

A comparison of pension-relevant preferences, traits, skills, and attitudes between the Dutch self-employed and employees

“The Self-employed are a diverse group but also show similarities with employees”

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The group of self-employed persons in the Netherlands is diverse and growing. Meeting their pension needs requires knowledge of their pension-related characteristics and how these differ from employees. This extensive exploratory analysis looks at three categories of self-employed, namely solo self-employed, self-employed with personnel, and owner-manager. It compared them with employees as well as with each other.

Principal Findings

- The self-employed state that they are more willing to take risks, more patient, and more optimistic than employees.
- The self-employed feel more responsible for and informed about their pension provision than employees.
- Solo self-employed characterize themselves as having less financial security than other groups of self-employed and a tendency of lower trust in institutions.
- For self-employed with personnel, negative reciprocity is higher and trust in public institutions is lower.
- For owner-managers, negative reciprocity and financial literacy are higher and financial anxiety lower.

	Solo	Self-Employed with Personnel	Owner-Manager
Risk Aversion (stated)	-	-	-
Patience (stated)	+	+	+
Negative Reciprocity	0	+	+
Trust in Public Institutions	-	-	0
Trust in Private Institutions	-	0	-
Trust in Pension Institutions	-	0	0
Optimism	+	+	+
Financial Literacy	0	0	+
Financial Management	-	0	0
Financial Anxiety	0	0	-
Financial Security	-	0	0

Figure: Summary of main results on economic preferences, social preferences, cognitive skills, and financial well-being.

Note: The table summarizes measures for which we find differences on average between self-employed and employees. “0” = no difference compared to employees, “-” = lower compared to employees”, “+” = higher compared to employees.

Key Takeaways for the Industry

- Generalizing employee characteristics to the self-employed maybe warranted for the many characteristics where no differences are found.
- The lower trust in institutions of the solo self-employed is an important reason for lower pension savings.



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