

## SOCIO-DEMOGRAPHIC AND BEHAVIORAL PROFILE OF PRIVATE PENSION FUND PARTICIPANTS IN ROMANIA: COMPARATIVE ANALYSIS OF PILLAR II AND PILLAR III

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### **Abstract**

*In this research, the authors studied the socio-demographic and behavioral evolutions of Pillar II and Pillar III participants in Romania, using a model based on time series analysis, graphical representations and comparative tables. The data were taken from the official statistics of the Financial Supervisory Authority for the period 2007–2024 and were processed by the authors to highlight the structural differences between the two forms of saving. The results show that Pillar II functions predominantly as a mandatory saving mechanism, with a low level of individual involvement, an aspect reflected in the automatic evolution of the structure of participants and the gradual aging of the taxpayer base. In contrast, Pillar III is emerging as a voluntary instrument, characterized by active and selective participation, predominantly by people with stable incomes and higher financial education. The data analysis indicates a substantial increase in interest in voluntary savings in mature age groups, along with a recent trend of expansion among young people. The conclusions emphasize that the efficiency of the two pillars depends on both the legislative architecture and the level of financial education, and the integrated interpretation of the statistical series confirms the importance of developing public policies that stimulate sustainable accumulation and informed participation in private pension systems. The earlier participation in the private pension system begins, the greater the capitalization of contributions and the higher the final retirement income. Personal financial responsibility must be cultivated from the early part of one's career, as exclusive dependence on the public pension no longer guarantees a decent standard of living.*

**Keywords:** *Participant, contributions, saving, yield, private pension.*

**JEL Classification:** *D15, J32, H75*

### **1. Introduction and context of the study**

In the context of the Romanian population aging rapidly and the ratio between contributors and beneficiaries deteriorating, the public pension system (Pillar I) is facing major pressures. The decline in the birth rate, the emigration of young people and the increase in life expectancy are leading to increasingly accentuated structural imbalances. In these conditions, private pensions are becoming an essential solution for ensuring well-being at retirement age, reducing the risk of poverty and financial dependence.

By their nature, private pensions function as a personal savings mechanism, in which each participant builds their own capital, invested in safe and profitable conditions. The returns obtained are capitalized annually, and the compound effect of the accumulations leads, over time, to the establishment of significant amounts. Thus, a person who contributes constantly throughout their active career can ensure, upon retirement, a consistent additional income compared to the public pension. Private pensions directly contribute to increasing the standard of living of the elderly, ensuring them a more dignified and financially secure old age. They provide stability and protection in an uncertain economic context, reducing dependence on the public budget and limiting the risk of poverty among retirees. Private funds also play an important macroeconomic role, channeling people's savings towards productive investments that stimulate economic

development. For young people, understanding the importance of early contribution is crucial. The earlier participation in the private pension system begins, the greater the capitalization of contributions and the higher the final income upon retirement. Personal financial responsibility must be cultivated from the early part of one's career, as exclusive dependence on the public pension no longer guarantees a decent standard of living.

The main objective of the study is to identify the profile of the participant in private pension funds in Romania (Pillar II and Pillar III), in which sense the following research hypotheses were formulated:

H1: The participant in Pillar II exhibits a predominantly passive saving behavior, mainly determined by mandatory affiliation.

H2: The participant in Pillar III is characterized by individual motivation, a higher level of financial education and interest in voluntary saving.

The research is based on the analysis of time series, carried out to follow the demographic and behavioral developments of the participants in Pillar II and III during the period 2008–2024. Official statistical data provided by the Financial Supervisory Authority were used, subsequently processed by the authors to build comparative tables and graphical representations (age distributions, annual developments, differences between pillars). The method allows highlighting long-term trends, identifying the profile of the participants and formulating interpretations regarding the saving behaviors within the two types of private pension funds.

