Farmers' private savings for retirement
- Values behind the decision

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Acknowledgements

Abstract

Self-employees in Sweden, there among farmers are not provided with any occupational pension, which means that one part of their retirement income is lacking. Therefore, they have a larger responsibility concerning their private savings for retirement in order to obtain a retirement income corresponding to the one they had during their active work period. Decisions regarding farmers' retirement represent a complex matter, since farmers view their business as their lifestyle. Researchers have found that farmers tend to reinvest in their business instead of prioritizing private savings outside the business, which has an impact on their private retirement savings for the future. Decisions concerning retirement are not a daily decision, which the farmer can get immediate gratification from and this make these kinds of decisions more difficult for them.

There are only a small number of studies, which have investigated retirement savings among farmers. Although, it is known that retirement is one reason for why farmers have private savings, but it has not been studied why farmers have private savings for retirement. In order to understand how this decision is made, the underlying values or goals behind the decision need to be known. Through these values, people become motivated to accomplish things like their goals, needs satisfactions or desirable end states that people want to achieve.

The aim of the study is *to explore which values motivate farmers' decision-making concerning their private savings for retirement.* The chosen theories are Means-end chain theory and Personal value theory. A qualitative approach is used. The chosen method is "soft" laddering, since it is used when revealing the means-end chains among people. The method is performed through in-depth telephone interviews with 25 participating farmers.

The conclusions in this study suggest that the personal values which motivate farmers' decision-making concerning their private savings for retirement are: "Safety", "Financial stability", "Good relations to relatives", "Tradition", "Not affect next generation financially", "Fulfill dreams/do things that matter", "Happiness" and "Good life as a pensioner". These are further interpreted into personal value groups according to perspective of personal value theory: *Security, Benevolence, Tradition, Self-direction, Stimulation* and *Hedonism*.

Sammanfattning

Svenska egenföretagare där även lantbrukare inkluderas, erbjuds ingen tjänstepension. Det betyder att de saknar en del i deras sammantagna pension om de inte kompenserar för den på egen hand. Det innebär ett större ansvar för Sveriges lantbrukare, när det gäller att kunna få en pensionsinkomst som lantbrukaren själv kan vara nöjd med. Beslut rörande pension är svåra att fatta bl.a. eftersom det inte är ett dagligt beslut och för att lantbrukaren inte får ut något omgående av beslutet, utan först efter ett visst antal år. Lantbrukare tenderar även att prioritera att återinvestera i företaget istället för att investera i något slags pensionssparande utanför företaget, vilket självklart påverkar deras sparande till pensionen.

Det är endast få studier som har undersökt frågan rörande lantbrukares sparande till pensionen. Men pensionen är en av anledningarna till varför lantbrukare sparar, dock har det inte studerats vad det är som motiverar lantbrukares beslutsfattande när det gäller privat sparande till pensionen. För att kunna förstå varför detta beslut tas krävs det att ta reda på de värden som ligger bakom beslutet. De bakomliggande värdena är de som motiverar personer till att uppnå sina mål. De motiveras till att uppfylla sina behov och nå tillfredställelse.

Syftet med studien är att *undersöka vilka värden som motiverar lantbrukares beslutsfattande när det gäller privat pensionssparande.* De valda teorierna är Means-end chain theory och Personal value theory. Means-end chain theory används för att både beskriva och förstå beslut hos konsumenter. Teorin beskriver vad som ligger bakom en persons beslut där beslutet beskrivs genom attribut, konsekvens och värde. Attribut är hur en person uppfattar en produkt, konsekvens är det som personen får ut av att konsumera denna produkt, slutligen uppnås värdet. Det är en hierarkisk relation mellan attribut, konsekvens och värde. Kombinationen av dessa element uppfattas som ett nätverk som kallas means-end chain. Denna teori används som ett verktyg i denna studie för att finna lantbrukarnas means-end chain nätverk. Personliga värden i Personal value theory, definieras som förväntade mål som existerar på en högre nivå av abstraktion. Personer har olika värden och vi prioriterar våra värden individuellt, hur vi prioriterar dem påverkas av vår bakgrund och nuvarande situation. Denna teori används för att kunna uppnå syftet med studien.

Studien har en kvalitativ ansats som utfördes genom djupgående telefonintervjuer med 25 svenska lantbrukare, följaktligen kan inte resultaten från denna studie generaliseras. En kvalitativ ansats är passande då ett fenomen på djupare individuell nivå ska undersökas. Metoden valdes utifrån teorierna och för att Means-end chain theory har en nära koppling till den valda metoden, ”soft laddering”. ”Soft laddering” är en intervjuteknik som utförs md en respondent i taget för att utveckla en förståelse för hur konsumenters attribut kan leda till meningsfulla värden enligt Means-end chain theory. Denna metod är bra att använda när syftet är att hitta personers värden associerade med en produkt. I denna studie är produkten privat sparande till pensionen.

Slutsatsen för denna studie genom perspektivet av Personal value theory, är att de värden som motiverar lantbrukares beslutsfattande när det gäller deras privata pensionssparande är: ”Trygghet” och ”Ekonomisk stabilitet” som tillhör gruppen *Säkerhet*, ”Ha goda relationer till närstående” som tillhör gruppen *Välvilja*, ”Tradition” som tillhör gruppen *Tradition*, ”Barn ska ej betala pensionen” som tillhör gruppen *Självstyrning*, ”Uppfylla drömmar/göra det man vill” tillhör gruppen *Stimulans*, ”Lycka” och ”Leva ett bra liv som pensionär” tillhör gruppen *Hedonism*.

Abbreviations

HVM – hierarchical value map

IPS – individual pension savings

IBA – income-related base amount

MEC – means-end chain theory

PBA – price-related base amount

SIM – structural implication matrix

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1 Introduction

In this chapter a background presentation of the problem will provide the reader with an introduction to the subject and how we view the problem within this subject. This will be followed by a presentation of the delimitations and the outline of the thesis.

1.1 Problem background

The farmer population is getting increasingly older (Lobley *et al.,* 2010; Mishra & Chang, 2009). In Sweden 41.5 % of all farmers are 60 years old or older, which means that a substantial number of farmers are close to retirement (www, jordbruksverket, 2015). The increasing age among farmers can be explained through the farmers' choice to postpone retirement (Lobley *et al.,* 2012). However, decisions regarding retirement are complex in several ways (Van Asseldonk *et al.*, 2010). One of the reasons of why farmers' retirement decisions are complex is the close relation between the farmer and their farm business, they view their business as their lifestyle (Kirkpatrick, 2013). Farmers identify themselves through their farm business, which could make it difficult to retire from farming because of the close connection (Lobley *et al.,* 2012). Further, succession and retirement are closely tied together (Kirkpatrick, 2013) and the relevance of a successor has an impact on retirement decisions (Kimhi & Lopez, 1999). This decision can also be a difficult matter since it is not a daily decision and the farmers do not get immediate benefits, therefore they seem to delay this decision (Lobley *et al.,* 2012).

One important decision regarding retirement is how to finance it. A stream of income is necessary in order to peruse a successful retirement (Van Asseldonk *et al.*, 2010) and to maintain the standard of living (Monke, 1998). It is necessary since financial and personal problems could occur if the decision is not carefully planned (Mishra *et al.,* 2010; Mishra & Chang, 2009). The lack of planning could also harm the family and consequences like capital loss could occur (Mishra *et al.,* 2010; Mishra & Chang, 2009).

Farmers in Sweden, who also are defined as self-employees, have different conditions compared to an employee regarding the possibility to finance retirement. An employee has two types of retirement savings, which is illustrated in Figure 1. They receive national retirement pension from the Swedish state and occupational pension from the employer (www, pensionsmyndigheten, 2, 2016). Occupational pension is received by approximately 90% of all employees (*ibid.).* Furthermore, all people are given the opportunity to have private savings as a complement to the other two (*ibid.*), which is illustrated in Figure 1. If a person obtains all parts in Figure 1, he or she will have a future retirement income, which corresponds to the income during work. But if a person does not have private savings he or she will only obtain 60-65% of the income from work (www, pensionsspara, 2016). On the other hand, self-employees only receives national retirement pension but they still have the ability to choose whether or not to have private savings (www, pensionsmyndigheten, 1, 2016). Thus, a significant income of their retirement is missing i.e. occupational pension (*ibid.*). The Swedish pension agency recommends that 4.5 % of the business owner's salary/profit should be saved as a replacement for the lack of occupational pension (*ibid.*).
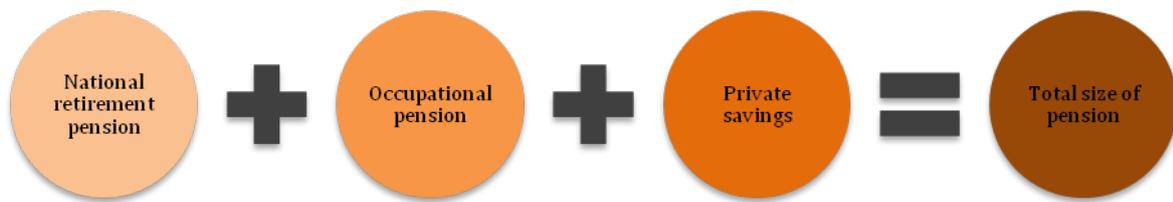
Figure 1 Illustration of the different parts of a person's pension in Sweden (www, pensionsmyndigheten, 6, 2016. Own illustration)

Consequently, there is a need for private savings in order to compensate for the lack of occupational pension (www, pensionsmyndigheten, 1, 2016), which mean a larger responsibility for the farmer to make wise choices (Van Asseldonk *et al.*, 2010). Swedish farmers are in the risk zone of getting a low income during retirement since their present income, which the retirement income is based on, is too low (www, atl, 2009). Mishra & Chang (2011) say that farmers' low income affects the savings for retirement, which makes saving more difficult. This makes them a risk group, which leaves them with no other choice then to save money on their own (www, tvalmedalen, 2015).

There are different kinds of private savings for self-employees. They have the right to deduct 35% of the operational profit intended for their private savings for retirement (www, skatteverket, 1, 2016; www, skatteverket, 2015). Another way of saving for retirement is to pay off loans (www, pensionsmyndigheten, 9, 2016) or save through endowment insurance or an investment savings account (www, pensionsmyndigheten, 12, 2016). However, several researchers have observed that farmers tend to rely on the farm assets as their income during retirement (Monke, 1998; Errington, 2002; Kimhi & Lopez, 1999). Furthermore, farmers have a dilemma concerning the option to invest their money in the business or outside the business, since they claim that the most rational decision is to invest in their own business (Van Asseldonk *et al.,* 2010). It has been observed that when the income is higher than consumption, the profit is often reinvested in the farm, which leaves the farmer with no or little ability to save or do investments for future retirement (Spence & Mapp, 1976).

But, when retirement becomes a fact there is a need for financial support, as the income from the employment/business does not exist anymore (Knoll, 2011). If financial support is lacking during retirement they may become a burden for the society.

1.2 Problem statement and aim

Farmers' decisions regarding retirement are complex in many ways (Van Asseldonk *et al.*, 2010) and it is not a daily decision (Lobley *et al.,* 2012). A limited number of studies have investigated retirement savings among farmers (Mishra & Chang, 2011) and their saving behavior is not a well-known area (Mishra & Chang, 2009). It has been studied how social aspects and information collection affect farmers decision-making concerning retirement pension (Johansson, 2016), how farmers fund their retirement (Kirkpatrick, 2013; Lobley *et al*., 2010), and it is known that retirement is one of several motives for farmers to save money (Mishra & Chang, 2009). But the decision about farmers' private savings for retirement has not been studied previously. In order to understand how this decision is made, the underlying values or goals behind a decision need to be known (Hansson & Lagerkvist, 2015). Further,

Tey *et al.,* (2015 p. 980) express that *"the desire to achieve certain values drives farmers' decision making processes"*. Values are goals, needs, satisfactions or desirable end states people want to achieve (Peter & Olson, 2010; Costa *et al.,* 2004). Through their values, people become motivated to accomplish things (Schwartz, 2006). Values can also be referred to as overall life goals, which often involve a feeling or an emotion (Peter & Olson, 2010).

By uncovering the farmers' values, we will be able to investigate what they want to achieve by the decision concerning private savings for retirement and which values motivate the decision. Since there are only a few researchers that have studied retirement decisions among farmers before (Mishra & Chang, 2011) and there is an uncertainty concerning the farmers' retirement income, this study could contribute to solving the problem to some extent, both theoretically and empirically. This might extend the existing knowledge regarding farmers' decision-making. Furthermore, educators and financial advisors can use this type of results in order to develop their way to work with these kinds of issues (*ibid.*). This is an important decision since the retirement income needs to be sufficient in order to avoid personal and financial problems and not become a burden for the society. Because of the mentioned aspects, the aim of this master thesis project is as follows:

The aim is to explore which values motivate farmers' decision-making concerning their private savings for retirement.

In order to uncover which values motivate farmers' decision-making concerning private savings for retirement, means-end chain theory (MEC) (Peter & Olson, 2010) combined by personal value theory (Schwartz, 1992) was used. To obtain information according to these theories, "soft" laddering interviews were conducted with 25 participating farmers. Laddering interviews (the measurement) is the basis for MEC and the preferred method to find the MEC network (Olson & Reynolds, 2001). The MEC network explains what lies behind a decision i.e., which attributes a person perceive, which consequences the consumer wish to access and also which values the consumer want to achieve (Leppard *et al.,* 2003). These are hierarchically ordered (Reynolds & Gutman, 1988). The MEC approach combined with laddering as a method provides the study with a comprehensive view of what lies behind the farmers' actions (Hansson & Lagerkvist, 2015). Through this method, the farmers' means-end chains were discovered and later analyzed through MEC theory (*ibid.*) and a hierarchical value map (HVM) was presented (Pieters *et al.* 1995).

The HVM presents the attributes and the next step in the map displays the consequences, which are linked to the attributes (Gutman, 1982; Reynolds & Gutman, 1988). Further up this hierarchy ladder, it is explained how these consequences can fulfill the values each person put behind a product (*ibid.*), or as in this thesis, private savings for retirement. These anticipated end-stages of this decision map are people's personal values (Schwartz & Bardi, 2001). This creates a link between MEC theory and personal value theory, the link gives an opportunity to analyze the empirics with both these theories within this study. Personal value theory was used as a complement in order to understand the farmers' end-values in MEC theory and thereby explore what motivate farmers to make a decision concerning private savings for retirement.

However, MEC theory is commonly used in consumer behavior when purchasing a product (Grunert & Grunert, 1995). Hansson & Lagerkvist (2015) have used this theory in their study to perceive farmers' values when it comes to animal welfare. It is categorized as an abstract product, however attributes, consequences and values could still be perceived and linked

together regarding animal welfare (*ibid.*). Tey *et al.,* (2015) also used this theory in their research to explain the adoption of GAP (Good agricultural practices). The MEC theory was adapted to this study by looking at private savings for retirement as a product, which is also a rather abstract "product". This has been successfully used in previous studies and we believe it is a suitable choice for this study.

The decision of private retirement savings among farmers has never been investigated before through "soft" laddering interviews and analyzed through the combination of MEC theory and personal value theory. This approach could increase the existing knowledge of how to use the MEC approach and the laddering technique on an abstract product, i.e. farmers' private savings for retirement. Thereby, showing that it is possible to use this approach on an abstract product.

This thesis is written for Handelsbanken, which provides them with the possibility to use the results to develop their understanding of their clients and hopefully improve advising for their clients.

This study sought to extend the existing knowledge regarding values underlying a farmer's decision. The purpose of the study is not to generalize but to contribute to the discussion concerning the issue about farmers' retirement.

1.3 Delimitations

On the basis of what is given by the aim of the study, further delimitations have been made. The first limitation concerns the decision to interview a group of farmers, representing different lines of production. We could instead have chosen farmers with a specific production e.g. dairy, or compared different lines of production. This would probably have provided the study with other values behind the decision concerning private savings for retirement. However, we chose to not specify this because of the scope of the study, but it could be a suggestion for future studies.

The theories for this study were chosen on the basis of the aim. The chosen theories are MEC theory and personal value theory. We chose not to analyze empirics with decision theory because this study does not focus on the actual decision process.

