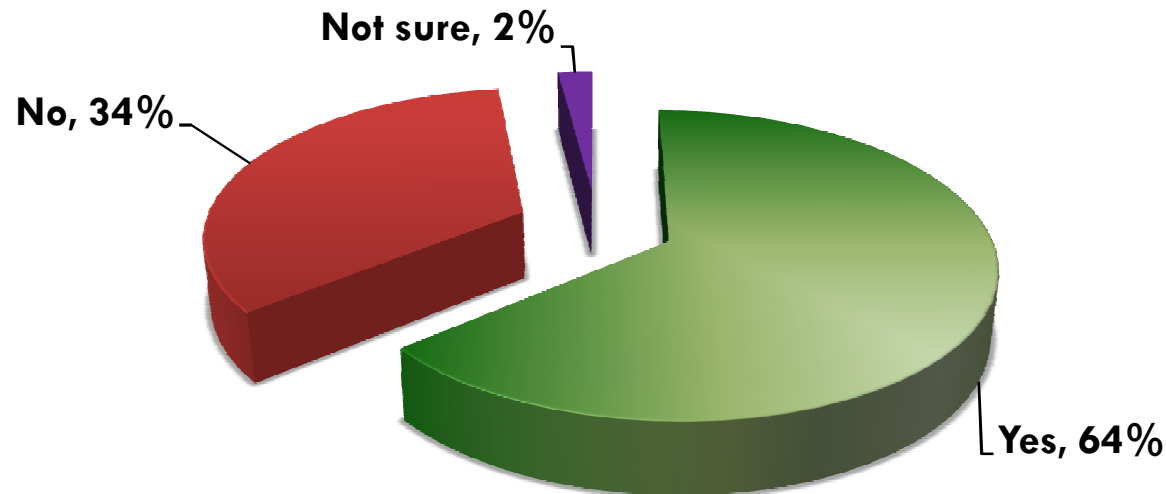
- Most people claim that they are saving their retirement money in their savings accounts; they keep the money in the bank. The money is sometimes put in a semi-fixed or fixed account.
- Skepticism seem to be rife on using other methods to save retirement money. As stated by one respondent, experience on following up on monies of those who have retired is normally a big headache.
 - *“I’ve been running up and down to follow up money for people who have passed on...people who have retired... it is a frustrating nightmare... I have learnt that it is better to keep my money for myself and withdraw it at my convenience.... All my saving are in my bank account...”*
- **Other than the Bank, people save retirement in the following ways:**



Retirement scheme membership for the Employed

- More than six in ten of the respondents who are permanently/casually employed are members of retirement schemes

Are you a member of any retirement scheme?



n = 600

- Approximately one third of them are not members of any given retirement scheme while only two percent are not sure

Scheme Membership

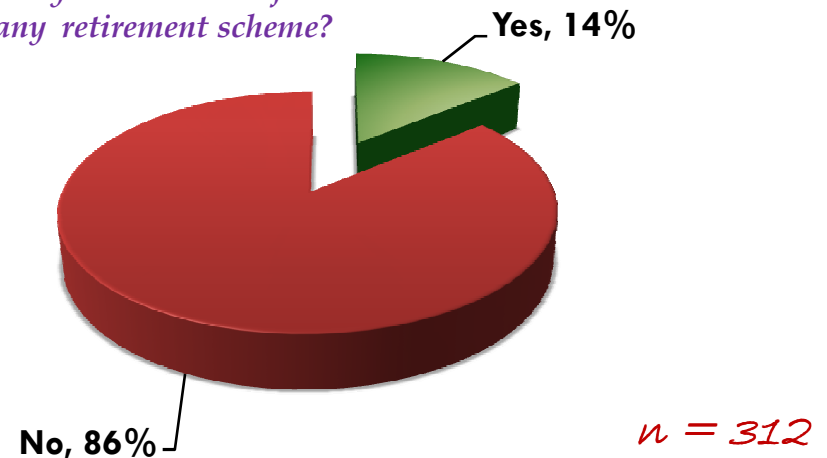
Scheme	Membership level
NSSF	81%
Co-operative society	16%
Old Mutual	10%
BRITAK	9%
Civil service	7%
Personal Pension	4%
Microfinance insurance	3%
AAR	2%
NHIF	2%
Banks	2%
Madison insurance	1%
AIC	1%
CFC	1%
Heritage Insurance	1%
Pan Africa Life	1%
Mercantile insurance	1%
Others (University/college pension schemes)	6%

n = 384

Retirement schemes for the Unemployed

Schemes	Level
NHIF	42%
Cooperative society	31%
BRITAK	23%
NSSF	16%
AIC	15%
Pan Africa	9%
Old mutual	9%

Are you a member of any retirement scheme?



- Majority (86%) of the self employed respondents are not members of retirement schemes
- Those who are members (14%) highlighted a number of these schemes:
 - NHIF
 - NSSF
 - Cooperative society
 - Insurance companies

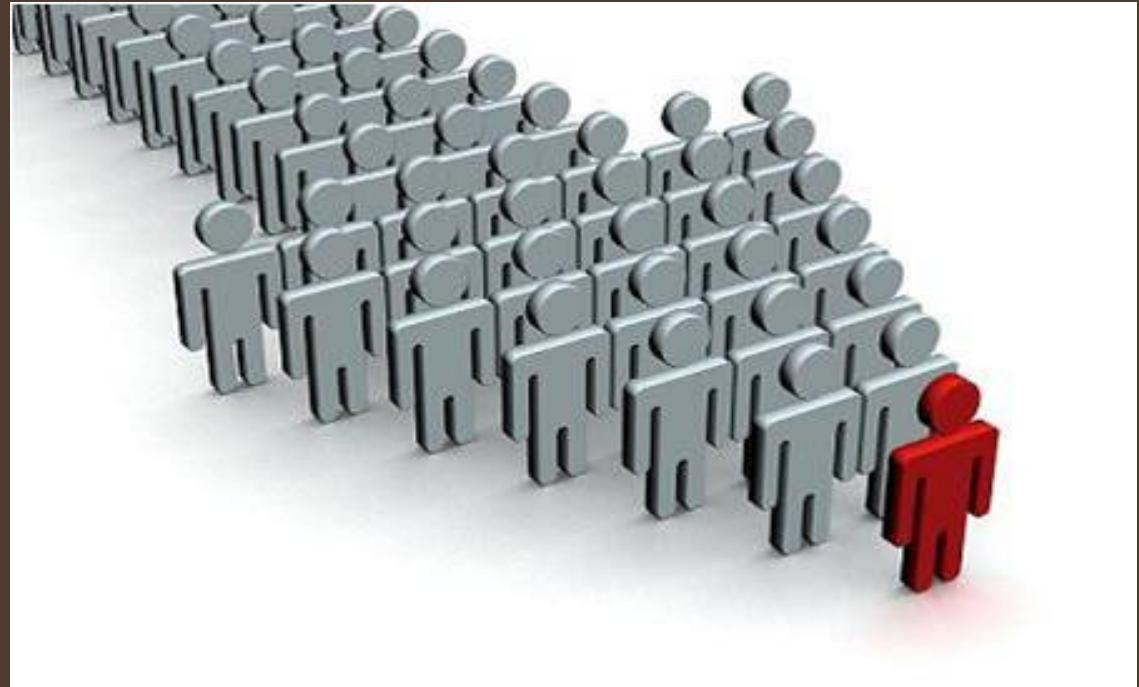
If yes, which ones?

$n = 44$



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PRACTICES OF THE YOUTH CURRENT AND FUTURE FINANCIAL & HEALTH PLANS

Current and future financial plans

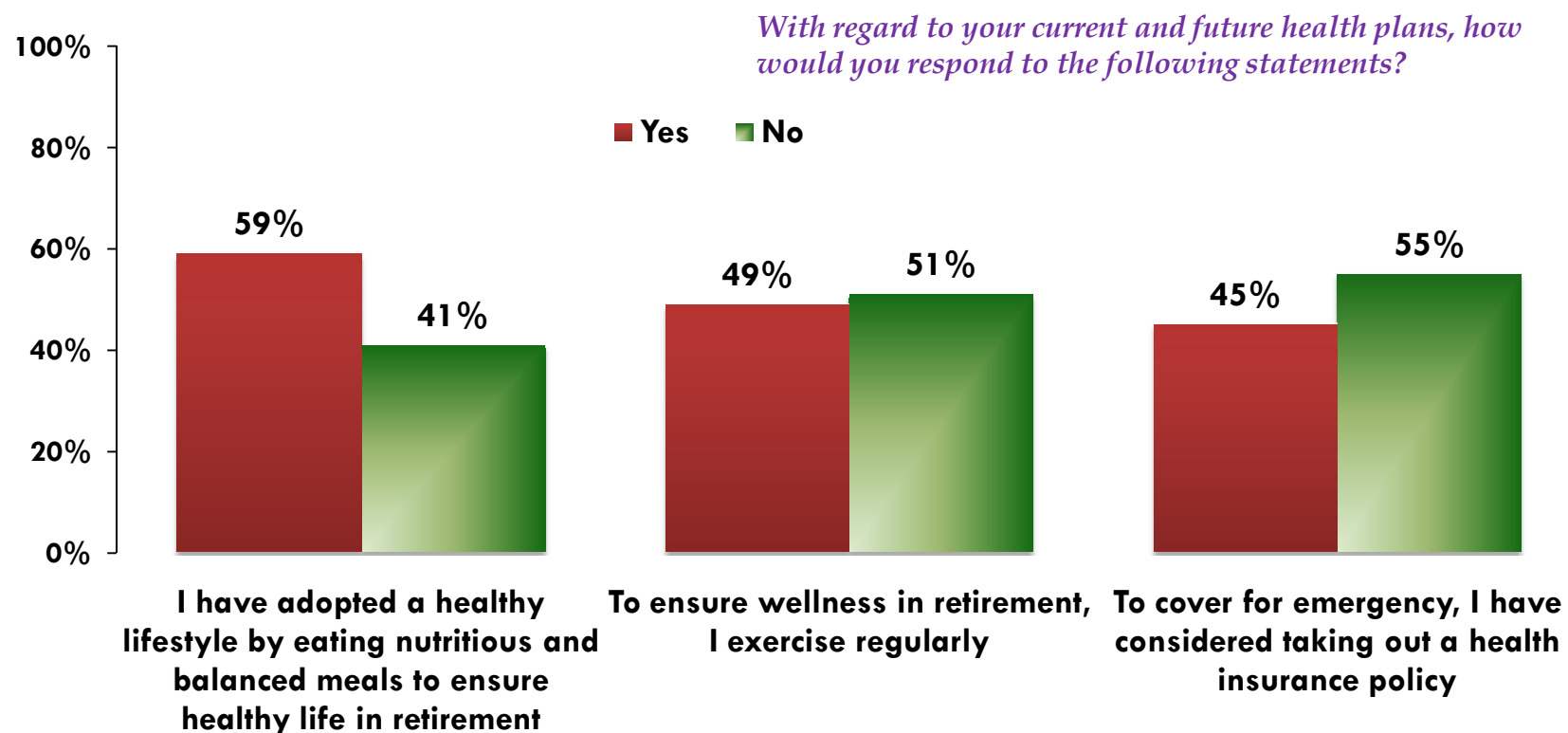
- Slightly more than half the respondents (52%) claim that they have “set and prioritized their goals towards retirement” with a further 51% saying that they have “developed an appropriate investment strategy”
- On the other hand more than half of the respondents replied in the negative to the following statements:
 - I have calculated my future expenses
 - I monitor my retirement income plan on a regular basis
 - I have calculated my current net worth and expected future income
 - I have set aside an emergency fund so that unexpected expenses do not cut into my income/assets
 - I update all my financial information regularly

Statement	Yes	No
I have set and prioritized my goals towards retirement	52%	48%
I have developed an appropriate investment strategy	51%	49%
I update all my financial information regularly	47%	53%
I have calculated my current net worth and expected future income	36%	64%
I have calculated my future expenses	34%	66%
I have set aside an emergency fund so that unexpected expenses do not cut into my income/assets	46%	54%
I monitor my retirement income plan on a regular basis	35%	65%

With regard to your current and future financial plans, how would you respond to the following statements? *n* = 1200

Current and future health plans

- Nearly six in ten of the youth who participated in the study sated that they have adopted a healthy lifestyle by eating nutritious and balanced meals to ensure a healthy life in retirement



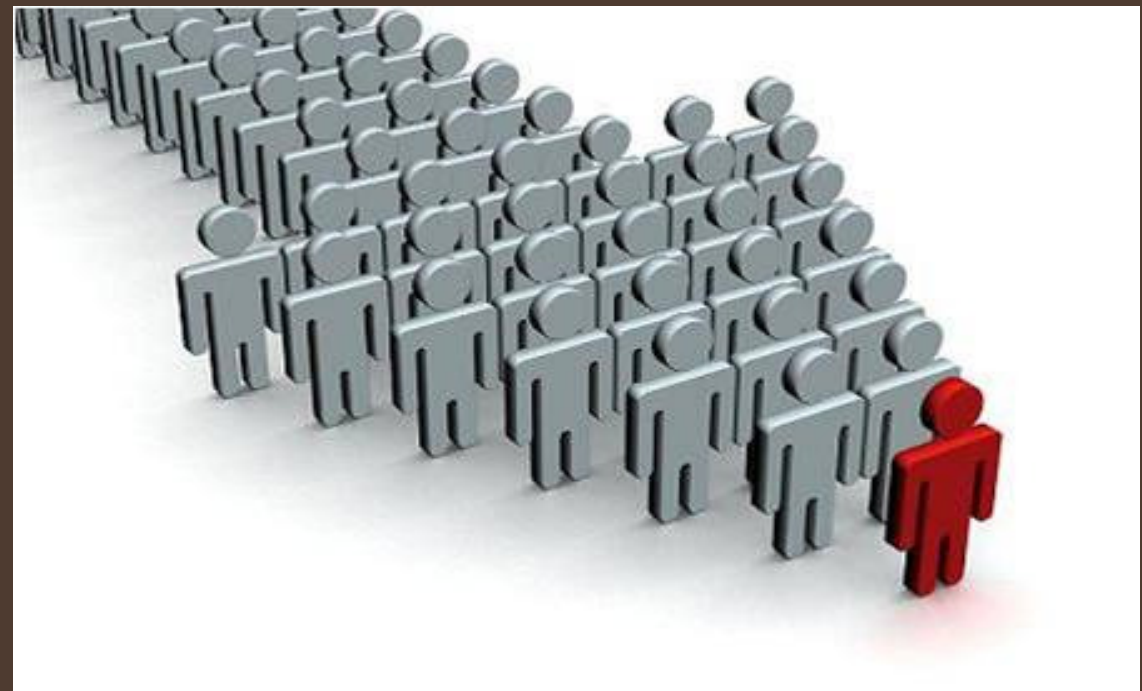
- On the other hand, more than half of the respondents have neither ensured wellness in retirement through exercising regularly nor considered taking out a health insurance policy to cover for emergency

n = 1200



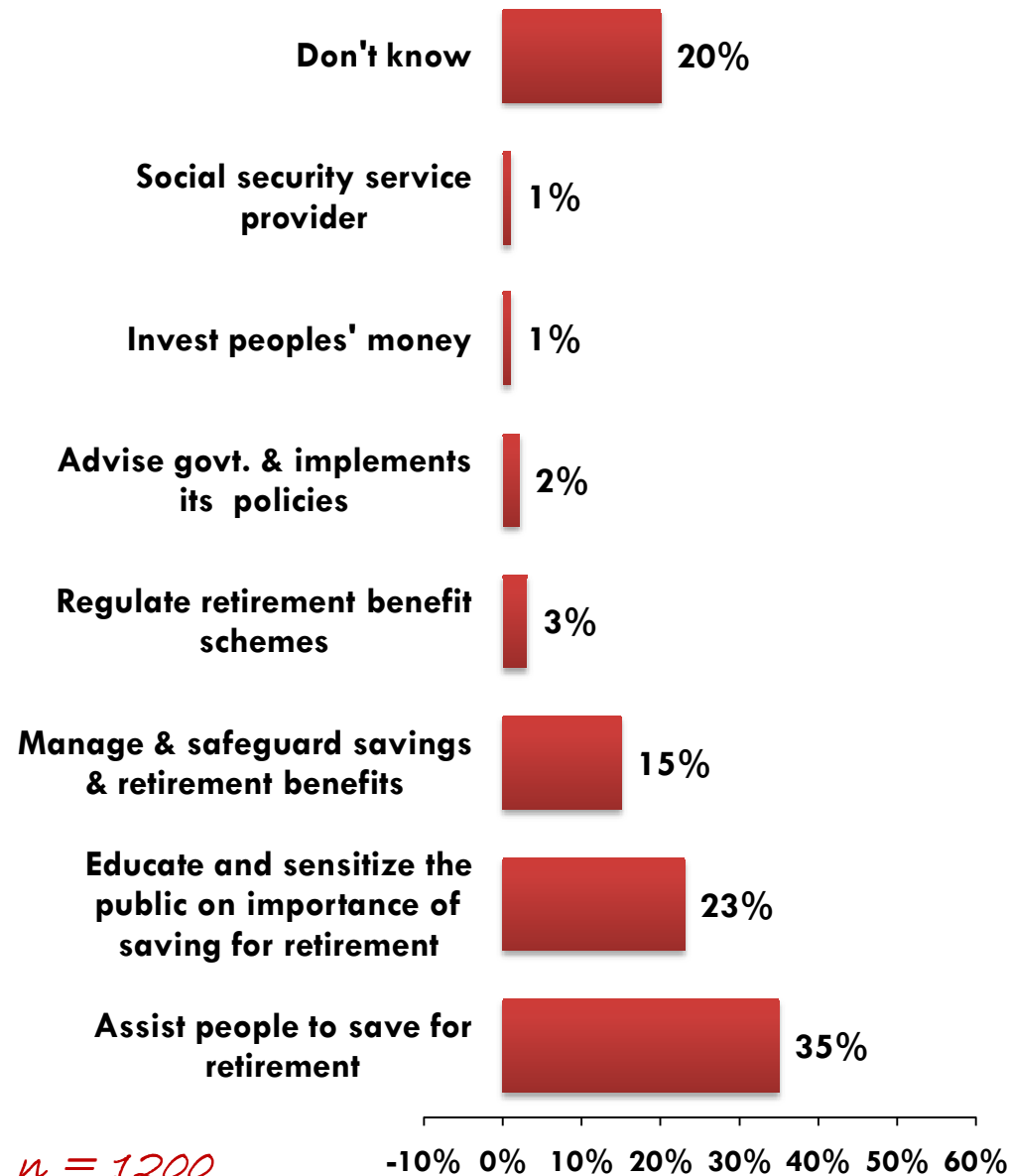
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RBA ITS ROLE PERCEPTION ON PUBLICITY & ADVERTISING

The role of Retirement Benefits Authority (RBA) as perceived by respondents



- According to more than one third (35%) of those who participated in the survey, the role of RBA is to “assist people to save for retirement” while nearly one quarter of them (23%) stated that the role of RBA is to “educate and sensitize the public on the importance of saving for retirement”
- Only 15% of the respondents mentioned that the role of RBA is to “manage & safeguard savings & retirement benefits” while three percent stated that “RBA regulates retirement benefit schemes”
- Two percent of the study participants stated “advising the government and implementing its policies” was the main role of RBA
- Two in ten of the respondents were not aware of the main role of Retirement Benefits Authority (RBA)

In your opinion, what do you think the role of RBA is?

Knowledge & Understanding of RBA

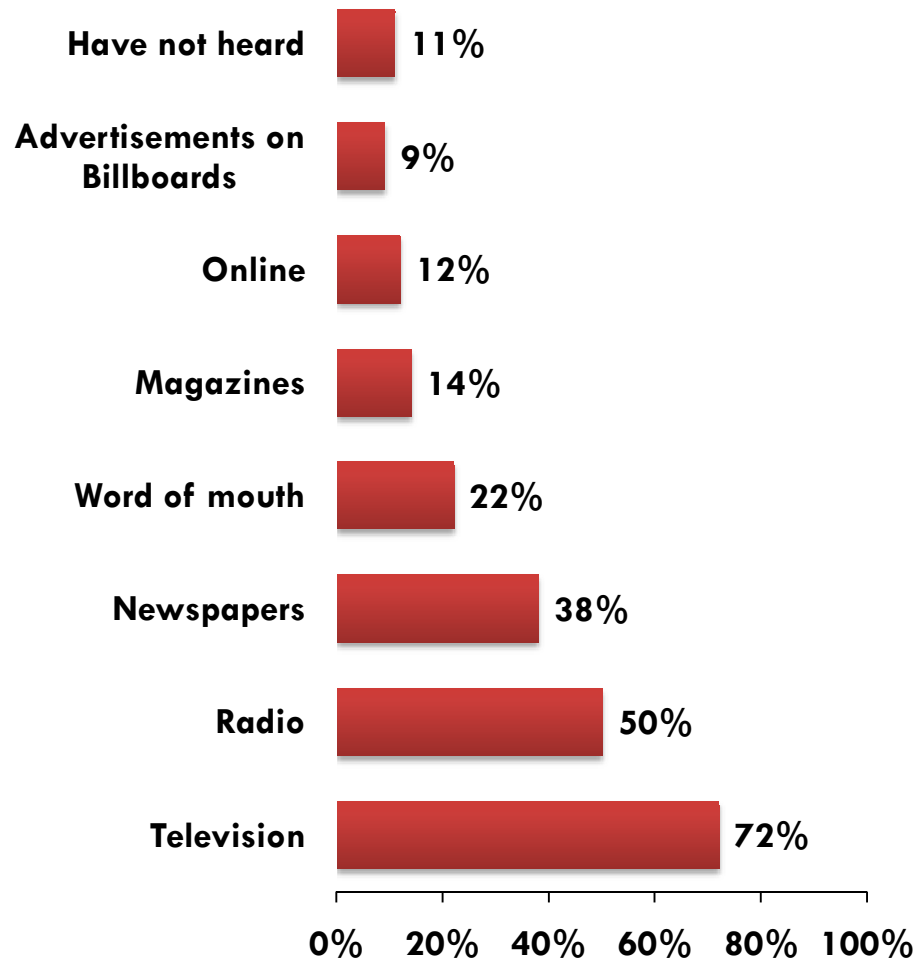
Spot on Description

- ✓ RBA is Retirement Benefits Authority
- ✓ RBA regulates companies that have pensions
- ✓ Regulate insurance, pension firms
- ✓ Authority that regulates the pension schemes
- ✓ Licenses pension schemes
- ✓ It is not a business; its a regulator
- ✓ Secure people's future
- ✓ Provides checks and balances on retirement benefits
- ✓ Regulatory body established to regulate all companies that have retirement schemes

Not quite....

