

# Trust and risk-taking

A study of consumer behaviour within a Swedish pension  
investment setting

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### **A study of consumer behaviour within a Swedish pension investment setting**

The study focuses on the Swedish pension system introduced in 2000. The study describes the evolution of a new pension system, and the differences between the former ATP-system and the present system.

Via a mail survey to a subsample of the mail database of a Swedish bank, questions regarding perceptions of the new pension system were asked. It was found that the majority of individuals expect the system to provide a basic security, not to maintain their level of income. Via hierarchical regression analysis, the relations between perceptions and trust were analysed. It was assessed that individuals perceiving the aim of the pension system as to deliver a basic security also had higher levels trust in the pension system.

This level of trust in the pension system was further elaborated on. The study found, through hierarchical regression analysis that a higher level of trust induced a tendency to take higher financial risks. Specifically, trust in the willingness of future governments to fulfil the expectations inherent in the pension system was the trust subpart driving risk-taking. The relation between trust and risk-taking was further analysed in terms of level of knowledge and level of involvement. Knowledge and involvement were both found to have a direct positive effect on risk-taking, but the trust – risk-taking relation was not significantly different for individuals with varying levels of knowledge and involvement.

The study was able to expand previous knowledge of consumer behaviour regarding the relation between trust and risk-taking to an area with increasing impact on citizens' economic situation: the pension investment area. The incorporation of investor types of particular interest for theorists as well as legislators and practitioners, namely the less involved and the less knowledgeable individual, also makes the study well-positioned to contribute.

**Keywords:** consumer behaviour, trust, risk-taking, pension system, involvement, knowledge