

1. Record Nr.	UNINA9910960623103321
Autore	Schwartz Moisés
Titolo	Consumer Confusion : : The Choice of AFORE / / Moisés Schwartz, Enrique Domínguez, Roberto Calderón-Colín
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2008
ISBN	9786612841286 9781462356805 146235680X 9781452782379 1452782377 9781282841284 1282841289 9781451870350 1451870353
Edizione	[1st ed.]
Descrizione fisica	1 online resource (63 p.)
Collana	IMF Working Papers IMF working paper ; ; WP/08/177
Altri autori (Persone)	Calderón-ColínRoberto DomínguezEnrique
Disciplina	332.67254
Soggetti	Pension trusts - Mexico - Management - Econometric models Competition - Mexico - Econometric models Competition Expenditure Expenditures, Public Finance Finance: General General Financial Markets: General (includes Measurement and Data) Income economics Labor Labour National Government Expenditures and Related Policies: General Nonwage Labor Costs and Benefits Pension spending Pensions Private Pensions Public finance & taxation Public Finance Retirement Policies Retirement

Social Security and Public Pensions

Mexico

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Contents; I. Introduction; II. The Choice of AFORE in Mexico; A. Inelasticity of Demand and Switching among Fund Managers; Figures; 1. Switches; 2. Turnover Ratio for Mexico and Chile; Tables; 1. Regression Analysis 1; 2. Regression Analysis 2; 3. Switches In 2006; 4. Gain or Loss after Switching Workers' Estimated Balance at the Age of Retirement; 5. Gain or Loss after Switching Workers' Estimated Balance after a Five-Year Period; 6. Loss from not Switching to the to the "Optimal" AFORE Workers' Estimated Balance at the Age of Retirement 7. Loss from not Switching to the "Optimal" AFORE Workers' Estimated Balance after a Five-Year Period B. The Effectiveness of an Increase in Supply; 3. Gain/Loss in Balances for Hypothetical Cases of Workers that began accruing; 4. Winners and Losers Due to Decreases in Fees; 5. Changes in Balances Due to Decreases in Fees; III. Consumer's "Confusion" and "Noise"; A. Theoretical Framework; B. Statistical Analysis of Possible "Noise" Distributions 8. "Noise Distribution" Percentage Loss in Pension Balances at Retirement Age Due to "Sub-Optimal" Choice of AFORE Fitted by the Normal and Weibull Distributions.9. "Noise Distribution" Percentage Loss in Pension Balances After A Five-year Period Due to "Sub-Optimal" Choice of AFORE Fitted By The Normal and Weibull Distributions; C. Mark-up Estimation in the AFORE Industry; 6. Mark-up According to the Number of AFOREs; IV. Empirical Study; A. Measurement of "Noise" and Consumer "Confusion"; B. Econometric Framework to Measure "Confusion's " Relative Importance; C. Empirical Results V. Concluding Remarks Annexes; I. The Model; II. Questionnaires; References
Sommario/riassunto	This paper was prepared for the World Bank 4th Annual Contractual Savings Conference (Washington DC, April 2008) co-organized by Gregorio Impavido (gimpavido@imf.org). The article shows that account transfers among pension administrators in Mexico barely respond to price or return considerations and in general has not improved the consumer's pension balance. Instead of strengthening competition through lower fees and higher returns for the consumer, AFORE switching has so far undermined the system and resulted in the destruction of value. Moreover, "noisy" evaluations of the product by the consumer tend to undermine the power of competition. Thus, an increased number of pension fund managers has not provided a more competitive environment. The theoretical framework allows for the estimation of "noise" and mark-ups in the AFORE industry. As the number of AFOREs increases, the mark-up diminishes at a very slow rate. This implies that more participants in the industry will hardly affect prices.