



# The impact of tailoring on the decision to delve into one's pension situation

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Discussion by

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# 1. Motivation

“A study on transmitting information”

- Field of economics:
- Theory: economic agents **have** information
- and exploit it fully in decision
- have intrinsic motivation to acquire information

# 1. Motivation

- Observation: economic agents are not always well informed about complicated financial matters like pension systems
- Pension benefits are received in future, while today pension premiums are deducted automatically due to compulsory participation
- Time preference: (hyperbolic) discounting
- This study: Can we induce agents to acquire information about pension systems, such that they are able to make wise decisions?

# 1. Motivation

- “Tayloring” invitations to acquire information on basis of age and gender
- Experimental set-up: sending out taylored and non-taylored invitations by email
- Compare (by regressions) the impact on
  - Clicking on invitations
  - Logging into the system
  - Time spent in the system
- Very relevant set-up

## 2. Comments

How to interpret results?

- Phrasing of the invitation: no variation, only one for each group
- Generic (=non-taylored) invitation as benchmark: do we measure the impact of tailoring or of the phrasing of the benchmark (e.g. generic invitation is shorter than the taylored invitation)

Gender	Age group					
	18-34		35-54		55+	
Male	tailoring gender and age 0.130*** (0.041)	tailoring age 0.097** (0.034)	tailoring gender and age 0.100*** (0.017)	tailoring age 0.132*** (0.019)	tailoring gender and age 0.171*** (0.037)	tailoring age 0.161*** (0.031)
	tailoring gender 0.108*** (0.036)	no tailoring 0.171*** (0.042)	tailoring gender 0.114*** (0.018)	no tailoring 0.171*** (0.023)	tailoring gender 0.131*** (0.028)	no tailoring 0.111*** (0.028)
<i>F – stat</i> <i>(p – value)</i>	1.01 (0.385)		2.25 (0.080)		0.78 (0.505)	
Female	tailoring gender and age 0.127*** (0.039)	tailoring age 0.047* (0.027)	tailoring gender and age 0.064*** (0.017)	tailoring age 0.057*** (0.016)	tailoring gender and age 0.132** (0.055)	tailoring age 0.043 (0.030)
	tailoring gender 0.086*** (0.031)	no tailoring 0.065** (0.031)	tailoring gender 0.076*** (0.019)	no tailoring 0.082*** (0.019)	tailoring gender 0.111** (0.053)	no tailoring 0.023 (0.023)
<i>F – stat</i> <i>(p – value)</i>	1.02 (0.382)		0.41 (0.745)		1.68 (0.170)	

Robust standard errors in parentheses. Probabilities are not conditioned on having clicked.

\*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$

**Table 3: Predicted probabilities of logging in**

## 2. Comments

How to interpret results?

- Reason for respondent to click, log in or not:
  - Gaining information?
  - Seeking confirmation?
  - Being informed already?
- Not much background on respondents
  - E.g. some questions giving insight in their knowledge/financial literacy



## 2. Comments

How to interpret results?

- Low precision of estimates of impact of tailoring within groups
- Differences across groups more clear, but can they be attributed to tailoring?
- Non-monotonic effects that are found are puzzling (see e.g. table 2)

Gender	Age group					
	18-34		35-54		55+	
Male	tailoring gender and age 0.42 (0.059)	tailoring age 0.46 (0.063)	tailoring gender and age 0.320 (0.026)	tailoring age 0.444 (0.029)	tailoring gender and age 0.590 (0.048)	tailoring age 0.594 (0.041)
	tailoring gender 0.54 (0.058)	no tailoring 0.45(0.055)	tailoring gender 0.435 (0.028)	no tailoring 0.456 (0.030)	tailoring gender 0.510 (0.042)	no tailoring 0.627 (0.043)
F – stat (p – value)	0.77 (0.512)		5.52 (0.001)		1.38 (0.246)	
Female	tailoring gender and age 0.493 (0.059)	tailoring age 0.281 (0.056)	tailoring gender and age 0.333 (0.032)	tailoring age 0.336 (0.033)	tailoring gender and age 0.526 (0.081)	tailoring age 0.553 (0.073)
	tailoring gender 0.247 (0.048)	no tailoring 0.387 (0.062)	tailoring gender 0.343 (0.034)	no tailoring 0.317 (0.032)	tailoring gender 0.444 (0.0831)	no tailoring 0.523 (0.075)
F – stat (p – value)	4.00 (0.0075)		0.11 (0.952)		0.34 (0.795)	

Robust standard errors in parentheses

All coefficients have  $p < 0.01$ .

**Table 2: Predicted probabilities of clicking**

## 2. Comments

How to interpret results?

- Number of observations per cell?
- Specific group: “Netspar partner”: impact may be higher for workers in other fields (more information to gain): “external validity”
- Gender effects: total household income, singles versus couples: information is missing
- Table 3: conditional on clicking as well?
- Comment on magnitude of effects

### 3. Concluding

- Very interesting and promising set-up
- We need to extend the experiment:
  - Variation in phrasing
  - More background information
  - Larger sample
  - Variation in sectors.