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COVID-19 and attitudes towards early withdrawal of pension funds: The role of trust and political ideology

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ABSTRACT
In response to the COVID-19 pandemic, the Chilean Congress approved three laws between July 2020 and April 2021 that allowed early withdrawals of pension funds without any eligibility constraints. In this paper, we use nationwide survey data to examine the factors associated with people’s assessments about the suitability of these policies in the context of the pandemic, with a particular focus on trust and political ideology. We find that respondents that declare high levels of trust in Chile’s pension system and those that voted for the incumbent president, who opposed this policy, also declare opposition to early withdrawals. Overall, our findings suggest that political attitudes and beliefs are associated with policy views on changes to Chile’s pension-fund system and that support for early withdrawal policies may be driven by lack of confidence in institutions.

Introduction

The COVID-19 pandemic continues to run its course, and in its wake it has forced governments around the world to implement policies to cope with its more dire consequences. Policies that aim to control the speed with which the virus propagates — mask mandates, lockdowns, and vaccine rollouts, for example — have been fiercely contested in the public arena. Additional policies to help households and businesses deal with the consequences of lockdowns and economic disruptions may not make headlines routinely, but they have also been bitterly disputed and have pushed political parties, legislators, and actors to oppose early withdrawal policies. Similarly, respondents on the right of the political spectrum and those that voted for the incumbent president, who opposed this policy, also declare opposition to early withdrawals. Overall, our findings suggest that political attitudes and beliefs are associated with policy views on changes to Chile’s pension-fund system and that support for early withdrawal policies may be driven by lack of confidence in institutions.

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Examples include Australia, Canada, Chile, Colombia, Denmark, the Dominican Republic, El Salvador, Peru, the United Kingdom, and the United States (OECD, 2020).

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perceived exposure to COVID-19-infection risk drive preferences for unrestricted access to pension funds. However, because COVID-19-related public policy has occurred in contexts of increasing political polarization, we also expect that political attitudes will correlate with support for early withdrawals. We are particularly interested in the roles of trust (in the pension system and financial institutions specifically, and in the political system more generally) and political ideology. Indeed, in a context of low financial capabilities, individuals must believe that whomever manages their pension funds will eventually deliver the principal amount invested plus a reasonable return. Those who do not trust the financial system will prefer to manage their savings themselves, in order to avoid the risk of being cheated. Regarding political ideology, those on the left of the political spectrum tend to distrust market-based economic solutions, including private pension funds, which would suggest that leftist respondents will be eager to obtain early access to their pension funds. The pandemic, its socio-economic consequences, and the current political context in Chile provide a unique setting to study individual preferences for policies over pension regulation.

We base our analysis on survey data collected during January 2021 from an online panel of 2,000+ respondents recruited to broadly resemble Chile’s adult population. The outcome of interest is a question that indicates the degree of agreement with the statement “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. In line with our hypotheses, we observe that respondents that declare high levels of trust in Chile’s pension system, the financial system, and political institutions and actors tend to oppose early withdrawal policies. In our baseline model, we find that a change from the lowest to the highest levels of trust in the pension system produces a drop of 21.4 percentage points in the probability of agreeing strongly with the early withdrawal policy. Similarly, respondents on the right of the political spectrum and those that voted for President Piñera during the 2017 general election also declare opposition to early withdrawals. Our estimates show that individuals on the right of the political spectrum are 15.8 percentage points less likely than leftists to strongly agree with such a policy. Our results are robust to the inclusion of variables that measure individuals’ perceived exposure to COVID, perceptions about the ability of authorities to respond to the pandemic and effects derived from tuning into specific sources of information (newspapers, radio, TV and social networks). Together, these findings suggest that assessments about the suitability of early withdrawal policies are not exclusively driven by respondents’ economic situations or by their perceived risks of exposure to COVID-19. To the contrary, trust and political attitudes and beliefs are strongly associated with policy views on changes to Chile’s pension-fund system.

Our study resonates with a large and growing literature showing that trust has a clear impact on financial decisions such as stock market participation (Guiso et al., 2008), use of checks instead of cash (Guiso et al., 2004), take-up of insurance products (Karlan et al., 2009; Cole et al., 2013), financial advice (Burke & Hung, 2021; Lachance & Tang, 2012), and use of savings and retirement accounts (Agnew et al., 2013; Galiani et al., 2020; Koh et al., 2021; Maurer et al., 2018; Ricci & Caratelli, 2017). Our study contributes to this literature by showing that trust is also associated with people’s support for policies that disallow unrestricted withdrawals of pension funds in a context of crisis such as the COVID-19 pandemic.

Our findings also speak more generally to the study of “financialization”, i.e., the increasing dominance of the financial sector over the economy. One oft-cited of this literature considers how access to financial assets, like stocks, can change the policy preferences and attitudes toward public spending of individuals (Kaula et al., 2016; Jha & Shayo, 2019; Margalit & Shayo, 2021). Closer to our concerns, “access to credit” appears to drive preferences for redistribution and for publicly-provided safety nets (Mertens, 2017; Hariri et al., 2020; Wiedemann, 2021; Markgraf & Rosas, 2019). While these studies consider financial-market access as a driver of political attitudes, our study offers a useful counterpoint by documenting how political ideology can affect attitudes toward private pension fund access.

Our third contribution is to the study of ideological labels as cues that voters employ to assess alternative policy programs. Because policies that allow early withdrawal from defined-contribution plans are innovative and untested, it is not always obvious how individuals on the left and right of the political spectrum will evaluate such proposals. However, voters often act as “cognitive misers” that use heuristic processes to reduce the informational costs of forming opinions (Fiske & Taylor, 1991; Mondak & McCurley, 1994). Party pronouncements and utterances from conspicuous politicians help citizens form opinions about unprecedented policies. Analyzing the Chilean early withdrawal policy gives us an opportunity to learn whether elite cues matter because President Piñera, the leader of a center-right coalition, took an early position against the policy. Though early withdrawal policies were implemented against a background of prolonged mobilization against pension fund administrators (Maillet & Rozas, 2019; Bril-Mascarénas & Maillet, 2019), they were still drafted under a compressed timeframe. Hence, a finding that voters on the right of the political spectrum oppose them would resonate with the view that cue-taking is central to the process of belief formation. Beyond that, our study helps us understand how early withdrawal policies map on established ideological divides, regardless of the mechanism through which this mapping obtains.

In what follows, we first place Chile’s early-withdrawal proposals in context, emphasizing how these policies might impact the future solvency of the country’s pension system even as they provide short-term relief to those most affected by the COVID-19 pandemic. We then draw on extant literature in finance and political science to develop expectations about the association between political attitudes and beliefs, on the one hand, and support for early withdrawal policies, on the other. In Sections 4 and 5 we summarize the survey instrument on which our analyses are based and we lay out our conclusions about the effects of political attitudes on early-withdrawal policies, which are based on regression models where we control for socio-economic confounders.

Context

The Chilean pension system

In 1980, Chile became one of the first adopters of a fully-funded mandatory defined-contribution system. In its current version, the pension system has three pillars. The first is a poverty alleviation pillar that consists of two types of non-contributory pensions. On the one hand, this pillar provides a “Basic Solidarity Pension” to individuals who do not pay into a mandatory retirement account, who comprise about 60% of the most vulnerable population. On the other hand, this pillar also complements the contributory pensions of those with cumulative retirement savings below a minimum threshold defined by the regulator.

In the second pillar, workers in the formal sector contribute 10% of their monthly taxable income to their retirement accounts. Single-purpose for-profit private pension fund administrators (AFPs, according to their Spanish acronym) manage these accounts. AFPs collect individual contributions, administer personal retirement accounts, distribute pension benefits, purchase disability insurance, and manage the pension funds’ investments. Overall, AFPs provide most of the services associated with Chile’s pensions policy. Chilean workers are free to choose among existing AFPs and can freely switch across AFPs at no monetary cost. The fees charged by AFPs for mandatory contributions are defined as a fraction of the income earned by working affiliates.
The third pillar is voluntary and provides access to different investment vehicles that can increase the amount accumulated in individual pension accounts. This pillar aims to increase pension payouts and enhances the possibility of early retirement. In contrast to the mandatory contributions described above, individuals have the option to invest their mandatory savings with AFPs or with other financial institutions such as banks, brokerage firms, mutual funds, and insurance companies. Contributions to this pillar provide tax advantages for affiliates. As of December 2020, there were 2.1 million affiliates who collectively held assets worth US$12 billion in third-pillar accounts.

### Regulatory changes to allow early withdrawal of pension funds

Early withdrawals constitute the most important and drastic regulatory change in the Chilean pension system since its creation. Before the pandemic, affiliates could only access their pension funds after their retirement. During the pandemic, the Chilean Congress passed three laws that allowed early withdrawal of pension funds for all affiliates with funds in their individual retirement accounts, with no eligibility constraints whatsoever. Affiliates with money in their mandatory individual retirement accounts were allowed to withdraw 10% of their balance with each of the laws. This amount could be neither lower than US$1,250 nor greater than US$5,375. Nearly 3 million affiliates with less than US$1,250 had to withdraw their balance in full. Had all affiliates withdrawn the maximum permitted by the first law, their average withdrawal would have been 44% of their balance (López, 2020).

Table 1 presents aggregate data on these withdrawals. Congress passed the first two laws in July and December of 2020, and approved the third in April 2021. As of January 28, 2022, >98% of affiliates had withdrawn over US$50 billion from their individual retirement accounts. 10.9 million affiliates withdrew funds during the first round, 9.1 million during the second, and 7.8 million during the third. According to the Chilean Bureau of Pensions, as of August 2021, 5.9 million affiliates (34.9%) had depleted their pension savings after the third withdrawal.

These laws made it attractive for all individuals to withdraw their funds regardless of their socio-economic circumstances, which explains the high rate of withdrawals. Low- and mid-income individuals benefitted from the policy because they could withdraw funds and reinvest them in a “second account” (Cuenta 2, in Spanish) in the same AFP where they kept their mandatory savings. For individuals who chose this option, as opposed to a bank account, AFPs had to open and manage the funds in the “second account” for free; furthermore, funds in the “second account” could be withdrawn without penalty at any time, regardless of economic circumstances. In addition, individuals who were credit-constrained or had investment opportunities would benefit from these policies. In the case of higher-income individuals, the first and third laws allowed two additional tax benefits. First, since contributions to mandatory retirement accounts are tax-deductible, but taxed when used as retirement income, future taxes will not be collected on amounts withdrawn early. Second, withdrawals can now be reinvested in third-pillar voluntary retirement savings accounts, which are also qualified for tax exemptions or tax benefits depending on the tax regime chosen by taxpayers. In the second law, withdrawals were considered taxable income for individuals with average monthly earnings greater than US$1,875. Thus, withdrawals remained attractive for individuals with earnings lower than this threshold, while withdrawals for individuals with average monthly earnings above this limit were still attractive because they could be reinvested in tax-exempted voluntary retirement accounts.

