

Pension Study for Aruba

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Data Results from Pension Study and Survey

Introduction:

In late August and September, 2024, the researchers conducted two in-depth interviews with 1) private sector and 2) public sector employees.

Interview. 1) Private sector

The main concerns of this sector's interview were

- The need to keep working beyond government pension age
- The burden of taxes when still working and receiving pension.
- The suggestion to eliminate or at least reduce taxes on income over and above pensions
- To eliminate pensions as an income and process taxes on "extra" income earned in addition to pensions received, maintaining the same tax-free threshold for that income

2) Public Sector (Health Sector)

The main concerns for this sector's interview were

- The state of health care for the elderly, be it prescriptions, to appointment time, to full time care either at the home or in a home be it day care or residential.
- The financial impacts of having a parent in a residential home.
- The impact (financial, social, emotional) on families who have long term degenerative health challenges, such as Cancer, Parkinson's, and mental challenges ex. Alzheimer's
- Stimulating preventative actions to improve physical and mental health.

Focus Group: Following the interviews, the researchers conducted an in-depth focus group to determine more of the issues regarding the pension in Aruba. This group of participants were comprised of 8 residents of Aruba including: Combination of Pensioner/Non-Pensioner, Ages 40-70, Male/Female, Single/Married/Divorced. The group consisted of Private sector (Banking and Entrepreneurs), and Public Sector (Educators and Government workers) employees.

The main concerns/comments for this sector's discussion were:

- Similar to the interview data but more vocal on specific needs
- Adamant that pensions were not sufficient
- Need to be at least doubled, once raised then should be automatically indexed to the rise in cost of living
- To acknowledge and respect those who have paid taxes all their life
- To allow those of pension age to supplement their income, without having to pay more taxes on that income.

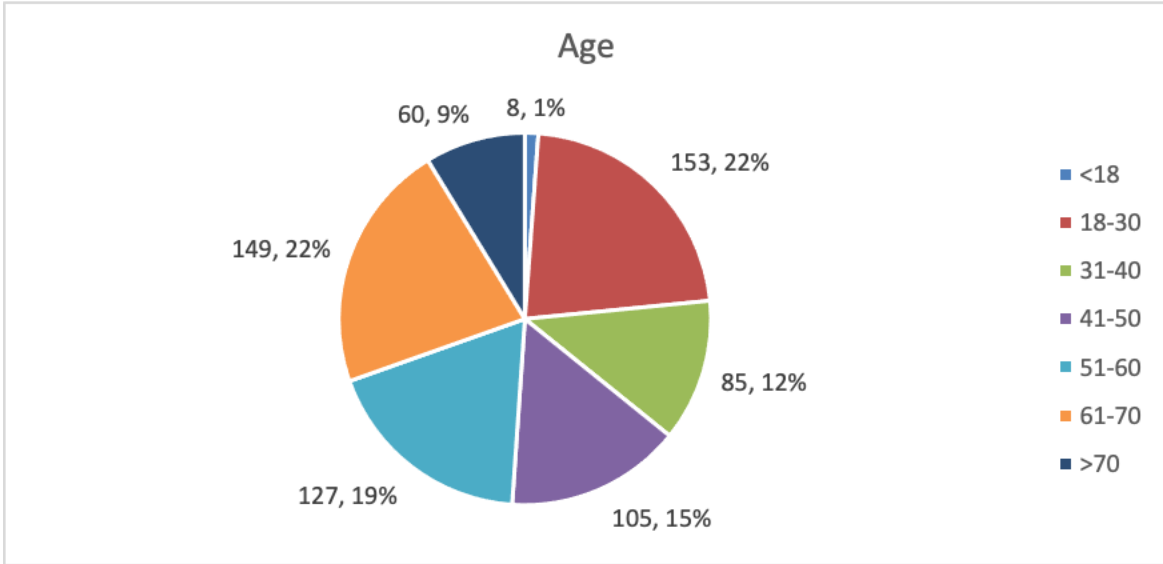
- To have a concerted effort to have a functioning Senior Citizen Discount Card where government facilitates discounts, especially in utilities. A Public and Private Partnership, where government encourages the private sector to support Senior Citizen Discounts.

Following the qualitative data collection, a survey was developed during early September and survey data was collected by faculty and students of the University of Aruba during late September and October 2024 through sharing the survey link, hosted on Survey Monkey, via online sources such as WhatsApp and Facebook to find Aruban residents who were the population of this study. The groups on Facebook that were utilized were Vraag and Aanbod and then snowball sampling was done through contacts of the University of Aruba. The survey link was also shared on 24ora.com to capture a more diverse sample.

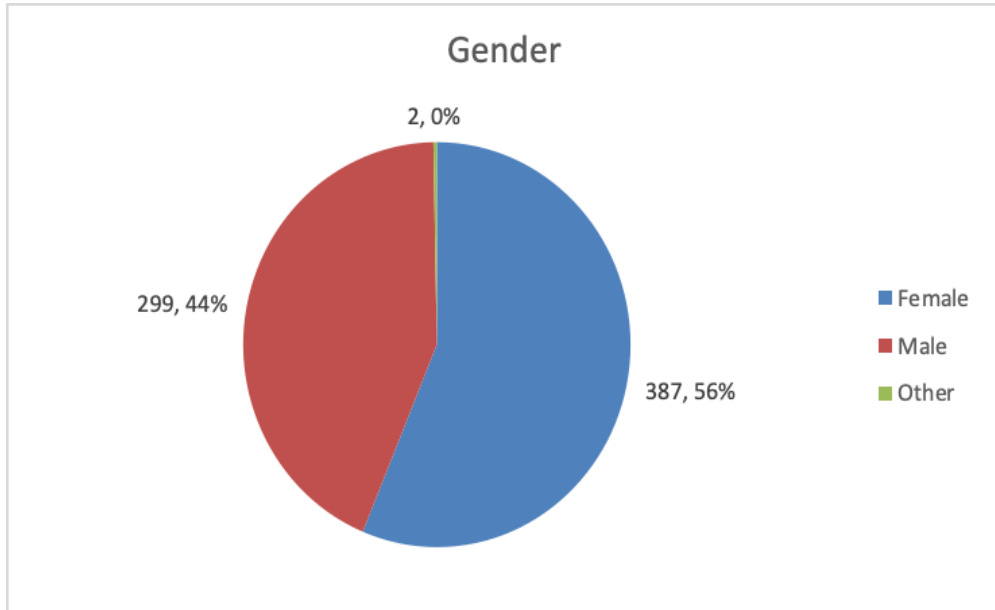
There were a total of 695 surveys completed with 123 in English and 572 in Papiamentu. Some of the questions had non-responses, hence all survey items do not necessarily add up to 695 total survey respondents

1. **Age** of respondents: the average age of the respondents was 47.4 years old. The respondents were placed into age groups as below: Under 18, 18-30, 31-40, 41-50, 51-60, 61-70, and over 70 years old. See below table and chart to see distribution of survey respondents. The largest group was 18-30 years old, closely followed by 61-70 years old.

Age	Number of Respondents
Under 18	8
18-30	153
31-40	85
41-50	105
51-60	127
61-70	149
Over 70	60

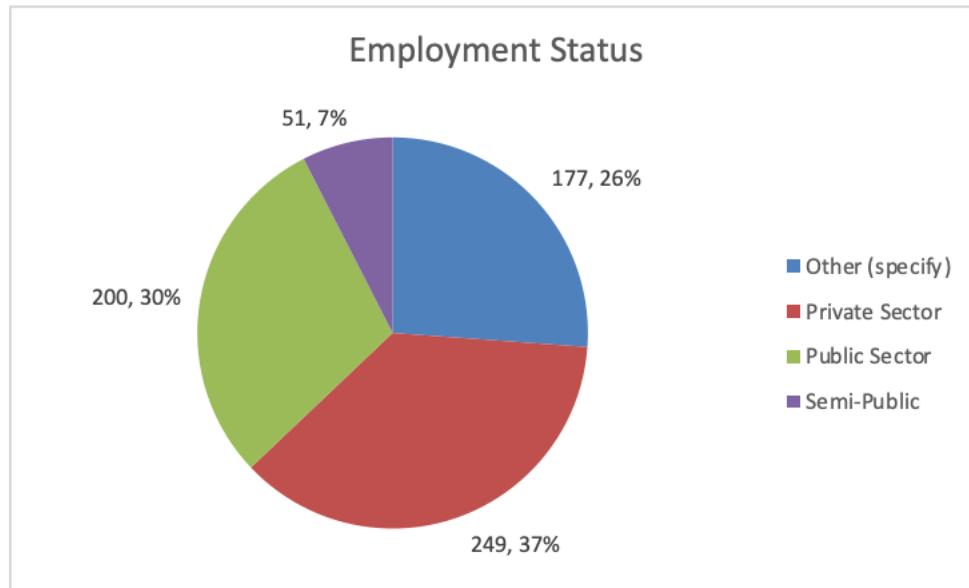


2. **Gender:** Of those survey respondents, 387 were females, 299 were males, and 2 marked 'other'. See Chart below for more information.



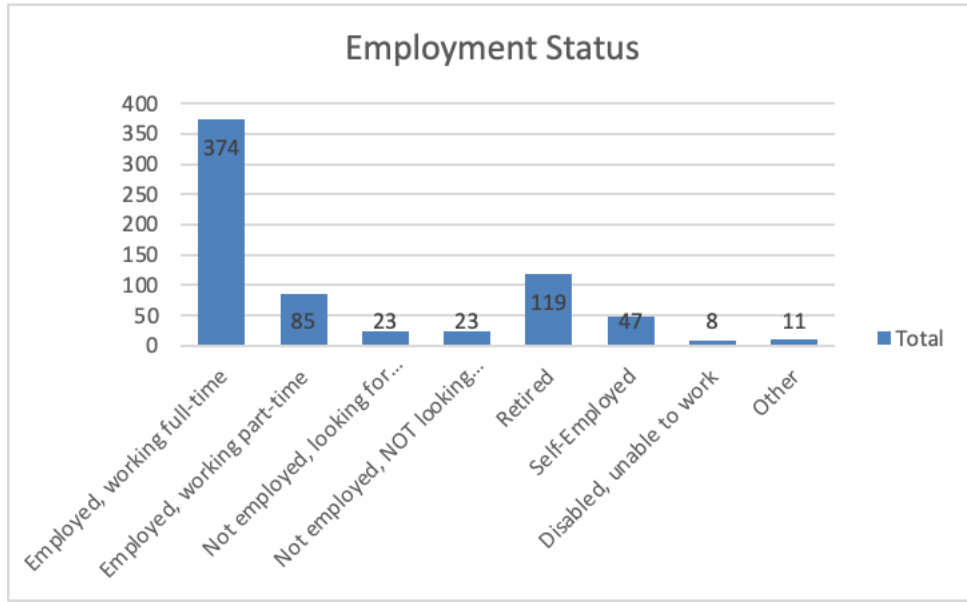
3. **Where do they work?** The majority of the survey respondents worked in the private sector (249, 37%), but more than 177 (25%) responded ‘other’ which was not working, were students, or had ‘other’ employment. See Table and Chart below for more details.