## 2. Literature review

The public pay-as-you-go pension systems face the challenge of providing adequate, equitable and sustainable incomes in the long term, and risk-sharing mechanisms can influence these objectives (Alonso-García et al, 2018). Removing incentives that discourage work before retirement significantly increases professional involvement at retirement age, but generates an increase in income inequality among retirees (Andersen et al, 2021). Retirees in Romania face increased difficulties, with pensions representing the main source of income, but insufficient to ensure a decent living, in a context of demographic aging and low birth rates (Anghel, 2023). The relationship between the employed population, unemployment and job vacancies directly influences the sustainability of the pension system, highlighting how labor market dynamics affect the incomes of future retirees (Anghelache and Anghel, 2018). Differences in life expectancy between generations have major implications for pension design and the sustainability of pension systems, requiring adjustments in accrual, benefit determination and pension indexation to ensure intergenerational equity and financial stability (Ayuso, 2021). Private pensions are part of retirees' income and contribute to securing their financial resources (Been et al, 2017). Trust in financial markets plays a central role in decisions related to participation in private pension schemes (Brandt et al, 2024). Public attitudes towards the public–private pension mix are influenced by institutional feedback mechanisms, which can reinforce or adjust preferences for different sources of retirement income over time (Busemeyer et al, 2021).

The private savings are influenced by mandatory pension savings, with greater effects on the self-employed (Dillingh, 2023). The expansion of private pensions in recent decades has contributed to changing the structure of pensioners' incomes in Europe, reflecting a more variable distribution of pensions compared to public pensions (Doctrinal, 2023). Private pensions can influence social inequality at retirement age, and their effects vary significantly across European countries depending on the structure of the pension system and the income accumulated during working life (Ebbinghaus, 2021). Participation in private pensions differs between groups of workers, being higher among those with higher incomes and occupations (Fernández et al, 2024). Contributions to private pensions influence the saving rate, often functioning as a substitute for voluntary savings in countries with low saving tendencies (Gebesoglu et al, 2023). In DC plans, fund managers adjust asset allocation according to market information and existing constraints

(Peng et al, 2025). Individuals' preferences regarding the mix of public-private retirement income are influenced by personal interests, political ideology and the institutional characteristics of the national pension system (Wiß et al, 2025).

### 3. Data, results and discussion

#### 3.1. Evolution of participants in privately managed pension funds in Romania (Pillar II)

**Table No. 1. Distribution of Pillar II participants in Romania by gender during December 2008 – September 2025 (thousands of people)**

Year	Female	Male	Total
December-08	2,196.40	2,335.50	4,531.90
December-09	2,378.90	2,534.20	4,913.10
December-10	2,512.61	2,673.76	5,186.37
December-11	2,662.94	2,853.09	5,516.03
December-12	2,783.13	2,989.39	5,772.52
December-13	2,902.63	3,136.64	6,039.27
December-14	3,021.28	3,271.86	6,293.14
December-15	3,144.00	3,412.38	6,556.38
December-16	3,255.94	3,542.50	6,798.44
December-17	3,372.80	3,669.38	7,042.18
December-18	3,470.48	3,779.82	7,250.30
December-19	3,572.04	3,890.32	7,462.36
December-20	3,652.66	3,977.40	7,630.06
December-21	3,735.09	4,058.00	7,793.09
December-22	3,819.90	4,140.43	7,960.33
December-23	3,907.56	4,243.23	8,150.79
December-24	3,971.07	4,316.81	8,287.88
September-25	4,016.10	4,393.46	8,409.56

Source: authors' systematization based on Financial Supervisory Authority data, accessed on 08.12.2025.

The evolution of the number of participants in Pillar II of the private pension system in Romania by gender indicates a clear and constant upward trend throughout the analyzed period, between December 2008 and December 2024. The total number of participants almost doubled, increasing from 4.53 million in 2008 to over 8.28 million at the end of 2024, which reflects the consolidation of this pillar as the main complementary mechanism for long-term savings.

By gender, the dynamics show a parallel evolution between women and men, with a slight constant male predominance. In 2008, men represented approximately 51.5% of the total participants, while women accounted for 48.5%. This proportion has remained relatively stable over the years, with a slight reduction in the gap, so that, in December 2024, women will reach 47.9% and men 52.1% of the total. A slow but steady convergence is therefore observed between the two categories, which can be explained by demographic developments and the increase in women's participation in the formal labor market, especially in sectors with mandatory contributions to Pillar II.