- * It was created by an act of parliament, but MPs do not tell people that there is a regulatory body....RBA what annoys me is that it is a toothless dog..What is it doing in line with all the skirmishes?
- * Initially, I thought they did a good job but later I realized that they are thieves who know how to get cash from the public....there is no transparency... they are selfish..."
- * They have an insurance element...incase I die my dependants benefit.."
- * I'm not sure about what RBA does... do they perhaps slash a portion of your earnings and put it aside...?
- * I can join RBA, and bill them pay them directly....I just have to register with them
- * I don't trust any of these bodies, see what NSSF did with public funds....I am certain that RBA will also disappear with public funds, and needs to be checked.

Sources of awareness of RBA and its activities

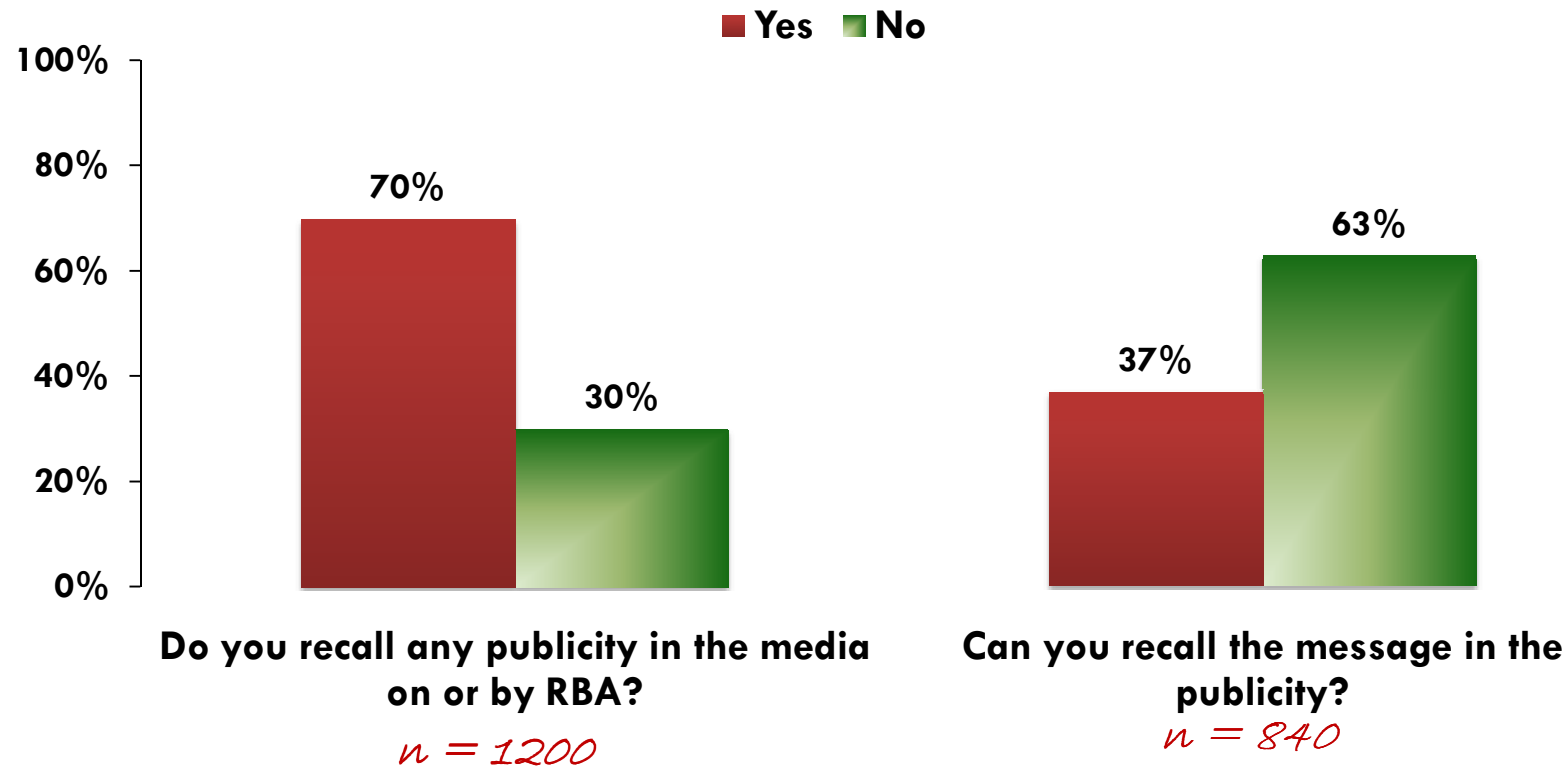


- **Television** is the main source of awareness with regard to Retirement Benefits Authority (RBA) and its activities, that according to approximately seven in ten of the respondents
- On the other hand, half of the youth who participated in the study stated that they have heard about RBA in the **Radio** while 38% have read about RBA in the newspapers
- The source of awareness of only one in ten of the respondents was advertisements on **billboards**
- Other sources of awareness were:
 - **Internet**
 - **Magazines**
 - **Word of mouth**
- Approximately one in ten of the respondents **have not seen or heard** of Retirement Benefits Authority (RBA)

Where would you say you have heard of or seen RBA? n = 1200

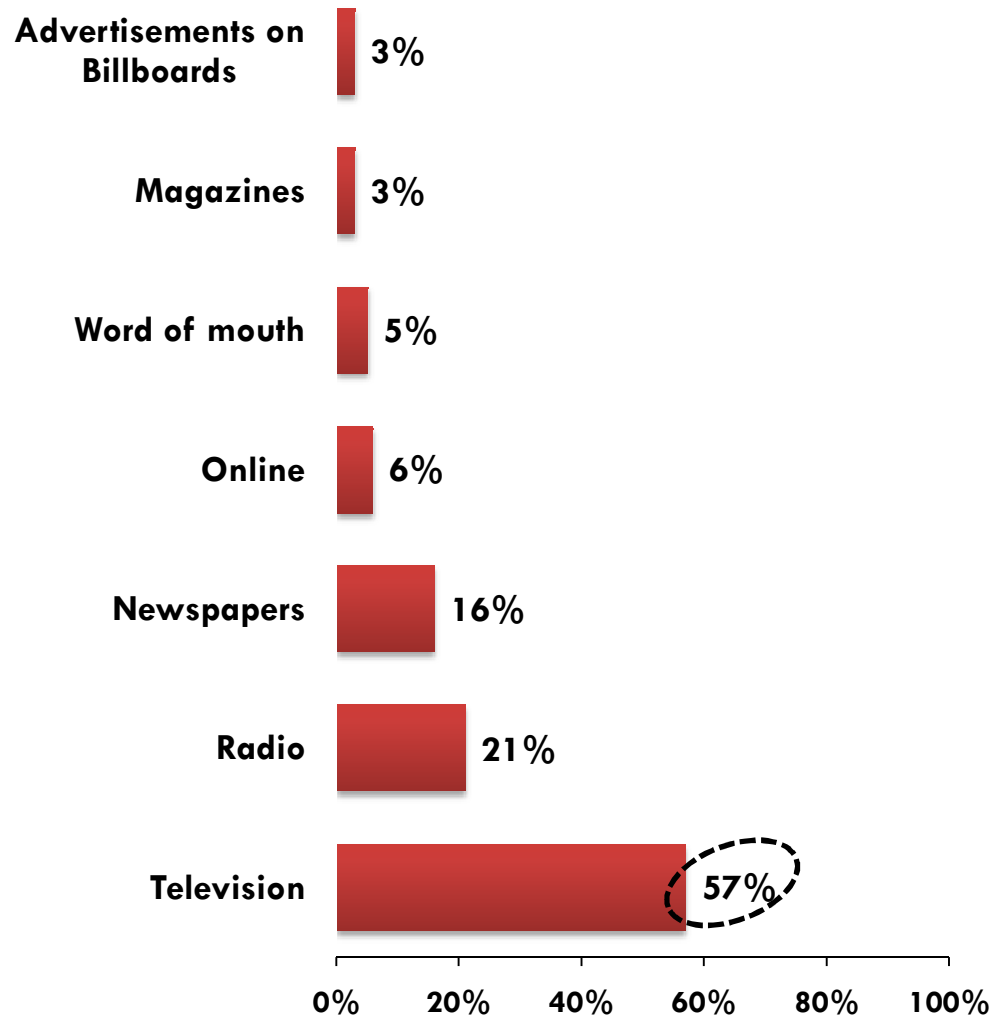
Publicity on or about RBA in the media

- Seven in ten of the respondents can recall publicity in the media on or by RBA



- Of this, approximately four in ten of the respondents can indeed recall what the message was all about

Source of recall on or about RBA



Where would you say you have heard of or seen RBA? *n* = 311

- Majority of the respondents (57%) stated that they were able to recall publicity on RBA on **television** as compared to only two in ten who mentioned **radio**
- Sixteen percent said it was from **newspapers** that they were able to recall publicity on RBA
- Other media services that study participants were able to recall publicity on RBA from included:
 - Internet
 - Word of mouth
 - Magazines
 - Billboards

Perception on RBA communication

Pros

Benefits of retirement schemes

- When you retire, you need to be at peace to support yourself
- I saw a mother asking that when she's away, will her dependants benefit?

Encouraging Savings

- Heard they were encouraging people to save through them
- At the end of the day, your money will be safe...you will get it and benefit

Self reliance for Posterity

- We've heard about jitegemee

Advert Style is clear

- The question and answer style makes it quite clear to understand that it's about retirement
- They are doing a great job in educating... they have managed to capture people....much better than the first voice over

Cons

The Advert style not working.....

The question & answer is too long & time too short...only those who are already familiar with the ad can understand....it can't be interpreted by anyone

Advert not Punchy....Has no knock on effect..

You have to be very keen to understand the advert
It's too formal
Communication too long, and you don't get message immediately

Advert works well only for single medium

The information is not well delivered, you have to be there, you have to be watching TV to see and understand.

Advert relevant only for urbanites

If the advert was taken to a rural area or where people are not well educated, they will not understand it...it will not make sense at all

What was the message all about?

- According to more than one quarter of the respondents (26%), the message in the media was on “safeguarding the future” while 23% of them stated that the message was generally “about retirement benefits”
- Fourteen percent of the respondents were able to recall the message as specifically “about RBA and encouraging people to join it”
- Other messages that the respondents were able to recall included:
 - “starting to save early”
 - “importance of saving for retirement”
 - “frequently asked questions”
 - “Why do I need to start thinking about my retirement”

Message	Recall level
Safeguarding the future	26%
About retirement benefits	23%
About RBA & encouraging people to join it	14%
Starting to save early	12%
Importance of saving for retirement	10%
Frequently Asked Questions	5%
Why do I need to start thinking about my retirement?	4%
Saving for the sunset years	3%
Do I stop enjoying today to save for tomorrow?	2%
Delivery beyond the promise	1%

Suggestions for RBA Communication

Catchy, Punch Interesting

Eye Catching & ear catching adverts that catch my attention
I don't find it very interesting...they need to make me listen

Proper Model Targeting

Another thing, I think these old people already know about pension ...they should target the young people and use them in the adverts
Should cut across all age groups, currently targets 40-50

Versatility of the Media Planning

1. Placement: The ads should be placed in between the news, or around interesting soaps like Shirandula
2. In various languages
3. Wide media reach

An Integrated Marcom Strategy

They should use flyers, brochures, road-shows /educative workshops, exhibitions, forums, talk shows, PR ...etc

Reposition the Brand

They need to reposition the brand...to tell me why they are good enough.....why they should regulate
Should come up with a whole new marketing strategy.."

Message Clarity

They should not beat about the bushthey should just say it like it is

Preferred source of information by region

On which media would you prefer to get information about retirement and retirement benefits?

Province	Radio	TV	Newspaper	Magazine	Billboards
Nairobi	13%	54%	25%	5%	3%
Coast	33%	58%	5%	2%	2%
Central	27%	40%	21%	7%	5%
Rift valley	56%	29%	15%		
Eastern	22%	60%	16%	1%	1%
Western	20%	47%	23%	4%	6%
Nyanza	22%	46%	31%		1%
North Eastern	34%	32%	28%		6%

- The youths interviewed in the **Rift Valley** and **North Eastern provinces**, as opposed to the other provinces, stated that they preferred the **radio** as the main medium through which to obtain information on retirement and retirement benefits
- On the other hand, the youth surveyed from **Nairobi, Coast, Central, Eastern, Nyanza** and **Western provinces** preferred the **television** as the main medium through which to obtain information on the same



Retirement Benefits Authority

Safeguarding your retirement benefits

In a Nutshell....



In a nutshell

- 1. Whilst the youth are aware and knowledgeable about retirement there seems to be negative attachment towards the whole phenomena**
 - Education and sensitization on the importance of retirement and what it entails is key. Current communication whereas good, does not seem to completely resonate with the youth and certain elements may need to be relooked at.

- 2. The environment has inculcated in the youth a strong value and attachment to material wealth. As such youth are dreaming & working towards a prosperous future. Most youth want to achieve their goals “like yesterday”.**
 - Imperative to advise on slow and steady without interfering with the will to achieve.
 - Important to marry prosperity to retirement.

- 3. Need to Demystify the myths about retirement.**
 - Retirement is primarily perceived to be a phenomena that affects the employed. Some of those who are self employed perceive their businesses as the fall back
 - Retirement saving is perceived to be possible only when one has sufficient disposable income
 - Saving in general perceived to be more inclined towards women

In a nutshell

5. Knowledge on RBA is varied and needs to be clarified in simple terms.

- Some know that RBA is a regulatory body, others think it is a savings scheme. Others have negative associations which link RBA to the likes of NSSF & Pyramid Schemes.
- RBA needs to clarify its role in a very simple yet clear manner.
- RBA needs to develop & win the trust of its stakeholders

6. Savings account is still perceived to be the safest form of saving.

- Education and trust gaining is required to help stakeholders understand that there are indeed other forms of savings.

7. RBA campaigns have a 70% ad recall rate and a 37% message recall.

- Whilst many have seen the RBA communication, only a few are clear on the message of the communication.
- May be advisable to relook at the strategy.

8. Importance of Saving and planning for future is imperative to many

- The youth are keen to safeguard their future. They are hungry for information; they are open to ideas and keen to work hard
- RBA needs to harness this potential effectively to ensure the incidence of young savers grows exponentially over the years.



Retirement Benefits Authority

Safeguarding your retirement benefits

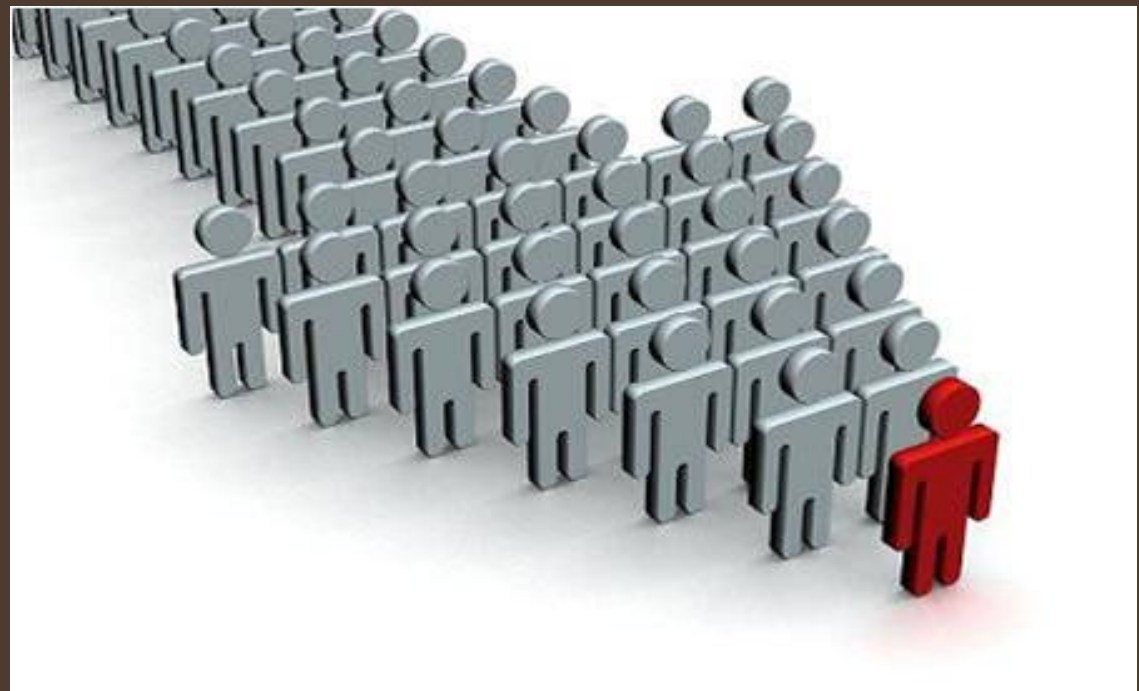
The Quantitative Report





Retirement Benefits Authority

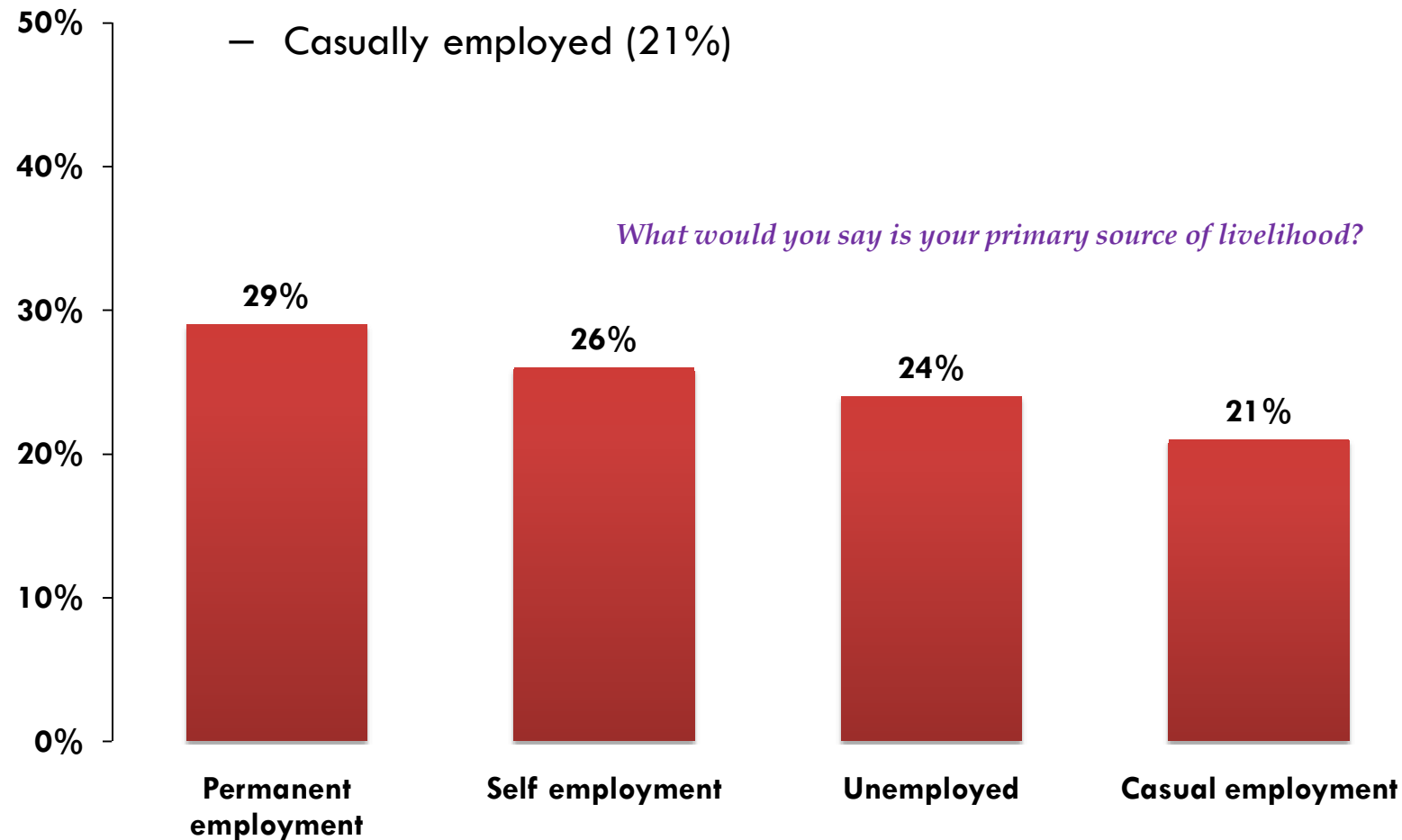
Safeguarding your retirement benefits



ABOUT THE YOUTH

The primary source of livelihood of the respondents

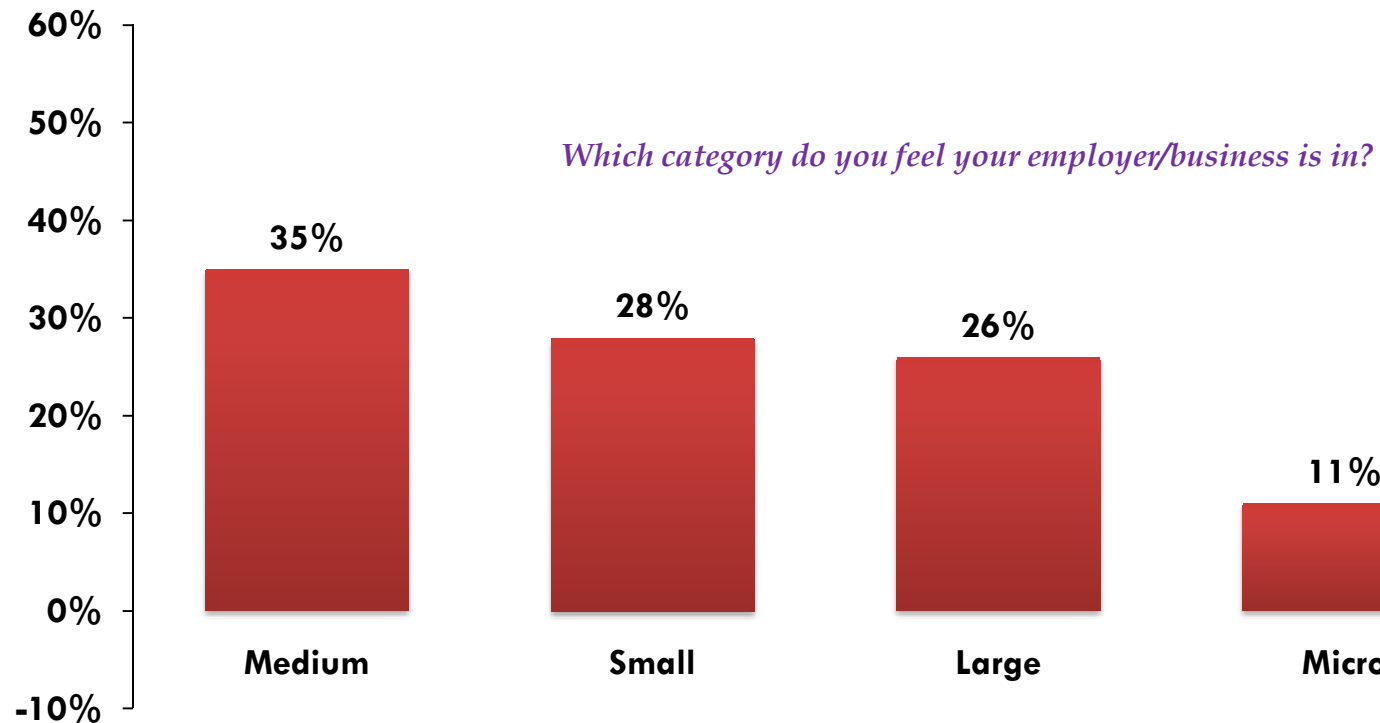
- The Young Savers Survey participants were nearly equally distributed as:
 - Permanently employed (29%)
 - Self employed (26%)
 - Unemployed (24%)
 - Casually employed (21%)



n = 1200

Category of employer/business

- More than one third (35%) of the respondents described their company/business as medium sized while nearly three in ten of them stated that their company/business were small sized



