



# The Changing Face of Retirement

The Aegon Retirement Readiness Survey 2014



# Contents

Foreword	1
Summary	2
Introduction	5
The 2014 Survey	
<b>Part 1:</b> Aspirations and expectations for retirement	8
<b>Part 2:</b> A plan for life - understanding retirement planning needs	12
<b>Part 3:</b> Planning for retirement - making it easy	19
<b>Part 4:</b> The age of flexible retirement	23
Recommendations	27
Glossary	30
About Aegon, Transamerica Center for Retirement Studies® and Cicero Consulting	32
Acknowledgements	33
References and notes	34
Appendix 1: Methodology	36
Appendix 2: Country comparisons	37

# Foreword

These days retirement has two faces. We have positive aspirations for our life after work and we associate it with leisure and freedom. At the same time we are less confident that retirement will actually deliver these benefits. People have clear concerns about their economic independence in retirement. The Aegon Retirement Readiness survey for 2014 is more clear than ever about people's ambitions and fears with respect to retirement. Now in its third year, conducted in collaboration with Transamerica Center for Retirement Studies®, Aegon's global retirement survey covers 15 countries and contains findings based on online questionnaires conducted with 16,000 people who either work in paid employment or live in retirement.

The objective of the survey is to better understand what comes to people's minds when they think about their retirement. For more than a decade there has been a chorus of messages about the need to make greater personal provision for retirement and to take more personal responsibility for one's own retirement planning. Yet, the rate of progress and reform often seems painfully slow. The impact of the financial crisis added further pressures on households' aspirations to fund retirement.

As individuals come to accept greater responsibility for funding their own retirement, the need to understand pensions will no longer be a matter exclusively for pension professionals. We therefore need pension systems that are easy to understand. Our survey findings show that employers can play a major role here through helping to share the responsibility of saving for retirement, but also in helping employees towards making the right decisions at the right stage in their lives. Employers can help people to save early in their working lives; get them to save regularly and help them transition into retirement.

As we look to create a new blueprint for retirement, which remains affordable and sustainable in the 21st century, we hope the findings in this report can help governments, employers and employees work better together to make retirement planning a reality for all. Our purpose is to help people take responsibility for their financial future. We remain committed to engage with public policy makers and employers to develop solutions to the retirement challenges facing us going forward. I hope the results of this year's survey will be thought-provoking enough to further elevate the global conversation and debate on how to bridge the gap between aspirations and fears about the future of retirement.

**Alex Wynaendts**

CEO Aegon



**AEGON**





## Summary

The growing financial pressures on retirement systems around the world are forcing individuals and families, employers, and policymakers to change the way they think about and plan for retirement. Retirement as a concept is being rapidly redefined. As individuals accept more personal responsibility for retirement planning, we can expect to see them saving more through pensions and other long-term savings products. We can also expect to see people work beyond current retirement ages as the notion of retirement becomes more flexible, blending leisure with periods of employment. While the onus is on the individual to plan ahead, there remains a vital and essential role for governments and employers. Not only will they continue to provide significant financial support, through government retirement benefits and workplace pensions, but they will also come to provide a wide array of services to people who need to build the important life skills required to save for, and transition into, retirement. Working together, individuals, employers and governments can do a lot to “make retirement easier.” Our 2014 survey findings show that we still have more progress to make.

### **The economic outlook revives, but concerns about future retirement remain**

The survey findings illustrate a number of changes in employee sentiment as the outlook for the global economy continues to grow more positive. For instance, one-third of respondents (31%) now expect their personal finances to improve in 2014. In last year's survey, 25% held this view.

As in 2013, people continue to hold positive aspirations for retirement, with many associating retirement with leisure (46%) and a sense of freedom (41%). Nevertheless, this is combined with a continuing widespread lack of confidence that retirement will actually deliver these benefits. One-third (34%) of employees are pessimistic about having enough money to live on in retirement, and just 19% are "very" or "extremely" confident that they will be able to fully retire with a lifestyle they consider comfortable. This confidence is especially low in Europe, with the figure in France just 6% and in Poland 4%. Furthermore, one-third are pessimistic about their ability to choose the time at which they retire, while only half (51%) are optimistic that they will be able to maintain good health in retirement.

Only one in six (18%) expect to be better off in retirement when compared to current retirees, revealing a widespread sense – particularly strong in Europe and North America – that the sort of retirement currently being enjoyed by their grandparents or parents won't be available to future generations. In the future, retirement will come to be defined very differently. In particular, it will require a larger role for paid employment as the notion of retirement becomes more flexible.

### **There is a strong need to undertake financial planning**

Financial planning will be central in addressing concerns about income shortfalls and the pessimism about how and when people enter retirement. However, few people are currently preparing adequately for their retirement. Just one in six (18%) achieved a high Aegon Retirement Readiness Index score in 2014 (a score of more than 8 out of 10 based on six questions in the survey gauging retirement attitudes and planning). In contrast, over half (55%) of employees recorded a low retirement readiness score (a score of 6 or less out of 10).

Underlying these low scores is a widespread lack of retirement saving and planning. While 34% of "habitual savers" achieved a high Index score (twice the global average), 82% of "non-savers" found themselves with a low Index score. The priority must be to encourage more people to start long-term saving, and to save regularly as part of a comprehensive retirement strategy. While nearly half (44%) of employees have a strategy, only one in eight (12%) has a written retirement strategy. Worryingly, 40% say they have no strategy at all. Another 4% replied "do not know."

A major step-change in retirement planning, and indeed life-long financial planning, is required to help people in the event their circumstances change. Currently 61% have no back-up plan to provide them with an income in the event that they become unemployed or are unable to work for a prolonged period before their planned retirement. Given that 45% of retired respondents tell us they had to retire sooner than planned as a result of events like ill-health (34%) or losing their jobs (25%), this is a very real risk facing people, many of whom are not preparing for it.

### **The solution lies in making retirement planning easier**

Financial constraints on households continue to explain why some people are not saving enough for retirement. Only 28% of employees have enough money to invest for their retirement, while 48% said that receiving a pay raise would encourage them to save more. Faced with these financial realities, governments, employers and pension providers have a shared responsibility to help people plan for their own retirement by making the process as easy as possible and creating the right incentives to save.

One of the clearest signals governments can send to employees about the benefits of saving is through the tax system. Most countries offer some kind of tax relief to encourage long-term savings, but such support has come under pressure as governments look to balance public sector budgets. Nonetheless such tax benefits remain important, with 32% of respondents agreeing that more generous tax breaks would encourage them to save more.

Employers have a dual role to play in providing both financial support in the form of workplace pensions and other workplace savings products, as well as services such as online retirement planning tools or workplace financial advice. Overall, 63% of employees say that they find the prospect of being automatically enrolled into a workplace pension appealing. On average, employees envision contributing 6% of their salary, and think it reasonable for their employers to contribute 8% into an auto-enrolled retirement plan.

The financial services industry can also play a role, given that 21% of respondents say that they would save more if investment products were simpler and easier to understand. Twenty-four percent would also like products that make it easier to track and manage their savings. Despite the demand for greater simplicity, there is still a role for the industry in offering guidance, information tools and professional financial advice. Twenty percent of respondents say that more frequent access to information about their retirement savings would encourage them to save more, while 17% would like access to professional financial advice that includes personalized recommendations.

### **Flexibility will become the new model of retirement**

Many current employees expect to have some kind of phased transition into retirement, with 29% saying they will first move to part-time work before giving up work altogether and 17% planning to move to part-time work and continue that throughout retirement.

Only 32% of future retirees expect to stop work completely at retirement age. This view continues to be more common in certain European countries including Spain and France where the notion of a “cliff-edge retirement” is still supported by a small majority of employees.

Among current retirees, only 9% worked beyond their planned retirement age. But those who did, did so mostly for positive reasons as people looked to keep themselves mentally and physically active. It is clear from the findings that employers will need to do more to support flexible retirement. Currently, only 23% allow their employees to go first into phased, part-time retirement and only 12% offer retraining. Furthermore, 52% of employees say their employers currently do not provide enough information or support to help employees transition into retirement.

Underpinning this shift in behavior at retirement is the level of support among employees (52%) for some sort of increase in the official retirement age. However, there is a degree of reluctance to change among a large minority, with 41% of respondents saying their working lives are already long enough. Governments will have an important role to play in shifting people’s expectations by modifying official retirement ages or, in some cases, abolishing mandatory retirement ages altogether.



# Introduction

## Making it easy – a new blueprint for retirement saving

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Here's a fact. Funding retirement remains one of the biggest economic and social challenges facing the world in the 21st century. Government spending on old age pensions already takes up more than 10% of GDP in a number of our survey countries including France, Germany and Poland, and this figure continues to grow.<sup>1</sup> As a result, the old models of paying for retirement, based on generous government retirement benefits and occupational defined benefit pensions, must eventually give way to something more sustainable. Individuals will need to play a greater role in planning for and funding their own retirement. The long-term solution lies in individuals saving more, possibly in governments increasing taxes to fund government retirement benefits and – certainly – in society as a whole taking a more flexible view of work in later life.<sup>2</sup>

Based on this year's survey findings, it is clear that people are still not doing enough to prepare for retirement. In our fast-paced modern world, planning for an event that won't occur for maybe three or four decades seems to go against the grain. For many faced with the demands and distractions of everyday life, the challenge to think, plan and act for the long term appears to be simply too great. But that's exactly what retirement planning requires of us.

Though all countries in our survey are faced with a similar challenge, not all countries are following the same blueprint or achieving the same outcomes. For example, in 2012, the Netherlands had one of the best funded pension systems in the world with pension fund assets equal to 160% of its GDP, up from 103% in 2001. Meanwhile, in Hungary, the value of pension assets relative to GDP fell from a peak of 15% in 2010 to 3% in 2012, following a government decision to close the country's mandatory private pension system.<sup>3</sup>

To tackle the challenges which lie ahead, all governments and employers need to work with employees to provide simple and secure channels to save and invest for the long-term, remove the obstacles to save, improve access to advice and guidance, and make retirement itself a more flexible process which puts people in control of their own finances.

## The 2014 Survey

The findings in this report are based on the responses of 16,000 people from 15 countries in the Americas, Europe and Asia.<sup>4</sup> Respondents were surveyed online and fieldwork was conducted in local languages in January and February 2014. The range of issues covered in the research includes attitudes and behavior related to retirement planning. The results are used as the basis for the annual Aegon Retirement Readiness Index, as well as this report's findings on the role of governments and employers with regard to retirement benefits.

The survey included a mix of 14,400 employees and 1,600 retirees to provide some comparison between the outlook of current employees and those already in retirement. The survey did not include homemakers, students, those currently not employed or those unable to work, as each of these groups are faced with specific challenges in planning for retirement which often require specialized public policy responses. The research therefore provides a wider perspective based on the mainstream working population. Appendix 1 contains more information on methodology.

The survey includes a broad mix of industrial and industrializing countries, with important emerging markets as Brazil, China, India and Turkey included in the research.<sup>5</sup> Many of these countries are working to build pension assets from a low base. For example, in 2012, Brazilian pension fund assets equaled 14.7% of the country's GDP. In China, pension fund assets, in 2012, represented just 0.9% of GDP.<sup>6</sup> The combined 15 countries in the 2014 study account for over 86% of the world's funded pension assets.<sup>7</sup> The countries in our survey are in many ways in the forefront of global efforts to find sustainable solutions to the world's growing retirement funding challenge.

The report discusses findings primarily from a 15-country-level perspective. Where country-specific findings are given, this is done for illustrative purposes. In Appendix 2 additional country-specific data can be found.

## The 15 survey countries

Country
Brazil*
Canada
China
France
Germany
Hungary
India*
Japan
The Netherlands
Poland
Spain
Sweden
Turkey*
United Kingdom
United States

\* New to the 2014 survey.

## About this report

Convincing individuals to take action with regard to retirement planning will require a simpler and more flexible pension system. That is why "making it easy" is the theme for this year's report.

- **Part 1:** Shows the two-sided story with, on the one hand, an improving economic outlook and continued positive retirement aspirations and, on the other, continued concerns about the reality of living in retirement
- **Part 2:** Shows that most employees continue to fall short in retirement planning and that the level of preparedness for later life needs to improve
- **Part 3:** Shows that the best way to encourage saving for retirement is by making it easy
- **Part 4:** Paints the picture of a new model of flexible transitioning into retirement and indicates that still a lot needs to change to get there

The report concludes with a number of recommendations which are relevant for making effective retirement planning a reality for all.



## Part 1: Aspirations and expectations for retirement

### *The economic outlook revives, but concerns about future retirement remain*

The continuing recovery in the global economy has resulted in an improvement in people's financial outlook. Whereas in 2013 just 19% of respondents expected their domestic national economy to improve in the coming year, this number increased in 2014 to 28%. Meanwhile, the number of people expecting their personal financial situation to improve over the next 12 months increased from 25% in 2013 to 31% in 2014. However, people remain concerned about their future in retirement.