In terms of growth rate, the period 2008–2012 was one of accelerated expansion, with an annual average of around 6.2% for all participants, amid the expansion of the system and the gradual inclusion of new employees. Between 2013 and 2019, the growth rate moderated, but

remained constant, around 3.5–4% annually, reflecting a maturing market and an expanded coverage of the active population. After 2020, the growth became slower (below 2.5% annually), which suggests that a saturation threshold has been reached among eligible employees.

In 2024, compared to the previous year, the number of female participants increased by 1.6%, and that of male participants by 1.7%, which confirms the maintenance of a stable and balanced pace between genders. This evolution can be interpreted as a result of a relatively gender-balanced workforce, but also as a consequence of the mandatory nature of the contribution to Pillar II for age categories under 35 at the time of entering the labor market.

The analysis of the distribution of participants by age groups (figure no. 1) highlights a significant change in the demographic structure of Pillar II, in the sense of a gradual aging of the contributory base.



**Figure no. 1. Age distribution of participants under Pillar II in 2008 and 2024**

Source: authors' representation, based on Financial Supervisory Authority data.

If at the end of 2008, people under 35 years old represented 64.6% of the total participants, while the category over 35 years old had a share of 35.4%, by 2024 the ratio is completely reversed. In December 2024, young people under 35 years old only hold 32.9% of the total, and people over 35 years old reach 67.1%.

This structural change has a double causality. On the one hand, the initial participants enrolled in 2008 are aging in the system, naturally moving into the upper age category; on the other hand, the number of new entries into the youth category has decreased, amid the decrease in the young active population and labor force emigration. At the same time, the expansion of Pillar II continued to attract new members, especially from the middle-aged categories (35–50 years old), who entered the system with the stabilization of the post-crisis labor market and the increase in the degree of formalization of employment.

In absolute terms, the number of participants under 35 years old initially increased to a peak of 3.21 million in 2015, after which a slow decline began, reaching 2.73 million at the end of 2024 - a decrease of almost 15% compared to the previous peak. In contrast, the category over 35 years old experienced a continuous and pronounced increase, from 1.6 million in 2008 to 5.56 million in 2024, i.e. an increase of more than 3.4 times. This evolution illustrates the demographic maturation of the system and the consolidation of contributions from people with stable incomes and longer professional experience.

Combined analysis of table no. 1 and Figure 1 paint a coherent picture of the dynamics of Pillar II: the system has evolved both quantitatively and structurally from a young and expanding base to a mature and stabilized one. Overall, the total increase from 4.53 million participants in 2008 to 8.29 million in 2024 (+83%) confirms a significant expansion of the degree of inclusion of the active population in private retirement savings.

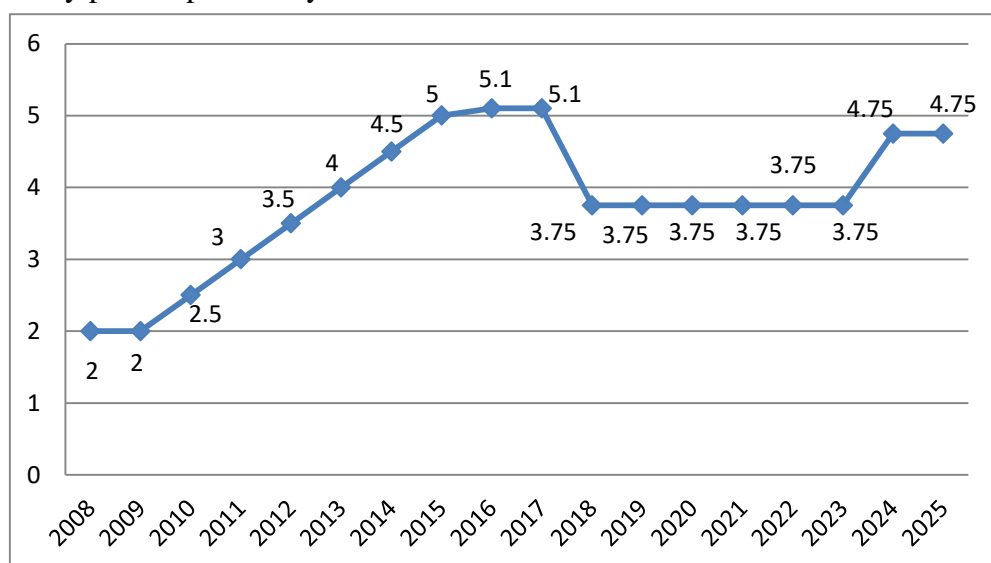
From a gender perspective, the balance between women and men indicates a relatively equal distribution of economic participation, which suggests a convergence in access to formal jobs and a gradual reduction in gender differences in the accumulation of contributions. However, it is likely