Several studies show that withdrawal of pension funds can be beneficial in contexts where individuals need to counter temporary economic disruptions or have attractive investment opportunities, while causing only limited erosion on retirement income (Copeland, 2013; Engelhardt, 2002; Engelhardt, 2003; Hurd & Panis, 2006). However, in the Chilean case, early withdrawal policies compromise the adequacy of pensions, which are already considered to be low. Evidence from the US (Argento, et al., 2015) and Chile (Lorca, 2021) show that the more negative effects of withdrawals are concentrated on vulnerable individuals. Furthermore, early withdrawal laws create a precedent, setting the expectation that individuals can tap their pension funds whenever at their discretion. Indeed, as of December 2021, the Chilean Congress was already discussing a potential fourth withdrawal bill, even though the economy was recovering and other sources of financial support were in place. In the end, the early-withdrawal bills addressed short-term economic needs at the expense of diminishing self-funded pension benefits, placing more political and fiscal pressure on the welfare system. Over 2010–2021, >80% of the revenues of the AFP industry came from the fees they charge on mandatory contributions, and do not depend on the amount of assets they manage. Thus, the financial solvency of the AFP industry was not negatively affected by the early withdrawal policies. On the contrary, since the regulation requires that AFPs hold reserves equivalent to 1% of the funds they manage, which as of 2020 represented 39% of the total assets of the industry, the massive withdrawals increased returns on AFPs’ assets.

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2 Some individuals would avoid this option because they see their mandatory savings accounts as a commitment device that helps them to address their lack of self-control. See for instance Adhara et al. (2006) and Beshears et al. (2020).
Economic and political context of the laws

Prior to the pandemic, Chile experienced a period of growing social and political unrest. In October 2019, student protests against a fare increase in the Santiago subway system triggered a wave of peaceful demonstrations along with violent riots and looting across the country (Somma, et al., 2021; Gonzalez & Le Foulon, 2020; Garces, 2019). These events are the strongest social outburst in Chile since the country’s return to democracy in 1990. Soma et al. (2021) identify three causes behind this unprecedented social mobilization. The first concerns Chile’s economic system, which gives the private sector a primary role in pensions, education, and healthcare that is very poorly evaluated by the population. The second is cultural change, where traditional hierarchies based on gender, sexual orientation, ethnic status, and age are becoming increasingly contested. The third is a political system that is perceived as increasingly elitist and detached from society.

Chile’s pension system has been contested since its inception, and this contestation has given rise more recently to waves of popular mobilization that question its legitimacy (Bhir-Mascarenhas & Mallet, 2019). Still, the system had survived with minimal reforms to its initial design until the beginning of the pandemic. In 2016, thousands of Chileans took to the streets to protest against the pension system and the AFPs. The protests were organized by the social movement No + AFP (“No more AFP”), whose main goal was to eliminate the AFPs and to establish a pension system based on defined benefits and solidarity principles (Mallet & Rosas, 2019). As a result, president Bachelet addressed the country announcing a profound reform to the pension system. However, Bachelet’s reform was not approved by Congress. Since then, the discussion about pension reform has been at the forefront of the political debate, but key actors have not reached an agreement.

The Chilean public has a critical view of the pension system. For instance, a nationally representative survey administered to the adult Chilean population prior to the pandemic (EPS, 2021) asked respondents to rate the overall pension system and AFPs on a scale that goes from 1 (very negative) to 7 (very positive). The pension system was rated with a score of 1.8 and AFPs with a score of 2.0. Another nationally representative survey administered in 2014 reveals that only 16% of the respondents declared having “a great deal” or “quite a lot” of confidence in the AFPs, which made them the fourth-least trusted institution after political parties (9%), Congress (13%), and private health insurance companies (14%). In the same survey, 60% of respondents declared that they either disagreed or strongly disagreed with the statement, “I feel confident that AFPs manage my savings for retirement.” Similarly, 58% said that they were “dissatisfied” or “very dissatisfied” with the service of their AFP, only 9% agreed with the statement, “AFPs have efficiently managed my retirement savings,” and 69% said that AFPs are responsible for the meager level of pensions in the country.3

The pandemic had a large impact on economic activity in 2020. Chile’s national government implemented prolonged quarantines, travel restrictions, school closures, and bans on public gatherings to control the spread of COVID-19. The real gross domestic product (GDP) decreased 5.8 percent with respect to the previous year, employment fell from 9 to 8 million jobs in the same period and the unemployment rate increased to 10 percent. In the second and third quarters of 2020, real GDP fell 14.2% and 9.0% with respect to the same quarters of the previous year. The sectors more severely affected were construction and services, which had a negative impact on investments and household consumption.

The government implemented several measures to help individuals and businesses mitigate the consequences of the pandemic. These included cash transfers, unemployment benefits, loans, and credit guarantees for small- and medium-sized businesses. According to the International Monetary Fund (IMF), the magnitude of government support reached 8.4% of Chile’s GDP, one of the largest public interventions among emerging countries. However, several political leaders considered the first response to the pandemic to be slow and insufficient when compared with the needs of the population and the capacity of the Chilean economy. One of the main criticisms was associated with the targeting of these measures, which was focused on individuals enrolled in the national social registry that could prove that their income fell by at least 30%. In this context, informal workers had no way to document the drop in their income and many were not enrolled in the national social registry.

Overall, the early withdrawal laws were passed in a context of social and political unrest, low levels of satisfaction with the pension system, a weakened economy, and a policy response to the pandemic that many considered slow and insufficient despite its large magnitude.

Literature review and testable hypotheses

When individuals experience financial shocks or have attractive investment opportunities, the ability to tap into their pension funds can increase their welfare. However, free and on-demand access to pension funds compromises retirement savings, already considered to be inadequate for most people. This is especially relevant in a context where individuals have present-biased preferences (Strotz, 1956; Laibson, 1997; O’Donoghue & Rabin, 1999; Frederick, et al., 2002) or display exponential-growth bias, which is the tendency to make linear extrapolations of exponential functions (Stango & Zinman, 2009). In the first case, present-biased individuals will be more likely to withdraw their pension funds because they have a tendency to overweight present consumption relative to future consumption in a dynamically inconsistent way.4 In the second case, individuals will be more likely to withdraw because they underestimate the returns to savings. Beyond these perceptual biases, our main interest is in the role of trust (in the pension system, political leaders, and financial institutions) and political ideology in understanding support for a policy that allows the early withdrawal of pension funds without penalties.

Trust and preferences for early withdrawals

The notion that trust in institutions and policymakers plays an important role in support for policy outputs and, more broadly, for democracy has a long pedigree in the social sciences (Almond & Verba, 1963; Putnam, 1993). There are different understandings of trust and the role it plays, but Easton’s (1965) foundational understanding of trust as a long-term affective predisposition — a “reservoir of goodwill” — is most germane. In this view, trust in institutions and actors comes from a reserve of diffuse support that can withstand even short-term negative assessments about performance. More recently, a growing literature suggests that trust plays a critical role in shaping retirement savings behaviors. For instance, Agnew et al. (2012) find that employees who do not trust financial institutions are more likely to quit automatic enrollment in 401(k) plans in the US. Using survey data for Italy, Ricci and Caratelli (2017) find that trust has a positive influence on both the decisions to enter a private pension scheme or to devote severance pay to a private pension scheme.

More closely related to our paper, Koh et al. (2021) examine the likelihood that Singaporeans cash out a portion of their savings managed by the Central Provident Fund (CPF), the primary government agency

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3 We are not aware of research that documents, let alone explains, a dramatic drop in the level of trust in the Chilean pension system. We do know that nationally representative surveys conducted as early as 2014 already show low levels of trust in AFPs.

4 Admittedly, some individuals that opposed early withdrawals could well have chosen to take advantage of this policy, especially if they could withdraw funds without tax penalty and re-invest them to obtain better returns. Our study concerns attitudes toward reform rather than behavior after reform.
administering Singapore’s social security system. The authors find that older adults who distrust civil servants and bank financial advisors are more likely to withdraw their assets when they turn 55 years old and are able to do so. Furthermore, Maurer et al. (2018) examine how individuals would respond to the opportunity of exchanging part of their Social Security annuities for a lump sum. Based on a nationally representative survey of Americans, the authors conduct an experiment that allows them to choose between an actuarially fair lump sum versus a delayed retirement annuity under Social Security. The authors find that mistrust in the retirement program’s sustainability is associated with a greater likelihood of choosing the lump sum in order to cash out of the Social Security system as early as possible. Similarly, given a lump sum, respondents who are very confident in the program’s sustainability increase their work effort to a lesser degree than those who distrust the system. More broadly, a large and growing body of research shows that trust has a positive impact on financial decisions such as stock market participation (Guiso et al., 2008), use of checks instead of cash (Guiso et al., 2004), financial advice (Burke & Hung, 2021; Lachance & Tang, 2012), take-up of insurance products (Karlan et al., 2009; Cole et al., 2013) and use of savings accounts (Galvani et al., 2020). Based on the findings in this literature, we pose our first hypothesis:

**Hypothesis 1.** Individuals with higher levels of trust in the financial system will be more likely to oppose early withdrawals of pension funds.

**Political ideology and preferences for early withdrawals**

Politicians on the right of the ideological spectrum have fueled the global expansion of market-oriented defined-contribution pension funds in recent decades. These policies fulfill a dual goal. First, defined-contribution pension plans pursue a “fiscal goal”, namely, to secure retirement income for individuals while reducing onerous tax-based public expenditures to support pensions. Second, they promote a “social engineering goal”, which is the creation of an “ownership society” of individuals with access to capital assets, presumably increasing societal support for right-of-center policies (Brooks, 2007; Kerner, 2018).

Though defined-contribution pensions are often promoted by rightist parties, it is harder to tie stances on the specific issue of early withdrawal of pension-fund contributions to the left–right ideological heuristic for two reasons. First, because this policy produces a trade-off between the dual goals of private pensions. On the one hand, allowing early withdrawals threatens the future solvency of individual pension plans, potentially increasing pressure on future governments to increase public support for retirees. On the other hand, disallowing early withdrawals is inconsistent with the notion that “worker-capitalists” should exert control over assets they own, including those they set aside in their pension funds. A consequence of this conundrum is that parties on both the Left and Right have struggled to develop a consistent and coherent stance on early withdrawals. In the end, an overwhelming majority of representatives from center-left and leftist parties voted in favor of early withdrawals in Chile, even though several important political leaders, some of whom had ties to previous left-of-center administrations, conspicuously spoke against the appropriateness of this policy. Similarly, a large majority of members of UDI and RN, on the right of the political spectrum, voted in favor of the early withdrawal bills, underscoring how isolated President Piñera, adamantly against these bills, was in opposing any changes to Chile’s pension system.