Where Do You Work	Number of Respondents
Private Sector	249
Public Sector	200
Semi-Public	51
Other	177



4. Which describes **your employment status**? The majority of survey respondents were employed working full-time (374, 54%). The ‘other’ category were primarily students or people that were retired or working part-time, but did not select the appropriate categories earlier in that response.

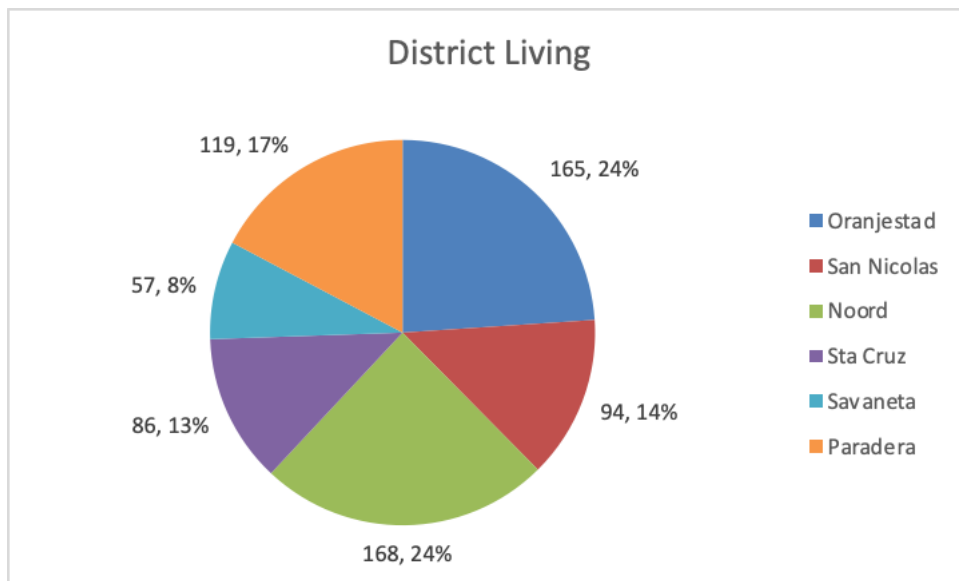
Employment Status	Number of Respondents
Employed, working full-time	374
Employed, working part-time	85
Not employed, looking for work	23
Not employed, not looking for work	23
Retired	119
Self-Employed	47
Disabled, not able to work	8
Other	11



5. Which **district** do they live in? Survey respondents represented all the major districts of Aruba with the majority from Noord and Oranjestad, but other districts were fairly well represented too.

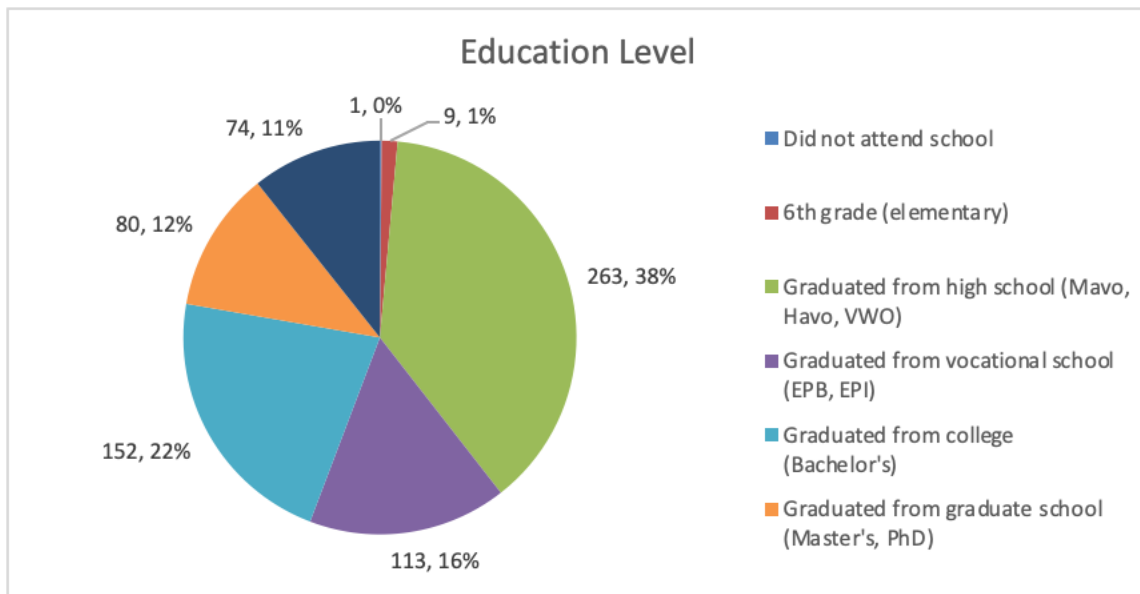
See Table and Chart below for more detailed information.

District	Number of Respondents
Oranjestad	165
San Nicolas	94
Noord	168
Sta Cruz	86
Savaneta	57
Paradera	119



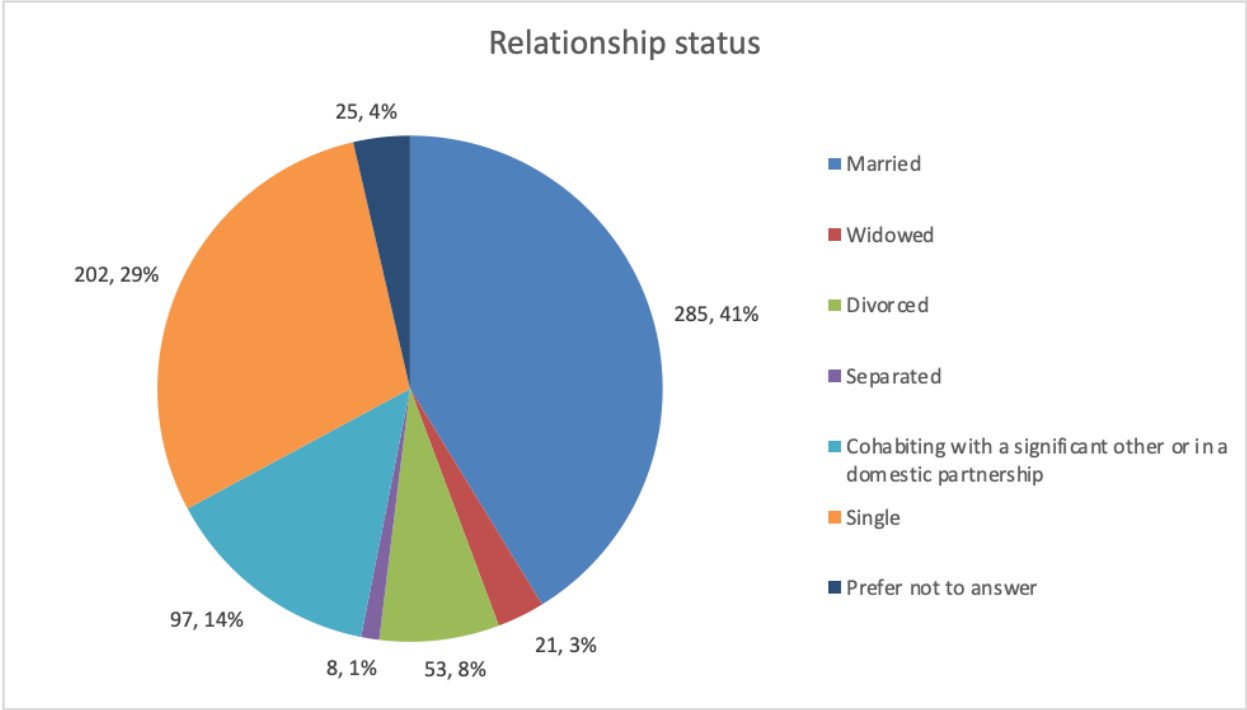
6. What is the highest level of **education** that you have completed? The majority of respondents graduated from high school as their highest level of education completed (263, 38%), but another large percentage had graduated from college (152, 22%). See the Table and Chart below for more information.

Education	Number of Respondents
Did not attend school	1
6 th grade	9
Graduated from high school (Mavo, Havo, VWO)	263
Graduated from vocational school (EPB, EPI)	113
Graduated from college (Bachelor's)	152
Completed graduate school (Master's, PhD)	80
Other	74

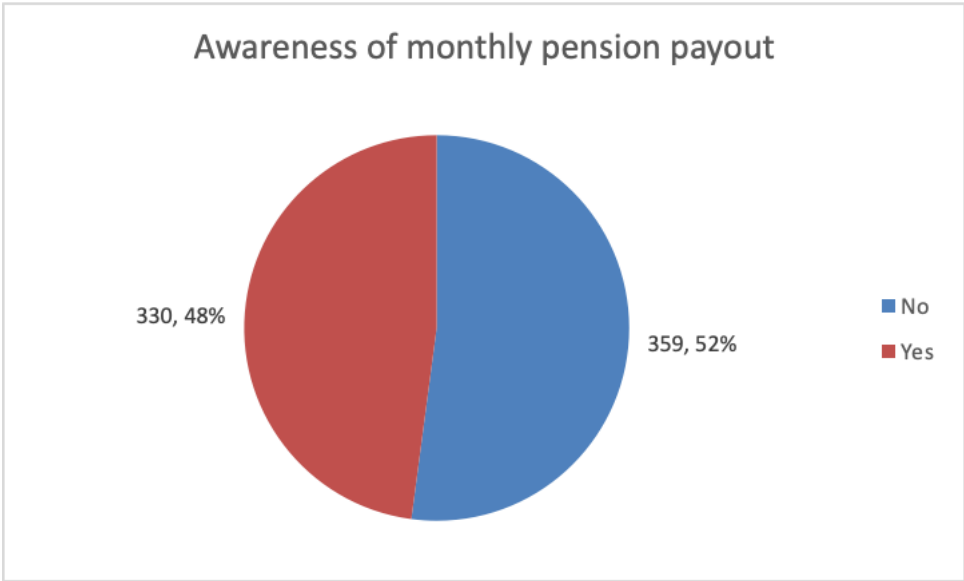


7. **Relationship status:** The majority of respondents were married (285, 41%) or single (202, 29%), but respondents noted a variety of relationship status. See Table and Chart below for more information.

