

Mind the gap: identifying dimensions of heterogeneity between pension plan participants (Eberhardt, Brüggem, Post)

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* Views expressed are personal opinions

Strengths

Multidisciplinary approach

Data from pension fund participants

Design your own survey

Relevant topic

New insights

Representativeness

Participant base from large international insurance company/ occupational pension provider

Few companies offer DC plans: often in specific sectors

Provide more information on the firms connected to this pension provider
(number, size, sectors; type of activities)

Representativeness (2)

2.9% Phd; Mean annual pensionable income: 50k

Response rate 8% (583 completed surveys out of 7122 DC participants)

Missing segments? represented by non-respondents or workers from firms without DC plan

Topic paper

Research questions (p. 3): *"What are the relevant dimensions of heterogeneity that help identifying who informs herself and who not? And how do these dimensions influence motivation to inform oneself?"*

However, the paper focuses on search intention; not actual research behavior

Key variable 'Behavioral intention' is based upon two questions:

- How big is the chance that you will look at your pension situation in the upcoming months?
- I am planning to look up about information about my pension in the upcoming months?

Scale: 1-7

Time horizon: upcoming months

Intentions versus actions

From literature we know: intentions \neq actions

Search intention does not necessarily translate into actual search behavior

A follow-up survey exploring whether respondents have actually searched for information in the previous period would be insightful

Mysterious variable!: Already informed

The variable “Already informed” is mentioned

- As part of the survey
- In two descriptive tables in appendix H and J
- In the text without reporting underlying estimates

How is the variable ‘Already informed’ constructed?

Is it “whether people searched for information in the past” or “whether they feel knowledgeable about their pension situation”

Suggestion:

Use already informed as the dependent variable (or explanatory variable) and report results

Some technical issues

What determines the specification of the model (e.g. in Table 1), i.e.

Which paths to consider and which not in estimating the model?

Severity: 1 item, difficult to answer

Segmentation/Policy implications

Three segments identified: overconfident, emotional and alpha males

Search intentions depends on individual trait which effect may differ across segments
(Perceived benefits, perceived barriers, perceived self-efficacy)

Potentially communication tailored towards segments

However, how to identify segments? Asking participants to fill in a survey?

Is tailored communication helpful after all: no reversals in sign (not significant)

Stress the benefits of informing oneself in terms of taking responsibility and certainty.
This is an important determinant for search intentions across all segments