While respondents hold a more positive short-term economic outlook, the expectations for future generations of retirees are still pessimistic. Over half of respondents (53%) expect future generations of retirees to be worse off than those currently in retirement. In Germany, 80% expect to be worse off after they retire, while in Hungary the figure is 78% and in France it is 77%. While this marks a slight improvement on 2013, fewer than one in six (16%) of current employees expects to be better off in retirement than current retirees. This marks a major reversal in the long-held belief that each successive generation would be better off in retirement than the preceding one. Today, this aspiration seems realistic only in emerging markets where the growth in real incomes is encouraging people to see a more positive retirement landscape. People in India, China and Brazil all believe that future retirees will be better off than the current retirees.

### Today's employees still have a positive view of retirement

In spite of the changing fortunes between the generations, today's workers continue to hold positive aspirations for retirement. In total, 69% of employees chose at least one

positive word to describe retirement while 52% chose something negative (respondents were allowed to select a range of words to describe retirement, with many selecting a combination of both positive and negative words). There are significant differences in how employees in different countries view retirement.

Employees in the US and Canada overall have the most positive outlook on retirement, possibly reflecting the additional security provided by access to personal pensions. Americans, for example, have amassed some \$19.4 trillion in personal pension assets<sup>8</sup>, with three-fifths (60%) of the workforce enjoying access to a personal retirement plan<sup>9</sup> (in most cases, a defined contribution plan<sup>10</sup>). A similar picture emerges in Canada, where \$2.4 trillion has been amassed in pension assets, second only to the US<sup>11</sup>. Less optimistic nations include Poland, Hungary and Japan. People here were more likely to mention negative words when describing their future retirement. In each of these countries there are concerns around the sustainability or adequacy of the retirement system.

### The emotional values people associate with retirement<sup>12</sup>

Leisure	Overall, nearly half (46%) associate retirement with leisure, an association which is most commonly made in the Netherlands (64%) and Germany (61%).
Freedom	Two-fifths (41%) link retirement to a sense of freedom. This association is most commonly made in China (51%) and Canada (50%).
Enjoyment	Only 29% associate it with enjoyment. Americans are most likely to think that they will enjoy their retirement (41%).
Insecurity	Worryingly, 22% see retirement as a time of insecurity. This sense of insecurity is greatest in Hungary (53%), Japan (44%) and Poland (37%).

### People aspire to have an active retirement which blends travel, family, hobbies and work

62%	59%	49%	25%	15%	13%	12%	12%
Travel	Family and friends	New hobbies	Volunteer work	Continue working	Live abroad	Start a business	Study

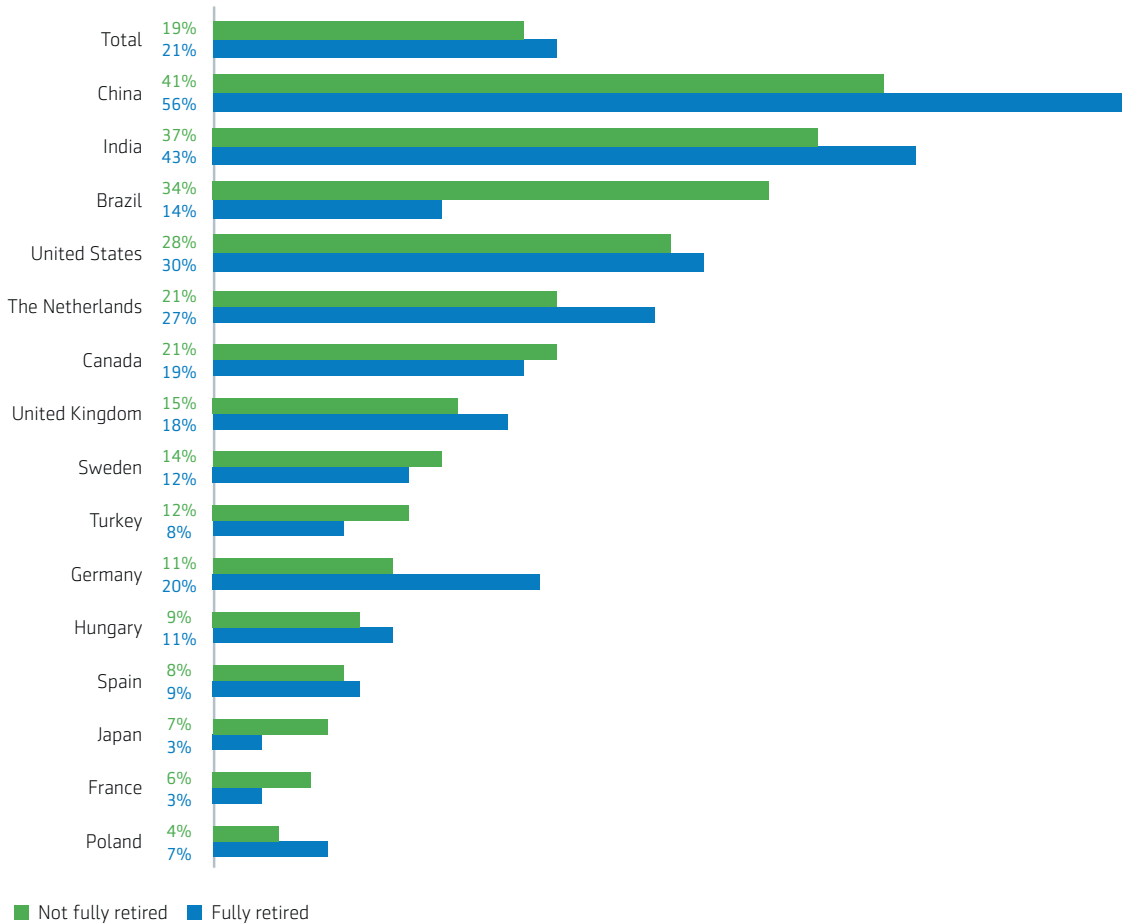
The headline message is very positive, with retirement embodying a sense of freedom and leisure. However, reality shows that many people don't believe they will achieve their goals for retirement. One-third (34%) of employees are pessimistic about having enough money to live on in retirement. A similar number (35%) are pessimistic about their ability to choose the age at which they retire. Only half (51%) are optimistic that they will be able to maintain good health.

### Confidence in achieving a comfortable retirement: two distinct world views emerge

In all countries, just 19% of employees are extremely or very confident that they will be able to retire with a lifestyle they consider to be comfortable. Confidence tends to be highest among men (reflecting the reality that they work longer and generally earn greater income from which to save more), and younger people (reflecting the fact that they have a longer time horizon).

However, sharp differences emerge among countries. The Chinese are the most confident with 41% extremely or very confident that they will have a comfortable retirement. This is followed by employees in India (37%), Brazil (34%) and the US (28%). In contrast, much of Europe lags a long way behind, with confidence in some places seemingly collapsed: only 6% of French employees are confident they will enjoy a comfortable retirement, which in Poland falls further to just 4%. While western Europe may have some of the best developed retirement systems in the world, confidence that these systems will still be in place for future generations seems to be rapidly eroding.

Chart 1: Few people are confident they will enjoy a comfortable retirement (% extremely or very confident)



## A public debate on pension reform

Over the past three years, as part of the annual Retirement Readiness Survey, Aegon has asked 38,000 people for their thoughts on government actions to make pension systems more sustainable. The quotes below represent some country findings from the 2014 survey and illustrate a need for further public debate in all countries. It is important that future reforms command broad support by reflecting public attitudes.





## Part 2: A plan for life – understanding retirement planning needs

### *We all need a retirement plan (and a back-up plan)*

Given an increased emphasis on personal responsibility, employees will need to be at the center of any future pension reforms. As we will see in this section, as many as five out of every six employees currently score low or medium on retirement readiness. This indicates that they don't think that they are doing enough to plan or save for their old age. The clear message is that people need to plan more; they need to start now and they need to save continuously through their working lives. They also need to have a back-up plan to protect their finances before they reach retirement in the event they are forced into retirement sooner than expected.

### The Aegon Retirement Readiness Index 2014

Each year, we publish the Aegon Retirement Readiness Index to assess how well employees view their level of retirement preparedness. In 2014, our sample of 16,000 includes 14,400 people still in full-time employment. The Index is based on scores from this group. The Index is built on six key questions which explore people's understanding of pension planning, their

sense of personal responsibility and the extent to which they are currently saving for retirement. Based on their answers, respondents are given a "retirement readiness" score out of ten (ten being the most prepared). For more details on the methodology behind the Aegon Retirement Readiness Index, please see Appendix 1.

#### The Aegon Retirement Readiness Index key numbers

##### HIGH – a score of 8 or higher equals a "high" Index score meaning that the individual is well-prepared for retirement

- Around one in six global employees (18%) had a high readiness score in 2014.
- In Brazil, 35% achieved a high score; in Japan this was only 4%.
- Thirty-four percent of "habitual" savers achieve a high score, twice the average for all categories and far higher than other types of savers.
- Twenty percent of men achieve a high Index score; this falls to just 15% of women.

##### MEDIUM – a score between 6 and 8 equals a medium score, meaning that the individual is undertaking some retirement planning, but needs to do more

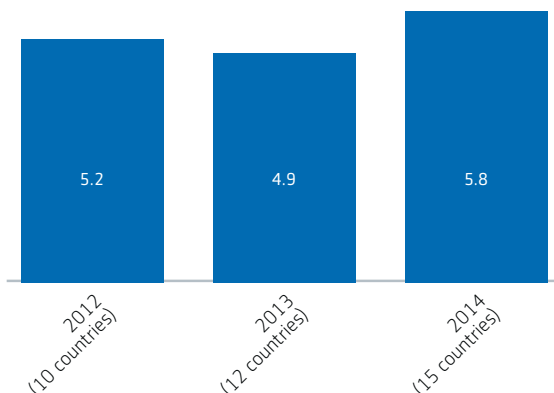
- Twenty-eight percent of employees had a medium score in 2014.
- India (39%) and China (38%) had the highest proportion of respondents in this category.

##### LOW – a score below 6 equals a low score meaning that the individual needs to do much more to ensure they are ready for retirement. Many of these individuals are currently doing either little or nothing to plan for retirement

- 55% of employees globally have a low score in 2014.
- In Japan 79% fell into this category, a slight improvement from 83% in 2013.
- Eighty-two percent of "non-savers" find themselves in this category. Other saver types are much more likely to avoid this fate. Only 29% of "habitual savers" achieved a low score.
- Even among those aged over 65, 38% still achieve a low Index score.

The Index shows that employees everywhere continue to fall short in retirement planning. Even in countries where personal retirement planning is a well-established tradition, such as the US and Canada, the average score is barely above 6 suggesting that, while people are doing something, many aren't doing enough.

Chart 2: Global retirement readiness rebounds in 2014 reversing last year's decline





Across all countries, the Index shows improvements over the past two years, particularly since 2013.

Chart 3: Aegon Retirement Readiness Index (2014) shows strongest performance in emerging markets (countries ranked according to 2014 score)