Relationship Status	Number of Respondents
Married	285
Widowed	21
Divorced	53
Separated	8
Cohabiting with a significant other or in a domestic partnership	97
Single	202
Prefer not to answer	25



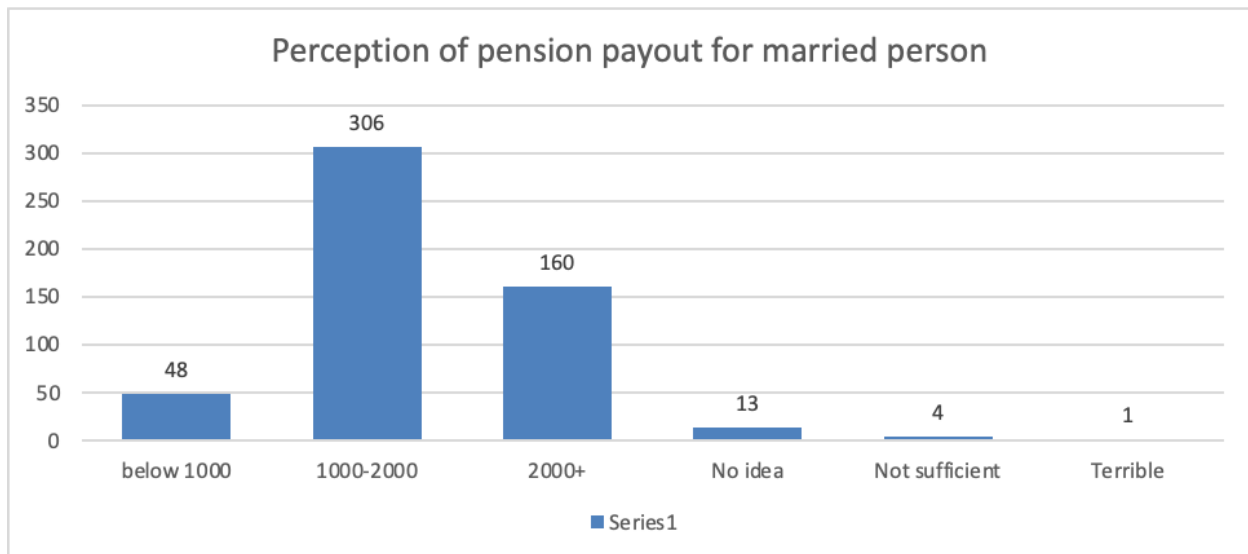
8. **Are you aware of the current monthly pension** payout here in Aruba? 330 respondents noted Yes, and 359 respondents noted No for this question. See Chart below for visual representation of the respondents' awareness.



9. What do you think the **monthly pension payout is**? The perception of respondents for the amount of pension payouts for married and single people are listed below. The Tables and Charts below show the number of respondents that perceived the pension amounts in categories determined by the data collected.

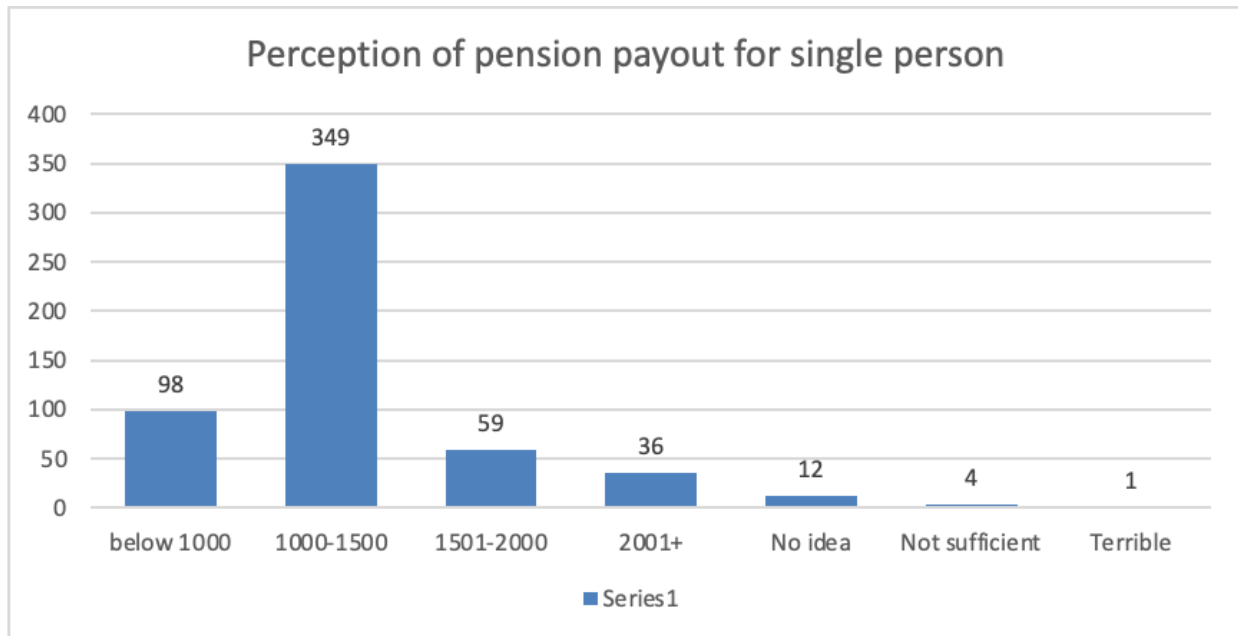
a. For married people: The average response was 1993.29 AWG

Categories of Payment for Married People	Number of Respondents
Below 1000 AWG	48
1000-2000 AWG	306
2001 AWG and Above	160
No idea	13
Not sufficient	4
Terrible	1



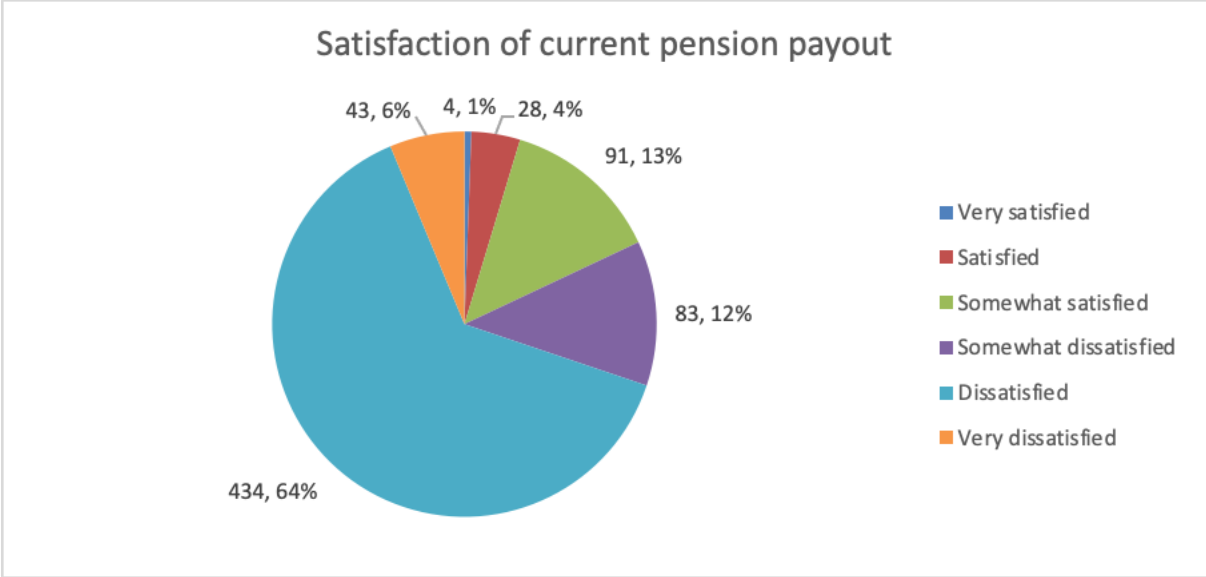
b. For single people: The average response was 1401.41AWG

Categories of Payment for Single People	Number of Respondents
Below 1000 AWG	98
1000-1500 AWG	349
1501-2000 AWG	59
2001 AWG and Above	36
No idea	12
Not sufficient	4
Terrible	1

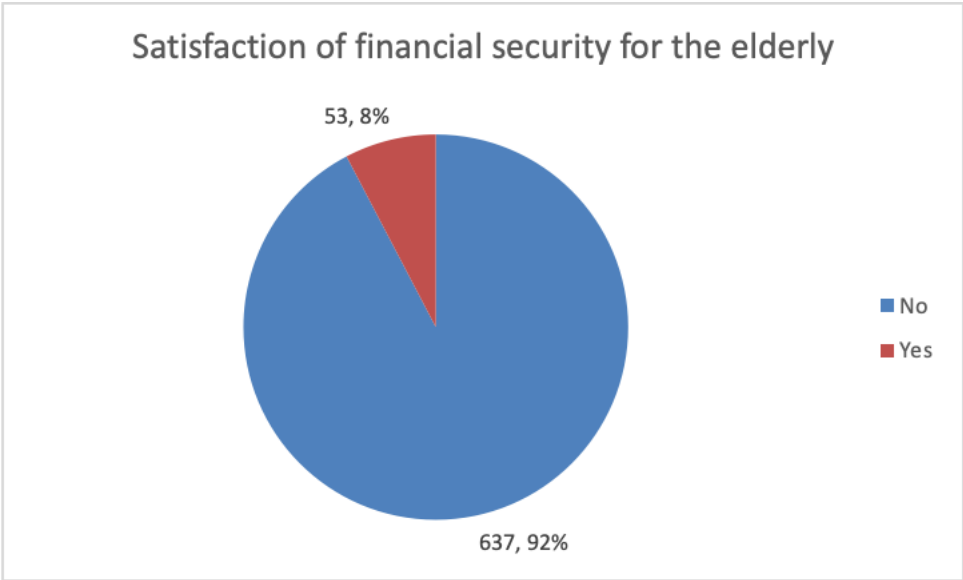


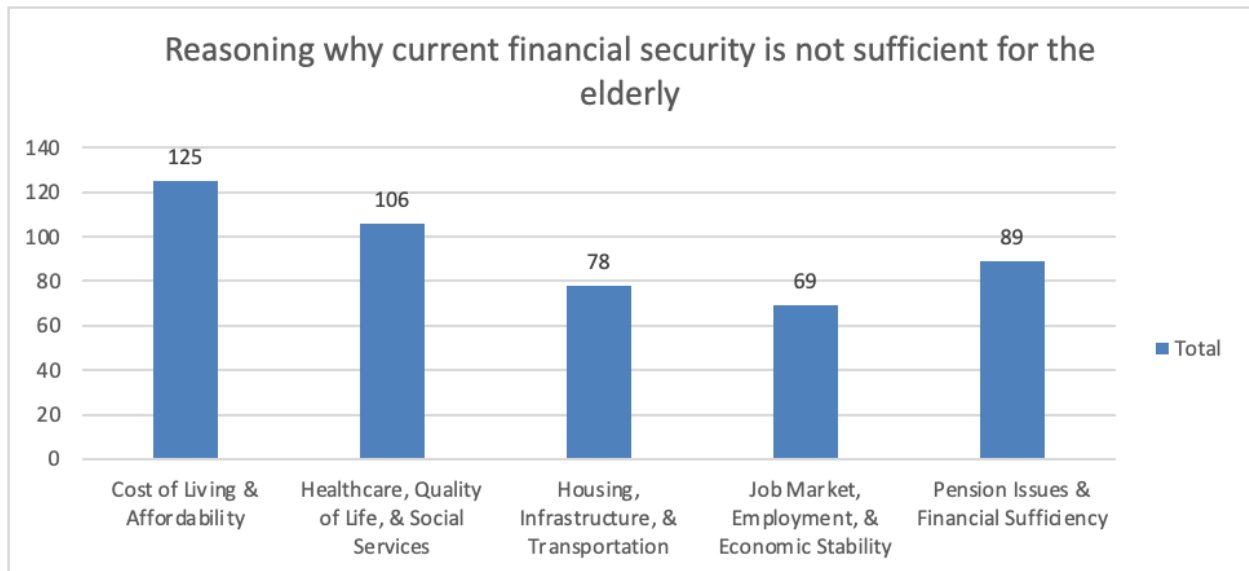
10. How **satisfied** are you with the **current pension** payout in Aruba? The respondents' satisfaction with the pension payout varied, with 82% (560 respondents) reporting levels from somewhat dissatisfied to very dissatisfied, while 18% (123 respondents) reported levels from somewhat satisfied to very satisfied. See Table below for more details on the responses.

