

Research report

# Communicating with customers of retirement age

by Sarah Jenkins, John Highton and Elizabeth Lane

Department for Work and Pensions

Research Report No 703

# **Communicating with customers of retirement age**

Dr. Sarah Jenkins, John Higton and Elizabeth Lane

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Department for Work and Pensions

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# Abbreviations

EMG	Ethnic Minority Groups
CATI	Computer Aided Telephone Interviewing
DWP	Department for Work and Pensions
PDCS	the Pension, Disability and Carers Service

# Glossary

Attendance Allowance <sup>1</sup>	A tax-free benefit for people aged 65 or over who need someone to help look after them because they are physically or mentally disabled.
Non-response bias	An issue with quantitative surveys whereby individuals from particular sections of the sample audience may be less likely to take part. This means that the findings are unlikely to be representative of the overall target population. It is corrected by weighting data to the profile of a given population, assuming the composition of that population is known.
Odyssey segmentation	A statistical clustering exercise which creates distinct customer categories based on a range of demographic variables including income, home ownership, age and gender. The Department for Work and Pensions (DWP) can then use this to help plan its communications with different types of customers. The Pension, Disability and Carers Service (PDCS) description of these segments is provided in the table after this glossary.
Pension Credit <sup>2</sup>	There are two different types of Pension Credit: Guarantee Credit is for those who have reached the minimum qualifying age and tops up personal weekly income to meet a set minimum (guaranteed) income level. Savings Credit is for those aged 65 or over and living in Great Britain. It can be received on its own, or with Guarantee Credit.
State Pension <sup>3</sup>	A regular payment people can claim when they get to State Pension age. Through contributions made while working or made by DWP on their behalf if claiming unemployment benefits or for people with caring responsibilities, most people build up some claim to State Pension, but the amount they get varies.
Response weighting	A correction applied to survey responses to account for non-response bias. Applying this weighting aligns the sample who have participated in the survey to the population from which that sample was drawn. It involves giving a stronger statistical weight to responses from under-represented sections of the population, and treating over-represented groups in the sample with less statistical importance.

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<sup>1</sup> Directgov (2006). *Attendance Allowance: Introduction*. [Online]. Available at: [http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/AttendanceAllowance/DG\\_10012425](http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/AttendanceAllowance/DG_10012425) (accessed 28 May 2010)

<sup>2</sup> Directgov (2006). *Pension Credit: Introduction*. [Online]. Available at: [http://www.direct.gov.uk/en/Pensionsandretirementplanning/PensionCredit/DG\\_10018692](http://www.direct.gov.uk/en/Pensionsandretirementplanning/PensionCredit/DG_10018692) (accessed 27 May 2010).

<sup>3</sup> Directgov (2010). *State Pensions – an Introduction*. [Online]. Available at: [http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/DG\\_183754](http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/DG_183754) (accessed 2 June 2010).

# Odyssey segmentation model descriptions

The following descriptions have been provided by the Pension, Disability and Carers Service.

## **Asset Rich, Cash Sufficient**

Customers who have the following typical attributes: single and over 70 years of age. They have an average income for pensioners but have very high locked away wealth that provides an adequate lifestyle. They tend to own their own homes in the suburbs and have planned well financially for their retirement with private medical cover and occupational pensions, potentially via a deceased partner. They currently have very few health issues. These customers have low take-up of income-related benefits. They read quality media and have affluent outgoing lifestyles.

## **Frugal Dependents**

Customers assigned to this group tend to be elderly and in very poor health, living in non-urban areas. They have an average income level, although this may not be sufficient to offset against their health-related needs, and average locked away wealth with the majority owning their own homes. The majority are single but if part of a couple they are likely to have a sick partner and may be themselves fulfilling a carer role. They tend to have high take-up of income-related benefits. They use quality media and have an affluent conservative lifestyle – becoming more frugal with age to support an accustomed lifestyle.

## **Prosperous Independents**

Customers assigned to this group are typically part of a couple, tend to have high income, high locked away wealth, and are very self sufficient in financial and health management. They have a higher propensity to live in rural areas and all own their own homes, which are positioned in areas with very low health deprivation scores. This group have very low health-related issues for both themselves and their partners and are likely to have very low levels of interaction with Government departments regarding benefits.

## **Suburban Non-Engagers**

Customers assigned to this group are mainly single, and the segment covers the full age range. They have a low to average income apart from a small group who are still working. They tend to be in good health and have low levels of engagement with Government departments reflected by very low levels of income-related benefit take-up. Although on a low income they show low financial stress indicating that they are managing to live within their means.

**State Reliant Couples**

Customers assigned to this group are likely to have relatively high levels of income driven largely through receipt of health-related benefits and as such they may actually be living in material deprivation. They span the full retirement age range and are all couples who are not working. They tend not to own their own homes and to live in inner city, relatively deprived areas. Their lifestyle reflects the relative monetary poverty they are likely to be in and the dependency they have on each other with either one or both of the couple in ill health.

**Unclassified**

Customers are assigned to this group when they do not fit well into any of the other Odyssey groups. All live fairly affluent lifestyles but with varying levels of income and low levels of income-related benefits. All are aged 69 or younger with half the group comprising females aged 60 to 65.

**Urban Underprivileged**

Customers assigned to this group are single people aged 70 years or more. They tend to have very low income and low levels of locked away wealth. They are likely to live in rented accommodation in highly deprived areas. They have a propensity to be in good health but there is a small sub-group who are in very poor health and who receive disability-related benefits. The very high levels of receipt of Pension Credit and Housing Benefit/Council Tax Benefit reflect a high level of interaction with PDCS. It is likely that this group contains a high percentage of widows who are now living on a much reduced income. Many in this group are under financial stress indicating that they are living beyond their very meagre means.

# Summary

## Introduction

This report documents the findings of two phases of research conducted for the Pension, Disability and Carers Service (PDCS), an executive agency of the Department for Work and Pensions (DWP), to explore the attitudes and perceptions of people in retirement. The aim of the research was to enhance PDCS's customer segmentation of pensioners (Odyssey) through identification of additional customer characteristics in order to advise PDCS of what conclusions can be made about communications and service delivery that are best suited to the attitudes and needs of customers over retirement age.

## Methodology

The research included both qualitative and quantitative elements. The qualitative research looked at customers' attitudes and perceptions of their social and financial lifestyles, as well as their health and well-being. The quantitative research built upon these themes from the perspective of communicating with those of retirement age.

Research with those over retirement age<sup>4</sup> was undertaken between November 2008 and March 2010 using both qualitative and quantitative methods. In the winter of 2008/09, 22 discussion groups and 34 depth interviews were conducted exploring the social and financial views of this target audience. In March 2010, a quantitative survey of 1,979 people of retirement age was conducted using Computer Assisted Telephone Interviewing (CATI)<sup>5</sup>. Data was weighted on age, gender and Odyssey segment<sup>6</sup>, a set of categories assigned to the audience based on a number of demographic variables such as income, lifestyle and age.

## Key findings

### **The importance of family**

The research found that family, and to a lesser extent, friends fulfilled important roles in the lives of those surveyed. Eight in ten respondents said they met with family and friends at least once a week. Family was also found to be an important source of advice about finance and health, and the most important source of assistance for those with a long-term health condition. The findings from the qualitative phase also highlighted the role family members played in providing advice in these areas. In addition, grandparents often played an important role for working parents by providing childcare. However there is also some qualitative evidence to suggest that some of the less affluent do not want to be a burden on their family.

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<sup>4</sup> Defined as aged 60 or over for women, 65 or over for men.

<sup>5</sup> The actual number of telephone interviews completed was 2,002. However, very few interviews with those aged 85 or over were completed and a few men aged 60 to 64 were also interviewed. For statistical purposes explained in the methodology, these interviewees were removed for analysis.

<sup>6</sup> A statistical clustering exercise which creates distinct customer categories based on a range of demographic variables including income, home ownership, age and gender. The Department can then use this to help plan its communications with different types of customers.

### The influence of age on lifestyle

Age affected social outlook, principally because health, and consequently mobility, often declined with age. As a result, the breadth of social activities undertaken declined, as people got older, as did the frequency with which such activities were enjoyed. As people aged, they found it harder to travel and were less likely to have access to a car. This is likely to be due to other differences linked to age, including a decline in physical mobility and lower incomes. Reaching local services was defined by the length of time taken to get there by the respondents' preferred mode of transport and not by distance. So, participants without a car were more limited in their access of local services. These findings were mirrored in the qualitative phase, which also found that the types of activities enjoyed by older (and less affluent) Odyssey segments reflected less active lifestyles.

Overall, the survey showed that the attitudes of younger, more affluent retirees did differ from older, less affluent people. Generally, those with higher incomes were more gregarious, and enjoyed a broader range of cultural and physical and social activities. The exception would be the Frugal Dependents segment, members of which were more likely to report they had a comfortable standard of living despite reporting modest incomes. The data suggested that the less affluent did not perceive themselves to be in hardship, even though those categorised in poorer Odyssey segments (State Reliant Couples, Suburban Non-Engagers and Urban Underprivileged) were twice as likely to agree that they have to think carefully about the food they buy compared to one of the more affluent segments (Prosperous Independents).

### The influence of age on health

As would be expected, older elements of the retirement population were more likely to have health problems. Those aged over 80 were also more likely to believe they were less healthy **than others of their age**. Compared to younger age groups, older participants were also more likely to visit a doctor, and to do so more frequently. Those who were members of Odyssey segments Frugal Dependents and State Reliant Couples were also much more likely than all to have used home help due to their health, and to have paid for some aspect of their healthcare, despite having lower incomes compared to other segments. The qualitative research also found that members of these Odyssey segments reported more serious medical conditions compared to those in other segments mainly comprised of younger age groups. This suggests that attitudes towards health were often driven by direct personal experience. As older participants were more likely to seek medical help more often than when they were younger, they began to perceive that they were less healthy than others the same age. Older participants were also likely to be more isolated than others as they went out less and enjoyed a narrower set of activities. Some of the older participants from the qualitative research indicated that they had a very small circle of friends and family. As a consequence, they had a smaller group of people to compare themselves against. Conversely, a higher proportion of the more affluent and younger Odyssey segments said they felt healthier than their peers, and these participants tended to enjoy more active and sociable lifestyles, and so interacted with a greater number and range of people.

During the qualitative fieldwork, all participants often emphasised the importance of maintaining both physical and mental well-being. Younger and more affluent Odyssey segments were particularly concerned about retaining their mental and physical health so that they could enjoy their retirement. Those taking part in the qualitative research mentioned a range of activities to achieve this such as dog-walking and completing Sudoku or crossword puzzles.

## Usage of communications media

Traditional media such as television and newspapers were used more often and more frequently than newer technology such as the internet and mobile phones. Almost all of those taking part in the research said they had a television and four in five respondents watched it every day. In comparison, just over half used a mobile phone frequently; and only two in five said the same about the internet. Overall, the research found that face-to-face communications were typically preferred, particularly when discussing topics relating to financial and health services. Nine in ten people indicated they preferred to speak to someone in person about health issues.

When considering the use of new media, age and income were again critical factors. Just a third of those aged 80 to 84 used a mobile phone regularly and only one in ten were internet users. In addition to older people, participants reliant on State benefits were less likely to use new media, especially the internet. Conversely Prosperous Independents were the most prolific internet users, and although this group tended to be confident, they did still rely on help from younger family members.

Internet users were also more likely to be mobile phone users, which indicates respondents were typically adopters of new technology as a whole, as opposed to choosing one technology over another. However, as there were a greater number of regular mobile phone users than internet users, it appears that mobile phones are more popular among older people than the internet. Furthermore, many of those who did not use a mobile phone regularly did actually own one; a quarter of this group owned a phone for emergencies only. Regular users of both mobile phones and the internet typically felt comfortable using both media. Given the generally younger profile of those adopting new technologies, it is likely that many may have gained some experience of them in their working lives. The overall preference in telephone communication for participants remains talk over text. Around two-thirds of mobile phone users said they received text messages, however only a quarter were willing to receive information about Government services in this way.

## The potential for online communications with Government

Overall, the internet was found to have limited potential as a method to communicate to all people of retirement age. Although three-quarters of internet users who took part in the survey said they buy goods and services online, two-thirds said they were not willing to pass on personal information over the internet. Many internet users of retirement age have had experience of conducting online financial transactions, such as booking holidays, and have realised the benefits of doing so using the internet. However, it seems that internet users do not equate 'financial' with 'personal' information.

Regarding the possible delivery of Government services through new media technology, indifference was the key 'barrier'. Crucially, those indifferent to the internet were also those more dependent on Government services and benefits. The key problem with online communications is that this method is generally used by those who are more affluent and who tend to be less in need of support from Government.

## Conclusions and implications

### Age and gender shapes attitudes and outlook

Age affected participants' outlook on society, finance and health. Older people were more socially isolated and took part in fewer activities than those who were younger, although still of retirement age. They had less access to a car, which limited the distance they could travel to get to local services. Older respondents felt their health was poorer compared to both younger participants and



other people of their age and they were more likely to visit a doctor regularly. Attitudes to finance were also different. The quantitative work found that although income decreased with age, older people were more likely to agree that they had enough money to live comfortably. This finding may, in part, be explained by the different outgoings people have as they age. For example, data from Department for Communities and Local Government (CLG) show that 70 per cent of those over 65 own their homes outright compared to 49 per cent of those aged 55 to 64 years.<sup>7</sup> Older participants were also more reliant on the State benefits that were asked about in the survey, including both the State Pension and a range of welfare benefits.

With respect to communications, the research suggests that PDCS has fewer opportunities to reach older people directly due to their relative isolation; they take part in fewer activities, and travel less often and less widely. Family are a potentially important channel of communication to many older age groups. The difficulties in communicating to those without close families are more acute. As older people age, the frequency with which they visit a doctor's surgery increases, which may represent another communication channel for PDCS.

Women were less likely to drive and more likely to have a lower income than men. Women were also more reliant on State benefits compared to men. However, men were more likely to have a long term health condition or disability. There is therefore a case for thinking about communications by gender because this research suggests that isolation is an even greater problem for older women.

### **Attitudes to finance are based on a lifetime of experience**

The qualitative research clearly illustrated that those of retirement age relied primarily on cash rather than credit. The concept of credit was unpopular with participants who, at the time of the fieldwork<sup>8</sup>, suggested that the economic problems faced by individuals and the country as a whole were a result of poor financial management. Credit allowed people to buy items they had not saved for and could not afford. The greater reliance on cash, as opposed to electronic payment methods, meant that few participants used credit or debit cards.

Many Government departments are looking to use electronic methods as a way of conducting financial transactions. Based on the findings of this survey, these methods are, as yet, inappropriate for many people of retirement age because of their continuing preference for and use of cash. The exception to the rule may be the Prosperous Independents who were far more likely than others to say they used the internet and had a mobile phone. Over time, it is likely that attitudes will change as new retirees will be more likely to have experience of using modern technologies in the workplace. However, there is a danger of some older people becoming even more isolated due to their unfamiliarity or lack of confidence with new technology.

### **Family play a crucial role in the lives of most participants**

Family was really important to eight in ten respondents, particularly as a source of advice on finances and health. Family were also the most likely source of home help amongst those with health difficulties, and they were a key source of information on, and understanding about, government services. The qualitative data found that family also assisted with communications, helping internet users navigate the internet, although some of the less affluent participants did say they were concerned about 'being a burden' and so did not always discuss such things with family members.

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<sup>7</sup> Department for Communities and Local Government, *English Housing Survey: Headline Report 2008-09*, <http://www.communities.gov.uk/documents/statistics/pdf/1479789.pdf>, accessed 7 June 2010.

<sup>8</sup> December 2008 to January 2009.

Family performed an important function in helping to summarise and translate information for older people. They often acted as guardians, for example, the relatively high opt-out rate to survey was partly due to the number of family members opting out on behalf of older people. Family members provided advice where it was requested and could potentially be used as a conduit for information. However, as filters, they will also help interpret any messages and, as such, may dilute or alter the content of communications.

### **Three in ten did not know who to contact to find out about Government benefits**

It is a concern for DWP and PDCS that three in ten participants disagreed that **they know who to contact in order to find out about any Government benefits to which they are entitled**. Furthermore, members of the Urban Underprivileged segment, who were less affluent and more reliant on State benefits, were statistically more likely than others to disagree that they know who to contact.

This means that some customers do not feel confident they have all of the information that they should have in order to understand their entitlements. This is not to say that the amount of benefits they receive is **incorrect**, just that a significant minority do not know how to find out about entitlements or any additional benefits they may be eligible to receive. It is worth noting that the use of indirect methods of communication (for example through family members or doctors' surgeries) may not necessarily change this perception. In these cases, recipients frequently acquire information passively rather than proactively, and so they still would not know the primary source of that information.

### **The Odyssey segmentation is effective**

The Odyssey segmentation model was built on the demographic data that existed on the retirement age population, including measures of income, age and health. It is clear from the research as a whole that the model does a good job of describing differences between types of individuals; as such, the model would seem to be an effective tool for developing communication methods for different groups. For example, Prosperous Independents were clearly more likely to use the internet, so direct communications to that group via electronic methods are likely to be more successful than they would be to other groups. Similarly, Frugal Dependents and State Reliant Couples reported greater health problems, and so identifying relevant local services may prove worthwhile in delivering general communications and information to these groups.

# 1 Background and context

## 1.1 Purpose of the research

In February 2008, Ipsos MORI was commissioned by PDCS, an executive agency of the DWP, to undertake a programme of research. The overall purpose was to explore the attitudes and perceptions of people in retirement age to supplement the information and data already in use in the PDCS customer segmentation model (Odyssey).

## 1.2 Aims and objectives

PDCS commissioned research to collect the views of those in retirement using both qualitative and quantitative methods. The overall aim of the qualitative phase was to describe attitudes and perceptions along several broad themes:

- social activities and lifestyles;
- finances and wealth;
- health; and
- communications.

The quantitative phase then explored these themes from the perspective of communications, namely to quantify how attitudes affect the ability of PDCS and DWP to pass messages on to their customers.

## 1.3 The research audience

The Odyssey segmentation covers all people of retirement age held on DWP databases, i.e. all women aged 60 or over and all men aged 65 or over. Ideally, this whole audience would have been sampled to take part in the research. However, there were several practical considerations to take into account in designing the research. In a minority of cases, the audience could be deemed as too frail or vulnerable and so unable to participate. For this reason, members of the 80+ Potential Care Home group were not sampled or invited to take part in any of the research.

### 1.3.1 Effect of non-response bias

After sampling, the first stage of the fieldwork process was to send an opt-out letter to the sample drawn from the PDCS database. Opt-out rates for both the qualitative and quantitative stages were high, around 20 per cent for the qualitative stage and 40 per cent for the quantitative stage. Many of those calling were family members of the individuals asked to participate in the research, opting out on their behalf.

For the quantitative survey, this meant that there may be some non-response bias in the findings, although analysis shows that opt-outs were fairly evenly distributed across Odyssey segments (see Table A.1). However, based on the final survey outcomes, there was a clear difference in the proportion of people responding to the survey by age. Only 13 people aged 85 or over took part in the survey, which meant including them would have had a large effect on the data analysis. In order to make the survey representative of the total population of older people, some extreme weighting would need to have been applied which would have affected the overall statistical reliability of

the survey. In addition, 13 interviews would not have been a large enough sample from which to undertake robust sub-group analysis by age. For this reason, the data for 60 to 84 year old women and 65 to 84 year old men was used and the survey was reweighted to be representative of this population. In effect, this means **the results presented herein are representative of these age groups of women and men, and not the whole population of retired people.**

## 1.4 Odyssey segmentation as a communications planning tool

The Odyssey segmentation was used to create the sample frame for the survey (see Sections A.2 and A.3) and the survey results overall show the segmentation model to be effective in that it does describe sections of the customer base with different views, opinions and perspectives. Below is an overview of the broad differences between some of the key demographics by segment. The purpose of the table is to illustrate the connection between the segmentation model and some of the research findings. Much of the sub-group analysis presented in this report is interconnected. For example, age is shown to have a strong connection with attitudes and perceptions, so where older audiences were more likely to express an opinion, the same opinion will typically also be expressed by segments which contain a larger proportion of older people. Table 1.1 describes some of the more important connections within the data.

**Table 1.1 Key demographical differences by Odyssey segment**

	Age		Household income <sup>1</sup>		Health <sup>2</sup>	
	60 to 74	75 to 84	£150 per week or less	More than £150 per week	Say they are more healthy than others	Say they are less healthy than others
	%	%	%	%	%	%
All (1,979)	<b>70</b>	<b>30</b>	<b>48</b>	<b>52</b>	<b>28</b>	<b>27</b>
Asset Rich, Cash Sufficient (189)	69	31	44	56	34	13
Prosperous Independent (186)	<b>79</b>	21	30	<b>70</b>	<b>38</b>	16
Suburban Non-Engagers (567)	67	<b>33</b>	49	51	<b>31</b>	19
Frugal Dependents (143)	11	<b>89</b>	32	<b>68</b>	14	<b>54</b>
State Reliant Couples (148)	56	<b>44</b>	41	59	15	<b>45</b>
Urban Underprivileged (519)	<b>74</b>	26	<b>54</b>	46	25	<b>32</b>
Unclassified (227)	<b>100</b>	0	<b>62</b>	38	28	29
<i>Base: All participants (1,979)</i>	<i>(1,482)</i>	<i>(497)</i>	<i>(468)</i>	<i>(503)</i>	<i>(556)</i>	<i>(528)</i>

Source: Ipsos MORI.

Bold figures indicate the percentage is statistically significant to the overall survey findings.

