

Initiative project of International Institute for Market
and Social Research GfK Rus

Retirement strategies of Russian citizens

Julia Shmelkova

Department leader for Durables, services and business research

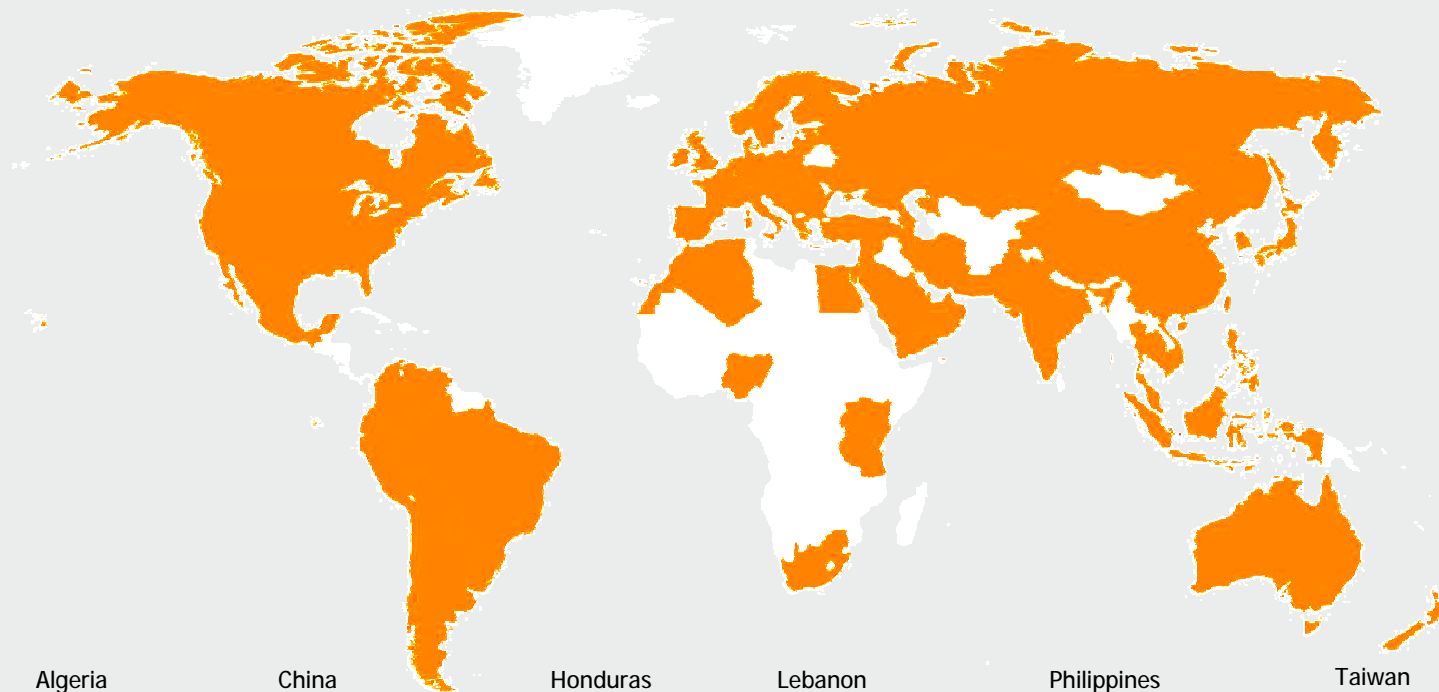
Content:

1. About GfK
2. Research description
3. Retirement expectations and their realization
4. The perception of the pension reform
5. The management of the saving pension accounts
6. The strategies of increasing future pension



About GfK

GfK Group's worldwide coverage



4

Algeria
Argentina
Australia
Austria
Azerbaijan
Bahrain
Barbados
Belgium
Belize
Bolivia
Bosnia-Herzegovina
Botswana
Brazil
Bulgaria
Cambodia
Canada
Chile

China
Colombia
Costa Rica
Croatia
Cyprus
Czech Republic
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Estonia
Finland
France
Germany
Greece
Guatemala

Honduras
Hong Kong
Hungary
India
Indonesia
Iran
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kazakhstan
Kenya
Korea
Kuwait
Latvia

