

Raising pension awareness through letters and social media

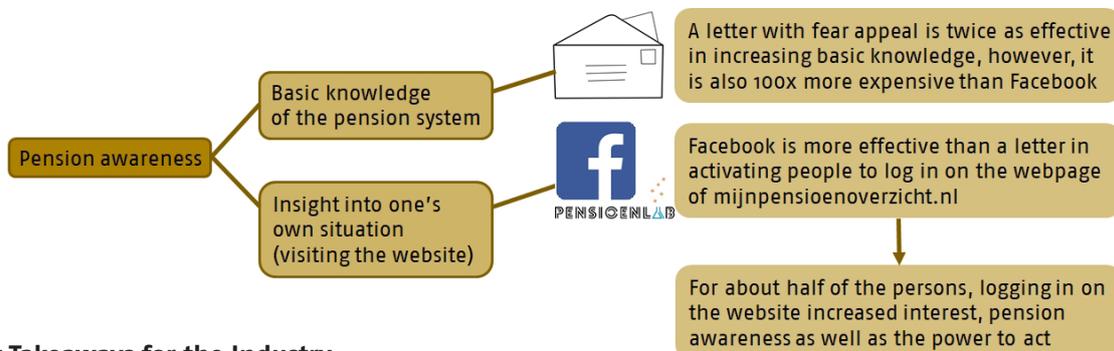
“Letters with fear appeal are effective in increasing the basic knowledge of the pension system”

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The social sustainability of a new pension contract depends on its communication. It is therefore important to gain insight into the extent of a person’s pension awareness. Pension literacy is low. About 60% of people think, for example, that state pension contributions are partly invested and nearly a third of them think that premium discounts only apply to retirees. Letters appear very effective in increasing the basic knowledge, especially when these involve letters with fear appeal. This applies to both the young and the elderly. Social media ads are more effective in activating people to log in on the webpage of mijnpensioenoverzicht.nl. Moreover, they are much cheaper.

Principal Findings

- In this study, people received letters that attempted to arouse curiosity, or that attempted to arouse fear. In addition, Pensioenlab posted a Facebook ad for a target group of individuals between the ages of 20 and 40.
- Informative letters with fear appeal increased the basic knowledge of the pension system. This effect lasts a longer period of time and did not lead to more concerns about retirement.
- A letter is twice as effective in increasing pension literacy than a Facebook ad, however, Facebook is cheaper and activates more persons to log in on the webpage of mijnpensioenoverzicht.nl.



Key Takeaways for the Industry

- In informing both the young and the elderly, informative letters with *fear appeal* have a greater impact than informative letters with *curiosity appeal*.
- The cost-effectiveness of a social media ad is high. Additionally, a social media ad is better suited than a letter in stimulating active logging in on a website.



Want to know more? Read the paper '**Raising pension awareness through letters and social media: evidence from a randomized and a quasi-experiment**'