<sup>1</sup> Figures for household income do not sum to 1,979 due to refusals.

<sup>2</sup> Figures for health do not sum to 1,979 as midpoint ('say they are as healthy as others') and refusals excluded.

# 2 Methodology

## 2.1 Introduction

The aims of the research were to explore the attitudes and perceptions of retired customers towards their social activities, their financial outlook, their health and well-being, and their communication preferences. It was also to build upon existing customer databases used by PDCS, as well as to further the understanding and usability of the customer segmentation model (Odyssey) created by PDCS in 2007. A mixed methodology of both qualitative and quantitative research was used to ensure all aims and themes of the research were examined fully.

The qualitative element was conducted in order to identify not simply **what** customers think about their lifestyles in retirement, but **why** they do so. Both group discussions and depth interviews were used to investigate in detail customer attitudes and behaviours within each of the key Odyssey segments.

The quantitative element was carried out to explore the research themes from the perspective of communication strategies, as well as helping to link the information back to the PDCS database. Computer Aided Telephone Interviews (CATI) were conducted using a sample of customers provided by PDCS, and a quota of the different Odyssey segments was followed to ensure a wide spread of opinions were captured.

## 2.2 Qualitative methodology

The qualitative element of this study used a combination of group discussions and depth interviews (single and paired) with people over the age of 60 across the UK. Depth interviews were used for the discussion of more sensitive information on personal finances because this approach allowed the interviewer to confirm confidentiality and establish a relationship of trust with the participant producing a more open conversation.

Issues around health can be sensitive, but from past experience we have found the dynamic generated by a group discussion can expose participants to new ideas and different viewpoints and facilitate a much more rounded debate. It was therefore decided it was appropriate to discuss social activity, issues faced in everyday life and health in the context of group discussions and the high quality of data collected supports this decision.

### 2.2.1 Recruitment

Participants were recruited using a combination of two methods: Firstly, a random sample of individuals was drawn from the PDCS database by the PDCS Customer Data Insight team. This database contains details of all people aged 60 known to DWP through their official records (such as National Insurance (NI) number and pension details). Importantly, the data included a flag which indicated which Odyssey segment they belonged to. Secondly, we recruited members of the general public through face-to-face recruitment in different locations across the country matched to the key demographic and attitudinal questions used to define each segment. All participants were asked a series of key questions to ensure that they were assigned to the correct PDCS Odyssey segment. In addition to people from each of the Odyssey segments, we also included carers who could add further insight to the lives and health of older people.

To help participants to start thinking about some of the issues and provide them with an aide memoir while in the group setting, participants who attended discussion groups were asked to complete a diary of their daily activities. The diary started one week before the group and enabled participants to record how they spent their time, and any emotions associated with those activities.

### 2.2.2 Fieldwork

The qualitative research took place in a number of different locations across England, Scotland and Wales in December 2008 and January 2009. Each group lasted no more than two hours and contained between four and ten participants.

A total of 22 discussion groups were conducted. Each group contained solely members from one Odyssey segment (or carers only) and the number of groups conducted for each segment was proportionate to the prevalence of that group among the total population. The groups were broken down as follows:

- three groups with Prosperous Independents;
- two groups with Asset Rich, Cash Sufficient;
- five groups with Suburban Non-Engagers;
- three groups with Urban Underprivileged;
- two groups with State Reliant Couples;
- two groups with Frugal Dependents;
- three groups with Unclassified; and
- two groups with carers.

In addition, we undertook 32 depth interviews using the same sample provided by PDCS and across the same breadth of geography. Interview participants were recruited separately from the discussion groups (i.e. participants did not take part in both).

Of these 32 depths, 12 were paired depths where a partner was present. This was decided entirely at the discretion of the participant with a view to making them more comfortable. Each depth interview lasted no more than one hour and was conducted in the home of the participant.

The depth interview comprised of:

- four depths with Prosperous Independents;
- two depths with Asset Rich, Cash Sufficient;
- eight depths with Suburban Non-Engagers;
- six depths with Urban Underprivileged;
- four depths with State Reliant Couples.
- two depths with Frugal Dependents; and
- six depths with Unclassified.

The findings from the qualitative research fed into the development of the quantitative research materials.

## 2.3 Quantitative methodology

The survey element of the project was delivered using a CATI methodology. This method was adopted to provide the best balance between budget available and effectiveness in reaching a sufficient number of respondents. Given the availability of good quality samples from PDCS, a telephone survey also allowed the sample to be closely monitored during fieldwork to ensure we met the various quotas by Odyssey group and gender.

### 2.3.1 Questionnaire design

A questionnaire was developed collaboratively between the Ipsos MORI and PDCS project teams. The findings from the qualitative survey were used, in part, to develop the questionnaire; however, due to changing guidelines in the way that PDCS provides sample records to external organisations, the gap between the conclusion of the qualitative phase and the beginning of the survey phase was around a year. In this time, some of the priorities for DWP and PDCS changed, so the final questionnaire agreed reflects this shift in priorities.

As in all questionnaire design, the needs of the audience were taken into account in the way the questions were posed and structured. The guiding principle used was simplicity because some of the research audience would be unfamiliar with research. It was also important to ensure that respondents with disabilities such as hearing difficulties were able to participate fully. For example, simple three-point Likert scales were adopted for agree/disagree statements, and the phrasing of midpoints was designed to be as clear as possible when read out.

PDCS wanted to be able to attach the survey results to their Odyssey segmentation database in order to enhance the segmentation model. A description of this process was provided and permission sought from participants for this process to be completed.

### 2.3.2 Survey responses

In total, Ipsos MORI interviewed 2,002 people of retirement age across England, Wales and Scotland. As described in Chapter 1, a small number of responses (13) were received from those aged 85 or above. In addition, several men said they were younger than 65 and so ineligible for survey, so were also excluded from the analysis. This meant that the analysis was carried out on 1,979 completed surveys. The demographic profile of the research participants is provided in Section A.5.

Quantitative fieldwork took place between 1 and 26 March 2010 and the final data was weighted by age, Odyssey segment and gender to reflect the profile of 60 to 84 year olds on the PDCS's customer database.

### 2.3.3 Interpretation of the data

A sample rather than the entire retirement age population took part in the research. The data was also rebased to take into account non-response bias from those aged 85 or above. A very small number of those aged 85 or older took part in the research, as did some men of below State Pension age, so the 'rebased' means that survey weighting was redesigned to be representative of the 60 to 84 year old retired population. Consequently, all results are subject to sampling tolerances, which means that not all differences are significant. In addition, statistically significant differences are also difficult to interpret when taken out of context. A guide to statistical reliability is provided in Section A.4.

Where percentages do not sum up to 100, this may be due to computer rounding, the exclusion of 'don't know/not stated' response categories, or because participants could give multiple answers. Throughout the report, an asterisk (\*) denotes any value of less than half of one per cent, but greater than zero.

In this report, reference is made to ‘net’ figures. This represents the balance of opinion on attitudinal questions, and provides a useful means of comparing the results for a number of variables. In the case of a ‘net agree’ figure, this represents the percentage in agreement with a particular issue or service, less the percentage in disagreement. For example, if 40 per cent agree with a statement and 25 per cent disagree, the ‘net agree’ figure is +15 points.

We also make use of aggregate findings, in which two or more measures are combined to form a composite. For example, where the audience has been asked about household income, the specific bands used in the questionnaire have been collapsed into two broad groups above and below a gross household income of £150 per week. Other examples of aggregation can be found in this report.

### 2.4 Report layout

The remainder of this report provides detailed research findings from the both elements of this research and is set out as follows:

- Chapter 3 looks at **the social outlook** of those taking part in the research; what day-to-day activities they have participated in, how they get around and which services are important to them locally;
- Chapter 4 explores the participants’ **financial outlook** including their income and perceptions of how much income is needed, personal finances and Government benefits;
- Chapter 5 covers **health and well-being**, which focuses upon perceived health and use of medical services;
- Chapter 6 examines use of **communications and new technology**, including mobile phones and the internet;
- finally, the overall **conclusions** of the research and the **implications on communicating with this audience** are presented in Chapter 8.

Qualitative and quantitative findings have been used throughout the report. The survey findings ‘take the lead’, meaning these are used for the basis of the structure. Qualitative findings have been added to help explain or provide context to the statistical measures.



## 3 Social outlook

In order for us to understand the social factors governing everyday life for people over 60, we investigated the kinds of activities that customers undertake in their day-to-day lives, as well as the frequency with which they do them. This chapter looks at the type and frequency of activities, and the influence of other people in doing them.

### Summary

Participants were asked about the social activities they undertook as part of their day-to-day lives. Meeting up with friends and family was by far the most popular activity, with over four in five doing so at least once a month (83 per cent meet up with friends, 82 per cent meet up with family).

Overall, age affected responses for all aspects of the social, financial and health outlook of the over 60s. The pattern from much of the qualitative and quantitative research showed that isolation in terms of not taking part in activities, reduced access to private transport and limited willingness or ability to seek advice from others increased with age.

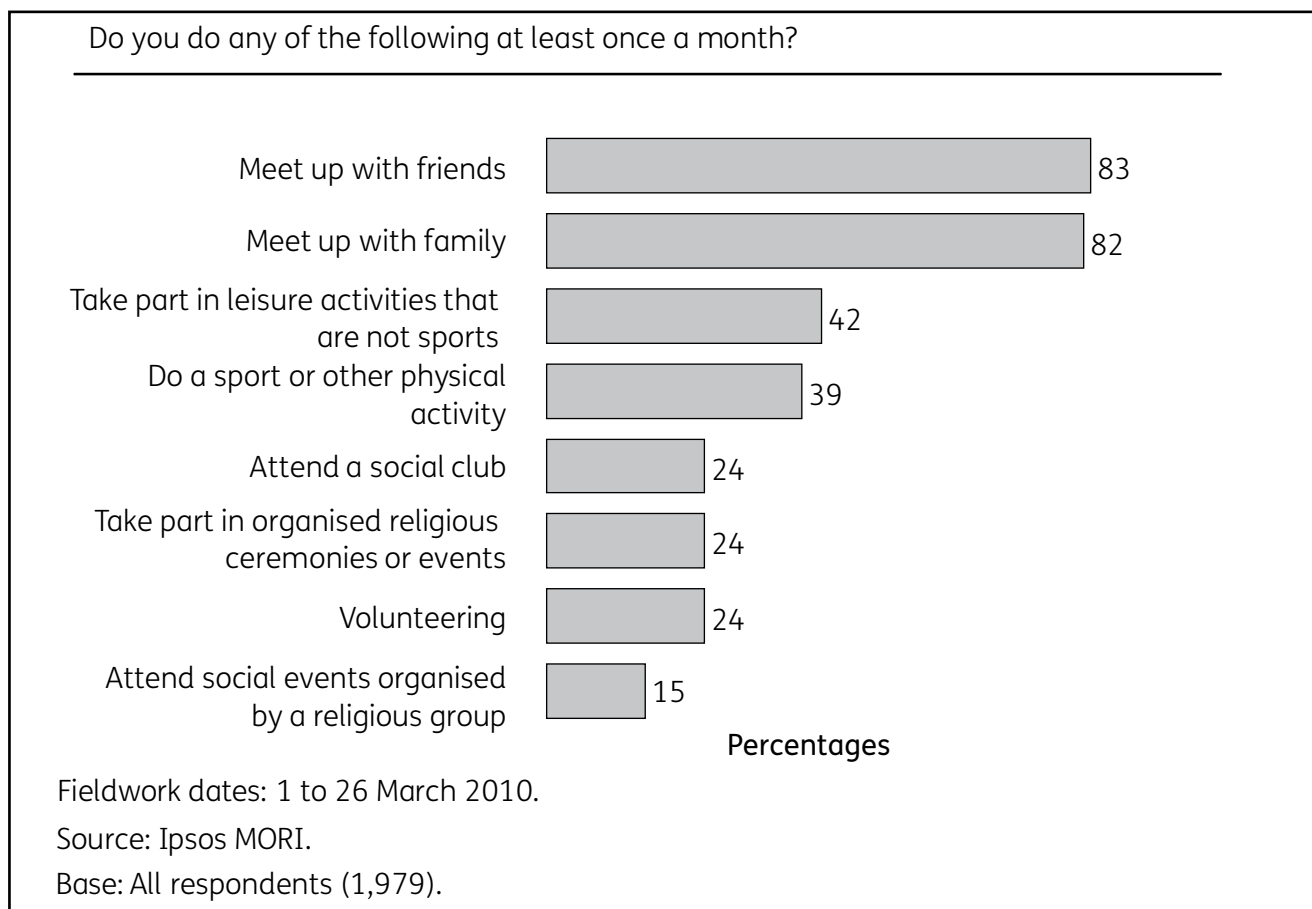
Nearly eight in ten customers defined local services as those between ten and 20 minutes' travel from their home regardless of their preferred mode of transport. This is interesting, as it illustrates that there is no difference in perceptions of the time taken to reach local services between those walking, and those using a car or public transport.

The over 80s were more likely to find it difficult to travel to local services and this is why the frequency with which they took part in activities was lower than younger participants. The main reasons why this age group found it difficult to travel were due to their health and/or their physical mobility.

### 3.1 The social activities of older people

#### 3.1.1 The importance of friends and family

A key finding was that **meeting up with friends and family was by far the most popular activity**, with over four in five doing so at least once a month (83 per cent meet up with friends, 82 per cent meet up with family – see Figure 3.1). These two activities dominated the social activities of most participants, being mentioned by twice as many participants as the next most popular activity which was taking part in physical and non-physical leisure activities (39 per cent and 42 per cent respectively). They were also the activities that were also done with the most frequency; participants meeting friends and family tended to say they did so at least two or three times a week.

**Figure 3.1 Activities undertaken at least once a month by customers over 60**

Women were much more likely than men to meet friends and family on a regular (i.e. at least monthly) basis. Just under 80 per cent of men said they were meeting up with friends and family regularly compared to around 85 per cent of women.

### 3.1.2 The connection of affluence and meeting with friends

The affluent were more likely to meet friends compared to the less wealthy. The survey found that those classified in the more affluent Asset Rich, Cash Sufficient or Prosperous Independents Odyssey segments were much more likely to meet up with friends at least once a month than the average (92 per cent and 89 per cent respectively compared to 83 per cent overall). Similarly survey participants who agreed they **had enough money to have a comfortable standard of living**, were also more likely to meet up with friends compared to those who did not agree (85 per cent compared to 79 per cent respectively).

Conversely, customers who said they needed Government benefits in order to be able to afford to live were less likely to meet up with friends than those who did not need these benefits (78 per cent compared to 88 per cent respectively).

The types of leisure activities explored in the qualitative research depended on individuals' age, health and wealth. The younger participants who enjoyed higher incomes discussed the new activities that they could discover as they entered retirement age. For example, the Asset Rich, Cash Sufficient segment talked about walking, bowls, taking classes and volunteering and the Prosperous Independents were keen on discovering new sports and hobbies. In comparison, members of less wealthy segments cited more homely or mundane activities. The Urban Underprivileged talked

about shopping and meeting up with a much smaller pool of physically closer friends and family. Those from the Frugal Dependents segment discussed household activities such as reading and listening to the radio.

### 3.1.3 Family important for all

Unlike meeting with friends, there was little statistical difference by sub-group in the frequency with which participants met up with family, suggesting that meeting family is important for all. The one exception was the 80 to 84 age group, who were statistically less likely to say they met up with family compared to the findings overall. However, three in four of these still said they did so and it was the most frequently cited regular activity<sup>9</sup> for this age group.

The one exception to the reported importance of family may be for the Urban Underprivileged segment. During the qualitative phase, some of these participants described how they worried about becoming dependent on their families, by which they meant that asking family for help and advice and generally ‘bothering’ them for assistance. This suggests the relationships these participants had with their families was different to those from other Odyssey segments.

The research also found that, **family was also an important source of advice and assistance on matters relating to finance and well-being**. As we shall see further in the report (Sections 4.5 and 5.4), older groups and more vulnerable segments of customers were more likely to rely on family for support than others.

### 3.1.4 Activities and age

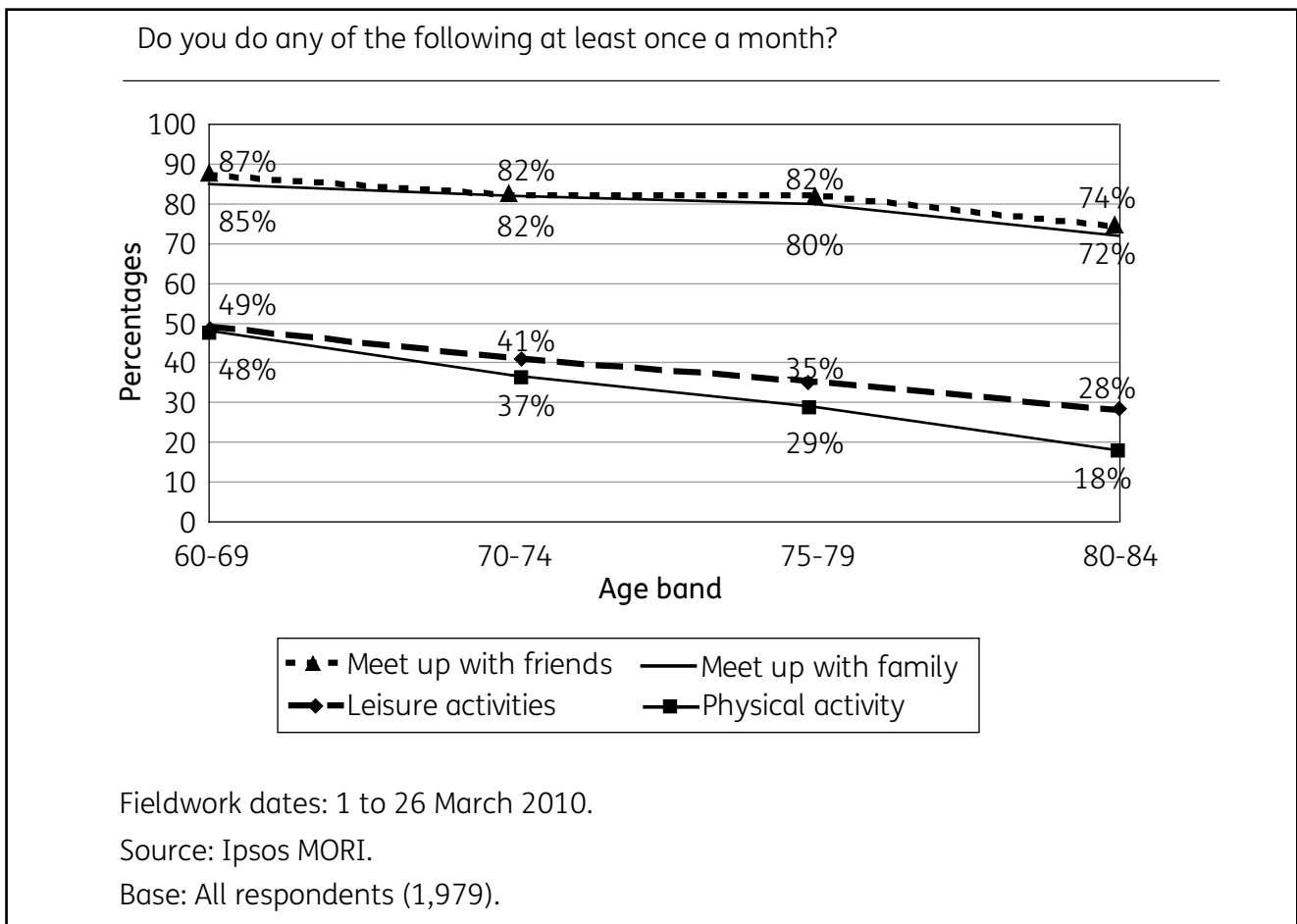
Compared to younger participants, the older 80 to 84 age group said they were less likely to regularly meet up with friends and family, take part in leisure activities that were not sport, or volunteer. A high ratio of people aged 60 to 79 said they meet up with friends and family on a regular basis (85 per cent) in comparison to only two-thirds of customers aged 80 to 84 who said they meet up with friends (74 per cent) and family (73 per cent). Based on responses to other questions in the survey, and from the views collected in the qualitative phase, the reasons for this difference are likely to be varied, including decreasing mobility with age and the general isolation the older groups experience compared to those who retired more recently.

This difference by age was also apparent from other activities and was noted in the qualitative and quantitative research. Where nearly half of 60 to 69 year olds took part in non-physical leisure activities (49 per cent), this also decreased with age, so that just over a third of 75 to 79 year olds (35 per cent) and just over a quarter of 80 to 84 customers (28 per cent) did the same.

The difference by age indicated in the qualitative research does support the quantitative findings in relation to physical activities. Where nearly half of 60 to 69 year olds said they undertook a sporting activity on a regular basis (48 per cent), fewer than one in five of the 80 to 84 group said they did so (18 per cent). Although unsurprising, it does emphasise that this age group said they were less active. As we shall see later, age also had an impact on the frequency of use and method of access to local services.

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<sup>9</sup> Where ‘regular’ means at least once a month.

**Figure 3.2 Activities undertaken at least once a month according to age**

Conversely, there were some activities that people aged 80 to 84 were as likely to take part in as younger age groups. Around a quarter of customers from all age groups said they attended social clubs at least once a month. A similar proportion of the 80 to 84 age group said they took part in organised religious ceremonies or events compared to the 60 to 69 age group (27 per cent of over 80s compared to 24 per cent of 60 to 69 year olds).

