How much pension will you get? -
The introduction of a pensions dashboard in a multi-pillar system

Tabea Bucher-Koenen
Max-Planck-Institute for Social Law and Social Policy and Netspar
Andreas Hackethal
Goethe University Frankfurt/Main
Johannes Kasinger
Goethe University Frankfurt/Main
Christine Laudenbach*
Goethe University Frankfurt/Main

Preliminary and incomplete. Please do not cite.

This version: April 2018

Abstract

In a large scale field experiment, we test the effects of an exogenous reduction in information costs through the introduction of a so-called pensions dashboard that provides participants with an overview of their future pension claims from different state, occupational and private pension contracts. We combine data from the dashboard with survey and administrative data from two cooperating banks to test the effect of the dashboard on individual pension perception and pension planning in a randomized control trial setup. First results reveal that, despite providing independent and cost-free pension information, individuals with characteristics that are associated with better ex-ante pension planning behavior select into our study. Despite the selection, there is large variation in the ex-ante information cost and information needs. We find that participants feel better informed about their pensions and that half of them plan to take action after receiving their personal dashboard. Seven months after the treatment, individuals still feel better informed and prepared for retirement compared to the control group. We find no differences in the demand for financial advice and only small effects on overall savings. Thus, so far our conclusion is that a pensions dashboard can provide peace of mind to individuals with already relatively high pension savings.

Keywords: pension planning, financial literacy, field experiment, rational inattention.