that men will predominate in the over 35s category, given the current structure of the workforce in the industrial and construction sectors, where the degree of formalization is higher.

In the long term, the aging trend of participants and the slowdown in the annual growth rate indicate that Pillar II is entering a phase of institutional maturity. Thus, future challenges will be more about maintaining investment returns and consolidating individual contributions than expanding the participant base.

The data for September 2025 confirm the continuation of the growth trend, albeit at a moderate pace. The total number of participants rose to 8.41 million (+1.5% compared to December 2024), with 4.02 million women and 4.39 million men. In terms of age structure, participants under 35 decreased slightly, to 2.68 million, while those over 35 exceeded the threshold of 5.7 million. This confirms the increasing aging process of the contributory base, but also the stability of the system from a numerical point of view.

Thus, it can be concluded that Pillar II continues to grow, but in a mature, sustainable manner and increasingly oriented towards the middle and upper age categories, which reflects not only Romania's general demographic developments, but also the high degree of institutional stabilization of the mandatory private pension system.



**Figure No. 2. Evolution of Pillar II contribution rates during 2008-2025 (%)**

Source: authors' representation.

The evolution of the contribution rates to Pillar II of private pensions between 2008 and 2025 reflects a complex process, marked by distinct stages of consolidation, stagnation and adjustment. Contributions are established as a percentage of gross income and are transferred to private funds, without the direct involvement of the taxpayer in the decisions regarding the contribution.

In the initial period, between 2008 and 2010, the contribution gradually increased from 2% to 2.5%, signaling the beginning of the process of partial transfer of financial responsibility from the public to the private system. Between 2011 and 2015, the rates continued to rise steadily, reaching the 5% threshold, which confirmed the authorities' intention to stimulate long-term accumulation in individual pension accounts and to strengthen the sustainability of the system as a whole.

However, after 2016, the positive dynamics were interrupted. Although the 5.1% level in 2016 and 2017 suggested a temporary stabilization, 2018 brought a sharp drop to 3.75%, maintained constant until 2023. This reduction marked a change in direction in the financing policy of Pillar II, being interpreted by specialists as an effect of government decisions to increase the liquidity available for the public budget, to the detriment of long-term private saving.

Starting with 2024, a new positive adjustment trend is noted, with the rate being increased to 4.75% and maintained at this level in 2025. This return indicates a possible relaunch of interest in consolidating Pillar II as an essential pillar of the mixed pension system, in the context of increasingly accentuated demographic pressures and the need to diversify income sources at retirement age.

The overall evolution thus reveals a tortuous path, in which the initial objective of sustainable contribution growth was temporarily interrupted by macroeconomic and fiscal constraints, but it seems to have recently re-entered a recovery path.

In order to ensure an adequate level of income at retirement age and to increase the financial sustainability of the private pension system, it is essential that the level of contributions directed to Pillar II be increased. A higher rate is not just an administrative measure, but a fundamental condition for the accumulation of sufficient capital in the individual accounts of participants. Since investment returns, however favorable, cannot compensate for a low level of contributions in the long term, a gradual increase in the rate would amplify the capitalization effect and lead to significantly more consistent private pensions. In this sense, a policy of progressive contribution increase would support not only the interests of future retirees, but also the stability of the pension system as a whole, reducing pressure on the public budget and strengthening the role of individual savings in the social security architecture.