The type of social clubs attended by those taking part in the qualitative research differed by Odyssey segment. For example, members of the State Reliant Couples segment, who have an older profile than average, said they attended social events that were free and local to them, such as attending ladies' only exercise classes, or sessions on discovering their local history. In comparison, younger (and wealthier) segments such as Prosperous Independents cited sporting clubs (such as golf) and eating out for lunch or dinner with friends.

Overall, age was found to affect responses for all aspects of the social, financial and health outlook of the target audience. The patterns from much of the qualitative and quantitative research showed that isolation increased with age in terms of regular activities undertaken, access to private transport and seeking advice from others. The qualitative findings show that attitudes on dependence related to age: the Unclassified segment were all younger and held very strong views about maintaining their independence, especially in relation to their families. This group (along with Prosperous Independents and the Asset Rich, Cash Sufficient) also had aspirations about the future and had thought about what they would be doing later in life. There was a marked difference between the views of these groups and, for example, the Frugal Dependents. The discussion groups with older segments found that they had a more reactive outlook, meaning they managed what happened to them rather than proactively seeking different experiences.

The finding that age affects outlook and activities is intuitive and has implications for communication: it may be more difficult to engage with the older group of customers aged 80 to 84 (and, in turn, all customers over 80) than it is with those of younger age groups. In terms of communicating with older people, and ensuring that sources of information reach them, special attention needs to be paid to the 80 to 84 age group because the range of activities in which they participate is narrower.

### **3.1.5 Activities by other factors**

Those living in rural areas were more likely to say they participated in leisure activities, both physical and non-physical. Just under half of those living in rural areas (46 per cent) said they took part in sport or physical activity at least once a month, and a similar proportion (48 per cent) said they participated in non-physical leisure activities with the same frequency. This compared with around two-fifths of those in urban areas (36 per cent physical activities; 40 per cent non-physical activities).

Similarly, there was a large difference in the proportions of customers likely to volunteer at least once a month. A fifth of urban customers (21 per cent) compared to a third of rural customers (33 per cent) said they volunteered. Customers who commented on their volunteering used examples such as helping out at a church café every week, visiting hospital outpatients who are unable to leave their homes, volunteering for family support groups, or training to become a magistrate.

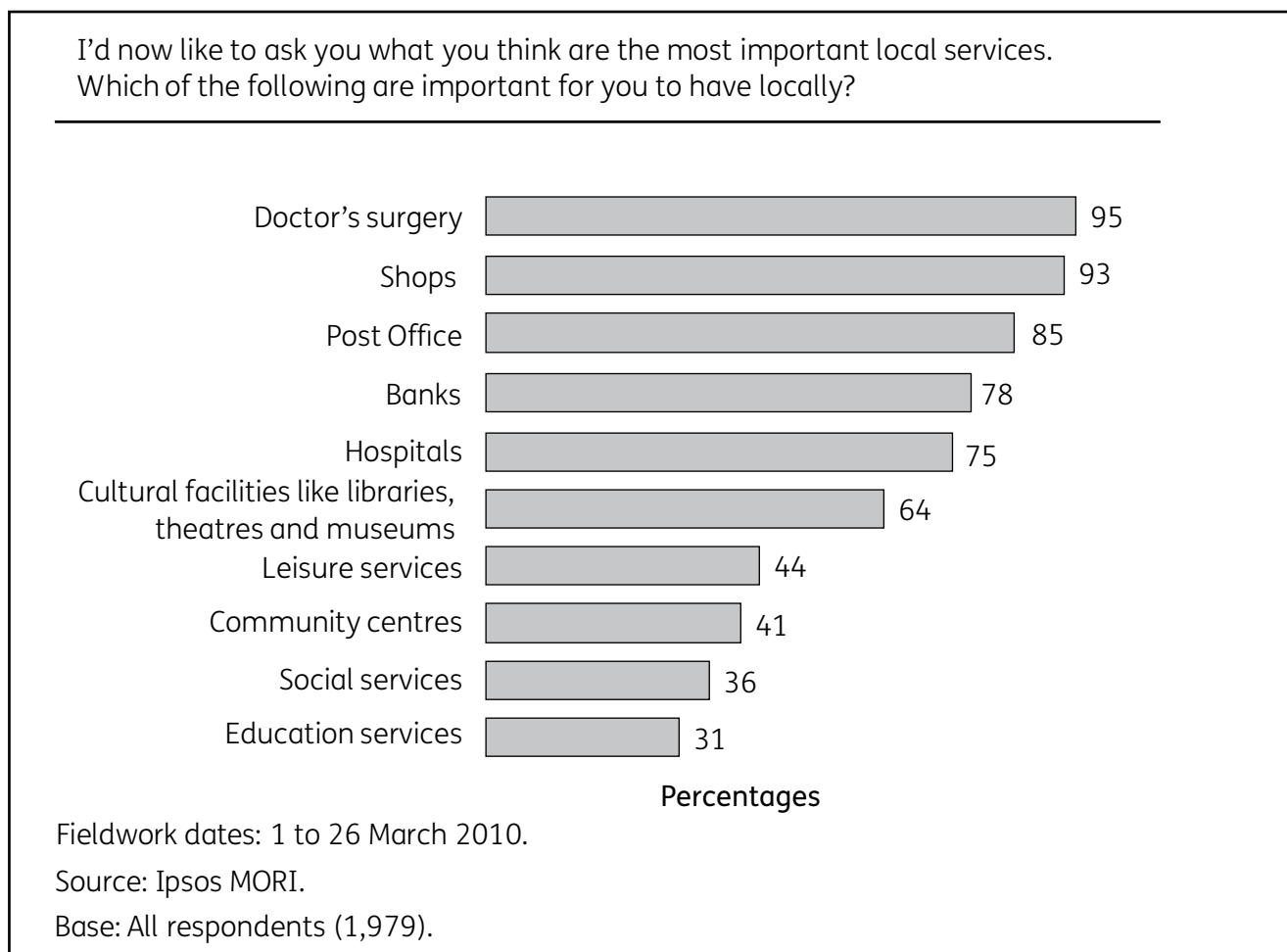
Lastly, it is interesting to note that there were some differences in the levels of participation in religious events by ethnic background. Whilst under a quarter of white British customers said they take part in organised religious events or ceremonies regularly (23 per cent), this jumped to two-fifths of ethnic minority (EM) customers (40 per cent), albeit from a small base (135). Similarly, where one in seven white British customers said they attend social events organised by religious organisations (14 per cent), this increased to over one in five of EM participants (22 per cent). This finding tentatively suggests religious organisations might be a valuable channel to reach different ethnic groups.

## **3.2 Access to local services**

### **3.2.1 Services which are important to have locally**

The qualitative research implied that members of Odyssey segments varied in their definition of what constitutes 'local'. We therefore sought to test this in the quantitative survey, which we discuss subsequently. However, we will firstly show what services participants said were important to have locally. Nearly all (95 per cent) identified that the doctor's surgery as the most important, regardless of age, income bracket or other categories of analysis.

As illustrated in Figure 3.3, other important local services included shops (93 per cent), the Post Office (85 per cent) and banks (78 per cent). A further three-quarters (75 per cent) said that hospitals were an important service to have locally.

**Figure 3.3 Important services to have locally**

The perceived importance of local services was shown to decrease with age. Although the vast majority of 80 to 84 year olds said that services such as the doctor's surgery, shops and the Post Office were important, a smaller proportion agreed in comparison to younger customers. For example, where nearly all 60 to 69 year olds (94 per cent) felt shops were important to have locally, fewer (87 per cent) of the 80 to 84 age group agreed. This trend was consistent across all services, further highlighting the greater limitations of using local services to reach older customers.

### 3.2.2 Defining what local means

Nearly eight in ten customers (78 per cent) defined local services as those between ten and 20 minutes' travel from their home regardless of their preferred mode of transport. This is interesting, as it illustrates that there is no difference in perceptions of the **time taken** to reach local services between those walking, and those using a car or public transport. Over three-quarters of all transport users said that 'local' services were those between ten and 20 minutes away (79 per cent of car users, 75 per cent of public transport users, 79 per cent of walkers). Well under a fifth described services as only five minutes away or less as 'local' (16 per cent of car users, 14 per cent of public transport users, and 12 per cent of walkers).

What this does not illustrate is the **distance** that customers were willing to travel to their services. It lends itself to the conclusion that customers who walked ten to 20 minutes to their local services probably travelled a shorter distance than those who travelled the same distance in a car.

Differences by Odyssey segment also suggest that those living on higher weekly incomes were more likely to use a car to travel and to live in rural areas. The services they had access to were more likely to be **physically** rather than **temporally** distant based on preferred mode of travel.

Travelling by car is also likely to widen the **range** of local services available. Car ownership makes all services within a given radius accessible, especially where public transport is limited. Cars, therefore, increase the size of that radius, making a wider area, and so a wider range of potential services, accessible. Those who walked or used public transport (whom as we shall see were more likely to live in urban areas) may have come into contact with a higher **volume** of services, but possibly a smaller **range** depending on the nature of the urban area in which they live. For example, many modern retail environments have been designed primarily for car users, and so many are located in areas that are hard to reach using public transport, or that require more than one form of public transport to reach. The mix of stores in some retail parks is also limited; supermarkets are often isolated from other retail outlets making a single shopping trip difficult without a car.

The qualitative research on finances provides some insight as to why local services are important. Those of retirement age mostly relied on cash rather than credit or electronic means of buying goods or services. Their interaction with the economy therefore necessitated a physical basis so they were not internet shoppers. Those of retirement age needed a retail environment and, in many cases, their financial transactions were constrained by their circumstances. Social networks tended to be local, especially for those who were reliant on State help and/or had mobility problems. As the geographical options of travel diminished, so did the service options available to those over retirement age.

### 3.2.3 Ease of access to local services

Encouragingly, the majority of participants felt that they had good access to the services they considered to be important, both in terms of the amount of time it takes to reach services and ease of access. Over four in five customers believed it is both **easy to travel to local services** (85 per cent), and that they can **easily reach all the services they consider to be important** (85 per cent). Three quarters disagreed that the **services they need take a long time to reach** (73 per cent), and only one in five said that it takes a long time to reach services (20 per cent).

Of those who did find it difficult to access services, the main reasons were a lack of public transport links or health problems. Three in ten of those who had difficulty said they had no or limited public transport to services (29 per cent) and a further three in ten said it was because they had difficulty walking (28 per cent). One fifth (21 per cent) cited a lack of disabled access as a barrier to accessing local services. The last three points help explain why age affected the perceived accessibility of local services. Those aged 80 to 84 were more likely to face difficulties accessing the services they wanted. Where only one in ten participants overall said they **did not find it easy to travel to local services they wanted or needed**, this almost doubled amongst the 80 to 84 population (19 per cent). Similarly where one in ten (11 per cent) felt they could not **access all the services important to them**, this increased to one in six (16 per cent) amongst the over 80s.

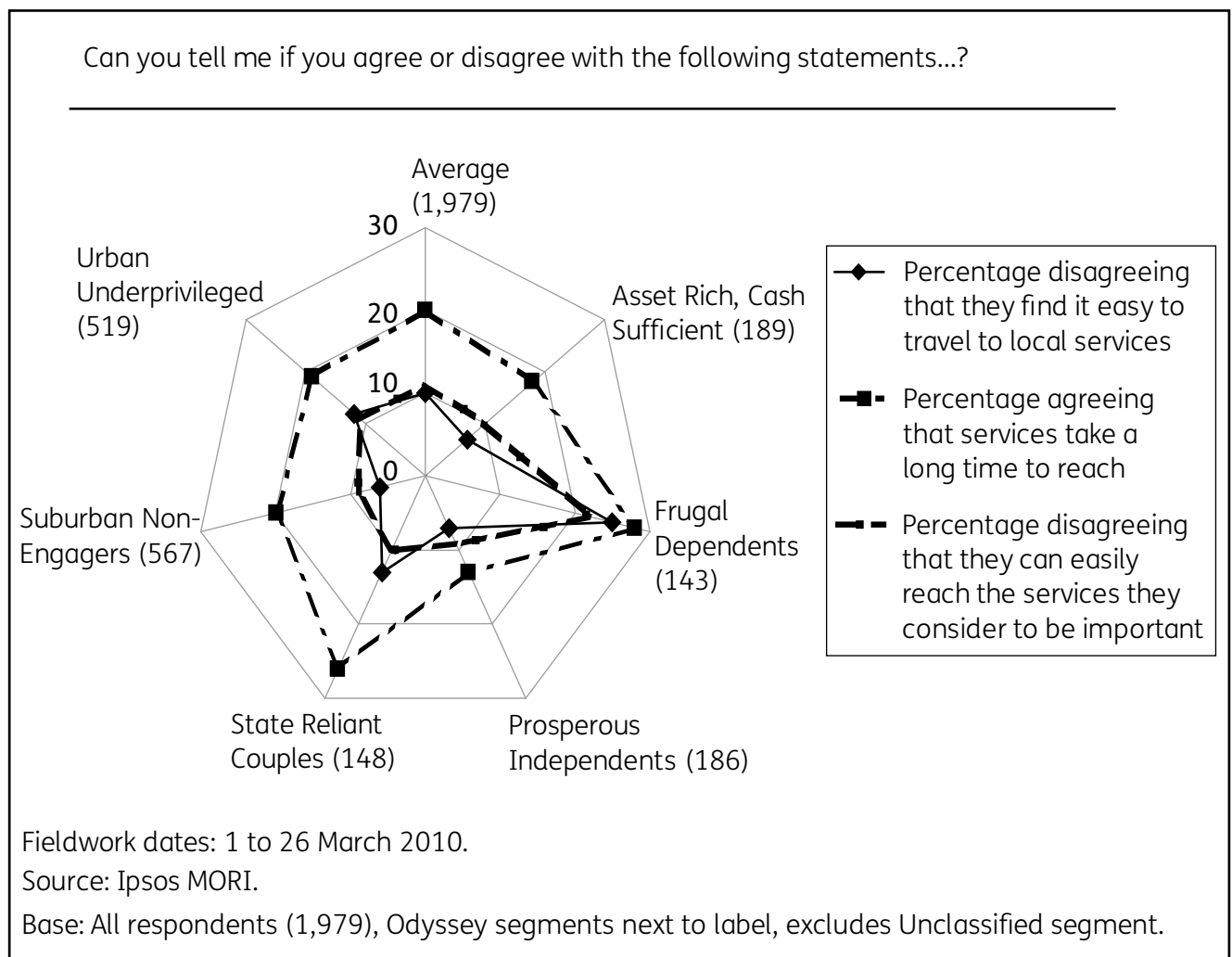
Accessibility of local services was also dependent on a mixture of affluence, place of residence and general health. This is clearly shown when looking at views of accessibility by Odyssey segment. Those who were members of segments with an older age profile and more likely to feel isolated from the full range of public services found it more difficult to reach the amenities they needed.

As Figure 3.4 shows, Frugal Dependents and State Reliant Couples were, on the whole, much less positive about their experiences of accessing local services. As illustrated in Chapter 1, these segments, especially the Frugal Dependents, are markedly older than others. They were also more likely to report difficulties with physical mobility. The quantitative data shows that:

- Frugal Dependents were much more likely to say they **did not find it easy to travel to local services** (25 per cent), and that they cannot easily reach the services considered to be important (22 per cent) than average (11 per cent for both statements);
- Frugal Dependents and State Reliant Couples were more likely to say **services they need take a long time to get to** (28 per cent and 26 per cent) compared to customers on average (20 per cent);
- Frugal Dependents were also far more likely to say they had difficulty walking (48 per cent) than the average (28 per cent), making it difficult to access the services they needed.

The qualitative findings also highlighted that many Frugal Dependents believed that losing a partner had limited both the services they could reach, the activities they could afford to do and the size of their social circle. State Reliant Couples cited financial issues in accessing local services based on the financial difficulties they said they faced.

**Figure 3.4 Travelling to local services by Odyssey segmentation**



### 3.3 Getting around

While participants used a variety of modes of transport, seven in ten overall (71 per cent) used a car to travel to local services, the mode of transport used by the highest proportion of participants. Over



half used public transport to reach local services (51 per cent), and a further two in five (44 per cent) said they walked. Furthermore, when we asked those who used more than one mode of transport to state which they use **most often**: over half (57 per cent) said they use a car to travel to local services whilst only a quarter (23 per cent) said they use public transport, and one-sixth walk (15 per cent).

As the car was the most widely used form of transport, this suggests why most participants felt they could reach a wide range of local services. However, as the table overleaf shows, certain key demographics such as women, the older age group (aged 80 to 84), those from lower income households and those living in more urban areas, were less likely to use a car as a preferred mode of transport. These are mostly the same groups that said they took part in fewer activities and had more difficulty accessing local services. The data describing the issues faced by these groups is discussed next.

**Table 3.1 Mode of transport used most often**

	<b>Car</b> %	<b>Public transport</b> %	<b>Walking</b> %
All	57	23	15
60 to 69 years of age	60	20	17
80 to 84 years of age	47	25	10
Men	63	18	15
Women	53	26	15
Income £149 or under per week	46	33	14
Income £150 or over per week	61	20	15
Urban	52	26	15
Rural	68	13	14
<i>Base: All participants choosing these options</i> (1,865)	(1,118)	(453)	(294)

Source: Ipsos MORI.

### 3.3.2 Travelling and age

The use of cars and walking as modes of transport dropped amongst older age groups. Under half of 80 to 84 year olds said they used a car most often to travel (47 per cent), compared to three-fifths of 60 to 69 years olds (60 per cent). Likewise, where only one in ten 80 to 84 year old customers said they walk most often (ten per cent), nearly two in ten of 60 to 69 year olds (17 per cent) said the same.

These results are not surprising, as it is fairly likely that both the physical ability to both walk greater distances, and the ability to drive, decrease with age. This may help explain why the over 80s were more likely to find it difficult to travel to local services and why the frequency with which they took part in activities was lower than younger participants. In contrast, the proportion of participants using public transport remained at a similar rate regardless of age, which suggests that the relative importance of public transport **increases** as participants get older.

### **3.3.3 Differences by other factors**

Public transport is more important to those on lower incomes. A third of those with a household income of less than £150 a week used public transport (33 per cent), compared to only a fifth of those whose household income was £150 or more (20 per cent). In contrast, over three fifths of those with household incomes over £150 a week said the car was their preferred mode of transport (61 per cent) compared to less than half (46 per cent) of those on lower incomes.

These findings are not surprising, as public transport is generally a less expensive means of transport and, as shown in more detail next, those with higher incomes are more likely to live in rural areas and rural residents said they were more likely to use the car compared to their urban peers. Conversely, urban dwellers were more likely to say they used public transport compared to those living in rural locations. This has implications for those living in rural areas without access to a car, as they are likely to be isolated and, as a consequence, harder to reach. Rural dwellers without a car are less likely to be able to access a broad range of services, and to do so less frequently.

Lastly it is worth noting that a higher proportion of men than women said they were likely to use a car to travel. Comparatively, a higher proportion of women than men said they used public transport most frequently to travel. As Table 3.2 shows, nearly two-thirds of men used a car compared to only half of women. Conversely, where under a fifth of men used public transport most often to travel, over a quarter of women did so. There are likely to be a number of contributory factors for this difference: the generational difference between men and women who learned to drive in the past, the continuing difference in car ownership by gender<sup>10</sup> and the relative financial position of older women compared to men. This suggests that isolation based on mobility may therefore be a greater issue for women, especially those who are single or widowed and cannot drive.

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<sup>10</sup> Department for Transport (2010). Vehicles Factsheet, March 2010 [online]. Available at: <http://www.statistics.gov.uk/CCI/nugget.asp?ID=441&Pos=6&ColRank=2&Rank=640> (accessed 26 May 2010)

## 4 Financial outlook

In addition to understanding the activities and services used by the over 60s, we sought to gauge their attitudes towards financial issues. This chapter explores attitudes and perceptions towards financial issues, in particular the minimum level of income necessary to sustain a good standard of living and views on Government benefits. We also asked about the help and assistance that participants used to guide their financial decisions. As we shall see, family were regarded as an extremely important source of financial advice.

### Summary

The research suggests that perceptions on standard of living were based on the expectations and experiences of older age. Two fifths (39 per cent) of participants said they had a weekly household income of £150 and over, and one quarter (26 per cent) said they lived on less than this. The remainder (35 per cent) chose not to answer the question. Older participants were also more likely to report low household incomes compared to younger participants.

For the younger and more affluent, aspirations for their old age were high and their standard of living had to be enough to fulfil these aspirations. Older and less affluent groups **reported** that they were content with the lives they lived and their income was enough to support the activities they enjoyed.

Almost all customers received State Pension (96 per cent). Around six in ten (62 per cent) received a private pension. Those from less affluent and/or older Odyssey segmentations were more likely to be in receipt of other State benefits.

Although men and women were both as likely to receive a State Pension and other State benefits, a higher proportion of men than women said they received a private pension or private investment income. This is likely related to the greater prevalence of part-time working and lower salaries among women compared to men.

For those who sought financial advice, the term was often interpreted as covering different sources and aspects of advice. A key distinction is that wealthier customers sought help about private investments, whereas less wealthy customers sought help about State benefits.