Satisfaction With Pension	Number of Respondents
Very Satisfied	4
Satisfied	28
Somewhat satisfied	91
Somewhat dissatisfied	83
Dissatisfied	434
Very dissatisfied	43



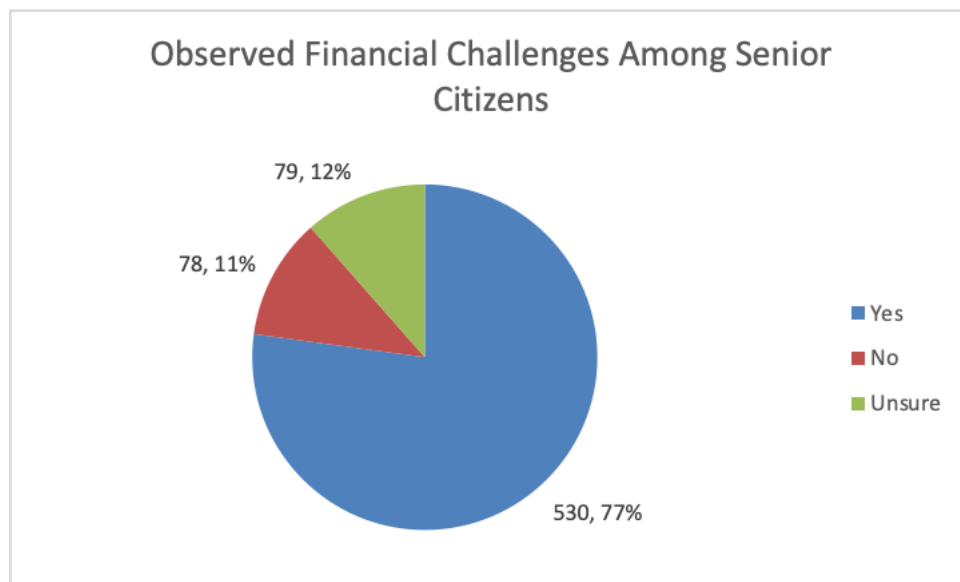
11. Does the current pension plan **provide adequate financial security for the elderly**? For this question, 53 (8%) of respondents stated Yes and 637 (92%) of respondents stated No. The explanation of why the current pension plan does not provide adequate financial security for the elderly (no responses) were categorized in the below table as: cost of living and affordability; health care, quality of life and social services; housing and transportation costs; job market employability and economic stability; and pension issues and financial stability. Of those documenting reasons for their no response, the majority noted cost of living and affordability as the top reason (125, 26.8%).



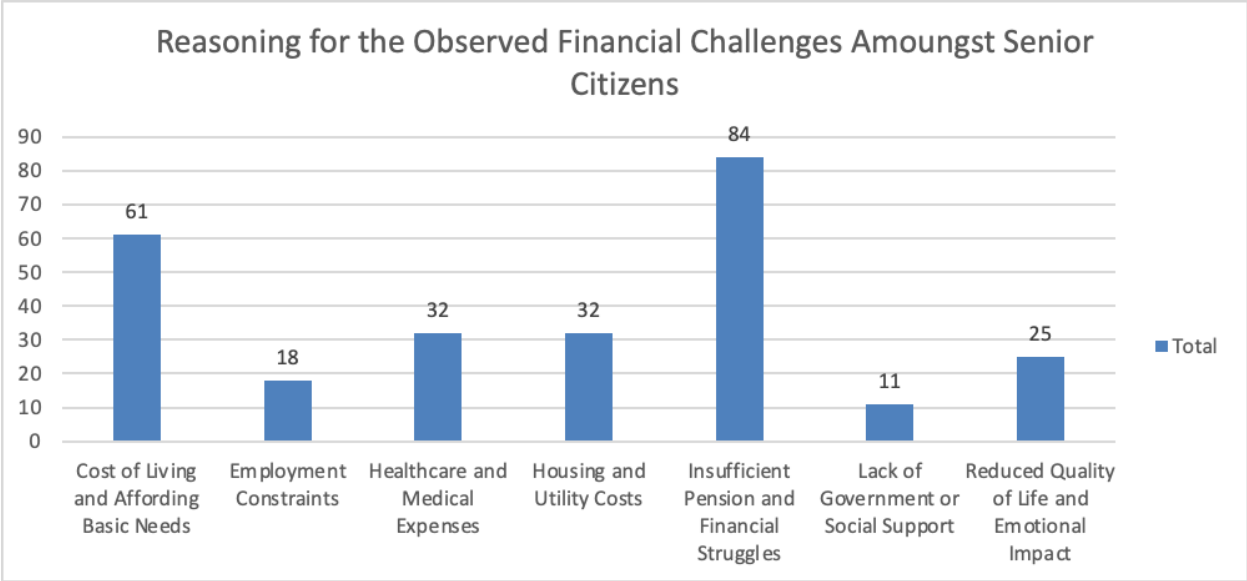


12. Have you **witnessed a senior citizen** having financial difficulties? The vast majority of respondents replied Yes (530, 77.1%), 78 replied No, and 79 stated they were unsure.

Have you Witnessed Senior Citizen?	Number of Respondents
Yes	530
No	78
Unsure	79



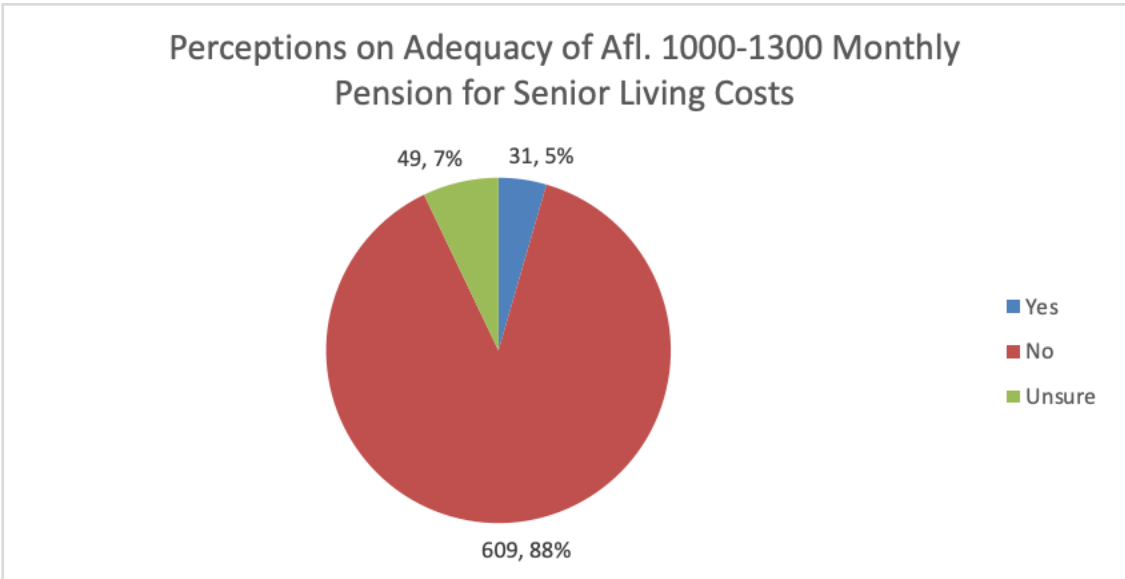
The following chart shows the observations that people have made about why seniors have financial challenges. The largest noted observation was insufficient pensions and financial struggles as well as cost of living and affording basic needs. See the Chart below for more information about what has been observed by respondents.



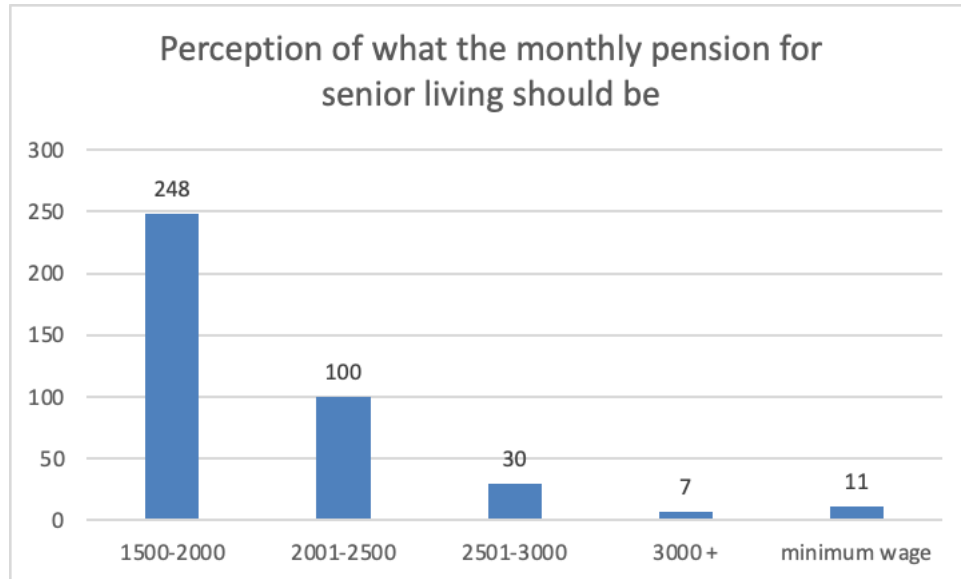
13. Do you believe that a monthly pension of between Afl. 1000-1300 is enough for a senior citizen to cover monthly living costs? The vast majority of the respondents stated No for this question (609, 88.4%). The average that they think that one person should receive is 2482.14 AWG.