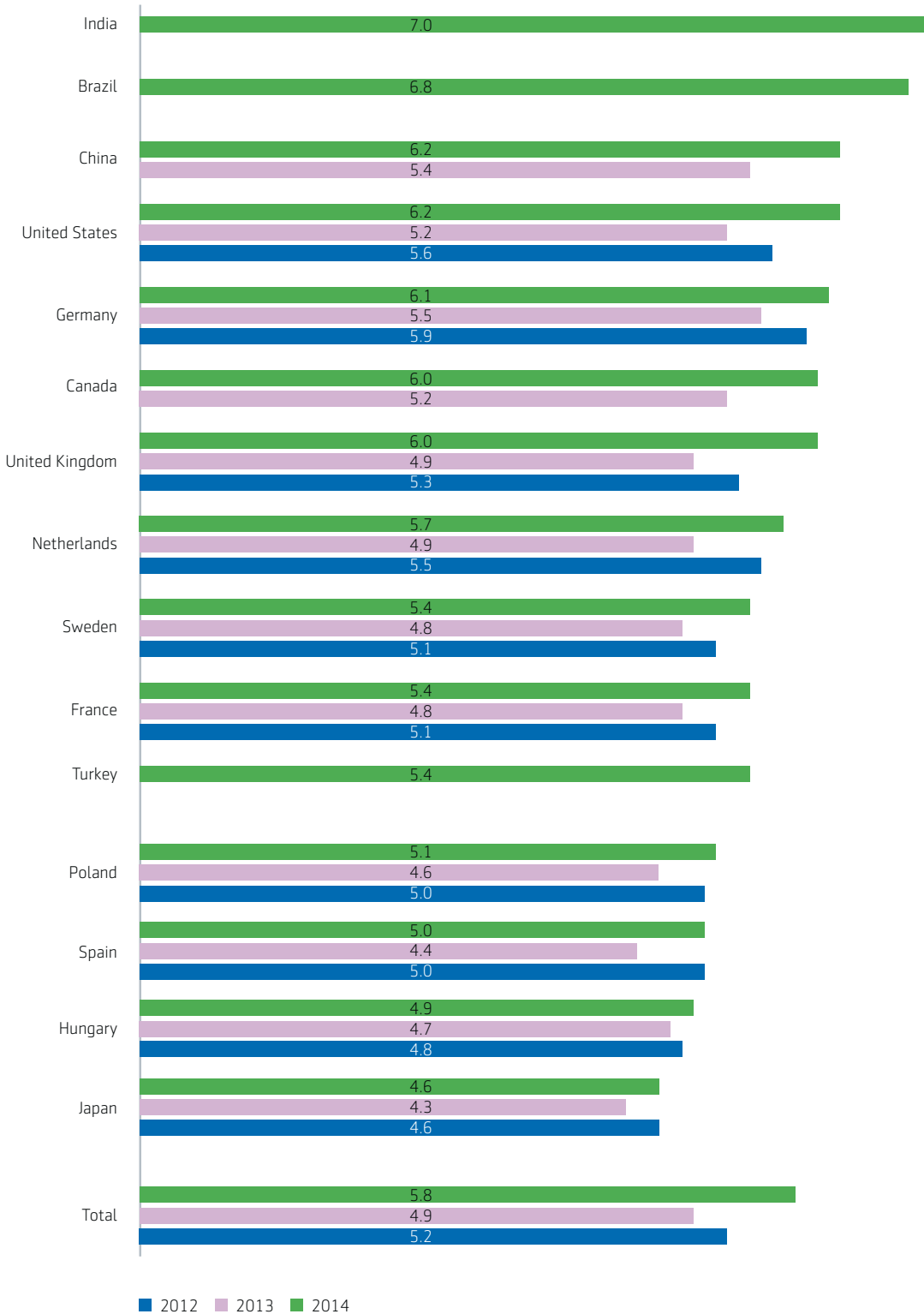


Chart 4: Retirement readiness is highest among men and older employees

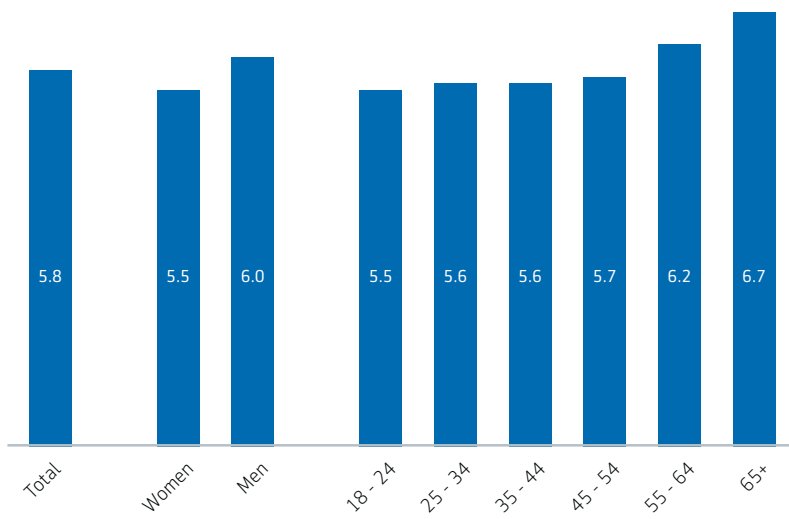
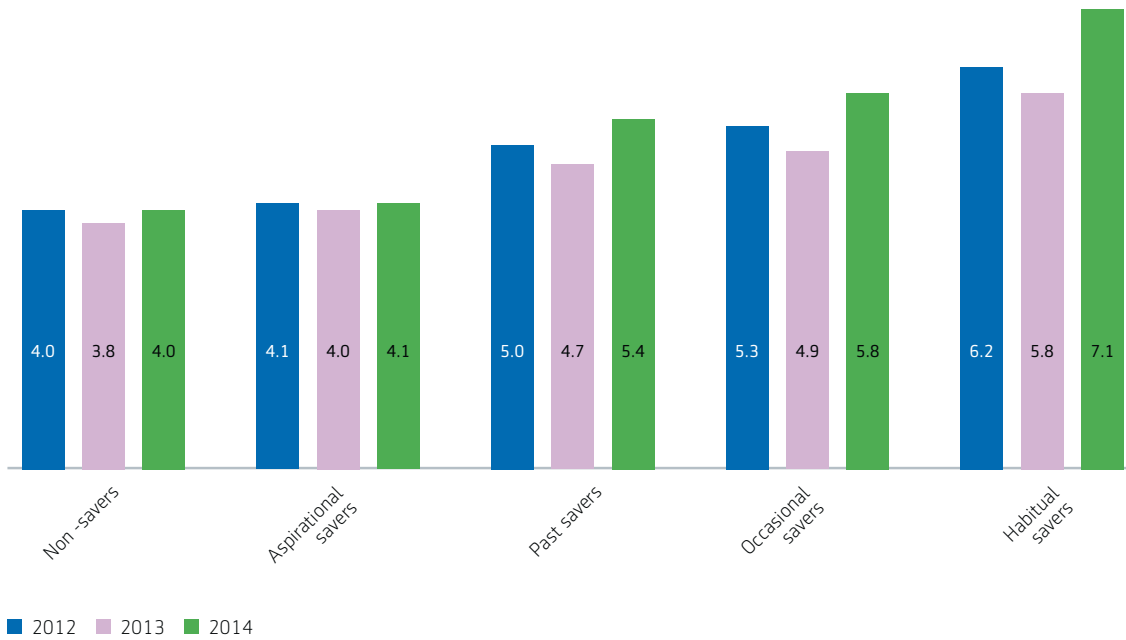


Chart 5: Habitual savers are not only the most prepared for retirement, but have also seen the biggest improvement since 2013



### **1. Retirement readiness higher in 2014 but much more needs to be done**

Employees in all countries surveyed feel more prepared for retirement than at any point over the last two years; however, the average employee still has a “low” level of retirement readiness. In 2012, the overall Index for all countries was just over 5 out of 10.<sup>13</sup> The Index fell to below 5 out of 10 in 2013. This year there has been a marked improvement in the Index, up almost a whole point since 2013. It now stands at just less than 6 out of 10. This improvement partly reflects the inclusion of new countries such as India and Brazil where more people feel positive about the economy and retirement.

### **2. The Index reflects the improving economy and strong equity markets in 2013**

There has been a pronounced “bounce” in the Index scores across all the countries in the study, reflecting improvements in economic data. Leading economic indicators, such as equity markets, had begun to move into more positive territory in 2012 and during the past 12 months this has filtered into the broader economy and economic confidence. The combined effect has been to propel the Index scores to a new high in 2014, particularly in those countries which have large personal pension markets where the strong performance in equities during 2012 and 2013 will have been reflected in annual personal pension statements. Not surprisingly, we have seen particularly large improvements in the Index in the US, where the S&P 500 climbed 29.6% during 2013.<sup>14</sup> The US is also the country where pension funds allocated the biggest share of their portfolios in equities in 2012 (equivalent to nearly 49% of total investments).<sup>15</sup> Equity markets also performed strongly in Canada with the main Toronto Stock Exchange climbing 9%<sup>16</sup> and in the UK where the main FTSE 100 rose 9%.<sup>17</sup>

### **3. Regular savings behavior is the best path toward retirement readiness**

The simple message emerging from the survey is that regular saving is the surest route to retirement readiness. Even if people can only afford to save small amounts, they should do so. The findings in 2014 reveal a small positive shift, with 38% saving habitually, up from 35% in 2013. These people are more likely

to be men and more likely to be found in the older age groups (for example, 47% of those over the age of 65 are habitual savers). Half of Americans (50%) class themselves as habitual savers. This is the highest anywhere in the 15 countries surveyed. Poland had fewer habitual savers (24%) than any other country in the survey. There was also a slight improvement in the number “saving occasionally” to 22%, up from 20% in 2013. This means that active savers account for 60% of the global sample, up from 55% last year. This change in behavior helps explain why employees are generally feeling more prepared than they were 12 months ago.

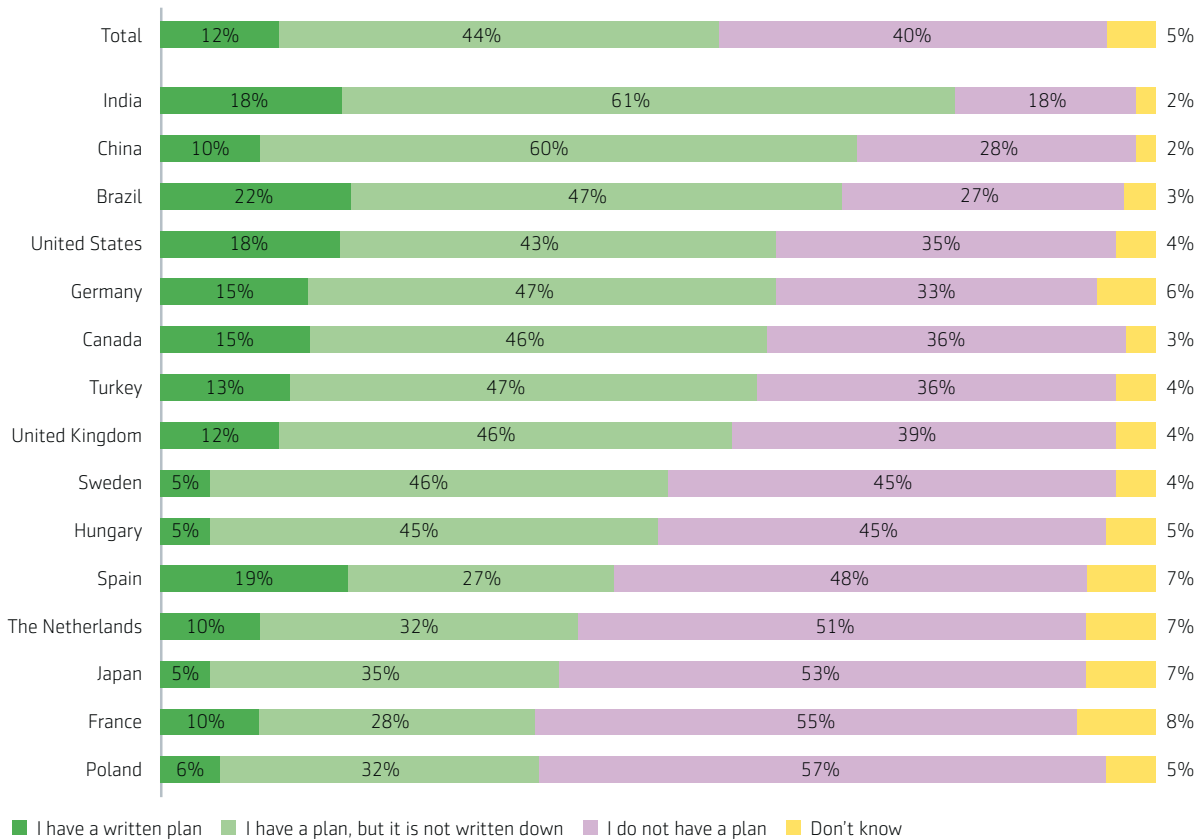
### **4. Emerging markets are more positive in their retirement outlook**

Employees in high income countries have a generally less positive outlook with regard to retirement readiness. Even though they might expect to enjoy more material wealth in retirement than those in middle income countries such as China and Brazil, they have also endured years of low returns on savings and increasingly question the future generosity of both government and employer pension provisions (which often formed the basis in the past for prosperity in retirement). By contrast, there is a perception in many emerging countries that, with economic growth, future retirees are likely to enjoy an increasingly higher standard of living.

### **5. People need to plan more and they need to take action now**

With regular saving being key to retirement readiness, it is clear that people need to plan more for retirement. Currently, just one in eight (12%) of employees surveyed have a written retirement strategy (which would indicate they have a comprehensive and considered approach to their retirement). Nearly half (44%) have some sort of strategy but it isn't written down. Worryingly, 40% claim they have no strategy at all. Another 4% replied “don't know.”

Chart 6: Having a retirement strategy differs across countries  
(ranking by having a plan, written or unwritten)



### Whose responsibility is it to plan for retirement?

Many people are confused about who is responsible for their retirement planning, whether it should be the government, employers, and/or themselves. In continental Europe where employees have traditionally relied more on the government or their employer, a lack of personal retirement planning is particularly evident. Poland is the country in Europe where employees are least likely to have planned their retirement strategy (57% currently don't), followed by France (55%), the Netherlands (51%) and Spain (48%). In Japan, another country where employers have traditionally played a major role in providing pensions, we see a majority of employees (53%) with no retirement strategy.

In contrast, in countries that have traditionally had less of a government-funded or occupational pension system – such as Brazil, India and China – employees are more likely to have a greater level of personal retirement planning and likely to have concluded that they need to do so. Indeed, in countries such as China this “precautionary” motive for saving has been cited as a strong driver of high levels of household savings.<sup>18</sup> This illustrates that for many there is a clear obstacle to taking responsibility for saving and planning for retirement: a sense that someone else is going to arrange it for them. This is especially strong in Western Europe, where in many countries the government is expected to remain as the major provider of retirement income.

### Continued reliance on government retirement benefits

- Forty-one percent say that they will rely on the government to some extent to fund their retirement.
- One in five (21%) expect the government to be the main source of their income in retirement.

Government retirement benefits may well continue to make up an important part of people's retirement incomes, but the financial crisis has revealed concerns about the cost of European-style welfare. While Europe accounts for just 7% of the world's population, it accounts for 50% of the world's spending on government welfare programs.<sup>19</sup> As the balance of funding retirement shifts toward individuals, that ratio will also shift over time. As the entitlements under European-style welfare systems are reduced and employer pensions become less generous, employees in all countries, like those in China and India, will need to take more responsibility for planning their retirement. A clear message from governments setting out exactly what is expected of individuals would make a huge difference in helping them prepare for retirement. This could include producing simple and clear annual statements setting out the projected value of future government retirement benefits so that people understand how much they need to save in addition.

