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 tayloring or of the phrasing of the benchmark (e.g. generic invitation is shorter than the taylored invitation)
<table>
<thead>
<tr>
<th>Gender</th>
<th>Age group</th>
<th>Male</th>
<th></th>
<th></th>
<th>Female</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18-34</td>
<td>tailoring gender and age 0.130*** (0.041)</td>
<td>tailoring age 0.097*** (0.034)</td>
<td>tailoring gender and age 0.100*** (0.017)</td>
<td>tailoring gender and age 0.114*** (0.018)</td>
<td>no tailoring 0.171*** (0.042)</td>
<td>no tailoring 0.171*** (0.023)</td>
</tr>
<tr>
<td></td>
<td>35-54</td>
<td>tailoring gender 0.108*** (0.036)</td>
<td>no tailoring</td>
<td>tailoring gender 0.114*** (0.018)</td>
<td>no tailoring</td>
<td>tailoring gender 0.131*** (0.028)</td>
<td>no tailoring</td>
</tr>
<tr>
<td></td>
<td>55+</td>
<td>tailoring gender and age 0.161*** (0.031)</td>
<td>tailoring age 0.171*** (0.037)</td>
<td>tailoring gender and age 0.171*** (0.037)</td>
<td>tailoring gender and age 0.131*** (0.028)</td>
<td>tailoring age 0.111*** (0.028)</td>
<td>tailoring gender 0.108*** (0.036)</td>
</tr>
<tr>
<td></td>
<td>F – stat</td>
<td>1.01 (0.385)</td>
<td>2.25 (0.080)</td>
<td>0.78 (0.505)</td>
<td>1.02 (0.382)</td>
<td>0.41 (0.745)</td>
<td>1.68 (0.170)</td>
</tr>
</tbody>
</table>

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 attributed to tailoring?
- Non-monotonic effects that are found are puzzling (see e.g. table 2)
<table>
<thead>
<tr>
<th>Gender</th>
<th>Age group</th>
<th>18-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>tailoring gender and age</td>
<td>tailoring age</td>
<td>tailoring gender and age</td>
</tr>
<tr>
<td>Male</td>
<td>18-34</td>
<td>0.42 (0.059)</td>
<td>0.46 (0.063)</td>
<td>0.320 (0.026)</td>
</tr>
<tr>
<td></td>
<td>35-54</td>
<td>no tailoring gender</td>
<td>0.45 (0.055)</td>
<td>tailoring gender</td>
</tr>
<tr>
<td></td>
<td>55+</td>
<td>tailoring gender</td>
<td>0.54 (0.058)</td>
<td>no tailoring</td>
</tr>
<tr>
<td>Female</td>
<td>18-34</td>
<td>tailoring gender and age</td>
<td>0.493 (0.059)</td>
<td>tailoring age</td>
</tr>
<tr>
<td></td>
<td>35-54</td>
<td>no tailoring gender</td>
<td>0.387 (0.062)</td>
<td>tailoring gender</td>
</tr>
<tr>
<td></td>
<td>55+</td>
<td>tailoring gender</td>
<td>0.247 (0.048)</td>
<td>no tailoring</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F - stat</th>
<th>(p - value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>0.77 (0.512)</td>
</tr>
<tr>
<td>Female</td>
<td>4.00 (0.0075)</td>
</tr>
</tbody>
</table>

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.