Based on the aim and the chosen theories, the most suitable method for uncovering the farmers' values is "soft" laddering. MEC theory is strongly linked to the method of laddering because the laddering technique follows the structure of MEC and is the preferred method to find peoples' means-end chains. Other methods could have been used given the stated aim of the study and this would probably have presented other values by this choice. However, this choice was made because MEC combined by laddering have been successfully used in similar studies i.e. finding the underlying values behind farmers' decision.

1.4 Outline

The outline of the thesis is illustrated in Figure 2, below. The first chapter of the thesis is the *introduction,* which presents the subject being handled in this thesis. Chapter number two explains the *empirical background*, which provides a clear picture of the Swedish pension scheme and the situation concerning self-employees in Sweden. The third chapter is the *theoretical framework* of this thesis. It contains the chosen theories, which are MEC theory

and personal value theory. The fourth chapter is the *method*; in this part the chosen approach will be explained and discussed. Chapter number five will consist of the *empirical results* and how they were interpreted and analyzed. The sixth chapter is the *discussion*, where theories and results will be discussed together. This chapter ends with a discussion regarding the contribution of the study and suggestions for future studies. In chapter seven, the *conclusions* from this study are presented.

Introduction → Empirical background → Theoretical approach → Method → Results → Discussion → Conclusions

Figure 2 Own arrangement of the outline of the thesis

2 Empirical background

This chapter starts by a presentation of the Swedish pension scheme, which will help the reader to understand the rather complex system (www, riksrevisionen, 2014; www, pensionsmyndigheten, 2014). In the following section there will be an explanation of the conditions concerning retirement savings among self-employees, farmers included.

2.1 The Swedish pension scheme

The pension is supposed to replace the income people had during working and it is meant to create a financial security and safety for people who have retired. The Swedish pension is divided into three parts, *national retirement-, occupational-* and *private pension*, which is illustrated in Figure 3 (www, pensionsmyndigheten, 6, 2016). Figure 3 is commonly called the pension pyramid. People who are about to retire could possibly get funds from all three parts of the pension pyramid, thus depending on numerous aspects (www, pensionsmyndigheten, 2, 2016), which will be presented in the following section. However, the pension becomes higher, the longer a person chooses to work and vice versa (www, pensionsmyndigheten, 7, 2016).
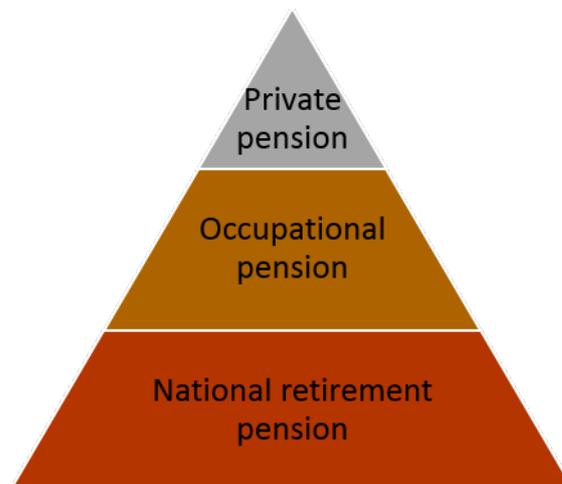
Figure 3 Illustration of the different parts of a person's pension in Sweden (www, pensionsmyndigheten, 6, 2016. Own illustration)

2.1.1 National retirement pension

Everyone who have worked or lived in Sweden have the right to national retirement pension. It is based on the taxable income that a person has received during their work period (www, pensionsmyndigheten, 3, 2016). The Swedish Pension Agency (in Swedish "Pensionsmyndigheten"), which is a part of the Swedish state, is responsible for the national retirement pension (*ibid.*). Every year 18.5% of the pensionable income is allocated to the national retirement pension. The national retirement pension consists of premium pension and income pension (*ibid.*). From the 18.5 %, 16% are *income pension* and the remaining 2.5% are *premium pension* (*ibid.*). The Swedish state manages the income pension, which implies that people do not have any influence on this part (www, pensionsmyndigheten, 14, 2016). The premium pension is the part where each person can decide what funds the money should

be invested in (www, pensionsmyndigheten, 10, 2016). However, there is a limited amout of how much a person can receive through the national retirement pension (www, pensionsmyndigheten, 8, 2016). At an income of approximately 40 000 SEK each month (2016) or at a yearly income of 7.5 income-related base amounts (IBA)[1], a person maximize the amount deducted for their national retirement pension (www, pensionsmyndigheten, 9, 2016). If a person has a higher income than stated, it will not increase the amount of national retirement pension.

National retirement pension can at the earliest be received at the age of 61 (www, pensionsmyndigheten, 11, 2016). But, everyone have the right to work until they are 67 years old, thus if the employee and the employer have an agreement, the employee is allowed to work even after the age of 67 (*ibid.*). A self-employee can run their business after the age 67 (*ibid.*). This means that the age of retiring in Sweden is rather flexible.

2.1.2 Occupational pension

The majority of all employees have occupational pension in addition to national retirement pension, illustrated in Figure 3 (www, pensionsmyndigheten, 4, 2016). The occupational pension is paid by the employer to the Swedish state (*ibid.*). Unlike the national retirement pension, there is no income limit of how much occupational pension an employee can get (*ibid.*). The higher income an employee has the higher will the occupational pension be.

There are four generally accepted agreements in Sweden concerning the occupational pension (*ibid.*). These agreements are called *collective contracts* (in Swedish "kollektivavtal") (*ibid.*). Today, 90 % of all employees in Sweden are included in a collective contract regarding occupational pension, which is a large number compared to other countries (www, pensionsguide, 1 2011). The amount of occupational pension that the employee will get is decided by the collective contract between the employer and the employee's trade union (*ibid.*). The occupational pension represents a significant amount of the employee's future pension, thereby it is very important (*ibid.*). However, if the employee does not have any contracts, the employer and the employee might have their own agreement regarding the occupational pension (www, pensionsmyndigheten, 4, 2016). Self- employees, including farmers, do not receive any occupational pension at all (*ibid.*).

2.1.3 Private pension

Private pension is the third and last part of the pyramid, illustrated in Figure 3, which is optional for everyone. Private pension is an important part if a person wants to obtain the level of income that he or she had while working (www, pensionsguide, 2, 2011). Without private savings a person will only receive 60-65 % of the income that the person had in the past when he or she was working (*ibid.*). There are several ways to save money for retirement. Two common ways are private pension insurance and individual pension saving (IPS).

There are two types of private pension insurances, unit-linked insurance and traditional insurance (www, konsumenternas, 1, 2015). By having a unit-linked insurance, the person chooses in which funds he or she should put the money but there is no guarantee for the savings (www, konsumenternas, 2, 2015). This insurance is tied to funds (*ibid.*). Traditional insurance include insurances beyond fund insurances, the insurance company manage the

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[1] IBA is the amount that national retirement pension is based upon. In 2015 the IBA was 58 100 SEK (www, skatteverket, 7, 2016).

money and there are guarantees on either interest rate or the capital (*ibid.*). The insurance company can invest the money in e.g. bonds or stocks (*ibid.*). Private pension insurances can be complemented with an insurance, which makes sure that if the person dies the amount of the insurance, is distributed to the beneficiary (*ibid.*). However, the money cannot be accessed until the person reach the age of 55 (*ibid.*) Individual pension savings (IPS) allow people to freely choose how to save and which funds, stocks or saving accounts people would like to invest in (www, fondmarknaden, 2016). The money invested is bounded which means that the person cannot access the money until retirement (*ibid.*).

Before the year of 2015, everyone were allowed to save 12 000 SEK each year for retirement, in private pension insurances (in Swedish "privat pensionsförsäkring") and/or individual pension savings (IPS) by the right of deduction from the taxable income (www, pensionsmyndigheten, 12, 2016). In 2015 this amount was reduced to 1 800 SEK a year. But from now on (2016) this amount was reduced to zero (*ibid.*). Therefore, it is no longer beneficial to save money this way (www, konsumenternas, 2, 2015). If a person continues to save like mentioned above, he or she is going to pay double taxation (*ibid.*). To solve this problem people need to find other ways to manage private savings for retirement.

Endowment insurance (in Swedish "kapitalförsäkring") and investment savings account (in Swedish "investeringssparkonto") are two examples of ways to save for retirement (www, pensionsmyndigheten, 12, 2016). Another type of saving is amortization of loans and by doing that people can get lower expenses when they are retired, both lower expenses in interest rate and on the house (www, pensionsmyndigheten, 13, 2016). A person could also save in conventional funds, shares and by salary reduction (www, ikanobank, 2014). Salary reduction means that a person refrain a part of the income to allocate it for retirement (*ibid.*). Endowment insurance is an account where monthly payments could be made, to invest in e.g. bond funds or stocks (www, pensionsmyndigheten, 12, 2016). This sort of saving provides the benefit of not paying any tax on the profit, instead there is a standard tax, which is paid every year regardless of the profit or the loss (*ibid.*). The endowment insurance is preferable since it provides a premium waiver (in Swedish "premiebefrielse"), which means that a protection for the family will be provided and the person can decide where the funds end up if the person unfortunately would die (*ibid.*). An investment saving account works in a similar way as capital redemption. The difference is that investment saving account is not provided with a premium wavier (*ibid.*). However, savings through these types of accounts is done by taxed money and the money can be received at any time.

2.2 Self-employees

Since self-employees are not provided occupational pension as mentioned earlier, they have a greater responsibility to take care of this on their own. They are only entitled to the national retirement pension but they have the option to save through private pension (*ibid.*). The Swedish Pension Agency recommend that people who does not receive occupational pension should save at least 4.5% of their own income to make up for the lack of occupational pension (www, pensionsmyndigheten, 9, 2016).

Self-employees have the possibility to make a deduction intended for private pension within their own business, which corresponds to 35% of the income (operational profit) (www, skatteverket, 1, 2016; www, skatteverket, 2015). Thus, there is a maximum of how much they

can deduct. The maximum amount to deduct is set to 10 price-related base amounts (PBA)[2], which corresponds to 443 000 SEK in the year of 2016 per person and year (www, pensionsmyndigheten, 9, 2016). However, this might not always be beneficial for all self-employees. Self-employees who manage their business as a sole proprietorship[3] base their national retirement pension on the operational profit, which is the business's income (*ibid.*). If self-employees deduct 35 %, they consequently lower the operational profit, which also is the base for the national retirement pension (www, pensionsmyndigheten, 12, 2016). Thus, if the operational profit is below 7.5 IBA it will have a negative impact on the self-employee's national retirement pension, since that is the optimum for national retirement (www, pensionsmyndigheten, 8, 2016).

There is an explanation of why the majority of farm businesses are carried out as a sole proprietorship (www, lantbruksbarometern, 2012). This type of company is considered most beneficial for farmer businesses because of favorable tax rules (www, driva eget, 2014). One well-liked tool is interest distribution, which is commonly used by farmers. This is beneficial to use if the goal is to lower the operational profit and pay less tax since it allows the farmers to lower the operational profit with a certain amount[4] (*ibid.*). The higher value of the business's assets, the more the farmer can reduce the operational profit, and therefore less tax has to be paid (*ibid.*). This tax rule seems to create a better economy for the farmers' business, thus there is a downside. The interest distribution automatically lower the operational profit which also is the base for national retirement pension. However, as long as the operational profit is above 7.5 IBA it is still preferably to do the interest distribution to lower the amount of tax to pay. This is the same problem as mentioned in the section above.

There are two types of taxes F-tax and A-tax and they are mandatory to pay to the Swedish state. These types decide how the tax and the social fees should be paid and by who. Self-employees are generally approved for F-tax, which means they have to pay customs fee and employer contribution for the work that is carried out within the business (www, skatteverket, 3, 2016). Self-employees pay *social fees* ("sociala avgifter" in Swedish) to the Swedish Tax Agency, these fees are divided into *customs fee* ("egenavgift" in Swedish) and *employer contribution* ("arbetsgivaravgift" in Swedish) (www, pensionsmyndigheten, 9, 2016). By paying these fees the business owner gets welfares in return when they retire or become sick (*ibid.*). Employees normally have A-tax, which means that their employer deduct tax from their income to pay for social fees (www, skatteverket, 4, 2016). However, there are people who have both F-tax and A-tax, called FA-tax (www, skatteverket, 3, 2016). This occurs when a person is an employee and at the same time runs his or her own business where he or she has to pay F-tax (*ibid.*).

Self-employees do not obtain any occupational pension and there is a risk of getting a low national retirement pension, which makes it important to have private savings in some way. This can be managed in different ways. Even if self-employees have the opportunity to do a deduction of 35 % for private savings for retirement it could be advantageously to save taxed resources in alternative ways. One way of saving is to pay off loans (www, pensionsmyndigheten, 9, 2016) or save through endowment insurance or investment savings

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[2] The price-related base amount shows the price development in society and is decided by the state (www, skatteverket, 5, 2016). It is used for different calculations, for example the base deduction for workers (www, skatteverket, 5, 2016).
[3] 85% of all agricultural business is managed as a sole proprietorship (www, lantbruksbarometern, 2012)
[4] Profit can be reduced with (6%+SLR November previous year * equity) and pay a lower tax rate. (www, skatteverket; 2, 2016)

account (www, pensionsmyndigheten, 12, 2016). However, it has been seen that farmers place their funds where they have knowledge, which often is in their business (Asseldonk *et al.*, 2010). Many farmers use their funds to invest within their own business e.g. to extend their business instead of receiving a salary. This will affect the farmers' retirement income negative since the national retirement pension is based on their income (www, land lantbruk, 2015). This is common since the farmer and their business are closely connected (*ibid.*). Many farmers view their farm as their primary retirement insurance (*ibid.*). The farmers' farm and land or forest can be viewed as an investment for their retirement because of the positive development in land prices all over Sweden. The average price of land in Sweden has doubled its value four times since 1990 (www, jordbruksverket, 2013). This do not necessarily means it is beneficial since they have to find a way to realize the farm to actual money in order to be a good strategy (www, land lantbruk, 2015).

3 Theoretical framework

This chapter contains a literature review followed by the chosen theories. The literature review provides the reader with an overview of what have been studied within the subject of retirement among farmers. The chosen theories are MEC theory (Peter & Olson, 2010) and personal value theory (Schwartz, 1992). A presentation of the theories is relevant because it provides an understanding of the definitions used to interpret the empirical data. MEC can tell how the farmers are thinking concerning the decision of private savings for retirement. But in order to reach the aim of the study i.e. explore which values motive famers' decision of private savings for retirement, there is a need for an additional theory. Personal value theory is the second theory used in this study and it has been established by Schwartz (1992). It was implemented in this study in order to explore the values behind farmers' decision concerning private savings for retirement.

The literature was collected through databases available from the Swedish University of Agriculture and textbooks from libraries. For this thesis, the following databases were used: Science Direct, Web of Science, Google Scholar, Primo and Libris. Different key words and search terms were used to find the literature. Different combinations and synonyms were also used. The used key words and search terms were; retirement, pension, decision-making, farmer, agriculture, savings, values, laddering, personal values, underlying values, means end values.

3.1 Literature review

The literature review presented in this study is intended to provide a clear picture of what has been studied before and to generate an understanding of different factors that have an impact on farmers' retirement decision. Furthermore, the literature review goes in line with the aim of this study, which is to explore which values motivate farmers' decision-making concerning private savings for retirement. The literature review reveals why it is important for farmers to consider their future situation and the consequences of not considering retirement decisions.

The aim of this study together with earlier literature within the subject implied the most important key words in order to connect these parts and point to the gap this study sought to fill. Important key words were; retirement, farmer, succession, private savings, decision and values. These key words were central throughout this literature review in order to create a link between earlier studies and this study.

Furthermore, by presenting this literature, it becomes evident that what this study is exploring is necessary, both because it has not been done before and there is a gap concerning farmers' private retirement savings. The content of the literature review and the results are discussed in chapter 6 in order to highlight the theoretical contribution of this study.

Retire from farming

There is a close and obvious relation between the farm and the family, which has been observed by several researchers (Kirkpatrick, 2013; Spence & Mapp, 1976; Mishra & Chang, 2009; Gasson & Errington, 1993; Lobley *et al.,* 2010). Moreover, farming is classified as a unique form of business because business, home and memories are very strongly connected (Kirkpatrick, 2013). Farmers view their farm as their lifestyle, their whole life or their way of living (*ibid.*). When retirement is closing in, farmers mention that they will miss the whole

lifestyle i.e. the open space, the activities and the independence (*ibid.*). This means that decisions concerning retirement are sensitive and difficult, and could be stressful for the farmer (Burton & Walford, 2005). Therefore, it is central to gain knowledge of farmers' decision in order to increase the understanding for farmers' behavior concerning their retirement.