- *Summary and key elements regarding the profile of the participant in Pillar II (mandatory)*

Participation in Pillar II is established by law and automatically applies to people who meet the age and occupational status criteria. The system is aimed in particular at those under 35 who contribute to Pillar I, as they are required to join a privately managed pension fund. For people between 35 and 45, joining remains optional. If a new employee does not express their choice of fund within the deadline set by law, they are automatically assigned to one of the existing funds, respecting balancing criteria between administrators.

This automatic inclusion gives the system a passive character from the perspective of individual decision: many participants do not make any effort to choose their fund or monitor their contributions, but become part of the system implicitly, according to the legal framework.

The profile of the typical participant is that of a legally employed contributor, who joins Pillar II, with the possibility of selecting their fund, but without constant active involvement in managing its performance.

From a socio-demographic point of view, the distribution of participants broadly reflects the structure of the employed population, with few differences between genders or age groups. However, women generally accumulate smaller amounts in individual accounts, due to wage differences and career breaks. Contributions are set as a percentage of gross income and are transferred to private funds, without the direct involvement of the taxpayer in decisions regarding contributions.

Pillar II can be considered an institutionalized mechanism of mandatory savings, based on the principle of contributory, but with a low degree of conscious involvement on the part of participants. They essentially become passive beneficiaries of a system designed to ensure the diversification of income sources in retirement and to reduce pressure on the public system. The lack of direct involvement and the limited level of financial education mean that many participants perceive the contribution more as a fiscal obligation than as a personal tool for long-term financial planning.

- *The impact of the contribution rate and the role of the government*

An essential element in the participant's profile is the level of the contribution rate set by the government. The percentage of gross income transferred to the private fund directly influences the asset accumulated in the individual account and, implicitly, the financial well-being upon retirement. The higher the contribution rate, the greater the participant accumulates an asset, which ensures better financial security in the long term. In turn, government decisions that modify the

level of this rate have a direct effect on individual accumulation and on the overall performance of the system. Therefore, the success of Pillar II in providing financial stability depends not only on the contributory nature of participants, but also on government policies regarding the level of contribution.

Therefore, Pillar II can be considered an institutionalized mechanism of mandatory savings, based on the contributory principle, but with a low degree of conscious involvement on the part of participants. They essentially become passive beneficiaries of a system designed to ensure diversification of retirement income sources and reduce pressure on the public system.

### 3.2. Evolution of participants in voluntary pension funds in Romania (Pillar III)

Data on the evolution of participants in voluntary pension funds in Romania, analyzed by gender and age group during the period 2007-2024, reflect a trend of constant growth and diversification of the demographic structure of those who opt for additional savings within Pillar III. This dynamic highlights not only a progressive maturation of the private pension market, but also a consolidation of individual financial culture, especially in the context of growing concerns regarding the sustainability of the public pension system.

Regarding the distribution by gender (Table no. 2 and Figure no. 3), a significant increase in the total number of participants is observed from 50,887 people in 2007 to over 832,538 in 2024, with a relatively balanced evolution between women and men. Women had a slightly dominant presence throughout the analyzed period, their share oscillating between 49% and 52% of the total number of participants.