Second, communicating a party’s stance on early withdrawals — or any other issue, for that matter — is as important and as difficult as developing a coherent stance in the first place. In politics, the terms “left” and “right” are useful heuristics that allow rational “information misers” in the electorate to form opinions on sundry issues without having to invest time and effort in obtaining information (Fuchs & Klingemann, 1990). Presumably, once political elites develop a coherent stance on a new issue, the left–right heuristic can effectively convey knowledge to the citizenry about the approximate policy positions of different parties (Downs, 1957; Hinich & Munger, 1992; Klingemann & Inglehart, 1976). According to rational-choice understandings of ideology, political elites “bundle” stances on different issues together and use the labels Left and Right to provide ideological cues to citizens that have little time to invest in learning the ins-and-outs of different policy options. The use of Left and Right as cues works as long as elites and voters share an understanding about what these labels stand for. A common criticism of the rational choice approach is that conceptions of left and right are not always shared among citizens, let alone between citizens and elites. In Latin America, in fact, such shared understandings are not extremely developed (Zechmeister, 2006; Luna & Zechmeister, 2010; Kitschelt et al., 2010). Chile was at some point perhaps the one country in Latin America where the labels “left” and “right” played an important role in structuring policy debates (Kitschelt et al., 2010; Crisp et al., 2020). According to Zechmeister and Corral (2010), who analyze public opinion data from various Latin American countries collected in 2008, in Chile there was at least a positive correlation between Left–Right self-placement and an index of support for an active state. Though it is possible that the “policy context” of Left and Right may have eroded over the past decade, we expect the left–right heuristic to retain substantive content in Chile. In our view this suggests as well that those that place themselves on the left of the political spectrum ought to be more supportive of early withdrawal policies. We thus submit the following hypothesis:

**Hypothesis 2.** Individuals who classify themselves on the right of the ideological spectrum will be more likely to oppose early withdrawals of pension funds.

Because President Piñera advocated strongly against this policy reform, we also explore the possibility that his supporters — i.e., those who report voting for him in the 2017 presidential elections — are more adamantly opposed to early withdrawals. In general, Piñera attracted support from individuals on the right of the ideological spectrum. However, the overlap between right-of-center voters and supporters of Piñera is not complete, as there are individuals with conservative economic positions that do not vote for rightist parties. In any case, the importance of policy cues tied to Piñera’s firm opposition to the early withdrawal bills leads us to formulate our last hypothesis:

**Hypothesis 3.** Individuals who voted for the actual president will be more likely to align with his position and oppose early withdrawals of pension funds.

**Survey design and sample**

To understand how trust, ideology, and perceived exposure to the COVID-induced economic shocks affect preferences for early withdrawal of pension funds, we rely on an online survey of the attitudes and opinions of Chilean citizens. The surveys were administered by Netquest and completed by 2,091 respondents between January 11 and 28, 2021. To build the sample, Netquest invited its panellists to participate in our survey based on age, gender, and socio-economic quotas that we requested and that were meant to mirror the distribution of these characteristics in Chile. Details of this sample appear in Appendix A. Here, we emphasize that this is not a national probability sample, but a sample of individuals with access to internet that have accepted an invitation to become Netquest panelists. We have no knowledge of attempts to compare Netquest online samples with national probability

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5 Netquest maintains online survey panels across Latin America that comply with the ISO 26362 standard. Panels are recruited through social media, and once in the panel respondents receive point incentives from Netquest to participate in online samples. Netquest’s panel is not built through probabilistic sampling, but we requested quotas that resembled the national population distribution based on age, gender, and socio-economic status and obtained a sample that is very close to our specifications (see Appendix A for details).
| Main result (ordered probit), raw coefficients |
|-----------------------------------------------|
| (1)   | (2)   | (3)   | (4)   | (5)   | (6)   | (7)   | (8)   |
| Age 26–45 | -0.031 | -0.017 | -0.023 | -0.009 | -0.054 | 0.002 | 0.039 | 0.041 |
|         | (-0.413) | (-0.228) | (-0.300) | (-0.098) | (-0.533) | (0.020) | (0.351) | (0.366) |
| Age 46–65 | -0.183** | -0.124 | -0.129* | -0.162* | -0.118 | -0.125 | -0.029 | -0.016 |
|         | (-2.421) | (-1.609) | (-1.664) | (-1.859) | (-1.188) | (-1.147) | (-0.268) | (-0.144) |
| Age > 65 | -0.535*** | -0.407*** | -0.435*** | -0.465*** | -0.424*** | -0.386** | -0.222 | -0.222 |
|         | (-4.082) | (-3.019) | (-3.228) | (-3.132) | (-2.820) | (-2.541) | (-1.311) | (-1.306) |
| Women = 1 | 0.047 | 0.037 | 0.038 | 0.096 | 0.150** | 0.087 | 0.168** | 0.163** |
|         | (0.869) | (0.676) | (0.697) | (1.571) | (2.235) | (1.418) | (2.282) | (2.207) |
| College = 1 | -0.208*** | -0.181*** | -0.174*** | -0.201*** | -0.211*** | -0.173*** | -0.172** | -0.174** |
|         | (-2.978) | (-3.195) | (-3.237) | (-3.423) | (-3.423) | (3.610) | (3.669) | (3.639) |
| Economic shock = 1 | 0.050** | -0.231** | -0.221** | 0.096 | 0.150** | 0.087 | 0.168** | 0.163** |
|         | (2.717) | (2.567) | (2.436) | (1.860) | (2.699) | (1.818) | (2.087) | (1.964) |
| Employed, full-time = 1 | 0.073 | 0.052 | 0.049 | 0.119 | 0.121 | 0.093 | 0.134 | 0.143 |
|         | (0.970) | (0.677) | (0.627) | (1.411) | (1.281) | (1.093) | (1.301) | (1.379) |
| Employed, part-time = 1 | 0.054 | 0.036 | 0.043 | 0.097 | 0.116 | 0.090 | 0.161 | 0.149 |
|         | (0.616) | (0.404) | (0.479) | (0.985) | (1.053) | (0.895) | (1.308) | (1.212) |
| Unemployed = 1 | 0.246** | 0.223*** | 0.223*** | 0.296*** | 0.355*** | 0.282*** | 0.361*** | 0.360*** |
|         | (3.213) | (2.872) | (2.816) | (3.416) | (3.381) | (3.210) | (3.342) | (3.326) |
| Trust pension system | -0.122*** | -0.091*** | -0.105*** | -0.088*** | (-7.031) | (-4.576) | (-4.418) | (-3.676) |
| Trust institutions | -0.195*** | (-7.621) | (-7.375*** | -0.283*** | -0.271*** |
| Right = 1 | 0.168** | 0.115 | (2.280) | (1.524) | (1.109) |
| Left = 1 | -0.276*** | -1.505*** | -1.266*** | -1.201*** | -1.072*** | -1.367*** | -1.101*** | -1.054*** |
|         | (-10.022) | (-10.958) | (-9.670) | (-8.317) | (-6.482) | (-8.811) | (-5.940) | (-5.551) |
| Constant cut 1 | -0.582*** | -1.017*** | -0.782*** | -0.702*** | -0.582*** | -0.876*** | -0.621*** | -0.571*** |
|         | (-6.365) | (-7.718) | (-6.189) | (-5.020) | (-3.626) | (-5.848) | (-3.444) | (-3.075) |
| Constant cut 2 | 0.175 | -0.036 | 0.204 | 0.304** | 0.389** | 0.146 | 0.397** | 0.453** |
|         | (1.424) | (-0.279) | (1.618) | (2.171) | (2.406) | (0.986) | (2.214) | (2.445) |
| Observations | 2,029 | 2,005 | 1,969 | 1,593 | 1,279 | 1,576 | 1,059 | 1,059 |
| Pseudo R-squared | 0.0216 | 0.0331 | 0.0360 | 0.0344 | 0.0313 | 0.0405 | 0.0414 | 0.0450 |

This table presents raw coefficients of ordered probit regressions. The outcome variable indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). The description of the explanatory variables is in Appendix B. Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis. ***, ** and * indicate the coefficient is significant at the 1%, 5% and 10% respectively.
samples in Chile (or elsewhere), but in one calibration of a similar online panel in the US, the average respondent was slightly less conservative and slightly less prejudiced toward minorities than the average respondent in the American National Election Study, the gold standard in national probability samples in the US (Chandler et al., 2019). Despite obvious concerns about the external validity of our findings, we note that, already in 2017, 87.4% of Chilean households had access to internet, and this proportion was likely higher in 2021 (Brújula. Investigación y estrategia, 2017). Furthermore, conducting face-to-face surveys during the pandemic was extremely difficult.

Table A2 in the Appendix presents descriptive statistics of relevant respondents’ characteristics and attitudes. Though we were not always able to obtain the desired number of respondents for all quotas, we have sufficient numbers within each quota, lessening concerns about undersampling hard-to-reach groups. The median response time in our sample was 16 minutes. The survey included a broad range of questions on understanding of and attitudes toward the COVID-19 pandemic, basic demographic information, and a battery on political predispositions. The outcome of interest is an ordinal variable that indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree), The average score is 3.35, which is approximately 83.8% on a 0–100% scale. Indeed, 86% of the sample agree or strongly agree with early withdrawals.

The survey has a module on trust. Specifically, respondents were asked “On a scale of 1 to 7, where 1 represents ‘no confidence’ and 7 represents ‘very confident,’ how confident are you in the following institutions and people?” Panel A in Appendix Table A3 presents descriptive statistics of the responses for six institutions which include the pension system, banks and the financial system, large companies, the president, the Catholic church, and Evangelical churches. The average score for trust in the pension system is 2.01, or approximately 28.7% on a 0–100% scale. Overall, the level of trust is below 2.8, or 40% on a 0–100% scale, for all institutions. These figures are lower than those reported by Koh et al. (2021), which are in the range of 51%–73% on a 0–100% scale.

Panel B in Appendix Table A3 reports the pairwise correlations of trust variables for the six institutions. Consistent with the idea that trust is a “reservoir of goodwill”, we find that the scores assigned to these institutions are positively correlated. All the correlations are significant at the 99% level and have Cronbach’s Alpha equal to 0.89. Based on these responses we compute the variable “Trust in institutions,” which is the first principal component of the trust scores assigned to the six institutions listed above. This variable is standardized, so it has a mean equal to zero and a standard deviation equal to one. Panel B in Appendix Table A3 shows that this variable is highly correlated with measures of trust in the pension system (86%), large companies (86%), and banks and the financial system (81%).

