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Review Report on the Ph.D. thesis
- submitted to the University of Gdańsk
Faculty of Economics

Author: Jakub Szpytma

Title: “Solving the retirement crisis – the US 401 (k) plan experience and its applicability in Poland”

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Importance of the thesis subject

Knowledge of retirement systems and retirement incomes is very often limited to general solutions. Knowledge about detailed solutions is even at a much lower level. The awareness of the need of additional and voluntary savings for future retirement incomes does not mean the use of available instruments or long-term savings. Apart from economic factors, there are a number of barriers affecting both the retirement awareness of Poles' and the level of long-term savings. The basic barrier appears to be the lack of retirement awareness regarding the principles of the functioning of retirement systems. According to the surveys, Poles hardly think about the potential amount of future retirement incomes. Changing of this

is one of the most important challenges facing politicians.

It is extremely important to intensify activities in the field of retirement education and to increase the awareness of long-term savings. In addition to educational activities and improvement of retirement awareness, work should be undertaken to find new solutions that would make the long-term savings more attractive and popular. A forward-looking perspective is necessary to minimize the potential or real threat to the financial situation of retirees in the perspective of several decades and the danger of a significant deterioration in the public finance.

Jakub Szpytma's doctoral thesis perfectly analyzes the above-mentioned retirement issues, especially at the educational level that shapes retirement awareness. Therefore, the novelty of the dissertation does not raise any objections. The scientific level of the thesis is very high considering the importance of the research subject. In my opinion, the choice of the subject of the doctoral thesis should be recognized as proper, important, and current. Due to the accurate and multifaceted nature of studied issues, this dissertation provides a lot of valuable information on the US 401 (k) plan and its applicability in Poland.

The dissertation is very important as it contributes to studies in personal finance, business, and economics. It is worth noting that the study creates a foundation for improvements in social insurance retirement programs, employee benefits, and worker saving behaviors. The Author's recommendations are comprehensive because they include all actors in the retirement process (economists, governments, corporations, and savers).

Research goals and hypotheses

The Author formulates the main research goal as follows: „From the many mechanisms by which US workers can achieve economic security during their retirement years, if and how effectively can Poland's workers adopt 401 (k) employer-sponsored-plan-like retirement income framework?” The Author also formulates several key research goals, which he tries to fulfill in each chapter. In the first chapter, the concept of retirement and associated theories are presented. In the second one, he discusses the retirement saving instruments including the 401 (k) plan and other various types of saving instruments that are available in the United States. In the third chapter, the Author tries to show links between retirement saving tools and the economies of the US and Poland basing on statistical and graphical data

derived from the secondary information sources. In the last one, Jakub Szpytma offers several recommendations on resolving the major problems associated with retirement, with an emphasis on personal finance and the key retirement players.

The Author presents two hypotheses. The first hypothesis set includes the following: H1: Aging populations in both the US and Poland are significantly contributing to a retirement crisis, and H0: Aging populations in both the US and Poland are not significantly contributing to a retirement crisis.

The first hypothesis builds on the demographic data that were collected and analyzed. Given the data, aging populations in both the US and Poland are significantly contributing to a retirement crisis. Therefore, the Author rejects the null hypothesis in favour of the alternative hypothesis. Aging populations are straining both Social Security in the US and ZUS in Poland, causing financial distress for both institutions. Because many people still derive a majority of their retirement incomes from social insurance programs, aging populations is the key determinant of the retirement problem.

The second hypothesis set includes the following: H1: Adopting a 401 (k) retirement plan-like system can effectively alleviate Poland's retirement crisis, and H0: Adopting a 401 (k) retirement plan-like system cannot effectively alleviate Poland's retirement crisis. The second hypothesis starts with the assessed economic data, but its main idea lies in applying a 400 (k) plan-like system in Poland's labor market. Given the data, adopting a 401 (k) retirement plan-like system can effectively alleviate Poland's retirement crisis. As a result, the Author rejects the null hypothesis in favour of the alternative one. He also underlines that the 401 (k) plan requires some modifications in order to effectively function in Poland. He states that legislation allowing a 401 (k) plan-like system to work "needs to reflect both regulations that are unique to Poland, as well as those rules that conform to the EU standards".

According to the Author, the functioning of a 401 (k) plan-like structure in Poland can successfully lessen Poland's retirement income worries. In the opinion of the Author, embracing the 401 (k) plan in Poland offers many possibilities for economic, corporate, and personal benefits.

Jakub Szpytma tests the hypotheses with theoretical, conceptual, and numerical information.

In my opinion, the research goals and hypotheses are clearly formulated with essential

conclusions based on actual literature, and correctly fulfilled. I think all the hypotheses are proper in the context of research goals and objectives of the doctoral thesis. They are logically connected. The Author assesses retirement as an idea from multiple viewpoints. He also reviews retirement income instruments, and analyzes statistical and graphical data. The data revealed that a 401 (k) plan-like system is a feasible and effective instrument for improving the retirement readiness of Poland's aging workers.