- Approximately one quarter of the participants said that their companies/businesses were large with a further one in ten describing theirs as micro sized

Industry sector of respondents' companies/business

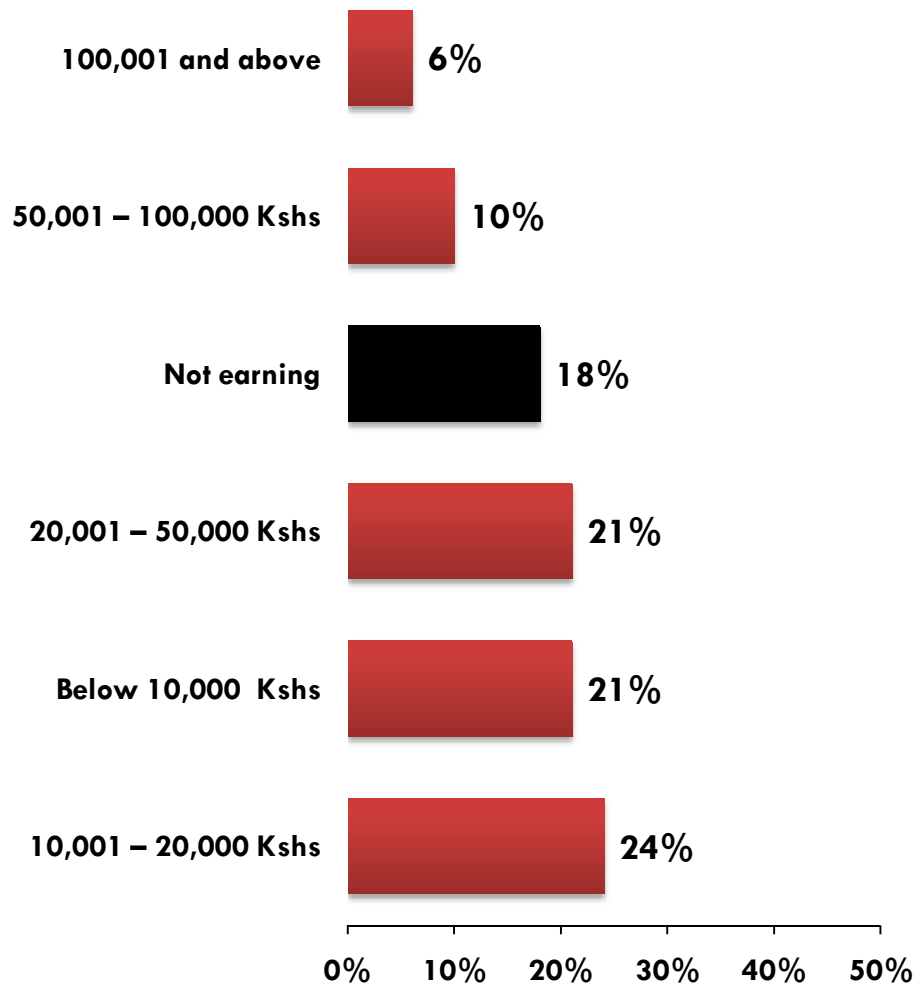
- The industry sector of the respective companies/business of respondents were distributed as follows:

Sector	Level
Service	28%
Crafts/Jua kali	17%
Manufacturing	14%
NGO	12%
IT	8%
Marketing	7%
Consultancy	7%
Government	7%

Which sector of industry do you feel your employer/business is in?

n = 1200

Average gross monthly income



- Approximately one quarter of the respondents stated that the average gross monthly product was in the range of KShs 10,000 – 20,000 while two in ten of the respondents earn below KShs 10,000 in a month
- At the time of study, 18% of the respondents were not earning anything while only one in ten of them had an average gross monthly income of KShs 50,001 – 100,000
- Only 6% earned above KShs 100,001

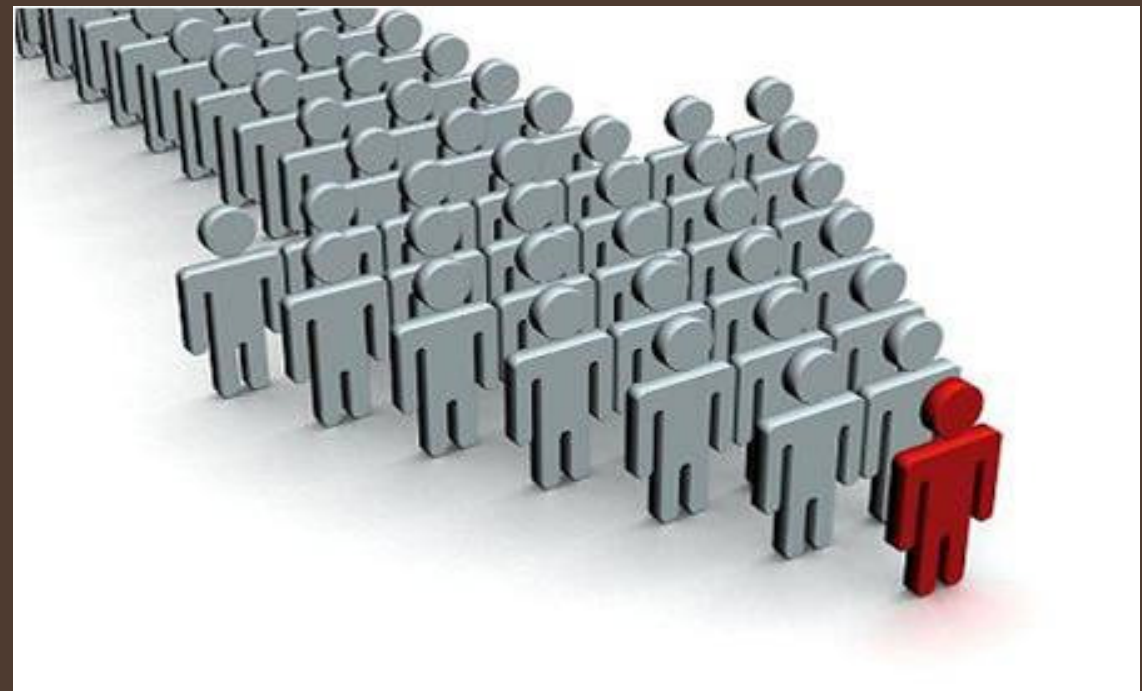
What would you say is your gross monthly income bracket?

n = 1200



Retirement Benefits Authority

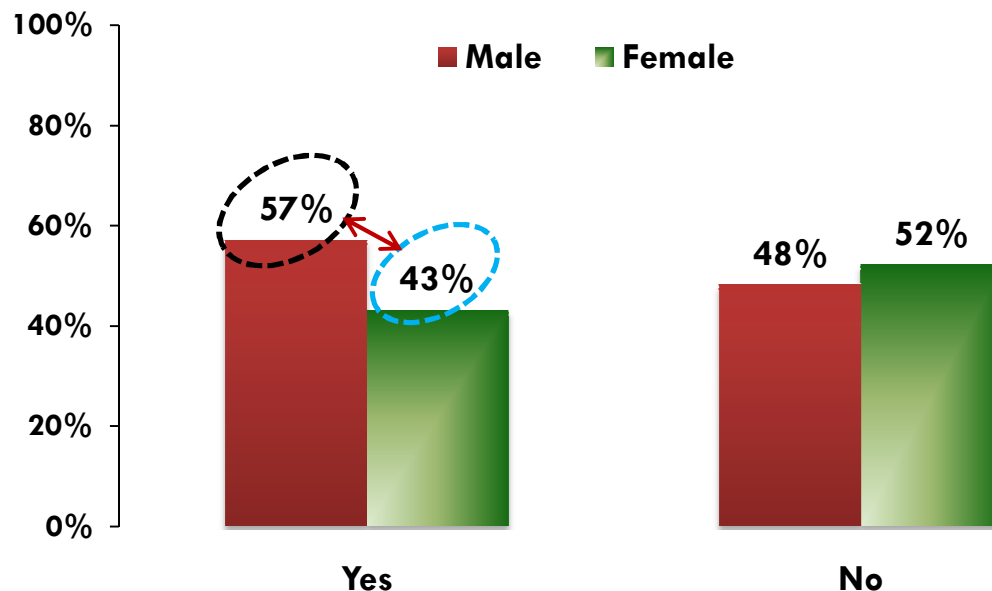
Safeguarding your retirement benefits



PERMANENTLY/CASUALLY EMPLOYED

Keeping savings

- More than eight in ten of those who are permanently/casually employed stated that they keep savings



- In comparison, more males than females tend to keep their savings. According to the survey, 57% of those in employment who keep their savings are males as compared to only 43% who are females

Being in employment do you keep savings? (By Gender)

n = 600

Keeping of savings (By marital status)

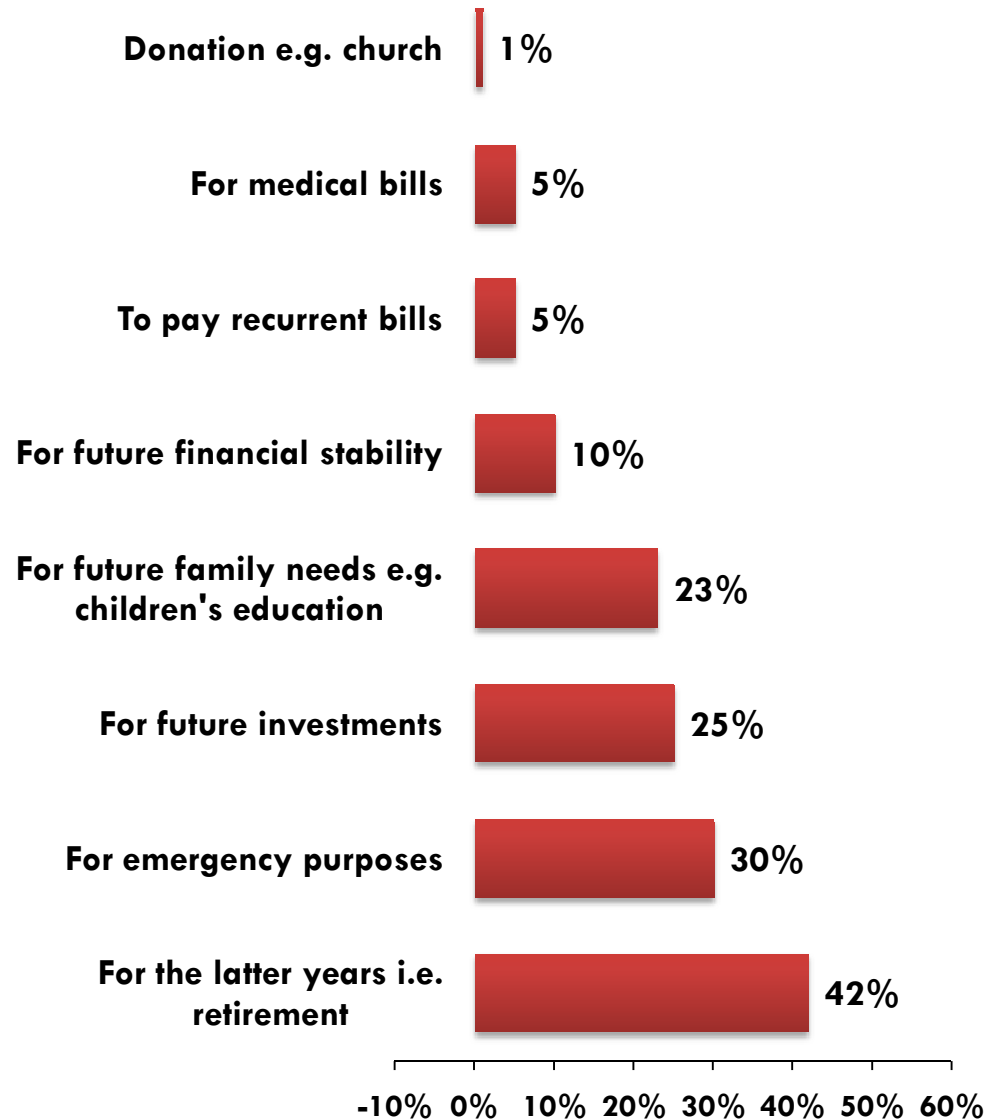
Marital status	Yes	No
Single	63%	37%
Married	89%	11%
Divorced/Separated	79%	21%
Widowed	80%	20%

Being in employment do you keep savings? (By marital status)

n = 600

- According to the survey, mostly the married, divorced/separated and widowed tend to be keen on keeping savings as compared to respondents who are single

Reasons for saving



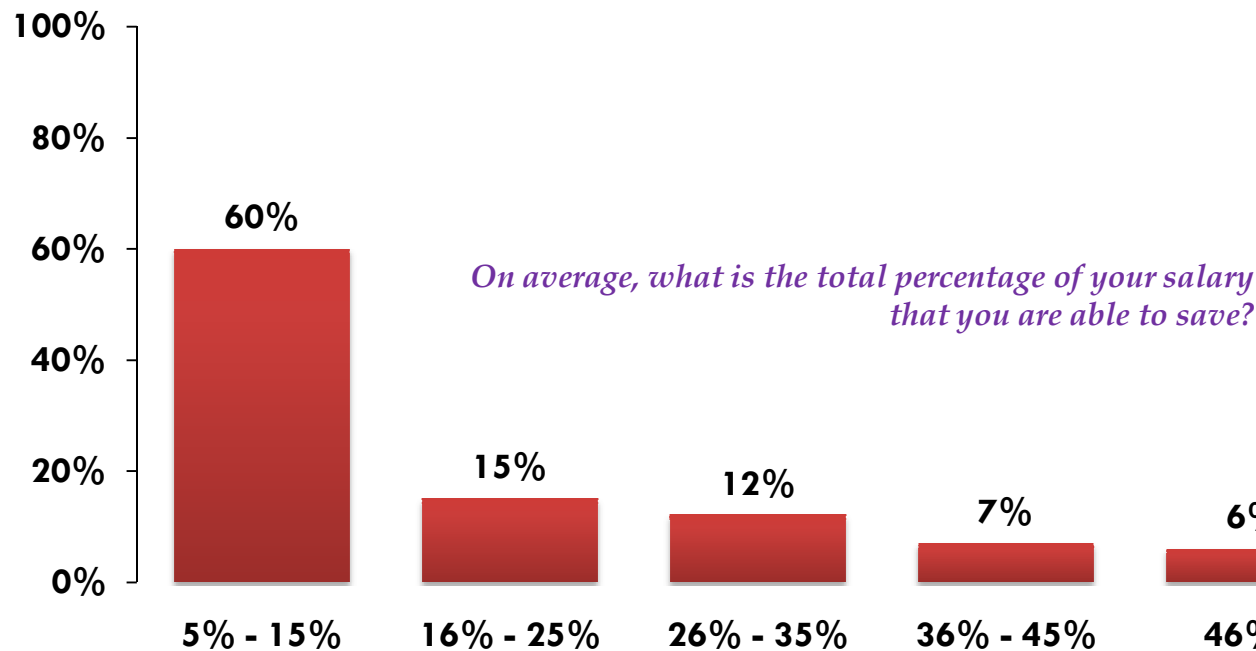
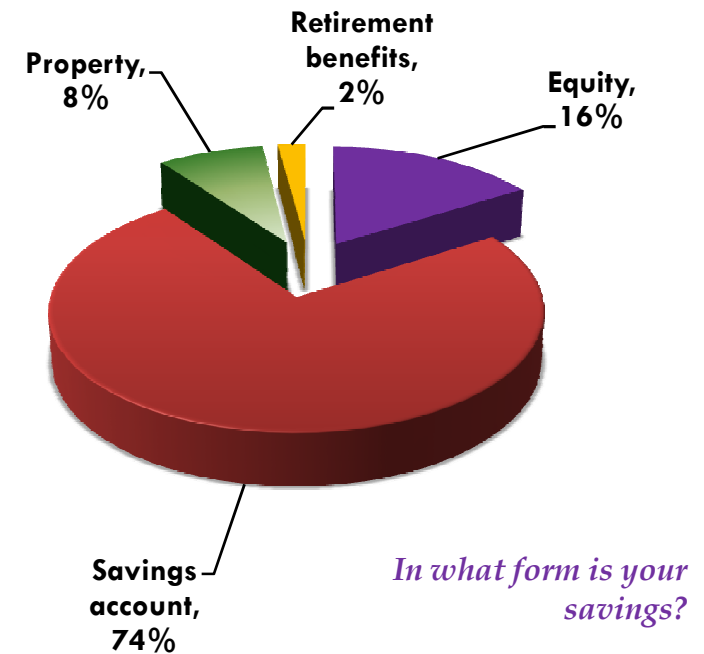
If yes, for what reason do you keep this saving?

n = 498

- Saving for the later years is the main drive for keeping savings for the those in employment as stated by more than four in ten of them
- Three in ten of the employed respondents stated that they kept savings for emergency purposes
- Other reasons highlighted by the respondents in employment include:
 - Future Investments
 - Children's education
 - future financial stability
 - To pay recurrent bills
 - For medical bills

Percentage of salary saved and forms of saving

- Six in ten of the respondents are able to save an average of 5% - 15% of their monthly salary while only 15% are able to save 16% - 25% of their salary
- One quarter of the permanently/casually employed are able to save more than 25% of their monthly salary
- On the other hand the main form of savings as stated by three out of four respondents was through savings accounts with a further 16%, 8% and 2% mentioning equity, property & retirement benefits respectively

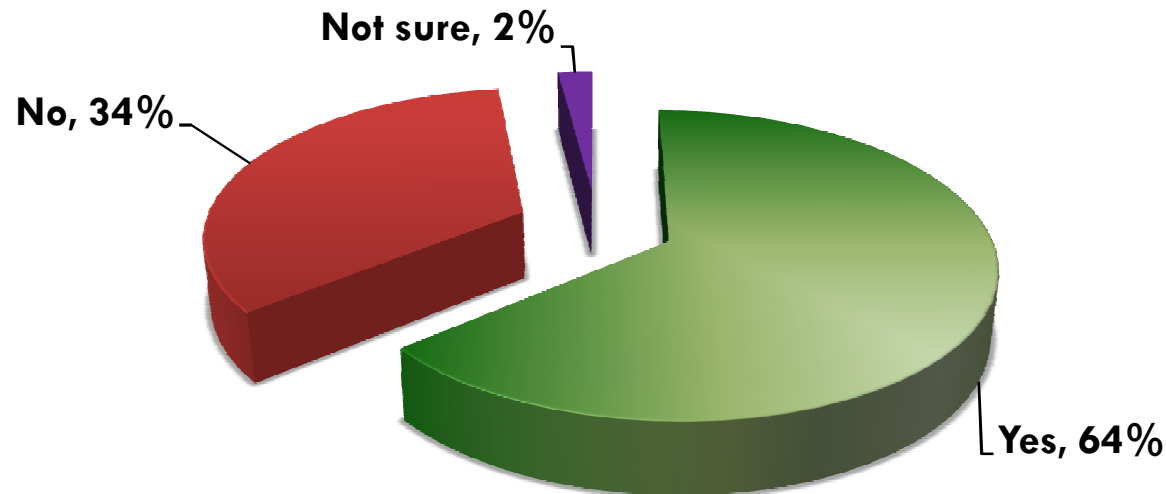


n = 498

Retirement scheme membership

- More than six in ten of the respondents who are permanently/casually employed are members of retirement schemes