Further on, if retirement is not carefully planned, it will result in financial and personal problems (Mishra *et al.*, 2010; Mishra & Chang, 2009). Van Asseldonk *et al.*, (2010) stress the importance of striving for a sufficient income in order to achieve a satisfactory level of savings for one's retirement. If this were not the case, it would not be possible for the farmer to maintain their standard of living (Monke, 1998), which has been observed among American farmers (Mishra & Chang, 2009). However, farmers have a rather low income (*ibid.*). The present study could possibly contribute to decreasing financial and personal problems among farmers since we intend to add knowledge concerning the decision to save for their retirement.

Planning towards retirement is a complex matter (Lobley *et al.*, 2010; Spence & Mapp, 1976), somewhat due to the fact that this decision is not a part of the farmer's daily operation (Lobley *et al.*, 2010). Therefore, the decision becomes so much more difficult because the decision has to be made soon, but the effect of the decision is revealed only in the distant future (Lobley *et al.,* 2012).

> *"Often the incumbent will have spent much of their life, not just their career, learning about the business, identifying with the business, developing the business, making sacrifices for the business and taking risks for the business, and the prospect of withdrawing from the leadership role can be both challenging and frightening as it may be associated with fears of 'the loss of power, status, or personal identity'" (Lobley et al., 2012, p. 3)*

> *"Retirement planning is not a daily chore or a skill that can be used on a regular basis in a farming operation. In comparison, daily farm tasks and production management decisions can provide more immediate gratification to managers. For these reasons, it is easy to delay and avoid retirement planning"*
> *(Lobley et al., 2012, p. 166)*

Van Asseldonk *et al.,* (2010) express that self-employees, there among farmers, have a larger responsibility regarding their savings for retirement, since they are not offered any occupational pension. This is another reason for why it is important to perform this study in order to assist the farmers since they are a vulnerable group. Furthermore, they say that self-employees can be more flexible in their planning for retirement compared to employees (*ibid.*). Therefore, it is important for farmers to have a plan in order to achieve one's expected level of retirement income. Van Asseldonk *et al.*, (2010) and Spence & Mapp (1976) have perceived that farmers struggle with the decision to invest in their retirement, since it often means investing outside the business. The most rational decision for farmers is to reinvest in the business (Van Asseldonk *et al.*, 2010). The decision to reinvest in the business leads to low prospects, concerning savings and investments for future retirement, according to Spence & Mapp (1976).

Retirement is one of several motives for farmers to save money (Mishra & Chang, 2009). But why retirement is a motive for farmers to save money is not known, which this study sought

to explore. It has also been studied how farmers fund their retirement (Kirkpatrick, 2013; Lobley *et al.*, 2010). The most common source of income for retirement comes from social security or farm business income (Kirkpatrick, 2013). Further, there are different sources of income for retirement compared between countries. In Canada, a lot of farmers fund their retirement by selling farm assets (Lobley *et al.,* 2010). In England, many farmers save for their retirement through private pension (*ibid.*). The French farmers often fund their retirement through social security payments (*ibid.*). How the farmers in this study save for their retirement will be a part of the background questions in order to get an idea of how the farmers reason concerning their private savings.

Monke (1998), Errington (2002) and Kimhi & Lopez (1999) have observed that farmers tend to rely on the farm assets as their income during retirement. This could result in conflicts between generations, disinvestments in the business and compromise future expansion plans (Boehlje & Eisgruber, 1972). Besides, retirement is a sensitive moment where conflicts could appear (Kimhi & Lopez, 1999). It is quite common that the farmer wants to stay on the farm when he or she have entered retirement, which could be another source of conflict since the successor would not be able to manage the farm completely (Kirkpatrick, 2013). Furthermore, several researchers point out that decisions concerning retirement and succession are not separable (Kimhi & Lopez, 1999; Lobley *et al.*, 2010; Kirkpatrick, 2013). Since several researchers have found such a close relation between retirement and succession, it is only common sense to assume that this will also be the case in this study. It has also been seen that succession has a very large impact on farmers' retirement savings and this aspect cannot be excluded from this study. Further, one of the goals during succession is to contain a financial security for the retired generation (Kirkpatrick, 2013). Whether there is a successor or not has an impact on farmers' retirement decisions (*ibid.*), how they should save for their retirement and if the farm should be sold or not. Kirkpatrick (2013) and Lobley *et al.* (2010) stress that the timing of succession and identification of a successor is critical. When a successor is identified, the farmer tends to keep investing in the farm business (Kirkpatrick, 2013). But if a successor is not identified, the farm business could possibly be seen as the farmers' retirement (Spence & Mapp, 1976). The farmer would sell off assets and the value of the farm could decline (Kirkpatrick, 2013; Lobley *et al.*, 2010). The farmers who sell off assets are called "capital consumers" (Lobley *et al.*, 2010). However, often the goal is to choose a strategy, which will maintain or increase farm size and simplify the transfer to the next generation (Spence & Mapp, 1976).

Reality shows that the age among farmers is increasing (Lobley *et al.*, 2010; Mishra & Chang, 2009; Mishra & Chang, 2011). This is also the case among Swedish farmers as mentioned in the introduction, chapter one. Consequently, there is a large number of farmers who are about to enter retirement. Lobley *et al.*, (2010) draw the conclusion that the increasing age is due to the fact that farmers choose to postpone their retirement to a greater extent. This has been seen to cause problems or harm the conditions for a successful succession (Pietola *et al.*, 2003). And since retirement is so closely connected to succession, the increasing age might have an impact on the farmers' retirement as well as the succession. Furthermore, technique has improved and the health of farmers has gotten better, which could be reasons for the increasing age (Mishra *et al.*, 2005).

The subject of farmers' retirement has not been studied very thorough before (Mishra & Chang, 2011; Mishra & Chang 2009). Several researchers express that there is a need to explore the motives behind farmers' decision to save for their retirement (Kimhi & Lopez, 1999; Väre, 2007; Lobley *et al.,* 2010). The subject of farmers' retirement has not been

studied through the "soft" laddering technique, MEC approach and the personal value perspective, which is performed within this thesis. Therefore, the theoretical contribution from this study could result in new knowledge concerning farmers' decision-making. By developing an understanding of the decision, educators and financial advisors could hopefully use this to develop their way of working with these kinds of issues (Mishra & Chang, 2011).

3.2 Means-end chain approach

The MEC approach is used in order to both describe and understand decisions among consumers (Olson & Reynolds, 2001). This theory explains what lies behind the decision i.e. which attributes a person perceive, which consequences or benefits the consumer wish to access or which risks he or she would like to minimize and also which values the consumer want to achieve through the decision (Leppard *et al.*, 2003). There is a hierarchic relation between attributes, consequences and values (Reynolds & Gutman, 1988). The combination of these elements can be viewed as a network, called means-end chain (Peter & Olson, 2010). MEC as a network provides an understanding of consumer decision-making by the four levels of knowledge (Figure 4) and their connections to each other (*ibid.*). MEC is developed for consumer research i.e. when a consumer is purchasing a concrete product (Grunert & Grunert, 1995), where the purpose is to connect consumers' attributes to their values (Gutman, 1982).

The MEC approach is chosen to understand the decision regarding private savings for retirement and explore which values motivate this decision. MEC together with the interview technique laddering allows us to uncover the goals and values (Oliviera *et al.,* 2016) and it provides the study with a description of the motives behind a decision (Gutman, 1982), which makes this theory well suited for the aim. MEC states that the decision to save money for retirement is based on perceived attributes, which in turn help the farmers to achieve their personal values. MEC is used as a tool in this study to analyze the empirical data and uncover the links between attributes, consequences and end-values that lie behind the decision to save money for retirement. By using MEC, an understanding of the links between the farmers' attributes of private savings for retirement and which consequences that are related to the attributes and further on which values the farmers want to achieve through the consequences. Because of this, MEC is a suitable approach in order to uncover the values behind the decision to save money for retirement, which goes along with the aim of the study.

MEC has been used in similar purposes. Hanson & Lagerkvist (2015) used this theory in their study in order to perceive farmers' values when it comes to animal welfare. The "product" in their study was animal welfare and it appears on a higher level of abstraction, which is also the case in this study. In this thesis, private savings for retirement is viewed as the "product" which is rather abstract. It is something the farmers cannot touch upon, it cannot be consumed today and the decision need be considered today in order to receive an income in the future. This is why it might be difficult for farmers to consider the importance of private retirement savings today. If farmers are uncertain of how the future will be, the decision of saving money today will be problematic and maybe challenging to explain how the decision was made. Because of this, attributes, consequences and values might be embedded in additional context. However, this theory can be used anyway since more time was dedicated to ask questions regarding definitions about savings and retirement and also more time was dedicated to discuss and determine the attributes, consequences and values. This will be further explained in chapter 4, method.

Even if some adaptions have been made in order for us to use this theory and analyze the empirical data, there is a need for a further general description of the theoretical framework. The main purpose of the description is to understand how interpretation have been made during analyze of the data in chapter 5 and 6, since the interview technique of "soft" laddering follows the structure of MEC theory. In the following sections the "product" is viewed as private savings for retirement. The original description of the theory is as follows:

The four levels of knowledge in the MEC theory are named attributes, functional consequences, psychosocial consequences and values, which are illustrated in Figure 4 (Peter & Olson, 2010). MEC links the attributes of a product, the consequence of the attributes and the personal values (end-value) of a product (Reynolds & Gutman, 1988). In this study MEC provides links between the attributes that the farmers relate to private savings and the consequences of the attributes and the personal values of savings for retirement. MEC is titled as a chain because of the links and connections between the elements, which connect the elements to a meaning (Olson & Reynolds, 2001). The links between attributes, psychosocial consequences, functional consequences and values are most important in MEC theory (*ibid.*). The connections will provide a complete understanding of the consumer's mental representation connected to a product (Peter & Olson, 2010), or as in this study, a complete understanding of farmers' mental representation connected to private savings for retirement. This chain goes from a concrete level (attribute) to a higher level of abstraction (value) (Olson & Reynolds, 2001). E.g. the attribute of private savings for retirement could be that farmers want to avoid getting a low pension. The consequence of that attribute can be that the farmer gets a good financial situation, which further leads to the value: safety.
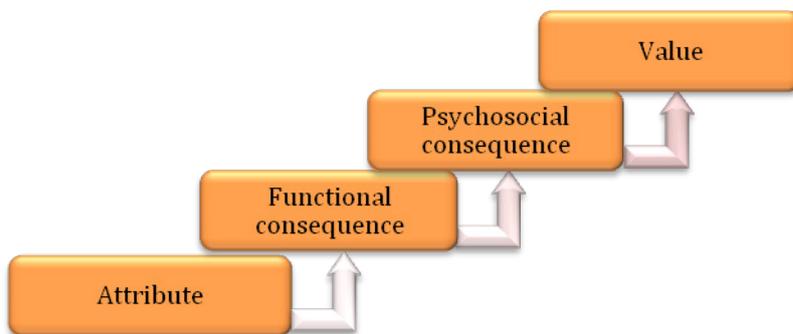
Figure 4 Illustration the means end chain and its four levels (own illustration by Peter & Olson, 2010 pp. 77).

According to Gutman (1982) and Reynolds & Gutman (1988), each person put different attributes on products or services, and one step higher up in the hierarchy the consequences emerge. The consequences are related to these attributes (*ibid.*). And even further up this hierarchy ladder, it is explained how these consequences can fulfill the values who each person put behind a product or service (*ibid.*). This is shown in Figure 4. Personal values can also be translated into a person's anticipated end-stages (Schwartz & Bardi, 2001). A fundamental part within the MEC is to figure out which values controls peoples' decisions, and what the values behind a behavior signifies the one making the decision (Hansson & Lagerkvist, 2015). This is important for this study since the focus is to explore which values motivate farmers' decision to save for retirement.

Attributes, consequences and values

It is important to know how to comprehend the data according to this theory in order to get accurate results. Therefore, a description of the attributes, consequences and values are essential since data is interpreted into different level of abstraction according to this theory.

There are two different types of attributes, concrete and abstract (Peter & Olson, 2010; Costa *et al.,* 2004). Concrete attributes are characterized as tangible and can be e.g. that a person buys a car because of the *large space* (Peter & Olson, 2010). Abstract attributes are characterized as intangible, e.g. a person buys a car because the car is *classy* (*ibid.*). The attribute itself does not say anything about the behavior but through the attribute the consumer achieves a consequence (Olson & Reynolds, 2001). Peter & Olson (2010, p 77) says, *"Consumers see most product attributes as a means to some end",* where the end can be seen as a consequence or a personal value which is more abstract. It can also be expressed as the benefits a consumer receives by using the product (Steenkamp & Audenaert, 1997). Gutman (1982) says that when a consumer is buying a product, in reality the consumer is buying one or more consequences or benefits and this is to accomplish a goal or a sub goal (Olson & Reynolds, 2001). In this study it could be referred to what the farmers want to achieve with their private savings for retirement and why they are saving money, i.e. what things motivate them to save money. The important parts in decision-making are the consequences and the anticipated experiences (*ibid.*). The consequences are the most important in order to determine the personal values and goals (*ibid.*), which is suitable since we want to know the values behind farmers decision making. MEC identifies which consequences that are linked to vital end values or goals (*ibid.*).

Consequences can be characterized as functional or psychosocial consequences (Olson & Reynolds, 2001; Peter & Olson, 2010; Costa *et al.,* 2004), which are illustrated in Figure 4. Functional consequences occur during or directly after consumption (Olson & Reynolds, 2001). This type of consequence is tangible and closely tied to the use of the product i.e. what function the consumption fulfills (Peter & Olson, 2010), or the product in this study, private savings for retirement. Psychosocial consequences refer to how the consumer feel after consuming the product, what the social consequences will be and the benefits that arise from the use of the product (*ibid.*) e.g. how the farmers feel and what benefits arise when they decide to save money for their retirement. Psychosocial consequences arise from emotions and personal experiences and they can appear beyond that moment (Olson & Reynolds, 2001).

Values are goals, needs, satisfactions or desirable end states people want to achieve (Peter & Olson, 2010; Costa *et al.,* 2004). Values can also be referred to as overall life goals (Peter & Olson, 2010). These values are intangible and subjective, which often involve a feeling or an emotion (*ibid.*). It is not easy to distinguish whether a term is e.g. a psychosocial consequence or a value (*ibid.*). Thus, consequences are more tangible compared to values. One trick is to ask the question and see if the interviewee has another answer, if it follows by an answer, it could be determined as a consequence but if no answer is received, it could be determined as the end-value.

These personal values are unique for each person, which depends on the person's background and interests (*ibid.*). To understand a decision, it is vital to pay attention to the context where the decision is made (Olson & Reynolds, 2001). Every decision made, occurs in a context that can be both a social- and physical environment (*ibid.*).

This implies that the contextual factors affect the behavior (*ibid.*).

By using MEC we are able to identify the attributes, consequences and values attached to the decision to save money for retirement and how the attributes, consequences and values are linked to each other. From this, we can tell how the farmers are thinking concerning the decision to save money for retirement. But in order to reach the aim of the study i.e. explore which values motivate famers' decision-making concerning private savings for retirement, there is a need for an additional theory, personal value theory.

3.3 Personal value theory

Personal value theory (Schwartz, 1992) was chosen in order to extend the theory base within this thesis. This theory will provide the study with an in-depth understanding of famers' values behind the decision concerning private savings for retirement. The theory works as a complement to the MEC theory, when understanding the end-values that emerged in the HVM. The MEC theory and personal value theory are combined in order to analyze and explore values behind farmers' decision-making concerning private savings for retirement. These two theoeries have not been combined within this subject before. Schwartz's theory is applied on the result to be able to reach the aim of the study.