We also collected two questions that capture an individual’s political attitudes and behaviors. The first one, Left-Right self-placement, is an indicator commonly used in analyses that inspect the ideological underpinnings of policy attitudes. We copied the exact same wording used by the Latin American Public Opinion Project (LAPOP), which is the gold standard. The specific wording of the question is: “In this section, we have a scale from 1 to 10, where 1 corresponds to ‘Left’ and 10 corresponds to ‘Right.’ When people talk about political tendencies, many refer to them with this left/right indication. Following this sentiment of “Left” and “Right,” where would you place your own ideology on the scale?” Based on these self-reported scores we computed three dummy variables: left, center, right. These dummies are equal to 1 for individuals with scores 1–3, 4–7, and 8–10, respectively, and zero otherwise. In our sample, 13% of respondents place themselves on the right, 62% on the center, 25% on the left, and 22% do not report their self-placement. The fraction of non-respondents in the sample is in line with average non-response across countries (Zechmeister & Corral, 2010). Non-responses are coded as missing values. The second question identifies pro-incumbent voters. The specific wording is: “which party did you vote for in the presidential election of 2017?” Based on the response to this question, we define a dummy indicator (Vote for incumbent = 1) for individuals who voted for President Piñera. In our sample, 41% of the respondents voted for the actual president. Non-responses are coded as missing values. This question has 37% attrition, and later on we purport to determine whether our conclusions might be affected by assuming that non-respondents constitute a separate category that cannot be reducible to left, center, or right of the political spectrum.

Results

Main results

Table 2 displays coefficient estimates from eight ordered probit models of support for early withdrawal of pension funds. The outcome variable indicates the degree of agreement with the statement “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”, and takes values for 1 (strongly disagree) to 4 (strongly agree). Column (1), which only includes controls for socioeconomic confounders, provides a useful baseline for comparison. We note that unemployed individuals, those that live in larger households, and those that report suffering an economic shock (i.e., a loss of income and/or wealth) are positively predisposed toward early withdrawal policies. We also observe that college-educated individuals tend to oppose early withdrawal policies. More generally, older individuals are less supportive of early withdrawal policies; compared with the baseline group of 18 to 26 year old respondents, individuals short of retirement age (46–65) are less likely to support early withdrawals, while citizens older than 65 are even more opposed to such policies. All of these correlations remain fairly stable through alternative specifications in Table 2, with the exception of “female”, which is positive and statistically significant only when we control for reported vote choice.

Our main interest is in the effect on early withdrawals of trust in the pension, financial and political systems, on the one hand, and of political ideology and attitudes, on the other. We argue that individuals vary in the amount of goodwill that they hold toward public institutions, and that those that display lower levels of trust will prefer to withdraw the funds in their individual retirement accounts presumably because they worry about the credibility of long-term commitments. In line with this hypothesis, the results of columns (2) and (3) suggest that citizens that

6 Of note, self-reported employment status suggests that 29% of respondents were unemployed at the moment of sampling, though the highest official unemployment rate reported by Chile’s National Institute of Statistics (INE) during the pandemic was a much lower 13.1% in May-July 2020. We believe that some inactive individuals or some that are partially-employed, furloughed, or self-employed in the informal market may have identified as unemployed in the survey. 49% of respondents in the survey self-identify as fully or partially-employed, which is more or less in line with the rate of employment reported by INE, which dropped to about 45% by May-July 2020 (from 52.7% in February-April 2020). Note that INE considers that a person is employed if she worked in exchange for at least one hour during the week prior to the survey. Data are from https://www.ine.cl/estadisticas/social/es/mercado-laboral/ocupacion-y-desocupacion, last checked on July 5, 2022.

7 Most notably, individuals with high levels of education are overrepresented in the sample.

8 We did not distinguish in our questionnaire between vote choice in the first and second presidential rounds, where Piñera gathered, respectively, 36.6% and 54% of the votes.

9 Our main results hold quantitative and qualitatively when using an ordered logit model (see Appendix Table C1).
declared higher levels of trust in the Chilean pension system and in Chilean political institutions are both less likely to support early withdrawals. Both attitudes are statistically significant predictors of support for early withdrawals, which is not surprising given that individuals’ trust orientations are highly correlated (0.86).

Columns (4) and (5) provide estimates of the association between political attitudes and behaviors on approval of early withdrawals. Based on the importance of defined-contribution pension systems within the political platform of rightist parties as well as on President Piñera’s animosity against all early withdrawal initiatives, we expect to find systematically lower support for early withdrawal among rightist voters. In Model (4) we sort respondents based on their self-reported political ideology into three groups: leftists (those that report a Left-Right score between 1 and 3), centrists (4–7) and rightists (8–10). Compared with centrists, who are the baseline category, those on the right of the political spectrum are much less likely to support early withdrawals. In contrast, self-declared leftists are somewhat more likely than centrists to agree that early withdrawals are appropriate.

Because individual respondents may assign different meanings to the concepts of Left and Right, ideological self-placement scores may introduce measurement error that would bias coefficient estimates downwards toward 0. For this reason, in column (5) we include an alternative covariate, respondents’ recollections of whether they voted for President Piñera during the 2017 election. President Piñera’s candidacy was supported by a center-right coalition, Chile Vamos, which suggests that those that supported him would be predisposed to oppose early withdrawals. In addition, Piñera advocated heavily against all attempts to allow early withdrawals, providing cues to his most devoted followers about the appropriateness of such policies. It is in fact the case that those that recall voting for Piñera are systematically less likely to support early withdrawals.

We include columns (6) through (8) as checks on the robustness of our results where we include both trust and political attitude items simultaneously. At the moment we fielded the survey, a center-right coalition was in power, and rightist voters reported higher levels of trust in the pension system, with a pairwise correlation between ideology and trust equal to 0.26. When we include trust alongside ideological self-placement, the substantive magnitude of these coefficients is somewhat reduced, but both trust and self-placement on the right of the political spectrum remain statistically significant at conventional levels. The correlation between trust in the pension system and left self-placement is −0.21. The strength of this correlation is such that whenever we include trust alongside an indicator of left self-placement, the
estimated coefficient on the latter covariate loses statistical significance (columns (6) and (8)). This means that we can no longer ascertain that the attitudes of leftist voters regarding early withdrawals are systematically different from the attitudes of centrist voters.

Appendix C2 reports the marginal effect of a change in each of the covariates on the probability that respondents choose each of the four possible categories of the outcome variable (strongly disagree, disagree, agree, and strongly agree). These effects are based on the coefficients from column (6) in Table 2, and they correspond to a typical respondent. We find that a one-point increase in a typical respondent’s trust in the pension system decreases the probability that she will strongly agree with the early withdrawal policy by 3.5%. The same change on the trust score increases the probability that the individual will strongly disagree with the early withdrawal policy by 0.7%. Fig. 1 shows how support for early withdrawals wanes substantively as the level of trust in the Chilean pension system of a typical citizen increases. The marginal effects were estimated locally at each of the values of the trust index (1, 2, ..., 7). We find that going from 1 to 7 in the level of trust in the pension system decreases in 21.4 percentage points (−54.5%−33.1%) the probability of strong agreement with the early withdrawal policy. Likewise, an increase from 1 to 7 in the trust score increases by 8.2 percentage points (−14.5%−6.2%) the probability that our typical respondent will disagree strongly with the early withdrawal policy.

We also find that support for early withdrawals is strongly correlated with political ideology. Appendix C2 shows that individuals on the right of the political spectrum are 11.1 percentage points less likely than centrists to strongly agree with an early withdrawals policy and 2.9 percentage points more likely than centrists to strongly disagree with an early withdrawals policy. Fig. 2 shows that individuals on the right of the political spectrum are 15.8 percentage points (−43.4% − 59.2%) less likely than leftists to strongly agree with an early withdrawal policy. In contrast, those on the right of the political spectrum are 4.8 percentage points (−9%–4.2%) more likely than leftists to strongly disagree with an early withdrawal policy.

Appendix C2 also shows the marginal effect of other covariates. Compared with individuals between 18 and 25 years old, those who are 65+ are 15.2 percentage points less likely to strongly agree with the early withdrawal policy and 4.3 percentage points more likely to strongly disagree with such policy. Similarly, the unemployed are 10.3 percentage points more likely to strongly agree and 1.8 percentage points less likely to strongly disagree with the early withdrawal policy. Individuals who experienced an economic shock are 5.2 percentage points more likely to strongly agree and 1.2 percentage points less likely to strongly disagree with the withdrawal policy. One additional household member increases by 3.1 percentage points the probability of strongly agreeing — and decreases by 0.7 percentage points the probability of strongly disagreeing — with early withdrawals.

**Discussion and robustness checks**

*Attrition in self-reported political ideology*

The attrition rate for the ideological self-placement question is 21.6% (451 individuals). However, the socio-economic characteristics of respondents that decline to place themselves on a left–right scale are, for the most part, not systematically different from those of respondents that answer this question. There are a couple of exceptions, though. Those that decline to self-place on the left–right scale are slightly younger (42 vs 39 years) and, more importantly, they report slightly lower degrees of trust in financial and political institutions. Though group differences in these factors are statistically significant, the substantive magnitudes of these differences are only small, as can be seen in Appendix C3. Those that decline to self-place ideologically may do so for any number of reasons — perhaps because they feel alienated, or maybe because they consider their own views to be extreme. In this case, the correlation between self-right-left-placement and opinions on early withdrawal policies may be badly estimated. It stands to reason that estimates of trust could also be biased, given that levels of trust are lower among those that do not reveal their ideological views.

Barring more precise knowledge about the exact reasons why respondents may decline to reveal their self-placements, one potential way of limiting the possibility of bias is to include in the predictor set a separate category for these respondents. Such specifications appear in Appendix C4, where we include an indicator for respondents that choose not to volunteer a left–right self-placement. Our substantive conclusions hold even after inclusion of a “non-response” predictor, and we can furthermore ascertain that the views about early withdrawal within this group are not systematically different than the views of centrists. Though we cannot eliminate the possibility that some unidentified factor drives the decision not to report self-placement, it seems that the policy views of this group are not that different from those of the mainstream.

*Perceptions about exposure to COVID-19*

Similarly, one could posit that opinions about early withdrawal policies are systematically linked to perceptions about how likely respondents are to be exposed to COVID-19. If, in addition, such perceptions were to affect an individual’s level of trust or even her ideological self-placement, failure to control for these perceptions would also threaten inferences about the association between trust and ideology, on the one hand, and policy views, on the other. We believe that it is actually more likely that perceptions about exposure to COVID-19 are driven by trust in institutions than the other way around; furthermore, in other countries, particularly in the United States, there is ample evidence that political ideology drives perceptions about COVID-19. Under these circumstances, it would be inappropriate to control for perceptions, as these should be characterized as “post-treatment factors” (Angrist & Pischke, 2008).