Are you a member of any retirement scheme?



n = 600

- Approximately one third of them are not members of any given retirement scheme while only two percent are not sure

Scheme Membership

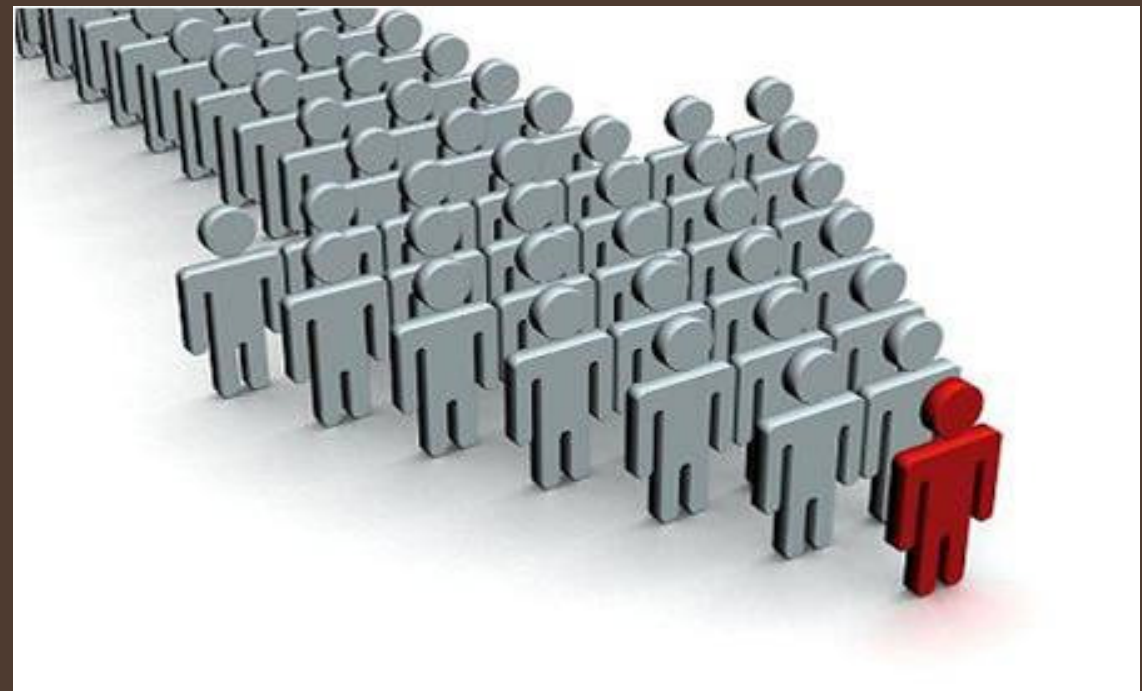
Scheme	Membership level
NSSF	81%
Co-operative society	16%
Old Mutual	10%
BRITAK	9%
Civil service	7%
Personal Pension	4%
Microfinance insurance	3%
AAR	2%
NHIF	2%
Banks	2%
Madison insurance	1%
AIC	1%
CFC	1%
Heritage Insurance	1%
Pan Africa Life	1%
Mercantile insurance	1%
Others (University/college pension schemes)	6%

n = 384



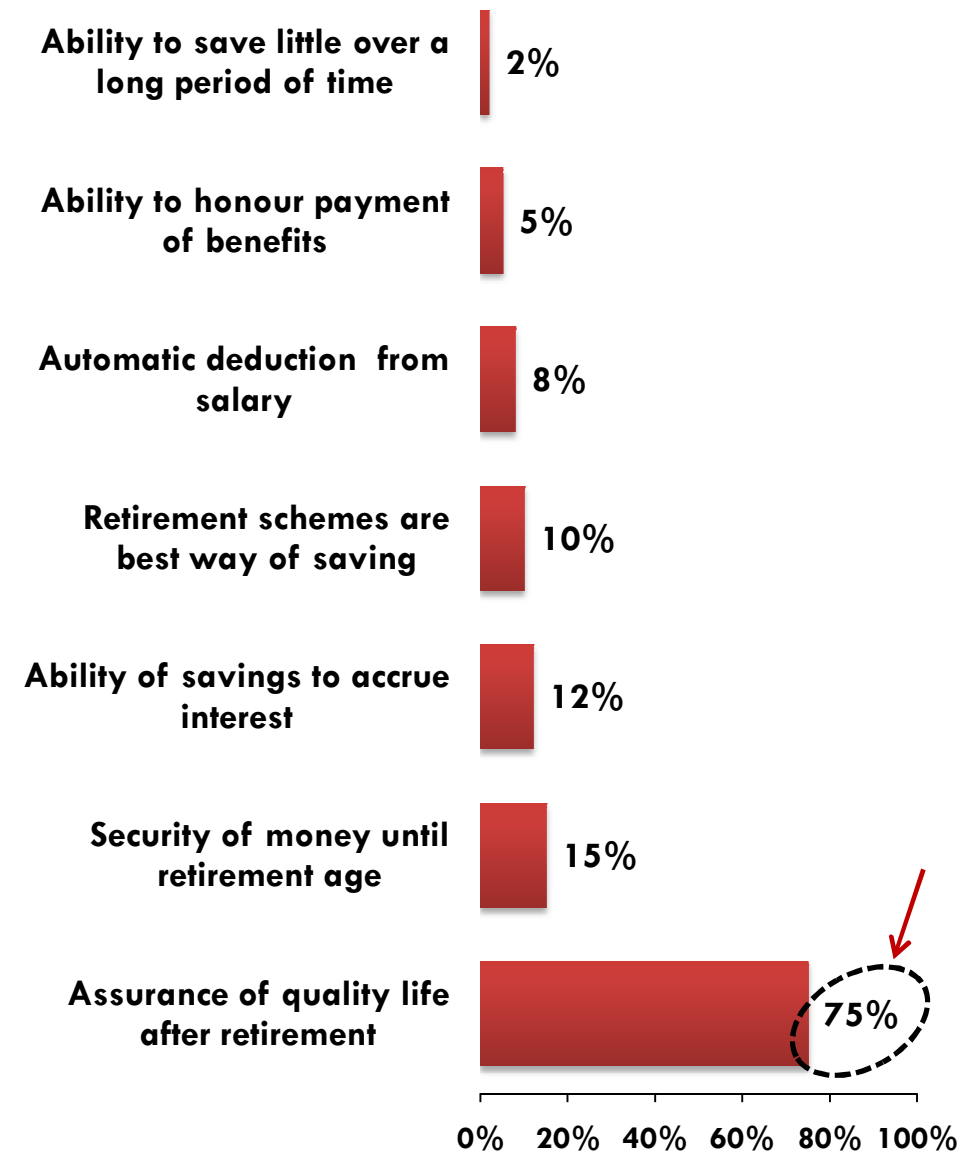
Retirement Benefits Authority

Safeguarding your retirement benefits



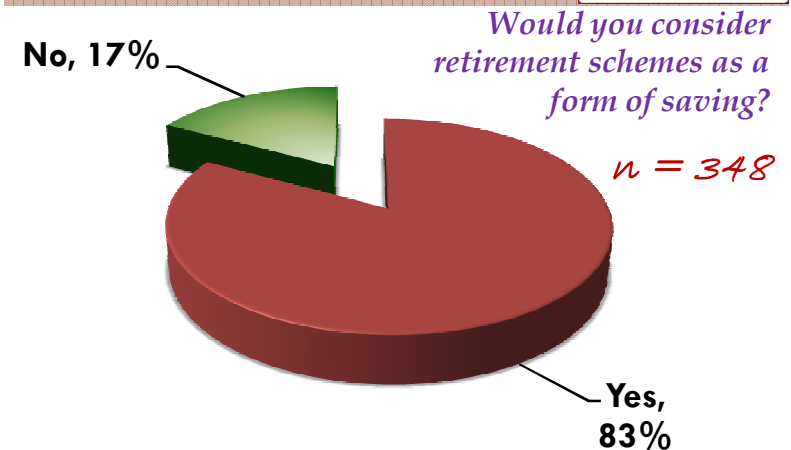
ATTITUDE TOWARDS RETIREMENT & RETIREMENT SCHEMES

Retirement schemes as a form of saving



If yes, why would you consider retirement schemes as a form of saving?

n = 289

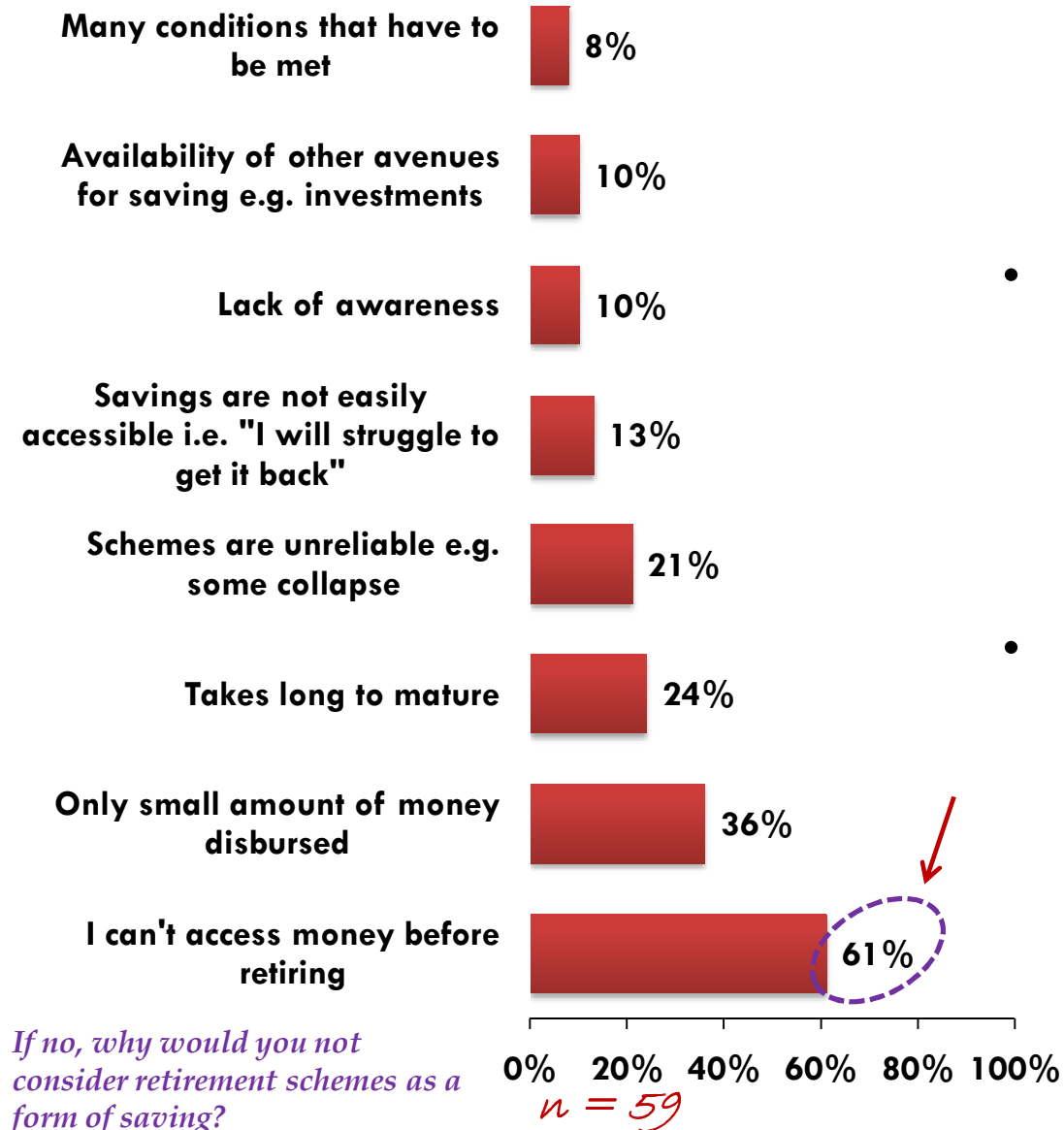


Would you consider retirement schemes as a form of saving?

n = 348

- While more than eight in ten of the permanently/casually employed respondents consider retirement schemes as a form of saving, three in four of them point to the fact that saving in retirement schemes is an **assurance of quality life after retirement**
- A further 15% stated that money saved in schemes were secure with a further one in ten being of the opinion that retirement schemes offered the **best way of saving**
- Other reasons given by these respondents include:
 - Ability of savings to accrue interest
 - Ability to honour payments

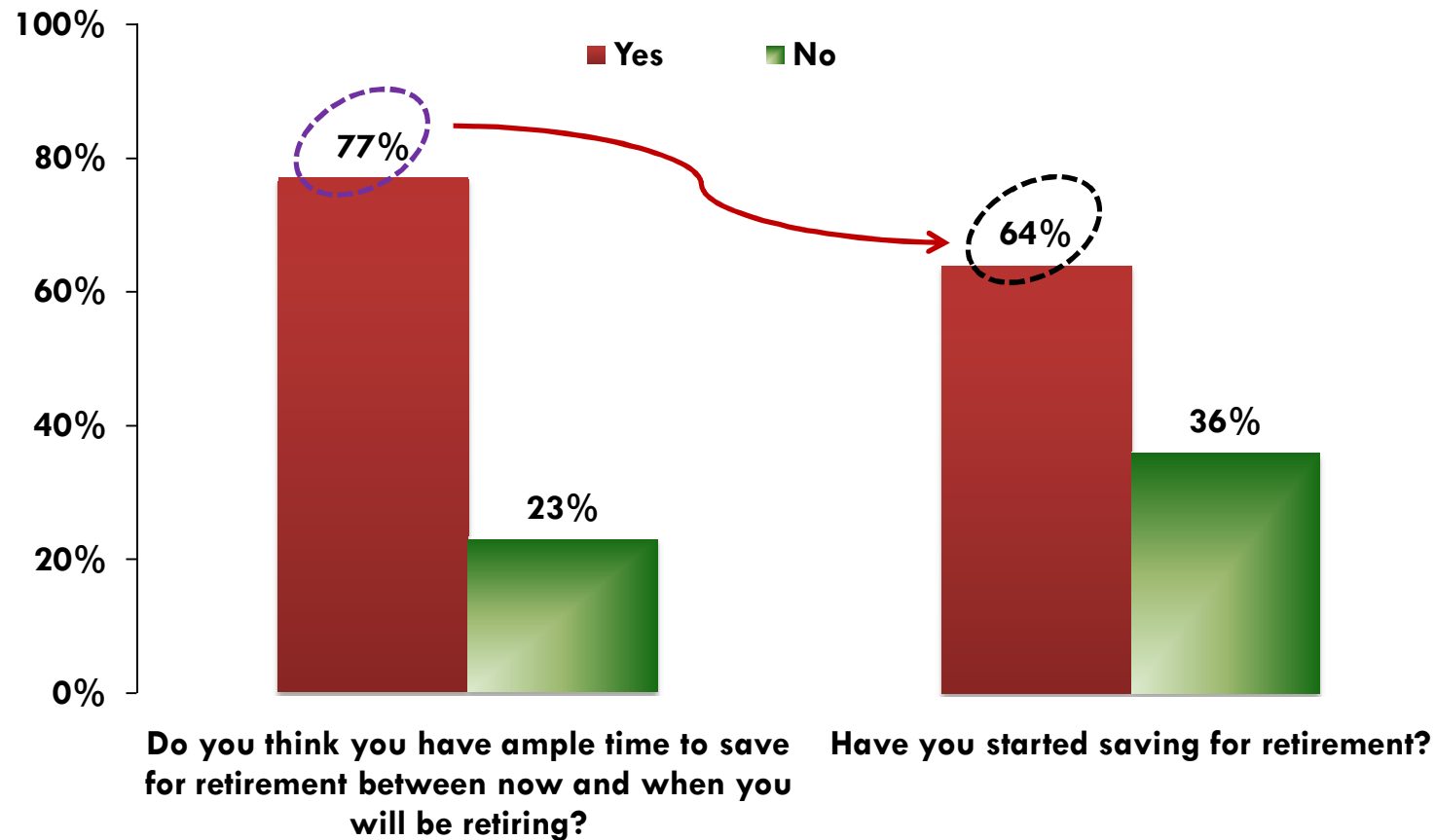
Reasons highlighted for not considering retirement schemes as a form of saving



- Inability to access benefits before retiring is a major concern for more than six in ten of the permanently/casually employed respondents
- Nearly four in ten of these respondents opine that the amount of money disbursed by the retirement schemes on a monthly basis is meagrely hence not enough to cater for their basic needs
- Other reasons cited include:
 - Savings take long to mature
 - Unreliability of schemes
 - Lack of awareness on offerings of retirement schemes
 - Availability of other ways of saving

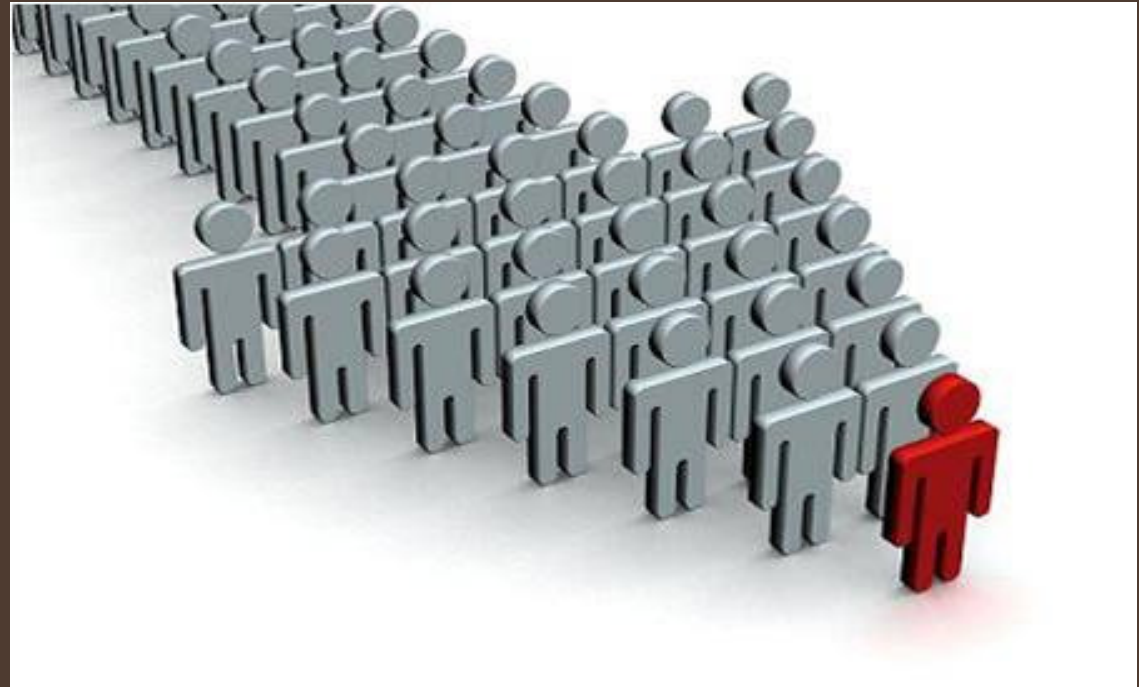
Saving for retirement

- While nearly eight in ten of the permanently/casually employed respondents believe that they have ample time to save for retirement, only 64% of them have actually started saving for retirement





Retirement Benefits Authority
Safeguarding your retirement benefits

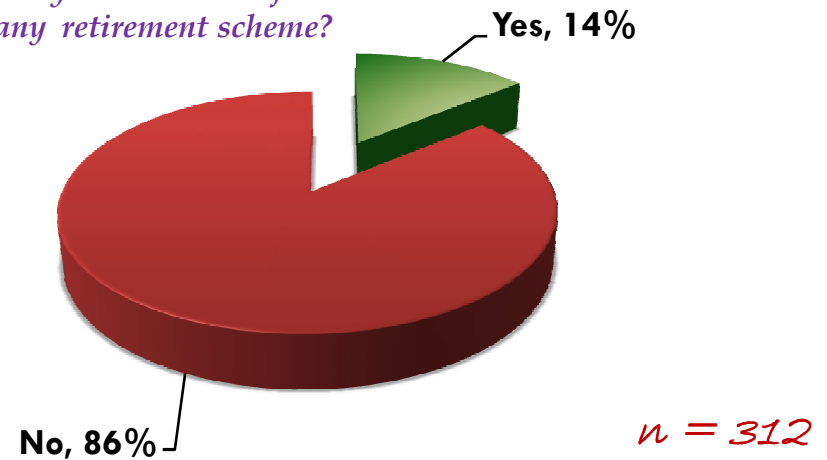


THE SELF EMPLOYED

Retirement schemes

Schemes	Level
NHIF	42%
Cooperative society	31%
BRITAK	23%
NSSF	16%
AIC	15%
Pan Africa	9%
Old mutual	9%

Are you a member of any retirement scheme?