Schwartz (1992) defines values as anticipated goals that exist on a higher intangible level. A person assess their own or someone else's behavior and thoughts using their values as principles for this evaluation (Schwartz, 1992; Schwartz, 2006; Roccas *et al.*, 2002). When values are mentioned, people start to think about what is important to them (freedom, pleasure, success, authority, security, humble, honesty and wisdom) and which values that are important vary between everyone (Schwartz, 2006). Schwartz (2006) presents five aspects that are mutual for all values across cultures and these aspects are:

> *"Values are beliefs. But they are beliefs tied inextricably to emotion, not objective, cold ideas. Values are motivational construct. They refer to the desirable goals people strive to attain. Values transcend specific actions and situations. They are abstract goals. The abstract nature of values distinguishes them from concepts like norms and attitudes, which usually refer to specific actions, objects, or situations. Values guide the selection or evaluation of actions, policies, people, and events. That is, values serve as standards or criteria. Values are ordered by importance relative to one another. People's values form an ordered system of value priorities that characterize them as individuals. This hierarchical feature of values also distinguishes them from norms and attitudes."* (Schwartz, 2006, p. 0)

People have different backgrounds and this affects the individual's values, which values they have and which values they prioritize. Various conditions throughout an individual's life affect which values he or she has and how he or she prioritizes (Schwartz, 1992). It is important to have this in mind when analyzing the farmers' values, since the participating farmers have different conditions concerning their background. People's different backgrounds seem to make them adjust their values to their specific life situation (*ibid.*). For example, having a child may change one's value prioritizing or perhaps a person chooses a safer alternative than before in order to secure the business income. Schwartz (2006) also stresses, if a person is naturally closer to one value, it might be easier to express this value. For example, it tends to be easier for a wealthy person to follow the value of power compared

to other people (Schwartz, 1992; Schwartz, 2006). It could also be the other way around; events in one's life may lead to restraints from expressing certain values (*ibid.*). A person's age seems to have an impact on which values that are prioritized, younger people tend to pursue values like hedonism, stimulation, self-direction and possibly universalism (Schwartz, 2006). Consequently, values like security, tradition and conformity are more valuable to the older generation (*ibid.*).

Schwartz's ten values and their interrelationship

Schwartz (1992) states ten values, which present a picture of what is perceived as important for people in all cultures all over the world. The ten values are illustrated in Figure 5 below. These ten universal values are *Security, Conformity, Tradition, Benevolence, Self-Direction, Stimulation, Hedonism, Achievement, Power* and *Universalism* (Schwartz, 1992; Bardi & Schwartz, 2003).
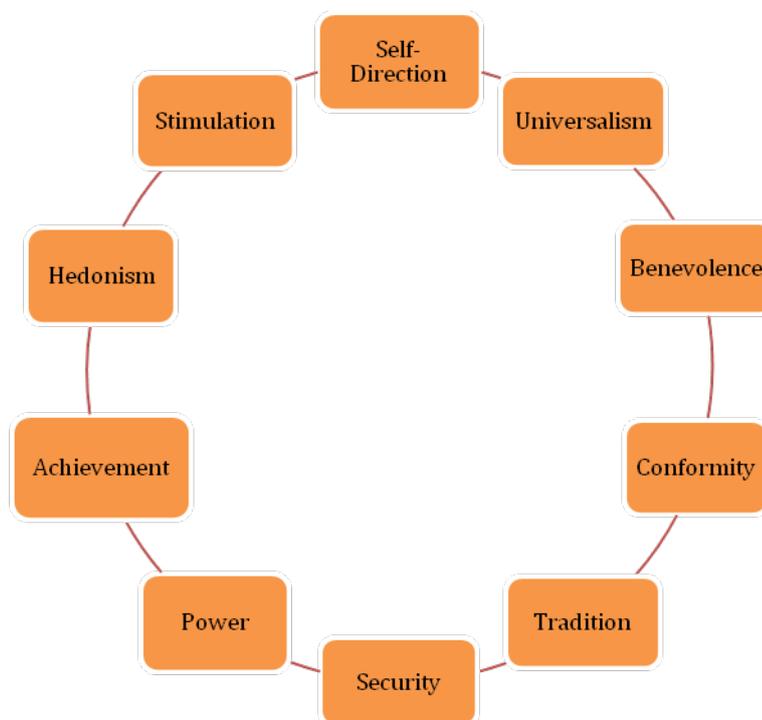
Figure 5 the ten universal values (Own construction based on Roccas et al., 2002, pp. 791

These ten values, illustrated in Figure 5, originate from earlier studies of value theories, based on religious and philosophical considerations concerning values and how values are perceived in different cultures (*ibid.*). The values mentioned by Schwartz (1992) are possible to connect to the farmers' values behind the decision concerning private savings for retirement. The ten values within Figure 5 are explained here, according to Schwartz (1992).

Self-Direction
This value contains a feeling of freedom and the person does not want to be dependent on anyone else both in mind and behavior. A person who highly values Self-Direction has a need to be able to build, discover and manage his or her own existence.

Stimulation
This value means that people desire a challenging and eventful life. By achieving this value, people feel that they have a life and it also works as a motivation to keep on going. This value could be linked to the value of Self-Direction.

Hedonism
Hedonism is wishes and the satisfaction of fulfilling those wishes, and to enjoy one's life. The fulfillment of pleasing ones organismic requests. Other words to describe hedonism would be pleasure or satisfaction.

Achievement
Achievement is the value where people show that they are talented and sharp. Through these characteristics they reach individual triumph. People want to show that they are competent, if they do not, they may risk to not be successful when it comes to social relations and institutional operations. A person is actively demonstrating his or her competence when interacting with others.

Power
Terms characterizing power are; social power, wealth, authority, preserving public image and social recognition. Power values are required in some social situations, which means that the situation needs a level segregation. When power values are used, an authority/surrender relation both within a culture and across cultures often appears. Analysts of social motives have seen that power is expressed as a person's need to exert authority, consequently the social status and to control other people or resources. According to Schwartz (1992), social respect is central in both achievement values and power values.

Security
The goal within this value is constancy in relationships, society and oneself. People want to feel protected and understood. Values associated with security are sense of belonging, health and clean, but also family and national security.

Conformity
People who have conformity as a highly ranked value thinks that everyone should act and behave respectfully and not to breach social anticipations or standards. To limit you in everyday exchanges are associated with conformity values. Examples are politeness and to show respect towards parents and elders.

Tradition
Traditions are signs and actions symbolizing shared experiences and destinies that turn into traditions, which are highly valued by the members. Behavior within the tradition becomes signs for the group's solidarity. The goal with this value is to feel respected, accepted and to feel commitment for the norm that exist in this tradition.

Benevolence
Benevolence is the value where a person is concerned about friends' and family's welfare in everyday interactions. You can explain this value through devotion, caring, truthful, sympathetic, dependable and true companionship.

Universalism
Terms characterizing universalism are; equality, unity with nature, wisdom, a world of beauty, social justice, broad-minded, protecting the environment, a world at peace. Universalism can be expressed as caring for the welfare of all people and the nature. This value becomes apparent when people are faced with the reality of human basic needs, both individually and as a group. This happens when a person comes in contact with someone outside his or her primary group or realizes the limitations of the existing natural resources.

People prioritize these values individually (Schwartz, 2006). However, if a person prioritizes one value, it may speak against another value (Schwartz, 1992; Schwartz, 2006). According to Roccas *et al*., (2002), when following a desired value there are practical, social and psychological implications which may interfere with other values. Compatible values are placed close to each other in Figure 5 (Roccas *et al*., 2002; Schwartz, 1992). For example, the values stimulation and self-direction are often placed next to each other in the model, since these values basically are founded on the same needs (Schwartz, 1992). Both values are in favor of alteration and the need to feel independent (*ibid.*). Tradition and conformity are another example of values that works well together (*ibid.*). These values are signified through obedience and self-discipline (*ibid.*).

Further, values that are not very compatible are placed on opposite sides from each other in Figure 5 (Roccas *et al*., 2002). For example, if stimulation and self-direction are prioritized, they could interfere with some other values out of the ten, for example security (Schwartz, 1992). These values are not very compatible, since stimulation and self-direction point towards a person who is in favor of changes and wants to feel independent (*ibid.*). However, a person who prioritize security, seek consistency everywhere and needs to feel understood and safe (*ibid.*). Therefore, these values often ends up on opposite sides of the model as shown in Figure 5, and there are several other values within the model that work less good together.

Figure 5 consisting of the ten values can be divided into four sections (Schwartz, 2006), where these four sections symbolize larger categorizes, which suits several values. In the first section, the values of self-direction, stimulation and partly hedonism are assembled (*ibid.*). This section is known for its openness to change (*ibid.*). The second section is signified by self-fulfillment and the values gathered here are: achievement, power and partly hedonism (*ibid.*). Within the third section, values like security, tradition and conformity are found. This section is identified by the expression preservation (*ibid.*). Lastly, the fourth section consists of the values benevolence and universalism, this section is known as self-transcendence (*ibid.*). These four sections are each other's opposites, for example openness to change does not go along by values in the section of preservation (*ibid.*).

Values are essential to be able to comprehend different kinds of occurrences, according to Bardi & Schwartz (2003). Therefore, the personal value theory is suiting for this study where the focus is on the farmers' cognitive structure. Sorting the farmers' values into the right value group illustrated in Figure 5, is not obvious, each farmer express themselves in different ways and these expressions may point to more than one value (*ibid.*). For example:

> *"People might go hiking because they like adventure (stimulation values), love nature (universalism values), or want to comply with their friends' expectations (conformity values)" (Bardi & Schwartz, 2003, pp. 1208-1209).*

But this has been taken into a count since the values were revealed through the MEC approach. Therefore, we assumed that the values mentioned by the farmers are also the values we were supposed to focus on. Although, they might have other values attached to the same consequence or attribute, but they were not mentioned.

4 Method

In this chapter, the method is presented and it is chosen due to the aim of the study. It starts with a presentation of the course of action, followed by a description of the participating farmers. Further on, we will present how the method was implemented and how coding was performed. The chapter ends by a discussion of the ethical concerns within this study.

4.1 Course of action

A qualitative approach through in-depth telephone interviews by a technique called "soft" laddering was chosen. This approach was chosen because of the aim of the study. In this study the aim is to explore which values motivate farmers' decision-making concerning private savings for retirement. A qualitative approach is suitable because we reach for a deep understanding of the participating farmers, corresponds with a qualitative study (Robson, 2011). Furthermore, this approach is more beneficial when examining fewer objects in a social setting (Bryman & Bell, 2011), which goes along to the number of 25 participating farmers within this study. This study is meant to investigate a specific phenomenon on a deeper and individual level. Consequently, the results cannot be generalized (Robson, 2011).

"Laddering refers to an in-depth, one-on-one interviewing technique used to develop an understanding of how consumers translate the attributes of products into meaningful associations with respect to self, following Means-End Theory" (Reynolds & Gutman, 1988, p 788)

The choice of "soft" laddering was based on the fact that laddering (the measurement) is the basis for MEC and the preferred method in order to find the MEC (Olson & Reynolds, 2001). Laddering is commonly used to measures consumers' cognitive structure in order to predict a behavior (Grunert & Grunert, 1995). This method is appropriate to use when the aim is to find people's values and goals associated with a product (abstract product), which is consistent with the aim of this study. The laddering technique follows the hierarchical order of MEC, which allows us to capture values and goals (Oliviera *et al.*, 2016) behind the farmers' decision concerning private savings.

There are two types of laddering technique, "soft" and "hard" laddering (Grunert & Grunert, 1995; Costa *et al.*, 2004). "Hard" laddering is commonly performed through a questionnaire or a computer, which is signified by a quantitative method (Grunert & Grunert, 1995). Since "hard" laddering is often performed through a questionnaire, it makes it more difficult to understand the respondents' thoughts and an important amount of context will be lost (*ibid.*). However, by using "soft" laddering we have the ability to perform personal interviews and obtain a large amount of context since a natural speech is desirable in "soft" laddering (Costa *et al.,* 2004; Grunert & Grunert, 1995). This is positive for the study since private savings for retirement is rather abstract and it is a complex question. Therefore the answers required additional context. The farmers jumped between levels of abstraction and they often started to tell stories while talking about retirement savings. This provided us with an understanding of the farmers' way of thinking around the subject and additional questions could also be asked if something was not clear enough, which is positive according to Robson (2011). Because of the amount of context, more time was dedicated listening to the recorded interviews in order to interpret the meaning of the conversation. Further on, the "soft" laddering approach is suitable since it has a more explorative version compared to "hard" laddering (Tey *et al.,*

2015). This approach is also preferable when uncovering links between attributes, consequences and values that are harder to reach and concerns a sensitive subject (*ibid.*). Consistent with this paper, private savings are a highly personal matter and could be a sensitive subject for the farmers, which is why "soft" laddering is more appropriate than "hard" laddering. Moreover, this interview technique is chosen due to the small sample size (Costa *et al.,* 2004) and the low level of previous knowledge of farmers' cognitive structure (Tey *et al*., 2015). This approach, MEC and laddering combined have shown itself successful when it comes to revealing the respondents cognitive structures on a higher level (*ibid.*). This approach provides the researcher with the possibility to understand why farmers decided the way they do (*ibid.*). Hansson & Lagerkvist (2015) and Tey *et al.*, (2015) have used this approach in their research to understand the farmers' personal values concerning both animal welfare, and explaining the adoption of GAP (Good agricultural practices). This implies that the combination can be successfully performed in other purposes than consumer behavior. The factors mentioned above are the reasons for why a qualitative approach with "soft" laddering was applied in this study. We believe that "soft" laddering combined by MEC measures what we intended to measure i.e. explore farmers' values behind the decision to save for retirement. This also increases the credibility (Kvale & Brinkmann, 2009). Hence, this study will hopefully, contribute to the literature in a useful way.

As the choice of performing "soft" laddering was made it is vital to reflect upon the consequences. A consequence of using "soft" laddering was that we needed to relate the farmers' answers to MEC during the interview and there was a need for interpretation, which was not always easy. Therefore bias may increase and it may have an impact on the results (Grunert & Grunert, 1995). This is called reflexivity, which is highly valued in qualitative research (Robson, 2011). Data often depends on how the researcher act and how professional he or she is (*ibid.*). Even if we may have influenced the interview, we did not give suggestions to e.g. what the attributes should be (Grunert & Grunert, 1995). We have not intentionally affected the study with our personal values or thoughts (Bryman & Bell, 2011). However, because of the choice of a qualitative method there is a risk that we unintendedly affected the result, which could jeopardize the conformability (*ibid.*).

Most interviews are commonly done face-to-face, but they can be performed by telephone (Robson, 2011), which was the technique used in this thesis. Hansson & Lagerkvist (2015) and Tey *et al.,* (2015) also collected data by laddering technique through telephone interviews. The choice of performing telephone interviews gave us the opportunity to interview farmers from all over Sweden. Furthermore, this provided us with the opportunity to interview a larger number of farmers. All the telephone interviews were performed during one week in March 2016. The interviews were relatively short. The average time was between 10 and 15 minutes, which was good since Robson (2011) recommend that telephone interviews should not be around 30 minutes long (Robson, 2011).

It was both positive and negative to perform telephone interviews. A negative part was that the conversation felt impersonal because body language could not be observed it made it difficult to get a "real" feeling of who the farmer was. Robson (2011) agrees that this is a negative aspect when it comes to telephone interviews. Otherwise, telephone interviews were good because we could interpret what was said and how he or she was responding (Kvale & Brinkman, 2009). For this rather sensitive subject i.e. private savings for retirement, it could be positive to have collected data through telephone interviews, since the farmers might feel more anonymous. We do not get a personal connection and do not know how the person looks etc. Bryman and Bell (2011) say that it is easier to ask questions and get answers to sensitive

questions through telephone interviews. Consequently, we do not know what the answers would have been if the interviews were performed face-to-face but it could be a positive thing to perform telephone interviews. Performing telephone interviews can also reduce bias, since the relationship between the setting and the researcher, and between the participants and the researcher is not as close as if the interviews would have been performed face-to-face (Robson, 2011). However, even if we chose to perform telephone interviews there is still a risk for bias since it is a qualitative approach where data have been collected through interviews (*ibid.*).