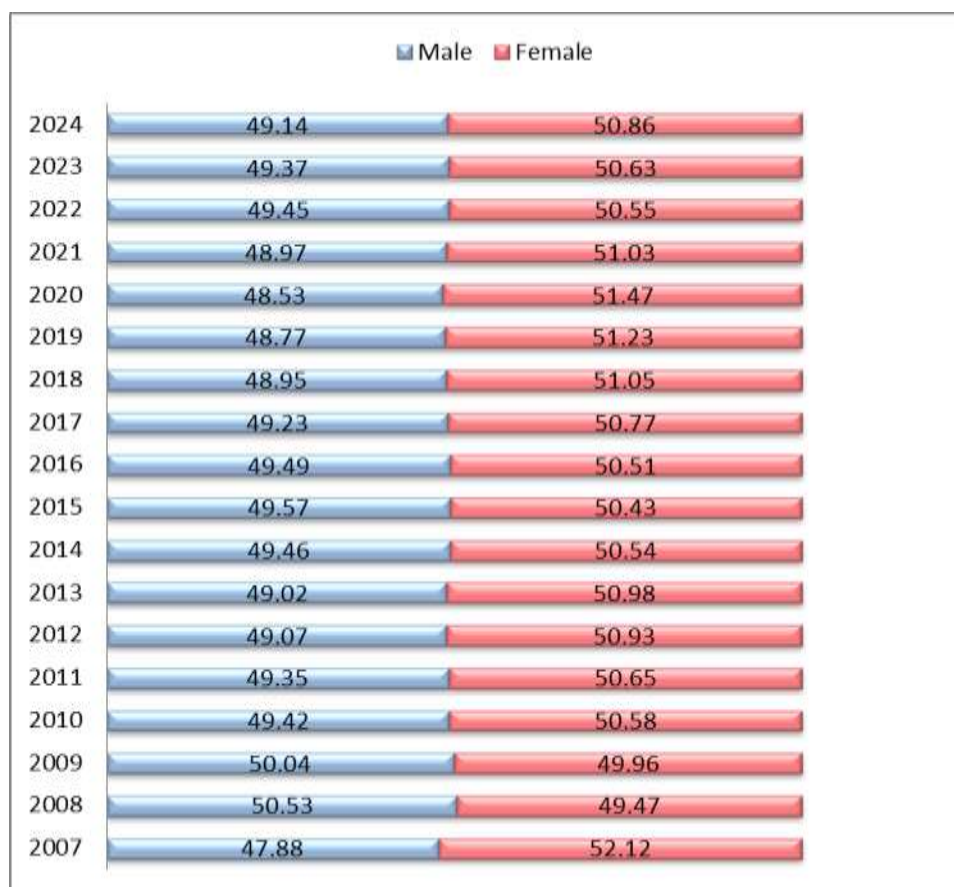
**Table no. 2. Gender distribution of participants in voluntary pension funds in Romania, during 2007 – 2024 (number of people)**

Year*	Female	Male
2007	26,520	24,367
2008	74,574	76,171
2009	93,503	93,669
2010	112,084	109,521
2011	131,891	128,488
2012	148,788	143,358
2013	159,730	153,618
2014	175,095	171,357
2015	192,817	189,501
2016	207,225	203,016
2017	226,498	219,633
2018	241,023	231,144
2019	256,711	244,412
2020	271,444	255,892
2021	288,043	276,429
2022	316,744	309,868
2023	359,853	350,924
2024	423,453	409,085

Source: own systematization based on Financial Supervisory Authority data, Pension Fund Statistical Data Section, accessed on 09.12.2025; Note: \*December 31.

If in 2007 men represented 47.88% of the total, and women 52.12%, then the ratio balanced, remaining around 50% for both sexes, with a slight female predominance, especially visible in the years 2016–2024. This trend can be associated both with greater professional stability among women in sectors with a high degree of tax compliance, and with an increased sensitivity to the

need for long-term financial insurance. Interestingly, after 2021, a simultaneous increase in the number of women and men participating is noted, which indicates a generalized expansion of interest in voluntary pensions, amid the intensification of financial education campaigns and the consolidation of trust in the private pension system.



**Figure no. 3. Gender distribution of participants in voluntary pension funds in Romania, 2007 - 2024**

Source: authors' representation based on their own calculations.

The analysis by age group (Table 3) confirms that the voluntary pension system has gradually become attractive for all age groups, although the structure of participants has changed significantly over time. In 2007, the largest category was that of people aged 30 to 44 (25,103 participants), followed by the over-45 group (15,537) and, at a distance, by young people aged 16 to 29 (10,247). Over the years, however, all categories have recorded significant increases, especially after 2015, against the backdrop of a more intensive promotion of the fiscal advantages of Pillar III and relative macroeconomic stability.