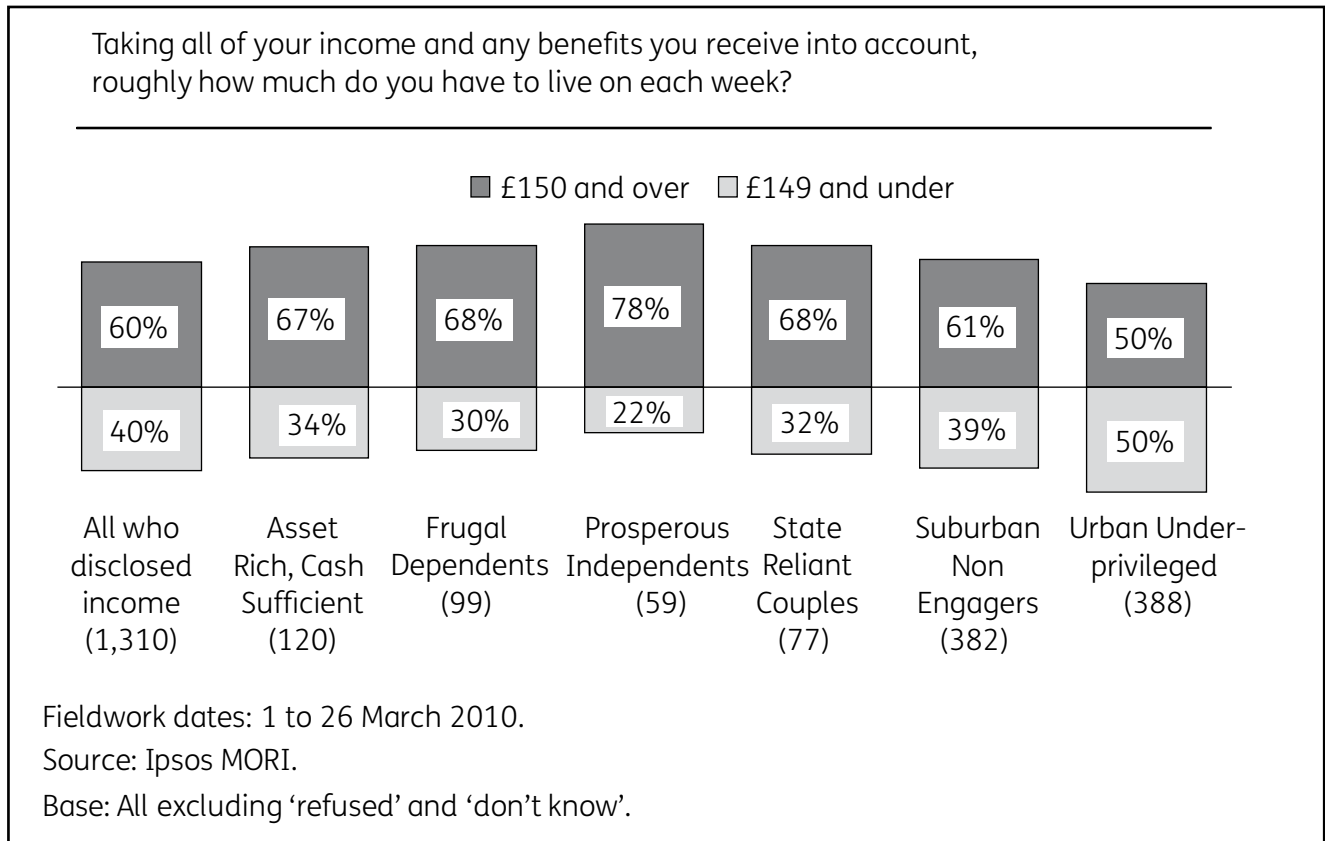
Overall, around a third of participants were unsure who to contact to find out about any benefits to which they were entitled. Those from less affluent segments and those who did not think they had a comfortable lifestyle were more likely to say they were unsure they received all the benefits to which they were entitled.

### 4.1 Income of the over 60s

Two-fifths (39 per cent) of participants said they had a weekly income of £150 or over, and one quarter (26 per cent) said they lived on less than this. The remainder (35 per cent) chose not to answer the question. As income was one of several criteria used to define Odyssey segments, it stands to reason that income would differ by segment, as illustrated in Figure 4.1. As shown, the segmentation does accurately reflect reported income levels: the Asset Rich, Cash Sufficient and Prosperous Independent groups have higher incomes than segments such as the Suburban Non-Engagers and the Urban Underprivileged.

Of those who said they had a weekly income of less than £150, 30 per cent agreed they had a comfortable standard of living. However, 55 per cent of these disagreed they had a comfortable standard of living.

**Figure 4.1 Weekly income by Odyssey segmentation**



The qualitative research found that financial attitudes were based on experiences participants had when they were younger. Members of quite diverse segments (Asset Rich, Cash Sufficient and Frugal Dependents) said that poor financial planning was the reason that many other people were experiencing monetary difficulties in the current economic climate (although this was not a universal belief; Prosperous Independents were a little more considered in their views).

There was a consistent theme based on long personal financial histories and a need to budget and plan. Older people generally benefited from understanding the practical repercussions of a fluctuating economy and many had lived through periods of global instability, including previous recessions and a World War. This meant that, where they had a choice, they would prefer not to use credit cards, or buy items on hire-purchase agreements, because the idea of credit was counter to their views on financial management.

It is also important to note a point about choice; members of the State Reliant Couples and Urban Underprivileged segments did not have much option in how they chose to spend the benefits and pensions. Although they rarely viewed themselves as living in poverty, members of these groups said they sometimes found it hard to afford day-to-day expenses, especially in the run-up to payment of their pensions and/or benefits.

## 4.2 Perceptions of the minimum level of income

For those who chose to answer the question (44 per cent did not), perceptions of the minimum amount one person can live on per week differed by income. Of those who answered, three in ten felt that one person can survive on £149 or under (30 per cent), compared to seven in ten who said that a single person needed £150 or over (70 per cent).

**Table 4.1 Changing perceptions of minimum individual income levels**

	Perceived minimum level of individual income	
	Less than £150 %	£150 or more %
All customers	30	70
Household income £149 or under	49	51
Household income £150 or over	19	81
Comfortable standard of living	32	68
Not comfortable standard of living	22	78
Men	27	73
Women	31	69
Age 60-69	27	73
Age 80 to 84	40	60
<i>Base: All participants answering (1,140)</i>	<i>(333)</i>	<i>(807)</i>

Source: Ipsos MORI.

### 4.2.1 Perceptions of living income by age and affluence

Again age had an impact on perceptions. Younger participants felt minimum living incomes were higher compared to the 80 to 84 age group. Where nearly three quarters (73 per cent) of 60 to 69 years olds felt that £150 or more was the minimum weekly income for a single person, this decreased with age, so that three fifths of 80 to 84 customers (60 per cent) felt that this was the minimum income. This finding is interesting as people from older age groups were more likely than those in younger age groups to **agree** that they had a comfortable standard of living. Where three-fifths (62 per cent) of customers aged 60 to 69 felt they had enough money for a comfortable standard of living, this greatly increased to nearly three-quarters of customers aged 80 to 84 (74 per cent). This survey found that **older participants had less income, but felt they had a more comfortable standard of living compared to younger participants.**

What could explain this apparent contradiction? It could mean that as people get older, they start to believe money will last longer, or that they think, realistically or unrealistically, people can live on a lower level of income. Alternatively, the recently retired may enjoy a larger final income compared to someone who retired ten or fifteen years ago, so the income they are used to, and expectations of a 'normal' lifestyle, as they enter retirement are higher. The qualitative interviews found that groups that were financially independent had a broader view of life, which was shown by their gregarious attitudes and the financial freedom they enjoyed to pursue a range of activities, on both a regular and ad hoc basis. In comparison, poorer groups were more constrained and had a 'local' outlook; their activities tended to be more regular, such as weekly visits to community centres, to see friends or go to the shops. The networks with which they engaged were closer-knit and, in cases where social relationships outside of family broke down, poorer groups stated they become isolated.

The research therefore suggests that **perceptions on standard of living were based on the expectations and experiences of older age**. For the younger and more affluent, aspirations for their old age were high and their standard of living had to be enough to fulfil these aspirations. Older and less affluent groups on the whole **reported** that they were content with the lives they lived and their income was enough to support the activities they enjoyed.

### 4.3 Sources of income

To help understand the context upon which customer views on their financial outlook were based, participants were asked about their different sources of income, both private and through Government benefits:

- almost all customers received the State Pension (96 per cent);
- around six in ten (62 per cent) received a private pension;
- a further quarter (26 per cent) derived income from private investments.

Nearly one in three (31 per cent) recognised that they received State benefits other than the State Pension.<sup>11</sup> Almost half of those who received other benefits said they were in receipt of Pension Credit (45 per cent), with a further three in ten (30 per cent) in receipt of Attendance Allowance. Other benefits received by participants included Housing Benefit (22 per cent of those saying they received a State benefit) and Carer's Allowance (ten per cent)<sup>12</sup>. Later in the report we look in more detail at what customers said they used their Attendance Allowance for, in order to establish how crucial it is as a supplement for those with physical or mental impairments.

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<sup>11</sup> We use **recognised** on purpose – separate qualitative research with pre-pensioners carried out at the same time as this project indicated that many customers did not recognise the difference between Pension Credit and the State Pension. It is, therefore, likely that the proportion recognising they receive Pension Credit is less than those that **actually** receive it.

<sup>12</sup> Those of State Pension age whose State Pension is more than the Carer's Allowance are not eligible for payment of Carer's Allowance. However, they can receive slightly more from other benefits such as Pension Credit due to their underlying entitlement. From the perspective of the survey, the important point is as point 11 above; participants have trouble recognising the difference between different benefit entitlements.

**Table 4.2 Sources of income**

	Sources of income				
	State Pension	Private pension	Other State benefits	Private investments	Income from a job
All customers	96	62	31	26	1
60 to 69 years	96	60	22	26	17
80 to 84 years	96	67	51	26	3**
Asset Rich, Cash Sufficient	98	71	11*	45	15
Frugal Dependents	98	65	79	26*	2**
Prosperous Independents	99	78	14	50	40
State Reliant Couples	93	55	52	11*	5**
Suburban Non-Engagers	97	69	23	26	9
Urban Underprivileged	96	47	40	13	13
Male	97	78	28	32	10
Female	96	53	32	22	12
<i>Base: All respondents (1,979)</i>	<i>(1,913)</i>	<i>(1,227)</i>	<i>(622)</i>	<i>(500)</i>	<i>(219)</i>

Source: Ipsos MORI.

\* Small base size; \*\*Very small base size.

### 4.3.1 Income sources according to the Odyssey segmentation and age

Those more likely to receive private pensions and investments were from more affluent Odyssey segments. Almost four in five (78 per cent) of Prosperous Independents, and around seven in ten (71 per cent) of Asset Rich, Cash Sufficient customers received private pensions, compared to three in five (61 per cent) overall. Similarly half (50 per cent) of Prosperous Independents, and almost half (45 per cent) of Asset Rich, Cash Sufficient customers received income from private investments, compared to a quarter (26 per cent) overall.

Conversely, those from less affluent and/or older age group Odyssey segmentations were more likely to be in receipt of other State benefits. Overall, three in ten (31 per cent) customers were in receipt of other benefits, compared to nearly four in five (79 per cent) Frugal Dependents segment and half (52 per cent) of State Reliant Couples. In a similar pattern, whilst half of Prosperous Independents received income from private investments (50 per cent), this fell to a quarter (26 per cent) of Frugal Dependents, and just over ten per cent of Urban Underprivileged and State Reliant Couples (13 per cent and 11 per cent respectively).

These findings are supported by the interviews undertaken at the qualitative stage. It was found (unsurprisingly) that income in retirement was dependent on the type of employment and pension planning undertaken during a working life, either by the participant or their partner. Financial instruments such as ISAs were typically held by more affluent segments such as the Asset Rich, Cash Sufficient and some participants in the Prosperous Independent segment said they were looking to downsize their property to release capital.<sup>13</sup> The Frugal Dependents, State Reliant Couples and Urban Underprivileged segments were all much less likely to have incomes that were independent of the State, which ties in with the expected profile of such groups.

<sup>13</sup> Note, the qualitative research was conducted between December 2008 to January 2009 before some of the main economic problems related to house prices took full effect.

A number of those taking part in the qualitative phase said they worked. 'Retired' workers were typically employed on a part-time basis for a number of reasons, such as the desire to remain active (physically and mentally), to 'help out' where they could and to maintain social contact with others, especially, in the case of Suburban Non-Engagers, with younger people. Retirement for many, especially professionals, was a winding down process which happened over time, rather than a total cessation of work at a fixed date. The quantitative findings support the idea of work diminishing over time, rather than ceasing altogether at retirement age. Amongst 60 to 69 year olds, one in six said they had income from a job (17 per cent), this gradually dropped as people got older, to just three per cent of the 80 to 84 group.<sup>14</sup> Members of segments that contain a higher proportion of formerly professional workers (such as Prosperous Independents) were also more likely than some other segments to say they received income from a job.

**These findings emphasise that the Odyssey segmentation captures the differences in income sources between different sections of the over 60 population.** It highlights that income levels and the sources from which income is drawn are linked and that information conveyed to the over 60s could be tailored to reflect this difference. For example, the guidance provided to prosperous groups may explain how to get the most out of diverse incomes sources.

Where just under a third of customers overall (31 per cent) said they received other State benefits, amongst the 80 to 84 group this increased to over half (51 per cent). This suggests that communication of entitlement and advice available to customers over 60 should consider age when targeting pension provision. Information for the younger and older groups could be adapted according to the sources of income they are likely to have. For example, younger, more affluent groups reported that they were more likely to use financial institutions and so communications on finances to this group may be effective if delivered through banks or similar organisations.

### **4.3.2 Gender differences**

Although men and women were as likely as each other to receive a State Pension and other State benefits, a higher proportion of men than women said they received a private pension or private investment income. Just over half of women (53 per cent) said they had a private pension compared to over three-quarters of men (78 per cent). Similarly, where a fifth of women had income from private investments (22 per cent), this increased to almost a third of men (32 per cent).

This difference may reflect the differing circumstances between men and women during their working lives, as reflected in the 2009 annual earnings figures. These show that men are, on average, likely to earn £6,100 more than women per year. In addition, a tenth of male employees currently work part-time (11 per cent), compared to half of women (49 per cent).<sup>15</sup> This highlights that women are both likely to earn less than men and work part-time. In turn, this is, to some extent, likely to explain the differences in private pension provision and investments of those who have retired.

### **4.3.3 Receipt of Attendance Allowance**

As mentioned earlier, nearly a third of participants said received benefits other than the State Pension (31 per cent). Of these, three in ten said they received Attendance Allowance, most of who were older. Only two per cent of all 60 to 69 year olds said they received Attendance Allowance, compared to over a quarter (27 per cent) of all 80 to 84 year olds. The findings of this research show that older groups were much more likely to report long-term illnesses or disabilities.

The majority of customers who received Attendance Allowance used it to pay directly for medical services and equipment. Of these customers, over half (52 per cent) said they spent Attendance

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<sup>14</sup> Figures for 60-69 year olds do not include men aged 60-64 of working age.

<sup>15</sup> Office for National Statistics: 2009 *Annual Survey of Hours and Earnings*.



Allowance directly on services to help with care, whilst a third (33 per cent) said they spend it elsewhere. Due to the low base size (176), it is difficult to conduct any cross-analysis on recipients of Attendance Allowance.

## 4.4 Perceptions of personal finances

The majority of customers were positive about budgeting and paying for household items and bills, although a high proportion were more careful about food expenditure. There was also a perception amongst many that they do not have as much money as other people of a similar age.

### 4.4.1 Comfortable standard of living

Most customers said they had a comfortable standard of living (64 per cent), suggesting a generally positive outlook amongst the over 60s towards their finances. However, this differs significantly by income and age. As reported earlier, **the proportion of participants who felt they had a comfortable standard of living increased with age**. Unsurprisingly, those with higher weekly incomes were more likely to agree that they had a comfortable standard of living compared to those on lower incomes. However, as noted previously, it tended to be younger rather than older participants who were likely to have a higher income. Seven in ten of those on £150 or more a week (70 per cent) said they felt comfortable, compared to under half (47 per cent) of those whose weekly income was under £149.

Differences by income and age were reflected in the Odyssey segmentation. Four in five Prosperous Independents (81 per cent) said they had a comfortable standard of living, compared to just over half of State Reliant Couples and Urban Underprivileged (56 per cent and 58 per cent respectively). Despite reporting an average income, Frugal Dependents were on the whole positive about their standard of living, with over three-quarters (76 per cent) who said they have enough money to be comfortable. Conversely, where a third of Urban Underprivileged and State Reliant Couples did not agree they had a comfortable standard of living (33 per cent and 36 per cent respectively), this reduced to just over a tenth of Prosperous Independents (13 per cent).

Those taking part in the qualitative research generally perceived that cutting back was part of retirement. Members of all groups said they made economies as they grew older due to the reduction of their income. Those who owned their homes had a large amount of capital that they said they may release if the need arose, although some home owners had a strong desire to pass property onto their children. This practical approach to finances is reflected in the findings about paying for bills and household goods in the survey. Participants were unlikely to report difficulties with bills: most (85 per cent) disagreed that they **had difficulty paying their telephone bill**, and just under three-fifths (59 per cent) did not feel that they **struggle to heat their homes in winter**. However, there was a mixed response to the statement *'I have to think carefully about the food that I buy because of the cost'*. Around half of participants (52 per cent) agreed with this statement, but two in five (43 per cent) disagreed.

Although these responses show a positive picture **overall**, there were some differences between the age groups. In line with their views on comfortable standards of living, the oldest group of customers were less likely to say they had to think carefully about the food they buy because of the cost. Where over half of 60 to 69 year olds felt they were careful (54 per cent), this slipped to just over two-fifths of 80 to 84 year olds (44 per cent).

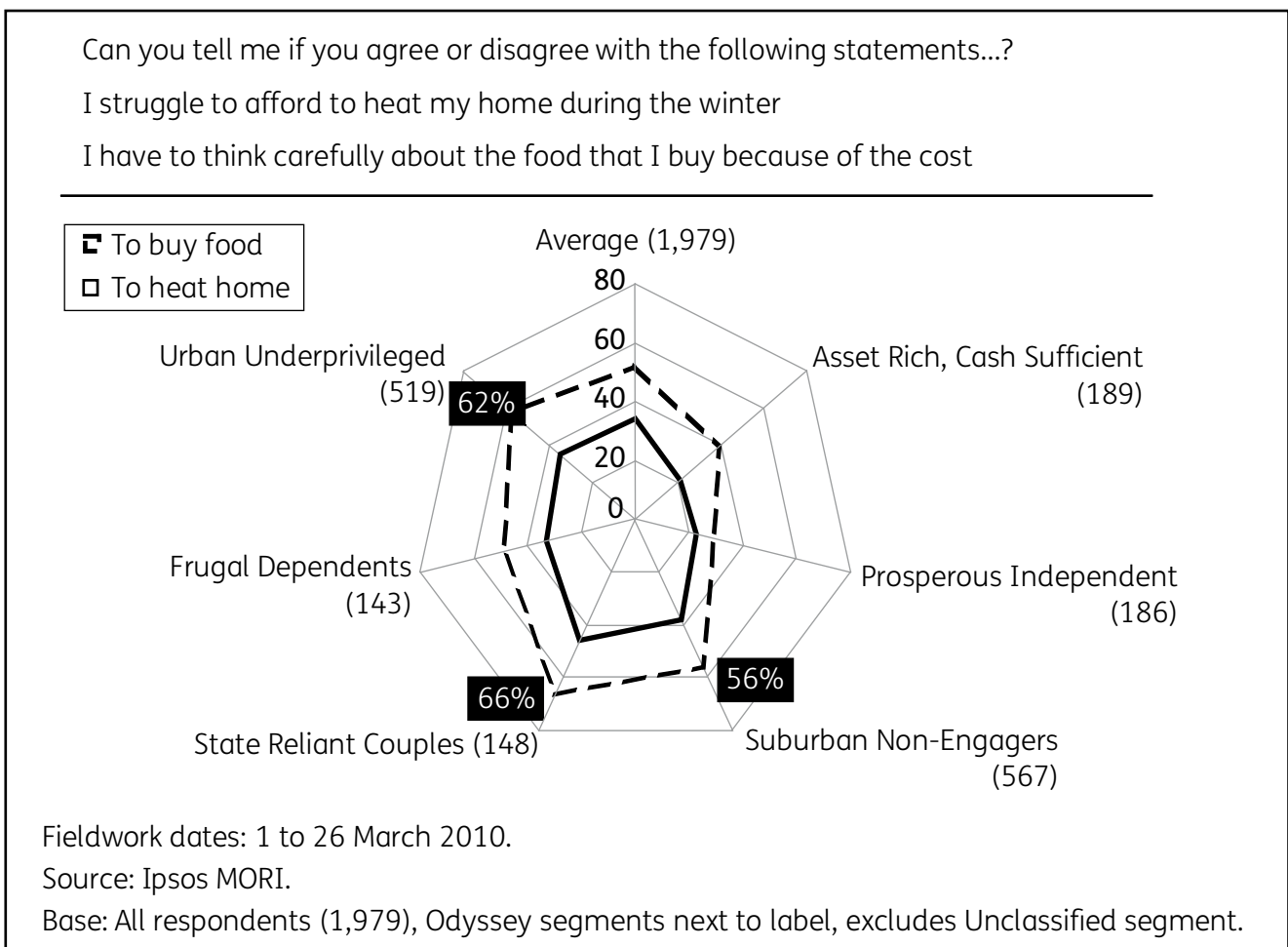
There was a mixed response to the question *'I have less money than the other people of my age who I know'*. Around a third both agreed and disagreed with this question (32 per cent and 35 per cent respectively). However, the different perceptions of older participants were again evident as older customers were less likely to agree with this statement; only a fifth of 80 to 84 year olds said they had less money than others (23 per cent) compared to a third of 60 to 69 year olds (35 per cent).