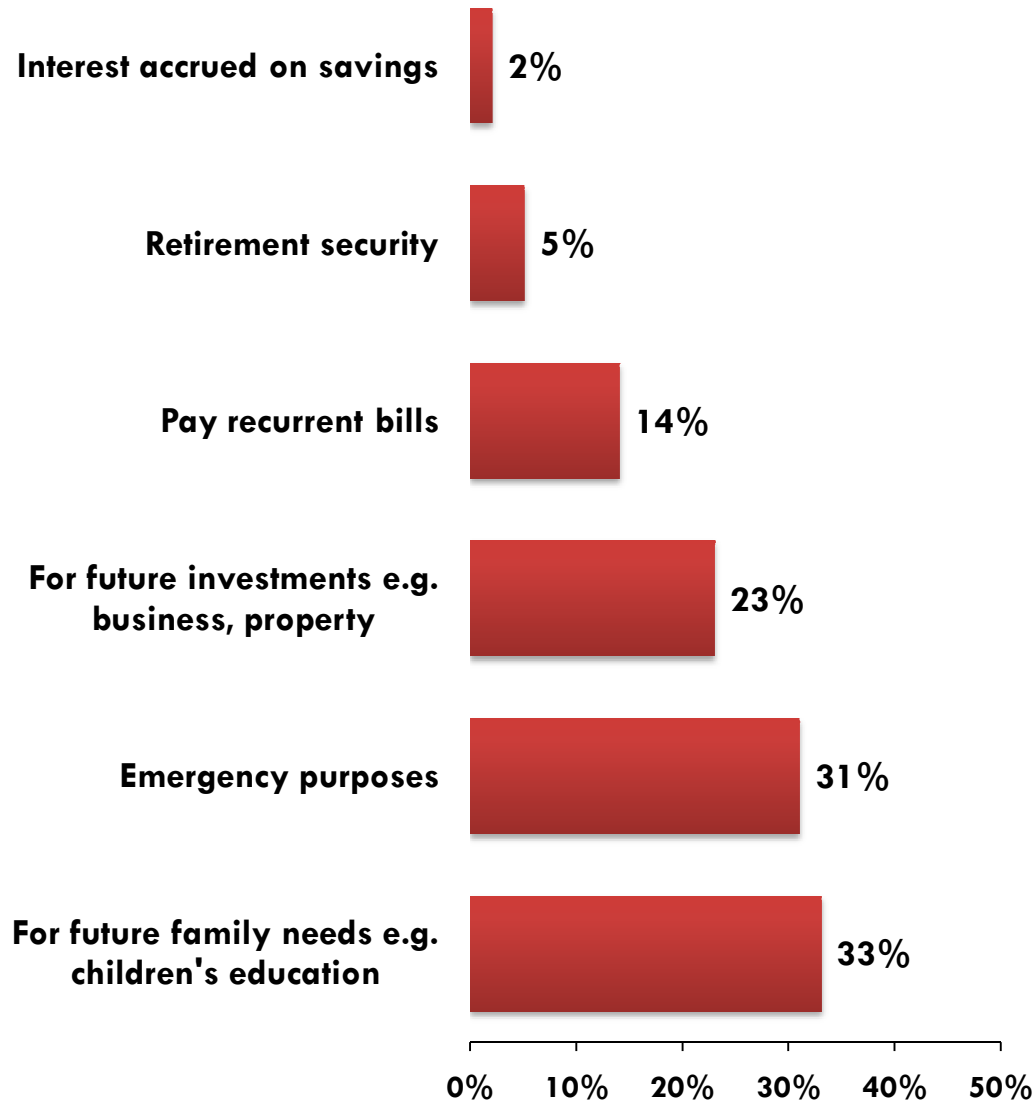


- Majority (86%) of the self employed respondents are not members of retirement schemes
- Those who are members (14%) highlighted a number of these schemes:
 - NHIF
 - NSSF
 - Cooperative society
 - Insurance companies

If yes, which ones?

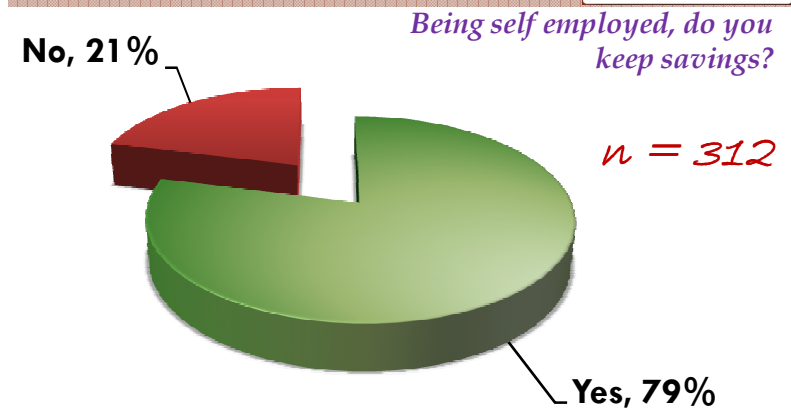
$n = 44$

Reasons for keeping savings



If yes, for what reasons do you keep savings?

n = 246



- Nearly eight in ten of the self employed respondents keep savings and gave a number of reasons for engaging in this activity

- For future family needs e.g. children's education
- Emergency purposes
- For future investments e.g. business, property
- Pay recurrent bills
- Retirement security
- Interest accrued on savings

Pros and cons of retirement schemes

Pros of schemes (n = 200)	Cons of schemes (n = 112)
Assurance of quality life in old age (44%)	Savings in schemes are not easily accessible (42%)
Interest on cumulative savings (42%)	Lack of information (31%)
Ability to offer good security of savings (15%)	Indifference (16%)
Ability to save little over a long period of time (5%)	Loss of trust in retirement schemes due to corruption (11%)
	Little interest accrued on savings (9%)

If yes, why?

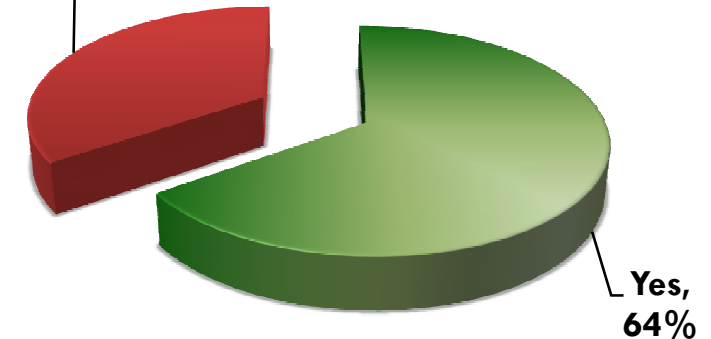
n = 199

If no, why?

n = 113

Would you consider retirement as a form of saving? n = 312

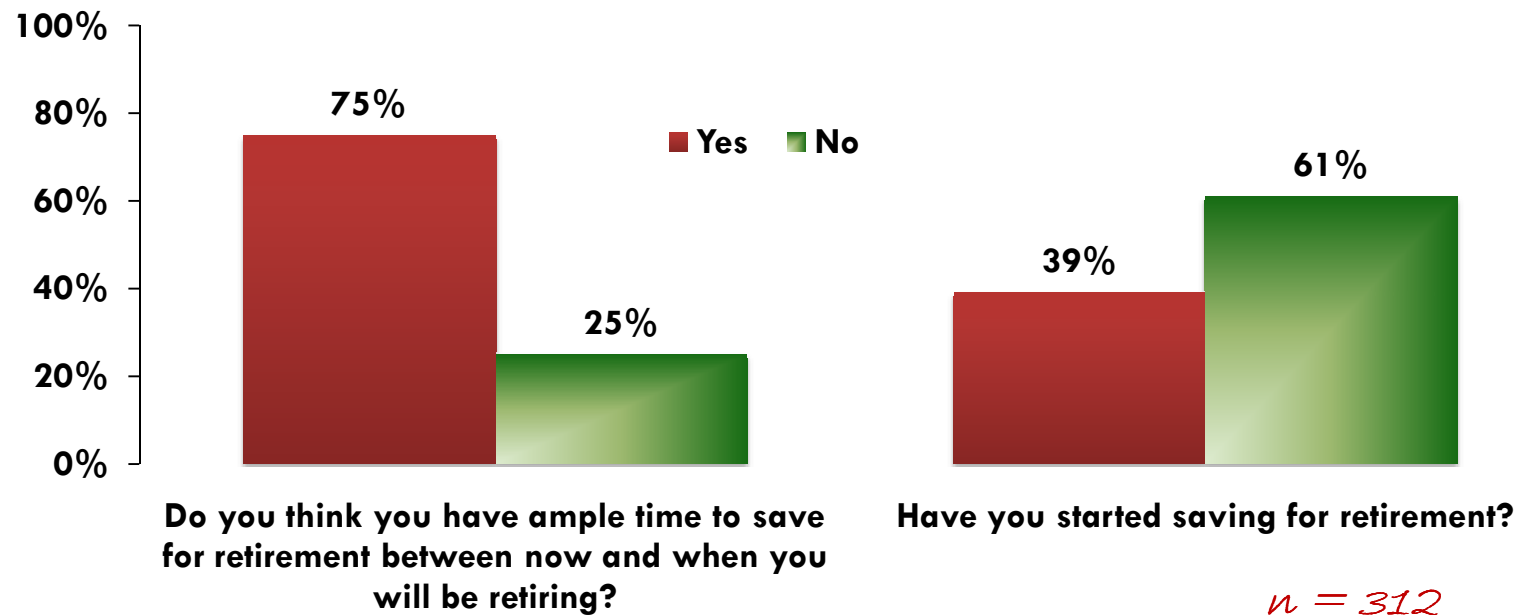
No, 36%



- More than six in ten of the self employed respondents (64%) consider retirement schemes as a form of saving
- They cited the fact that saving in retirement schemes gives one an **assurance of quality life in old age** besides the **interest accrued on the accumulated savings**
- On the other hand, **inaccessibility of savings in retirement schemes** was the chief concern for not favoring retirement schemes as a form of saving

Saving for retirement

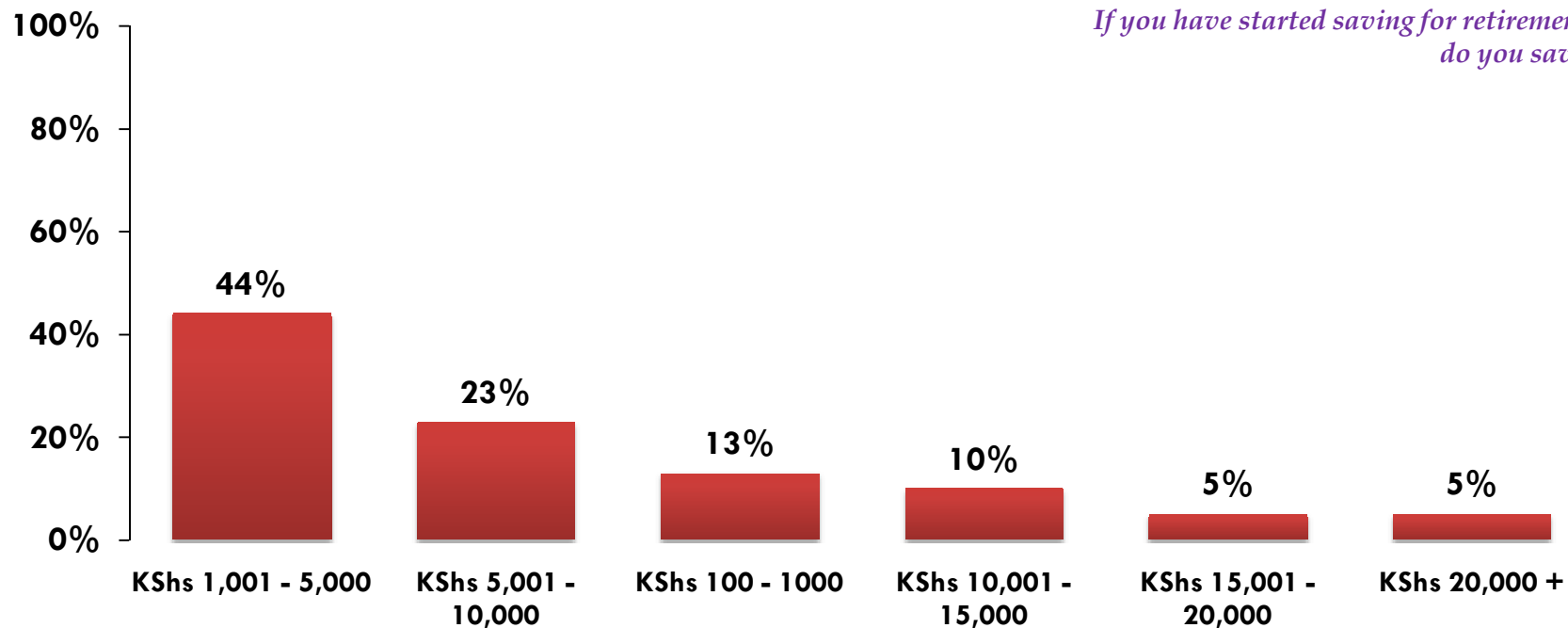
- Three in four of the self employed respondents feel that they have ample time to save for retirement



- Interestingly, only four in ten of these respondents have actually started saving for retirement

Amount saved for retirement

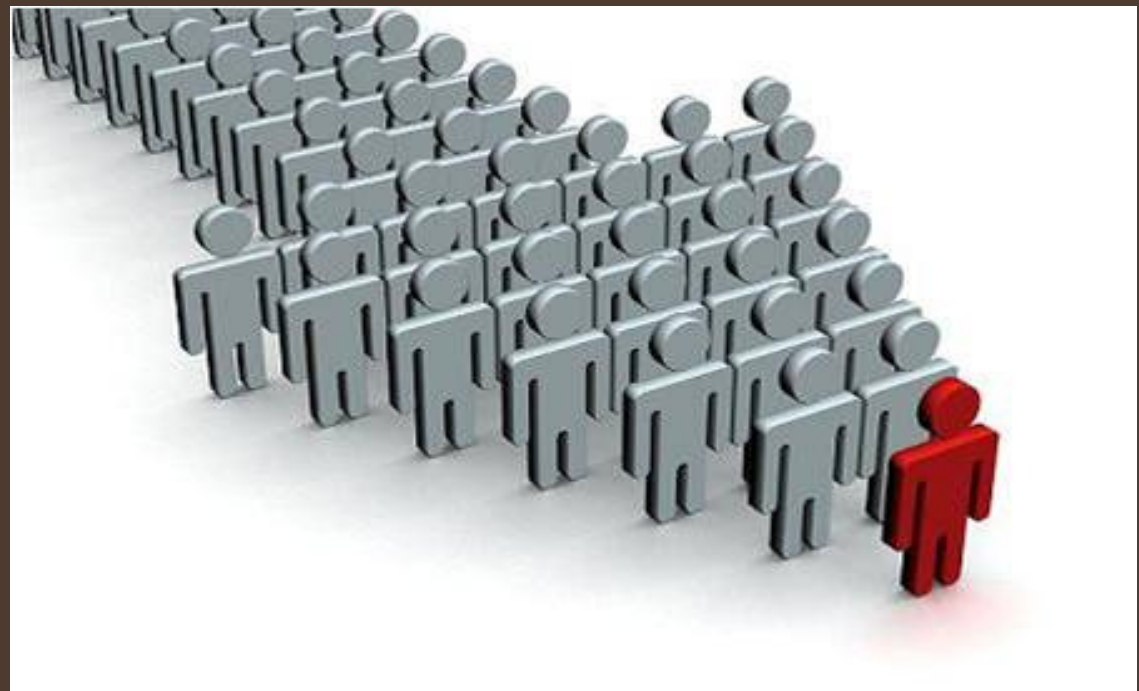
- Majority of the self employed respondents manage to save only KShs 1,001 – 5,000 per month while nearly one quarter manage to save KShs 5,001 – 10,000



- One in ten save KShs 10,001 – 15,000 per month with a further one in ten saving over KShs 15,000



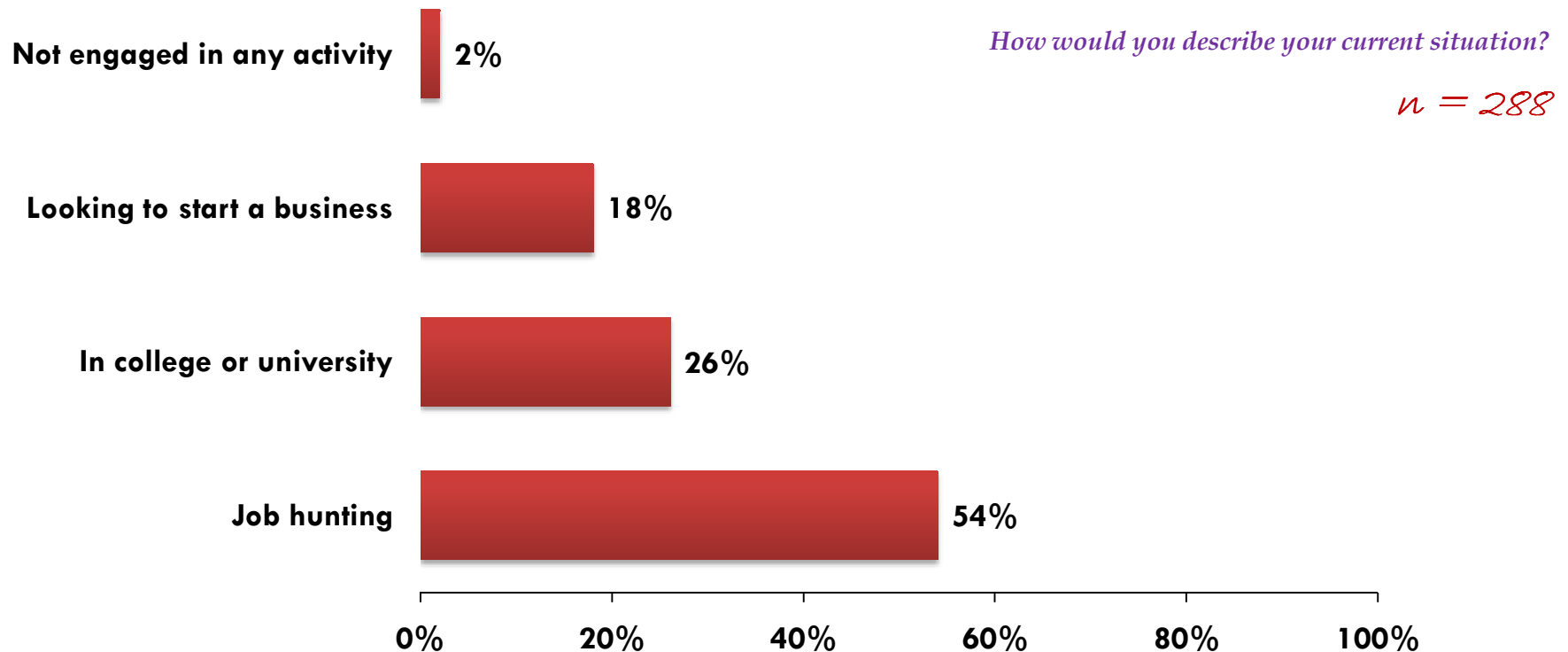
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Safeguarding your retirement benefits



THE UNEMPLOYED

Current situation of the unemployed

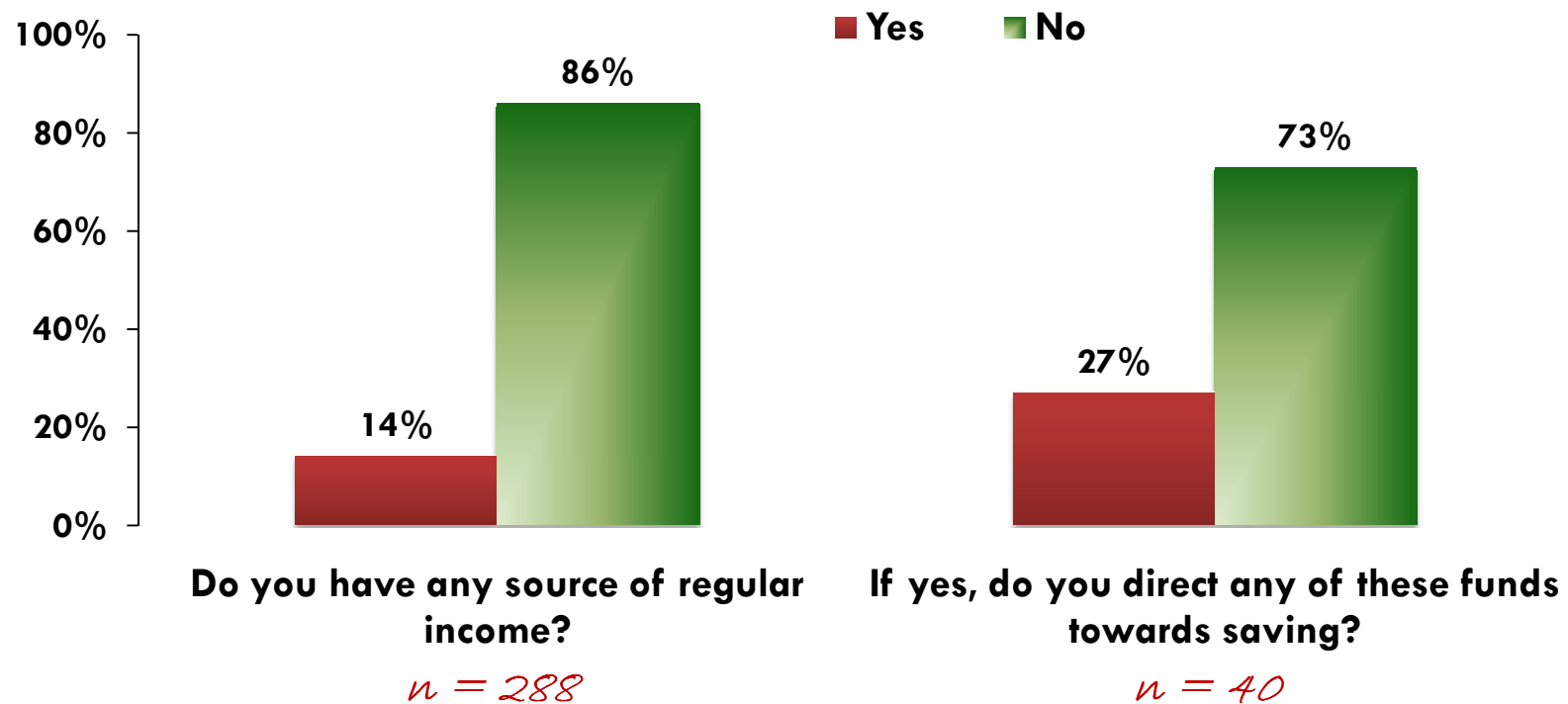
- Majority of the respondents (54%) who are unemployed are job hunting while one quarter of them are either in college or university



