

Trust in Dutch pension funds and pension system is relatively low

“Financial security correlates with trust among both self-employed and employees”

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What was examined in the article?

The authors examine the trust of different socioeconomic groups in other people and in public, political and private institutions in the Netherlands. In addition, they look at which person characteristics (of self-employed workers and employees) determine trust in pension funds and the pension system.

What are the key findings?

The percentage of workers surveyed who have trust in pension funds and the pension system are 37 and 45 percent, respectively. Trust in them among self-employed workers is 33 and 40 percent, respectively. Thus, trust is lower among the self-employed than among employees. The self-employed have less trust in institutions at all, but do have more “social trust” (trust in others) than employees. The least trust in others is among those with no income, social benefits or pension benefits.

Experiencing financial security correlates with trust in pension funds and the pension system. This is true for both self-employed workers and employees. Among employees, moreover, the ability to solve issues using “cognitive reflection” (i.e., non-impulsive action) is associated with greater trust. The degree of financial knowledge is not related to trust in funds and the system.

What are the take-aways from the research?

Trust is relevant to the economy and human well-being. Pension funds should take into account that:

- Public trust in funds and the pension system is relatively low.
- Workers have more confidence in funds and the system than the self-employed.
- The financial security of both the self-employed and employees is important for trust.

It is therefore important to investigate which characteristics are related to trust so that policies can pay extra attention to groups where trust is lower.

Want to know more? Read the paper in Dutch:

Vertrouwen in (pensioen)instituties bij verschillende sociaaleconomische groepen