### 4.4.2 Differences by income and Odyssey segmentation

Given the evidence already presented, it was unsurprising to find that differences in opinions on standard of living existed by income and, as a consequence, Odyssey segment. Heating homes in the winter was more of a struggle for those on lower incomes (43 per cent of those on £149 or under a week compared to only 32 per cent of those on £150 or more). Furthermore, only a fifth of Asset Rich, Cash Sufficient and Prosperous Independent customers said they struggle to heat their homes (21 per cent and 23 per cent respectively), this jumped dramatically to almost half of State Reliant Couples (46 per cent).

Similarly, where only four per cent of Prosperous Independents said they had difficulty paying for their telephone bill, this increased to nearly a fifth of State Reliant Couples (19 per cent) and the Urban Underprivileged (17 per cent). Two-fifths of more affluent groups said they *have to think carefully about the food they buy because of the cost* (39 per cent of Asset Rich, Cash Sufficient, and 29 per cent of Prosperous Independents), this greatly increased to two thirds of State Reliant Couples (66 per cent) and three fifths of Suburban Non-Engagers (56 per cent) and Urban Underprivileged (58 per cent). The differences between segments included not only what food was bought, but how eating experiences differed. For example, Frugal Dependents tended not to go out much and rely on a weekly shop in a local supermarket for all their food needs. In comparison, Prosperous Independents were more likely to visit restaurants on a regular basis as well as their regular shop.

**Figure 4.2 Attitudes to personal finances according to Odyssey segmentation**



### 4.5 Financial advice

### 4.5.1 Seeking financial advice

Most (84 per cent) customers said that they **do not** have other people helping them decide how their money is spent. Prosperous Independents and men were much more likely to say they had someone to help them decide (24 per cent and 20 per cent respectively compared to 14 per cent overall). This proportion increased to two-fifths of men surveyed (40 per cent) and doubled to three-fifths of those classed as Prosperous Independents (61 per cent). Looking further into this, the data shows that these groups discussed financial issues with their partners far more than on average. This fits with the Odyssey grouping of Prosperous Independents who were typically couples, as well as being very self-sufficient in financial management.

A quarter (24 per cent) of those who had difficulty paying for household bills or goods had at some point asked for financial advice. It was the younger group who were more likely to seek advice with their finances; over a quarter of people aged 60 to 69 years sought financial assistance (28 per cent) compared to a sixth of over 80s (17 per cent). These younger and **more affluent** sections of the audience understood the term ‘financial advice’ to relate to private savings and investments, suggesting they think it relates to professional assistance in this instance.

Overall, the most common financial problems customers sought advice about were Government benefits (28 per cent), paying utility bills (24 per cent), the increased cost of living during winter (24 per cent), and repaying debts (19 per cent). However, the key distinction is that **wealthier customers sought help about private investments, whereas less wealthy customers sought help about State benefits.**

### 4.5.2 Sources of financial advice

Of those who sought financial assistance, the most common source of help and advice was a bank or credit card company, cited by over a quarter (27 per cent) of customers. Family is also an important source of financial advice. Over one in five of those who sought assistance asked family (21 per cent); the same proportion as looked to the Government for advice. This may present a communications issue for PDCS as they have less control of the way advice is delivered by family members which increases the risk of propagating misinformation.

The qualitative phase of the research took a closer look at the roles that family played in advising older people about their finances, for which some differences were suggested. The role of sons and daughters (or grandchildren) differed; in some cases, a trusted relationship had developed in which children supported their parents by providing advice, although in other cases, there was a reluctance to discuss finance because of a wish not to worry the rest of the family.

Although just under one in six overall (16 per cent) said they had asked somebody for help or assistance with financial matters, nearly two-thirds (63 per cent) of customers said they were prepared to speak to someone in person about financial issues. This was true of all income groups and Odyssey segments. Older people were less likely to agree that they wanted to discuss financial issues **in person**, with fewer than half prepared to do so (45 per cent) compared to nearly two-thirds overall.

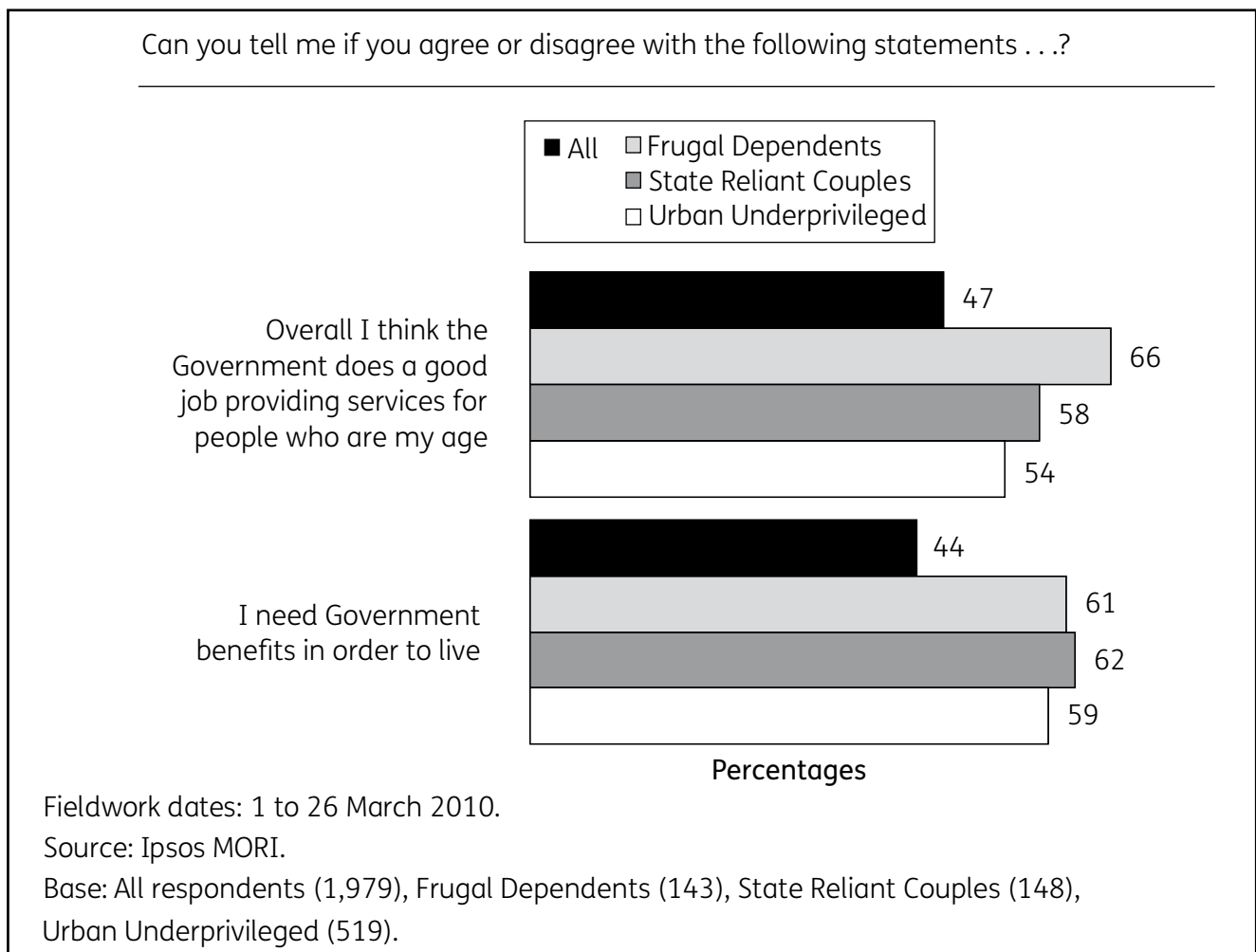
Nevertheless, these results show that the majority of customers over 60 would be willing to receive face-to-face advice or assistance concerning their finances, opening opportunities to communicate and create a dialogue with customers over 60 about their financial situation.

## 4.6 Perceptions of Government benefits

The final topic in the section on finance was to measure perceptions of the services provided by the Government for those of retirement age.

Most participants (84 per cent) believed in the principle of Government helping those in poverty. However, only around half (47 per cent) agreed with the statement ‘Overall I think the Government does a good job providing services for people who are my age’, and over one-third (35 per cent) disagreed. The contrast is especially stark amongst those from different income backgrounds and Odyssey segmentations. Members of the less affluent Frugal Dependents, State Reliant Couples and Urban Underprivileged segments were all more likely to agree with this statement (66 per cent, 58 per cent and 54 per cent respectively). Members of these segments were also the most likely to agree that they ‘need Government benefits in order to live’.

**Figure 4.3 Views on Government regarding benefits**



The majority of customers (88 per cent) said they had ‘never or rarely been unemployed during their working lives’, suggesting that most customers over 60 were either in receipt of an income from full- or part-time employment for most of their adult life until retirement or that they did other activities they classed as work such as raising children. The only notable difference by audience was between men and women, with just over four-fifths of women (86 per cent) saying they had never or rarely been unemployed, compared to nine in ten men (91 per cent). This is likely to reflect women’s different working life experiences such as actual time spent out of the workplace, and whether

they worked full-time. Data for the current workforce presented earlier (Section 4.3.2) showed that around a half of women work part-time compared to one in ten men.

Although a significant majority of customers over 60 (88 per cent) said they had never or rarely been unemployed during their working lives, over two fifths of those also said that **they needed government benefits in order to live** (44 per cent). This suggests that many participants had either worked for lower wages that did not provide large pensions, or did not pay enough into pension schemes whilst in employment either through choice or necessity.

#### 4.6.1 Entitlement to benefits

Around two-thirds of customers believed they both *'received all benefits they were entitled to'* (68 per cent), and that *'they knew who to contact about their entitlements'* (64 per cent). However, this leaves more than three in ten customers who either disagreed or were unsure about their entitlement to benefits and how to find out about them.

Indeed, when we look further at this group with low levels of awareness around benefits, we see that **those from less affluent segments and those who did not think they had a comfortable lifestyle were more likely to say they were unsure they received all the benefits to which they were entitled**. While under a tenth of Asset Rich, Cash Sufficient customers (nine per cent) felt they did not claim all the benefits they were entitled to, this almost doubled amongst the Urban Underprivileged (16 per cent) and increased to a fifth of Suburban Non-Engagers (20 per cent). Furthermore, customers within the Urban Underprivileged segment were most likely not to know who to contact in order to find out about Government benefits (38 per cent compared to 31 per cent overall).

These differences are concerning. These segments were more reliant on State benefits and yet more likely to say they did not know who to contact about them. Critically, given that they were more likely to receive benefits, it suggests that even their direct experience of the benefit system does not make it clear who they should contact about entitlements.

The qualitative research found that those who do not use the Department's services had no knowledge or much inclination to find out what support DWP could provide. Even those who do receive benefits displayed little proactive activity towards the Department; they received their benefits and were glad to do so on a regular basis. Only Suburban Non-Engagers added anything further, stating that they thought the processes that had to be followed to claim benefits were complicated, possibly because the benefits to which they may be entitled were more likely to be means tested.

# 5 Health and well-being

The chapter explores older people's attitudes towards health, and the medical services used by those of retirement age.

## Summary

Just under half (48 per cent) of all participants said that they had a **long-term illness, health problem or disability which limited the daily activities they could do**. As expected, this figure rises with age; older participants aged 80 to 84 were far more likely to say they had a long-term condition than those in the 60 to 69 age group (69 per cent compared to 40 per cent).

Customers' own perception of their health was relatively positive; seven in ten (70 per cent) believed they were either as healthy as, or healthier than, other people of their age. Three-quarters of participants said they visited the doctor at least every six months.

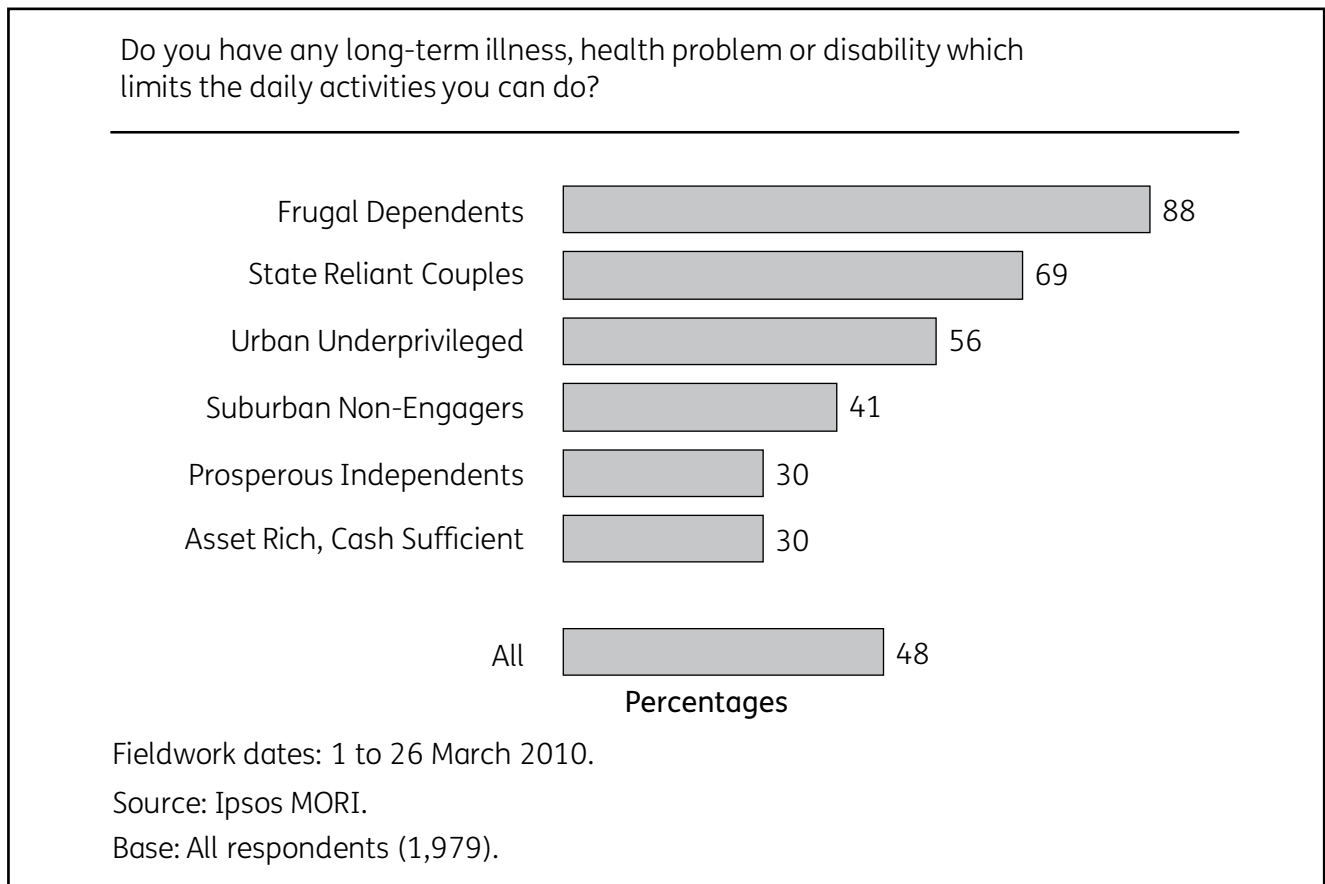
Over a quarter (27 per cent) of customers said they had some sort of medical help in the home. Matching earlier findings about other areas of life, family were the most important source of assistance, cited by nearly three-quarters (72 per cent) of participants who had some help.

## 5.1 The prevalence of health problems and disabilities

The survey found that just under half (48 per cent) of all participants said that they had a *'long-term illness, health problem or disability which limited the daily activities they could do'*. As would be expected, this figure rises with age; older participants aged 80 to 84 were far more likely to say they had a long-term condition than those in the 60 to 69 age group (69 per cent compared to 40 per cent).

Likewise, those who were members of segments with an older profile were also more likely to suffer from long-standing health problems. Where only three in ten Asset Rich, Cash Sufficient or Prosperous Independents suffered from health problems (30 per cent), this rose sharply to almost seven in ten State Reliant Couples (69 per cent) and nearly nine in ten Frugal Dependents (88 per cent). These differences provide an important context to the way participants answered further questions about health.

The latter two segments tended to describe their health differently to others in the qualitative research. They were more likely to say that health problems had a significant effect on their life and to suffer from health problems that limited their mobility. In comparison, the Asset Rich, Cash Sufficient and Prosperous Independent segments were much more likely to say they enjoyed good physical health and talked in terms of ailments rather than serious medical conditions.

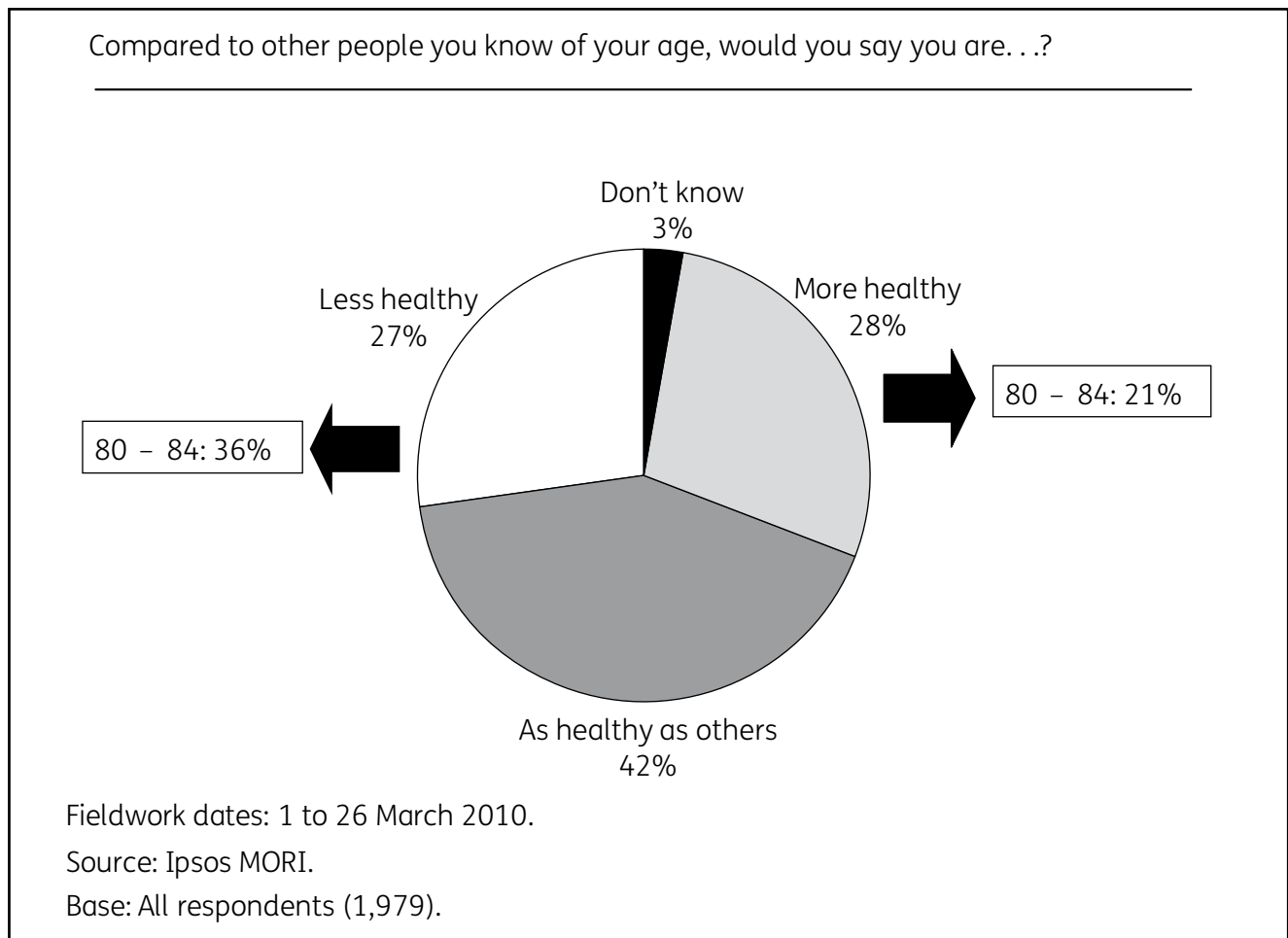
**Figure 5.1 Disability by segment**

## 5.2 Perceptions of personal health

Customers' own perception of their health was relatively positive; seven in ten (70 per cent) believed they were either as healthy as, or healthier than, other people of their age. A similar proportion said they felt healthier than other people their age (28 per cent) as said they felt less healthy (27 per cent).

However, age affected this perception, with the 80 to 84 group less likely to agree that they were as healthy as others their own age (21 per cent compared to 28 per cent overall). This is important to note, as we asked customers to gauge their health in relation to their peers. Thus, it appears that with age, comes a less optimistic outlook of personal health in comparison to others their own age.

This is supported by the finding that the proportion who said they were less healthy than their peers increased with age, so that where under a quarter of 60 to 69 year olds felt this (23 per cent), this increased to over a third of participants aged 80 to 84 (36 per cent). The drivers for this difference are not known and a number of speculations could be made, for example the impact of the apparent tendency to socialise with fewer people as they get older.