- Approximately two in ten (18%) are looking for opportunities to start a business while a paltry 2% are not engaged in any activity

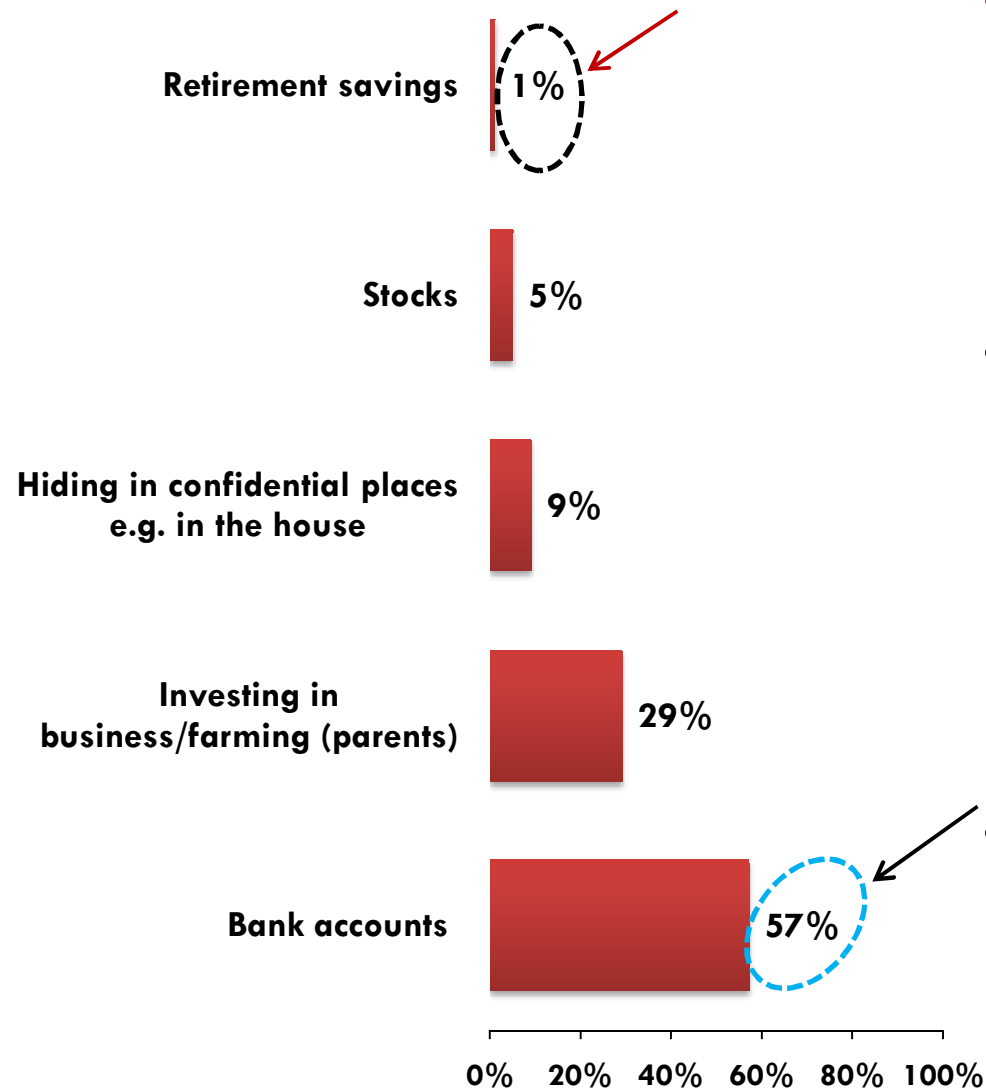
Directing funds towards saving

- Nearly nine in ten (86%) of the unemployed respondents do not have a regular source of income



- Only 27% of this group of respondents do direct these funds towards saving

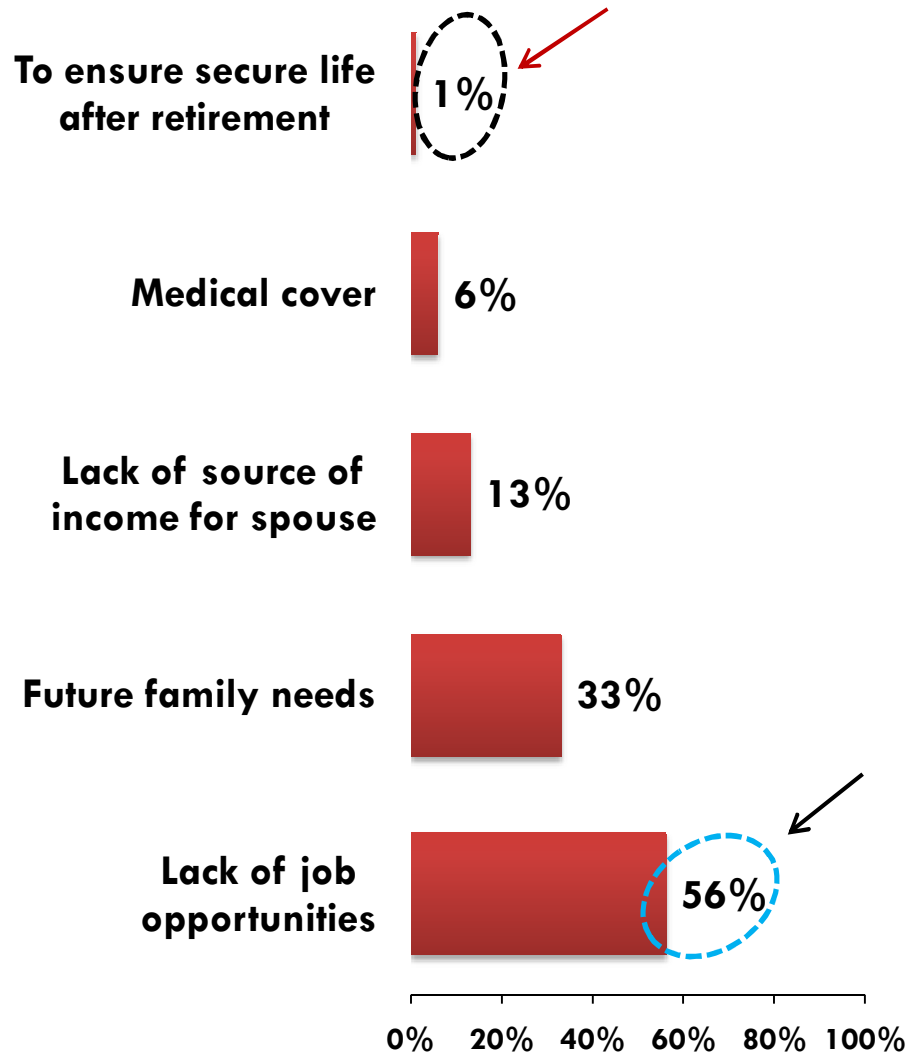
Forms of savings



- **Bank savings** are the main form of savings, this according to nearly six in ten of the self respondents surveyed
- Three in ten of these respondents **invest in farming/business activities** while nearly one in ten of them hide the savings in secret places in their houses
- A further 5% **invest in stocks** while a paltry 1% direct these funds to **retirement savings**

In what form do you direct savings? *n = 40*

Drivers for saving



- The main instigating factor for saving among the unemployed youth is **lack of job opportunities** as stated by 56% of them
- Several other reasons were highlighted as instigators for saving:
 - Future family needs
 - Lack of source of income for spouse
 - Medical cover
 - Security of life after retirement

What would you say drove to start saving? *n = 40*

Perceptions about retirement

- More than four in ten (42%) of the self employed respondents mainly believe that retirement is the **inability to work** while three in ten feel that retirement is the causes poverty
- A further 18% stated that they associated retirement with **old age/death**
- Other perceptions held by the respondents include:
 - **Retirement is for the employed**
 - **Time to rest**
 - **No more salary**
 - **Delayed disbursement of benefits**

Perception	Level
Inability to work	42%
Poverty after retirement	29%
Old age & death	18%
Time to rest	14%
Retirement is for the employed	10%
No more salary	8%
Delayed disbursement of benefits	5%

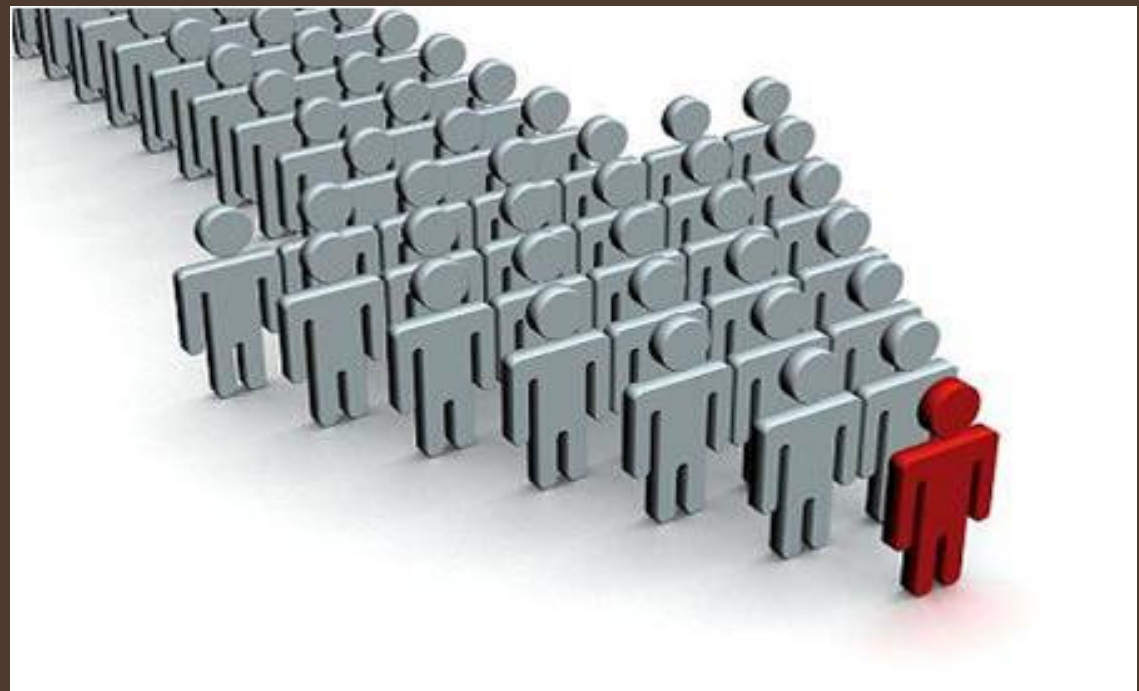
n = 288

What is your current perception about retirement?



Retirement Benefits Authority

Safeguarding your retirement benefits



PRACTICES OF THE YOUTH CURRENT AND FUTURE FINANCIAL & HEALTH PLANS

Current and future financial plans

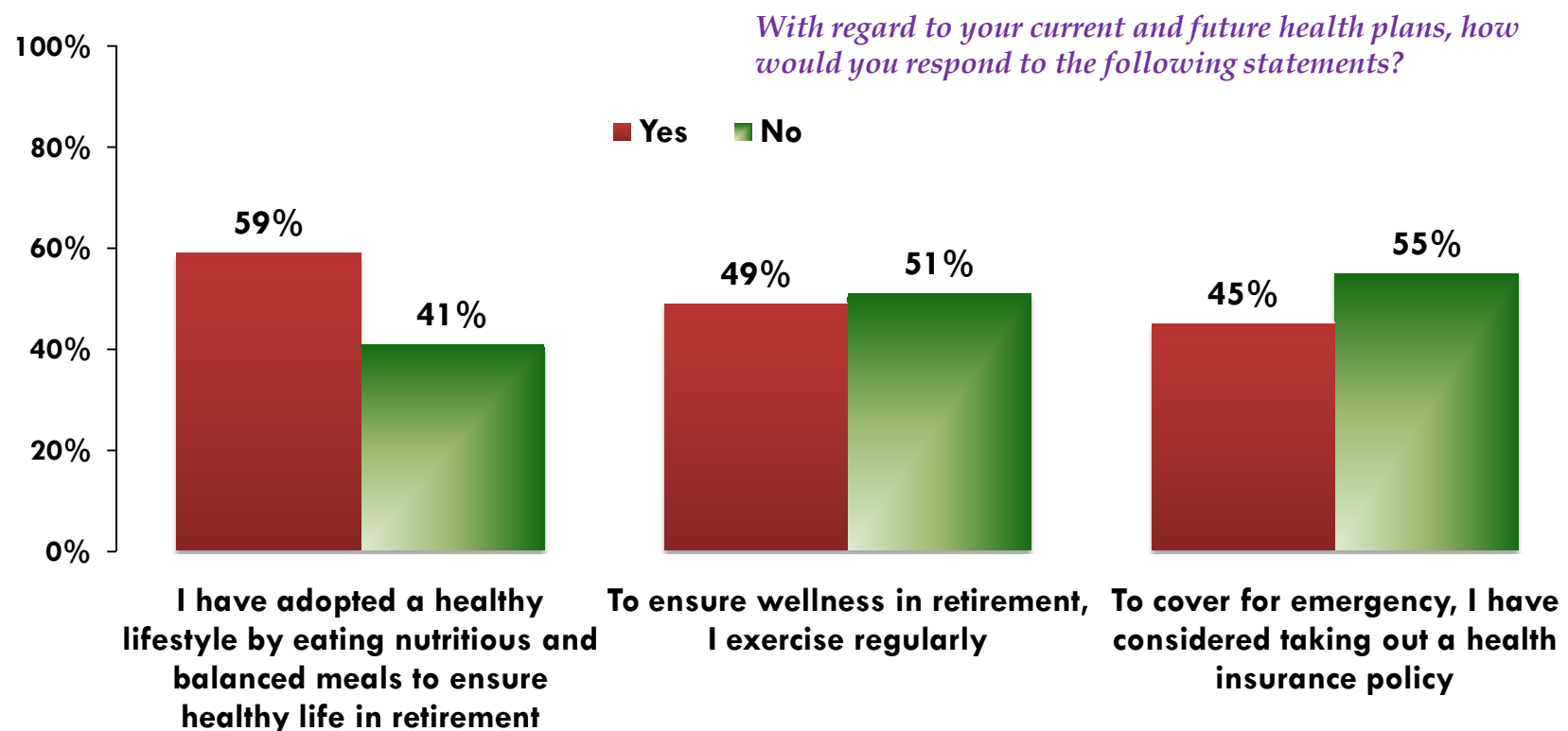
- Slightly more than half the respondents(52%) claim that they have “set and prioritized their goals towards retirement” with a further 51% saying that they have “developed an appropriate investment strategy”
- On the other hand more than half of the respondents replied in the negative to the following statements:
 - I have calculated my future expenses
 - I monitor my retirement income plan on a regular basis
 - I have calculated my current net worth and expected future income
 - I have set aside an emergency fund so that unexpected expenses do not cut into my income/assets
 - I update all my financial information regularly

Statement	Yes	No
I have set and prioritized my goals towards retirement	52%	48%
I have developed an appropriate investment strategy	51%	49%
I update all my financial information regularly	47%	53%
I have calculated my current net worth and expected future income	36%	64%
I have calculated my future expenses	34%	66%
I have set aside an emergency fund so that unexpected expenses do not cut into my income/assets	46%	54%
I monitor my retirement income plan on a regular basis	35%	65%

With regard to your current and future financial plans, how would you respond to the following statements? *n* = 1200

Current and future health plans

- Nearly six in ten of the youth who participated in the study sated that they have adopted a healthy lifestyle by eating nutritious and balanced meals to ensure a healthy life in retirement



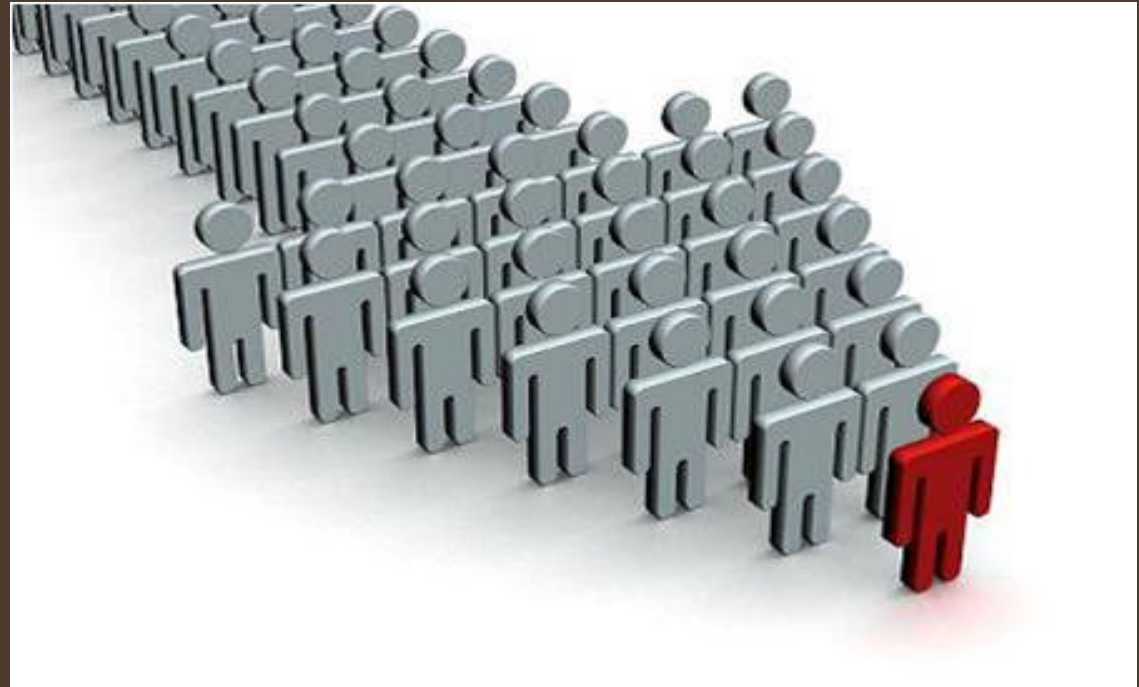
- On the other hand, more than half of the respondents have neither ensured wellness in retirement through exercising regularly nor considered taking out a health insurance policy to cover for emergency

n = 1200



Retirement Benefits Authority

Safeguarding your retirement benefits

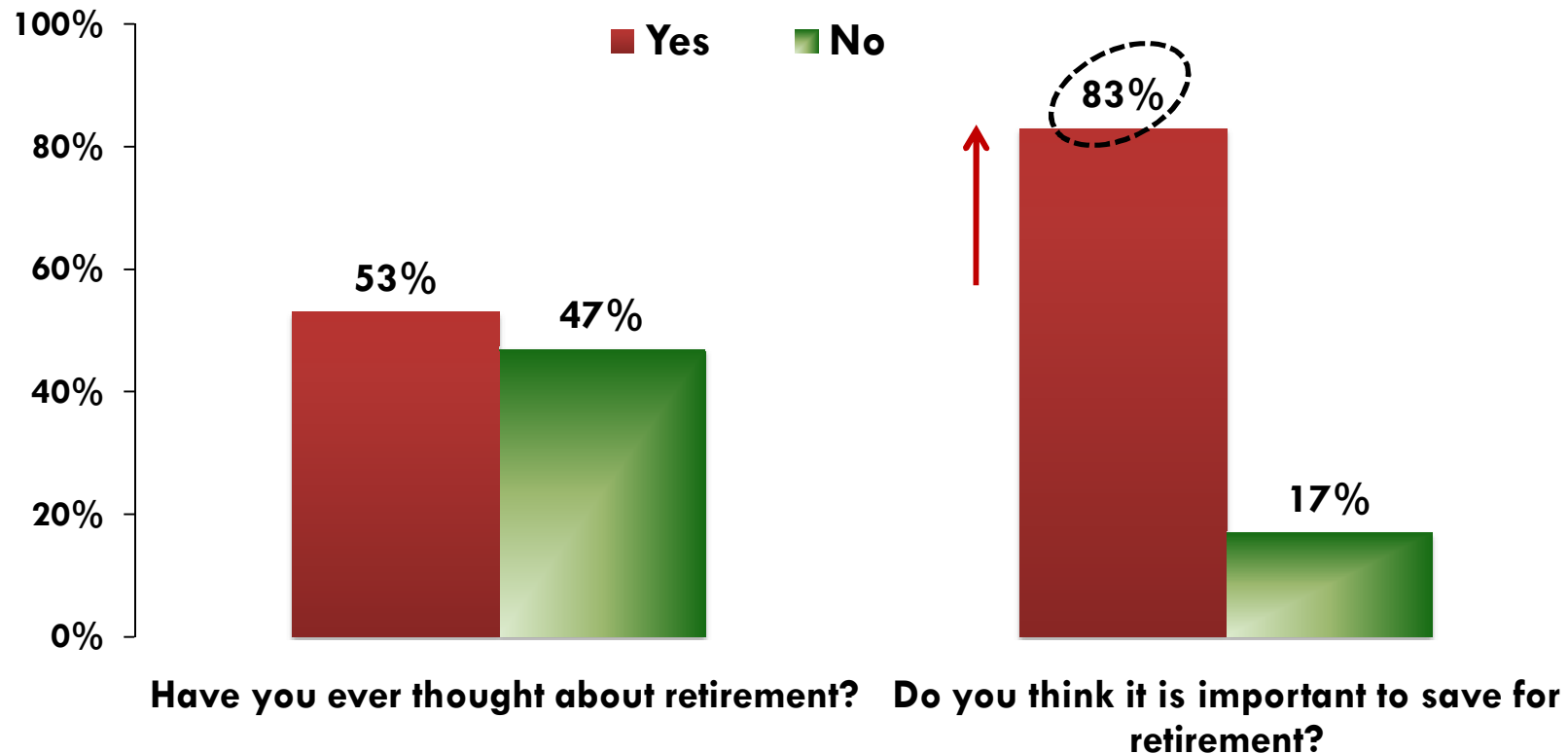


RETIREMENT PRACTICES & PERCEPTION

THOSE WHO DON'T BELONG TO ANY SCHEME

Thinking about retirement and importance of saving for retirement

- Asked if they have ever thought about retirement, more than half of the respondents (53%) replied in the affirmative



- Interestingly, when asked whether it is important to save for retirement, a considerable number of them (83%) indeed thought so

What comes to mind at the mention of retirement?