Research methodology

The research methodology is adequate to formulated goals and research hypotheses. Jakub Szpytma uses secondary information sources because, as he underlines, much of the economic, demographic, and retirement data have already been accumulated and are easily accessible. The Author draws attention to the fact that using primary information sources for a non-existing retirement income instrument is unrealistic and "once a 401 (k) plan-like structure is accepted in Poland, then interviewing or surveying can play a significant role in assessing plans and participants". Generally data are presented in statistical, ratio, bulleted, categorial, and graphical forms. The Author uses the following analysis techniques: statistical, graphical, comparative, experience, ranking, categorization, critical, cause and effect, and cost and benefits. The methods are used in accordance with the recommendations of the scientific research methodology.

The structure of the doctoral thesis

This Ph.D. thesis is well structured and correctly presented. It consists of 4 main chapters. At the beginning of the dissertation, the table of acronyms is presented. Finally, a conclusion, appendices, and references are presented. The doctoral thesis is written on 277 pages.

In the first chapter: „Conceptualizing Retirement”, Jakub Szpytma reviews the concept of retirement from many perspectives. He also presents the history of retirement systems, especially in the US, and the basic theories and ideas that are vital to understanding retirement economics. The Author defines retirement as „the act of ending your working or professional career, the act of retiring, the state of being retired, (or) the period after you

have permanently stopped your job or profession". Defining „retirement”, the Author quoted only definitions from English sources. I think that in the context of research goals, the Author should quote Polish researchers` definitions of retirement as well.

In the second chapter: „Analyzing the US Retirement Income Framework”, Jakub Szpytma discusses the most common sources of retirement income, including social insurance programs, pensions, bank accounts, financial investments, and individual retirement accounts in the United States. In the last section, the Author reveals the chapter`s foremost material, which addresses the 401 (k) plan in detail including history, benefits, and administration. The 401 (k) plan is the study model which offers benefits such as employee retention, convenience, and portability. It is a very effective saving tool. The Author properly emphasizes that retirees must locate alternative income sources. In my opinion, the chapter is a deep analysis of the retirement situation in the United States and it introduces the subject to Polish readers in an interesting way.

In the third chapter: „Exploring the Data: Comparing US and Poland”, the Author summarizes foundational economic information to study the economic environments within which 401 (k) plans operate. He also assesses demographic information to understand 401 (k) plan participants. The chapter addresses the fundamental retirement statistics, and retirement systems in the US and Poland.

In the last chapter: „Recommending a 401 (k) Plan-Like System in Poland”, Jakub Szpytma summarizes the information that provides a concise description of the entire study. He also interprets the data to outline the significance of the study. Thus, the key ideas of retirement incomes are presented, while emphasizing a 401 (k) plan-like system`s application in Poland`s labour market.

To summarize the theoretical part of this dissertation, it is worth noting that the Author has carefully studied the research subject with a critical view, and he uses an appropriate number of bibliography sources. It is evident that Jakub Szpytma deeply understands the theoretical knowledge and the discussed problems.

However, I have some remarks that need to be explained in details.

The first remark concerns the already mentioned issue of the lack of Polish definitions of retirement.

The analysis of retirement system in the US in my opinion is deeply, correctly presented and does not raise any objections, but in the context of research questions, the Author

should mention the definition of retirement system of a Polish researcher's, for example, Tadeusz Szumlicz's, who defines the retirement system as "all institutional solutions concerning the risk of old age, aiming to: 1. rules for the acquisition of retirement rights and 2. rules for the payment of retirement benefits - to provide participants with adequate resources (financial security)".

My main remark concerns the lack of Polish-language references. If the Author discusses in detail the issue of Polish retirement system and retirement income, would it be worth mentioning also Polish authors? Jakub Szpytma should use some references of outstanding Polish researchers to enrich the analysis of the situation of retirement economics in Poland (third chapter). I am mainly thinking about the lack of the report of Józef Czapiński and Marek Góra's: „Świadomość „emerytalna” Polaków. Raport z badania ilościowego” (Warsaw, 2016) – which is generally known and available on the Internet, and the lack of prof. Marek Góra's works (written also in English).

However, I would like to emphasize that the above remarks do not diminish the essential value of the doctoral thesis.

Formal evaluation of the thesis


The formal evaluation of the doctoral thesis is positive. From the formal point of view, the doctoral thesis is written very carefully and well documented. Jakub Szpytma thoroughly explains the concepts and phenomena. He uses the correct stylistic and communicative language. There are no typing errors and the text is well written in clear and concise manner. The figures and schemes are shown properly. The methods are correctly used.

Final conclusion

Jakub Szpytma's doctoral thesis is an interesting research study presenting the solving the retirement crisis in Poland by the application of the US 401 (k) plan-like system. The dissertation represents a high level of scientific work. It is generally well presented and very interesting to read. The explanations are suitable and focused on relevant topics. It is noteworthy that the wide spectrum of work executed new research ideas (chapter four).

In my opinion, Jakub Szpytma proved his ability to perform research and to achieve scientific results. I recommend the doctoral thesis for presentation with the aim to receive the Degree of Ph.D. (Ustawa z dnia 14 marca 2003 o stopniach naukowych i tytule naukowym oraz o stopniach i tytule w zakresie sztuki).

Kierownik
Zakładu Stosunków Międzynarodowych


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