**Figure 5.2 Self-perception of health**

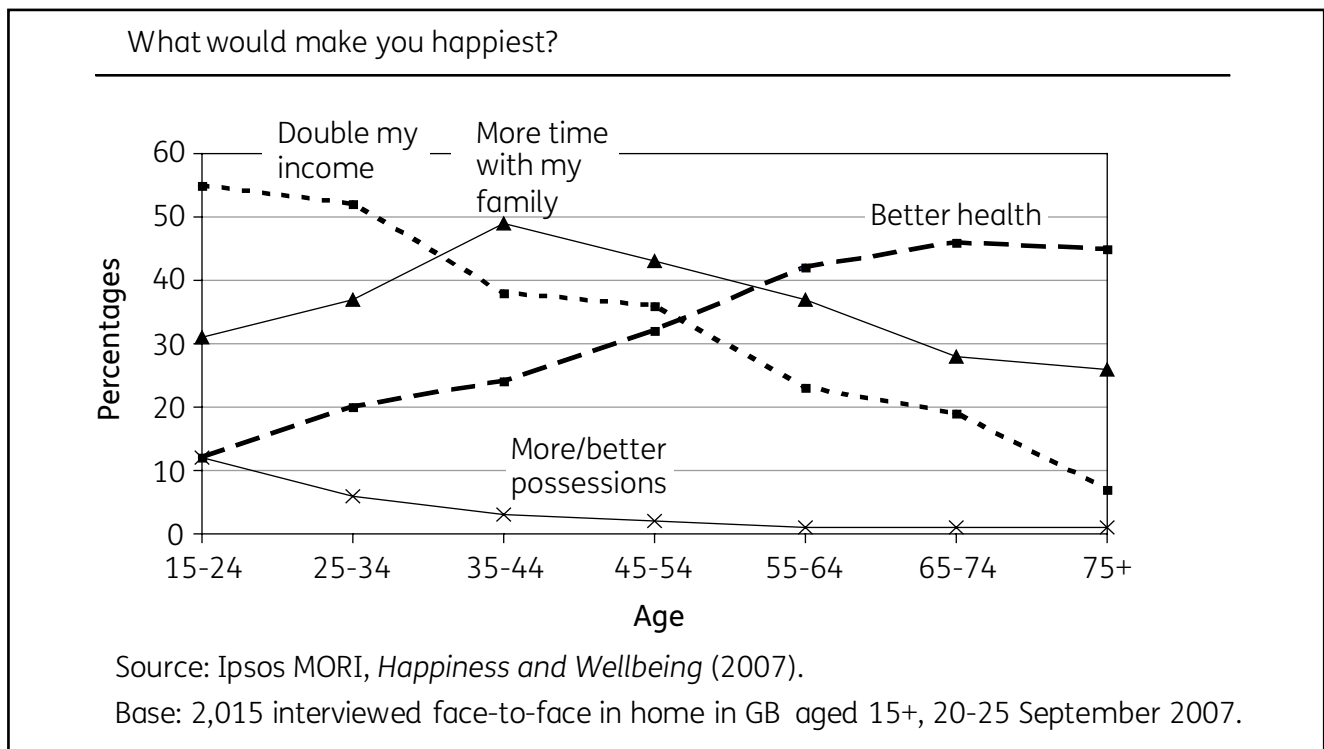
The qualitative research found that many participants were concerned as much with mental health as physical health. For example, members of the Suburban Non-Engagers segment were particularly concerned about mental health, as were members of other younger segments. This correlates with the findings of other studies. National survey statistics taken from the Health Survey for England also found that self-reported healthiness for men and women decreased with age.<sup>16</sup> Furthermore, other research by Ipsos MORI shows that those aged 75 or over are more likely than younger groups to say that an improvement in their health would increase their happiness, as indicated in Figure 5.3. This indicates that older people recognise the effect that poor health has on quality of life.<sup>17</sup>

The overall conclusion is that, although participants overall are fairly positive about their own health, pessimism about health appears to grow with age.

<sup>16</sup> Fifty per cent of men and 47 per cent of women aged 80 to 84 said their health was good/very good, compared to 61 per cent and 65 per cent of 65-69 year olds respectively. Taken from HSE 2005: *Health of Older People*.

<sup>17</sup> Figures taken from *Our Happiness* report by Ipsos MORI in 2007. 2,015 British adults aged 15+ were interviewed 20-25 September 2007. Also note the figures for more contact with family. This suggests that people of retirement age are happier with the amount of family contact compared to those of working age.



**Figure 5.3 Happiness and well-being**

### 5.2.1 Attitudes to health by Odyssey and affluence

Attitudes to health differed by Odyssey segment. Over a third of Asset Rich, Cash Sufficient (34 per cent) and Prosperous Independents (38 per cent) felt they were healthier than others their own age compared to the 14 per cent of Frugal Dependents and 15 per cent of State Reliant Couples who felt the same. Suburban Non-Engagers were also more likely than average to say they felt healthier than others their age (31 per cent compared to 28 per cent overall). This pattern is to be expected as the data used to create the segmentation model included health measures and the Frugal Dependents segment contains a much higher proportion of older people. In addition, the qualitative research did show that members of the Asset Rich, Cash Sufficient segment were generally more positive about their health and that Frugal Dependents were more likely to say they suffered from a range of limiting health conditions.

Similarly, a link between health and wealth is also evident in the data. The proportion of those who felt they were healthier than others was significantly higher amongst those whose weekly household income was £150 or more (34 per cent) compared to those living on £149 or less per week (23 per cent). Affluence was also one of the determining factors used in the segmentation model.

We cannot determine a **causal** link between wealth and health, but the connection is strong. This is again supported by the fact that those from more affluent Odyssey segments were far less likely to say they suffered from a long-term illness than those in less affluent groups. Over half of Urban Underprivileged (56 per cent) and over two thirds of State Reliant Couples (68 per cent) said they suffered from a long-term illness; yet this dropped to only three in ten Asset Rich, Cash Sufficient and Prosperous Independent customers (30 per cent). The difference appears to be more marked than would be accounted for solely by age.

The qualitative findings showed that health was related strongly to independence in everyday life across most segments. Poor health curtailed and restricted the activities that the research audience

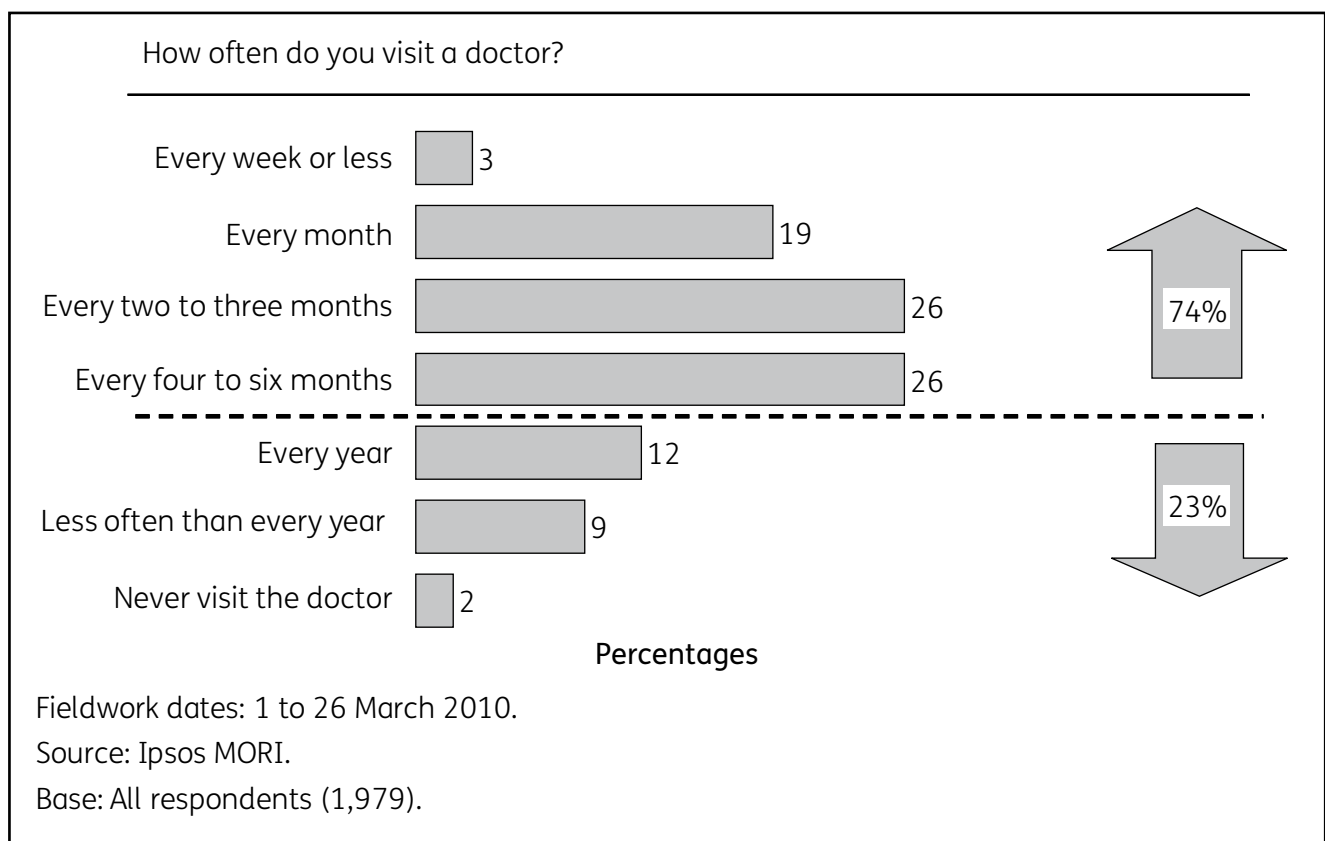
were able to complete. For ‘sociable’ segments, this was a particular issue as it meant they were less able to interact with their wider group. For segments that were already feeling isolated, deterioration in health (physical or mental) exacerbated this sense of remoteness. The Urban Underprivileged group viewed independence from another perspective, stating a desire not to be dependent on friends and family for their well-being (although being dependent on the State was not something they worried about).

Caring was also an important health issue for qualitative participants. Many said that they either were carers, or needed personal care themselves. Some of the predominantly younger segments specifically talked about how providing full-time care for a partner had a detrimental effect on their independence. For State Reliant Couples, who were highly likely to care for another, the lifestyle they were able to lead during retirement was greatly affected by the care they provided to their partner.

### 5.3 Visiting the doctor

As illustrated below, three-quarters of participants (74 per cent) said they visited the doctor at least every six months. At the other extreme, almost one in ten (nine per cent) visited a doctor less than once a year, with a small proportion saying that they never visited a GP.

**Figure 5.4 Frequency of visiting the doctor**



As might be expected given the earlier discussion on their greater prevalence of health conditions, older participants paid more frequent visits to the doctor. Whilst fewer than two in five participants between 60 and 69 (39 per cent) visited the doctor at least once every three months, this proportion steadily increased with age, where over three-fifths of those 80 to 84 year olds (62 per cent) visited the doctor this frequently. Conversely, the younger groups were more likely to visit the doctor every

four months or less frequently (58 per cent of 60 to 69 year olds, compared to 28 per cent of 80 to 84 year olds). Around two-thirds of Frugal Dependents (70 per cent) and State Reliant Couples (65 per cent) said they visited the doctor at least every three months compared to around two fifths of the typically younger Asset Rich, Cash Sufficient and Prosperous Independent (37 per cent and 40 per cent respectively).

Lastly, men were more likely than women to visit the doctor at least every three months, with over half of men (55 per cent) compared to just over two-fifths of women (44 per cent) doing so. This suggests that men were more likely than women to have health problems that required professional help.

## 5.4 Support with health

### 5.4.1 Seeking help with health assistance

Overall, more than a quarter (27 per cent) of customers said they had some sort of medical help in the home. Matching earlier findings about assistance in other areas of their lives, **family was the most important source**, cited by nearly three-quarters (72 per cent) of participants who said they had some help. A quarter of those who sought such assistance did so from friends (27 per cent), and one in five (19 per cent) were visited by a doctor or nurse.

We saw earlier that age is a factor in relation to health. Under a fifth of all 60 to 69 year olds said they received assistance in the home (18 per cent). Unsurprisingly, given the greater degree of long-term health and mobility issues with this group, this increased to over half of 80 to 84 year olds (55 per cent). Furthermore, the 80 to 84 group were also far more likely to have help from their family or friends, with two-fifths who used this source (39 per cent) compared to one-fifth of all participants (19 per cent).

Similarly, nine in ten of Asset Rich, Cash Sufficient and Prosperous Independents said they **did not** have assistance (89 per cent and 90 per cent respectively). In comparison, a much smaller proportion of participants in older segments said this: Around half of State Reliant Couples (53 per cent) and a quarter of Frugal Dependents (26 per cent).

That those from older segments were more likely to need help in the home is illustrated further by looking at specific sources of help. Where fewer than one in ten Asset Rich, Cash Sufficient or Prosperous Independents used a member of the family for help (eight per cent and six per cent respectively), this increased dramatically to half of Frugal Dependents (49 per cent) and a third of State Reliant Couples (33 per cent). This trend was the same regarding help from friends, a doctor or nurse, and a care worker, as the contrast between the higher and lower affluence groups was stark. As mentioned earlier, those who participated in the qualitative research said that family were an important factor in health. Members of the State Reliant Couples segment often said that their partner performed caring duties and this had a detrimental effect on the activities open to the other individual.

### 5.4.2 Paying for healthcare

One in eight participants (12 per cent) said they had paid for healthcare since reaching retirement. Of these, a third (33 per cent) said they had needed equipment to help get around or carry out everyday activities, a quarter had needed adaptations to their home (25 per cent) and a fifth had required support to help them reach local services (19 per cent).

Frugal Dependents were much more likely to have paid for support or assistance in relation to their

health. The average figure of one in eight paying for health-related help since retiring more than doubled amongst Frugal Dependents to three in ten (29 per cent). Albeit from a small base (41), half of Frugal Dependents (50 per cent) said they had paid for equipment to help them get around, and over two-fifths had paid for adaptations to their home (43 per cent).<sup>18</sup>

## 5.5 Choosing medical services

Participants were asked a range of questions about their preferences towards, and views of, medical services. The overwhelming majority of customers said they would prefer to speak to someone in person about health issues (91 per cent), echoing their earlier preferences about face-to-face help with finances. This view was the same regardless of age or wealth **suggesting a preference amongst all participants for face-to-face contact.**

Participants' views as to their preferred option for choosing and paying for medical services were mixed. Just five per cent said *'I would prefer to choose and pay for all the medical services I need'* whereas one in three (29 per cent) said they *'would prefer for a medical professional to make these decisions about services required'*. However, most (59 per cent) said the choice would depend on the circumstances at the time.

Those from older age groups were more likely to want medical professionals to choose for them (36 per cent of 80 to 84 year olds compared to 23 per cent of 60 to 69 year olds). This might reflect their perception that their health is comparatively worse than their peers, as well as their higher likelihood of visiting the doctor frequently.

In terms of gender differences, men were much more likely than women to say that medical professionals should always make the choice for them, with over a third choosing this option (35 per cent) compared to a quarter of women (25 per cent). This might reflect the fact that men said they visited the doctor more frequently than women and that older men were more likely than younger men to say they have a long-term health condition.

Finally, it is worth noting that those who were reliant on benefits were much more likely to want medical professionals to make the choice for them about medical services (33 per cent compared to 24 per cent of those who did not need benefits).

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<sup>18</sup> Note: base sizes here are very small, so differences between Frugal Dependents and the general population are indicative only of differences overall.

# 6 Communications and technology

This final section of the report describes the use of communication technology with a view to helping PDCS choose the most effective ways of reaching those of retirement age. It examines frequency of use of different types of communications media before focusing in particular on usage of new technologies, mobile phones and the internet. It also looks at what appetite exists for communicating with Government in this way.

## Summary

Television and a landline telephone were the communication technologies used most by participants. Almost all used both (television, 96 per cent and a landline phone, 93 per cent). This was true across all sub-groups, showing these were consistently the most used forms of technology by all customers.

Use of mobile phones and the internet was lower among the less affluent and older groups. Although the numbers using both a mobile phone and the internet on a regular basis were low on average, it was apparent that such people tend to be more affluent and younger.

We also sought to explore how likely people were to take up more regular use in the future, and reasons against doing so. Non-users were resistant to taking up new technologies; over eight in ten said it was unlikely they would use either technology frequently in the future (85 per cent mobile phones, 83 per cent internet). Reasons given for this were focused around indifference to this communications medium, although some also cited usability issues.

## 6.1 Use of communications and media

**Television and a landline telephone were the communication technologies used regularly by most participants.** Almost all used both of these at least once a month (television, 96 per cent, and a landline phone<sup>19</sup>, 93 per cent). This was true across all sub-groups and segments, showing a consistency in these being the most used forms of technology by all customers.

Of the other channels mentioned, more than three-fifths of participants read both national newspapers (69 per cent) and local newspapers (63 per cent) on a regular basis, whereas fewer (51 per cent) read free newspapers regularly.

Overall, these findings correlate with those from the qualitative research which also showed that the majority of participants watched television and read newspapers. The way in which they selected programmes and the sort of programmes viewed differed by segment. For example, members of the Asset Rich, Cash Sufficient segment said they turned the TV on to watch something specific, rather than had it on all the time. In comparison, Suburban Non-Engagers had a much broader interest in nature programmes, soaps, quizzes and news.

<sup>19</sup> Please note that the term 'landline phone' was used in the questionnaire (to distinguish from mobile phones), which may not be a familiar term with some participants. This could explain why seven per cent of customers did not report that they used a landline telephone **regularly**, despite the use of a CATI methodology, or it could simply be that they very rarely used their landline phone. Of the total 2,002 interviews completed, only 35 (two per cent) were conducted with participants using a mobile phone.

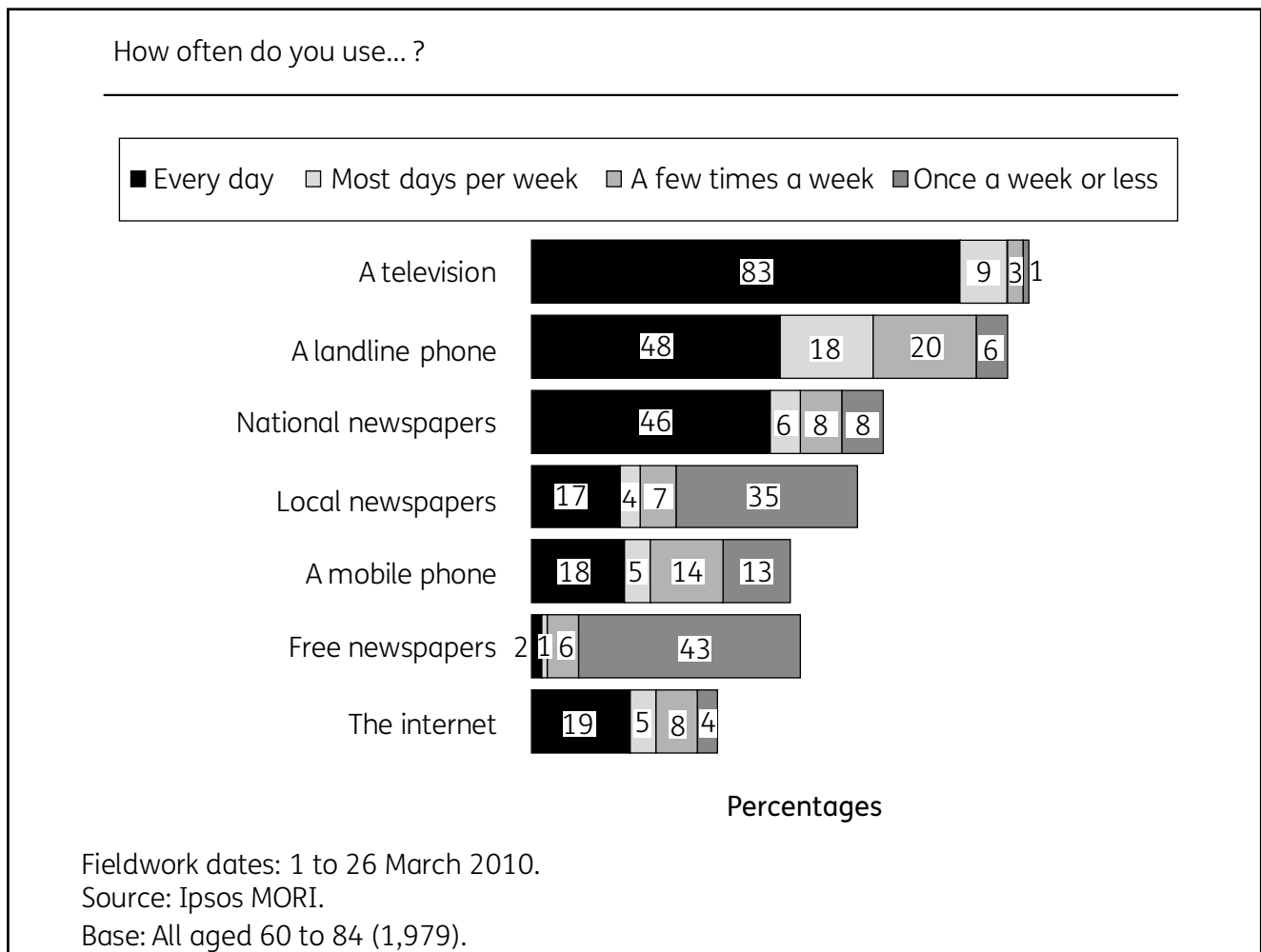
Fewer participants said they used modern communication tools. Half of participants (51 per cent) said they frequently used a mobile phone, whilst around four in ten (38 per cent) regularly used the internet. Furthermore, usage of both these modes of communication declined with age, with older groups far less likely to use either on a regular basis. Whilst three in five 60 to 69 year olds used a mobile phone (62 per cent), this almost halved to a third of 80 to 84 year olds (33 per cent). Similarly, where over half of 60 to 69 year olds used the internet regularly (52 per cent), this dropped to just a tenth of the older group (11 per cent). Whilst we will explore this usage in more detail below, the key overall finding here is that internet usage and the likelihood of becoming an internet user in the future declines with age.