See the Table and Charts below for more information on perceptions about what the respondents think that the pension should be.

Is monthly pension enough?	Number of Respondents
Yes	31
No	609
Unsure	49



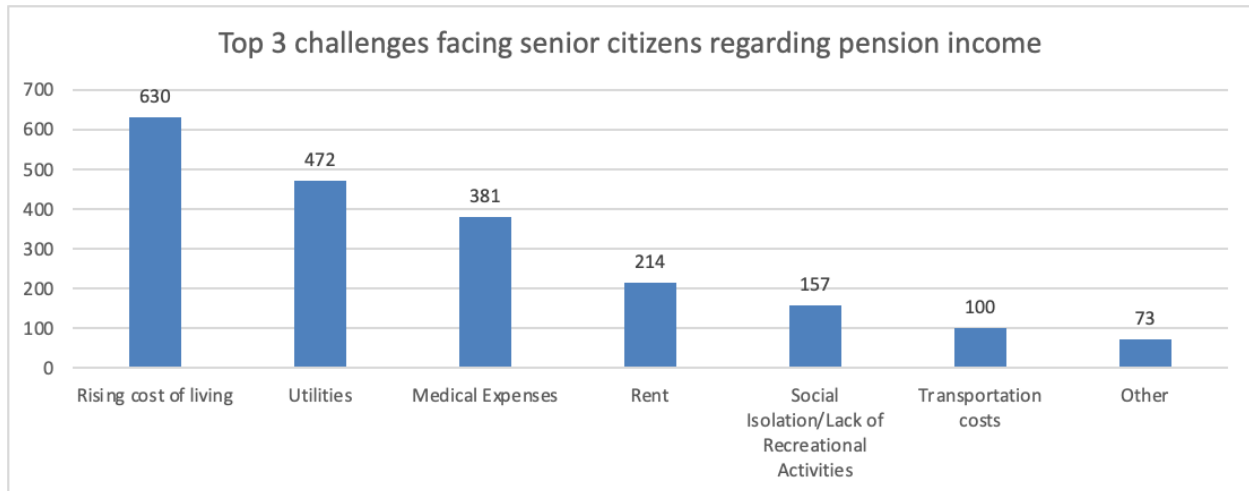
How much should the pension be?	Number of Respondents
Minimum wage	11
1500-2000 AWG	248
2001-2500 AWG	100
2501-3000 AWG	30
Over 3000 AWG	7



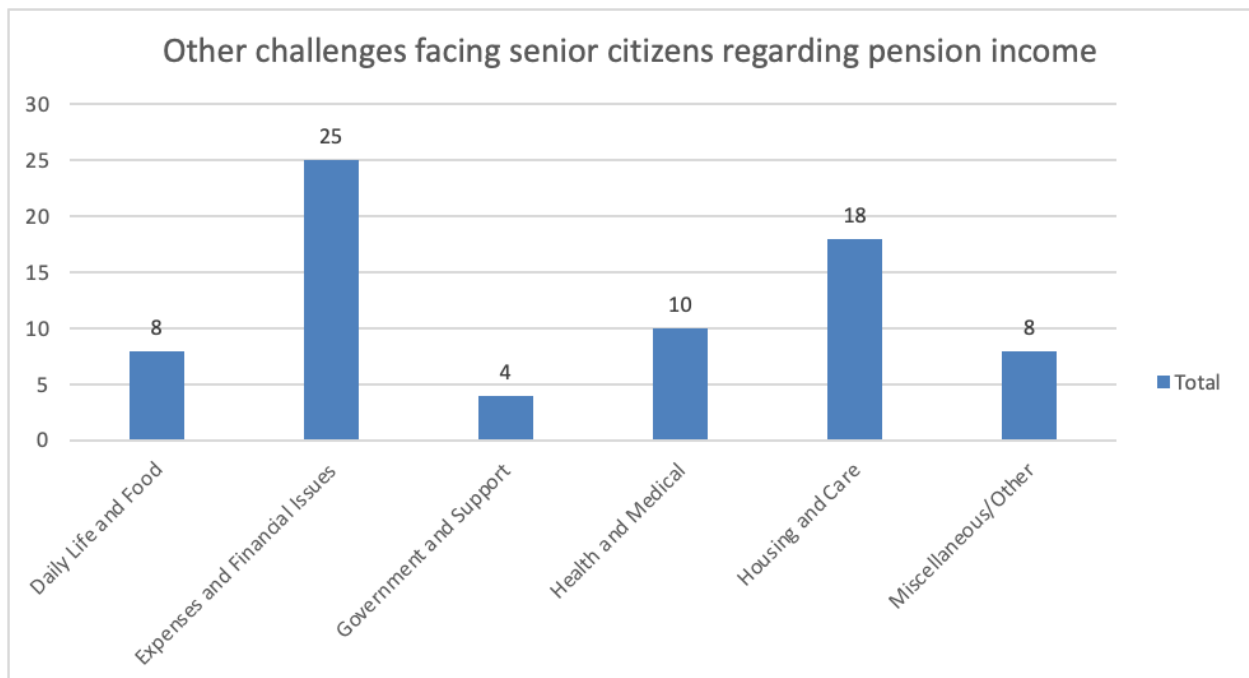
14. What are the **top 3 challenges facing senior citizens** regarding pension income? The responses show that the number one challenge that people believe that senior citizens face is the rising cost of living, following that, utilities and medical expenses round out the top three challenges for seniors.

See the Table and Chart below for more information on the top challenges for senior citizens on Aruba.

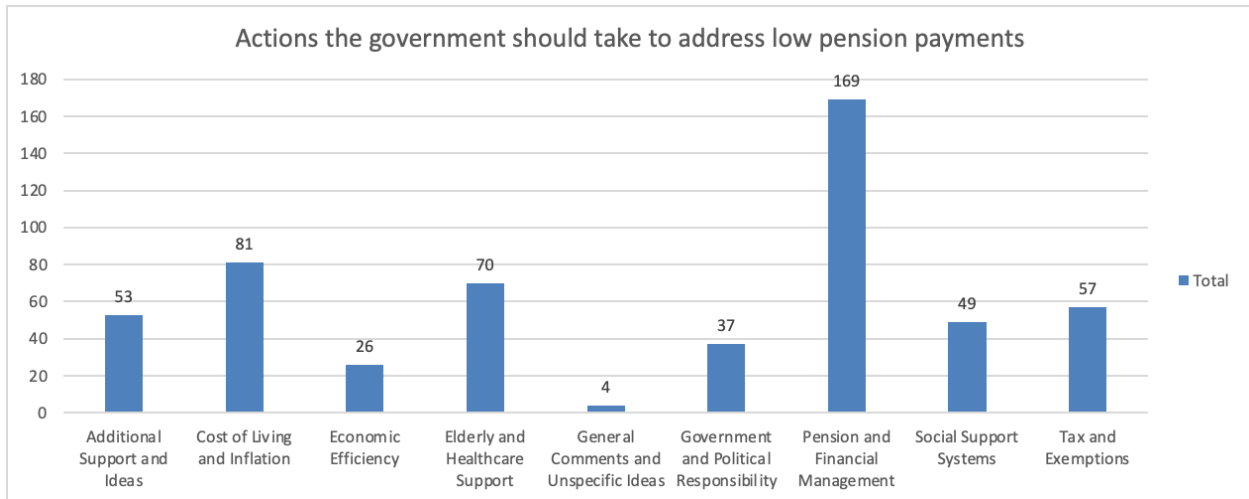
Challenges	Number of Respondents
Rising cost of living	630
Utilities	472
Medical Expenses	381
Rent	214
Social Isolation/Lack of Recreational Activities	157
Transportation costs	100
Other	73



The chart below shows the responses for those people who stated ‘other’ as the challenge facing senior citizens. The top two responses in the ‘other’ category were: expenses and financial issues and housing and care.

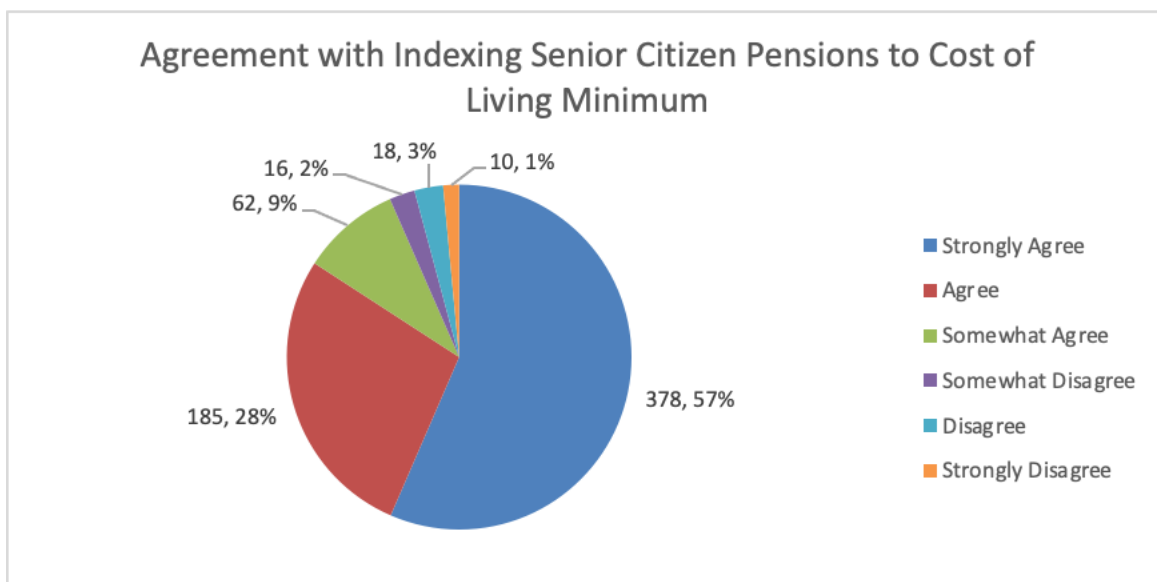


15. What **actions should the government take** to address low pension payments? The majority of respondents replied that the government should focus on pension and financial management (169, 31%), while other highly suggested actions were to have the government provide cost of living and inflation help (81, 14.4%), and to provide elderly and health care support (70, 12.4%).