**A retirement plan is only as good as its back-up plan**

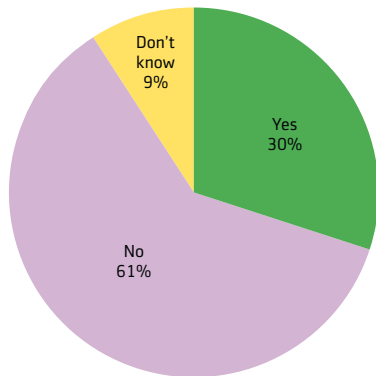
What is also clear is that more and more employees need a financial back-up plan. Before they even reach retirement age, employees need to be financially prepared should the worst happen. For many people the worst has already happened in the shape of the financial crisis which gave rise to long-term and persistently high levels of unemployment. In Spain one in four (26%) adults are currently (officially) unemployed, rising to over half (54%) for young workers aged between 18 and 24.<sup>20</sup> Spain is not alone in witnessing higher unemployment. In many countries, households have felt the impact of joblessness eating into their spending power, and reducing their ability to save for the long term. In our survey, 63% of employees say that a lack of money is currently an obstacle to saving for retirement. This is highest in Hungary (83%) and Poland (76%). Even where this is less of an issue – in Japan (42%), Sweden and China (both 54%) – we still see large numbers of households affected.

In many cases where people become unemployed or stop working for other reasons such as illness, they not only stop saving for retirement – which clearly prevents their retirement fund growing as quickly – but they might also be forced to use their retirement savings to fund living expenses, which could have consequences in later life. This potential for “leakage” from retirement savings is a very real danger given that accessible savings accounts are currently being used by 37% of

employees to help prepare for retirement. Of all products asked about in the survey, savings accounts were by far the one being most used for retirement savings, easily outstripping the number of people saving into a personal retirement plan (20%). While the personal retirement plan is “locked away” until retirement, the savings account is “leaky” given that it can be used for other purposes, particularly during times of financial hardship. People can put off financial hardship today, at the expense of possible financial hardship in retirement.

To prevent this happening, it is essential that savers consider a ‘Plan B’: having spare savings in an emergency fund (not earmarked for retirement) or, better still, in those countries where such products are currently available, having insurance in place to protect against illness and unemployment during their working lives. In our survey, 61% said they currently have no back-up plan to provide them with income if they were to stop working before their planned retirement age. This rises to 75% in Hungary and 72% in the Netherlands. Only one in three (30%) employees had something in place and for many people, this does not amount to a full-fledged Plan B. People who rely, for example, on their spouse may find themselves in difficulty if they go through a divorce, while those plan to exchange their home for a smaller one may find themselves unable to buy and sell their properties quickly enough.

Chart 7: The vast majority do not have a back-up plan



The components of back-up plans

Cash	58% are relying on savings
Spouse	30% are relying on their spouse/partner working
Home	22% say they will “downsize” their home or sell a second home
Income insurance	20% protect their income through an insurance policy
Critical illness	23% are protecting themselves financially with critical illness cover



## Part 3: Planning for retirement – making it easy

### *Simplicity is the key*

As a society we need to make saving for retirement easier. Finding the money to save is difficult enough, particularly in the current economic climate. Our survey shows that much more can be done by stripping away some of the inherent complexities associated with the process of saving. So, where do we start?

The vast majority of people already know that they should be doing something to plan for retirement. An individual's neglecting to plan for retirement does not appear to be linked therefore to a lack of awareness.

The Aegon Retirement Readiness Index identifies five factors which, when combined, provide a route map to retirement saving. The first step on this route is accepting personal responsibility for saving for retirement. The second and third involve being aware and having an understanding of what planning involves. The fourth and fifth involve putting a plan in place and acting on it. Each of these five steps can present individuals with potential obstacles to saving for retirement.

#### Steps to long-term saving

<b>Personal responsibility</b>
Seventy-one percent of employees feel personally responsible for making sure that they have sufficient income in retirement. Only 8% say they do not feel personally responsible.
<b>Financial awareness</b>
Two-thirds (67%) say that they are aware of the need to plan financially for retirement. Only 8% lack awareness.
<b>Financial understanding</b>
Three-fifths (61%) claim to understand what planning for retirement involves. Only 12% currently say they do not understand this need.
<b>Retirement planning</b>
Forty-one percent say they have a well-developed plan; 26% say they have no plan at all.
<b>Financial preparedness</b>
Only one-third (34%) feel that they are saving enough. Thirty-seven percent feel they are not saving enough.

If we look in more detail we find that 21% of respondents have not undertaken any of the five steps. This means that 79% of employees have undertaken at least one of the steps toward long-term savings, suggesting that there is a widespread sense of engagement. However, this engagement needs to be deepened: 66% have gone on to take at least two steps while 49% have taken three steps. One-third (33%) have undertaken four steps while just one in five (20%) have undertaken all five steps.

#### Obstacles and incentives to save for retirement

Often, the main impediment to saving is a lack of available funds. In our survey, 48% said that **receiving a pay raise** would encourage them to save more. This squeezed household income appears greatest in Poland, where 70% said that a pay raise would encourage them to save. In neighboring Hungary, the figure was 65%. Hungarian and Polish employees are also most likely to cite a lack of economic certainty as being an obstacle to saving. As the economic outlook continues to improve, this barrier should recede over time, allowing more households to take action.

Thirty-two percent of respondents highlight more **generous tax breaks** as a way to encouraging personal saving. In a number of countries, however, these tax breaks have been reduced significantly in recent years, or have come under pressure as a result of constraints on public finances.

Twenty-seven percent said higher **contributions from employers** would also spur personal saving. We explore in further detail below just how important the employer can be in getting people on the savings ladder.

But it is not all about financial issues. It is also clear that people would be more likely to respond positively to the call to save for retirement, if **retirement savings products** themselves were simpler, more flexible and supported by readily available information and professional advice. The need for more information and advice is a well-established requirement. The UK's Pensions Commission highlighted this issue as long ago as 2004, saying that "most people do not make rational decisions about long-term savings without encouragement and advice."<sup>21</sup> Our survey shows that, to encourage saving, people need access to straightforward, easy-to-understand products and professional advice.

## What encourages people to save more

Simple
Twenty-one percent say that they would be encouraged to save more if investment products were simpler to understand, and used less jargon.
Manageable
Twenty-four percent would respond to products which made it easier to track and manage their savings.
Informed
Twenty percent say that more frequent information about their retirement savings would encourage them to save.
Advised
Seventeen percent would like more access to professional financial advice so that they can have personalized recommendations on what steps they need to take.

A challenge for the retail financial industry is to design appropriate long-term savings and investments products that combine the need for greater simplicity with a need for people to manage their own finances as they choose. This should be bound up with access to information and professional advice where necessary to help support effective decision-making.

### Simple choices for workplace savings

Forty-one percent of employees say their employer offers them a workplace pension, to which the employer makes a contribution. Consequently, employers play a crucial role in making retirement planning for their employees as easy as possible. There are clear benefits for employers who keep faith with their workplace pension in terms of improving employee recruitment and retention – important in a flexible labor market where 31% plan to search for a new job in the coming 12 months, and 30% say that they frequently think about quitting their job, according to our survey.

Workplace pensions: benefits for employers
<ul style="list-style-type: none"> <li>64% of employees say that access to a pension would be important when choosing their next job.</li> <li>60% say that workplace pensions play an important role in making employees feel valued and encouraging loyalty toward their employer.</li> <li>68% of employees see workplace pensions as a basic part of any worker's pay and conditions.</li> </ul>

Employers are expected to play an important role in providing pension benefits, but they also need to ensure that the pension fund is clear and well-designed, and supports employee engagement by allowing automatic enrollment and providing different investment options (including target date funds, strategic allocation funds, and professionally managed accounts).

### Better pension design – what role for automatic enrollment?

Workplace pension design can make life easier for employees by taking care of some of the difficult retirement planning decisions. For example, automatic enrollment includes employees in a workplace pension plan as a matter of course – without their having to sign up. Automatic escalation works in a similar way by increasing the amount of income or salary going into the workplace pension over time. Selecting target date funds helps to manage investment risk in an appropriate manner by automatically reducing the level of risk as the employee approaches the age at which he or she intends to stop working. The result is that individuals are less likely to opt out because the decision-making process has been made much easier. Saving for retirement becomes automatic.

Our 2014 survey shows that nearly two-thirds of employees find the concept of being automatically enrolled into a retirement plan appealing. Overall, 25% say automatic enrollment is “very appealing” and 38% say it would be “somewhat appealing.” Employees say a combined employee/ employer contribution of 14% would be reasonable, which, over the course of a working life, could provide a sufficient nest-egg for most workers.

Imagine that your employer automatically enrolled you into a workplace pension...what proportion of your annual salary or wages would you consider a reasonable amount for YOU and YOUR EMPLOYER to contribute? <sup>22</sup>

### Percent of annual pay

Employee contribution	Employer contribution	Combined contribution
6	8	14



Only one in ten employees thought that automatically enrolling people into a pension with employee contributions worth 6% of annual salary is “very” or “somewhat” unappealing. It’s important, however, to use auto-enrollment to reach out to employees currently excluded from workplace pensions. Our findings show that automatic enrollment is more appealing to those on higher incomes. Seventy-three percent of those with higher incomes find the idea of automatic enrollment appealing. This falls to 57% among those with lower incomes. Making the benefits of automatic enrollment clear to those on lower incomes will be a critical challenge for employers and governments looking to encourage this option.

### Communicating the benefits of a workplace pension

Many countries are currently moving from a defined benefit (DB) environment, in which employers bear all the risks and make most of the decisions, toward a defined contribution (DC) world in which risk and decision-making moves to the employee. DC pension plans are, by design, less technical and easier to understand than DB pensions. But the outcomes are variable, and so create a need for ongoing information, guidance and financial advice. In a DC pension world, better information goes to the heart of making retirement simple. Here, employers can offer a range of retirement services which support an individual’s decision to save and plan for retirement. However, our survey shows that, according to their employees, few employers currently choose to do so.

### Retirement preparation services in the workplace

<b>Statement</b>	20% of employees receive an annual retirement plan statement.
<b>Education</b>	13% receive educational materials.
<b>Advice</b>	12% receive in person/face-to-face advice.
<b>Online</b>	11% receive access to digital planning tools to manage their retirement savings.
<b>None</b>	38% receive no workplace support at all.

In total, 38% of employees said that they did not receive any kind of retirement preparation support. A further 19% said that they did not know whether their employer offered such services (which at best would suggest that employees are not engaged in workplace pension planning, or, at worst, that their employers are offering them little or no workplace support).

Our survey shows that employees can become retirement ready. However, they need support in planning their retirement, which can be provided in the workplace very effectively. Employers have a vital role to play, yet most are doing little or nothing to support their employees. From a public policy perspective, further incentives and reforms are needed to encourage employers to offer not only benefits but also support services that will help their employees prepare for retirement. Governments will need to do their part by providing incentives and removing obstacles for employers (by addressing the issue of legal liability when offering financial advice, for example).



## Part 4: The age of flexible retirement

### *Flexibility will become the new model of retirement*

Making the transition into retirement more flexible (so-called phased retirement) fits with the current trend of aging. Growing older has become less about financial dependency and disability and more about healthy, active and productive lives. A flexible approach also makes economic sense – with people living longer and having to maintain financial independence into old age. Delaying retirement or combining it with paid employment can mean the difference between poverty and prosperity. As we have shown in previous reports, deferring retirement for two years can help to increase incomes by up to 20%.<sup>23</sup> Despite the financial benefits, it's clear that employers and governments have to change the way they structure and think about retirement.

**A longer retirement requires a more flexible approach**

Today's employees now accept that they will enjoy a relatively long retirement. The survey found that, typically, they expect to spend around one-quarter of their lives in retirement. This time in retirement varies from the Netherlands and the UK where people expect to spend just one-fifth of their lives retired, to Brazil and China where people expect to live up to one-third of their lives in retirement. Faced with the prospect of such a long retirement, it is inevitable that many people

now believe that, by blurring the distinction between work and leisure, they will enjoy a more comfortable retirement financially. Our survey results also suggest that the traditional "cliff edge" retirement (where people stop working altogether at a given date) is slowly giving way to the concept of a phased retirement. Many now expect to have some kind of phased transition into retirement.

Flexible retirement

<b>STOP 32%</b>	Fewer than one-third (32%) of current employees envision that they will immediately stop working altogether when they enter retirement, down from 34% in 2013. Only in Spain (52%) and France (51%) is the "cliff-edge" retirement seen as the norm.
<b>PHASE 29%</b>	Overall, 29% of current employees claim that they will change the way they work once they enter retirement, by working part-time before they give up work altogether. The percentage is up slightly from the 28% reported in 2013.
<b>WORK 17%</b>	A further 17% of current employees envision staying in (part-time) employment for an extended period throughout their retirement. This number is up from 16% in 2013. An additional 10% claim that retirement won't make a difference to the way they work.

**Dealing with unforeseen events at or before retirement**

Phasing retirement is not simply about making a positive decision to work beyond retirement age. In many cases, the choice might be taken out of the individual's hands by unforeseen factors.

