



Quantitative research to inform the development of a pilot for an Incentivised Funeral Savings Scheme



EQUALITY AND WELFARE

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Executive Summary

Background and context

This report presents findings from commissioned research conducted on behalf of the Scottish Government by *Survation* in order to inform the design and development of a pilot scheme to encourage funeral savings.

The Scottish Government's *Funeral Costs Plan* is an action plan to tackle funeral poverty and make more affordable funeral options available. It sets out proposals for a pilot of a government-supported incentivised funeral savings scheme (IFSS), designed to encourage people who have not yet made financial provision for their funeral to start saving for it.

It is proposed that the scheme is targeted at people with low-to-middle incomes who are 40 years old and over and who have not made financial provision for their funeral. This survey was conducted with Scottish adults who fit the characteristics of the target population to gauge their attitudes to funeral savings and the proposed IFSS.

Research methods

The survey was designed to strengthen understanding on the best target demographic, format, delivery partners and promotional mechanism for the proposed IFSS.

It was conducted with members of the intended target population: those who were over 40 and fell into the C2DE social group (according to the National Readership Survey classification system). This classification system is based on occupation and enables a household and all its members to be classified according to the occupation of the Chief Income Earner. C2DE is a combination of the three following groups:

- C2: Skilled manual workers
- D: Semi-skilled and unskilled manual workers
- E: State pensioners, casual and lowest grade workers, unemployed with state benefits only

1024 Scottish adults were surveyed and questions focused on participant attitudes towards:

- Funeral costs and funeral savings
- A government-supported incentivised funeral savings scheme
- Credit unions as a proposed delivery partner
- Preferred methods of promotion

Fieldwork was conducted between 26th February and 7th March 2019. Of the total number of participants, 704 were interviewed over telephone, while 320 responded online. A mixed method approach combining phone and online surveys was chosen in order to make sure a representative sample of respondents was reached.

Data was weighted by age, sex and region to fit the profile of all Scottish adults aged over 40 years old and belonging to the C2DE socio-economic demographic. Targets for the weighted data were derived from the Office of National Statistics and the Scottish Labour Force Survey.

Results summary

This report documents the following key findings:

- Around two-fifths of respondents are currently saving for their funeral, with people aged 60 years and over being more likely to do so than people aged 40 to 59 years
- Only some of those who do not currently save intend to do so in the future. Around half this group did not think they had sufficient funds to set aside money each month to save for their funeral
- The majority agree that a government contribution towards the costs of their funeral would make them more likely to save for their funeral
- However, of the proposed levels of government contribution (£125, £250, and £400) only the offer of £400 was perceived by the majority (51%) to be likely to encourage them to save for their funeral
- The higher the suggested government contribution figure, the more respondents expressed agreement that it would incentivise them to save on a regular basis
- The majority of respondents knew what a credit union was but only a minority currently used credit unions to save
- If an incentivised funeral savings scheme was introduced, respondents would prefer to find out about it online

Results

Question-by-question analysis

This section outlines the overall findings for all questions included in the survey with some additional information added in the text where significant differences between demographic groups arose. In addition to the analysis completed by *Survation*, officials from the Scottish Government also conducted further analysis on some questions which is highlighted in the report where relevant. The number of responses in each table (n=) refers to the 'unweighted' base.

Awareness of funeral costs

Question 1. Have you organised a funeral in the last 5 years?

Responses n=1024	Percentage
Yes	35%
No	64%
Prefer not to say	1%

Most people (64%) have not organised a funeral in the last 5 years, while just over a third (35%) have.

Question 2. The average cost of a funeral in Scotland in 2018 was between £3,500 and £4,100 (excluding optional items such as flowers and catering). Are these figures higher than you expected, lower than you expected, or around the amount you expected?