Be this as it may, we include in Appendix C5 models with additional controls for respondents’ perceptions about their likelihood of contracting COVID-19. In consecutive models, we include respondents’ confidence in their knowledge of how to prevent contagion, as well as their self-assessments on their relative risk of contagion compared to neighbors, relatives, and other individuals in their city. None of these items have a discernible effect on views on early withdrawal policies. More importantly, none of these models change our main inferences about the effects of trust and ideology.

*Perceptions about authorities’ response to the pandemic*

Similarly, one could argue that the association between trust and ideology, on the one hand, and early withdrawal policy views, on the other, may be confounded by respondent perceptions about the ability of

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10 The correlations we report here are between levels of trust in the pension system and indicator variables for “leftist” and “rightist” voters. These statistics suggest that the original indicators are very highly correlated, and thus introduce potential concerns about multicollinearity. However, correlations among the original untransformed indicators — trust in the pension system, vote for Piñera, and self-placement on a 10-point left-right scale — dispel concerns about multicollinearity: Pensions and Vote (0.243), Pensions and Left-Right (0.066), Vote and Left-Right (0.072).

11 A woman without college education employed full time, between 26 and 45 years old, living in a household with 3.6 members (sample mean), that has experienced an economic shock associated with the pandemic, expresses a score of 2 in her level of trust in the Chilean pension system (sample mean), and self-identifies as a centrist in the left-right scale.
Our conclusions about trust and ideology.

policies. More importantly, including these predictors leaves unchanged the robustness checks. We add, one at a time, questions on general sources of information about COVID-19, confidence in the ability of, respectively, city, region, and national authorities to implement effective pandemic strategies, and opinions on the trustworthiness of scientists and public health experts. Respondents that opine that regional and government authorities have implemented effective strategies and that evidence provided by scientists and public health experts is trustworthy are more likely to support early withdrawal policies. More importantly, including these predictors leaves unchanged our conclusions about trust and ideology.

Sources of information during the pandemic

We address an additional concern about the potential that individuals’ trust and political attitudes as well as their views on early withdrawal policies may be influenced by “echo chamber” effects derived from tuning into specific sources of information. For this purpose, we include in Appendix C7 one final set of specifications in which we add, one at a time, questions on general sources of information about COVID-19 (TV, Internet, social networks, or family and friends) and on specific content providers (Facebook, Twitter, WhatsApp, Instagram, and YouTube). None of these controls changes our conclusions about how trust and self-placement on the right of the political spectrum are associated with support for early withdrawal policies. For the most part, these indicators fail to predict respondents’ policy views, except for logging into Facebook to obtain news about COVID-19, which increases the propensity to support early withdrawal policies.

Financial incentives associated with the structure of the pension system

The existence of a poverty alleviation pillar that supplements pensions can affect the attitudes towards withdrawals from individuals who rely more heavily on these benefits. Specifically, individuals who trust institutions or declare themselves as rightists can be more likely to have a higher savings balance and be less likely to receive government supplements, which would suggest overestimation of the parameters associated with trust and political attitudes/beliefs. Lack of any information on amounts saved in pension accounts, we conduct two alternative robustness checks. First, we include a set of interactions between age dummies and a college indicator. We expect younger individuals without college education to be more supportive of early withdrawal policies as they are more likely to rely on benefits from the poverty alleviation pillar when they retire. The results of Appendix C8 – Panel A do not support this idea and we note that the estimated coefficients for trust and political ideology remain unaltered. Second, women are also more likely to contribute less to the second pillar (fully funded) and could be keener to support an early withdrawal policy; here, again, we include a set of interactions between age dummies and an indicator for female respondents. The results of Appendix C8 – Panel B do not support this idea and our coefficients of interest for trust and political ideology do not change.

Conclusion

As a response to the COVID-19 pandemic, the Chilean Congress approved three early withdrawals of pension funds without any eligibility constraints or penalties in less than a year. This was a remarkable regulatory change because, since the inception of the system in 1981, affiliates were not allowed to make withdrawals under any circumstances until they reached the retirement age. As is well known, pension privatization irradiated from Chile and eventually diffused across Latin America in the 1990s (Brooks 2007; Weyland, 2005). These countries now find themselves in similar dire straits. As Chile has now again pioneered a drastic policy change to allow early withdrawals from pension funds to cope with an economic shock, it remains to be seen whether similar arrangements emerge elsewhere in the region. Before COVID-19, both Mexico and Peru allowed limited early withdrawal of pension funds under very specific conditions. In response to the pandemic, Peru expanded access to early withdrawals, and similar proposals have been discussed elsewhere in the region and around the world as well (Australia, Kosovo, and even the United States have also allowed early withdrawals from pension funds). This time around, it is more accurate to see early withdrawal policies as a similar response to a common policy shock than as a process of diffusion promoted by ideational change in policy circles. In fact, contrary to what happened in the 1990s when the World Bank advocated the shift to private pension systems, this time around international financial institutions are advising restraint, underscoring that such early withdrawals provide succor mainly to those in the formal economy while jeopardizing the long-term solvency of public finances (e.g. Bosch et al., 2020). Under these circumstances, giving individuals the choice to liquidate their financial assets is consistent with a view that grants maximum autonomy to citizens to make their own economic decisions. However, in the long run, early withdrawal policies will be harmful to individuals with lack of financial literacy and present-biased preferences, especially if they are not aware of such biases.

In this paper, we examine the factors associated with Chileans’ assessments about the suitability of early withdrawal policies in the context of the pandemic, with a particular focus on trust and political ideology. We use nationwide survey data to examine the factors associated with people’s support of this policy in the context of the pandemic, with a particular focus on trust and political ideology. We find that respondents that declare high levels of trust in Chile’s financial system and political institutions and actors tend to oppose early withdrawal policies. Likewise, respondents on the right of the political spectrum and those that voted for the president in office also declare opposition to early withdrawal. Overall, our findings suggest that political attitudes and beliefs were important drivers of policy views on changes to Chile’s pension-fund system.

These findings add to extant knowledge in a number of research programs. First, we are aware of the central role that trust plays in explaining the financial behavior of individuals. Not only are those that place ample trust in institutions more likely to buy stocks, use checks rather than cash in their transactions, or buy insurance, they are also more likely, at least in the case of Chile, to support continuation of pension policies that force individuals to preserve their savings intact for old age. Second, a growing literature suggests that access to financial assets is consistent with a view that grants maximum autonomy to citizens to make their own economic decisions. However, in the long run, early withdrawal policies will be harmful to individuals with lack of financial literacy and present-biased preferences, especially if they are not aware of such biases.

Admittedly, our study is limited by use of observational data from a balanced sample of Chilean respondents. Our respondent sample was recruited online and skews toward higher socio-economic status, which suggests that the preferences and attitudes of those with larger savings in their pension funds may be slightly overrepresented. However, a

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12 We appreciate the advice of the anonymous reviewers who pushed us to think about this alternative explanation.
relatively large sample along with the possibility of controlling for potential socio-economic confounders in our analyses diminish concerns about limits to external validity. Future work can further illuminate the role of trust and political ideology in the formation of policy preferences surrounding pension plans by investigating the mechanisms that we presume are at play. For example, we speculate that trust in institutions matters because it embodies credibility that AFPs will be in a position, decades down the line, to return valuable assets to cover consumption expenses during an individual’s waning years. The credibility channel could be explored by eliciting individual assessments about the likelihood that their AFP will return assets of different magnitudes. After all, it may well be that trusting individuals are simply more gullible, and have not stopped to reflect on how likely it is that AFPs will survive without going bankrupt. Similarly, the role of elite cues on preference formation regarding pension policy can be probed by designing experiments where respondents are subject to different frames. These frames could vary information about the ideology (left, right, or center) of a politician making recommendations about the benefits and costs of early withdrawal policies. If our conjectures about the importance of elite cues in Chile’s early withdrawal debate are correct, we should observe that respondents will gravitate toward the policy views of the politician with whose ideology they more closely identify.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Appendix A. Data and descriptive statistics

We calculated desired quotas based on the joint distribution of age, gender, and socio-economic status in the 2018/2019 Latin American Public Opinion Project survey for Chile (LAPOP, administered by AmericasBarometer at Vanderbilt University). We did this as a matter of convenience, as the design of LAPOP’s national probability sample is representative of the voting age population at the national level per Chile’s 2017 census. Though we aimed to mirror LAPOP’s joint distribution of age, gender, and socio-economic status as closely as possible, we could not ensure one-to-one

Table A1

| Gender | Age | Socio economic status | Desired distribution | Desired quota | Actual delivery | Actual over desired |
|--------|-----|-----------------------|----------------------|---------------|----------------|---------------------|
| Male   | 55+| High                  | 0.002                | 40            | 56             | 2.00               |
| Male   | 55+| Medium                | 0.053                | 199           | 134            | 1.02               |
| Male   | 55+| Low                   | 0.044                | 145           | 168            | 0.65               |
| Male   | 36-54| High                | 0.05                 | 49            | 43             | 0.51               |
| Male   | 36-54| Medium              | 0.088                | 134           | 140            | 1.02               |
| Male   | 36-54| Low                  | 0.033                | 179           | 180            | 0.96               |
| Male   | 18-35| High                 | 0.079                | 57            | 42             | 1.70               |
| Male   | 18-35| Medium               | 0.11                 | 151           | 134            | 1.56               |
| Male   | 18-35| Low                  | 0.019                | 201           | 195            | 0.97               |
| Female | 55+| High                  | 0.02                 | 48            | 43             | 1.13               |
| Female | 55+| Medium                | 0.038                | 129           | 111            | 0.98               |
| Female | 55+| Low                   | 0.057                | 178           | 94             | 1.11               |
| Female | 36-54| High                 | 0.044                | 50            | 23             | 0.78               |
| Female | 36-54| Medium               | 0.101                | 135           | 142            | 0.99               |
| Female | 36-54| Low                  | 0.036                | 181           | 179            | 1.18               |
| Female | 18-35| High                 | 0.093                | 57            | 63             | 0.63               |
| Female | 18-35| Medium               | 0.098                | 145           | 152            | 0.85               |
| Female | 18-35| Low                  | 0.016                | 194           | 192            | 1.11               |
| Total  |    |                       |                      | 2182          | 2091           |                    |

Table A2

Descriptive statistics of the sample.

