

Choice in Pensions:

Insights from the

Swedish Premium Pension System

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Research questions

- What does the Swedish population think of the Pension Premium System?
- Do they appreciate having choice of investment funds?
- Why do they choose or not choose investment funds and what influences their decision?
 - choice overload
 - subjective knowledge
 - fund characteristics
 - risk aversion
- Does choice contribute to financial well-being?

Methodology & findings

Large scale online survey (3,000 respondents) in Sweden

- Most respondents do not fully understand the functioning of the system
 - choice overload seems to be detrimental
 - inconsistent behaviour
- Dropping out of the default choice does not lead to better financial well-being

General comments

- Abstract - missing
- Introduction – extended and more informative
- Conclusions - missing
- Tables – add usual stats (# obs.; R-squared;...) reported in text
- Study on Sweden – missing link with NL (discussion is useful)

Specific comments

- Page 6 : scales for subjective knowledge – explain better
- Page 6 : Selection of final participants (21.3%) – explain who they are (table with sum stats)
- Page 7 : “[...] 64,1% indicated that they chose a fund” – this is a high percentage. Elaborate here.
- Page 7 : “Frequency distribution (Table 5) reveal that 81.4% of the sample [...] is financially literate” or do they report to be fin. literate?
- Page 9 : “The full model (Table 6) contains eleven independent variables and is statistically significant” - what does it mean?
- Regressions – age in dummies, education in dummies, interaction terms

Conclusions

- Very interesting paper, very policy relevant
- (Very) early stage of writing
- Look forward to reading the next version!