Lebanon
Libya
Lithuania
Malaysia
Mexico
Montenegro
Morocco
Netherlands
New Zealand
Nicaragua
Nigeria
Norway
Oman
Pakistan
Panama
Paraguay
Peru

Philippines
Poland
Portugal
Puerto Rico
Qatar
Romania
Russia
Saudi-Arabia
Serbia
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Syria

Taiwan
Tanzania
Thailand
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom
Uruguay
USA
Venezuela
Vietnam
Yemen

GfK RUS – 2010

Revenue

n 870 000 ThRUR

Employees

n 265 full-time employees

n 700 interviewers

Results

n 940 projects for 300 clients

n 420 000 interviews

Geography

n Researches in up to 80 subjects of Russian Federation





Research description

Research description

The project “Retirement strategies of Russian citizens” was initiated and carried out by the International Institute for Market and Social research GfK Rus.

7

The goal of the project was to study the Russian citizens’ attitude towards to the current pension system and define the main strategies of the population in terms of the retirement capital.

Methodology: CATI.

Sample size: 1519 interviews.

Sample description: males/females 20-65 years old. The sample represents this age group by gender, age, federal districts and city size.

Geography: Russia.

Timing: May 2011.



Retirement expectations and their realization

In your opinion, is the pension you will start receiving upon reaching the retirement age going to be enough to live only on it?