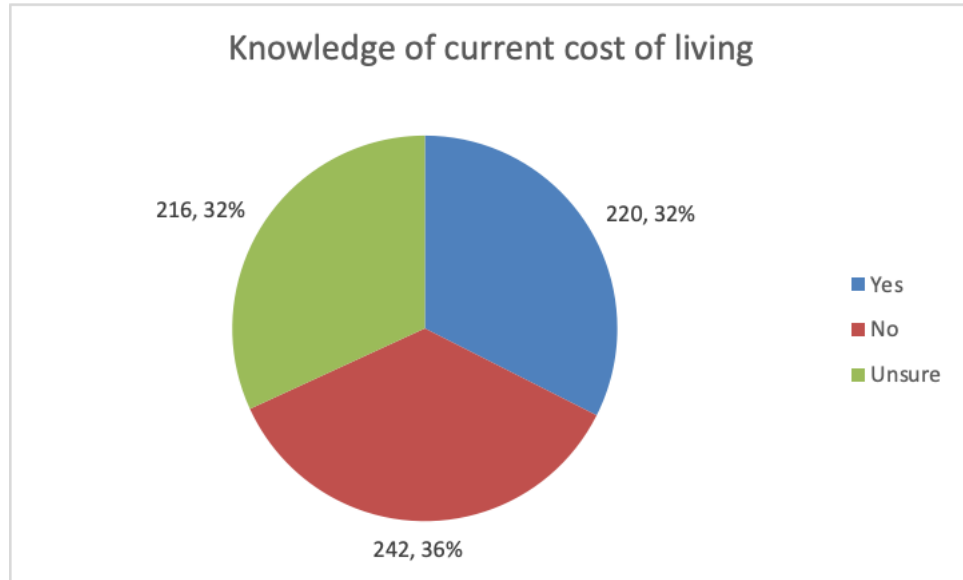


16. How do you agree with this statement: **Pension for senior citizens should be indexed** to reflect the cost-of-living minimum? The respondents' agreement with indexing the pension had strong support, with 93% (625 respondents) reporting levels from somewhat agree to strongly agree, while 7% (44 respondents) reported levels from somewhat disagree to strongly disagree. See the Table and Chart below for further information.

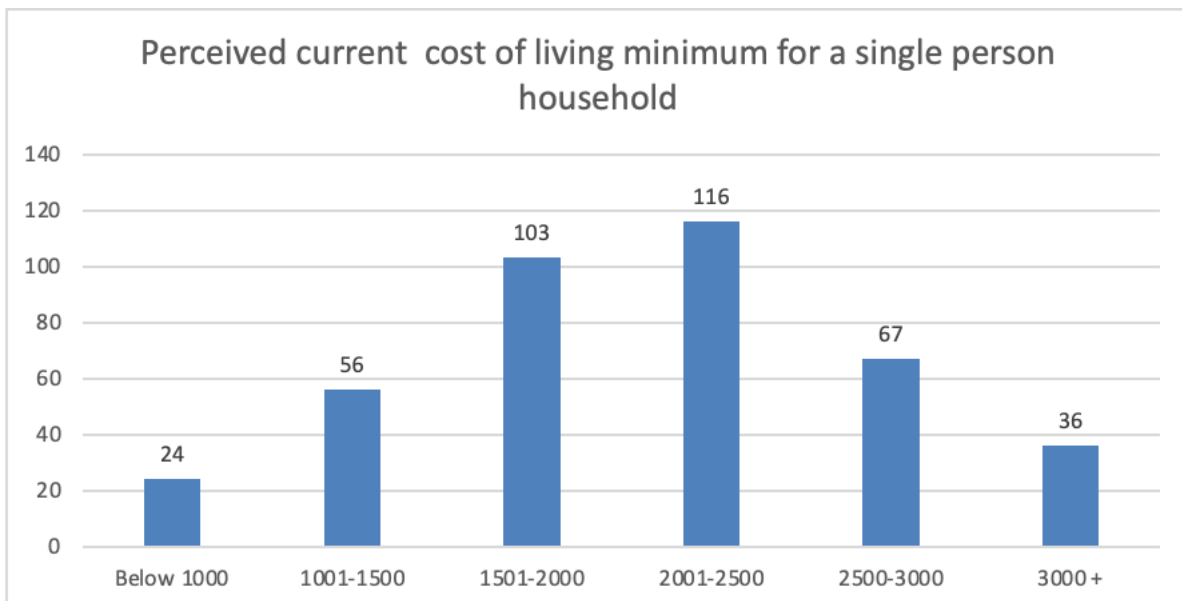
Pension Should be Indexed?	Number of Respondents
Strongly Agree	378
Agree	185
Somewhat Agree	62
Somewhat Disagree	16
Disagree	18
Strongly Disagree	10



17. Do you know what the **current cost of living** minimum is for a single person household?
 For this question, 220 stated Yes, 242 responded No, and 216 responded that they were unsure. See Chart below for a visual depiction of these responses.

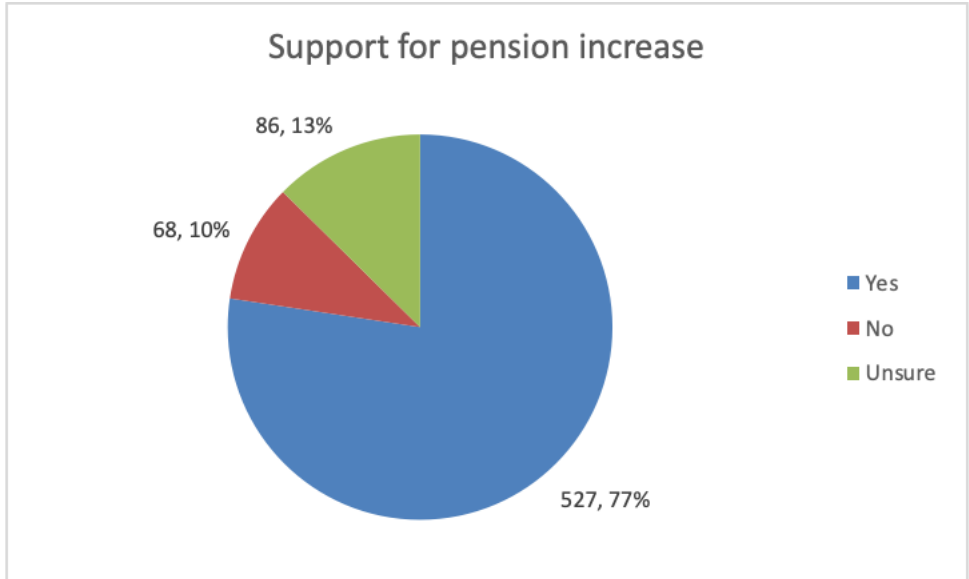


The Chart below shows what the respondents believed that the cost of living was for a single person household. The majority of respondents thought that the cost of living was between 2001-2500 AWG.

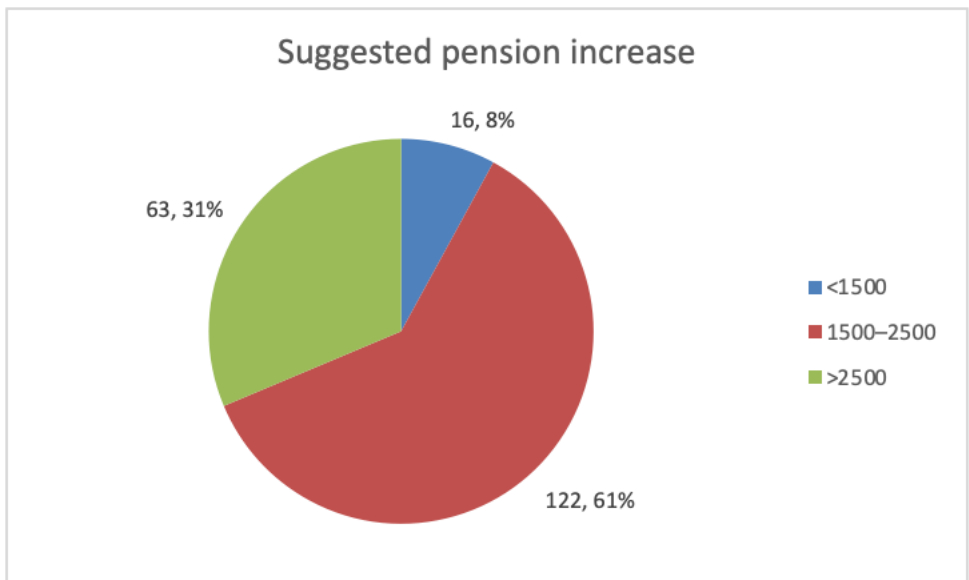


18. Do you support a pension increase? The respondents had overwhelming support for this as 527 responded yes (77.4%), 68 responded no, and 86 responded that they were not sure. **The average respondent believed that the pension amount should be raised by 2082.10 AWG.**

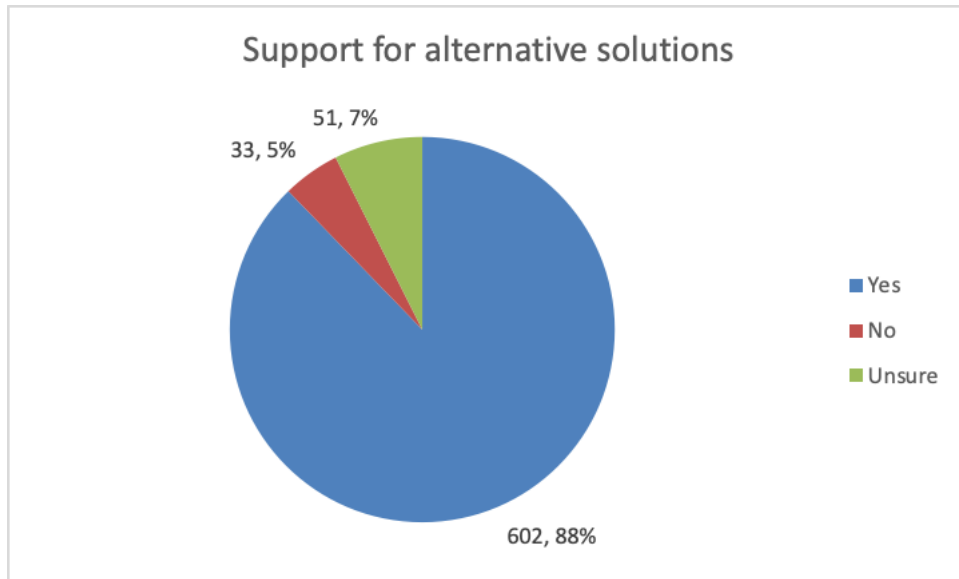
The Chart and Table below show more details on this information.