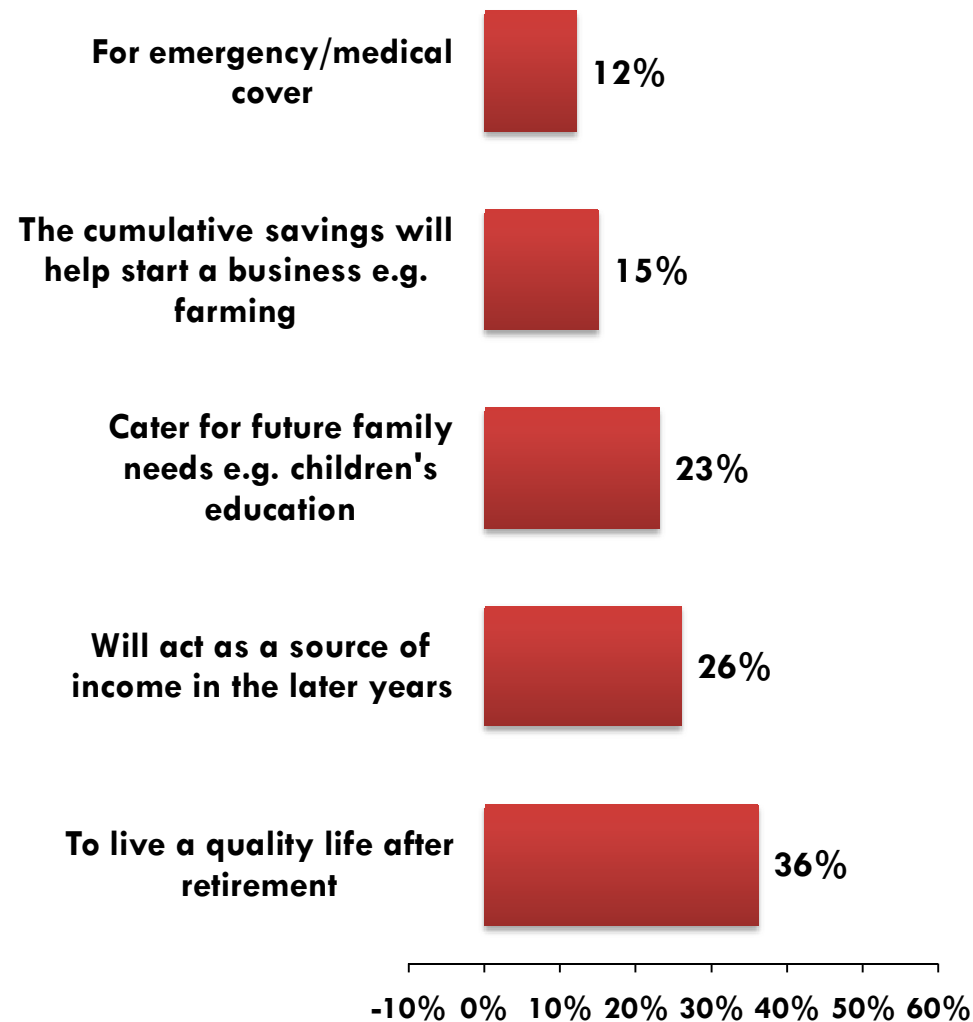
Factor	Association Level
Termination of employment/business	45%
Old age	33%
Poor health	24%
Poverty i.e. no more earnings/salary	22%
Restful period	18%
Savings	9%
Death	4%
Retirement schemes e.g. NSSF	3%

- Retirement, according to nearly one half of the respondents is strongly associated with loss of employment/business while a third of them mentioned old age as the main factor associated with retirement
- One quarter of the study participants stated that retirement was associated with ill health hence inability to work
- Other factors associated with retirement included:
 - Poverty
 - Restful period
 - Savings
 - Death
 - Retirement schemes

n = 772

What comes to mind at the mention of retirement?

Importance of saving for retirement

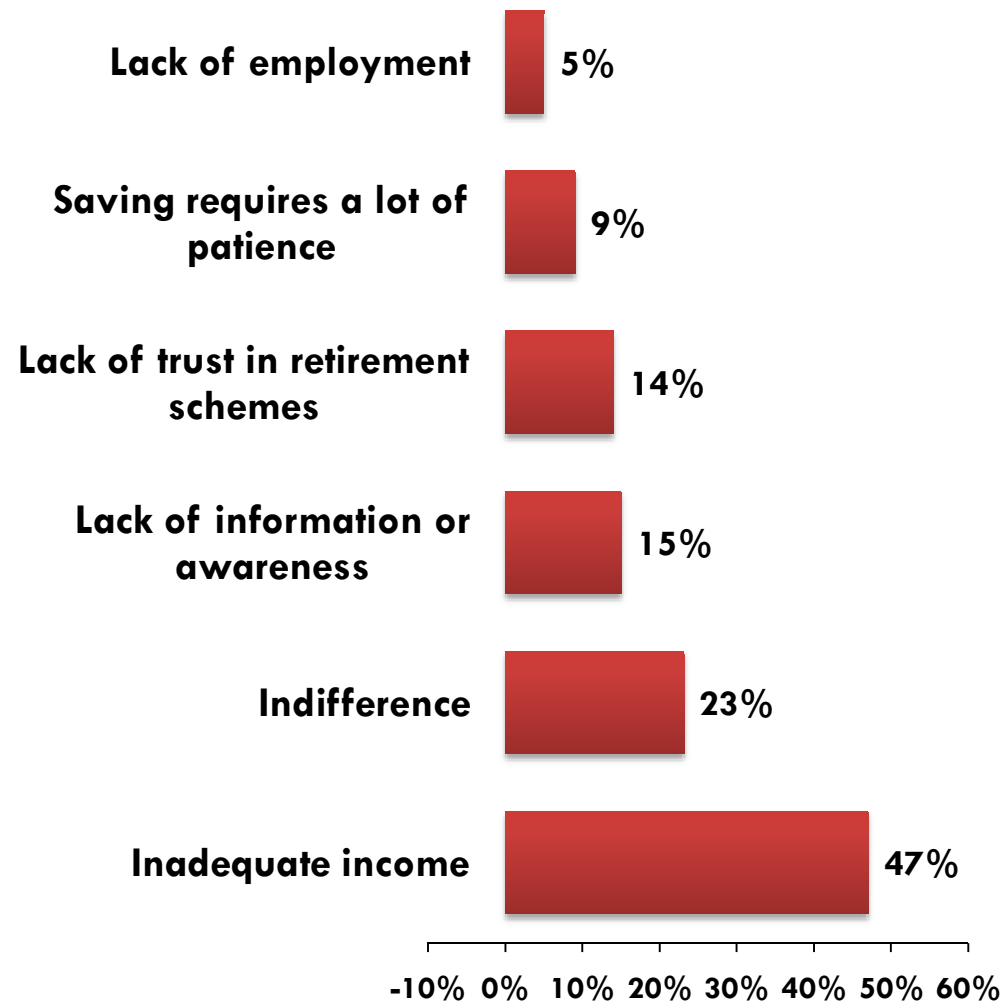


- Majority of the respondents who had thought about retirement and indeed the importance of saving for retirement highlighted the fact that “retirement savings enables one to live a quality life after retirement”
- Other reasons highlighted included:
 - Will act as a source of income in the later years
 - Cater for future family needs e.g. children's education
 - The cumulative savings will help start a business e.g. Farming
 - For emergency/medical cover

Why do you think its important to save for retirement?

n = 640

Factors that have hindered the youth from saving towards retirement



- The youth who participated in the survey gave a number of reasons that have contributed to their inability to save towards retirement
- The main reason fronted by nearly one half of the respondents (47%) was “**inadequate income**” with a further one quarter claiming “**indifference**” to matters saving towards retirement
- Other reasons highlighted include:
 - Lack of information or awareness
 - Lack of trust in retirement schemes
 - Saving requires a lot of patience
 - Lack of employment

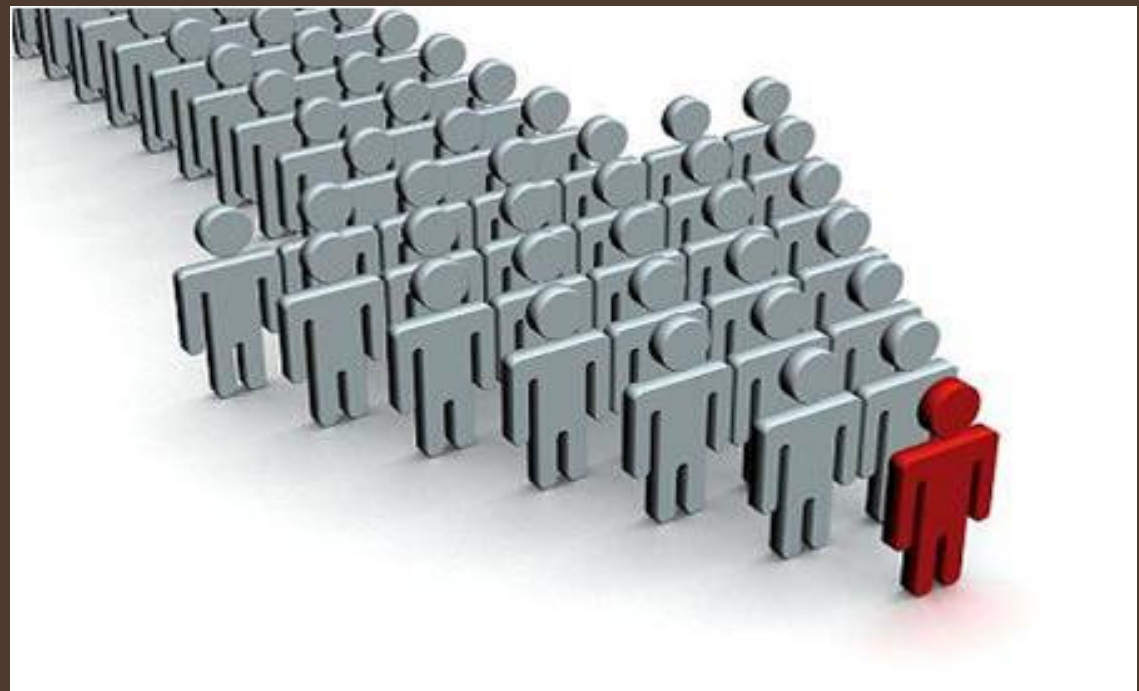
If no, what factors have hindered you from saving towards retirement?

n = 82



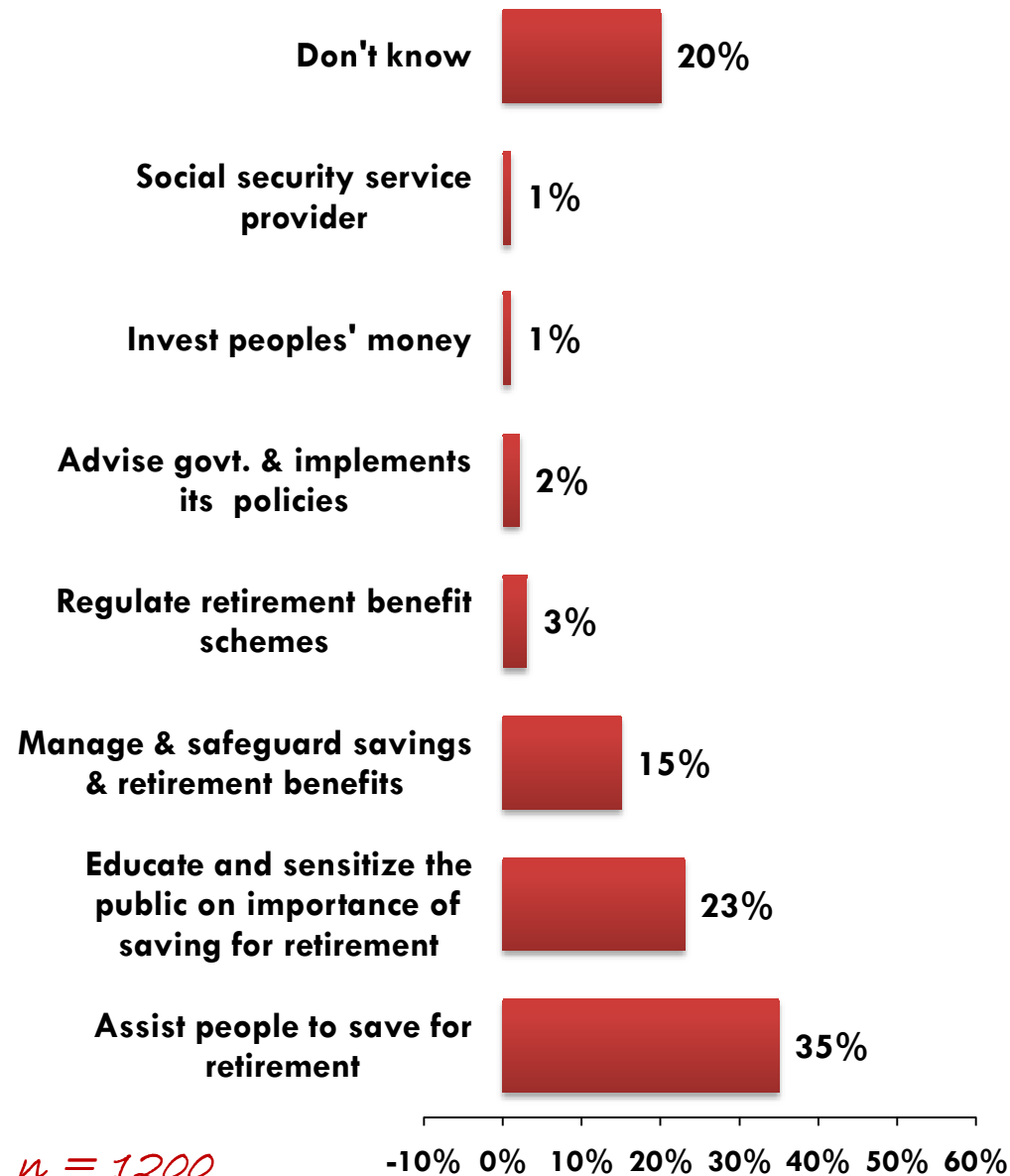
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RBA PUBLICITY CAMPAIGNS

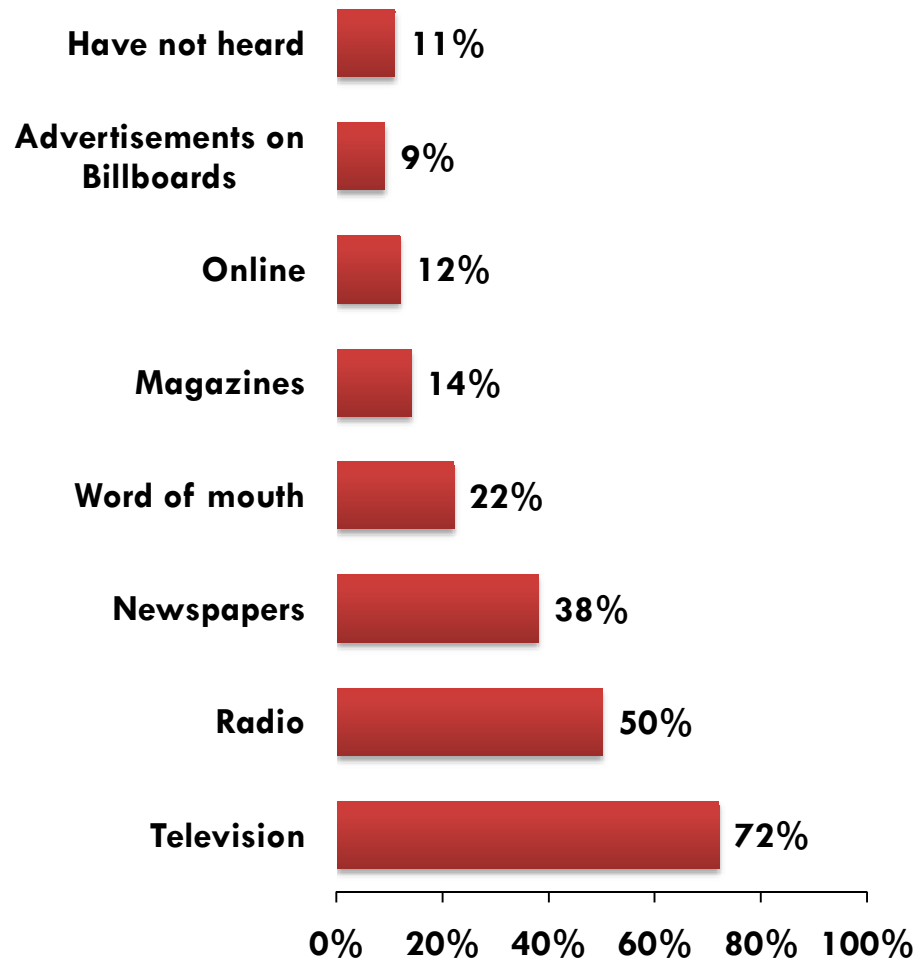
The role of Retirement Benefits Authority (RBA) as perceived by respondents



- According to more than one third (35%) of those who participated in the survey, the role of RBA is to “assist people to save for retirement” while nearly one quarter of them (23%) stated that the role of RBA is to “educate and sensitize the public on the importance of saving for retirement”
- Only 15% of the respondents mentioned that the role of RBA is to “manage & safeguard savings & retirement benefits” while three percent stated that “RBA regulates retirement benefit schemes”
- Two percent of the study participants stated “advising the government and implementing its policies” was the main role of RBA
- Two in ten of the respondents were not aware of the main role of Retirement Benefits Authority (RBA)

In your opinion, what do you think the role of RBA is?