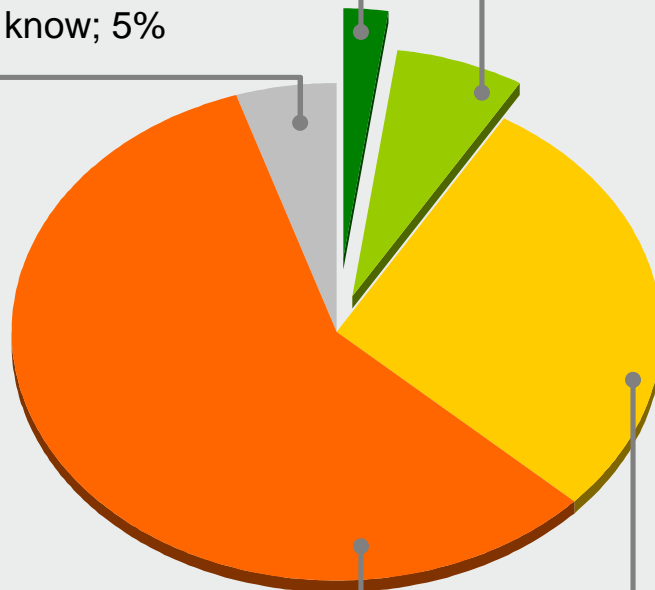
Most likely will be enough; 6%

Will be enough for sure; 2%

Don't know; 5%

Definitely won't be enough; 58%

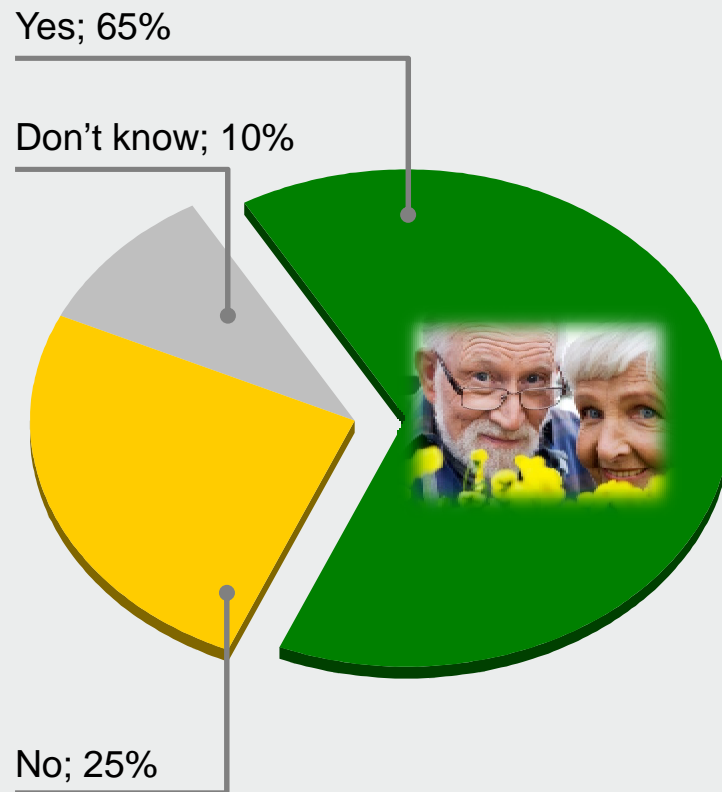
Most likely will not be enough; 29%



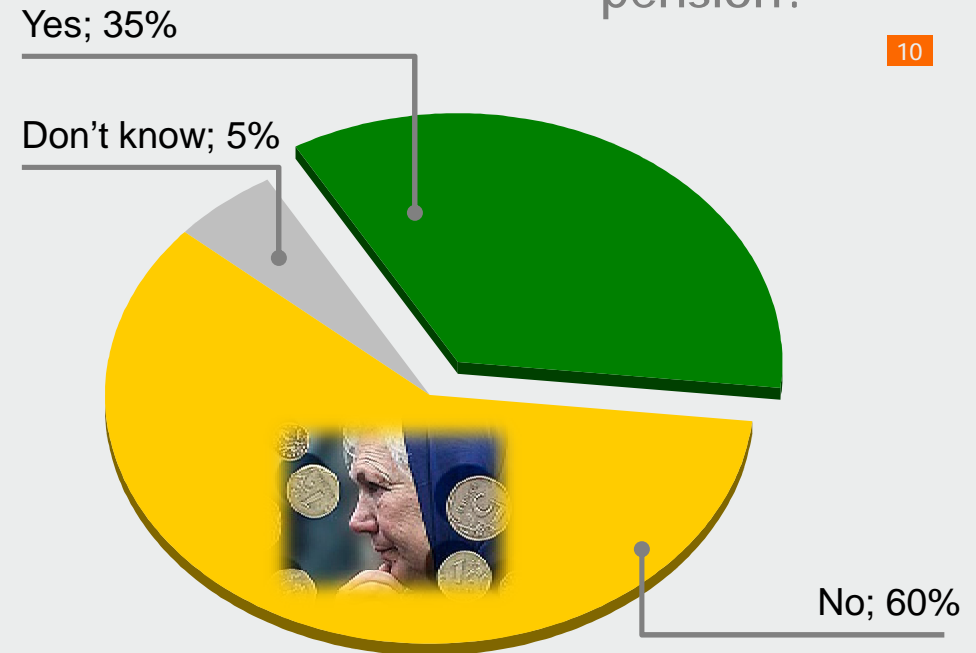
Less than one tenth of Russian citizens think that the pension they start receiving upon reaching the retirement age is going to be enough to live on

The share of pessimists – those thinking that the pension won't be enough to live on – is more than 80% even among the youngest respondents

Do you count on any other additional sources of income upon reaching the retirement age?



Do you have any other additional sources of income except pension?



Two of the third future pensioners count on additional sources of income (65%). However only every third current pensioner really has it (35%). Therefore if this ratio does not change, around one half of those who count on receiving additional income are going to be disappointed

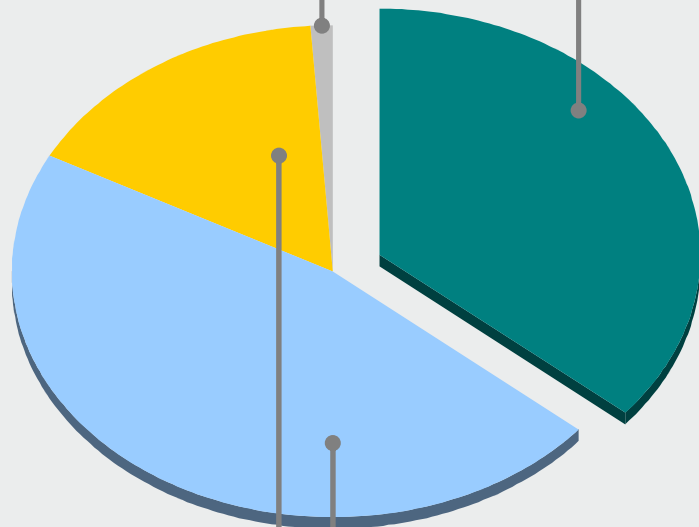


Perception of the pension reform

Do you know that the Russian pension system was reformed in the 2000's

Yes, I know; 36%

Don't know; 1%



I hear it for the first time; 16%

I've heard something, but I don't know details; 47%

Only one third of Russian citizens (36%) know about the **pension reform** of 2000's. Every second respondent has heard about the reform, but doesn't know any details