### 6.1.1 Frequency in using different media and communications

We sought to establish the frequency with which each mode of communication was used. As Figure 6.1 shows, by far the most frequently used medium of communication was the television; 83 per cent of all participants watched one every day. In addition, the use of both landlines and national newspapers was fairly high, with nearly half of all customers saying they use these on a daily basis (48 per cent and 46 per cent respectively).

By contrast, fewer participants said they used mobile phones or the internet frequently; with fewer than one in five customers using each of these every day (18 per cent and 19 per cent respectively). Usage of the internet was particularly low with only one in four (24 per cent) accessing it at least once a week and over six in ten never using it at all.

**Figure 6.1 Frequency of using modes of communication**



Overall, this means that **participants were familiar with well established communication technologies, and these are therefore more likely to be effective tools for communicating to those over retirement age.** However, there may be some limited scope offering services via newer technologies to particular audiences as discussed in more detail below.

## 6.2 Use of mobile phones and the internet

Government departments are keen on modern communication methods because they are believed to deliver cost savings compared to traditional communications media.

The findings show that **the use of mobile phone and internet decreased steadily as household income fell.** Although the numbers using both a mobile phone and the internet on a regular basis were low, usage of these was higher among the more affluent. Those with a weekly household income of over £150 were more likely to be regular internet users than those on lower incomes (44 per cent compared to 28 per cent). Those who had a comfortable standard of living were also more likely to use the internet, at two in five (43 per cent), compared to three in ten who said they did not have a comfortable lifestyle (30 per cent).

People who said they *'needed Government benefits in order to live'* were less likely to use a mobile phone or the internet compared to those who said they did not need benefits. Over a half of the latter used both mobile phones and the internet regularly (56 per cent and 51 per cent respectively). In comparison, a smaller proportion of those reporting they need benefits to live were regular users of both technologies, especially the internet (46 per cent mobile phones, 25 per cent the internet).

The apparent link between the usage and affluence, especially in the case of the internet, is also reflected when the findings are analysed by segment. For example, the Asset Rich, Cash Sufficient and Prosperous Independents were more likely to use the internet than on average (49 per cent and 66 per cent respectively, compared to 38 per cent for all participants). Findings from the qualitative research also showed that Prosperous Independents were the heaviest users of the internet, which this group used to find information on a range of topics from news to holidays.

However, the qualitative research found that the Asset Rich, Cash Sufficient and Prosperous Independents had some help from their adult children, who provided advice on a range of topics from finance to how changes in Government (and DWP) policy might affect their parents. Members of the other segments said that they are much more reliant on traditional forms of media and talked a lot less about family. They did, however, use other informal networks such as faith groups (Suburban Non-Engagers) and community centres (Urban Underprivileged).

**Mobile phone users were also more likely to be internet users (or vice versa).** Four in ten of those who did **not** use the internet regularly said they used a mobile phone (40 per cent) compared to seven in ten of those who said they were regular internet users (69 per cent). Similarly, of those who did **not** use a mobile phone regularly, only a quarter (24 per cent) used the internet. This doubled amongst those who did use a mobile phone (52 per cent).

### 6.2.1 Ease, and future use of, mobile phones and the internet

People who used mobile phones and the internet said they were at ease with them. Over four in five mobile phone and internet users said they felt comfortable using these devices (85 per cent for both), compared to a tenth of users who said they were uncomfortable (11 per cent and eight per cent respectively). As mentioned before, it is worth noting that use of both technologies was higher amongst younger age groups. This may be a reflection of the use of modern communications in working life prior to reaching retirement age.

We also sought to explore how likely people were to take up more regular use of these media in the future, and any reasons against doing so. **Non-users<sup>20</sup> were resistant to taking up new technologies;** over eight in ten said it was unlikely they would use either technology frequently in the future (85 per cent mobile phones, 83 per cent internet), meaning that the use of either technology has limited growth potential amongst PDCS's customer base.

**Indifference was the main barrier towards take-up of new technologies.** Nearly a third of those who said they were unlikely to use the internet said they were not interested (32 per cent) whilst one in six (17 per cent) said the same about mobile phones. Similarly, around one in five said that mobile phones and the internet were not for them (21 per cent and 17 per cent respectively). Over a quarter of those who were unlikely to increase use of a mobile phone said they had one for emergencies only (27 per cent).

**Fewer participants cited problems with the usability of new technology as a barrier.** Only a tenth said the internet was too complicated to use (ten per cent), and even fewer said this about mobile phones (six per cent). In the case of the internet, one in five (21 per cent) said they would not know how to use it. As earlier findings showed those who **did** use both technologies were comfortable doing so, this indicates that any perceived complexity is not necessarily a large barrier to the use of new technologies, although non-users' opinions are less likely to be based on experience.

Demographic changes and personal interest may change the proportion of older people using new technologies in the future. In the case of demographics, those of pre-retirement age are more likely to use new media in their working and social lives and so own and use these technologies. It seems likely that as they retire, they are likely to keep using these technologies because they can appreciate their value. For older groups, take-up may increase if they can see a benefit for using such media. Should mobile phones or the internet add something to their lives by, for example, helping them communicate with their family, then they may be more likely to develop an interest in general.

### 6.3 Mobile phone usage

**Although most mobile phone users did use features such as sending and receiving text messages frequently, they were mostly unwilling to receive Government information this way.** Of those who used mobile phones frequently, over two-thirds received text messages (68 per cent), and three in five sent messages (60 per cent). However, only a quarter (26 per cent) were willing to receive messages from Government in this way.

Whilst only five per cent accessed the internet via their mobile phones, the high use of text message services suggested that the majority of participants who said they used a mobile phone may be able to receive information this way.

It is important to note that Frugal Dependents, who have a markedly older age profile, were far less likely to use text message features than average (37 per cent received text messages, and 29 per cent sent text messages). They were almost twice as likely to say they used no text or internet features of a mobile phone (57 per cent compared to 30 per cent overall).

In line with usage overall, those who used the internet on a regular basis were also more likely than average to use text message features of a mobile phone (84 per cent received messages, 78 per cent sent them). This implies that those using modern technologies more generally were also more open to using mobile phones for more than just telephone calls.

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<sup>20</sup> Those who do not use either mobile phones or the internet regularly.



Although most participants said they did not want text messages from Government, more were willing to receive information verbally over the phone. Nearly half (47 per cent) of all participants, whether mobile phone users or not, said they would be willing to receive Government information by a member of staff calling them, with a similar proportion who would be willing to call a Government telephone helpline (54 per cent). So, **although most mobile phone users said they were comfortable with the technology, there was still a preference for talk over text** as a means of communication.

## 6.4 Internet usage

Internet users were receptive to the idea of searching for, and receiving Government information online. Indeed a significant proportion said they had received, or would be willing to receive, information on Government services and benefits in this way.

The most commonly reported reason for using the internet was to communicate with friends and family (87 per cent) or to buy goods online (74 per cent). The second of these indicates **an appetite amongst internet users for online transactional services**.

Over half of internet users had searched for information about Government services (53 per cent) online; the same proportion who said they had checked bank statements via the internet (53 per cent). This suggests that these participants were proactive in looking for information online. Furthermore, a similar proportion said that, in principle, it was a good idea for the Government to provide information via the internet (55 per cent). Amongst internet users, almost two-thirds would be willing to receive information about Government services and benefits through the internet (62 per cent), whereas a third (34 per cent) would not. Although there was resistance to this form of communication from some, the fact that two-thirds of internet users were receptive to receiving information via the web illustrates the importance of providing access to information through this medium. Of those who used the internet who were open to receiving information through the internet were interested in a range of topics:

- the vast majority would be willing to receive information about health services (87 per cent); Government health benefits (86 per cent); Government benefits (84 per cent); and information on free bus passes, leisure activities and education (79 per cent);
- a smaller proportion was willing to find out about financial services (57 per cent), and only a quarter would want information on how to manage debt communicated through the internet (26 per cent). The group in favour of receiving information on debt via the internet was predominantly made up of Asset Rich, Cash Sufficient and Prosperous Independent customers, who, as seen earlier, were also more likely to seek financial help about savings and investments than other groups. This finding suggests these segments may be more averse to debt.

Interestingly, two-thirds of all customers said they were not happy to send personal information over the internet (66 per cent). This appears to contradict the earlier finding that three-quarters of internet users (74 per cent) said they buy goods online. This implies that the meaning of 'personal information' in the context of the question either is not thought of as relating to financial transactions, or that such transactions were completed despite reservations about sending personal data. Overall, the finding does suggest a distrust of using the internet for sending personal information. Coupled with previous findings that show customers preferred face-to-face communication or advice over the telephone, it appears that the internet would not be an effective means of completing transactions with all retired people.

## 6.5 Receiving Government communications

Finally, we explored how customers over 60 felt about Government information, and how they would like to receive help and advice on issues of health and finance. As we have already seen, the majority of customers preferred face-to-face advice on health (91 per cent) and financial (63 per cent) issues. With this in mind, the findings further show that half of customers (49 per cent) felt it was easy to obtain Government information, whereas one-third (33 per cent) said it was not easy. Moreover, half of those who felt the government did **not** do a good job providing services to over 60s felt that information was not easy to obtain (50 per cent). Thus, there is a core of PDCS customers who believe information services are lacking.

Furthermore, whilst three in five (60 per cent) found Government information useful, one in five did not (20 per cent). As would be expected, those who felt the Government did **not** do a good job providing services to over 60s were far more negative about the utility of Government information. Under half of those agreed such information was useful (44 per cent) whereas three quarters of those who **did** think the Government does a good job providing services felt the same about Government information (75 per cent).

The qualitative research found that, in common with much of the research Ipsos MORI conducts with the UK population, most customers do not differentiate between their views of specific departments from those about the 'Government' itself; to many customers, they are one and the same. Older people talked about DWP in relation to any payments or benefits they received, and typically used the word 'Government' when discussing the benefits they received (Winter Fuel Allowances, benefit payments in general, etc.).

Whilst the internet may be a more **cost** effective delivery mechanism, the data suggests that it would be a less effective way of **communicating**, especially with older participants. Only a small proportion of participants used the internet, and said they would be willing to receive information via this medium. In order for communications to reach as many customers as possible, the data suggests that mixed methods are important. New media appear to be part of this mix, but are not a replacement for other, more traditional, methods.

# 7 Conclusions and implications

## 7.1 Conclusions

### 7.1.1 Age shapes customers' experiences and attitudes

The research findings show that the age of customers affected their outlook on society, finance and health. From activities undertaken, to self-perception of health, outlook on financial stability and use of technology, the oldest group of customers showed significant differences in attitude and behaviour to those in younger age groups.

Older sections of the audience were more socially isolated. Survey participants in the 80 to 84 age group took part in a smaller range of activities and less frequently, than younger age groups. They were also less likely to drive a car. As 'local' services were defined by the length of time it took to reach them, those like the older age groups who were more reliant on public transport were more limited in the services they could reach. People from this age group were also most likely to state that their health was not as good as **others their own age**, and also more likely to have a long-term health condition that affected their mobility.

Perceptions about finance also changed with age. However, it is unclear whether this is defined by age itself, by the cultural outlook of a different generation or a mix of these factors with others. The older age groups were positive about their incomes; they felt what they had was enough to live comfortably, and they were less likely to say they needed financial advice. Despite this, they were also the group most likely to live on lower incomes, to be on State benefits, and to agree that they needed these benefits in order to be able to live. This was partly governed by the aptly named Frugal Dependents Odyssey segment, who were more cautious with their finances and had a generally older profile than other segments. More than half of the participants in the 80 to 84 age group were part of this segment.

The qualitative work highlighted that people of retirement age were much more used to a cash rather than credit economy. This meant that their financial transactions took place physically rather than electronically or via debit or credit cards. A physical retail environment was really important to them, which helps explain why shops and banks were found to be extremely important local services.

Conversely, members of the younger group aged 60 to 69 were more likely to receive an income from a job, and to use financial institutions such as banks and building societies for advice. They were also more likely to ask for financial assistance, specifically from professional or commercial sources. Furthermore, the nature of the advice sought was very different from the older customers, concentrating on managing investments and debts rather than advice on benefits and Government help available.

Doctors' surgeries were visited by proportionally more of the 80 to 84 age group than younger contingents, and this age group were more pessimistic than others about their health. This age group were also more likely to want a doctor or health professional to make decisions about health matters. The qualitative findings showed that younger and more affluent segments worried as much about mental health as they did physical health.

### **7.1.2 Attitudes and perceptions are also correlated to affluence and health**

Compared to older participants, those who were younger and/or were members of more affluent segments such as the Prosperous Independents were more active. The 'and/or' is important; it is not possible to disentangle the effect of age from income without doing further statistical work such as multiple regression analysis.<sup>21</sup>

The more affluent were more likely to undertake activities such as physical exercise and seeing their friends more regularly and were markedly less likely to say they suffered from long-term illnesses or disabilities. The content and delivery of services that such customers need is therefore likely to be different.

Although most participants from less affluent segments said they were mostly employed throughout their working lives, they still said they were reliant on State benefits in order to live in retirement. The less affluent included members of the Frugal Dependents, State Reliant Couples and Urban Underprivileged segments. Worryingly, members of the latter segment, Urban Underprivileged were more likely to disagree that they knew '*who to contact in order to find out about any Government benefits to which I am entitled*'. Overall, three in ten of all participants disagreed with this statement which does show that some work is required to communicate effectively about benefit entitlement to a significant minority of the over 60 population. The qualitative work also found that such customers are not likely to be proactive when looking for information on Government services.

Wealth and perceptions of health were also linked: those from less affluent households were less likely to think of themselves as healthy in comparison to peers of the same age. They were also more likely to report having a long-term illness and making regular visits to the doctor. The Odyssey segmentation again proved effective at indicating who is more likely to perceive they are less healthy than others and this was a characteristic particularly prevalent among members of the Frugal Dependents segment.

### **7.1.3 Family play a crucial role in the lives of most of the over 60s**

Family played an important social role in acting as advisers on health and financial decisions. Family members are the most likely source of home help amongst those with health difficulties, and they are a key influence on information and understanding about government services. For many older people, family members represent an important channel for getting information, although it is important to note that trust in family is not universal. With respect to finance, some qualitative participants felt they did not want to worry their families about money and so did not discuss finance with them. In addition, not all older people have families, or live close enough to their families for them to see frequently.

Should families be used as a channel for advice, there is an important practical consideration: contacting families of older people direct will be difficult as their address will be unknown to DWP or PDCS. This implies that the design of communications that use family to pass on information needs to be carefully considered.

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<sup>21</sup> Also known as key driver analysis. Note that undertaking this work would not necessarily help to further explain some of the differences in the data. This sort of analysis is exploratory and aims to see if statistical differences can be explained.

### 7.1.4 Income and access to services differed by gender

Women were found to be less likely to drive a car than men and less likely to have incomes from a job or private investments and so were consequently more reliant on State benefits. Consequently, women's reported incomes were less than those of men and their ability to travel to take part in activities is lower. These conclusions suggest that older women may be more likely to be isolated than men and that the tenor of communications to women, and the services that are offered, may need to be structured differently.

### 7.1.5 Take-up of new technology is stronger in younger participants

Lastly, our research has shown that although there are opportunities available for conveying messages via modern forms of technology, the more tried and tested sources remain the most widely used and the most trusted. Customers were most familiar with established communication technologies such as the television, a landline telephone and newspapers, and less so overall with modern technologies such as the internet and mobile phones. These newer devices were used mostly by younger customers, emphasising that shifts are generational and will take some years before these become established sources of information for older people in general. Use of the internet was especially low amongst older customers, and they were the most likely to be hesitant to take up this technology in the future. This highlights that they would be unlikely to be in a position to receive information this way.

We also found that face-to-face contact was preferred by most participants. Not only were they more likely to trust this approach as a source of information on finance, health, and Government services, but they said they were unlikely to pass on personal information via the internet or text messaging. Whilst the internet especially is important as a source of information for younger age groups, it does appear that a mixed methodology including the more traditional communication media would be the best option to ensure all types of customers over 60 are catered for.

## 7.2 Implications

Taking into consideration the findings from the research, and the ways in which DWP and PDCS want to be able to communicate with those of retirement age, we recommend that the following factors are given consideration when developing a communication strategy:

- As isolation increases with age, PDCS and DWP are presented with fewer opportunities to directly contact those of retirement age through other services. Traditional, face-to-face services therefore become much more important as points of contact, particularly for those aged 80 and over. For all participants, and especially older ones, doctors' surgeries and Post Offices were particularly important and frequently used services.
- The isolation faced by women as they age may be worse than that for men as they were less likely to drive and more likely to have a lower income, of which State benefits were a greater part. This suggests that PDCS and DWP may need to consider how they tailor the content and channels of communication for women.
- Older and less affluent participants were more likely to rely on benefits in order to live whereas younger, more affluent participants enjoyed more diverse income streams. This implies that the content and delivery mechanisms for information about finances will differ depending on age and/or income.
- Wealth and perceived health were linked, although a causal relationship cannot be ascertained. This suggests that the health messages designed for wealthy groups may need to differ from those for the less affluent.

- Family and friends play an important role in offering information and advice to older people. However, while it may be useful to use family members to communicate important messages to the over 60s, these messages will need to be clear and concise as they will be liable to interpretation by an intermediary.
- Younger participants were more likely to use modern communication technologies. From that, it can be implied that the children and grandchildren of older people are even more likely to be online. Intermediary communications using modern technologies may, in some cases, be more effective than direct communication using the internet or mobile phones, especially for the very old.

# Appendix

## Technical documentation

### A.1 Appendix tables: quantitative data

**Table A.1 Sample opt-out rates per Odyssey segment and gender**

<b>Odyssey segment</b>	<b>Male %</b>	<b>Female %</b>	<b>Total %</b>
Asset Rich, Cash Sufficient	39	39	39
Frugal Dependents	33	36	35
Prosperous Independents	39	43	41
State Reliant Couples	43	43	43
Suburban Non-Engagers	43	45	44
Unclassified	39	35	36
Urban Underprivileged	30	36	34
<b>Average overall</b>	<b>38</b>	<b>40</b>	<b>39</b>

### A.2 Sample frame and quotas

Figure A.2 shows the sample frame supplied by PDCS for the quantitative element of the research. It also shows the quotas within each Odyssey segment that were agreed with Ipsos MORI. Figure A.3 shows the achieved interviews within each segment.

### A.3 Sample details

Notional targets were set by Odyssey segment and gender and a sample drawn accordingly. The returned sample was broadly in line with the targets set with two exceptions, male respondents for the Frugal Dependents and Unclassified segments. The reason that achieved interviews were lower than the targets for these groups was due to a combination of relatively high number of refusals, and some issues with data quality, notably incorrect numbers supplied with the sample.

Data was weighted accordingly to correct for these differences.

**Table A.2 Target interviews**

<b>Odyssey segment</b>	<b>Male (n)</b>	<b>Female (n)</b>	<b>Total (n)</b>	<b>%</b>
Asset Rich, Cash Sufficient	70	90	160	8
Frugal Dependents	88	112	200	10
Prosperous Independents	80	80	160	8
State Reliant Couples	80	120	200	10
Suburban Non-Engagers	260	360	620	31
Unclassified	60	100	160	8
Urban Underprivileged	200	300	500	25
<b>Total</b>	<b>840</b>	<b>1,160</b>	<b>2,000</b>	<b>100</b>

**Table A.3 Achieved interviews within Odyssey segmentation**

<b>Odyssey segment</b>	<b>Male (n)</b>	<b>Female (n)</b>	<b>Total (n)</b>	<b>%</b>
Asset Rich, Cash Sufficient	54	106	160	8
Frugal Dependents	32	81	113	6
Prosperous Independents	128	151	279	14
State Reliant Couples	104	90	194	10
Suburban Non-Engagers	280	303	583	29
Unclassified*	18	199	217	11
Urban Underprivileged	112	321	433	22
<b>Total</b>	<b>728</b>	<b>1,251</b>	<b>1,979</b>	<b>100</b>

## A.4 Statistical reliability

The respondents who took part in this survey are only a sample of the total ‘universe’ of those who could have taken part, so we cannot be certain that the figures obtained are exactly those we would have if everybody had responded (the ‘true’ values). We can, however, predict the variation between the sample results and the ‘true’ values from knowledge of the size of the samples on which the results are based and the number of times a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95 per cent – that is, the chances are 95 in 100 that the ‘true’ value will fall within a specified range. Table A.4 illustrates the predicted ranges for different sample sizes and percentage results at the 95 per cent confidence interval, assuming the universe to be infinite.

**Table A.4 Approximate sampling tolerances applicable to percentages at or near these levels**

<b>Size of sample on which survey result is based</b>	<b>Per cent giving response</b>		
	<b>10% or 90%</b>	<b>30% or 70%</b>	<b>50%</b>
	<b>± %</b>	<b>± %</b>	<b>± %</b>
500 responses	3	4	4
1,000 responses	2	3	3
1,979 responses	1	2	2
2,002 responses	1	2	2

It should, though, be stated that these figures assume a simple, random sample with no design effect. For example, with a sample size of 1,979 where 30 per cent give a particular answer, the chances are, 19 in 20 times that the ‘true’ value (which would have been obtained if the whole universe had been interviewed) will fall within the range of +2 percentage points from the survey result (i.e. between 28 per cent and 32 per cent).