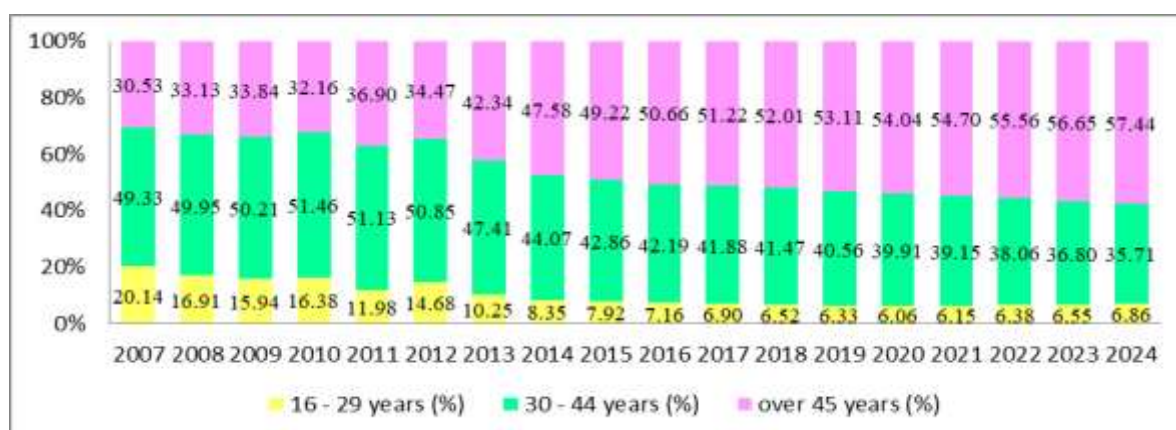
In 2024, the distribution highlights a pronounced concentration in mature age groups and close to retirement: over 45 years old – 478,197 people, respectively 30–44 years old – 297,260 people, while the young segment (16–29 years old) includes 57,081 participants. This structure suggests an increased involvement of the active population with stable incomes, but also a late awareness of the importance of saving for retirement, a phenomenon characteristic of emerging economies. At the same time, the constant increase in the number of young participants, especially in recent years, can be interpreted as a positive signal regarding the consolidation of a culture of early financial planning, with beneficial effects on long-term accumulations.

**Table No. 3. Distribution by age group of participants in voluntary pension funds in Romania, during 2007 - 2024**

Year*	Age groups		
	16 - 29 years	30 - 44 years	over 45 years
2007	10.247	25.103	15.537
2008	25.496	75.302	49.947
2009	29.842	93.982	63.348
2010	36.295	114.036	71.274
2011	31.183	133.129	96.067
2012	42.880	148.557	100.709
2013	32.117	148.564	132.667
2014	28.917	152.678	164.857
2015	30.293	163.867	188.158
2016	29.354	173.077	207.810
2017	30.769	186.834	228.528
2018	30.780	195.811	245.576
2019	31.710	203.257	266.156
2020	31,945	210,438	284,953
2021	34,691	221,005	308,776
2022	39,984	238,497	348,131
2023	46,563	261,590	402,624
2024	57,081	297,260	478,197

Source: own systematization based on Financial Supervisory Authority data, Pension Fund Statistical Data Section, accessed on 09.12.2025; Note: \*December 31.

Overall, the evolution between 2007 and 2024 reflects a broad development of voluntary pension funds, both numerically and structurally. The relatively balanced gender share indicates a high degree of financial inclusion, and the consistent growth across all age groups indicates a maturing market and a gradual expansion of the participant base. However, to achieve a sustainable level of income at retirement age, participation needs to become not only wider but also earlier, and the level of individual contributions needs to be adjusted according to the duration of accumulation and the long-term economic outlook.



**Figure no. 2. Distribution by age group of participants in voluntary pension funds in Romania, between 2007 and 2024**

Source: authors' representation, based on Financial Supervisory Authority data.

- *Summary and key elements regarding the profile of the participant in Pillar III (voluntary private pension)*

Pillar III is fundamentally different from Pillar II in that it is voluntary: the decision to participate is entirely up to the individual, and membership reflects an awareness of the importance of saving for retirement. Pillar III participants are not automatically included in the system, but choose to contribute on their own initiative, motivated by the desire to secure an additional income in old age.