Only one fifth of the respondents declare complete understanding of the reform

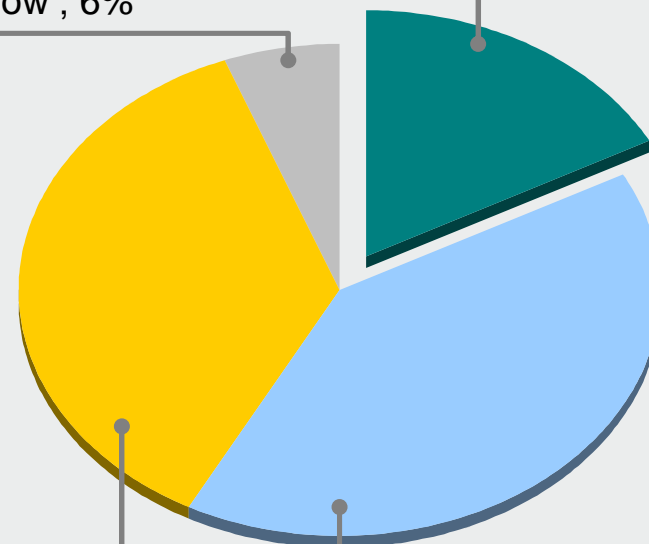
Base: all respondents

Do you completely understand the principles of the reform ?