Unit of analysis

As this thesis is partly an assignment for Handelsbanken, they selected the participating farmers. The majority of the interviewed farmers are clients at Handelsbanken and the other farmers are contacts provided by an employee at Handelsbanken. Since the focus of this study is retirement and the Swedish pension scheme, the respondents had to be Swedish farmers to be able to apply this scheme. The selected farmers are geographically distributed around Sweden, but the majority of the sample lives in the south of Sweden. The interviews were performed on 25 farmers and that was the number of farmers who agreed to participate. Kvale & Brinkmann (2009) say that the number of interviews depends on what you want to know and the aim of the research. A low number of interviews cannot be generalized but on the other hand, a large number of interviews would not allow the researcher to go deeper into the subject (*ibid.*). In previous studies, where laddering was used, the number of respondents differed. In one project concerning bread, 29 respondents were interviewed (Grunert, 1993; Grunert & Kristensen, 1992 in Grunert & Grunert, 1995). Nyman (2015) interviewed 30 farmers in his master thesis, through the technique of "soft" laddering, where he examined farmers' personal values of using forward contracts. He attained an explicit value map from the empirical data, which shows that "soft" laddering can be performed with a number of 30 respondents. When the sample size is small, "soft" laddering is suitable (Grunert & Grunert, 1995 in Tey *et al.,* 2015).

Furthermore, the chosen farmers were selected by age. The purpose was to get a distributed age among the participants in order to capture perceptions regarding retirement among all ages. The age was divided in to three sections, 30-40 years, 40-50 years and 50-60 years old. The age of 30 was set as the minimum age, which is related to the difficulty to find farmers at a younger age. The farmers should not be over 60 years, since it would not be relevant to ask about future retirement savings if the person is soon to be retired or already has retired.

Other criteria was that the participating farmers have to work full time on the farm, they have to be the owner of the farm and the main production should be agriculture, consisting of one or several lines of production. The sample does not include farmers with off-farm income. This due to that those farmers might have a different situation regarding pension. The farmers with an off-farm income probably gets occupational pension, which seems to create a better financial situation. However, this study is intended to understand the farmers who have farming as their full time job and only receives national retirement pension.

There were no restrictions regarding if the farmers have savings or not for retirement. It is valuable to understand both why they have or not have savings for retirement. Thus, everyone in this sample had some kind of savings depending on our definition of savings (chapter 2) and how they defined savings for retirement (chapter 5).

4.2 Collection of data – "soft" laddering

As mentioned in chapter 3 MEC links the attributes, consequences and values to each other and by using the method "soft" laddering, these links can be determined and later on charted in a HVM (Reynolds & Gutman, 1988). The "soft" laddering interviews in this study were performed with one person at the time, which is the most common when executing this technique (*ibid.*). Within the laddering technique the most common question to start with is formulated as follows: "Why is it important to you to…?" or "why do you…?" (Grunert & Grunert, 1995; Costa *et al.,* 2004). The given answer to the question is determined to be attributes and the following question should be as the first but based on the respondent's answer/attributes and the interviewer gets a link between the attribute and the consequence (Reynolds & Gutman, 1988). The interviewer should ask the same question until the respondent says something similar to "because it is", then the conversation is over and the end-value is discovered (*ibid.*). This is the basis of the laddering technique. We performed the laddering interviews as stated above, furthermore there were a few additional questions beyond the interview question in order to adapt this method to this study, which will be described below.

The "soft" laddering interviews were performed in two steps i.e. two phone calls. The initial call aimed to present ourselves, inform about the study and set up a time for "the real" interview. Important information concerning confidentiality was mentioned in the first phone call in order for the participants to be aware of that all the information they chose to share was to be treated with confidentiality. In the first call, we also decided to initiate the question "Why is it important for you to save money for retirement?", as Tey *et al.* (2015) did in their study. We asked the participants to think of three to five answers to the question until the real telephone interview. We asked this question because this study aims to understand if savings for retirement is important for farmers, why it is important to have private savings for their retirement and what values they put behind this decision. The question was initiated in the first call in order to get the participants to think of the question before. They could then prepare and really think the subject through, as this question requires some thinking before answering. The main purpose with an open first question was to let the farmers answer freely and not ask leading questions. Leading questions is not preferable since it changes the direction of the interview in a specific direction (Robson, 2011).

The second call was the real interview. One researcher performed the interviews and the other one took notes and helped the interviewing researcher if needed. The conversation started by informing the participants of the interview. We began by explaining that there are no wrong answers and that the main focus is to understand how the farmers are thinking, which is important according to Reynolds & Gutman (1988). The purpose is to understand the respondents' world and how they see it (*ibid.*). This was completed in order to assure that the farmers were comfortable and relaxed before and during the interview, which Reynolds & Gutman (1988) say is important. Further on, basic questions were asked regarding retirement: if they have savings for retirement, in what form, expected age of retirement etc. This is presented in Appendix 1. Later on, the farmers were asked to explain what savings for retirement mean to them i.e. their definition of savings for retirement. The purpose with this was to enhance the understanding of the farmers and thereby decrease the risks of misunderstandings.

Later on, the farmers were asked to share their 3-5 significant aspects of why saving for retirement is important (answers to the question initiated in the first call). When the farmer

had shared his or her thoughts, the answers were interpreted as attributes, which further on became the starting point of the "ladder". The follow-up question revolved around the stated attributes, as mentioned by Reynolds & Gutman (1988) i.e. the same question was asked until the farmer did not know what to answer anymore. This is where the end value is discovered, according to Reynolds & Gutman (1988). It was not easy to perform a good interview but the interview guide (Appendix 1) made it easier to remain focused on the theme and to keep the structure, which is important according to Kvale & Brinkmann (2009).

Before the interviews were performed, we needed to obtain knowledge in the area of MEC and laddering (Reynolds & Gutman, 1988). This made the identification of the spoken elements easier and determining which level of abstraction they appear in within the framework (*ibid.*). The obtained knowledge also enhanced the performance of the laddering interviews (*ibid.*). Knowledge within MEC and laddering was received through literature, which made us more comfortable and prepared to deal with possible problems and to be able to identify different levels of abstraction. During the interviews, we had to interpret the answers and relate them to the MEC theory (Grunert & Grunert, 1995). It is not unusual that the respondent jumps between different levels of abstractions i.e. between attributes, consequences and values (*ibid.*). This was the case in the performed interviews. The straight "ladder" was almost never followed, which depends on the fact that questions involving retirement cannot be answered without any contextual information. However, a natural speech is desirable in "soft" laddering (*ibid.*). Interpretation was not easy and there is a risk that wrong interpretations were made. Thus, since the attributes, consequences and values were embedded in context, it was easier to understand how the farmers meant and the identification of the elements could be facilitated (*ibid.*). Furthermore, we do not have any experience of using this technique. Due to this there is a risk that the technique was not completely followed and we are aware of that this could have affected the collection of data.

4.2.1 Problems by using laddering – consequences of the choice

Before we performed the interviews we got familiar with possible problems that could occur and prepared to avoid or manage them. One problem that could occur is that the respondent cannot answer the question why a specific attribute, consequence or value is important for him or her (Reynolds & Gutman, 1988). It entails that no end value can be explained (*ibid.*). By not receiving an answer, it shows a lack of thinking when it comes to the underlying values (*ibid.*). This is why the participants were contacted before the "real" interview in order to book a time for the interview and inform the participants of the interview. They received information of how and what they should prepare, as mentioned in the section above. The purpose was to place private savings for retirement in their mind and let them think about the importance of the subject before the interview. Therefore we assumed that the farmers had thought of the question before and prepared for the interview. A few farmers were not fully prepared and had not thought about the question in advance, which affected the quality of the answers. One farmer was not prepared at all and was not willing to share his or her thoughts, thus the answers were not detailed enough and they did not reach enough depth. Therefore, the answers from this interview were excluded, which reduced the amount of interviews from 25 to 24. Because of this, the study will be based upon 24 farmers.

The second problem we prepared for was to entail answers like "I do not know" since the method is very personal and the interviewer should constantly ask "Why is that important for you?" (*ibid.*). The discussion can become very personal and he or she may not like to talk about personal things. However, these types of answers are not preferable (*ibid.*). As

financing retirement can be a sensitive subject, answers as "I do not know" arose during the interviews and the farmer was perceived to be uncomfortable. At these moments, we tried to ease the situation and solve the problem. This was partly done by leaving the question for the moment and returned to it later, or by talking in third person format, which made the conversation less focused on the farmer. These are several ways to approach the problem suggested by Reynolds and Gutman (1988).

During the interviews, a few farmers could not express more than one or two attributes. But as the interview went along, they expressed further reasons for why they are saving for retirement. Maybe they were not aware that what they said actually were reasons for saving. This was often the case among the younger group. When we felt an answer was not good enough or if the farmer could not answer the question and share why a specific attribute or consequence was important, we rephrased the question or asked how it would be to live without the mentioned attribute or consequence. These tricks are mentioned and recommended by Reynolds & Gutman (1988). In some cases, we let the farmer describe their retirement situation and their future retirement, which opened up for natural speech, where he or she could freely describe his or her situation.

4.2.2 Coding and analyzing data

It is complex to code the empirical data since it requires a lot of interpretation. Consequently, more attention should be on the description of how we coded, what concepts were merged and how we dealt with problems (Grunert & Grunert, 1995). Therefore a presentation of the merged concepts is presented in Appendix 2 and the occurred problems are described below.

After the interviews the content of the interviews was analyzed (Reynolds & Gutman, 1988). First of all, we got an overview of the content mentioned in the interviews. The answers from each farmer were classified into attributes, consequences and/or values and later coded into different categories (*ibid.*). Determining if the different terms were attributes, consequences or values was not always easy. The same term may mean different things and appear in different levels of abstraction, depending on the context and how the farmer embedded the answer (Grunert & Grunert, 1995). By using "soft" laddering, the context was better captured which was important in order to determine if the terms were attributes, consequences or values (*ibid.*). To ease the determination of abstraction level, definitions mentioned in chapter 3, were used. This facilitated the interpretation and we could also be more consistent with the interpretation. However, credibility is still threatened when determining abstraction level even if we follow a definition of the elements (*ibid.*).

During coding we interpreted the transcription into attributes, consequences and values and made ladders for all the farmers. This was done separately in order to not affect each other's interpretation of the answers. After the interviews had been interpreted and determined we compared each other's interpretations and discussed and compromised into one common understanding of each farmer. This required more time but it increases credibility of the study (Robson, 2011).

After determining the level of abstraction, the answers were coded into categories to create a summary of the answers (Reynolds & Gutman, 1988). In order to group the answers, we had to interpret the answers (Grunert & Grunert, 1995). It is a risk that we have done some false interpretations and thereby affected the results while coding and categorizing, which can threaten the credibility (Grunert & Grunert, 1995; Robson, 2011). However, detailed notes of

how we interpreted the answers and how we grouped them into categories are presented in Appendix 2, which strengthen credibility according to Robson (2011) and Kvale & Brinkmann (2009).

Another difficulty was to name the categories that should represent a number of answers without losing too much context (Grunert & Grunert, 1995). Each category should summarize a number of codes, which will lead to a higher frequency (Reynolds & Gutman, 1988). If a category is too broad the meaning of the answers will be lost but the frequency of these categories will be higher in the HVM (*ibid.*). Thus, if the categories are too narrow there might only be a few persons saying the same thing and it will not be illustrated in the HVM (*ibid.*). The categories are relatively broad but considerable amount of context needed to be excluded. We chose to create broad categories and present further contextual information of the links between attributes, consequences and values in chapter 5. This was done in order to provide the reader a better understanding of the HVM and the included categories.

After categorization we read the transcription once more in order to see if something was missed or misunderstood. Some additional elements were found and a few of them were changed. Some categories were also merged because we had created too narrow categories from the beginning and the categories had principally the same meaning.

All things mentioned above were performed in order to create a HVM. HVM is a graphical tool, which summarizes the data from the "soft" laddering interviews (Grunert & Grunert, 1995). HVM is the output from laddering interviews and it shows characteristics among a group of respondents (*ibid.*), in this case farmers. To create a HVM a computer program called LadderUX was used. LadderUX is a program that assists the analysis and it creates a HVM and a structural implication matrix (SIM). By using a program when analyzing, the reliability and validity in laddering studies can be increased (www, ladderux, 2016).

The HVM illustrates the links between the elements from the MEC framework. By the HVM, we are able to understand the farmers' motives behind this decision. There are either direct or indirect links, which links the elements together within the HVM (Reynolds & Gutman, 1988). The number of direct and indirect links is summarized in the SIM (Appendix 3) i.e. how many times a specific element leads to another (*ibid.*). It is important to know how many elements that are connected within the chain and how they are interconnected (*ibid.*). A direct link can be described as; if a farmer has an attribute A, which leads to consequence B and at last lead to value C, there is a direct link between A and B and B and C. The indirect link is between A and C. If an element have five direct links and two indirect links this mean that five respondents say that A goes directly to B and two respondents says that A goes to B but they have an element in between (*ibid.*). It is central to consider the indirect links because significant relations between elements would not be charted in the HVM. If an element is mentioned a lot of times the more important and stronger the link is (*ibid.*).

The cut-off value is the same as how many times an element have to be mentioned in order to appear in the HVM (Costa *et al.*, 2004). The cut off value is used in order to create and present a clear HVM where the reader will be able to interpret and understand the picture without the picture being too complex (Grunert & Grunert, 1995). It is an important tool since it emphasizes the most important links in the HVM (*ibid.*). The cut-off value is not decided from a statistical or theoretical reason, it is based on the conditions in each study (*ibid.*). The HVM changes depending on the cut-off value. If we have a low cut off value, the HVM will be more detailed and complex and nearly all categories will appear in the HVM and the

number of categories is usually between 40-50 according to Grunert and Grunert (1995). A higher cut-off value presents a clear HVM with less information and a lower amount of categories (*ibid.*), e.g. if the cut off value is two, the elements mentioned more than two times will appear in the HVM but if an element only have been mentioned once, it will not appear in the HVM. One method for determining the cut-off value is "top-down cut-off" approach (Leppard *et al.*, 2004). This means that the cut-off value is different on the different levels of abstraction in order to display a balanced and fair HVM (*ibid.*).

4.3 Ethics

It is important to reflect upon the ethical aspects when performing research, especially qualitative research consisting of interviews (Kvale & Brinkmann, 2009). This is an important topic because the human interaction can affect the respondent during the interview (*ibid.*). The ethical aspects concern confidentiality, the consequences of participation, the role of the researcher and informed consent (*ibid.*).

Informed consent is an important part, which revolves around the researcher informing the respondents about the aim of the thesis, the structure, risks and benefits of participating (*ibid.*). The farmers were informed about confidentiality, who gets access to the interview material, what the thesis aims at and what the participants take part of. They were informed about this before they agreed to participate. They could always, at any time choose to not participate any more.

Confidentiality is essential when discussing ethical aspects (*ibid.*). The question is, which information should be shared and who should get access to it (*ibid.*). We are the only ones who have access to the information from the interviews, which implies a lot of responsibility. However, we have signed a confidentiality agreement from Handelsbanken, saying that we cannot reveal or spread confidential information such as information concerning individuals' financial situation. This aims to protect the respondents (*ibid.*). Therefore, no names of the farmers were mentioned. Even though, the information was treated with respect and redundant information was excluded. Specific and traceable information concerning the farmers was not included in the results, which is important according to Kvale & Brinkmann (2009). This was done in order to protect the participants.

Even if most of the farmers are clients at Handelsbanken personal information of the participating farmers were not revealed to them. This was to protect the participating farmers because if Handelsbanken would get access to the individual information from the interviews they would have a powerful position. Handelsbanken will get a summary of the answers from the interviews but we will not reveal any personal information, which could be traced to the individual farmers.

To perform a qualitative research consisting of interviews requires a reflection upon the consequences regarding the respondents' participation. In this thesis, we investigated farmers' values behind the decision to save for retirement. This is a rather sensitive subject, since it concerns the farmers' private life and finances. There are a lot of emotions attached to the subject, which makes it sensitive. During the interviews we were sensitive and careful to avoid hurting the farmers. Therefore, the questions were carefully formulated and we did not pursue if the farmers seemed very uncomfortable due to personal questions.

5 Results

In the following chapter, background information and the results from "soft" laddering interviews will be presented. The results are illustrated in a HVM and the content of the HVM will be explained by additional context. The HVM illustrates what motivate farmers' decision- making concerning private savings for retirement.