| Variable | Mean   | SD    | Min  | Max  | N   |
|----------|--------|-------|------|------|-----|
| Agreement with early withdrawals (score, 1 = strongly disagree, 4 = strongly agree) | 3.35   | 0.87  | 1    | 4   | 2,087 |
| Agree/strongly agree with early withdrawals – 1 | 0.86   | 0.35  | 0    | 1   | 2,087 |
| Age 26-45 | 0.43   | 0.50  | 0    | 1   | 2,085 |
| Age 46-65 | 0.35   | 0.48  | 0    | 1   | 2,085 |
| Age > 65  | 0.05   | 0.22  | 0    | 1   | 2,085 |
| Women = 1 | 0.52   | 0.50  | 0    | 1   | 2,091 |
| College = 1 | 0.30   | 0.46  | 0    | 1   | 2,062 |
| Postsecondary education but not college | 0.38   | 0.49  | 0    | 1   | 2,062 |
| SEL - High | 0.13   | 0.34  | 0    | 1   | 2,091 |
| SEL - Mid  | 0.39   | 0.49  | 0    | 1   | 2,091 |
| SEL - Low  | 0.48   | 0.50  | 0    | 1   | 2,091 |
| Household size (number) | 3.65   | 1.38  | 1    | 7   | 2,068 |
| Employed, full-time – 1 | 0.56   | 0.48  | 0    | 1   | 2,091 |
| Employed, part-time – 1 | 0.13   | 0.34  | 0    | 1   | 2,091 |
| Unemployed = 1 | 0.30   | 0.46  | 0    | 1   | 2,091 |
| Lost primary job – 1 | 0.25   | 0.43  | 0    | 1   | 2,091 |
| Kept primary job, but took a pay cut – 1 | 0.09   | 0.29  | 0    | 1   | 2,091 |
| Lower income from secondary jobs – 1 | 0.31   | 0.46  | 0    | 1   | 2,091 |
| Higher expenses – 1 | 0.30   | 0.46  | 0    | 1   | 2,091 |
| Income of one or more of the people with whom you share expenses has decreased – 1 | 0.30   | 0.46  | 0    | 1   | 2,091 |

(continued on next page)
This table presents descriptive statistics of the main variables of the sample. The definition of these variables is in Appendix B.

correspondence across categories used by LAPOP and Netquest. In particular, Netquest builds its own socio-economic status (SEL) scores by awarding points to households based on number of members, household income, and levels of education. Lacking household information in LAPOP, we assumed that those with a completed high school education in the LAPOP survey would mostly be in Netquest’s high SEL category, those who started high school in the middle category, and those who only completed secondary education in the low category. This decision led to some overrepresentation of older adults with high socio-economic status in our sample, particularly among males (see Table A1).

In requesting that the joint distribution of age, socio-economic status, and gender in our online sample resembled the LAPOP distribution, our purpose was to obtain a balanced sample in terms of crucial social characteristics, rather than a truly representative sample of Chile’s voting age population. A truly representative sample would have been unattainable anyway in an online survey. By definition, Netquest’s panelists need to be able to connect to the internet, whether by ethernet or by phone, which means we are not sampling from the entire voting age population. However, Chile boasts one of Latin America’s largest shares of internet penetration (internet users/population), at 82.3%, behind Argentina, Costa Rica, and Uruguay (https://www.internetworldstats.com/stats10.htm); admittedly, many individuals, especially older adults of lower socio-economic status are less likely to be adequately represented among panelists. Again, though, this specific challenge proved to be less consequential in Chile. When we submitted our request, Netquest had 145,697 verified panelists (Netquest follows the ISONorm 26362 to calculate the number of panelists); admittedly, many individuals, especially older adults of lower socio-economic status are less likely to be adequately represented among panelists. Again, though, this specific challenge proved to be less consequential in Chile. When we submitted our request, Netquest had 145,697 verified panelists (Netquest follows the ISONorm 26362 to calculate the number of panelists);

We purported to sample about 2,100 respondents broken down by gender, age, and SEL score as in column (4) of Table A1. The survey obtained

## Table A3

Descriptive statistics for respondents’ trust in the pension system and institutions.

| Panel A: Descriptive Statistics |
|----------------------------------|
| **Mean** | **SD** | **Min** | **Max** | **N** |
| Trust in pension system | 2.01 | 1.48 | 1.00 | 7.00 | 2,091 |
| Trust in large companies | 2.11 | 1.46 | 1.00 | 7.00 | 2,087 |
| Trust in banks and the financial system | 2.72 | 1.58 | 1.00 | 7.00 | 2,064 |
| Trust in the Catholic church | 2.12 | 1.56 | 1.00 | 7.00 | 2,091 |
| Trust in Evangelical churches | 2.11 | 1.64 | 1.00 | 7.00 | 2,065 |
| Trust in the president | 2.19 | 1.69 | 1.00 | 7.00 | 2,081 |
| Trust in institutions | 0.00 | 1.00 | −1.00 | 3.97 | 2,018 |

| Panel B: Correlations |
|------------------------|
| **Mean** | **SD** | **Min** | **Max** | **N** |
| Trust in pension system | 1.00 | | | |
| Trust in large companies | 0.69 | 1.00 | | |
| Trust in banks and the financial system | 0.61 | 0.64 | 1.00 | |
| Trust in the Catholic church | 0.47 | 0.43 | 0.46 | 1.00 | |
| Trust in Evangelical churches | 0.39 | 0.38 | 0.42 | 0.47 | 1.00 | |
| Trust in the president | 0.58 | 0.59 | 0.50 | 0.43 | 0.35 | 1.00 | |
| Trust in institutions | 0.86 | 0.86 | 0.81 | 0.66 | 0.59 | 0.75 | |

This table presents descriptive statistics of trust variables considered in the study. Pairwise correlations reported in Panel B are statistically significant at the 1%. The description of the variables is in Appendix B.
exempt status from the Institutional Review Board (IRB) at Washington University in St. Louis (study #202007185). Netquest circulated invitations to participate in the survey based on the quotas we requested (column (5), Table A1). Among those invited, 2,762 read our informed consent disclosure, 2,445 gave consent, and 2,091 finished the survey. The latter group (column (6) in Table A1) constitutes the sample on which we base our analysis. Column (7) in Table A1 shows the distance between desired and actual quotas. Notice that we only obtained about 60% of desired responses in the categories male/adult over 55/low SEL and female/adult younger than 35/high SEL. Furthermore, for the category male/adult between 35 and 55/ high SEL we reached only 50% of the desired quota.

Appendix B. Variable descriptions

| Variable | Description |
|----------|-------------|
| Agreement with early withdrawals (score, 1= strongly disagree, 4 = strongly agree) | This categorical variable indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any penalty.” This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). |
| Agree/strongly agree with early withdrawals – 1 | This dummy variable takes the value 1 for individuals who agree or strongly agree with the following statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any penalty.” This dummy is equal to zero for those who disagree or strongly disagree. |
| Age 26–45 | Dummy = 1 if age is between 26 and 45 and zero otherwise. |
| Age 46–65 | Dummy = 1 if age is between 46 and 65 and zero otherwise. |
| Age > 65 | Dummy = 1 if age is over 65 and zero otherwise. |
| Women | Dummy = 1 if the respondent is a woman and 0 otherwise. |
| College | Dummy = 1 if the respondent has college or graduate studies and 0 otherwise. |
| SEL High, Mid and Low | Netquest defines socio-economic categories based on a model developed by the Asociación Investigadores de Mercado (AB, C1a, and C1b), the two lowest categories as “low socioeconomic status” (D and E), and the two intermediate categories as “medium socioeconomic status” (C2 and C3). |
| Household size (number) | Number of individuals who live in the household of the respondent. |
| Employed, full-time | Dummy = 1 if the respondent has a full-time job and 0 otherwise. |
| Employed, part-time | Dummy = 1 if the respondent has a part-time job and 0 otherwise. |
| Unemployed | Dummy = 1 if the respondent is unemployed and looking for a job, and zero otherwise. |
| Lost primary job = 1 | These are dummies equal to 1 for individuals who experienced any conditions in the following statement and 0 otherwise: “Please indicate if you have undergone any of the following circumstances due to COVID-19 (Mark all that apply). [Lost primary job/Kept primary job, but took a pay cut/Lower income from secondary jobs/Higher expenses/Income of one or more of the people with whom you share expenses has decreased]”. |
| Kept primary job but took a pay cut = 1 | Economic shock is a dummy that takes the value 1 for individuals who experienced any of these conditions. |
| Lower-income from secondary jobs = 1 | Measures of trust obtained from the scores that respondents assign to these institutions in the following question “On a scale of 1 to 7, where 1 represents ‘no confidence’ and 7 represents ‘very confident,’ how confident are you in [the pension system/banks and financial institutions/large corporations/the president/catholic church/evangelical church]?” |
| Higher expenses = 1 | This variable is the principal component of the trust scores assigned to the six institutions listed above. |
| Income of one or more of the people with whom you share expenses has decreased = 1 | |
Appendix C. Robustness checks

Tables C1–C8.

Table C1
Main result based on ordered logit models.

| Variable | Description |
|----------|-------------|
| The Government has implemented effective strategies to control the pandemic | Based on the following question: “The government of my country has implemented effective strategies to control the COVID-19 pandemic,” this variable takes values 1 (Strongly agree), 2 (Agree), 3 (Disagree), and 4 (Strongly disagree). |
| Evidence provided by scientists and public health experts in my country about COVID-19 is trustworthy | Based on the following question: “The evidence provided by scientists/researchers and public health experts in my country about COVID-19 is trustworthy,” this variable takes values 1 (Strongly agree), 2 (Agree), 3 (Disagree), and 4 (Strongly disagree). |
| Use TV to stay informed about the pandemic – 1 | These dummies are based on the following survey question: “What sources do you use to stay informed about the spread of COVID-19? [TV / Internet / Social Media / Family and friends]” Each variable takes the value 1 when the respondent selects that alternative and zero otherwise. |
| Use Internet to stay informed about the pandemic – 1 | |
| Use social networks to stay informed about the pandemic – 1 | |
| Considers family and friends to stay informed about the pandemic – 1 | |
| Facebook – 1 | |
| Twitter – 1 | |
| WhatsApp – 1 | |
| Instagram – 1 | |
| YouTube – 1 | |

This table presents raw coefficients of ordered logit regressions. The outcome variable indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis. *** and ** indicate the coefficient is significant at the 1%, 5% and 10% respectively.
Table C2
Main results – Marginal effects.

