

## ideas42 successfully identifies ways to increase retirement savings in Mexico using behavioral science

*Promising results offer new open-source ideas for more financial providers to promote long-term savings and financial health in a report made possible thanks to a grant given to ideas42 by MetLife Foundation*

Mexico City, November 15, 2018—ideas42, a nonprofit behavioral design lab, today released encouraging results to help more Mexicans plan for a healthy retirement and reduce elderly poverty in a comprehensive new report: [Using Behavioral Science to Increase Retirement Savings in Mexico](#). The report was made possible thanks to a grant given to ideas42 by MetLife Foundation, which works to advance the financial health of low- to moderate-income people. The results stem from [three years of work](#) with CONSAR (Comisión Nacional del Sistema de Ahorro para el Retiro) in Mexico.

The report synthesizes results and insights from over 30 behavioral designs for increasing voluntary retirement account contributions that were applied and tested over the last three years. The designs focused on aspects of communications that are sent from AFORE account administrators (Administradoras de Fondos para el Retiro) to Mexican retirement account holders. Examples include:

- Designing a new retirement account statement received by 21 million Mexicans to encourage taking action
- Incentivizing voluntary savings contributions
- Enabling people to visualize (and sympathize with) their “future selves” via a selfie app
- Sending text messages at key intervals to remind people to act on their savings goals or emphasize the importance of saving for their family’s well-being

Key insights outlined in *Using Behavioral Science to Increase Retirement Savings in Mexico* include a guide to breaking down retirement savings into a set of easy-to-follow steps and using thoughtfully designed, clear communications to have an outsized impact on how people save for their futures. Communicating simple messages and reminders frequently, and leveraging multiple contact channels such as mail, text messages, and personalized meetings to offer active touch points, were proven essential to reaching a range of people and encouraging long-term behaviors in the interventions conducted.

The designs and findings are summarized in detail and made available at no cost to allow financial institutions to use the new insights as a starting point for applying behavioral science to better serve their own clients. Scaling these strategies has the potential to increase people’s retirement savings, protecting their well-being as they age.

Others in the retirement industry, FinTech companies, and traditional banks can apply the designs to innovate and improve their own products and services—helping their clients save

more and improve their financial health, while also creating more active clients, higher levels of client engagement and the potential for higher account balances for the institution.

“Encouraging savings behaviors really comes down to the smallest details,” said Alissa Fishbane, Managing Director at ideas42. “Knowing this, we redesigned every aspect of the retirement savings experience using insights from behavioral science, even the wording on the envelope AFOREs use to mail customers’ retirement statements before scaling—because a well-designed statement means nothing if people don’t open the envelope.”

“At MetLife Foundation, we believe in the power of understanding human behavior and the importance of designing products, services and interventions that help people achieve greater financial health and plan for the future,” said Evelyn Stark, financial inclusion lead at MetLife Foundation. “We look forward to seeing how the findings of the ideas42 report can help to unlock more solutions for low- and moderate-income people in Mexico and across Latin America.”

“CONSAR’s role as a regulator has been key to developing a robust and inclusive regulatory framework that has contributed to the implementation of innovative initiatives with the aim of encouraging retirement savings such as the pilots carried out in collaboration with ideas42. And although unprecedented progress has been made to date, the larger impact at scale will be visible in the long run, and therefore it’s fundamental to continue to collaborate with organizations such as ideas42 on projects and pilots, as well as their evaluation and continuous improvement in a way that transcends administrations to observe lasting results,” commented Carlos Ramírez Fuentes, President of CONSAR. “On the other hand, the use of technology in the pension system has allowed people to have different options and channels to make voluntary contributions in cash or through digital platforms. However, this is not enough, since access to these channels does not guarantee their use. As a result, it is highly relevant that the AFORE remain active in providing financial education and promoting retirement savings.”

This new report builds on an initial deep dive using a behavioral lens into the barriers to saving for retirement in Mexico [released in collaboration with CONSAR in October 2015](#), thanks to a grant given to ideas42 by MetLife Foundation. Each of the innovative designs tested and detailed in *Using Behavioral Science to Increase Retirement Savings in Mexico* were created to address one or more of the barriers identified in the initial report.

## About ideas42

ideas42's mission is to use the power of behavioral science to design scalable solutions to some of society's most difficult problems. ideas42 grew out of research programs in psychology and economics at top academic institutions, and its work draws on decades of experimental scientific research. ideas42 uses these insights to design scalable ways to improve programs, policies and products in the real world. ideas42 works with a wide range of partners, from

leading foundations and non-profit organizations, to government bodies and businesses. In short, anyone who wants to make a positive difference to peoples' lives.

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#### About Metlife Foundation

MetLife Foundation was created in 1976 to continue MetLife's long tradition of corporate contributions and community involvement. Since its founding through the end of 2017, MetLife Foundation has provided more than \$783 million in grants and \$70 million in program-related investments to organizations addressing issues that have a positive impact in their communities. In 2013, the Foundation committed \$200 million to financial inclusion, and our work to date has reached more than 6 million low-income individuals in 42 countries. To learn more about MetLife Foundation, visit [metlife.org](http://metlife.org).

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#### About CONSAR

The National Commission for the Pension Saving System (CONSAR) was created on July 22, 1994 as a tripartite body, decentralized from the Ministry of Finance and Public Credit. Its main task is to supervise and effectively regulate participants of the Retirement Savings System (SAR) so that each saver can build retirement assets.