5.1 Background

The 24 farmers participating farmers are scattered across the middle and south of Sweden. They represent different production areas in Sweden. Figure 6 illustrates where the farmers and their businesses are located and how many participants there were from each region. 10 of the farmers came from Skåne, 4 farmers came from Närke, 2 farmers from Västergötland, 2 farmers from Uppland, 1 farmer from Halland, 1 farmer from Dalarna, 1 farmer from Södermanland, 1 farmer from Östergötland, 1 farmer from Öland and 1 farmer from Västmanland.
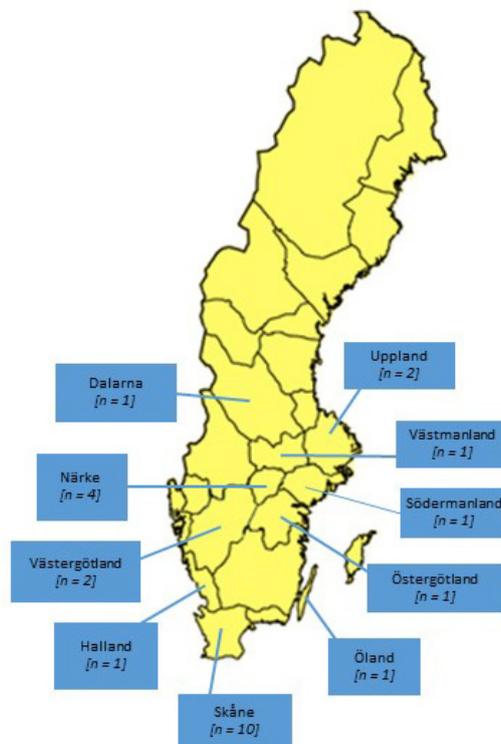
Figure 6 illustrate where the 24 participating farmers are located across Sweden (own illustration)

The participating farmers have an age range from 30 years old to 60 years old. The actual age of each farmer is not known. 10 of the farmers are between 30 and 39 years old, 4 of the farmers are between 40 and 49 years old and 10 of the farmers are between 50 and 60 years old. These farmers were chosen since they fulfilled the criteria (presented in chapter 4) to be able to participate in the study and they were also the ones Handelsbanken could get in contact with.

Table 1 explains whether the farmers save for retirement or not. The majority of the farmers save money for their retirement, however there were three farmers who did not save for their retirement. Two of these farmers were very focused on their business right now, either to

invest or manage the business in a successful way. The answer "Yes/No" means that the farmers save for their retirement but not in a traditional way, according to them. These farmers said that they do not save for their retirement, however further along during the interview they mentioned that they view their assets or their farm as a way of saving for their retirement. The farmers save money in varying ways, the majority save money through their business, the farm or other assets. They mentioned e.g. properties and buildings not connected to the farm business, classic cars and different assets that are connected to the farm business and farm property. The farmers, who answered "Yes", are saving money in different kinds of pension insurances. Some of them have this as their only retirement savings and some have this as a complement to their savings in the farm business or property. Another way to save money according to the farmers could be to pay off their mortgages (amortization). This would contribute to lower expenses when the farmers have retired. Some of the farmers also save through funds or stocks. Furthermore, a few of the farmers say that they save money from the business through the deduction (35%) that is available for self-employees, which was explained in chapter 2.

Table 1 An explenation whether the farmers save for their retirement or not (own construction of table)

Saves for retirement	Yes	No	Yes/No
Number of farmers	12	2	10

Table 2 illustrates at which age the farmers' think they will retire. The majority answered around the age of 65, which is the "normal" age of retirement. However, one person expressed that he or she wanted to retire earlier to have the possibility to travel more. And a few answered 70 years old or older or not at all, they chose this answer because they are happy with what they do and they want to keep on doing it for as long as possible. Three farmers said that they do not know when they want to retire. Two of them stated that they do not know because it is relatively far into the future.

Table 2 The farmers' expected retirement age (own construction of table)

Age for retiring	Young (below 60)	Middle (around 65)	High or never (70 or older)	Do not know
Number of farmers	1	15	5	3

5.2 HVM - the output of MEC

The results from 24 interviewed farmers are summarized into a HVM (Figure 7). We identified 73 ladders within the HVM and the average ladders per farmer are 3.04 and within each ladder the average number of elements is 3. The typical number of ladders per person obtained from laddering interviews is between 2 and 3 (Grunert & Grunert, 1995).

There were 51 MEC elements in the original HVM, but with the chosen cut-off values the number of element shown in the HVM, Figure 7 is 20. It is not unusual that the number of elements, after coding is between 40 and 50 (*ibid.*). Each element consists of a number of individual expressions from each farmer, which were interpreted as attributes, consequences or values and later merged into general elements representing the individual expressions. The interpretation and how the farmers' expressions were merged are presented in Appendix 2. The importance within the HVM is not the element itself but the links between the elements and how they are linked (Reynolds & Gutman, 1988). The links are divided into two groups,

direct and indirect links (*ibid.*). In the original HVM there were 146 direct links and 84 indirect links and a total number of 230 links between the elements. By the chosen cut-off values the HVM shows a total amount of 177 links consisting of 123 direct links and 54 indirect links.

To determine the most important links there is a need to choose a suitable cut off value (Grunert & Grunert, 1995). According to literature, it is not determined what the cut-off value should be in order to achieve a sensible and understandable HVM (Leppard *et al.,* 2004). When the technique of "soft" laddering is used, it is more likely that the number of links between attributes and consequences is larger than the number of links on a higher level of abstraction (*ibid.*). This outcome depends on the fact that on a higher level of abstraction it is increasingly more difficult to express several reasons to why something is important (*ibid.*), i.e. in this study, farmers' reasons to have private savings for retirement. This implies that using the same cut-off value on all levels in the HVM would not provide the best representation of the HVM since the amount of links is varying. A good display of the HVM shows what the study is intended to preform through the aim of the study (*ibid.*). Further, a good HVM presents a clear illustration of what was perceived during the interviews. The chosen cut-off value defines the look of the HVM and determines which information included (*ibid.*).

There is a suggested method for determining the cut-off value; it is called the "top-down cut-off" approach (*ibid.*), which was chosen in this study. The decision of which cut-off value to use will be more justifiable and transparent through this approach (*ibid.*). The approach is used in order to avoid to arbitrarily choosing a cut-off value (*ibid.*). This approach is created to secure a fairly displayed HVM, where it is important that the links on different levels of abstraction are not redundant. But the meaning of non-redundant may vary on different levels of abstraction, which means that the cut-off value should be varied across the levels of abstraction to illustrate a balanced HVM. The "top-down cut-off" approach was used in order to achieve a balanced HVM for this study. On the attribute level, the cut-off value was set to 2 and on consequences and value level the cut-off value was set to 1. Through these chosen cut-off values, we believe that the HVM presents the most valuable information from the dataset. The HVM displays 76.96 % of the links and 63.57 % of the cells.

It is the purpose of the study that determines the level of cut-off value (*ibid.*). The HVM should illustrate what this study is intended to display, i.e. the aim of the study (*ibid.*). Since the aim is to explore which values motivate farmers' decision-making concerning private savings for their retirement, the most central part of the HVM is to know the strongest links and between which elements they are connected. We chose this HVM by the stated cut-off value since it provides the study with the best illustration of what the farmers expressed. It is comprehendible to the reader and it illustrates the most important links, according to us. If a lower cut-off value was chosen the HVM would be much harder to comprehend and it would not be possible to see the clear reasoning behind it because of the large amount of elements and links (Grunert & Grunert, 1995). If we were to select a higher cut-off value, the HVM would not contain as much information as it does now. There would be less attributes, consequences and values and an amount of the central information would go lost (*ibid.*).

5.2.1 Presentation of the HVM

The HVM is a summary of what was mentioned from the interviews with the farmers (Grunert & Grunert, 1995). The HVM shown in Figure 7 demonstrates how the farmers are

thinking regarding the decision to save money for retirement, what motivates them and what goals they want to achieve. The HVM displays the most important elements (attributes, consequences and values), the strongest links and how these are interconnected (Reynolds & Gutman, 1988). The numbers within each element represent how many times an element have been mentioned by the farmers, direct and indirect which is also presented in the SIM (Appendix 3). Elements with a higher number imply that the farmers consider this more when deciding to save money for retirement and vice versa. The bold links in the HVM represent the elements mentioned the most, which also are the most important ones. The SIM (Appendix 3) implies that the most important attribute, the attribute with the most direct and indirect links is "avoid a low pension" with a number of 65. This is how many times the farmers have mentioned this attribute. Furthermore "Avoid a low pension" is strongly linked with the consequence "Good financial flow" which further leads to the value "Safety".
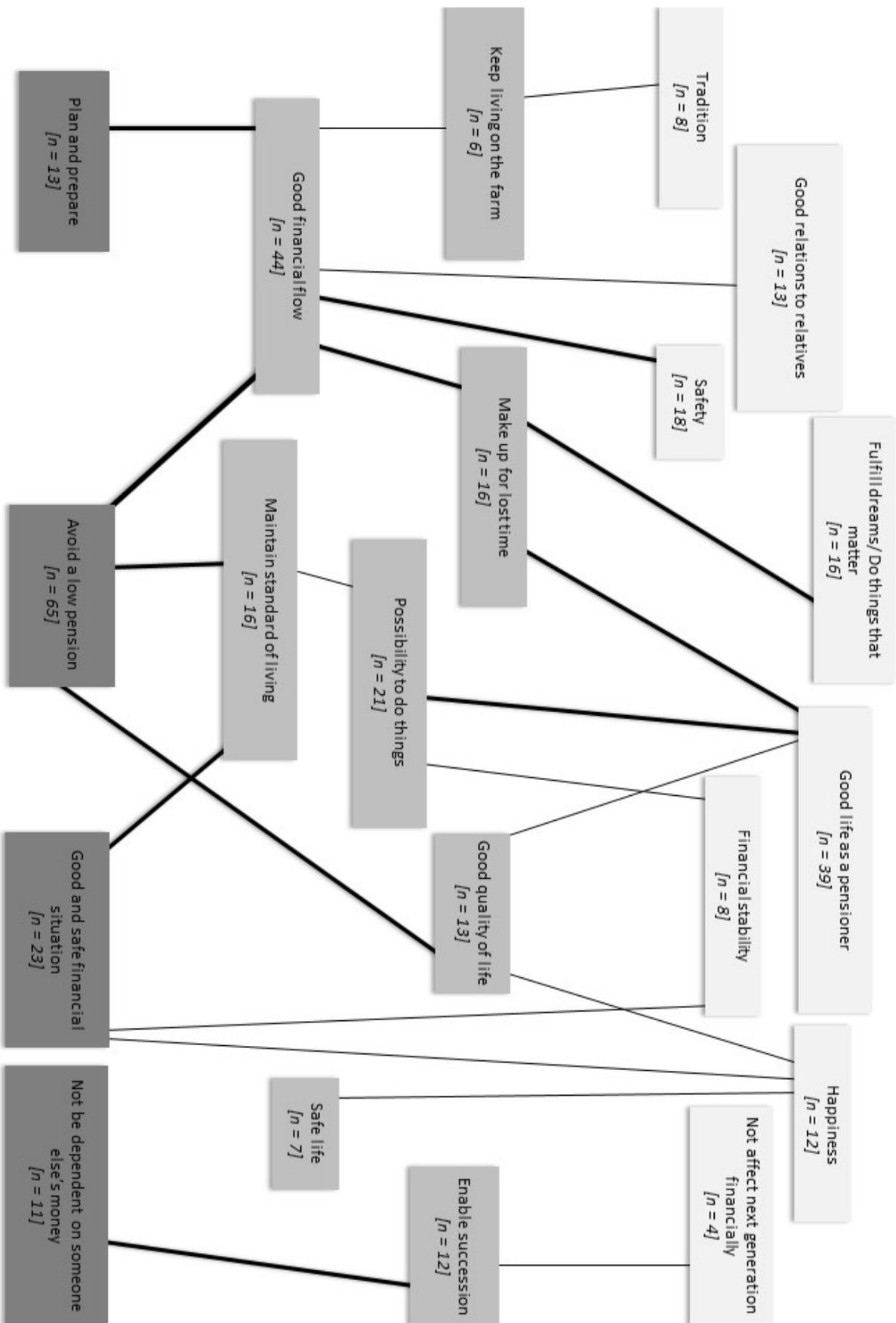
Figure 7 Own illustration of the HVM, which are the results from the interviews. The chosen cut-off values are two on attribute level, one on consequence- and value level. The bold links represent the most important ones i.e. the elements that have been mentioned the most times by the farmers. The boxes with dark grey color represent the attributes, the brightest boxes are the values and the boxes in between represent the consequences.

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The attributes presented in the HVM are "Plan and prepare", "Avoid a low pension", "Good and safe financial situation" and "Not be dependent on someone else's money". The most important attribute with the highest frequency of direct and indirect links is "Avoid a low pension" n= 65. The farmers do not rely on the Swedish state and do not believe that they will receive any money from them. Therefore they have private savings to avoid getting a low pension. The farmers feel responsibility since they have to manage this by themselves. "Good and safe financial situation" n=23 have the second highest frequency of direct and indirect links. This element represent that the farmers want to have money when they are retired and to have the same stream of income as they have today, which motivates them to save money today. The third most frequently mentioned attribute is "Plan and prepare" n=13 which means that the farmers need to have private savings for retirement and they need to have a plan today of how to finance their retirement in order to achieve what they want in the future. The fourth and the last attribute "Not be dependent on someone else's money" n=11 derives from the fact that private savings is needed in order to manage on their own and not be dependent on someone else's money during retirement.

The presented attributes are further linked with the consequences or values indirectly or directly. The attribute "Avoid a low pension" is directly or indirectly linked with three consequences, "Good financial flow" n=44, "Good quality of life" n=13 and "Maintain standard of living" n=16. This implies that the farmers save money to avoid receiving a low pension and because of their savings, the farmers can obtain a good quality of life (keep living and to indulge themselves), they afford to maintain their standard of living and they can reach a financial flow, which satisfies them and they do not have to think about money. "Good financial flow" is the most frequently mentioned by the farmers, which points out the importance of having a good financial flow when they enter retirement. Many of the farmers are concerned that they will not obtain a good pension from the state and they must have private savings in order to achieve the mentioned consequences/benefits. The attribute "Plan and prepare" leads directly or indirectly to the consequence "Good financial flow". Farmers are in need to plan and prepare in order to obtain a good financial flow in the future. The attribute "Good and safe financial situation" is linked to "Maintain standard of living" n=16. The farmers believe that there is a need for private savings, as they need a good financial flow to obtain a standard of living. A notable aspect is that the same attribute leads directly to two values, "Happiness" and "Financial stability" which mean that no consequences are shown in the HVM. There is one consequence, which is not linked with an attribute. These farmers jumped directly to the consequence "Safe life" n=7, which entails that they want to achieve a safe life through their private savings for retirement. The attribute "Not be dependent on someone else's money" is linked to the consequence "Enable succession" n=12. Some farmers expressed that they think it is important to save money for retirement in order to not be dependent on someone else's money as they do not know how things will be in the future but mainly because they would like to hand over the farm business to the next generation without demanding full price for the farm. There is need for private savings in order to enable and manage succession.

Two types of consequences are illustrated in the HVM, psychosocial and functional consequences. They are different since they appear on different levels of abstraction. Therefore, there are links between some of the consequences. "Good financial flow" n=44 is linked to the consequences "Keep living on the farm" n= 6 and "Make up for lost time" n=16. The farmers can achieve a good financial flow through his or her savings for retirement, which further enables them to live on the farm and to do things they missed out on e.g. travelling. The consequence "Maintain standard of living" n=16 is linked to the consequence

"Possibility to do things" n=21. The farmers can achieve a standard of living by saving for their retirement, which also enables them to do things they desire.

Further, the consequences and the values are linked in different ways. The consequence "Good financial flow" and the value "Safety" are strongly linked to each other. "Safety" n=18 is important to the farmers since they do not trust the Swedish pension system and they feel a large responsibility fixing their future retirement income on their own. They want to achieve a good financial flow and by saving for their retirement in some way, one of their goals is to feel safe and not be financially stressed. There are several other strong links between consequences and values, for example there are two links leading from "Make up for lost time". One leads to "Fulfill dreams/ do things that matter" n=16. This link explains that some of the farmers want to fulfill their dreams and to do meaningful things during their retirement. The other value linked to "Make up for lost time" is "Good life as a pensioner" n=39. By doing things they missed out on, they will reach the goal of having a good life as a pensioner. According to the farmers, a good life means that they want to enjoy different things in life and they find it significant to have quality in their life, both now and in the future. This value is the one most frequently expressed by the farmers, both through direct and indirect links. The consequence "Possibility to do things" and the value "Good life as a pensioner" has a strong link between each other, which is also the strongest link between a consequence and a value. By having the possibility to do things, the farmers' can fulfill the goal of having a good life as a pensioner. The presented links above are the most important ones, i.e. the ones that have been mentioned the most times by the farmers.