12

Yes, I understand it completely ; 17%

Don't know ; 6%



Some things are clear to me, but some things aren't; 40%

I don't understand what is going on ; 37%

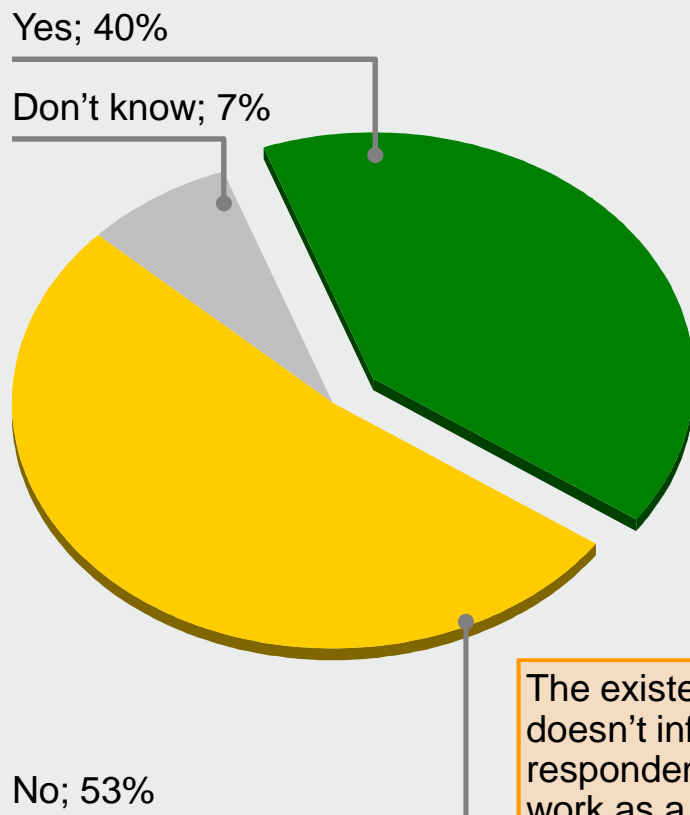
GfK

Base: all respondents



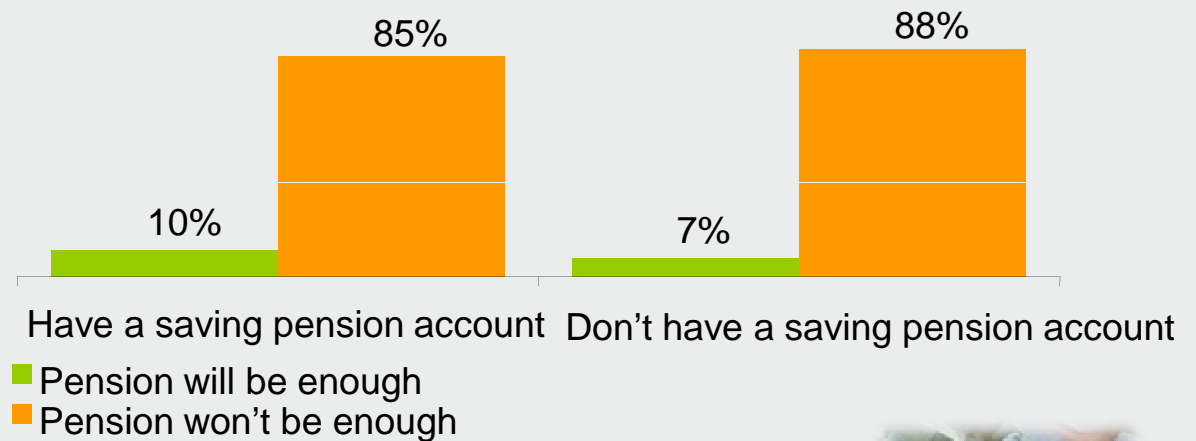
The management of the saving pension accounts

Do you have a saving pension account?



In your opinion, is the pension you will start receiving upon reaching the retirement age going to be enough to live only on it?

14



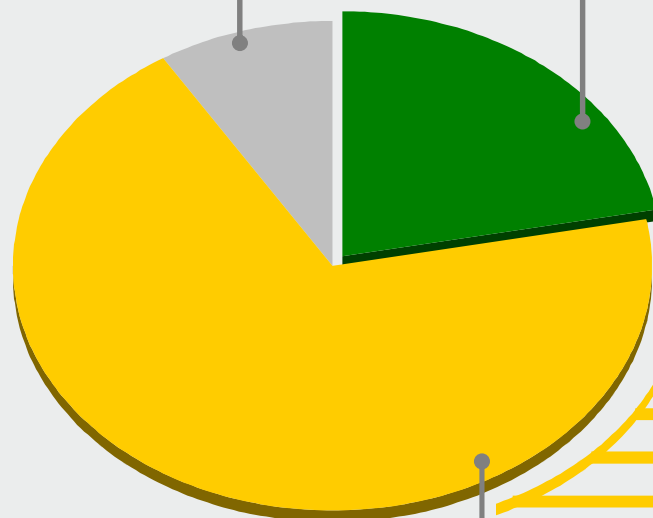
The existence or lack of the pension account practically doesn't influence if the pension will be enough in respondents' opinion. That is the contribution system doesn't work as a way to assure citizens in their future



Where do you now keep the saving pension account?