When results are compared between separate groups within a sample, different results may be obtained. The difference may be ‘real’, or it may occur by chance (because not everyone in the universe has been interviewed). To test if the difference is a real one, i.e. if it is ‘statistically significant’, we again have to know the size of the samples, the percentage giving a certain



answer and the degree of confidence chosen. If we assume a 95 per cent confidence interval, the differences between the results of two separate groups must be greater than the values given in Table A.5.

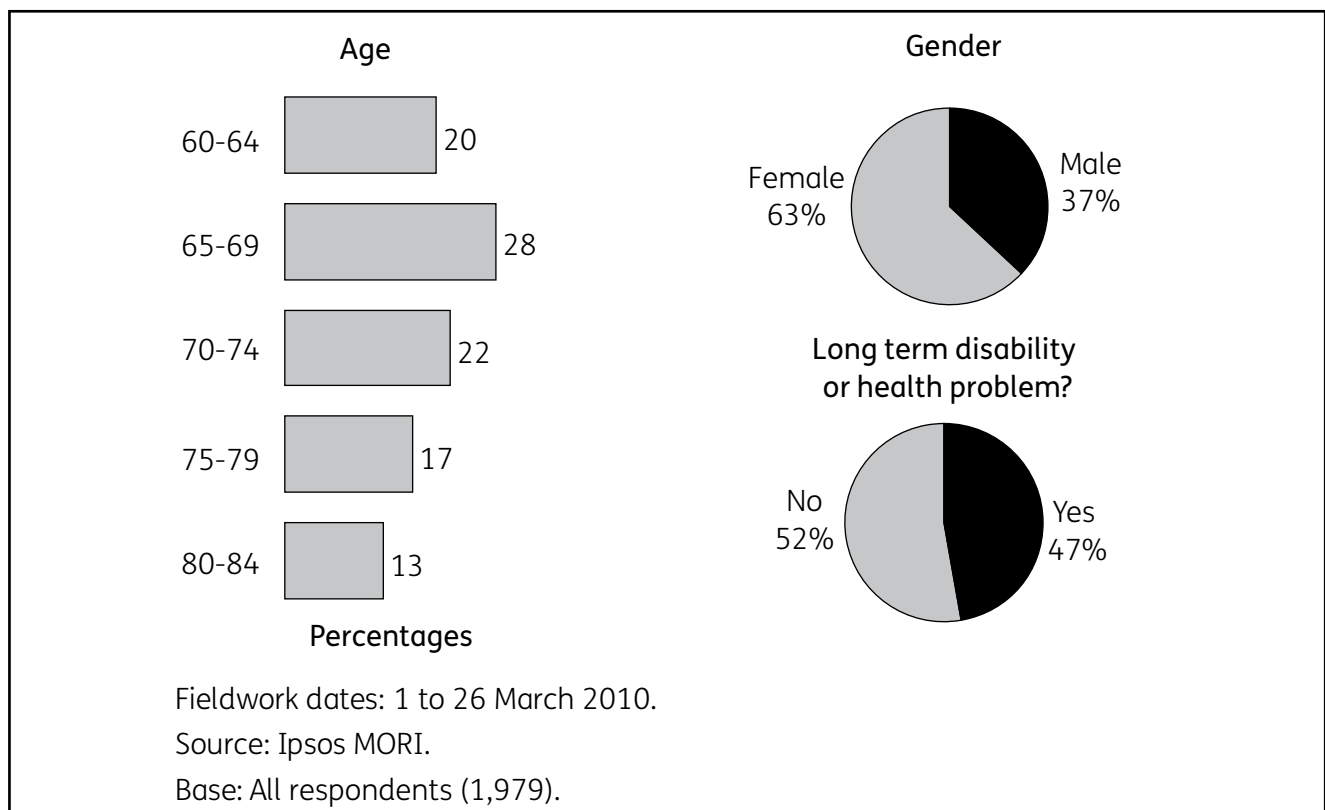
**Table A.5 Differences required for significance at or near these percentage levels**

Size of samples compared	Per cent giving response		
	10% or 90%	30% or 70%	50%
	± %	± %	± %
200 responses	6	9	10
500 responses	4	6	6
1,000 responses	3	4	4
1,979 responses	2	3	3

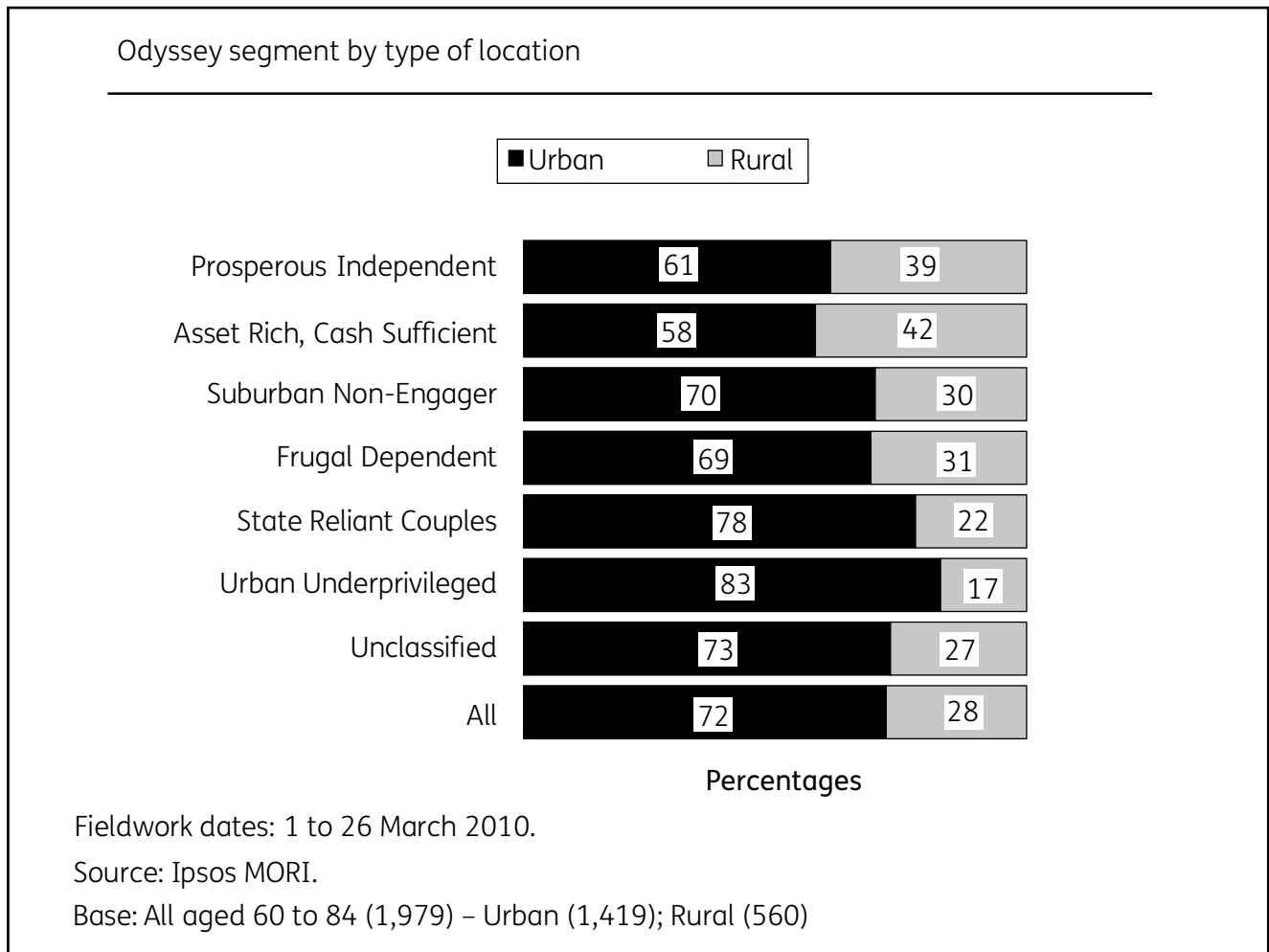
### A.5 Demographic profile of respondents

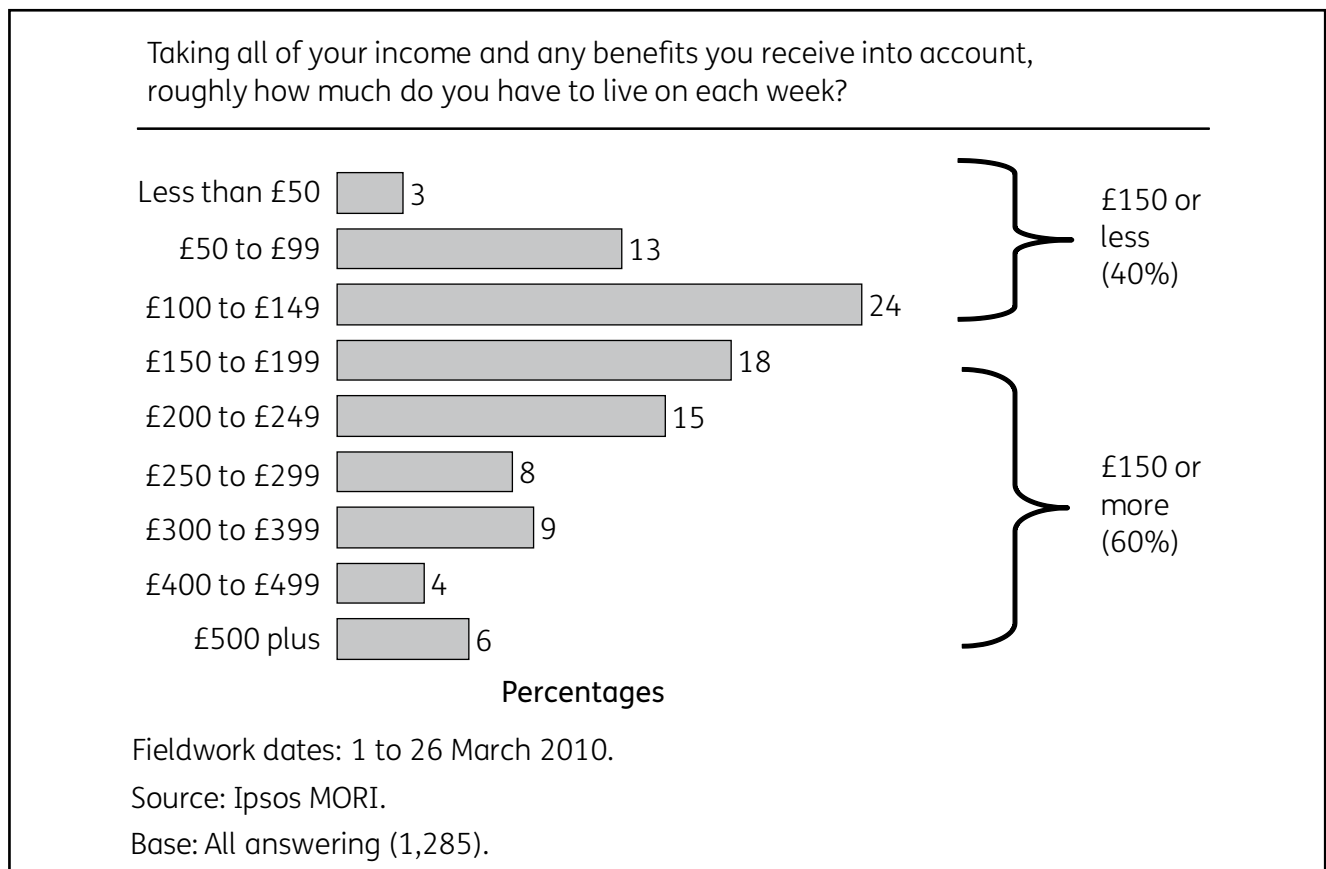
Figures A.1 illustrate the demographic profile of the respondents who were interviewed for the quantitative element of this research.

**Figure A.1 Demographic profile of respondents: Age, gender, disability status**

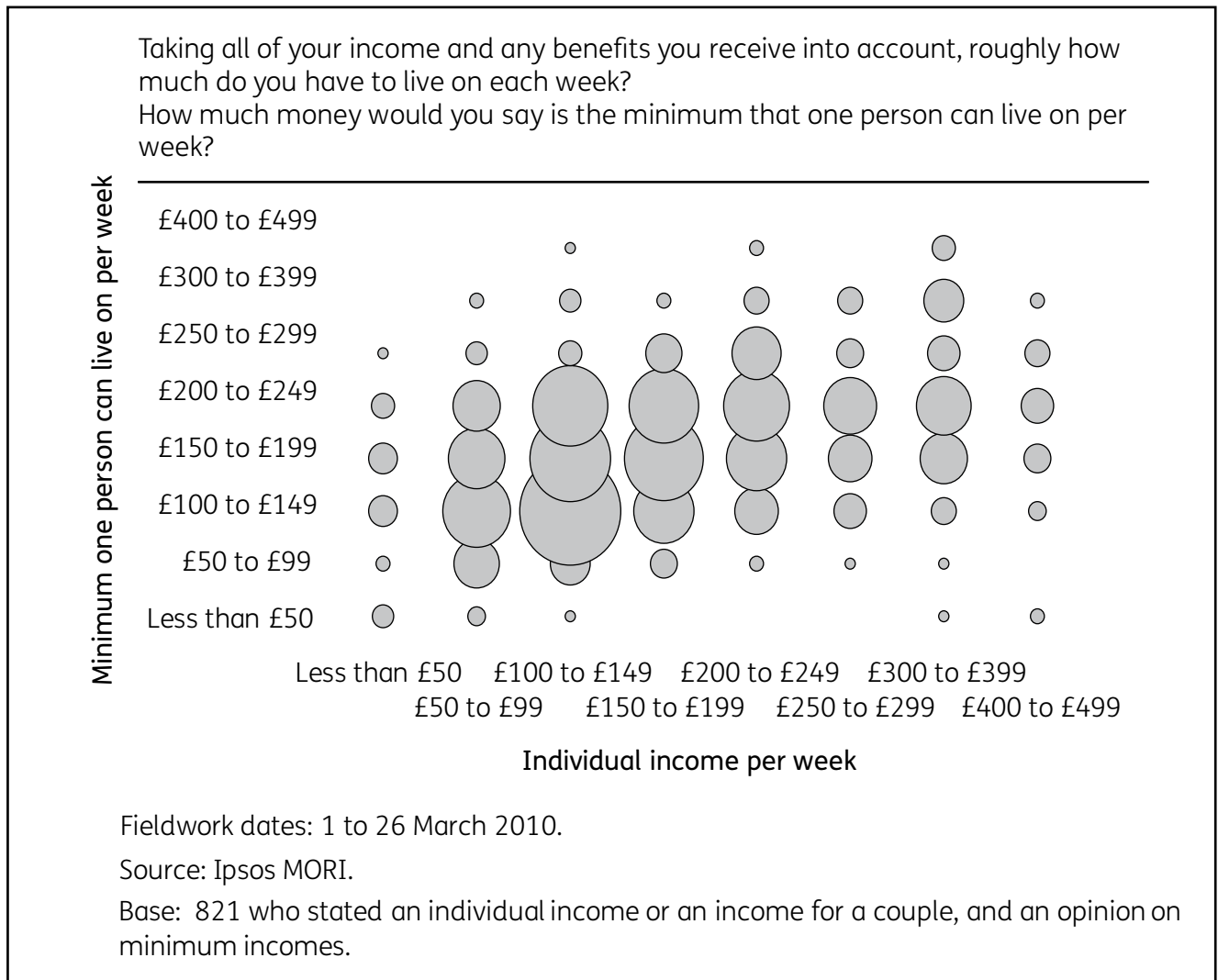


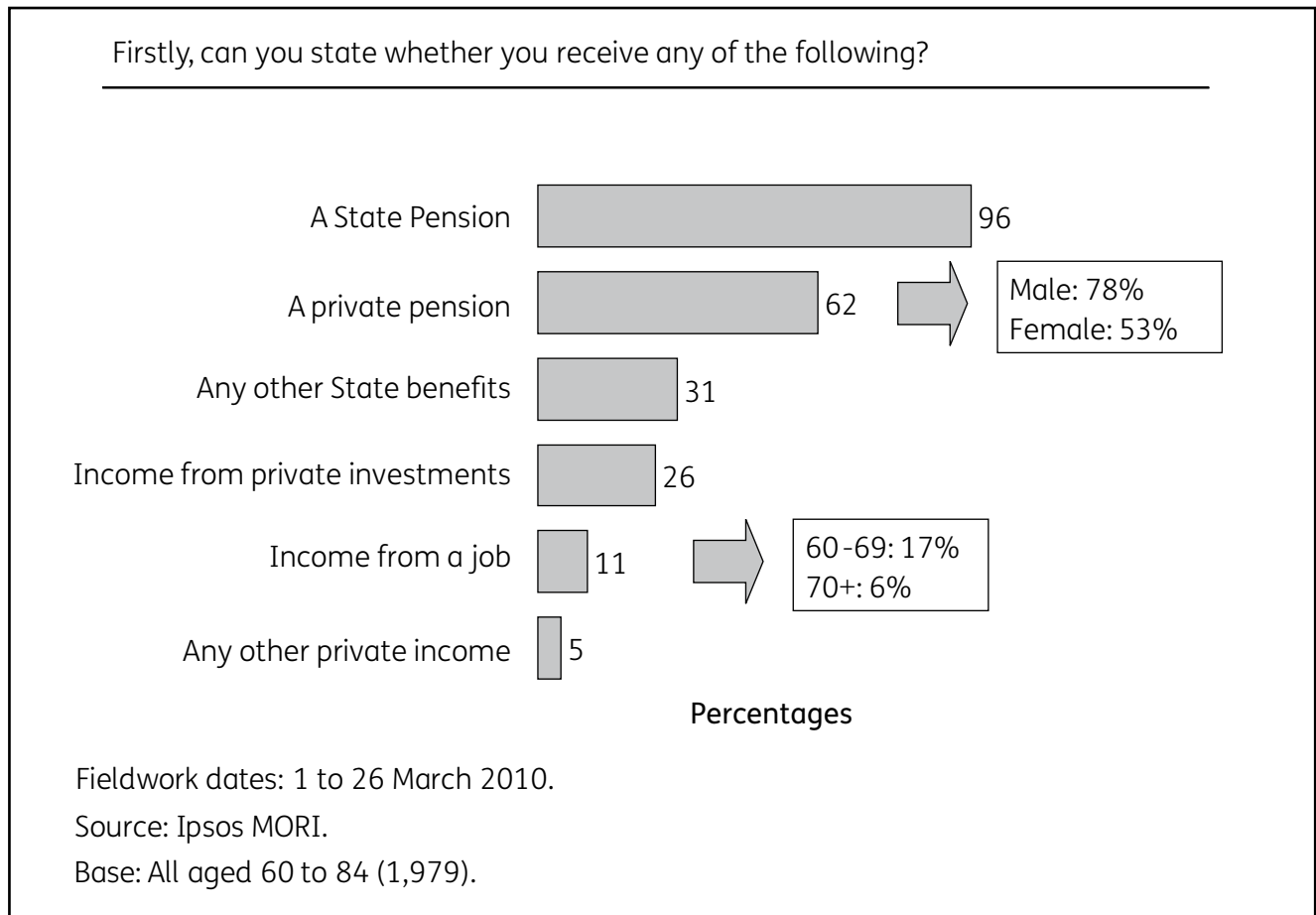
**Figure A.2 Customers living in urban or rural areas, by Odyssey segmentation**



**Figure A.3 Level of income per week**

**Figure A.4 Comparing the level of income with perceptions of the minimum income**



**Figure A.5 Sources of income****A.5.1 Adjustments to the sample frame due to a rebasing of the data**

As can be seen from Table A.6, around nine per cent of those held on PDCS database are aged 85 or more. Of the 2,002 people taking part in the survey, less than one per cent was part of this age group. It was therefore agreed to adjust the survey responses for analysis to take into account this low response because of the effect weighting such a small number of older participants would have on the overall data. Rather than the survey findings being for all over 60s, the analysis was therefore carried out on all those over retirement age and under the age of 85. The weights applied to the data by age are therefore shown in Table A.7.

**Table A.6 Data from PDCS**

<b>Age</b>	<b>Female %</b>	<b>Male %</b>	<b>Total %</b>
60-64	15	15	30
65-69	11	10	21
70-74	9	8	17
75-79	7	6	13
80-84	6	4	10
85-89	4	2	6
90	2	1	3

**Table A.7 Adjusting the sample to remove respondents aged 85+ and men under 65 years of age**

<b>Age</b>	<b>Female %</b>	<b>Male %</b>	<b>Adjustment %</b>
60-64	20	-	20
65-69	15	13	28
70-74	12	11	22
75-79	9	8	17
80-84	8	5	13
Total	63	37	100

This report documents the findings of two phases of research conducted for the Department for Work and Pensions, to explore the attitudes and perceptions of people in retirement age. The aim of the research was to enable the Pension, Disability and Carers Service (PDCS) to enhance its already developed customer segmentation model (Odyssey) through identification of additional customer characteristics.

The research included both qualitative and quantitative elements. The qualitative research looked at the attitudes and perceptions of customers towards their social and financial lifestyles, as well as their health and well-being. The quantitative research built upon these themes from the perspective of communicating with those of retirement age.

This report uses the findings from both elements of this research to help enhance the PDCS customer segmentation model which will inform the development of more efficient and effective communications that reflect the attitudes and needs of PDCS customers over retirement age.

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