However, there were several more values that were mentioned by the farmers, which is illustrated in the HVM. But these values was not mentioned as frequently and do not have as strong links to consequences as the ones mentioned above. "Financial stability" n=8, means that the farmers want to keep their lifestyle and not decrease the amount of income. It is vital for them to be able to pay for their own expenses and not have to *flip every penny*. "Happiness" n=12 express the farmers desire to be happy, satisfied and to be able to live a life free from troubles. The value "Not affect next generation financially" n=4 means that the farmers want to handle their future situation today in order to not affect the next generation financially. These farmers highly value a successful succession and a good start for the successor. The farmers mentioning the value "Good relations to relatives" n=13 point out the significance of being able to help loved ones. They express the family as the most important in his or her life and it is the one thing he or she always can rely on. This is important to consider when they decide to save money for their retirement. "Tradition" n=8 is another value uttered by the farmers, which refers to the importance of passing the farm to the next generation since the generation before have done that. They see the beautiful in leaving the farm to the next generation and that the next generation hopefully can keep running the business successfully.

There are similar expressions from the farmers that appear on different levels of abstraction, this is because different farmers answered the same but in different levels of abstraction. This resulted in the same answers but on different places in their ladders, which is shown in the HVM. For example "Safe life" is a consequence and "Safety" is a value but the content is nearly the same.

Notable ladders
The bold links in the HVM (Figure 7), illustrates the elements expressed most frequently by the farmers during the interviews. The ladder containing the strongest links is: "Avoid a low

pension" – "Good financial flow" – "Make up for lost time" – "Good life as a pensioner", as seen in Figure 7. The links between these elements are the strongest and thereby mentioned most frequently. The farmers want to avoid getting a low pension and it is essential to have a good financial flow. Furthermore, this opened up the possibility to make up for lost time, because some of the farmers feel tied to the farm today. If they can make up for lost time, they will be able to live a good life as a pensioner and be able to do things that they have not had time for today. By doing those things, they express that they will have a good life as a pensioner.

The ladder consisting the second strongest links is: "Avoid a low pension" – "Good financial flow" – "Safety", illustrated in the HVM (Figure 7). This ladder has the same beginning, as mentioned ladder above i.e. containing both the same attribute and the same consequence as the ladder consisting the strongest links. However, the end-value is different. The farmers express that a low pension can be avoided through a good financial flow and this will make them feel safe. Safety is the end-value to why it is important to have a good financial flow, according to the farmers.

Furthermore, we have observed a strong link between "Possibility to do things" and "Good life as a pensioner". Which implies that the interviewed farmers highly value to get a good life when they are pensioners.

A notable aspect regarding the ladder "Not be dependent on someone else's money" – "Enable succession" – "Not affect the next generation financially" is it's independent within the HVM. This ladder represents a clear path of thinking among the farmers when they consider the decision to save money for retirement. However when the cut-off value was set to zero the elements within this ladder was linked to other elements but by a very low frequency. Consequently, by a higher cut-off this ladder is independent from the other elements.

5.2.2 Notable aspects

During laddering interviews we asked a few backgrounds questions in order to receive additional information of the participating farmers. The most important background questions were presented in section 5.1. The background information provided the study with a complete understanding of when the farmers in this study will retire and how they save money in the context of the mentioned values.

We have seen that some of the farmers point out the importance of handing over the farm to the next generation without affecting the next generation. Meaning that they do not want the next generation to pay for their retirement i.e. they want to be independent. This is illustrated in one ladder in the HVM. It is a strong linkage between the attribute "Not be dependent on someone else's money" and the consequence "Enable succession", which continues to the value "Not affect the next generation financially". The farmers also expressed these thoughts when they explained their choices concerning different forms of saving (Table 1). The ones that mentioned this had retirement savings outside the farm business e.g. pension insurance, to be certain that they would not affect the next generation financially. We can see that some farmers in this study have a relation between their type of saving concerning retirement and succession, which is an interesting aspect even if this only concerns the farmers in this study.

The values displayed in the HVM represent the farmers' values behind the decision to save money for retirement and they value different things depending on their specific situation. Some of the farmers that do not save money in the traditional way, i.e. those who answered "yes/no" (Table 1) i.e. they view their business and their assets as their pension insurance. They also want to be able to hand over the farm and the business to the next generation. However, in order to receive money for retirement the assets need to be realized. Thus, they do not plan to demand money from the successor. Therefore, the mentioned consequences and values may be difficult to reach since there will be no intention of realizing the assets and there will be no money to fund their retirement. However it could be information that the farmers did not share during the interview. On the other hand, some farmers who do not save in the traditional way (Table 1) expressed that the successor had to pay their retirement in conjunction with the handover. These farmers have a plan and the consequences and values in the HVM can be fulfilled. This also indicates that the farmers should plan their retirement earlier to be able to accomplish a successful succession and to reach their goals and values.

Several farmers expressed that they save for their retirement through their assets, which could be the farm property or the machines within the business. The farmers mentioned several values, shown in the HVM, but some of the farmers did not have a solid plan of how to reach their values. These farmers are not ready to sell any of their assets but at the same time they wanted to fulfill their mentioned consequences and values. This is problematic since there will not be any existing money because they are not willing to sell any assets, which is how they have chosen to save for their retirement. Furthermore, if the farmers do not start to plan their retirement more carefully the value might not happen in real life. This does not have to be the truth since we do not know if there was information that the farmers did not chose to share with us during the interview. However some farmers that have a strategy to save for retirement through assets mention that they have a plan to realize these in order to obtain money and finance their retirement. This often involved asset outside the farm business.

6 Discussion

This chapter starts with a discussion of the choice of method and how the results can be used. Further on, the empirical data will be discussed and compared with literature from previous studies. This will describe our contribution to theory and the relevance of this study. We want to highlight interesting thins observed in the reality and in theory. This will be followed by a presentation of the empirical data through MEC approach, discussing the different elements, the most important links and how interpretations were done. MEC is used to uncover the values that control farmers' decision making. By uncovering these values, personal value theory was applied and empirical data (the values uncovered from MEC) was analyzed and discussed through personal value theory. This is done in order to reach the aim of our study, which is to explore which values motivate farmers' decision-making concerning their private savings for retirement. Further on, the contribution and a discussion of future studies will be presented.

6.1 Discussion of the chosen approach

The laddering method is suitable for the aim since it follows the MEC hierarchical structure, which uncovers the farmers means end chains and the end values can be discovered. Also, an understanding of the farmers' decision will be reached. However, laddering, MEC and personal value theory have never been combined in this type of study within the subject of retirement among farmers before. In order for this combination to be applicable we added a few questions concerning definitions, mentioned in chapter 4, since the "product" is rather abstract and MEC is mostly used in consumer behavior. Because of this, the combination was applicable and created an understanding of the farmers' way of thinking and the end values could be uncovered. However there were a few dilemmas, which was handled during the process. The rather abstract "product", i.e. private savings for retirement, could explain why the farmers did not always have a concrete answer to the question why they save for retirement and they could not present more than one or two reasons for why they are saving for their retirement. Another explanation to the received answers could be that retirement is quite far into the future for some of the farmers. Many of the participating farmers have many years to go until retirement, which might make it difficult to express the importance of savings today. On the other hand, the farmers in the older generation had more concrete reasons for why saving for their retirement are important since the retirement is soon to be a fact.

By performing "soft" laddering within the structure of MEC the straight ladder is nearly never followed i.e. beginning with an attribute, followed by a consequence an at last a value (Grunert & Grunert, 1995). It could be due to the fact that the farmers already had knowledge within the area and therefore it was natural for them to start by telling their goal with their private savings i.e. a consequence or a value. However, this did not influence the result of the study since we asked relevant follow-up question, returned to the topic and relevant ladders could be discovered (chapter 4).

The results from this study are not generalizable due to the choice of a qualitative approach through in-depth "soft" laddering interviews with 24 farmers. This was caused by the limited number of participating farmers, the focus is on a specific phenomenon and to understand the individual farmers (Robson, 2011). Consequently, generalizations in qualitative studies are not a priority (*ibid.*) and it does not go along with the aim of our study. This study will

contribute to an understanding of the values behind the farmers' decision making in relation to private savings for retirement. Since little has been written about this subject, the study is an eye-opener and a start, which highlight the importance of this subject and to be further studied. Advisors and banks can get insight into the farmers' way of thinking, even if this result only applies for the participating farmers.

6.2 The results through a theoretical perspective

The aim of the study is to explore which values motivate farmers' decision-making concerning private savings for retirement. A central part, which is closely related to the aim of this study, is the fact that financial and personal problems could occur if retirement is not carefully planned (Mishra *et al*., 2010; Mishra & Chang, 2009). It is important for farmers to strive for a sufficient income to achieve a satisfactory level of savings for retirement (Van Asseldonk *et al.,* 2010). However, farmers struggle with the decision where to invest for their retirement but the rational decision is to invest in their own business (*ibid.*), which often leaves the farmers with little possibility to save for future retirement (Spence & Mapp, 1976). It has been studied how farmers fund their retirement (Kirkpatrick, 2013; Lobley *et al*., 2010), and it is known that retirement is one of several motives for farmers to save money (Mishra & Chang, 2009). But it has not been studied why retirement is a motive for farmers to save money, which is what this study is intended to explore. This implies that this is important to study from a theoretical perspective.

The MEC theory (Gutman, 1982; Reynolds & Gutman, 1988) and the "soft" laddering interview technique (Reynolds & Gutman, 1988) allowed us to perform an in-depth study and uncover the values that farmers reflect upon concerning their private savings for retirement. Moreover, how the farmers can accomplish these values through their private savings. Personal value theory is a good complement since it allows us to analyze the values uncovered from the HVM and to get a further understanding of them. By the combination of "soft" laddering, MEC and personal value theory, it is possible to reach the aim of the study i.e. explore which values motivate farmers' decision-making concerning private savings for retirement. This approach, MEC and laddering combined have shown itself successful when it comes to revealing the respondents cognitive structures on a higher level and it provides the possibility to understand why farmers decided the way they do (Tey *et al*., 2015). Further on, this study will provide the theory by an increase in the knowledge of farmers' decision-making. Employees at banks, advisors and authorities can use the results in order to support the farmers and help them fulfill a decent and accepted income during retirement and still fulfill their values and goals that they would like to achieve.

6.2.1 Retire from farming

Retirement is an inevitable event in everyone's life. It is a very important feature of the latter part of a human's life, since the income from work no longer exists. Furthermore, farmers fall under the category of self-employees and therefore they are not provided by an occupational pension, which puts a larger responsibility on the farmers (Van Asseldonk *et al.,* 2010). This means that private savings for retirement is important or they risk receiving a lower retirement income and are essential in order to secure their retirement income. Therefore, private savings is central when it comes to the aim of this study, since private savings are a large part of the income that the farmers will obtain during retirement. People who receive occupational pension but do not have any private savings, will only get 60-65 % of the income that they had before entering retirement (www, pensionsguide, 2, 2011), mentioned in chapter 2. Then,

further imagine the situation for self-employees, there among farmers, which do not receive any occupational pension and might be lacking in private savings for retirement at the same time. The farmers in this study emphasize that they feel a large responsibility concerning their private savings for retirement, which, Van Asseldonk *et al.,* (2010) also stress. Furthermore, Monke (1998) mentions that the retirement income is important in order to maintain the standard of living, which is something that the farmers in this study valued highly. They want to be able to keep on living as they do today and not decrease their standard of living because they are entering retirement.

As stated in the introduction, there is a large number of farmers in Sweden that are about to enter retirement, due to the increasing age among Swedish farmers. Therefore, it is central to ensure having a secured income during retirement or they could become a burden for the society. Further on, this is why private savings is a very essential aspect included in the aim of this study. Some of the farmers in this study expressed the unwillingness to retire at all or that they want to retire when they are considerably older than the normal retirement age, which is approximately 65 years old. This could indicate that some of the farmers postpone their retirement, which has also been seen by Lobley *et al.*, (2010). However, this do not entirely indicate that they contribute to the increasing retirement age among famers, since the rest of the participating farmers expressed that they wanted to retire around the age of 65. This would give them the possibility to do other things, when no longer tied to the farm, according to them.

One part of the background, included questions regarding the farmers' way to save for their retirement, i.e. in which form their private savings are and this was presented in chapter 5. The background questions were mainly asked to be able to perceive some context that could further define the farmers. In this study, eight farmers mentioned the importance of having their savings in assets, which they were willing to sell in order to contribute to their retirement savings. This also corresponds to how the Canadian farmers save for their retirement, according to Lobley *et al.,* (2010). Monke (1998), Errington (2002), Kimhi & Lopez (1999) and Boehlje & Eisgruber (1972) have also observed that farmers tend to rely on the farm assets as their income during retirement. Moreover, this was observed among some of the participating farmers, but they expressed that they were not ready to sell any of the assets. This did not go along by their expressed values because the farmers said that they wanted to do things that matter or to fulfill their dreams. But if there is no actual money at hand, they are not able to fulfill those dreams or do things that matter, which are their values behind the decision to obtain private savings for retirement. Reinvest in the business has also been seen in the literature. Van Asseldonk *et al.*, (2010) states that farmers tend to choose to reinvest in their business instead of retirement investments outside the business, and it is the most rational decision, according to the farmers. Additionally, the farmers' ability to make savings for their retirement becomes smaller when the farm business is in need of reinvestments (Spence & Mapp, 1976). Furthermore, some of the farmers said that they save within the business and in the assets of the business, but at the same time they mentioned that they have the plan to leave the farm to the next generation. Therefore, the question is how they will fund their retirement. This could result in conflicts between generations, disinvestments in the business and compromise future expansion plans, according to Boehlje & Eisgruber (1972) and Kimhi & Lopez (1999).

Several researchers point out that decisions concerning retirement and succession are not separable (Kimhi & Lopez, 1999; Lobley *et al.*, 2010; Kirkpatrick, 2013). Signs of this have also been seen among the participating farmers. Some of the farmers in this study mentioned

the importance of private retirement savings in order to leave the farm to the next generation without affecting the next generation, financially. In this study, the farmers felt that it is essential that they are not dependent on the next generation i.e. they do not want to hinder them. Since succession has a large impact on farmers' retirement savings, it is an aspect that cannot be excluded from this thesis even though it is not mentioned within the aim.

6.2.2 MEC

From the basis of MEC approach there are some links that are more central than others which explain how the farmers in this study think concerning the decision to save money for retirement. The links between the attributes, consequences and values are central when understanding a decision (Olson &Reynolds, 2001), not the attributes itself (Peter & Olson, 2010). The attribute mentioned most times in the HVM (Figure 7, chapter 5) is "avoid a low pension" n=65. The attribute does not say anything about the actual decision but through the attribute the consumer achieve a consequence, which is perceived as the benefit (Steenkamp & Audenaert, 1997). The most important consequence in the HVM arising from the attribute is "Good financial flow" n=44. This is the benefit arising from the choice of saving money for retirement. However, this benefit cannot be "used" today since they save money for retirement today in order to have the benefits in the future.

The eight consequences that are represented in the HVM (Figure 7, chapter 5) are classified into functional and psychosocial consequences. The consequences are separated since the farmers expressed several consequences but on different level of abstractions. This provided the HVM with more detailed answers and a fair picture of how the farmers are thinking regarding the decision to have private savings for retirement. Functional consequences are directly connected to the use of the product (Peter & Olson, 2010), i.e. which functional needs the farmers fulfill by saving money for retirement. Because of this following interpretations were made. The farmers can by saving money for retirement "Maintain standard of living", "Enable succession" and get a "Good financial flow" during retirement. The psychosocial consequence is the benefit that originates from another consequence connected to saving money for retirement. This is often more psychological i.e. how the farmers feel when they save money for retirement. Deriving from other consequences the farmers can "Keep living on the farm", "Make up for lost time", "Possibility to do things", have a "Good quality of life" and have a "Safe life". It was not easy to determine whether a consequence was functional or psychosocial but with the context from the interviews it was easier to determine since the psychosocial consequences were deriving from other consequences and they were more abstract. Psychosocial consequences are closely connected to values (*ibid.*) but since the farmers had more answers and climbed higher up in the ladder, the end value was on a higher level of abstraction and could be uncovered.