|                         | (1) | (2) | (3) | (4) |
|-------------------------|-----|-----|-----|-----|
|                         | Pr[y = strongly disagree] | Pr[y = disagree] | Pr[y = agree] | Pr[y = strongly agree] |
| Age 26–45               | 0.000 | 0.000 | 0.000 | 0.001 |
|                         | (0.98) | (0.98) | (0.98) | (0.98) |
| Age 46–65               | 0.011 | 0.012 | 0.026 | -0.049 |
|                         | (0.20) | (0.18) | (0.14) | (0.16) |
| Age > 65                | 0.043* | 0.040** | 0.069*** | -0.152** |
|                         | (0.07) | (0.02) | (0.00) | (0.01) |
| Women – 1               | -0.008 | -0.008 | -0.018 | 0.034 |
|                         | (0.17) | (0.16) | (0.16) | (0.16) |
| College – 1             | 0.016** | 0.017*** | 0.025*** | -0.068*** |
|                         | (0.01) | (0.01) | (0.01) | (0.01) |
| Household size (number) | -0.007*** | -0.007*** | -0.017*** | 0.031*** |
|                         | (0.00) | (0.00) | (0.00) | (0.00) |
| Economic shock – 1      | -0.012* | -0.013* | -0.027* | 0.052* |
|                         | (0.10) | (0.08) | (0.07) | (0.07) |
| Employed, full-time – 1 | -0.008 | -0.009 | -0.019 | 0.036 |
|                         | (0.29) | (0.28) | (0.27) | (0.28) |
| Employed, part-time – 1 | -0.007 | -0.008 | -0.019 | 0.034 |
|                         | (0.34) | (0.35) | (0.38) | (0.36) |
| Unemployed – 1          | -0.018*** | -0.022*** | -0.063*** | 0.103*** |
|                         | (0.00) | (0.00) | (0.00) | (0.00) |
| Trust pension system    | 0.007*** | 0.008*** | 0.019*** | -0.035*** |
|                         | (0.00) | (0.00) | (0.00) | (0.00) |
| Right – 1               | 0.029*** | 0.029*** | 0.054*** | -0.111*** |
|                         | (0.01) | (0.00) | (0.00) | (0.00) |
| Left – 1                | -0.008 | -0.010 | -0.025 | 0.043 |
|                         | (0.12) | (0.12) | (0.13) | (0.12) |

This table presents the marginal effect of a change in each of the covariates reported in Equation (6) from Table 2 on the probability that respondents strongly disagree (Column (1)), disagree (Column (2)), agree (Column (3)) or strongly disagree (Column (4)) with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty,” respectively. These marginal effects are computed for a woman that has college education, her age is between 26 and 45 years, lives in a household with 3.6 members (sample mean), experienced an economic shock associated with the pandemic, is full-time employed, graded with a score of 2 her level of trust in the Chilean pension system (sample mean) and self-identifies with a score between 4 and 7 (center) in the left–right scale. In the case of dummy variables, the probability change is computed with respect to a discrete change in the covariate. The description of the explanatory variables is in Appendix B. Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis. ***, ** and * indicate the coefficient is significant at the 1%, 5% and 10% respectively.

Table C3
Descriptive statistics for respondents who self-place in the right-left scale and those who do not.

|                                | Provides response | Does not respond |
|--------------------------------|-------------------|------------------|
|                                | Mean   | SD    | Mean   | SD    | t-test |
| Agreement with early withdrawals (score, 1 = strongly disagree, 4 = strongly agree) | 3.34   | 0.87  | 3.38   | 0.89  | -0.84  |
| Age                            | 42.25  | 15.29 | 38.98  | 14.97 | 4.08   |
| Women – 1                      | 0.52   | 0.50  | 0.54   | 0.50  | -0.90  |
| College – 1                    | 0.31   | 0.46  | 0.24   | 0.43  | 3.06   |
| Household size (number)        | 3.62   | 1.38  | 3.74   | 1.36  | -1.69  |
| Employed, full-time – 1        | 0.36   | 0.48  | 0.36   | 0.48  | -0.11  |
| Employed, part-time – 1        | 0.13   | 0.33  | 0.14   | 0.35  | -0.82  |
| Unemployed – 1                 | 0.30   | 0.46  | 0.29   | 0.45  | 0.32   |
| Lost primary job – 1           | 0.25   | 0.43  | 0.27   | 0.44  | -0.76  |
| Kept primary job, but took a pay cut – 1 | 0.09   | 0.29  | 0.10   | 0.30  | -0.43  |
| Higher expenses – 1            | 0.31   | 0.46  | 0.32   | 0.47  | -0.31  |
| Lower income from secondary jobs – 1 | 0.30   | 0.46  | 0.29   | 0.46  | 0.31   |
| Income of one or more of the people with whom you share expenses has decreased – 1 | 0.30   | 0.46  | 0.30   | 0.46  | 0.19   |
| Economic shock – 1             | 0.81   | 0.39  | 0.81   | 0.40  | 0.01   |
| Trust pension system           | 2.06   | 1.51  | 1.82   | 1.34  | 3.24   |
| Trust institutions             | 0.04   | 1.02  | -0.15  | 0.92  | 3.68   |
| Voted for current president – 1 | 0.41   | 0.49  | 0.41   | 0.49  | -0.04  |
Table C4

Main results coding missing self-reports on political ideology as baseline category.

| Variables                          | (1)       | (2)       | (3)       | (4)       | (5)       |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Age 26-45                          | -0.013    | -0.006    | -0.007    | -0.004    | -0.001    |
|                                    | (-0.178)  | (-0.081)  | (-0.094)  | (-0.048)  | (-0.016)  |
| Age 46-65                          | -0.136*   | -0.133*   | -0.099    | -0.098    | -0.089    |
|                                    | (-1.783)  | (-1.729)  | (-1.283)  | (-1.263)  | (-1.139)  |
| Age > 65                           | -0.491*** | -0.462*** | -0.396*** | -0.373*** | -0.380*** |
|                                    | (-3.711)  | (-3.459)  | (-2.926)  | (-2.724)  | (-2.765)  |
| Women – 1                          | 0.031     | 0.040     | 0.030     | 0.034     | 0.029     |
|                                    | (0.582)   | (0.743)   | (0.545)   | (0.625)   | (0.532)   |
| College – 1                        | -0.212*** | -0.215*** | -0.185*** | -0.186*** | -0.187*** |
|                                    | (-3.749)  | (-3.810)  | (-3.263)  | (-3.268)  | (-3.296)  |
| Household size (number)            | 0.060***  | 0.059***  | 0.064***  | 0.063***  | 0.064***  |
|                                    | (3.017)   | (2.960)   | (3.235)   | (3.170)   | (3.216)   |
| Economic shock – 1                 | 0.158**   | 0.168***  | 0.155**   | 0.162**   | 0.155**   |
|                                    | (2.500)   | (2.671)   | (2.428)   | (2.546)   | (2.428)   |
| Employed, full-time – 1            | 0.075     | 0.074     | 0.057     | 0.055     | 0.057     |
|                                    | (1.001)   | (0.981)   | (0.742)   | (0.716)   | (0.752)   |
| Employed, part-time – 1            | 0.035     | 0.049     | 0.026     | 0.035     | 0.026     |
|                                    | (0.399)   | (0.558)   | (0.291)   | (0.396)   | (0.295)   |
| Unemployed – 1                     | 0.239***  | 0.245***  | 0.223***  | 0.226***  | 0.224***  |
|                                    | (3.119)   | (3.191)   | (2.872)   | (2.895)   | (2.883)   |
| Trust pension system               | -0.103*** | -0.113*** | -0.109*** | -0.105*** | -0.100*** |
|                                    | (-5.680)  | (-6.345)  | (-5.478)  | (-5.474)  | (-5.477)  |
| Right – 1                          | -0.403*** | -0.281*** | -0.257**  | -0.254**  | -0.257**  |
|                                    | (-4.224)  | (-2.854)  | (-2.547)  | (-2.547)  | (-2.547)  |
| Center – 1                         | -0.025    | -0.007    | -0.003    | -0.008    | -0.008    |
|                                    | (-0.367)  | (-0.106)  | (-0.106)  | (-0.106)  | (-0.106)  |
| Left – 1                           | 0.144*    | 0.102     | 0.093     | 0.100     | 0.100     |
|                                    | (1.666)   | (1.171)   | (1.061)   | (1.061)   | (1.061)   |
| Voted for current president – 1    | -0.218*** | -0.128**  | -0.062    | -0.062    | -0.062    |
|                                    | (-3.731)  | (-2.096)  | (-0.969)  | (-0.969)  | (-0.969)  |
| Constant cut1                      | -1.313*** | -1.317*** | -1.484*** | -1.511*** | -1.487*** |
|                                    | (-9.655)  | (-10.312) | (-10.306) | (-11.024) | (-10.336) |
| Constant cut2                      | -0.815*** | -0.822*** | -0.994*** | -1.023*** | -0.966*** |
|                                    | (-6.175)  | (-6.682)  | (-7.140)  | (-7.778)  | (-7.168)  |
| Constant cut3                      | 0.154     | 0.140     | -0.040    | -0.049    | -0.049    |
|                                    | (1.168)   | (1.138)   | (0.051)   | (0.310)   | (0.069)   |
| Observations                       | 2.029     | 2.029     | 2.005     | 2.005     | 2.005     |
|                                    | (1.552)   | (1.572)   | (1.542)   | (1.544)   | (1.544)   |
| Pseudo R-squared                   | 0.0289    | 0.0247    | 0.0365    | 0.0341    | 0.0367    |

Robust z-statistics in parentheses

* p < 0.01, ** p < 0.05, * p < 0.1

This table presents raw coefficients of ordered probit regressions. The outcome variable indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. The description of the explanatory variables is in Appendix B. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis.

***, ** and * indicate the coefficient is significant at the 1%, 5% and 10% respectively.

Table C5

Early withdrawals and perceptions about exposure to COVID-19.

| Variables                                          | (1)       | (2)       | (3)       | (4)       |
|----------------------------------------------------|-----------|-----------|-----------|-----------|
| Trust pension system                               | -0.091*** | -0.091*** | -0.091*** | -0.084*** |
|                                                    | (-4.544)  | (-4.572)  | (-4.597)  | (-4.714)  |
| Right – 1                                          | -0.287*** | -0.288*** | -0.288*** | -0.272*** |
|                                                    | (-3.305)  | (-3.320)  | (-3.320)  | (-3.320)  |
| Left – 1                                           | 0.117     | 0.119     | 0.117     | 0.117     |
|                                                    | (1.552)   | (1.572)   | (1.542)   | (1.544)   |
| Confident to know how to prevent getting infected by COVID-19 | 0.022     | -0.032    | -0.044    | -0.763    |
|                                                    | (-0.494)  | (-0.735)  | (-0.735)  | (-0.735)  |
| More likely to contract Covid-19 than neighbors     | -1.472*** | -1.498*** | -1.502*** | -1.442*** |
|                                                    | (-8.722)  | (-9.179)  | (-9.291)  | (-8.079)  |
| More likely to contract Covid-19 than relatives     | -0.981*** | -1.007*** | -1.011*** | -0.949*** |
|                                                    | (-6.000)  | (-6.384)  | (-6.453)  | (-5.497)  |
| More likely to contract Covid-19 than others in the city | 0.042     | 0.015     | 0.012     | 0.074     |
|                                                    | (0.259)   | (0.098)   | (0.075)   | (0.434)   |
| Observations                                       | 1.573     | 1.575     | 1.574     | 1.570     |
| Pseudo R-squared                                    | 0.0398    | 0.0398    | 0.0398    | 0.0395    |

Robust z-statistics in parentheses

* p < 0.01, ** p < 0.05, * p < 0.1
This table presents raw coefficients of ordered probit regressions. The dependent variable is a categorical variable that indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). All specifications include the controls of our base specification (Column (6) of Table 2 age dummies, sex, education, household size and employment status. The description of the explanatory variables is in Appendix B. Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis. ***, ** and * indicate the coefficient is significant at the 1%, 5% and 10% respectively.