Among those already fully retired, 45% say that they retired sooner than planned. Of these, only 11% took a positive decision to retire because they had saved enough. Most left the labor force for other reasons – such as ill-health (34%) or unemployment (25%). Future retirees may not have the same experience, however. After all, over half of current retirees (52%) stopped working immediately on reaching retirement and only 32% of future retirees anticipate doing this.

While few current retirees retired later than planned (9%) most did so for positive reasons. Half (50%) said that they kept working because they enjoyed their jobs, while 45% wanted to remain active. Based on the experience of those already retired, there is clear potential to redefine working in retirement as a vital part of a healthy later life – a positive step not just for maintaining incomes, but also maintaining social, physical and mental well-being.<sup>24</sup>

Chart 8: Nearly half of retirees retired sooner than they had planned

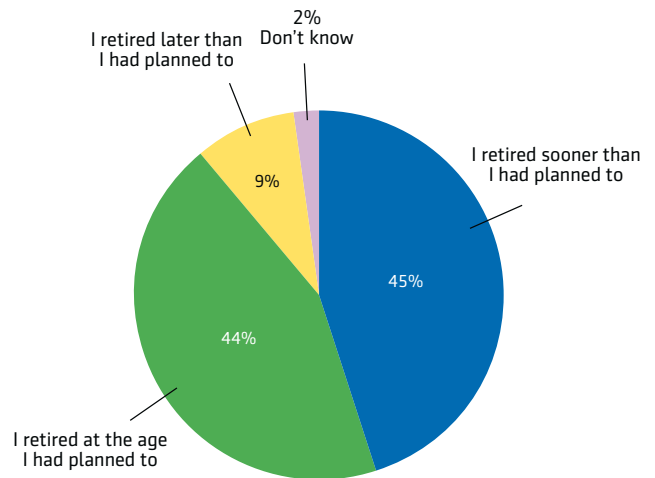


Chart 9: Ill health and unemployment are the leading causes of unplanned early retirement

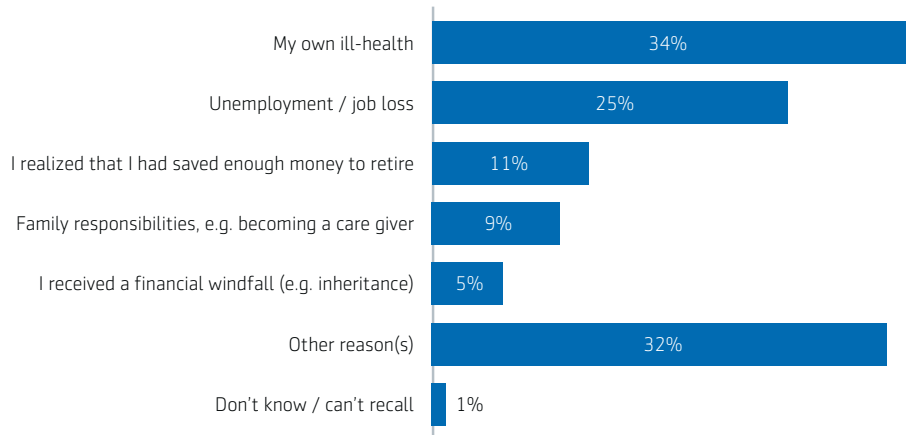
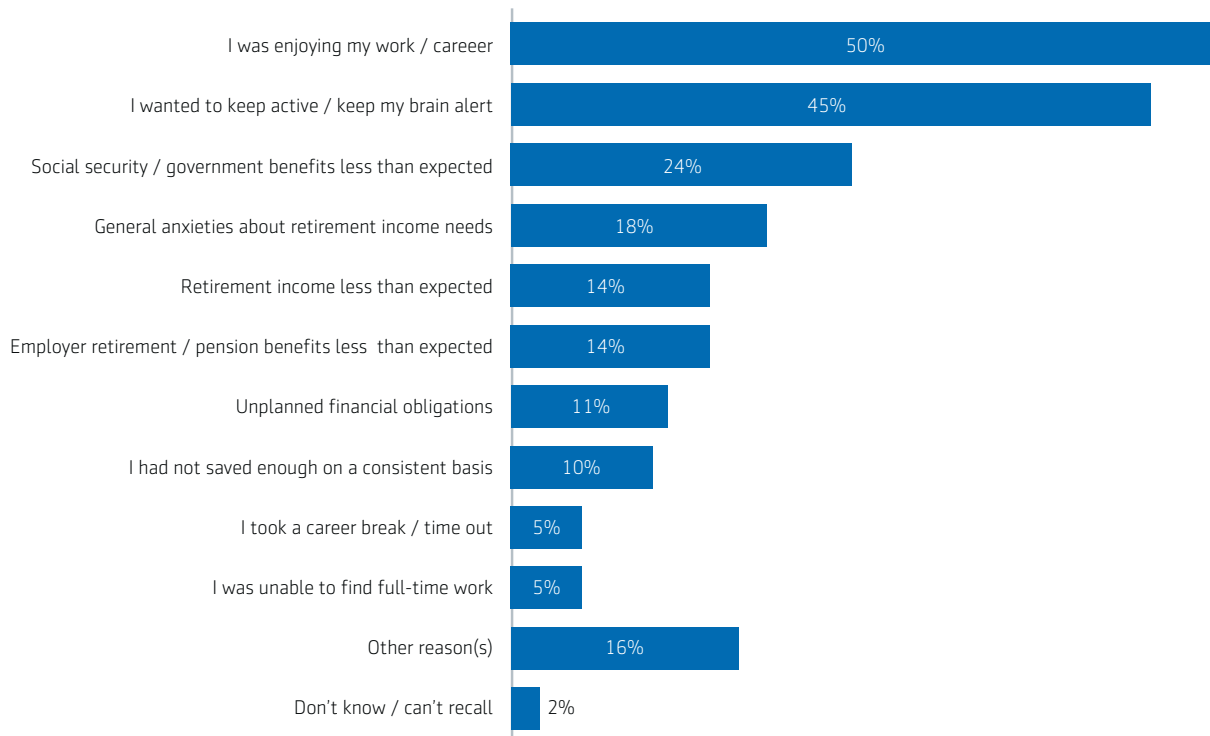


Chart 10: Reasons for working past planned retirement age



### Putting off retirement: who will work longer at retirement?

All countries have their own view on when retirement should begin. Typically, this is shaped by notions of mandatory or “official” retirement ages – the age at which, for example, people are eligible to draw their government retirement benefits. Other countries may have additional mandated retirement ages – for example, ages beyond which they are no longer able legally to remain in work. As our previous reports have shown, such official or legal definitions of retirement age tend to influence people’s expectations about when they will retire. Governments play a particularly important role therefore in shaping employees’ views when it comes to encouraging a shift toward more flexible retirement. Currently, employee opinions vary greatly on whether working longer and taking a more flexible approach to retirement should be encouraged. These views are often at odds with individuals’ preparedness for retirement.

- Half of employees (52%) would support some sort of increase in the retirement age.
- Later retirement is particularly welcomed among high income earners, who are also more likely to be saving.
- Working longer enjoys more support among employees in Asia.
- A sizeable minority (41%) of employees are resistant to increasing the official retirement age taking the view that “people are already expected to work long enough.”
- This view is most commonly held among workers in Eastern Europe and Germany.
- Non-savers are also more likely to take this view.

### The role for employers in encouraging longer working lives

As with encouraging pension savings, employers have a role to play in achieving flexible retirement. Success will ultimately depend on changing workplace practices to encourage working beyond the normal retirement age with greater value placed on the experience of older workers. Among current workforces, evidence suggests that employers are offering only limited support to employees wishing to take a phased approach and remain on the payroll after retirement.

### Support offered for a flexible transition into retirement

Part-time work	23% currently offer their workforce the option of moving from full-time to part-time working.
Lighter duties	Only 18% of employers currently offer more suitable work tasks for older workers, which is vital for those in manual labor occupations.
Re-skilling	Only 12% offer training or re-skilling.
Healthcare	Only a small minority (16%) are offered employer-sponsored healthcare in retirement.
Information and advice	52% of employees do not think they receive enough information from their employer to help them with their transition into retirement.

The figures above should be considered in the context of the recent history of labor market practices. Typically, employers have encouraged employees to retire on “fixed” retirement dates. This is a result of mandated retirement ages – for example, age 65 in the UK<sup>25</sup> or 60 in Japan<sup>26</sup> – after which employees generally stop work and start drawing pension benefits.

Many employers have gone further – encouraging people to take early retirement. This played a major role in driving down effective retirement ages across many countries throughout the post-war era. In Spain, for example, just 43% of 55-64 year olds were in employment between 2002 and 2007, while the Organisation for Economic Co-operation and Development average was not much higher at 52%.<sup>27</sup> Reversing this trend

and bringing effective retirement ages back into line with official retirement ages would help those who wish to work longer stay in the workforce. This process is already underway as new workplace practices emerge.

The pace of change is slow, with only 11% of employees agreeing that their employer offers more support than three years ago. Employers need to do more to help their workforce gradually transition from work into retirement. In practice, this means allowing more employees to work part-time, and to mix work and leisure. There is still much to do to make the age of flexible retirement a reality.



## Recommendations

Individual attitudes toward retirement and retirement readiness vary among the countries we've surveyed. The differences stem from the state of a country's economy, local expectations for the role of government, its savings culture and the extent to which local employers already provide retirement benefits to their workers. Despite these variations, there are important common themes that support the following recommendations to individuals, employers and government.

### **1. Translate awareness of the need to save for retirement into real action**

The good news is that people are increasingly aware that they need to save for retirement. This awareness is not enough, however. Too few are putting money aside for old age. Governments, employers and individuals all share responsibility for translating awareness into action. Governments and employers should provide individuals at least once a year with a concise and clear statement of the benefits they can expect to receive in retirement, as well as the tools and information they need to make an effective savings plan for themselves and their families. Individuals should use this information and obtain any additional professional advice to create and implement their own retirement plans.

### **2. Maintain or increase incentives to individuals to save**

Individuals will save more if they see an improvement in the economic environment and – importantly – if they are given the right financial incentives. Governments need to provide proper tax incentives to encourage personal savings and employer contributions. In doing so, they will reduce dependence on government programs, and ensure more people retire with a sufficient income level. To encourage savings, it is important to protect these incentives, as far as possible, from cuts to government spending. To be truly effective, incentives should be easy to calculate and take advantage of without overly complex rules or paperwork.

### **3. Make saving easy**

There's a clear need for a limited range of easy-to-understand retirement savings products. Too much choice causes confusion and results in many people making no choice at all. One solution that has proven successful in several countries is auto enrollment of employees into employer savings plans. Enrolling an individual within the first year of work counters the inertia and indecision which paralyzes so many, and helps create regular, long-term savers. Auto enrollment should be coupled with steady increases in amount saved, as an individual's salary rises. Another useful feature would be to default the savings into a lifecycle or target investment vehicle that rebalances an individual's investment as they age and simplifies the investment process.

### **4. Start personal savings early and save consistently**

Our survey shows that the best way of preparing for retirement is to start early and save regularly. More needs to be done to educate people on the benefits of this approach – which is far more effective than starting later in life and saving larger amounts for a shorter period. Starting early also helps cushion against unexpected events such as illness and unemployment.

### **5. Plan for the unexpected**

Research shows that almost half of workers leave the workforce prior to expected retirement, for any number of reasons including disability or illness, caring for a family member and job loss. Individuals must make provisions for this in their retirement plans to avoid running down their retirement savings. A back-up plan could include setting up a personal emergency fund or obtaining insurance to protect against loss of income because of disability or unemployment.

### **6. Embrace active aging and working longer**

More people want to stay active longer – including through work. Working longer – beyond official retirement ages – would not only help individuals bridge gaps in their retirement savings, but also save government money and ensure individuals' continued contribution to the economy. Given the current aging trends, older workers may prove crucial in the future to sustainable economic growth and a prosperous economy. Both labor laws and employment policies need to change to take account of this new reality. Changes should include phased retirement programs and re-training for older employees. Employees should be able to reduce their workload gradually as they near full retirement, and should be entitled to draw part of their retirement benefits while still in work. If flexible retirement is to be a success, making these changes will be vital.