The HVM displays eight values that the farmers mentioned, which comes from the consequences. The values shown in the HVM (Figure 7, chapter 5) are; "Safety", "Good relations to relatives", "Tradition", "Fulfill dreams/do things that matter", "Good life as a pensioner", "Financial stability", "Happiness" and "Not affect the next generation". They were perceived as values since the farmers did not have another answer of why the value was important. This is where the end value is discovered (Reynolds & Gutman, 1988). Values represent the overall life goals (Peter & Olson, 2010) among the interviewed farmers. However, it is not the actual element that is important, but it is the links between the elements (Olson & Reynolds, 2001). There are three values that have very strong links to consequences. The consequence "Good financial flow" leads to the value "Safety" n=18 which represent an overall life goal among the interviewed farmers. The same consequence

also has a strong link to "Make up for lost time" n=16 which is a psychosocial consequence. The farmers mentioning this climbed even higher up the ladder and reached the important value "Good life as a pensioner" n=39. Deriving from the same psychosocial consequence farmers value "Fulfill dreams/do things that matters" n=16. These values represent desirable end states that people want to achieve (Peter & Olson, 2010), i.e. the values that the farmers want to attain.

From the MEC perspective we can see which values that appear in the HVM and which values and links that are the most important. The most important values are the one mentioned the most times, viewed from the MEC approach. Thus, when the perspective of personal value theory is applied, all the values are equally important since personal value theory is not focused on the links but on the value itself unlike the MEC approach. Further on, we will discuss all end-values from the HVM together with personal value theory.

6.2.3 Personal value theory

An analysis through the perspective of personal value theory (Schwartz, 1992) is performed on the farmers' values behind the decision concerning private savings for retirement. The values are found in the HVM (chapter 5). This is relevant in order to get a deeper and wider understanding of the values from a theoretical perspective.

Values are anticipated end-stages, which occur on a higher level of abstraction, according to Schwartz (1992). These values are used when evaluating someone else's thoughts or actions (Schwartz, 1992; Schwartz, 2006; Roccas *et al.*, 2002). In this study, we found through the MEC approach which values that are important to the participating farmers when considering the decision to have private savings for retirement. The observed values varied among the farmers, which might depend on the differences in their backgrounds. The age among the farmers vary and some have children, both younger and older children etc. which might change their way of prioritizing. Schwartz (1992) says that if the backgrounds are different it is not unusual that their individual values vary.

The value "Safety" corresponds to the personal value group *Security*. People that prioritize this value want to feel protected and to make sure that their loved ones are secure (Schwartz, 1992). The farmers' who value this want to feel safe. Through their private savings for retirement and a good financial flow, they can achieve the value of safety. Another value that corresponds to the personal value group *Security* is "Financial stability". The farmers value financial stability since they want to have a good financial situation where the stream of income should be the same as before entering retirement. By having a financial stability the farmers feel secure.

"Good relations to relatives" have a clear connection to the personal value group *Benevolence*. Schwartz (1992) says that people who prioritize this value is concerned about his or her friends' and family's welfare. The farmers in this study felt the same and care a lot about their families. Through their savings the farmers feel that they are able to help and maintain good relations to their relatives.

The value "Tradition" and the personal value group *Tradition* are paired together, Schwartz (1992) states that this value group is signified by shared experiences and actions over time, which then turn into a tradition. This is also how the farmers of this study have expressed this

value, for example they mention that they want to be able to pass on the farm and the business. Through their savings the farmers can reach the value of tradition.

The personal value group *Self-Direction* relates to a feeling of independence and freedom (*ibid.*). This can be related to the value "Not affect the next generation financially", which was mentioned by the farmers. The farmers that value this have private savings for their retirement in order to not be dependent on someone else's money i.e. to feel free and to enable succession.

The farmers in this study want to "Fulfill dreams/do things that matter", which corresponds to the personal value group *Stimulation*. According to the farmers, it is important to save money since it enables them to do things that they desire. They want to be able to have the opportunity to do whatever they want, which makes them feel that they have a life. Stimulation refers to a desire of an eventful life and that their life feels interesting (*ibid.*).

"Good life as a pensioner" and "Happiness" are illustrated in the HVM. These values are categorized in to the value group *Hedonism*. These values match the ones included in the value group of hedonism according to personal value theory. "Happiness" refers to people who want to enjoy their life and feel satisfaction (*ibid.*). This is also described among the farmers in this study, since they want an enjoyable life and that it should be free from troubles. The farmers express that they want to have a "Good life as a pensioner" and to have a good quality of life and to be able to indulge themselves.

Relations among the values
When looking at the farmers' values and comparing them to the model of the ten values, according to Schwartz (1992) and the four sections in which the model is divided (Schwartz, 2006). There is not a very clear sign that the farmers are following what Schwartz (1992) express in his ten values and the relation between the values. For example, some of the farmers only mention the value of safety (value group security), which points to the section of preservation stated by Schwartz (2006). However, there are several famers that express that they both want to fulfill their dreams (value group hedonism) and to be safe (value group security), which according to Schwartz (1992) are two values that are not very compatible. Therefore, the conclusion in this study regarding the relation between the personal value groups is not as evident as Schwartz (1992) theory. We believe that the result looks like this because the farmers did not think hard enough of the consequences of their answers. Furthermore, the farmers' retirement is quite far into the future, which made the question much harder to answer and to have a realistic opinion about.

According to Schwartz (1992), self-direction and stimulation, are two value groups that are closely connected. The underlying needs for both these value groups are basically the same (*ibid.*). Some of the farmers expressed both self-direction and stimulation i.e. through the values "Fulfill dreams/do things that matter" and "not affect next generation financially". This corresponds to what is stated by Schwartz (1992). Further, the value groups of stimulation and hedonism are two values that are compatible. People who treasure these values have a wish to feel satisfied in an efficient and enjoyable manner (*ibid.*). The result suggest that many of the farmers who value "Happiness", and "Good life as a pensioner" (both are value group hedonism), they often also value "Fulfill dreams/do things that matter" (value group stimulation). These values agree to the statements made by Schwartz (1992). There are some farmers that mention both "Tradition" (value group tradition) and "Safety" (value group security), which also are two values that are compatible, according to Schwartz (1992).

In this study, the same farmers mentioned values, which were translated into value groups that normally are placed on opposite sides of the model i.e. they are normally not compatible (Figure 5, chapter 3) according to Schwartz (1992), but these values were equally important for the participating farmers. Schwartz (1992) says that some value groups are in conflict with each other. The farmers might have expressed this since security in this case have the meaning of "Financial stability" (value group *Security*) and that this value is a criteria to be able to express other values. These values could be to "Fulfill dreams/do things that matter" (value group *Stimulation*) and "Not affect the next generation" (value group *Self-Direction*). And both these values request a financial stability in order to achieve them. But Schwartz stress that the value groups of self-direction and stimulation are in conflict to the value groups of tradition and security (Schwartz, 1992; Schwartz, 2006). Which mean that this is an aspect where the results from this study stand out comparing to the theory, according to Schwartz (1992).

Farmers in this study who value "Tradition" (value group tradition) do not mention the values of "Happiness" (value group hedonism) or "Good life as a pensioner" (value group hedonism). This is an indication of what Schwartz (1992) have found as well. Further on, this means either to follow one's own desires and indulgences or to follow the tradition (*ibid.*), which might have existed for generations in this case.

6.3 The contribution and future studies

Contribution
The theoretical contribution deriving from this study is the increase in knowledge of farmers' decision-making. This study also increases the knowledge of how to use the MEC approach and the laddering technique on a very abstract product, i.e. farmers' private savings for retirement. Thereby, showing that it is possible to use this approach on this type of study.

This knowledge could be useful for different advisors like employees at Handelsbanken, who offer this kind of advising to farmers. Thereby, this study could indirectly assist farmers and their private savings for retirement. We know the underlying values behind the decision and that the farmers want to achieve these by saving for retirement. The advisors can therefore help the farmers to achieve their values or goals in a more sustainable way by good saving strategies. Therefore, it is possible to improve advising concerning this subject, which in turn means that the farmers would be more satisfied when entering retirement. In the end, the farmers could benefit from this since they could end up with a more advantageous retirement income based on the farmers' own values and goals. Furthermore, this knowledge could also benefit advisors when developing new ideas concerning advising retirement among farmers.

Future studies
A suggestion for future studies within this subject would be to use a more quantitative approach. The results could give a more general picture of how Swedish farmers think concerning their retirement, and could be generalizable. It could later be compared to other studies, both performed in Sweden, in Europe and the rest of the world. This was not done in this study since it is not the aim of our study.

It could also be interesting to investigate if the values behind the farmers' decision-making concerning private savings for retirement differ depending on the farmers' type of production. This is not the aim of this study, the aim is to reach depth among the farmers who participated, and we are not able to generalize or compare to other studies or farmers. The aim

was to go deep among these farmers in order to create a more thorough understanding for the subject; which values motivate farmers' decision-making concerning private savings for retirement. This study can further on be used when performing other studies within the subject, viewed as a base.

7 Conclusions

The aim is to *explore which values motivate farmers' decision-making concerning private savings for retirement.* Through the use of laddering technique combined by MEC theory and personal value theory, we can conclude that the values motivating farmers' decision making concerning retirement are: "Safety", "Financial stability", "Good relations to relatives", "Tradition", "Not affect next generation financially", "Fulfill dreams/do things that matter", "Happiness" and "Good life as a pensioner". These are further translated into personal value groups according to the personal value perspective: *Security, Benevolence, Tradition, Self-direction, Stimulation* and *Hedonism*. The mentioned values are the main motivations to why the participating farmers have private savings for their retirement.

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Appendix 1: Interview guide

Background questions

Do you save money for your retirement?

If yes, how? I.e. in which type of saving/s?
When did you start saving for your retirement?
Why did you start at that age?
Have you been saving continuously for all those years?

If no, have you at any time in your life saved money for retirement?
Do you have any plans for when to start saving money for retirement?
If yes, when?

When do you plan to retire from farming?

Is there anyone that will take over the business after you?

How do you define private savings for retirement? i.e. in what ways do you believe it is possible to save money for retirement?

Is it important for you to have private savings for retirement?
Present your 3-5 reasons to the question; why is it important for you to have private savings for retirement?

Appendix 2: Interpretation

Here follows a presentation of how we merged the farmers mentioned attributes, consequences and values into master codes.

Attributes

Master code: Avoid a low pension
The contribution from the society decreases
Only receive national retirement pension
If I don't save money, it will not end well
Do not know what the national retirement pension will generate in the future
Low national retirement pension
Avoid minimum guaranteed pension
The national retirement pension will not be enough
Do not know if there is anything left of the national retirement pension
Are not going to receive anything from the state, have not focused on the national retirement pension
Have to manage this by myself since the state does not have any money
The system is not going to survive that long
The retirement system is going to crash
Low income as a farmer today
Do not trust that the society can manage to save money for my retirement
Do not know how long the national retirement pension will last

Master code: Plan and prepare pension
Have to prepare towards retirement in order to get a good existence
Need to solve this now
Started saving because I am approaching retirement

Master code: Not be dependent on someone else's money
Do not want to be dependent on the business income when I am retired
Do not want to be dependent on my husband's money during retirement
Do not want to be dependent on the younger generation
Want to have income in order to hand over the farm to the next generation

Master code: Good and safe financial situation
Safe financial aging
Have money when he or she gets older
To have money as a pensioner
Financially independent
Good to have money when he or she is retired
Important to have money whether it is for retirement or not
Have enough money to manage life as a pensioner
Want to have the same salary as during work

Consequences

Master code: Good quality of life
Have a decent aging
Good quality of life
Keep living
Be able to indulge oneself
Have several years that mean something
Important to have a decent life as a pensioner
Live a decent life

Master code: Make up for lost time
Do things that he or she does not have time for today

Make up for lost events
More time to spend money during retirement
Be able to do other things since he or she is tied to the farm today

Master code: Safe life
Feel safe
Live a safe life

Master code: Enable succession
Can hand over the farm to next generation
Transfer the farm to the next generation
Do not want to demand market value if someone wants to take over the farm
The children should not have to pay market value so he or she can get a income during retirement. They have to be able to take over the farm
If some of the children want to take over, it is important to have my own savings
Make it advantageous for the next generation
If someone takes over the farm, he or she does not want to demand capital from the farm

Master code: Possibility to do things
Want to practice other interests
Have the freedom to choose
Do whatever he or she wants
Have the opportunity to do what he or she wants
Need to keep doing things and it requires money

Master code: Good financial flow
Save to get a higher pension
Want capital the day he or she retires
Important to have a good financial flow when he or she is retired
Do not want to think about money
Receive money for retirement
Want to have money in the future in order to have the ability to consume

Master code: Maintain standard of living
Receive a good standard of living
Good standard of living
Maintain the higher standard of living
Maintain a good standard of living
Do not want to decrease the standard of living
Do not want to decrease the standard of living, rather better
Maintain the same standard of living after age of 65

Values

Master code: Not affect the next generation financially
Our children should not pay for our retirement
Do not want our children to pay for my retirement

Master code: Financial stability
Do not want to turn every penny around
Need to have enough money to manage life/do not want to decrease the amount of income
Have to be able to support one financially

Master code: Good life as a pensioner
Maintain standard of living
Want to keep the lifestyle even if you do not work anymore
Have a good life during retirement
Indulge oneself and live a good life
Have good quality of life, do not want to stop living only because you get older
Live a good life

Enjoy the things you have created
Enjoy life
Live a decent life
Live a good life
Have a good time
Indulge oneself
Enjoy

Master code: Tradition
It is an obligation and I was raised that way, hand over the farm
Tradition and a platform in life

Master code: Safety
Safety
Minimize risk and worries towards the future
To not want to feel worried or stressed financially
Want to feel safe

Master code: Happiness
Live a happy life and life free from troubles
Happy and rich
Want to be satisfied

Master code: Fulfill dreams/do things that matter
Be able to do whatever you want to
Do things you like
Be able to fulfill your dreams
Important to have opportunities in the future depending on how you feel
Have money and time to travel
Have the opportunity to practice new interests, travel or invest money in something

Master code: Good relations to relatives
Have good relations to relatives
Family is the most important in life, need to obtain good relations
Have the opportunity to help children financially in the beginning of their life
Want to solve their future and not affect others
Family should not solve my problems

Appendix 3: Structural implication matrix

#	Item	SUM
1	Avoid a low pension	31/34
2	Do not save in the traditional way	1/1
3	Long-term thinking	1/1
4	Not be dependent on someone else's money	5/6
5	Good and safe financial situation	13/10
6	Expensive to live	1/0
7	Create a safe future	6/4
8	Control your own money	1/1
9	Early retirement (A)	1/1
10	Tolerable life	3/4
11	Debtless	1/2
12	Plan and prepare pension	6/7
13	Good quality of life	6/0
14	Saving in the business	2/0
15	Sell or to hand over to next generation	2/0
16	Maintain standard of living	2/0
17	Decrease workload	2/1
18	Have money to manage life	5/1
19	Enable succession	4/0
20	Good financial flow	19/6
21	Money shall grow	1/0
22	Support relatives financially	2/0
23	Low costs as a pensioner	1/1
24	Finance unpredictable events	3/0
25	Arranged existence	1/0
26	Good quality of life	3/0
27	Safe life	3/0
28	Possibility to do things*	8/0
29	Maintain standard of living*	1/0
30	Keep living on the farm*	2/0
31	Make up for lost time.*	5/1
32	Financial stability	3/0
33	Good life as a pensioner	
34	Not affect next generation financially	
35	Fulfill dreams/ Do things that matter	
36	Freedom	
37	Tradition	
38	Good relatives to relatives	
39	Safety	
40	Beautiful and functioning farm	
41	Happiness	
42	Early retirement	
43	Remembered as a good parent	1/0
44	Health	1/2
	Sum	