Table C6
Early withdrawals and perceptions about management of the pandemic.

|                                | (1)     | (2)     | (3)     | (4)     | (5)     |
|--------------------------------|---------|---------|---------|---------|---------|
| Trust pension system right = 1 | -0.083*** | -0.086*** | -0.076*** | -0.065*** | -0.060*** |
|                                | (-3.955) | (-4.244) | (-3.617) | (-3.021) | (-3.883) |
| left = 1                       | -0.276*** | -0.282*** | -0.264*** | -0.241*** | -0.273*** |
|                                | (-3.177) | (-3.250) | (-3.052) | (-2.790) | (-3.131) |
| Confidence in official stats reported by the government | 0.109   | 0.109   | 0.111   | 0.083   | 0.116   |
|                                | (1.430)  | (1.441)  | (1.460)  | (1.889)  | (1.531)  |
| City’s authorities have implemented effective strategies to control the pandemic | 0.044   | 0.034   | 0.030   | 0.093**  | (2.231) |
| Region’s authorities have implemented effective strategies to control the pandemic | 0.040   | 0.041   | 0.041   | 0.042    | 0.042    |
| The Government has implemented effective strategies to control the pandemic | 0.034   | 0.030   | 0.030   | 0.093**  | (2.231) |
| Evidence provided by scientists and public health experts in my country about COVID-19 | 0.089** | (2.049) | (2.049) | (2.049)  | (2.049)  |
| Constant cut1                  | -1.321*** | -1.345*** | -1.163*** | -1.026*** | -1.250*** |
|                                | (-7.258) | (-7.088) | (-5.937) | (-5.128) | (-7.199) |
| Constant cut2                  | -0.831*** | -0.854*** | -0.671*** | -0.536*** | -0.761*** |
|                                | (-4.641) | (-4.601) | (-3.481) | (-2.710) | (-4.474) |
| Constant cut3                  | 0.190    | 0.164    | 0.353*   | 0.489**  | 0.262    |
|                                | (1.062)  | (0.886)  | (1.825)  | (2.451)  | (1.537)  |
| Observations                   | 1,574    | 1,570    | 1,572    | 1,574    | 1,575    |
| Pseudo R-squared               | 0.040    | 0.040    | 0.041    | 0.042    | 0.042    |

This table presents raw coefficients of ordered probit regressions. The dependent variable is a categorical variable that indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). All specifications include the controls of our base specification (Column (6) of Table 2 age dummies, sex, education, household size and employment status. The description of the explanatory variables is in Appendix B. Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis. ***, ** and * indicate the coefficient is significant at the 1%, 5% and 10% respectively.

Table C7
Early withdrawals and sources of information during the pandemic.

|                                | (1)     | (2)     | (3)     | (4)     | (5)     |
|--------------------------------|---------|---------|---------|---------|---------|
| Trust pension system right = 1 | -0.092*** | -0.091*** | -0.090*** | -0.089*** | -0.091*** |
|                                | (-4.615) | (-4.559) | (-4.537) | (-4.567) | (-4.478) |
| left = 1                       | -0.283*** | -0.282*** | -0.285*** | -0.276*** | -0.281*** |
|                                | (-3.264) | (-3.246) | (-3.244) | (-3.197) | (-3.237) |
| Use TV to stay informed about the pandemic 1 | 0.037 |
|                                | (1.544)  | (1.511)  | (1.536)  | (1.473)  | (1.600)  |
| Use Internet to stay informed about the pandemic 1 | 0.057 |
|                                | (0.943)  | (0.943)  | (0.943)  | (0.943)  | (0.943)  |
| Use social networks to stay informed about the pandemic 1 | 0.049 |
|                                | (0.818)  | (0.818)  | (0.818)  | (0.818)  | (0.818)  |
| Considers family and friends to stay informed about the pandemic 1 | -0.059 |
|                                | (-0.862) | (-1.624) | (-1.624) | (-1.624) | (-1.624) |
| Consider Facebook 1            | 0.135** | (2.151) | (2.151) | (2.151) | (2.151) |
| Twitter 1                      | -0.115  | (2.151) | (2.151) | (2.151) | (2.151) |
| WhatsApp 1                     | -0.027  | (1.049) | (1.049) | (1.049) | (1.049) |
| Instagram 1                    | 0.079   | (0.884) | (0.884) | (0.884) | (0.884) |
| YouTube 1                      | 0.092   | (0.884) | (0.884) | (0.884) | (0.884) |

(continued on next page)
Table C7 (continued)

|                          | (1)          | (2)          | (3)          | (4)          | (5)          | (6)          | (7)          | (8)          | (9)          |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Constant cut1            | -1.349**     | -1.334**     | -1.336***    | -1.383***    | -1.326***    | -1.381***    | -1.370***    | -1.332***    | -1.352***    |
|                          | (-8.423)     | (-8.286)     | (-8.350)     | (-8.827)     | (-8.467)     | (-8.879)     | (-8.810)     | (-8.431)     | (-8.664)     |
| Constant cut2            | -0.858**     | -0.843**     | -0.845**     | -0.892***    | -0.834***    | -0.890***    | -0.879***    | -0.841***    | -0.861***    |
|                          | (-5.550)     | (-5.408)     | (-5.441)     | (-5.905)     | (-5.506)     | (-5.924)     | (-5.852)     | (-5.510)     | (-5.704)     |
| Constant cut3            | 0.164        | 0.180        | 0.178        | 0.131        | 0.190        | 0.133        | 0.143        | 0.182        | 0.162        |
|                          | (1.073)      | (1.169)      | (1.154)      | (0.679)      | (1.264)      | (0.895)      | (0.962)      | (1.210)      | (1.089)      |
| Observations             | 1.576        | 1.576        | 1.576        | 1.576        | 1.576        | 1.576        | 1.576        | 1.576        | 1.576        |
| Pseudo R-squared         | 0.0406       | 0.0408       | 0.0407       | 0.0407       | 0.0419       | 0.0410       | 0.0405       | 0.0408       | 0.0407       |

This table presents raw coefficients of ordered probit regressions. The dependent variable is a categorical variable that indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). All specifications include the controls of our base specification (Column (6) of Table 2 age dummies, sex, education, household size and employment status. The description of the explanatory variables is in Appendix B. Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis. ***, ** and * indicate the coefficient is significant at the 1%, 5% and 10% respectively.

Table C8
Early withdrawals and financial incentives from the pension system.

|                      | Panel A           | Panel B           |
|----------------------|-------------------|-------------------|
| Age 26–45            | 0.004             | Age 26–45         | 0.063            |
|                      | (0.040)           |                   | (0.542)          |
| Age 46–65            | -0.171            | Age 46–65         | -0.103           |
|                      | (-1.624)          |                   | (-0.880)         |
| Age > 65             | -0.473**          | Age > 65          | -0.301           |
|                      | (-2.411)          |                   | (-1.489)         |
| Women – 1            | 0.090 (1.449)     | Women – 1         | 0.186            |
|                      |                   |                   | (1.262)          |
| College – 1          | -0.248 (–1.627)   | College – 1       | -0.175***        |
|                      |                   |                   | (-2.723)         |
| Household size (number) | 0.081***   | Household size (number) | 0.082***          |
|                      | (3.582)           |                   | (3.642)          |
| Economic shock – 1   | 0.127* (1.734)    | Economic shock – 1| 0.131*           |
|                      |                   |                   | (1.798)          |
| Employed, full-time – 1 | 0.102     | Employed, full-time – 1 | 0.092            |
|                      | (1.192)           |                   | (1.069)          |
| Employed, part-time – 1 | 0.092     | Employed, part-time – 1 | 0.092            |
|                      | (0.914)           |                   | (0.920)          |
| Unemployed – 1       | 0.285*** (3.228)  | Unemployed – 1    | 0.283***         |
|                      |                   |                   | (3.219)          |
| Trust pension system | -0.092***         | Trust pension system | -0.091***        |
|                      | (-4.605)          |                   | (-4.538)         |
| Right – 1            | -0.284*** (-3.252)| Right – 1         | -0.282***        |
|                      |                   |                   | (-3.262)         |
| Left – 1             | 0.118 (1.563)     | Left – 1          | 0.115            |
|                      |                   |                   | (1.513)          |
| Age 26–45 × College – 1 | 0.006    | Age 26–45 × Woman – 1 | -0.142           |
|                      | (0.034)           |                   | (-0.805)         |
| Age 46–65 × College – 1 | 0.162    | Age 46–65 × Woman – 1 | -0.071           |
|                      | (0.872)           |                   | (-0.401)         |
| Age > 65 × College – 1 | 0.240     | Age > 65 × Woman – 1 | -0.219           |
|                      | (0.820)           |                   | (-0.770)         |
| Constant cut1        | -1.394***        | Constant cut1     | -1.326***        |
|                      | (-8.542)          |                   | (-8.285)         |
| Constant cut2        | -0.903***        | Constant cut2     | -0.835***        |
|                      | (-5.724)          |                   | (-5.372)         |
| Constant cut3        | 0.120 (0.767)     | Constant cut3     | 0.188            |
|                      |                   |                   | (1.215)          |
| Observations         | 1.576             | Observations      | 1.576            |
| Pseudo R-squared     | 0.0411            | Pseudo R-squared  | 0.0408           |

This table presents raw coefficients of ordered probit regressions. The dependent variable is a categorical variable that indicates the degree of agreement with the statement: “Early withdrawal of pension funds should be allowed during the pandemic, without any type of penalty”. This variable takes values 1 (strongly disagree), 2 (disagree), 3 (agree) and 4 (strongly agree). All specifications include the controls of our base specification (Column (6) of Table 2 age dummies, sex, education, household size and employment status. The description of the explanatory variables is in Appendix B. Robust z-statistics that account for unknown heteroskedasticity are reported in parenthesis. ***, ** and * indicate the coefficient is significant at the 1%, 5% and 10% respectively.