*This report is illustrated with pictures of people fulfilling their retirement aspirations such as spending time with friends and family, continuing to work and staying active.*



# Glossary

- **Aegon Retirement Readiness Index (ARRI)**

The Index assesses the relative levels of retirement preparedness of employees across different countries on a scale from 1 to 10. The index is based on three questions covering attitudes and three questions covering behaviors. More information can be found in the appendix.
- **auto enrollment**

An employer-sponsored retirement plan in which the employer is able to enroll an employee without that employee's express authorization. The employer determines what percentage of the employee's salary or wages is contributed to the plan. The employee is able to change this percentage, and can opt out of enrollment in the plan.
- **auto escalation**

A feature of a plan which automatically increases the percentage of (retirement) funds saved from salary. This feature generally uses a default or standard contribution escalation rate.
- **defined benefit (DB) plan**

An employer-sponsored pension plan where the amount of future benefits an employee will receive from the plan is defined, typically by a formula based on salary history and years of service. The amount of contributions the employer is required to make will depend on the investment returns experienced by the plan and the benefits promised.
- **defined contribution (DC) plan**

An employer-sponsored retirement plan, such as a 401(k) plan or a 403(b) plan, in which contributions are made to individual participant accounts. Depending on the type of DC plan, contributions may be made by the employee, the employer, or both. The employee's benefits at retirement or termination of employment are based on the employee and employer contributions and earnings and losses on those contributions. See also 401(k) plan.
- **401(k) plan**

An employer-sponsored retirement plan that enables employees to make tax-deferred contributions from their salaries to the plan. See also defined contribution plan.
- **403(b) plan**

An employer-sponsored defined contribution retirement plan that enables employees of universities, public schools, and non-profit organizations to make tax-deferred contributions from their salaries to the plan.
- **GDP**

Gross domestic product is the total market value of all officially recognized goods and services produced within a country in a year, or other given period of time.
- **mandated retirement age**

This involves setting a fixed age at which persons who hold certain jobs or occupations are required by industry custom or by law to leave their employment. Typically, mandatory retirement is justified by the argument that certain occupations are either too dangerous or require high levels of physical and mental skill.
- **OECD**

Organisation for Economic Co-operation and Development aims to promote policies that will improve the economic and social well-being of people around the world by providing a forum in which governments can work together to share experiences and seek solutions to common problems.

- **retirement (or pension) plan**

Provides replacement for salary when a person is no longer working due to retirement. In the case of a defined benefit pension plan, the employer or union contributes to the plan, which pays a predetermined benefit for the rest of the employee's life based on length of service and salary. Payments may be made either directly or through an annuity. Pension payments are taxable income to recipients in the year received. The employer or union has fiduciary responsibility to invest the pension funds in stocks, bonds, real estate, and other assets; earn a satisfactory rate of return; and make payments to retired workers. Pension funds holding trillions of dollars are one of the largest investment forces in the stock, bond, and real estate markets. If the employer defaults in the United States, pension plan payments are usually guaranteed by the Pension Benefit Guaranty Corporation (PBGC).

- **target date fund**

Investment fund that automatically resets the asset mix of stocks, bonds and cash equivalents in the portfolio according to a selected time frame that is appropriate for the particular investor. The timeframe is set to some predefined date in the future, such as retirement. The automatic adjustment in the asset mix is meant as a tool to help manage the investment risk in the investment account over time.

- **World Bank**

The World Bank is a source of financial and technical assistance to developing countries around the world. It is not a bank in the ordinary sense but a partnership of 188 member countries to reduce poverty and support development. It comprises two institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

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Aegon is an international life insurance, pensions and asset management company with businesses in over 25 countries in the Americas, Europe and Asia. Aegon employs nearly 27,000 people and serves millions of customers worldwide.

[www.aegon.com](http://www.aegon.com)

In 2010, Aegon became a founding member of the Global Coalition on Aging, which seeks to raise awareness of aging issues among policymakers and the general public. A major aim of the coalition is to transform the way we think and speak about aging: replacing the familiar rhetoric of 'problems' with a more positive discussion of 'possibilities' and 'opportunities.'

[www.globalcoalitiononaging.com](http://www.globalcoalitiononaging.com)

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The Transamerica Center for Retirement Studies (TCRS) is a division of the Transamerica Institute, a nonprofit, private foundation. TCRS is dedicated to conducting research and educating the American public on trends, issues, and opportunities related to saving, planning for, and achieving financial security in retirement. Transamerica Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third-parties. TCRS and its representatives cannot give ERISA, tax, investment or legal advice.

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# Acknowledgements

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MARTA ACEBO

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MURAT AKÇAY

---

PAULA ALVAREZ

---

PAMELA BARBOZA

---

FRITS BART

---

GRACE BASILE

---

FRANS DE BEAUFORT

---

ANDREW BERWICK

---

MICHAL BIEDZKI

---

ROBIN BOON

---

DOUG BROOKS

---

LIBBY BUET

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KENT CALLAHAN

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MICHELLE CAO

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JEANNE DE CERVENS

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ARKADIUSZ CHMURZYNSKI

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MARK TWIGG

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CATHERINE WANG

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## References and notes

- <sup>1</sup> Pensions market in focus, OECD, 2013, p.25
- <sup>2</sup> See 'Pensions: Challenges and Choices', UK Pensions Commission, published in 2004
- <sup>3</sup> OECD, 2013, p.10
- <sup>4</sup> 1,000 per country, except for China where 2,000 people were surveyed
- <sup>5</sup> China was included in the 2013 survey with Brazil, India and Turkey added in 2014
- <sup>6</sup> OECD, 2013, p.32
- <sup>7</sup> Pensions Market 2013, The CityUK, March 2013, p.9
- <sup>8</sup> OECD, 2013, p.35
- <sup>9</sup> Pension Funds Online website, 31st December 2013
- <sup>10</sup> Pension Funds Online website, 31st December 2013
- <sup>11</sup> OECD, 2013, p.35
- <sup>12</sup> Respondents were allowed to select three words which they most associated with retirement
- <sup>13</sup> The total Index for all countries is an unweighted average of the country indices
- <sup>14</sup> CNN Money website, 31 December 2013
- <sup>15</sup> OECD, 2013, p.18
- <sup>16</sup> Reuters website, 31 December 2013
- <sup>17</sup> The Telegraph website, 17 December 2013
- <sup>18</sup> Why do the Chinese save so much? By Shang-Jin Wei published in Forbes, 2 February, 2010
- <sup>19</sup> Referenced in a speech by George Osborne, the UK finance minister, given on 15 January 2014. A World Bank report (Golden Growth: Restoring the Lustre of the European Economic Model) published in 2012 put the figure at 58%.
- <sup>20</sup> Eurostat news release, 1 April 2014
- <sup>21</sup> Pensions: Challenges and Choices, Pensions Commission, 2004, p. xii
- <sup>22</sup> The scores shown reflect rounded averages of the percentages mentioned
- <sup>23</sup> The Workplace Perspective, Aegon, 2012, p.16
- <sup>24</sup> The idea of flexible retirement in this context has also been raised for instance in the Netherlands by The National Think Tank in a report presented to the Minister for Health Affairs (Uitgedokterd – 10 oplossingen voor veerkrachtzorg, eindrapport 2013, De Nationale Denktank). The report was published and presented in December 2013.
- <sup>25</sup> The UK abolished the mandatory retirement age of 65 years in April 2011
- <sup>26</sup> Japan passed legislation in 2013 to increase its mandatory retirement age to 65 years by 2025 though companies are not required to set a mandatory retirement age
- <sup>27</sup> Spain Policies for a Sustainable Recovery, OECD Perspectives, October 2011, p. 12



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# Appendix 1: Methodology

## The Aegon Retirement Readiness Index (ARRI) 2014

The Index is based on the sample of 14,400 employees, and has been developed to measure attitudes and behaviors surrounding retirement planning. Six survey questions (known as “predictor variables”) are used, three broadly attitudinal and three broadly behavioral:

- 1. Personal responsibility** for income in retirement
- 2. Level of awareness** of need to plan for retirement
- 3. Financial capability/ understanding** of financial matters regarding plans for retirement
- 4. Retirement planning** – level of development of plans
- 5. Financial preparedness** for retirement
- 6. Income replacement** – level of projected income replacement

As well as these questions, a dependent variable question is asked which is concerned with approaches to saving, for which five broad saver types have been identified: habitual, occasional, past, aspiring, and non-savers.

In order to create the index score the predictor variables are correlated with the dependent variable to obtain a measure of influence (known as an “R” value). The mean scores of the predictor variables are computed and each mean score is multiplied by its “R” value. The results are summed and then divided by the sum of all correlations to arrive at the ARRI score.

### Note on the effect of increasing the number of survey countries year-on-year

The first Aegon Retirement Readiness study, published in 2012, was based on research conducted in nine countries: France, Germany, Hungary, the Netherlands, Poland, Spain, Sweden, the United Kingdom and the United States.

A separate survey in Japan was conducted and reported on later that year. So for year-on-year comparisons we regard 2012 as a 10-country study. In 2013, two new countries (Canada and China) were added to the universe, and in 2014 we have welcomed a further three countries: Brazil, India and China. These are the 15 countries that make up our study this year.

As our universe of countries expands it is inevitable that questions are asked regarding year-on-year comparisons, most obviously – are any changes related to genuine shifts in opinions across all countries or as a result of introducing new countries which may respond in different ways? We have analyzed the 2014 results question-by-question on a 15-, 12- and 10-country basis and in nearly all cases findings at a 15-country level are largely supported at a 12- or 10-country level. The global Aegon Retirement Readiness Index scores on a like-for-like basis are as follows:

- 15 countries 5.76
- 12 countries 5.61
- 10 countries 5.45

So while the introduction of new countries naturally impacts the results to some extent, the overall picture remains largely the same. In the case of the Aegon Retirement Readiness Index it can be seen that retirement readiness has improved in 2014 irrespective of the country base used.

# Appendix 2: Country comparisons

The total column refers to 16,000 respondents

Q: Which, if any, of the following words do you most associate with retirement?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Freedom	41%	46%	39%	49%	47%	45%	33%	19%	27%	42%	50%	51%	38%	39%	43%	32%
Opportunity	19%	12%	36%	36%	23%	10%	13%	11%	19%	20%	20%	11%	13%	23%	26%	15%
Leisure	46%	64%	61%	51%	48%	40%	34%	48%	40%	49%	48%	58%	10%	34%	47%	45%
Excitement	8%	3%	3%	8%	9%	3%	8%	2%	3%	16%	15%	10%	5%	17%	10%	8%
Poverty	16%	11%	24%	24%	13%	23%	14%	38%	37%	8%	11%	4%	21%	4%	8%	18%
Insecurity	22%	27%	21%	16%	15%	15%	22%	37%	53%	13%	16%	14%	44%	16%	14%	10%
Loneliness	10%	5%	7%	9%	11%	10%	8%	8%	8%	7%	9%	17%	13%	16%	7%	12%
Ill health	16%	5%	13%	8%	13%	13%	10%	46%	22%	7%	9%	24%	8%	14%	17%	29%
Dependent on others	10%	9%	10%	6%	8%	10%	10%	17%	19%	7%	7%	6%	5%	20%	11%	7%
Tired	8%	3%	3%	5%	6%	9%	8%	11%	7%	4%	5%	9%	10%	8%	16%	15%
Far away	14%	25%	17%	14%	9%	32%	21%	2%	7%	11%	15%	12%	12%	6%	9%	21%
Boredom	11%	8%	8%	7%	14%	7%	7%	8%	5%	10%	11%	18%	17%	14%	10%	19%
Enjoyment	29%	23%	21%	24%	34%	31%	37%	13%	7%	41%	39%	40%	21%	36%	30%	28%
None of the above	2%	2%	1%	1%	2%	1%	2%	1%	2%	4%	3%	0%	4%	1%	3%	1%
Don't know	2%	2%	1%	1%	2%	2%	2%	1%	1%	4%	1%	1%	4%	2%	2%	1%

Q: Which, if any, of the following are important retirement aspirations for you?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Living abroad	13%	15%	12%	25%	12%	13%	8%	10%	9%	10%	14%	18%	10%	15%	14%	12%
Traveling	62%	55%	63%	63%	56%	61%	69%	62%	57%	58%	63%	76%	41%	53%	73%	60%
Studying	12%	7%	3%	7%	10%	7%	12%	4%	10%	11%	10%	23%	19%	18%	22%	11%
Spending more time with friends and family	59%	49%	67%	62%	55%	56%	60%	61%	69%	54%	60%	63%	41%	62%	63%	62%
Pursuing new hobbies	49%	40%	60%	44%	48%	45%	44%	57%	46%	45%	49%	56%	48%	46%	51%	56%
Starting a business	12%	4%	3%	6%	9%	4%	6%	7%	7%	7%	10%	12%	11%	33%	33%	24%
Volunteer work	25%	30%	28%	15%	23%	27%	21%	12%	20%	29%	33%	22%	14%	46%	28%	34%
Continue working	15%	15%	15%	11%	13%	9%	6%	15%	15%	14%	15%	16%	22%	22%	16%	16%
None of the above	3%	4%	3%	2%	4%	3%	2%	2%	2%	7%	3%	1%	6%	1%	1%	2%
Don't know	3%	6%	2%	4%	4%	5%	3%	2%	2%	4%	3%	1%	8%	1%	1%	2%



Q: Overall, how confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Not at all confident = 1	17%	10%	13%	14%	13%	17%	24%	52%	44%	13%	13%	4%	16%	4%	10%	21%
Not very confident = 2	28%	26%	36%	32%	28%	39%	39%	32%	27%	20%	22%	17%	39%	16%	21%	40%
Somewhat confident = 3	33%	39%	38%	38%	40%	32%	27%	12%	18%	34%	42%	37%	32%	42%	35%	24%
Very confident = 4	15%	18%	10%	10%	12%	4%	6%	2%	7%	19%	17%	31%	4%	30%	25%	8%
Extremely confident = 5	5%	3%	2%	3%	4%	1%	2%	2%	2%	9%	4%	10%	3%	7%	8%	4%
Don't know	3%	4%	1%	4%	4%	6%	3%	1%	1%	5%	3%	1%	7%	1%	1%	3%
NET: Not confident	45%	36%	49%	45%	41%	57%	63%	83%	71%	33%	34%	21%	55%	20%	31%	61%
NET: Very/extremely confident	19%	21%	11%	14%	15%	6%	8%	4%	9%	28%	21%	41%	7%	37%	34%	12%
MEAN	2.61	2.77	2.49	2.56	2.64	2.29	2.20	1.69	1.96	2.91	2.77	3.26	2.34	3.21	3.01	2.32