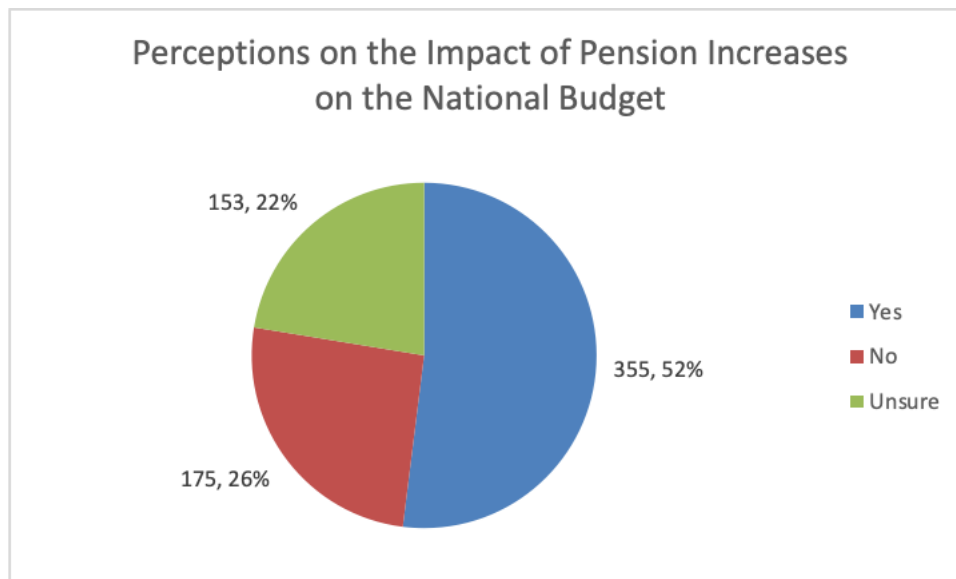
Amount to raise pension	Number of Respondents
Less than 1500 AWG	16
1500-2500 AWG	122
More than 2500 AWG	63



19. Would you **support alternative solutions**, such as tax breaks or other economic initiatives to help senior citizens? Again, overwhelmingly positive responses with 602 (87.8%) responding Yes, 33 responding No, and 51 responding they don't know or are unsure. See Chart below for visual depiction of results.



20. Do you think **increasing pensions would put a strain on the national budget**? The responses were 355 (52%) Yes, 175 (26%) No, and 153 (22%) stated that they don't know or are unsure. See Chart below for visual depiction of results.

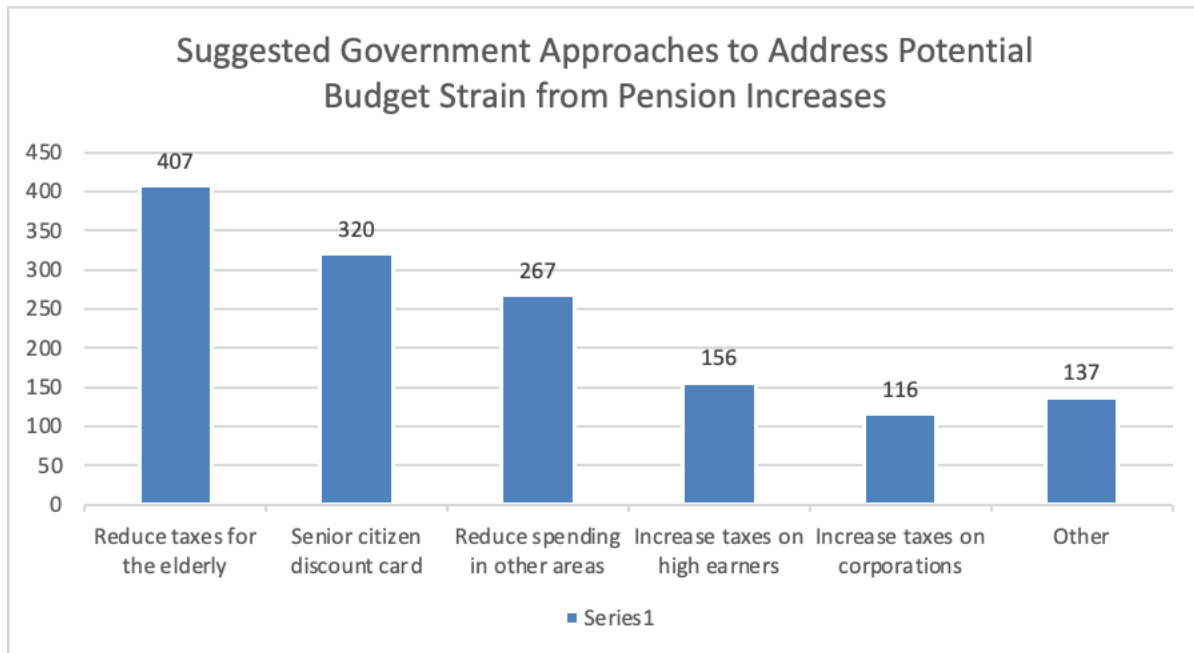


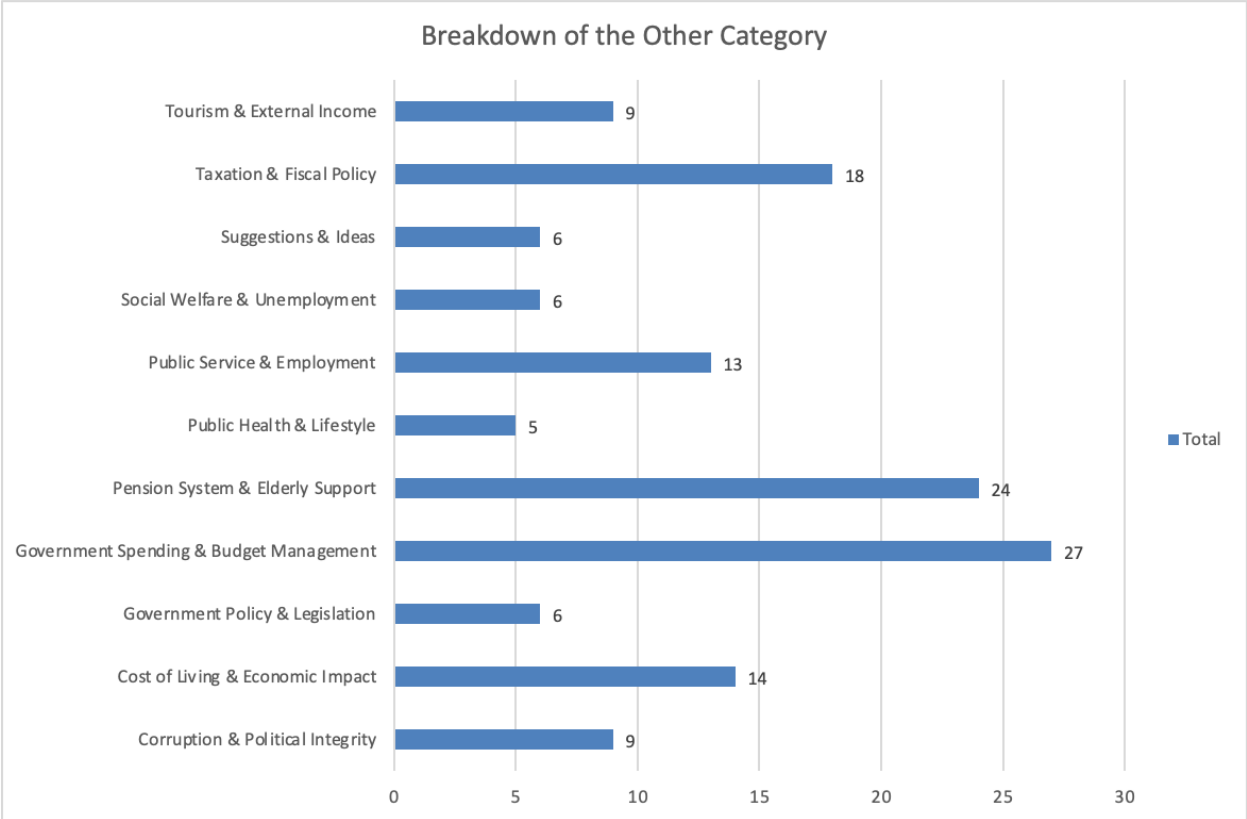
21. If you believe increasing pensions would strain the budget, how should the government address this issue? The majority of respondents stated that the government should reduce taxes for the elderly, followed by senior citizen discount card, and that the government should reduce spending in other areas to ensure senior citizens have proper pensions. See the Table and Charts below for more information on the responses.

The Chart at the top of page 21 indicates what the ‘other’ responses were.

Government Initiatives	Number of Respondents
Reduce taxes for the elderly	407
Senior citizen discount card	320
Reduce spending in other areas	267
Increase taxes on high earners	156
Increase taxes on corporations	116
Other	137*