Responses n=1024	Percentage
Higher	21%
As expected	66%
Lower	10%
Prefer not to say	3%

Results show that two thirds (66%) of respondents stated that the average cost of a funeral in Scotland was around the amount they expected it to be. This being said, double the number of respondents said the cost was higher than they expected (21%) than lower (10%).

Attitudes towards funeral savings

Question 3. Do you, at present, save specifically for your own funeral?

Responses n=1024	Percentage
Yes	42%
No	56%
Prefer not to say	2%

Slightly more than two fifths (42%) of respondents currently save specifically for their own funeral, with a higher number (56%) not saving at present. Respondents aged 60 years and over were significantly more likely to say that they save for their funeral (58%) compared to those aged 40 to 59 years (35%).

Question 4. How do you save for your funeral?

[Respondents who save specifically for their own funeral]

Responses n=438	Percentage
Through a funeral plan	39%
Through a savings account	22%
Through another method	38%

When those who currently save for their funeral were asked how to do so, 39% stated they saved through a funeral plan and 38% through another method. Comparatively, only 22% saved through a dedicated savings account.

Question 5. Do you currently intend to start saving for your own funeral in future?

[Respondents who do not currently save specifically for their own funeral]

Responses n=564	Percentage
Yes	35%
No	60%
Prefer not to say	5%

When those who do not currently save for their own funeral were asked if they intend to do so in the future, the majority (60%) stated that they do not intend start saving. In total, 35% intended to save in the future, with those aged 40-59 more likely (37%) than those aged 60 and over (27%).

Question 6. When do you intend to start saving for your own funeral in the future?

[Respondents who currently intend to start saving for their own funeral in the future]

Responses n=194	Percentage
In the next year	27%
In the next 2-5 years	36%
In the next 6-10 years	12%
In the next 10 years	12%
Don't know	13%

The majority of those who do not currently save for their own funeral, but who intend to do so in the future, intend to start either in the next year (27%) or in the next 2-5 years (36%).

Question 7. Considering your current financial circumstance, would you be in a position to set aside money each month to pay for your funeral?

[Respondents who do not currently save specifically for their own funeral]

Responses n=564	Percentage
Yes	46%
No	51%
Prefer not to say	3%

When those who do not currently save for their funeral were asked if they would be in a position to set aside money each month to pay for their own funeral, around half of respondents (46%) stated they were in a position with marginally more stating they were not (51%). Those aged 60 years and over were more likely to be in a position to save (59%) than those aged 40-59 (43%). Similarly, men were more likely (51%) than women (41%) to consider themselves able to save.

Analysis shows that while 35% of respondents who do not currently save for their funeral intend to start saving for it, 46% would be in a financial position to do so. This suggests that financial pressure is just one reason people over 40 years old do not save for their funeral.

Views on government-supported incentivised funeral savings scheme

Question 8. To what extent do you agree or disagree with the following statement: A guaranteed government contribution towards the cost of my funeral would make me more likely to save for the cost of my funeral on a regular basis.

Responses n=1024	Percentage
Strongly agree	32%
Somewhat agree	31%
Neither agree or disagree	15%
Somewhat disagree	10%
Strongly disagree	7%
Don't know	4%

The majority of respondents (63%) agree that a guaranteed government contribution towards the cost of their funeral would make them more likely to save their funeral on a regular basis. Only 17% of respondents disagreed and there was limited difference between different genders, ages or localities.

Additional analysis suggests that, of the 574 respondents who do not currently save for a funeral, 60% think a government contribution towards the costs would make them more likely to save. This increases only slightly (to 63%) amongst the 265 surveyed who do not currently save, but would be in a financial position to do so.

Question 9. To what extent do you agree or disagree with the following statement(s): A maximum guaranteed contribution of £120; £250; £400 would be a sufficient incentive for me to start saving for my funeral on a regular basis.