Aegon Retirement Readiness Index (ARRI) Scores

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Low score	55%	57%	48%	60%	51%	61%	68%	69%	70%	47%	50%	44%	79%	29%	35%	62%
Medium score	28%	28%	30%	27%	25%	26%	22%	21%	21%	26%	29%	38%	17%	39%	30%	26%
High score	18%	15%	22%	12%	23%	13%	10%	10%	8%	28%	21%	18%	4%	32%	35%	12%
MEAN	5.76	5.66	6.13	5.42	5.96	5.40	4.97	5.13	4.93	6.22	6.01	6.23	4.64	6.96	6.80	5.40

Component of the Aegon Retirement Readiness Index

Q: To what extent do you feel personally responsible for making sure that you have sufficient income in retirement?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Not responsible = 1	3%	2%	3%	3%	2%	5%	6%	3%	10%	1%	1%	2%	1%	2%	2%	5%
2	5%	6%	3%	5%	1%	6%	9%	6%	9%	2%	2%	4%	3%	2%	3%	8%
3	21%	27%	22%	24%	18%	30%	31%	23%	28%	14%	12%	20%	19%	16%	16%	24%
4	32%	40%	33%	33%	32%	32%	28%	31%	27%	28%	29%	43%	33%	29%	23%	25%
Very responsible = 5	39%	25%	39%	35%	47%	27%	26%	36%	26%	55%	55%	31%	45%	51%	56%	38%
MEAN	3.99	3.79	4.02	3.92	4.22	3.68	3.59	3.91	3.52	4.35	4.35	3.97	4.17	4.24	4.27	3.84

Component of the Aegon Retirement Readiness Index

Q: How would you rate your level of awareness on the need to plan financially for your retirement?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Very unaware = 1	3%	3%	1%	2%	3%	3%	6%	3%	6%	2%	2%	1%	1%	2%	1%	5%
2	6%	7%	4%	8%	6%	4%	11%	7%	13%	5%	3%	3%	5%	2%	4%	9%
3	24%	27%	16%	30%	23%	22%	36%	25%	41%	20%	20%	19%	23%	17%	15%	34%
4	35%	38%	33%	36%	30%	31%	34%	36%	29%	32%	33%	44%	40%	36%	27%	34%
Very aware = 5	32%	25%	46%	24%	38%	40%	12%	29%	12%	41%	43%	33%	30%	43%	53%	18%
MEAN	3.89	3.76	4.18	3.71	3.95	4.00	3.35	3.82	3.27	4.05	4.11	4.05	3.93	4.15	4.28	3.53

Component of the Aegon Retirement Readiness Index

Q: How able are you to understand financial matters when it comes to planning for your retirement?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Very unable = 1	4%	6%	2%	4%	3%	5%	3%	3%	2%	3%	3%	1%	12%	2%	1%	5%
2	9%	15%	6%	13%	9%	9%	11%	9%	6%	6%	6%	4%	25%	3%	4%	8%
3	27%	32%	28%	31%	26%	27%	33%	28%	25%	25%	27%	24%	38%	17%	16%	30%
4	36%	30%	40%	31%	37%	34%	35%	34%	37%	34%	36%	47%	20%	41%	31%	35%
Very able = 5	25%	18%	23%	21%	25%	25%	19%	25%	30%	32%	28%	24%	5%	37%	48%	23%
MEAN	3.70	3.38	3.76	3.52	3.71	3.67	3.54	3.68	3.87	3.85	3.78	3.87	2.82	4.07	4.21	3.63

Component of the Aegon Retirement Readiness Index

Q: Thinking about your own personal retirement planning process, how well developed would you say your personal retirement plans currently are?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
No retirement plan = 1	13%	9%	9%	13%	12%	20%	23%	17%	13%	12%	13%	9%	17%	6%	8%	17%
2	14%	17%	9%	15%	13%	14%	14%	21%	16%	10%	11%	11%	28%	5%	9%	12%
3	32%	37%	32%	36%	29%	34%	31%	35%	35%	30%	32%	32%	36%	25%	26%	31%
4	28%	28%	33%	26%	26%	23%	24%	20%	25%	30%	30%	34%	17%	39%	28%	25%
Well developed plan = 5	14%	10%	16%	9%	19%	9%	8%	8%	11%	19%	13%	13%	3%	25%	30%	15%
MEAN	3.16	3.13	3.37	3.03	3.26	2.86	2.80	2.82	3.05	3.33	3.21	3.31	2.61	3.72	3.64	3.10

Component of the Aegon Retirement Readiness Index

Q: Thinking about how much you are putting aside to fund your retirement, are you saving enough?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
I am very unprepared. I am hardly saving at all for retirement = 1	19%	15%	16%	20%	17%	23%	28%	26%	32%	17%	20%	9%	28%	6%	18%	23%
2	18%	17%	19%	19%	14%	18%	18%	24%	25%	13%	15%	19%	28%	9%	13%	20%
3	29%	33%	33%	30%	30%	30%	28%	28%	29%	28%	30%	31%	29%	25%	23%	28%
4	22%	24%	21%	22%	24%	20%	18%	15%	11%	25%	25%	31%	13%	37%	23%	19%
I am very prepared. I am already saving enough = 5	11%	11%	11%	9%	15%	9%	7%	7%	3%	17%	10%	10%	3%	23%	23%	11%
MEAN	2.88	2.99	2.94	2.80	3.05	2.74	2.58	2.52	2.29	3.12	2.90	3.15	2.34	3.62	3.22	2.74

Q: Which of the following best describes your retirement planning strategy?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
I have a written plan	12%	10%	15%	5%	12%	10%	19%	6%	5%	18%	15%	10%	5%	18%	22%	13%
I have a plan, but it is not written down	44%	32%	47%	46%	46%	28%	27%	32%	45%	43%	46%	60%	35%	61%	47%	47%
I do not have a plan	40%	51%	33%	45%	39%	55%	48%	57%	45%	35%	36%	28%	53%	18%	27%	36%
Don't know	5%	7%	6%	4%	4%	8%	7%	5%	5%	4%	3%	2%	7%	2%	3%	4%

Q: In the event that you are unable to continue working before you reach your planned retirement age, do you have a 'backup plan' to provide you with an income?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Yes	30%	18%	33%	20%	27%	24%	23%	26%	20%	32%	31%	42%	14%	53%	48%	31%
No	61%	72%	62%	71%	67%	68%	67%	66%	75%	59%	60%	43%	71%	42%	44%	62%
Don't know	9%	9%	5%	9%	6%	9%	10%	9%	5%	8%	8%	15%	15%	5%	9%	8%

Q: Which, if any, of the following would encourage you to save for retirement?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Tax breaks	32%	26%	33%	26%	32%	34%	25%	37%	44%	27%	43%	35%	32%	31%	30%	28%
Financial education	17%	15%	6%	10%	12%	8%	16%	16%	8%	14%	20%	26%	21%	29%	24%	18%
Professional financial advice	17%	11%	9%	19%	12%	8%	15%	14%	9%	13%	20%	28%	15%	25%	21%	20%
Simpler products	21%	9%	18%	18%	21%	15%	18%	21%	13%	16%	24%	31%	12%	36%	28%	22%
More confidence in markets	20%	12%	10%	20%	19%	17%	20%	17%	22%	22%	23%	26%	15%	29%	27%	18%
Better information about my retirement savings	20%	10%	16%	14%	18%	18%	18%	18%	15%	12%	18%	33%	21%	35%	25%	21%
Easy-to-use tracking and managing of tools	24%	23%	16%	20%	20%	21%	16%	29%	29%	16%	21%	33%	23%	39%	27%	24%
Legal protection if sold the wrong product	16%	13%	17%	13%	15%	10%	25%	20%	20%	9%	13%	21%	7%	22%	21%	15%
A pay raise	48%	38%	45%	42%	46%	52%	46%	70%	65%	49%	53%	50%	22%	41%	46%	48%
Retirement plan match from my employer	27%	25%	21%	17%	20%	21%	25%	39%	34%	25%	29%	26%	30%	37%	29%	25%
More certain economic environment	35%	24%	38%	27%	22%	35%	39%	45%	53%	28%	31%	37%	35%	32%	39%	43%
Other	3%	4%	5%	4%	3%	1%	2%	2%	3%	4%	3%	1%	3%	2%	2%	2%
Don't know	9%	16%	9%	11%	10%	12%	10%	5%	5%	11%	9%	4%	17%	3%	6%	6%
Not applicable- I already have sufficient savings	4%	6%	7%	9%	9%	4%	1%	1%	1%	7%	4%	1%	2%	1%	2%	1%

Q: How important to you would a retirement plan with employer contributions be if you were choosing your next job?

Please indicate on a scale of 1 to 5 ...?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Not at all important = 1	3%	3%	2%	3%	3%	2%	4%	3%	4%	4%	2%	0%	2%	2%	3%	5%
Not very important = 2	5%	8%	5%	5%	5%	5%	6%	5%	5%	4%	2%	3%	11%	5%	4%	8%
Somewhat important = 3	24%	40%	18%	28%	24%	31%	29%	16%	24%	16%	20%	25%	36%	18%	14%	24%
Very important = 4	35%	31%	43%	35%	33%	30%	35%	44%	32%	32%	34%	39%	29%	36%	31%	31%
Extremely important = 5	29%	12%	26%	23%	30%	24%	22%	27%	31%	40%	40%	32%	16%	38%	44%	30%
Don't know	5%	7%	7%	7%	5%	9%	4%	6%	4%	4%	2%	1%	7%	2%	4%	3%

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
NET: Not at all/very important	8%	10%	7%	8%	8%	7%	9%	8%	9%	7%	4%	3%	13%	6%	7%	13%
NET: Very/extremely important	64%	43%	69%	58%	63%	54%	58%	71%	63%	73%	74%	71%	44%	74%	75%	60%
MEAN	3.86	3.45	3.92	3.74	3.86	3.75	3.70	3.93	3.83	4.06	4.10	4.00	3.48	4.06	4.14	3.74

Q: Workplace retirement plans play an invaluable role in making employees feel valued ...

- Please indicate on a scale from 1 to 5 how strongly you agree or disagree with the following statements about your work

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Strongly disagree = 1	4%	6%	4%	4%	3%	2%	5%	5%	9%	4%	3%	0%	4%	3%	6%	9%
Somewhat disagree = 2	6%	8%	6%	7%	7%	3%	6%	9%	11%	4%	4%	2%	10%	4%	6%	9%
Neither agree nor disagree = 3	26%	33%	28%	29%	26%	19%	30%	29%	25%	23%	24%	19%	43%	17%	21%	26%
Somewhat agree = 4	34%	37%	32%	31%	37%	35%	29%	34%	29%	34%	35%	46%	27%	35%	28%	24%
Strongly agree = 5	26%	13%	25%	21%	24%	38%	26%	19%	18%	31%	31%	32%	11%	39%	36%	29%
Don't know	4%	3%	5%	7%	2%	4%	4%	3%	8%	4%	2%	1%	5%	2%	4%	3%
NET: All disagree	11%	14%	10%	12%	10%	5%	11%	14%	20%	8%	8%	3%	13%	8%	12%	18%
NET: All agree	60%	49%	57%	52%	61%	72%	55%	53%	47%	65%	66%	78%	39%	74%	64%	53%
MEAN	3.75	3.43	3.72	3.61	3.73	4.08	3.67	3.55	3.39	3.87	3.88	4.07	3.34	4.03	3.86	3.57

Q: Workplace retirement plans should be a basic part of any worker's pay and conditions

- Please indicate on a scale from 1 to 5 how strongly you agree or disagree with the following statements about your work

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Strongly disagree = 1	3%	2%	2%	2%	1%	8%	3%	4%	4%	2%	2%	0%	2%	2%	2%	8%
Somewhat disagree = 2	4%	3%	4%	2%	3%	6%	6%	8%	4%	3%	3%	2%	5%	4%	5%	9%
Neither agree nor disagree = 3	21%	20%	21%	17%	15%	20%	26%	33%	28%	18%	17%	15%	34%	15%	19%	23%
Somewhat agree = 4	35%	44%	38%	30%	38%	27%	33%	34%	32%	36%	36%	43%	35%	35%	31%	26%
Strongly agree = 5	33%	27%	30%	45%	41%	35%	29%	18%	24%	37%	40%	39%	20%	42%	38%	31%
Don't know	3%	4%	5%	4%	2%	4%	3%	4%	8%	3%	2%	0%	5%	2%	5%	3%
NET: All disagree	7%	5%	6%	4%	4%	14%	9%	11%	9%	5%	4%	2%	7%	6%	7%	17%
NET: All agree	68%	72%	67%	74%	79%	62%	62%	52%	56%	73%	76%	82%	55%	77%	69%	57%
MEAN	3.95	3.95	3.93	4.18	4.17	3.77	3.81	3.57	3.73	4.06	4.13	4.20	3.69	4.13	4.03	3.65

