



**For Immediate Release**

## **Survey Data Reveals Low Awareness of Pension Reform Issues by Ukrainians**

*Kyiv, Ukraine (July 22, 2010)* – The United States Agency for International Development (USAID) released results of a public opinion survey of Ukrainian attitudes toward retirement and pension reform at a presentation held at the President Hotel in Kyiv on July 22, 2010.

Commissioned by the USAID Capital Markets Project and the USAID Financial Sector Development Project (FINREP), the survey covered the following topics: retirement age and providing for retirement, knowledge and opinions about pension reform, saving habits, financial awareness, and confidence in state and private financial institutions.

Key findings of the survey:

- Public awareness of the pension reforms introduced in 2004 is very low.
- The majority of the population opposes increasing the retirement age (86 percent).
- Sixty-six (66) percent of respondents consider the best solution to deal with the deficit in the pension system is to cut state expenditures in other areas of the budget.
- Forty-two (42) percent of the population makes its cash savings in UAH and 11 percent in foreign currency.
- Only 7 percent of Ukrainians currently have deposits at banks; 8 percent of those surveyed plan to open bank deposits in the near future.
- Only 20 percent of Ukrainians consider bank deposits attractive, while 37 percent think investment in real estate is attractive.
- The level of attractiveness in investing into securities (shares, corporate bonds and government bonds) is less than 1 percent.
- Ukrainians trust government financial institutions more than private ones. The most trusted financial institution is the Pension Fund of Ukraine, followed by state-owned banks.

The survey revealed that most Ukrainians (70 percent) do not believe that they will have sufficient income to finance their “golden years.” They also believe that providing for a secure retirement is the joint responsibility of the government and the individual (slightly more than 50 percent), and yet a majority of respondents (75 percent) plan to rely on a state pension in the future.

The public displays little trust in private financial institutions (non-state pension funds, banks, investment funds, credit unions and insurance companies) and instruments (shares and bonds, bank deposits). The survey also found that most Ukrainians know little about the changes to the pension system introduced since 2004, specifically about the Pillar II (mandatory accumulation pension system) and Pillar III (private voluntary pension system). Of those who recall a change, they remembered changes in the size of the pension payment. By comparison, only 2 percent of the respondents spontaneously cited Pillar II and Pillar III structural reforms, and another 2 percent mentioned non-state pension fund opportunities when asked what changes occurred in pension system since 2004.

“Public opinion informs and influences public policy. It is not static, and it can change in response to events, actions and political leadership,” said Ann Wallace, Chief of Party of the USAID Capital Markets and FINREP Projects. “We hope the survey results will spur Ukraine’s Government to develop an action plan in order to ensure a secure financial future for its citizens.”

The survey, conducted by public opinion and polling firm GfK Ukraine in June 2010, polled 2007 Ukrainians age 18 and over, from across all regions of Ukraine and Kyiv. Approximately 67 questions were asked in face-to-face interviews, soliciting attitudes and knowledge of pension and retirement related issues. In addition, standard demographic data were collected. Within a general population, an age group of 18- to 36-year-olds who will be the age group targeted by the second pillar of the pension reform was over-represented: a sub-sample of about 1,000 interviews was conducted within this age group. Characteristics of this group’s opinions and attitudes were of special interest to the USAID Capital Markets and FINREP Projects. For the national analysis of results, the data was weighted according to the regional, gender and age structure of Ukrainian society, utilizing the data of the State Statistics Committee of Ukraine.

*For more information about USAID Capital Markets Project and USAID Financial Sector Development Project (FINREP) and their activities, please visit [www.capitalmarkets.kiev.ua](http://www.capitalmarkets.kiev.ua) and [www.finrep.kiev.ua](http://www.finrep.kiev.ua). You can also reach the projects’ communications team at: +38 (044) 379-1375.*

*The American people, through the U.S. Agency for International Development (USAID), have provided economic and humanitarian assistance worldwide for nearly 50 years. In Ukraine, USAID’s assistance focuses on three areas: Health and Social Transition, Economic Growth and Democracy and Governance. Since 1992, USAID has provided \$1.6 billion worth of technical and humanitarian assistance to Ukraine. For additional information about USAID programs in Ukraine, please call USAID’s Development Outreach and Communications Office at: +38 (044) 492-7101 or visit: <http://ukraine.usaid.gov>.*

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