Non-state asset management companies; 22%

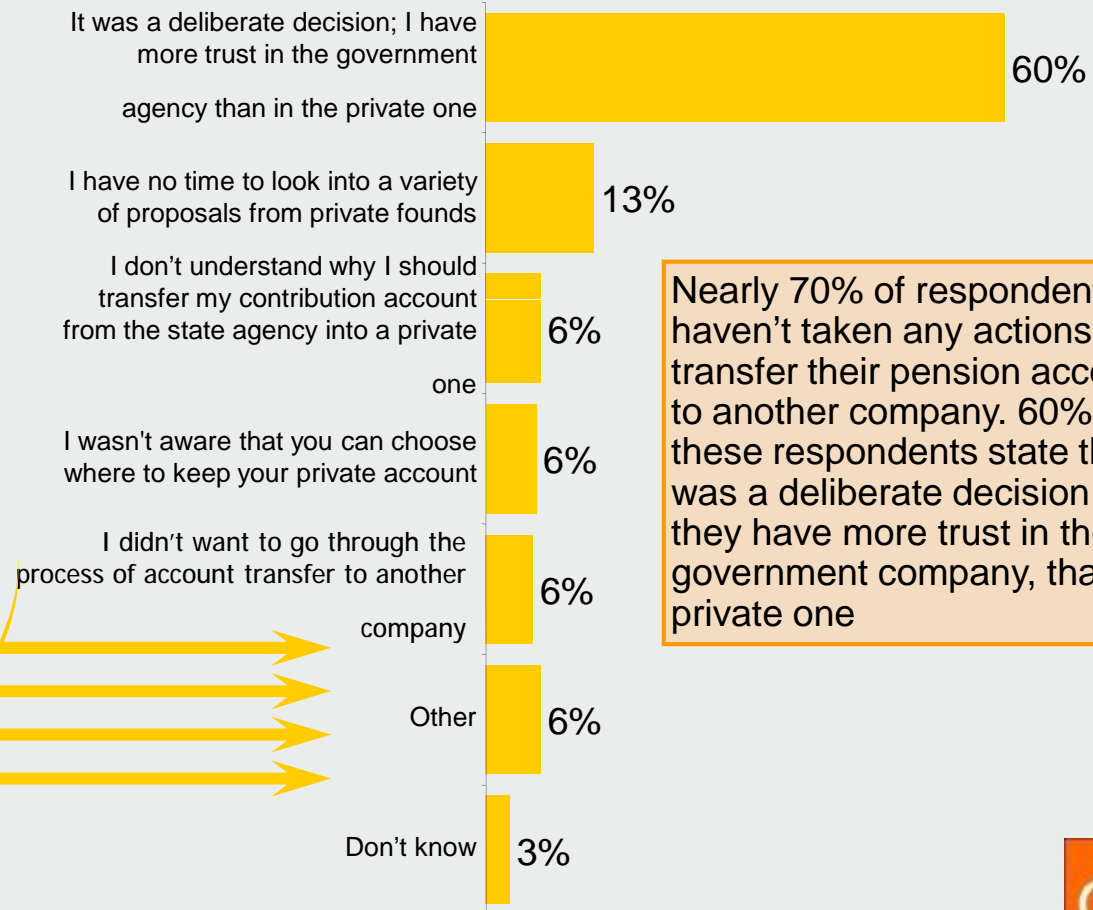
Don't know; 9%



State asset management company; 69%

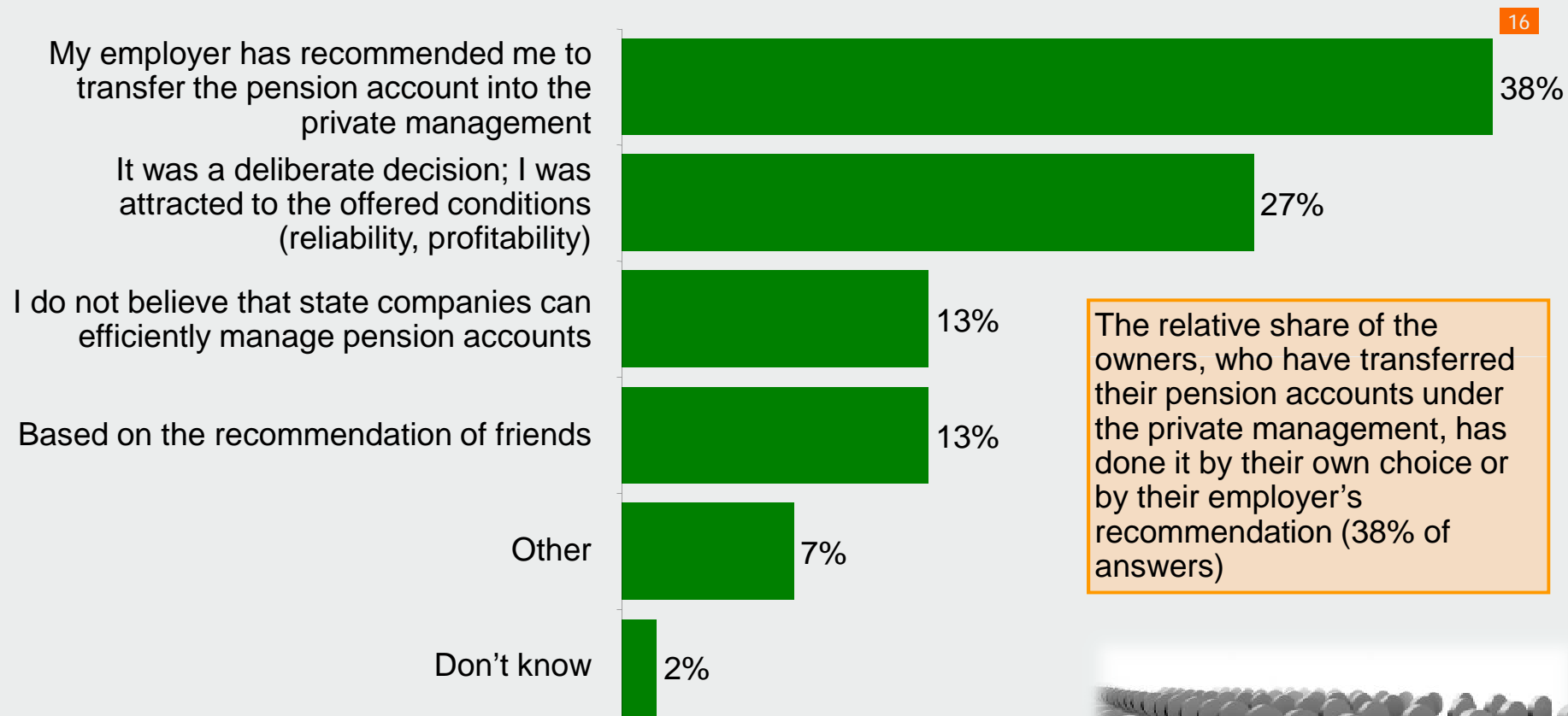
Why have you kept it under the state management?

15



Nearly 70% of respondents haven't taken any actions to transfer their pension accounts to another company. 60% of these respondents state that it was a deliberate decision as they have more trust in the government company, than a private one

Why did you choose to transfer the saving pension account under the private management?



Base: respondents who have a saving pension account under the private management





The strategies of increasing future pension

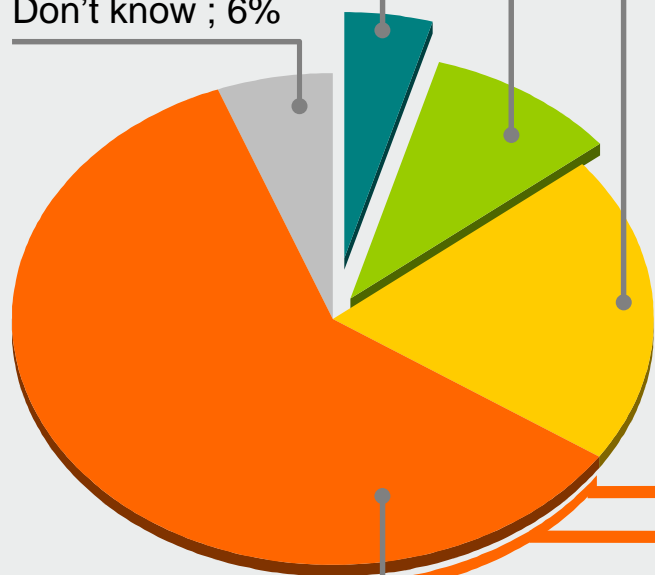
Would you like to voluntarily contribute part of your salary to receive a supplement non-state pension ?

Perhaps, I would like to make but I don't have enough information about it; 20%

Yes, I would like to make it; 10%

Yes, I've already made such contributions; 4%

Don't know ; 6%



No, I wouldn't ; 60%

Base: all respondents

I don't have available resources to make contributions

18

56%

I don't trust non-state pension funds

42%

I don't have enough time to look into a variety of proposals

6%

I don't have enough information to choose a particular fund

6%

I don't know anything about such funds

3%

Don't know

3%

The main reason for no interest in voluntary contributions - lack of available resources and trust in the non-state pension funds

Why?

GfK

Thank you very much
for your attention!