The socio-demographic profile of participants is more diverse and selective than in the case of Pillar II. As a rule, Pillar III attracts people with above-average incomes, a high level of education and a real concern for long-term financial planning. Unlike Pillar II, where participation is often passive and imposed by law, Pillar III contributors are active, deliberately choosing the funds in which they invest and constantly monitoring the performance of their contributions.

The main motivation of Pillar III participants is conscious saving for the future. They understand that the progressive accumulation of private capital can ensure additional well-being in retirement and contribute to financial independence, reducing dependence on the public system. Thus, the decision to become a participant reflects not only financial capacity, but also the level of education and financial responsibility. Overall, Pillar III highlights an active and motivated participation, based on personal choice and awareness of the role of long-term savings.

Overall, Pillar III highlights an active and motivated participation, based on personal choice and awareness of the role of long-term savings. The differences compared to Pillar II are related not only to the voluntary versus mandatory nature, but also to the degree of involvement of the participant, financial literacy and available resources, highlighting the socio-economic inequalities in Romania and how these influence individual savings decisions.

#### **4. Conclusions**

The structure of Pillar II and Pillar III participants in Romania illustrates two distinct typologies of economic behavior and attitudes towards long-term saving, differentiated by the nature of participation – mandatory in the case of Pillar II and voluntary in the case of Pillar III. This structural separation determines significant differences in the socio-demographic profile of contributors, as well as in their level of financial awareness, motivation and active involvement in planning future resources.

As for Pillar II, participation is imposed by legislative regulation, which makes the structure of participants broadly reproduce the characteristics of the employed population in Romania. The gender distribution is relatively balanced, with women representing almost half of all contributors, but the amounts accumulated by them tend to be lower, as a result of persistent wage differences and interruptions of activity related to family responsibilities. At the same time, men, present in a higher proportion in economic sectors with high productivity and income, record higher levels of individual saving.

From an age perspective, the dominant share is held by people between 30 and 45 years old – the generations that integrated into the labor market after the launch of the system in 2008. Young people under 30 years old participate automatically upon signing their first employment contract, but the short contribution period limits the value of the accumulated accounts. Also, the territorial distribution shows a pronounced concentration in urban areas, where formal jobs and declared incomes are predominant, while rural areas remain underrepresented due to the high share of the informal economy. In this sense, Pillar II can be characterized as a generalized system, but with a low degree of conscious involvement on the part of participants, the decisive role being played by legal obligation, not individual decision.

By contrast, Pillar III operates on the basis of a voluntary choice, and this decision-making freedom gives participants a specific profile, defined by higher educational level, above-average income and an explicit orientation towards financial planning. People who opt for voluntary contributions do so for rational reasons, motivated by the desire to secure an additional pension and diversify their sources of income at retirement age. Most participants

come from urban areas (over 80%) and work in fields such as IT, financial services, telecommunications, liberal professions or management – sectors characterized by economic stability and high saving capacity.

The gender distribution is slightly unbalanced in favor of men, who hold approximately 55–60% of all contributors, which can be explained by a greater inclination towards assuming risk and using long-term investment instruments. Women, although numerically fewer, stand out for their constant participation and prudent financial behavior, oriented towards continuity. The predominant age is between 35 and 55 years, corresponding to the segment of the population in full professional maturity, with stable incomes and real financial planning capacity.

The main motivations that determine adherence to Pillar III are, on the one hand, the desire to benefit from a supplementary pension compared to the public and mandatory one, and on the other hand, the tax incentives offered – the deduction of contributions of up to 400 euros annually from income tax. Also, a significant part of the participants benefit from contributions made directly by employers, as part of staff loyalty and reward policies, which increases the attractiveness of the scheme.

Therefore, Pillar II represents a universal but passive mechanism, in which individual decision is minimal, while Pillar III reflects a form of selective saving, based on one’s own will and a higher level of financial education. This structural difference highlights not only the particularities of the legislative framework, but also the stage of development of financial culture in Romania: if Pillar II provides the collective foundation of security in old age, Pillar III expresses the transition towards an economy of personal responsibility and financial autonomy.

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