

ANNOUNCEMENT

Social research: The level of financial literacy of Kazakhstanis has increased

The results of the annual independent sociological survey were summed up, which defined the level of financial literacy of the population in the field of pension provision and the degree of public confidence in UAPF JSC.

The study was conducted in a mixed type, including a telephone survey and a survey of the urban and rural population of 14 regions of Kazakhstan and 3 cities of republican significance. A total of 3,000 respondents were interviewed, men were 1,455 people or 48.52%, and there were slightly more women - 1,545 people (51.48%). The distribution of respondents by social status was as follows: employees 2,085 (69.5%), self-employed 768 (25.6%) and unemployed 147 (4.9%).

The distribution of respondents by areas of activity was presented as follows - 572 (or 19.07%) of the respondents are employed in the field of commercial business, then workers employed in the field of agriculture - 463 respondents (or 15.43%), workers in the field of education and upbringing - 452 respondents (or 15.07%), public sector employees - 334 respondents (or 11.13%) of the total number of respondents, etc. The fewest were those who are employed in the field of science - 27 respondents (or 0.90% of the total number of respondents).

The main block of the survey questionnaire consisted of 25 questions aimed at identifying the financial literacy of the population of Kazakhstan in the field of pension provision, as well as determining the degree of trust in the pension system of Kazakhstan and the UAPF.

The opinion of the population regarding the main source of financial well-being at retirement age was already reflected in the first question. At the same time, the main purpose of this question is to reveal how respondents are aware of their personal responsibility for their future at retirement age, and how much attention they pay to this.

A survey of the population showed that a significant part of the respondents are of the opinion that the main source of their financial well-being will be a pension (from the state and from the UAPF), 2,271 respondents answered this way, or 75.70% of the total number of respondents. 288 respondents (9.60%) rely on their own business, 244 respondents or 8.13% of the total number of respondents rely on other savings, in addition to savings in the UAPF.

It should be noted that the level of financial literacy in the field of pensions was analyzed at two levels: basic and advanced.

Kazakhstanis answered most of the questions on the basic level correctly. According to the survey, a significant part of the respondents - 1,475 people (49.17%) - correctly define the function of UAPF JSC, which is the accumulation of compulsory and voluntary pension contributions of contributors, keeping individual records of pension savings, making pension benefits from pension savings. Respondents were also well aware of the types of pension contributions, benefits and retirement age.

1,317 respondents (or 43.9% of the total number of respondents) are aware of both the state basic pension benefit guaranteed to all citizens of Kazakhstan, and the state labor (PAYG) retirement pension, and pension benefits from the UAPF at the expense of the employee's own pension savings, formed from compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions.

In total, the basic level knowledge ratio was 69.9%, which exceeded the previous year's figure of 62.0%.

For the advanced level, the questions were more difficult. The answers to them were less clear. For example, as the survey showed, a significant part of the respondents or 1,187 respondents (39.57%) believe that the investment of pension assets is carried out only by the National Bank of the Republic of Kazakhstan. Significantly fewer - or 738 respondents (24.60%) - are aware of the function of the IPM in

terms of investing pension assets to generate investment income. At the same time, 721 respondents (24.03%) mistakenly believe that the investment of pension assets to receive investment income is carried out by the UAPF.

A high proportion of respondents are aware that the amount of investment income varies depending on the accrued interest on securities, changes in the market value of securities and foreign exchange rates, while investment income can be either positive or negative, depending on the situation on stock exchanges markets (1,252 respondents or 41.73% of respondents). Also, the results of the study showed that a significant part of the respondents know that pension savings are invested in investment assets and are multiplied by investment income (1,307 respondents or 43.60% of the total number of respondents).

As a result, the general coefficient of knowledge of the advanced level of awareness of the population about the pension system amounted to 43.4%, which is one and a half times higher than last year. It should be noted that at that time it was 27.5%.

In general, as the study of the level of financial literacy of the population in the field of pension provision has shown, a significant part of the population has basic knowledge of financial literacy, and the level of knowledge is increasing every year. The current study highlights the increase in knowledge at the advanced level.

Traditionally, the level of trust in the pension system and in the UAPF is approximately equal. This means that for the respondents, the UAPF is an integral part of the APS, and they consider the UAPF as the operator of its implementation. The average level of trust in the Fund in 2021 is 5.8 points (minimum value 1, maximum 10 points), i.e. results are above average. This year, the highest score was recorded in West Kazakhstan (6.8), Karaganda (6.6) and East Kazakhstan (6.5 points) regions.

The level of public confidence in the pension system of our country was also 5.8 points. In the context of regions and cities of republican significance, respondents living in West Kazakhstan (6.7 points), East Kazakhstan (6.6 points), Karaganda (6.4) and Zhambyl (6.2) regions had the greatest confidence in the pension system.

A survey was also conducted on the sources of information on the pension system and the activities of the UAPF. The results showed that a high proportion of respondents tend to receive information (news) through social networks and messengers 1324 mentions (44.1% of all answers), slightly less - through television 1,305 mentions (43.5%). The third most common source of information is news and other sites - 384 references (12.8%) among respondents.

It should be noted that according to a study of the availability of information about the activities of UAPF JSC, most of the respondents find the process of obtaining information easily accessible to everyone (1,817 respondents or 60.57% of the total number of the surveyed population).

In terms of obtaining information about their savings, the interviewed citizens choose to contact the Public Service Center (1,712 mentions) or a personal address to the UAPF (1,624 mentions of respondents). The third most common way to obtain information about the status of an individual pension account, according to respondents, is to receive a statement by e-mail (1,280 references), then the option of obtaining information through a mobile application (1,205 references). We emphasize that in this question the respondents could have several answers.

Taking into account the results of the study, the UAPF will continue further advocacy work in the course of implementing strategic objectives to further strengthen confidence in the UAPF and in the pension system as a whole.

The UAPF was established on August 22, 2013 on the basis of GNPF APF JSC. The UAPF founder and shareholder is the Government of the Republic of Kazakhstan represented by the State Institution "Committee of State Property and Privatization" of the Ministry of Finance of the Republic of Kazakhstan. UAPF pension assets are managed by the National Bank of the Republic of Kazakhstan. From January 1, 2016, the functions for developing proposals to improve the management of pension assets were transferred to the National Fund Management Council. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, pension

benefits, individual accounting of pension accumulations and benefits, provides the contributor (beneficiary) with information on the status of his pension accumulations (for more information visit www.enpf.kz)