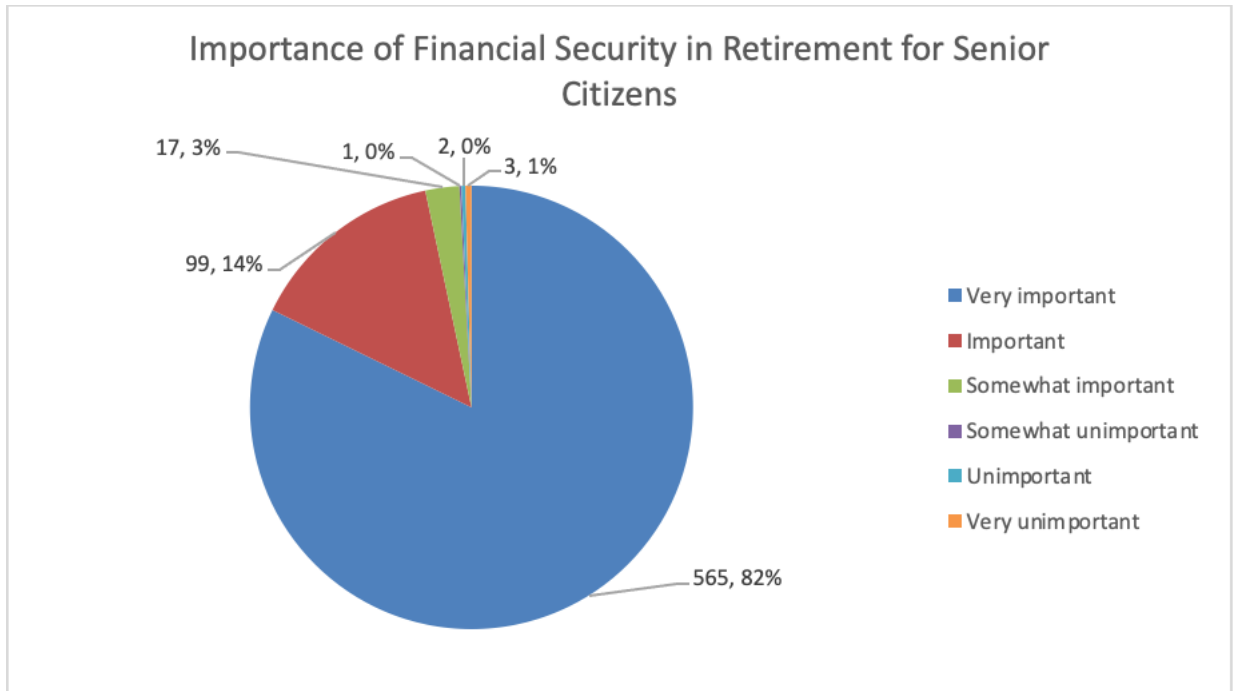
*noted in Chart at the top of page 21





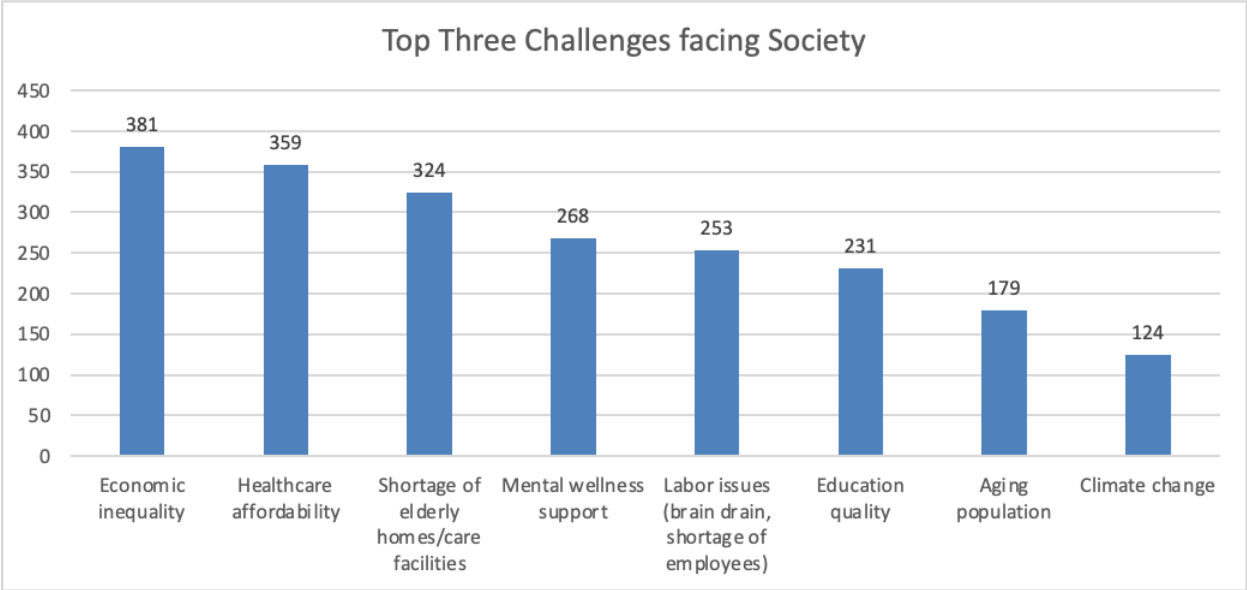
22. How important is it to you personally that **senior citizens have a financially secure** retirement? The respondents' satisfaction with the pension payout varied, with 99% (681 respondents) reporting levels from somewhat important to very important, while 1% (6 respondents) reported levels from somewhat unimportant to very unimportant. See Table and Chart below for more details on the responses.

Importance of Secure Retirement	Number of Respondents
Very important	565
Important	99
Somewhat important	17
Somewhat unimportant	1
Unimportant	2
Very unimportant	3



23. What are the **top three challenges** facing our society today? The top challenges noted by respondents were economic inequality, healthcare affordability, and the shortage of elderly homes/care facilities. It should be noted that all these issues are very relevant to the senior citizen population of Aruba per the responses below. See Table and Chart below to see more details on the challenges noted.

Challenges Facing Society	Number of Respondents
Economic inequality	381
Healthcare affordability	359
Shortage of elderly homes/care facilities	324
Mental wellness support	268
Labor issues (brain drain, shortage of employees)	253
Education quality	231
Aging population	179
Climate change	124

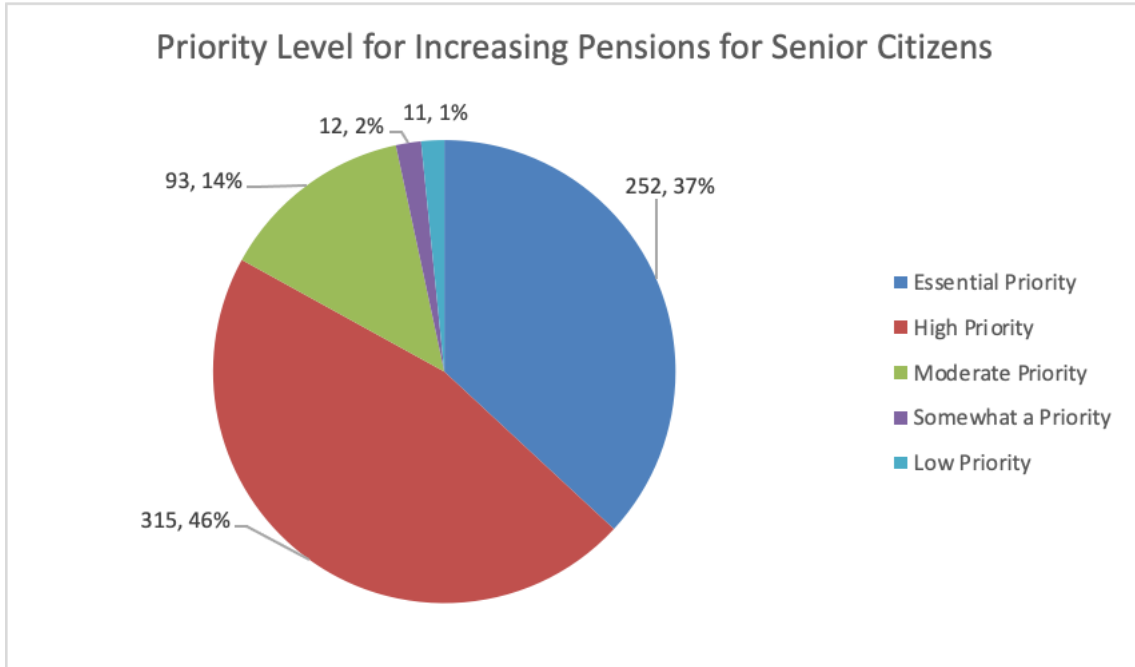


24. How much of a **priority should be placed on increasing pensions** for senior citizens?

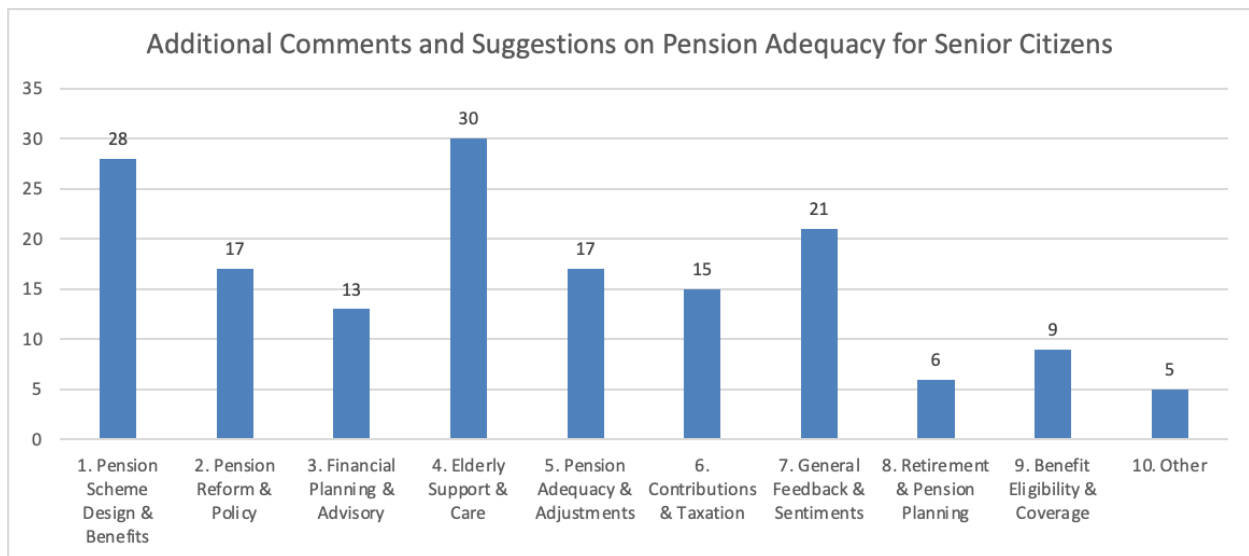
Respondents stated that increasing pensions for seniors was an essential priority (252, 37%) or a high priority (315, 46.2%). This again shows the urgency and relevance of the issues to today’s citizens of all ages.

See Table and Chart below for further details on responses.

Strength of Priority	Number of Respondents
Essential Priority	252
High Priority	315
Moderate Priority	93
Somewhat a Priority	12
Low Priority	11



25. Are there other comments or suggestions you would like to share? Additional comments were coded into themes below and the raw data can be found in the excel document that will be sent in addition to this summary. The categories coded into the top three of elderly support and care, pension scheme, design and benefits, and general feedback and sentiments. See Column BJ for more information on the specific information. See Table below for general comment categories.



Conclusion:

The survey results on pension adequacy and financial security for senior citizens in Aruba reveal significant concerns and varying levels of support and suggestions for improvements.

A majority of respondents perceived the pension payouts for both married (average: 1993.29 AWG) and single (average: 1401.41 AWG) individuals to be insufficient, with most believing that the pensions were not adequate to cover basic living expenses. Interestingly, the perceptions of respondents about what the pension current is was incorrect, thus showing a lack of knowledge of the public in Aruba about what the current pension amount even is.

Approximately 82% of respondents expressed dissatisfaction with the current pension system, while only 18% were satisfied. Notably, 92% of participants disagreed that the pension plan provided adequate financial security, and 77% had witnessed senior citizens facing financial difficulties. Additionally, a strong consensus emerged in support of pension increases, with 75% of respondents advocating for higher payouts, and 93% agreeing that pensions should be indexed to the cost of living.

Challenges such as the rising cost of living, utilities, and medical expenses were seen as major financial burdens on seniors. Respondents overwhelmingly supported alternative solutions like tax breaks for seniors (83%) and emphasized the importance of securing a financially sound retirement for senior citizens, with 83% of respondents considering it an essential or high priority.

The results of this research clearly indicate that the respondents, irrespective of status firmly agree that the pension is not sufficient to provide the elderly with a living income.

The findings in this study underscore the urgent need for pension reform and additional financial support for the elderly in Aruba.