Responses n=1024	Percentage		
	£120 incentive	£250 incentive	£400 incentive
Strongly agree	9%	14%	26%
Somewhat agree	21%	23%	25%
Neither agree or disagree	14%	15%	12%
Somewhat disagree	23%	20%	16%
Strongly disagree	29%	24%	17%
Don't know	4%	3%	3%

While the majority supported the scheme in principle, fewer respondents regarded the proposed limits of government contribution as adequate to encourage saving for their funeral on a regular basis. The higher the amount suggested the more likely

people were to agree that the contribution would act as a sufficient incentive. For instance, 30% agreed that a contribution of £120 would be a sufficient incentive, increasing to 37% with £250 and to 51% with £400. Out of the three suggested government contribution limits, it was only the offer of £400 that led more respondents to agree that it would incentivise them, than to disagree.

Question 10. To what extent do you agree or disagree with the following statement: I would be more likely to save if I could directly see the government contribution being added to my account as I saved.

Responses n=1024	Percentage
Strongly agree	39%
Somewhat agree	30%
Neither agree or disagree	13%
Somewhat disagree	7%
Strongly disagree	7%
Don't know	3%

Over two thirds of respondents (69%) agreed that they would be more likely to save if they could directly see the government contribution being added to their account as they saved. As many as two in five (39%) said they strongly agreed with this.

Knowledge and use of credit unions

Question 11. Do you know what a credit union is?

Responses n=1024	Percentage
Yes	77%
No	23%

The majority of respondents (77%) said they know what a credit union is. Additional analysis suggested that this was highest in the Glasgow and Strathclyde area.

Question 12. Are you aware of who your local credit union is?

[Respondents who know what a credit union is]

Responses n=779	Percentage
Yes	56%
No	44%

Out of the respondents who knew what a credit union was, slightly over half (56%) said they know who their local credit union is.

Question 13. Do you currently use a credit union for banking; saving; loans; insurance?

[Respondents who know what a credit union is]

Responses n=779	Percentage			
	Banking	Saving	Loans	Insurance
Yes	5%	19%	6%	2%
No	95%	81%	93%	98%
Prefer not to say	<1%	<1%	1%	<1%

Of those respondents who were aware of what a credit union was, 19% used a credit union to save. To a lesser extent, credit unions were also used for loans (6%), banking (5%) and for insurance purposes (2%).

Question 14. How likely or unlikely would you be to use a credit union if they offered a government-supported, incentivised funeral savings scheme?

[Respondents who know what a credit union is]

Responses n=779	Percentage
Very likely	17%
Quite likely	32%
Quite unlikely	14%
Very unlikely	25%
Don't know	11%

Of those respondents who knew what a credit union was, around half (49%) stated that they were likely to use one if a government-supported incentivised funeral savings scheme was introduced, with slightly fewer saying they would be unlikely to do so (39%).

Preferred methods of promotion and access to an incentivised funeral savings scheme

Question 15. If an incentivised funeral savings scheme is introduced, would you like to find out about it online; through email; by leaflet; by radio, by newspaper; or face-to-face through a credit union?

Responses n=1024	Percentage					
	Online	Email	Leaflet	Radio	Newspaper	Face-to-face
Yes	64%	50%	53%	43%	43%	34%
No	36%	50%	47%	57%	57%	66%

The preferred method of promotion amongst respondents was online (65%).

Question 16. If you needed support or further explanation in order to take-up the incentivised funeral savings scheme, through which method would you like the support to come?

Responses n=1024	Percentage
Face-to-face	33%
Online	46%
Over the phone	11%
None of these	11%

The preferred method of contact with scheme delivery partners was online (46%) and face-to-face (33%). Women (49%) were slightly more likely to prefer online communication than men (42%), and 40-59 year olds (48%) were more likely to prefer online communication than those aged 60 and over (39%).

How to access background or source data

The data collected for this social research publication:

- are available in more detail through Scottish Neighbourhood Statistics
- are available via an alternative route <specify or delete this text>
- may be made available on request, subject to consideration of legal and ethical factors. Please contact socialresearch@gov.scot for further information.
- cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.



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