Sources of awareness of RBA and its activities

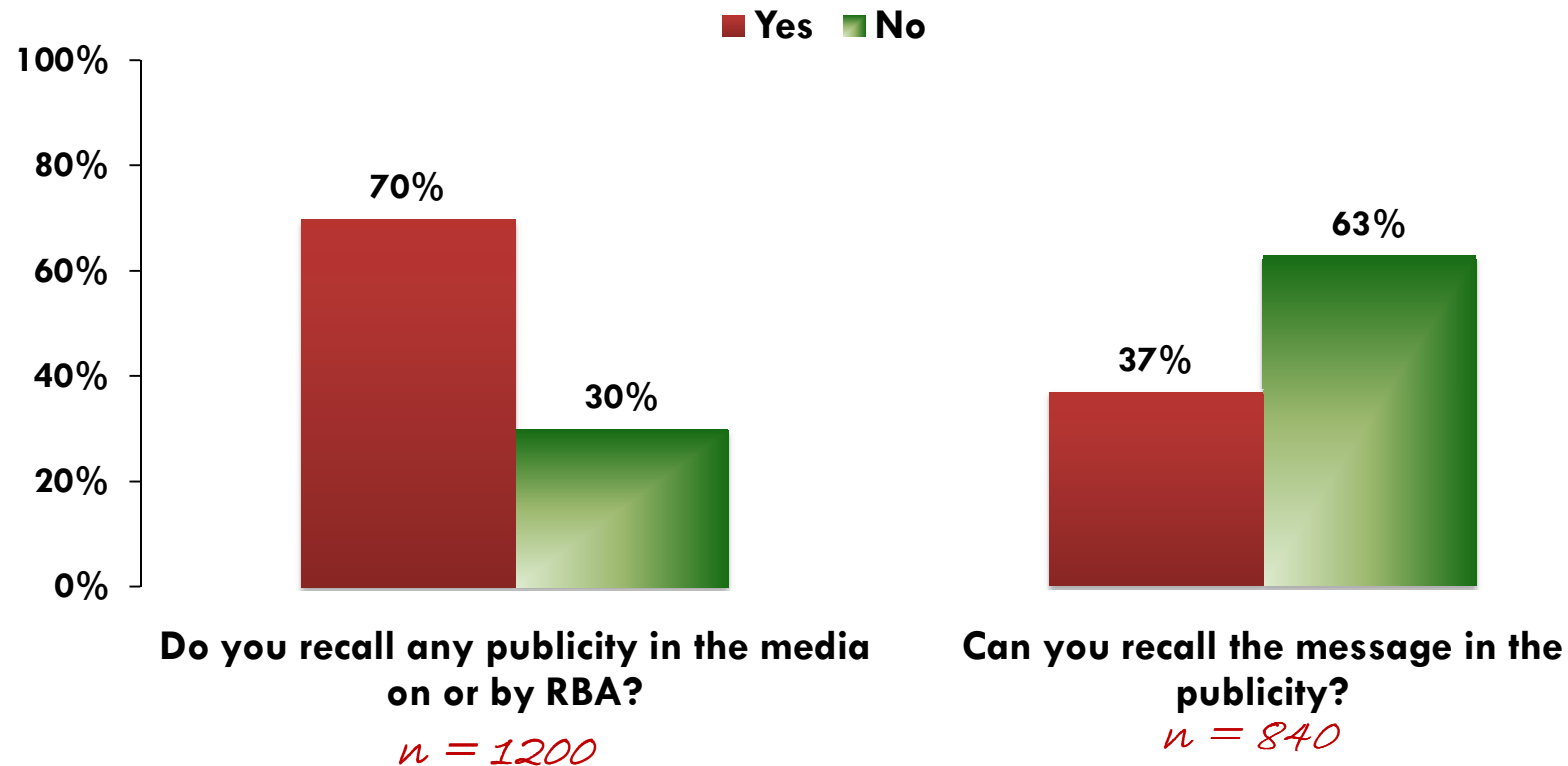


- **Television** is the main source of awareness with regard to Retirement Benefits Authority (RBA) and its activities, that according to approximately seven in ten of the respondents
- On the other hand, half of the youth who participated in the study stated that they have heard about RBA in the **Radio** while 38% have read about RBA in the newspapers
- The source of awareness of only one in ten of the respondents was advertisements on **billboards**
- Other sources of awareness were:
 - **Internet**
 - **Magazines**
 - **Word of mouth**
- Approximately one in ten of the respondents **have not seen or heard** of Retirement Benefits Authority (RBA)

Where would you say you have heard of or seen RBA? n = 1200

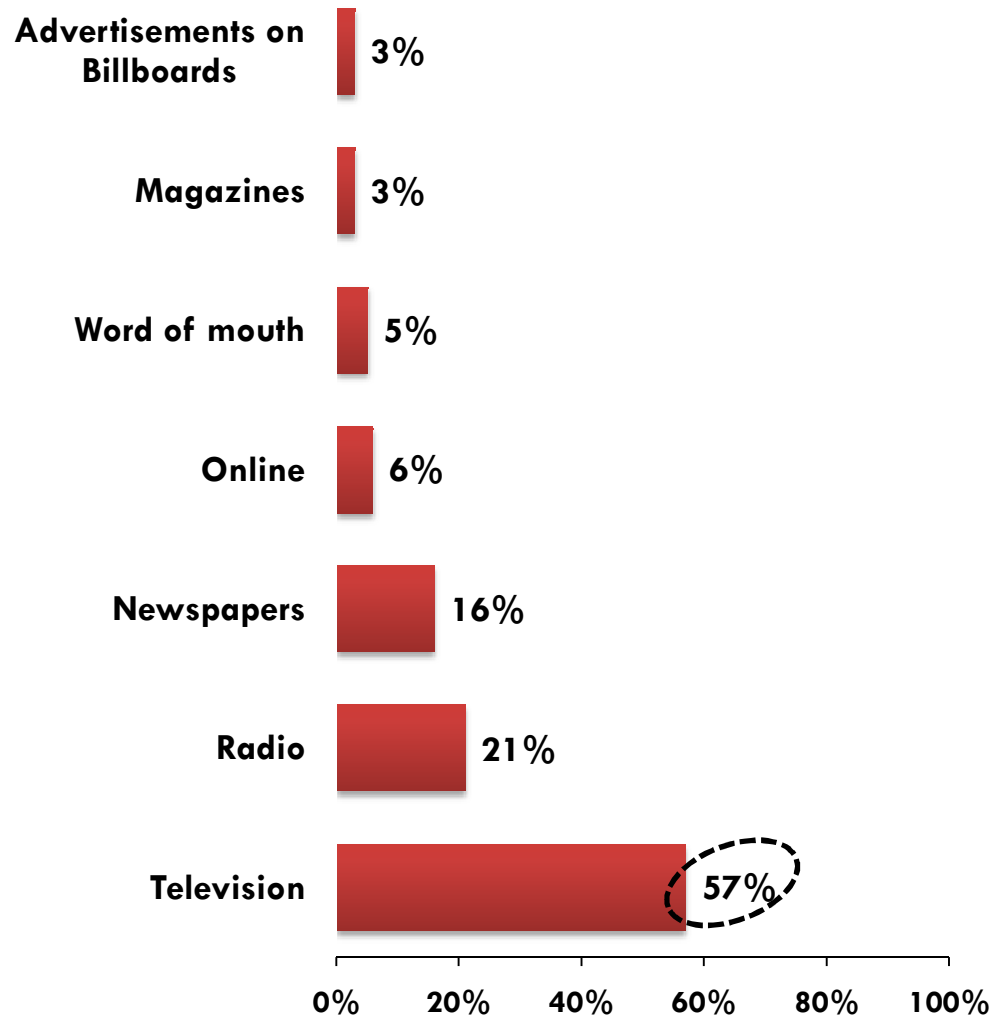
Publicity on or about RBA in the media

- Seven in ten of the respondents can recall publicity in the media on or by RBA



- Of this, approximately four in ten of the respondents can indeed recall what the message was all about

Source of recall on or about RBA



Where would you say you have heard of or seen RBA? *n* = 311

- Majority of the respondents (57%) stated that they were able to recall publicity on RBA on **television** as compared to only two in ten who mentioned **radio**
- Sixteen percent said it was from **newspapers** that they were able to recall publicity on RBA
- Other media services that study participants were able to recall publicity on RBA from included:
 - Internet
 - Word of mouth
 - Magazines
 - Billboards

What was the message all about?

- According to more than one quarter of the respondents (26%), the message in the media was on “safeguarding the future” while 23% of them stated that the message was generally “about retirement benefits”
- Fourteen percent of the respondents were able to recall the message as specifically “about RBA and encouraging people to join it”
- Other messages that the respondents were able to recall included:
 - “starting to save early”
 - “importance of saving for retirement”
 - “frequently asked questions”
 - “Why do I need to start thinking about my retirement”

Message	Recall level
Safeguarding the future	26%
About retirement benefits	23%
About RBA & encouraging people to join it	14%
Starting to save early	12%
Importance of saving for retirement	10%
Frequently Asked Questions	5%
Why do I need to start thinking about my retirement?	4%
Saving for the sunset years	3%
Do I stop enjoying today to save for tomorrow?	2%
Delivery beyond the promise	1%

Source of information & preferred source of information

Media	Source of information on retirement & retirement benefits	The Youth's most preferred source of information
Television	57%	43%
Radio	21%	33%
Newspaper	16%	20%
Online	6%	1%
Word of mouth	5%	-
Billboards	3%	1%
Magazines	3%	2%

Where would you say you have heard of or seen RBA?

On which media would you prefer to get information about retirement and retirement benefits?

n = 1200

- Characteristically, most youth's main source of recall was the **television** as stated by approximately six in ten of those surveyed as opposed to the **radio** where only two in ten of them stated that this was the main source of their recall
- On the other hand, the most preferred source of information with regard to retirement and retirement benefits according to more than four in ten (43%) of the youth is the **television** with a further one third mentioning the **radio** as their preferred source
- Only two in ten of those surveyed preferred the **newspapers** as their source of information with regard to retirement and retirement benefits
- In a nutshell, the most preferred sources of information as stated by the respondents include:
 - **The television**
 - **The radio**
 - **The newspaper**

Preferred source of information by region

On which media would you prefer to get information about retirement and retirement benefits?

Province	Radio	TV	Newspaper	Magazine	Billboards
Nairobi	13%	54%	25%	5%	3%
Coast	33%	58%	5%	2%	2%
Central	27%	40%	21%	7%	5%
Rift valley	56%	29%	15%		
Eastern	22%	60%	16%	1%	1%
Western	20%	47%	23%	4%	6%
Nyanza	22%	46%	31%		1%
North Eastern	34%	32%	28%		6%

- The youths interviewed in the **Rift Valley** and **North Eastern provinces**, as opposed to the other provinces, stated that they preferred the **radio** as the main medium through which to obtain information on retirement and retirement benefits
- On the other hand, the youth surveyed from **Nairobi, Coast, Central, Eastern, Nyanza** and **Western provinces** preferred the **television** as the main medium through which to obtain information on the same



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Conclusion



In a nutshell . . .

- Apart from NSSF and the Civil service as the main scheme in which majority of the youth are members, insurance entities play a major role in offering the youth a mode through which they can save for their retirement. The youth who prefer retirement schemes point to the fact that retirement schemes offer the best mode of saving for retirement, due to security concerns of the savings as opposed to other entities that offer this service hence one is rest assured of a quality life after retirement. As a matter of fact, majority of the youth who are permanently/casually or self employed keep savings to cater for the latter years, alluding to the fact that they do of course take into serious consideration their life after employment!
- According to the survey, the main factor for not considering the retirement schemes as a form of saving is that one cannot access the savings before retirement which majority of the youth deem as a long shot. Some of them are of the opinion that the funds are not easily accessible hence they will struggle to get it back when that time comes. Other reasons highlighted for not favoring retirement schemes as a form of saving include: small monthly disbursements, unreliability of schemes (some collapse) and lack of awareness on the schemes mode of operations

In a nutshell . . .

- Inadequate income, indifference on retirement matters, lack of awareness and lack of trust for retirement schemes are the main hindering factors to saving towards retirement. Other respondents feel that saving for retirement requires great patience since it is an activity that will go on for a long period of time and therefore requires due diligence and discipline which most youth are not up to
- Inability to work, poverty and old age/death are the main things associated with retirement, this according to majority of the youth. Interestingly, a considerable number of the unemployed youth are of the opinion that retirement is only for the employed (white-collar jobs) whom they deem as rich and in essence stop earning salaries upon retiring

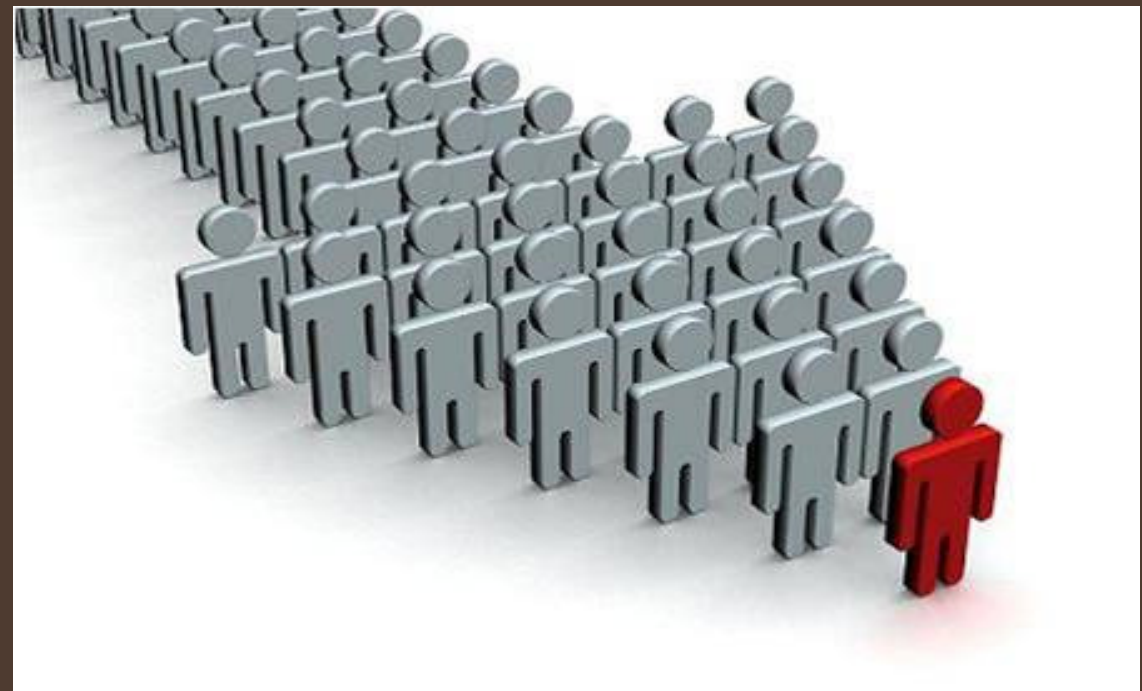
In a nutshell . . .

- According to the survey, the youth's main source of awareness with regard to the Retirement Benefits Authority (RBA) and its publicity campaigns is the television. In fact, most youth would prefer the television as opposed to the radio as the main medium through which to obtain information on matters retirement and retirement benefits. With the exception of the youth in Rift Valley and North Eastern provinces, majority of the youth in Nairobi, Coast, Central, Nyanza, Western and Eastern provinces vouched for the television as the main mode through which to obtain information on the same
- The main form of savings for the youth who are unemployed is through bank savings. The main driver for keeping savings among this category of the youth is lack of job opportunities, hence the need to save the meagre earnings which mainly come through pocket money from parents, relatives and friends



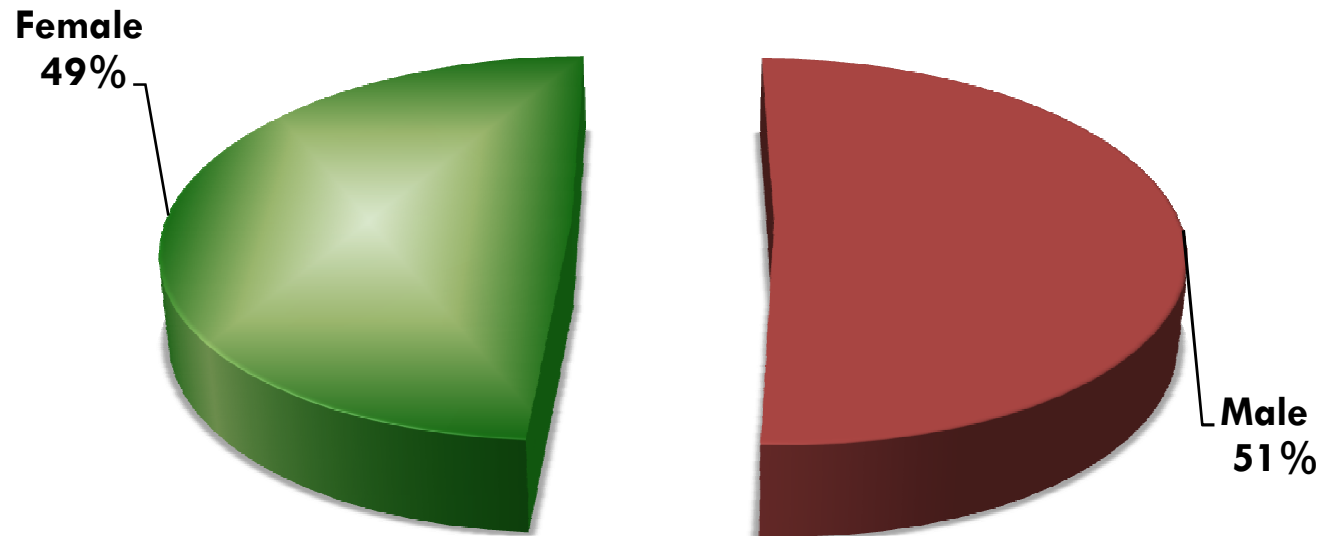
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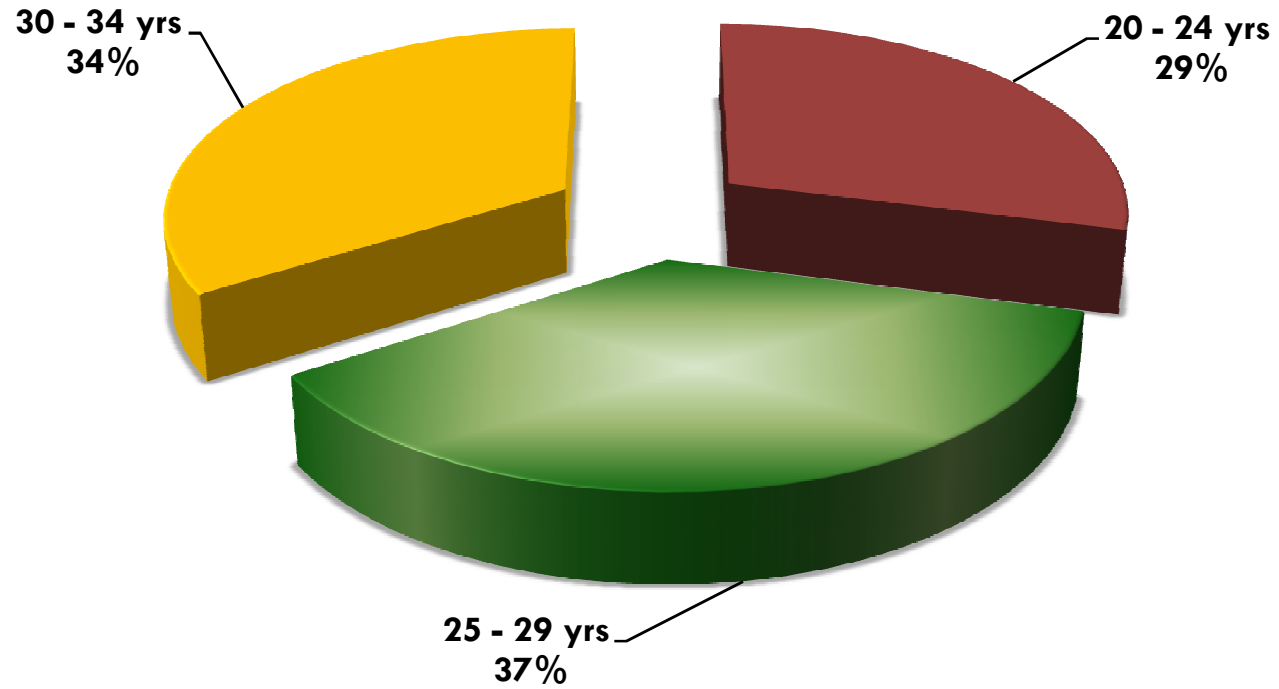


THE DEMOGRAPHICS

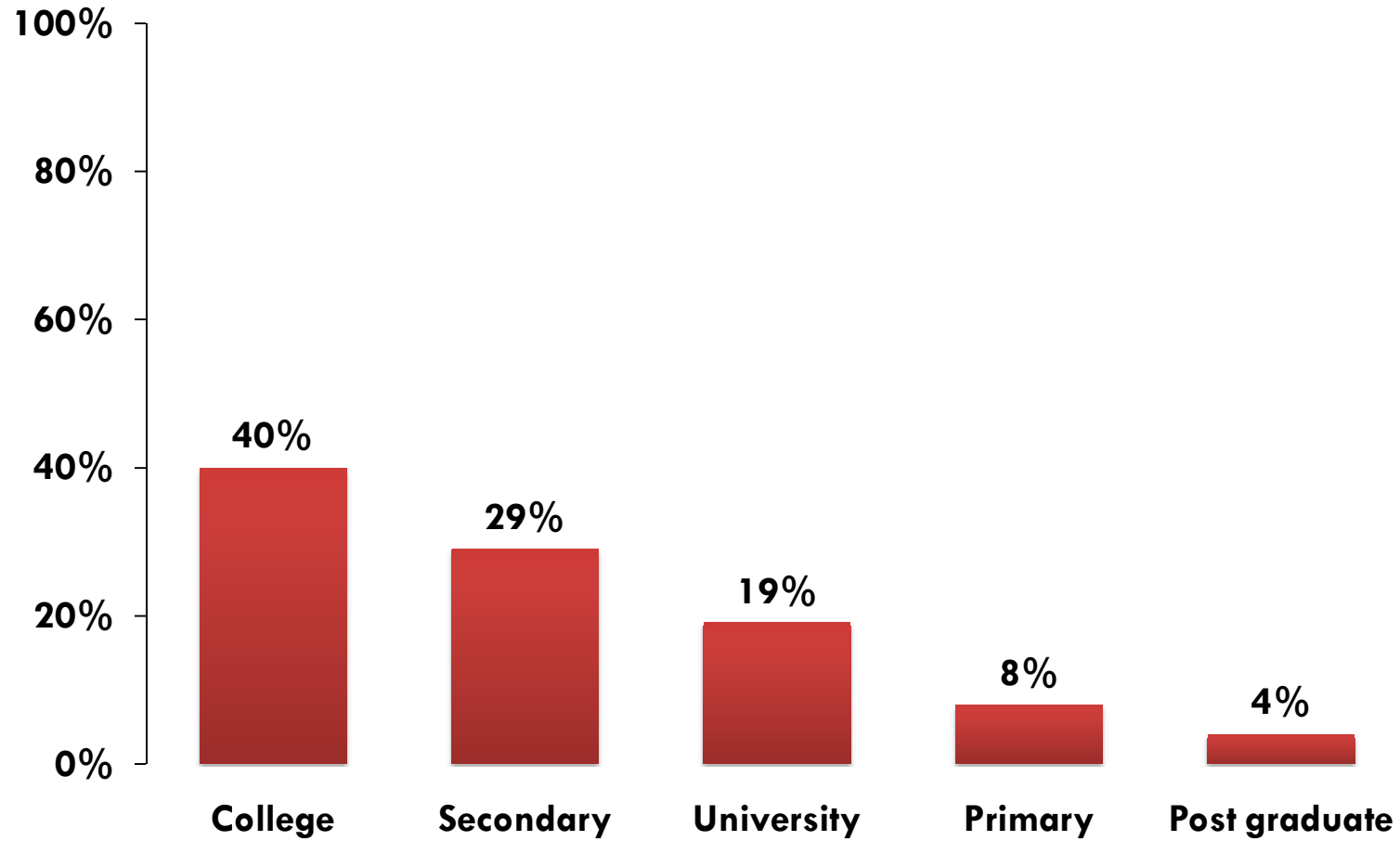
Gender



Age



Education



Marital status