Q: If you were automatically enrolled into a workplace pension (US: 401(k), 403(b) or similar plan), what proportion of your annual salary or wages would you consider a reasonable amount for YOU to contribute?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Nothing	5%	8%	5%	5%	4%	6%	12%	4%	11%	5%	2%	3%	6%	2%	4%	6%
1%	4%	4%	5%	4%	3%	4%	4%	4%	5%	3%	3%	3%	5%	2%	4%	5%
2%	5%	8%	8%	9%	5%	5%	6%	6%	5%	4%	5%	3%	4%	3%	5%	6%
3%	6%	8%	9%	8%	6%	8%	6%	7%	5%	7%	6%	5%	10%	3%	6%	6%
4%	5%	5%	6%	5%	5%	6%	5%	4%	3%	6%	5%	5%	2%	4%	5%	6%
5%	21%	20%	24%	19%	25%	20%	20%	22%	21%	19%	25%	23%	24%	15%	16%	18%
6%	5%	4%	3%	4%	7%	4%	4%	4%	2%	6%	6%	8%	2%	7%	4%	4%
7%	4%	4%	2%	3%	4%	3%	3%	4%	2%	3%	5%	5%	2%	5%	6%	4%
8%	4%	4%	2%	3%	4%	4%	3%	3%	3%	3%	3%	7%	2%	7%	6%	5%
9%	1%	1%	1%	1%	2%	0%	2%	1%	0%	1%	1%	2%	0%	4%	3%	2%
10%	15%	8%	12%	7%	14%	10%	12%	14%	18%	16%	18%	20%	10%	26%	18%	14%
10.1% to 15%	5%	2%	3%	1%	3%	3%	5%	5%	6%	7%	4%	5%	2%	13%	9%	6%
More than 15%	4%	1%	2%	1%	2%	2%	2%	4%	4%	7%	4%	4%	2%	6%	5%	9%
Don't know	16%	24%	17%	31%	15%	24%	15%	19%	15%	14%	13%	7%	30%	4%	8%	11%
Mean	6.45	4.96	5.37	5.02	6.08	5.58	5.57	6.49	6.19	7.20	6.88	7.09	5.46	8.45	7.36	7.20

Q: If you were automatically enrolled into a workplace pension (US: 401(k), 403(b) or similar plan), what proportion of your annual salary or wages would you consider a reasonable amount for YOUR EMPLOYER to contribute?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Nothing	3%	5%	3%	2%	2%	3%	6%	2%	6%	4%	1%	1%	4%	1%	2%	5%
1%	3%	2%	3%	2%	2%	3%	3%	3%	4%	2%	2%	1%	3%	2%	3%	4%
2%	4%	6%	7%	5%	4%	5%	4%	4%	3%	4%	5%	2%	3%	2%	4%	4%
3%	5%	7%	7%	6%	7%	5%	6%	5%	4%	8%	6%	2%	8%	4%	4%	5%
4%	5%	6%	5%	5%	6%	4%	4%	4%	3%	6%	5%	5%	2%	5%	4%	5%
5%	19%	16%	22%	16%	26%	20%	22%	20%	16%	23%	26%	16%	25%	14%	15%	16%
6%	4%	4%	4%	4%	6%	3%	3%	3%	3%	5%	6%	6%	2%	5%	4%	4%
7%	3%	4%	2%	3%	4%	4%	4%	4%	1%	2%	4%	4%	2%	5%	5%	4%
8%	4%	4%	3%	3%	4%	4%	4%	3%	2%	3%	3%	7%	2%	6%	6%	5%
9%	1%	1%	0%	1%	1%	1%	1%	2%	0%	1%	1%	2%	0%	3%	3%	3%
10%	17%	12%	16%	13%	14%	13%	15%	16%	27%	15%	17%	21%	11%	25%	22%	14%
10.1% to 15%	6%	3%	3%	3%	5%	3%	6%	5%	7%	6%	5%	8%	2%	12%	9%	7%
More than 15%	9%	6%	5%	8%	4%	6%	6%	7%	12%	7%	6%	19%	6%	11%	11%	13%
Don't know	16%	25%	20%	29%	15%	26%	15%	20%	13%	14%	12%	6%	31%	4%	8%	12%
Mean	7.86	6.68	6.63	7.45	6.87	6.93	6.99	7.51	8.58	7.14	7.29	9.90	6.62	9.07	8.64	8.36

Q: Thinking of your current employer which, if any, of the following services does your employer (or their retirement plan administrator) offer ...?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Retirement plan website	12%	19%	4%	6%	12%	8%	13%	7%	-	21%	16%	-	6%	-	18%	12%
Annual retirement plan statement	20%	46%	24%	14%	19%	14%	9%	17%	-	26%	25%	-	6%	-	21%	16%
Educational materials	13%	9%	19%	10%	11%	4%	13%	11%	-	20%	16%	-	7%	-	20%	14%
Online retirement modeling	9%	14%	5%	6%	7%	10%	7%	6%	-	14%	11%	-	3%	-	20%	11%
Digital access to retirement savings	11%	22%	7%	8%	6%	8%	6%	9%	-	18%	12%	-	6%	-	18%	15%
Webcasts about saving for retirement	7%	7%	4%	4%	5%	4%	6%	4%	-	9%	7%	-	8%	-	13%	13%
Company blogs / network groups	5%	3%	2%	4%	4%	3%	4%	3%	-	6%	5%	-	4%	-	10%	9%
In person / professional advise	12%	12%	10%	13%	14%	11%	6%	8%	-	18%	17%	-	6%	-	15%	15%
Other	3%	3%	5%	3%	1%	2%	2%	3%	-	2%	2%	-	1%	-	5%	4%
None of the above	38%	17%	38%	32%	36%	44%	51%	47%	-	33%	39%	-	49%	-	36%	33%
Don't know	19%	21%	21%	32%	23%	23%	14%	16%	-	15%	15%	-	25%	-	9%	14%

Q: Looking ahead, how do you envision your transition to retirement?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Immediately stop working	32%	33%	37%	36%	29%	51%	52%	33%	38%	24%	24%	27%	21%	18%	24%	35%
Change the way I work (e.g. working part-time or on temporary contracts) but only for a while	29%	33%	24%	33%	36%	20%	15%	28%	23%	33%	35%	33%	31%	35%	30%	20%
I will change the way I work (e.g. working part-time or on temporary contracts) and I will continue paid work ...	17%	10%	22%	12%	14%	8%	6%	18%	20%	19%	20%	24%	17%	23%	21%	18%
I will keep working as I currently do.	10%	9%	7%	5%	9%	8%	13%	8%	6%	10%	10%	12%	6%	19%	16%	16%
Other	2%	2%	2%	2%	1%	1%	1%	1%	2%	1%	0%	1%	6%	2%	3%	3%
Don't know	10%	13%	8%	11%	10%	12%	12%	12%	11%	14%	9%	3%	19%	3%	5%	9%

Q: Would you say that you fully retired from all paid employment sooner or later in life than you had planned, or at the age you had planned to?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
I retired sooner than I had planned to	45%	49%	66%	54%	58%	42%	54%	53%	50%	67%	58%	15%	39%	29%	40%	37%
I retired at the age I had planned to	44%	41%	29%	31%	28%	43%	37%	43%	43%	25%	32%	77%	47%	58%	46%	46%
I retired later than I had planned to	9%	9%	3%	12%	11%	15%	7%	4%	7%	5%	8%	8%	13%	12%	11%	16%
Don't know	2%	1%	2%	3%	3%	-	2%	-	-	3%	2%	2%	1%	1%	3%	1%

Q: Which, if any, of the following were important reasons in your retirement from all paid employment sooner than you had planned?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
My own ill-health	34%	22%	52%	56%	41%	36%	24%	21%	40%	46%	43%	31%	13%	10%	23%	16%
Unemployment/job loss	25%	27%	32%	11%	34%	19%	31%	34%	20%	33%	17%	7%	18%	21%	25%	24%
Family responsibilities, e.g. for caregiving	9%	6%	2%	2%	10%	2%	13%	11%	2%	9%	12%	31%	5%	17%	15%	19%
Financial windfall	5%	6%	3%	2%	12%	5%	6%	2%		3%	5%	7%	5%	7%	5%	5%
I had saved enough	11%	20%	6%	9%	17%	7%	9%		2%	7%	14%	14%	23%	14%	10%	14%
Other reason(s)	32%	31%	14%	30%	17%	36%	28%	47%	40%	25%	24%	38%	56%	45%	40%	43%
Don't know	1%	-		-	2%	-	2%	-	2%	1%	-	-	-	3%	3%	-



Q: Which, if any, of the following were important reasons in your delaying retirement from all paid employment?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
A career break	5%	-	-	-	-	20%	-	-	-	-	-	7%	-	-	9%	13%
I was unable to find full-time work and so worked part-time	5%	-	-	-	-	13%	-	-	-	-	-	-	-	-	18%	19%
My retirement income was less than expected	14%	33%	-	8%	9%	13%	43%	25%	-	-	13%	33%	-	-	27%	6%
I wanted to keep active/ keep my brain alert	45%	44%	33%	50%	73%	20%	71%	75%	43%	20%	38%	60%	31%	75%	55%	6%
I was enjoying my work/ career	50%	56%	33%	67%	64%	47%	29%	50%	57%	40%	50%	53%	69%	75%	36%	13%
I had not saved enough	10%	11%	-	-	18%	7%	43%	-	-	-	50%	7%	8%	8%	-	6%
Concern that government pension benefits would be less than expected	24%	11%	-	17%	18%	27%	43%	25%	-	-	25%	27%	8%	-	45%	44%
Concern that employer retirement plan benefits would be less than expected	14%	-	-	17%	27%	-	29%	-	14%	-	25%	13%	-	8%	45%	13%
General anxieties about retirement income	18%	11%	33%	25%	18%	33%	43%	25%	-	-	13%	13%	-	8%	18%	31%
Unplanned financial obligations	11%	11%	33%	8%	9%	-	14%	25%	-	20%	13%	7%	-	-	36%	19%
Other reason(s)	16%	22%	-	17%	18%	13%	-	-	14%	40%	13%	13%	23%	-	36%	13%
Don't know	2%	-	-	-	-	7%	-	-	14%	-	13%	-	-	-	-	-

Q: Which, if any, of the following services does your employer offer to help employees phase into retirement?

	Total	Netherlands	Germany	Sweden	United Kingdom	France	Spain	Poland	Hungary	United States	Canada	China	Japan	India	Brazil	Turkey
Work more suitable for older workers	18%	13%	19%	14%	15%	11%	13%	11%	15%	15%	15%	36%	8%	32%	25%	19%
Part-time working option	23%	22%	31%	30%	26%	23%	16%	19%	24%	21%	27%	25%	17%	31%	18%	20%
Retraining	12%	11%	10%	6%	7%	9%	8%	9%	7%	8%	8%	27%	8%	23%	16%	12%
Flexible retirement plans / working past usual retirement age	17%	11%	8%	17%	18%	10%	5%	8%	11%	19%	21%	30%	16%	31%	21%	21%
Financial advice	13%	11%	7%	7%	14%	6%	8%	9%	4%	15%	14%	18%	4%	34%	24%	14%
Employer provided healthcare in retirement	16%	7%	4%	5%	7%	5%	7%	10%	7%	17%	15%	40%	10%	32%	24%	18%
Other	2%	2%	2%	2%	1%	1%	2%	2%	1%	2%	1%	3%	1%	4%	3%	4%
None of the above	30%	21%	31%	21%	29%	35%	47%	44%	38%	31%	33%	17%	41%	15%	33%	29%
Don't know	18%	37%	22%	33%	25%	24%	16%	17%	21%	22%	17%	5%	22%	7%	9%	11%



the 1990s, the number of people in the UK who are aged 65 and over has increased from 10.5 million to 13.5 million, and the number of people aged 75 and over has increased from 5.5 million to 7.5 million (Office for National Statistics 2000).

There is a growing awareness of the need to address the needs of older people, and the need to ensure that they are able to live independently and actively in their own homes for as long as possible. This has led to a number of initiatives aimed at improving the lives of older people, and ensuring that they are able to live independently and actively in their own homes for as long as possible.

One of the key initiatives is the development of a 'social care' system, which is designed to provide a range of services to older people, including care in their own homes, care in residential care homes, and care in the community. This system is designed to ensure that older people are able to live independently and actively in their own homes for as long as possible.

Another key initiative is the development of a 'dementia care' system, which is designed to provide a range of services to people with dementia, including care in their own homes, care in residential care homes, and care in the community. This system is designed to ensure that people with dementia are able to live independently and actively in their own homes for as long as possible.

There are a number of other initiatives aimed at improving the lives of older people, and ensuring that they are able to live independently and actively in their own homes for as long as possible. These include initiatives aimed at improving the lives of older people with mental health problems, and initiatives aimed at improving the lives of older people with physical health problems.

The need to address the needs of older people is a complex one, and it is essential that we continue to work together to ensure that they are able to live independently and actively in their own homes for as long as possible. This requires a range of services, and it is essential that we continue to work together to ensure that these services are available to all older people.

There are a number of challenges facing us in this regard, and it is essential that we continue to work together to address these challenges. This requires a range of services, and it is essential that we continue to work together to ensure that these services are available to all older people.

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