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### **Proceedings of the Annual Meeting of the Cognitive Science Society**

#### **Title**

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#### **Permalink**

<https://escholarship.org/uc/item/4gj9r21c>

#### **Journal**

Proceedings of the Annual Meeting of the Cognitive Science Society, 44(44)

#### **Authors**

Zheng, Yeqiu  
Gu, Yan  
van Soest, Arthur

#### **Publication Date**

2022

Peer reviewed

# Beyond financial knowledge and IQ: The effect of temporal values on pension planning and financial wealth of natives and immigrants in the Netherlands

Yequi Zheng

Erasmus University Rotterdam, Rotterdam, Netherlands

Yan Gu

UCL, London, United Kingdom

Arthur van Soest

Tilburg University, Tilburg, Netherlands

## Abstract

We study pension planning and financial wealth of natives and immigrants (N=1177) in the Netherlands, in relation to their temporal values (past/future-focused), financial knowledge, IQ, and other individual characteristics. We find that, compared to natives, immigrants are less financially literate and rely more on the government for their retirement income, but are more future-focused and think more about their retirement. Second, controlling for financial knowledge, IQ, saving intention, self-control and demographic factors, temporal values help to predict many aspects of pension planning: how much people think about retirement, their desired retirement age, whether they develop a plan to save for retirement, perceived saving adequacy, and home ownership. Furthermore, temporal values predict savings, risky assets and financial wealth in 2016 and 2020, even after controlling for the financial situation in 2016. Our results have strong implications for policies related to pension communication and contribute to the theory on relationships between economic decisions, time and cognition.