



**AEGON**

Center for  
Longevity and  
Retirement

Germany Country Report



## A Retirement Wake-Up Call

The Aegon Retirement Readiness Survey 2016

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# Introduction

Now in its fifth year, the Aegon Retirement Readiness Survey explores how increasing life expectancy is impacting the ways in which individuals plan for retirement.

Countries around the world are facing unprecedented change, creating both challenges and opportunities. The concept of retirement is evolving; life expectancy continues to increase; pressures on governments and pension systems are intensifying; and, greater responsibility is shifting to the individual.

People are having difficulty keeping up with this rapid pace of change. Too few are adequately saving and planning for retirement. Most need greater access to financial advice and planning tools in order to navigate the future and improve their retirement outlook. Moreover, people's expectations of how they will transition to retirement may be unrealistic unless employment practices change.

This report evaluates the current state of retirement readiness in Germany and delineates key areas warranting focus and attention, including the need for: sharing the responsibility for retirement preparation, inspiring habitual saving, making retirement plans more inclusive by design, facilitating the new flexible retirement, and promoting active living and healthy aging in retirement.

The conclusion is that Germans need a retirement wake-up call. Solving the retirement challenge must be recognized as a shared responsibility. It requires engaging all stakeholders – governments, pensions industry, employers, and individuals – to actively take responsibility, and create a dialogue for an inclusive retirement, and implement solutions so that everyone has the opportunity to achieve long term financial security.

Our research finds that German workers have made no noticeable progress since 2012 in some of their retirement saving behaviour and have lost momentum in retirement preparedness that would enable them to enjoy a comfortable, secure life in retirement.



# Key Findings

- **Germany ranks joint fourth in the 2016 Aegon Retirement Readiness Index.**

With a score of 6.1 out of 10, Germany has a medium level of retirement readiness, slightly higher than the global average of 5.8, but there has been no improvement since 2015. Germans age 50 and over have a slightly higher ARRI score of 6.3, also a medium level, indicating that there is still work to be done in readying them for retirement.
- **The level of personal responsibility German workers' feel for making sure that they will have sufficient income in retirement, and their awareness for the need to plan financially for retirement have been largely stable since 2012.**

The majority of Germans feel personally responsible for ensuring that they will have sufficient income in retirement and are aware of the need to plan financially for retirement. Both measures saw dips in 2013 but since 2014 have climbed back up to their 2012 level, but no improvements overall have been made. At the same time their ability to understand financial planning followed the same course, and again there is no significant change since 2012.
- **Actions for retirement planning and financial preparedness have taken a significant tumble since 2012.**

In 2012, nearly half (49 percent) of Germans felt their personal retirement planning was well developed. However, since then this has fallen to just 37 percent in 2016. The proportion of Germans that say they are saving enough for retirement, was low at 43 percent in 2012, and has dipped even lower in 2016 to just 36 percent.
- **Germans are largely in agreement that the government should shoulder the responsibility for funding retirement.**

Almost three quarters (74 percent) are in agreement that the government should encourage employers to automatically enroll all their employees into a retirement plan, while 72 percent agree that there should be a balanced approach between government, employers, and individuals. Seventy-one percent agree that the government should provide for people through Social Security.
- **German workers and retirees anticipate that their government will fund a majority of their income in retirement.**

Germans will largely depend on government funding, estimating that it will provide 52 percent of their income in retirement. They expect far less from their employers through workplace plans (17 percent) and assume that they will supplement more from their own personal savings (31 percent).
- **The proportion of Germans savings habitually has fallen sharply since 2012.**

Habitual saving among Germans has decreased from a high of 45 percent in 2012 to a low in 2016 of 37 percent, which is now in-line with the global average. Habitual savers achieve an ARRI score of 7.5, well above the German average 6.1.
- **Auto enrollment is appealing to almost two-thirds of Germans at 6 percent deferral.**

A majority of Germans find auto enrollment appealing at 6 percent deferral (63 percent) which is slightly less than globally (65 percent). It holds significantly less appeal at the 8 percent deferral rate at 56 percent, well below global appeal (61 percent).
- **German employers are negligent in their offering of digital retirement tools to their employees.**

Less than 10 percent of German workers report having access to digital tools such as online retirement modelling tools, digital access to view and manage retirement savings, webcasts and seminars about saving for retirement to help them prepare for retirement or to shape and manage their retirement accounts.
- **Since 2013, there has been a decrease in the number of Germans with written retirement strategies.**

Three-in-five (59 percent) Germans currently have a retirement strategy, which has remained consistent from 2013 to 2016. But only 12 percent have a written plan in 2016, on par with global responses. This has slid down from a high of 16 percent in 2013.
- **Few Germans have backup plans if they become unable to work and have to leave work earlier than planned.**

German workers with backup plans will use their personal savings (47 percent) or disability insurance (46 percent) either from their employer or purchased themselves as their backup.
- **Less than one-in-five (18 percent) Germans know exactly what to expect from their pension benefits.**

Germans over 50 years are significantly more likely than those under to know exactly what to expect in their pension benefits.

- **Most Germans want to know if they will be financially safe in retirement but less are convinced that they will be.** Three-quarters (76 percent) are interested in knowing whether they will be financially safe and sound in retirement. But only 41 percent of Germans are convinced that they shall maintain their desired standard of living throughout retirement if they live to be 90 or older.

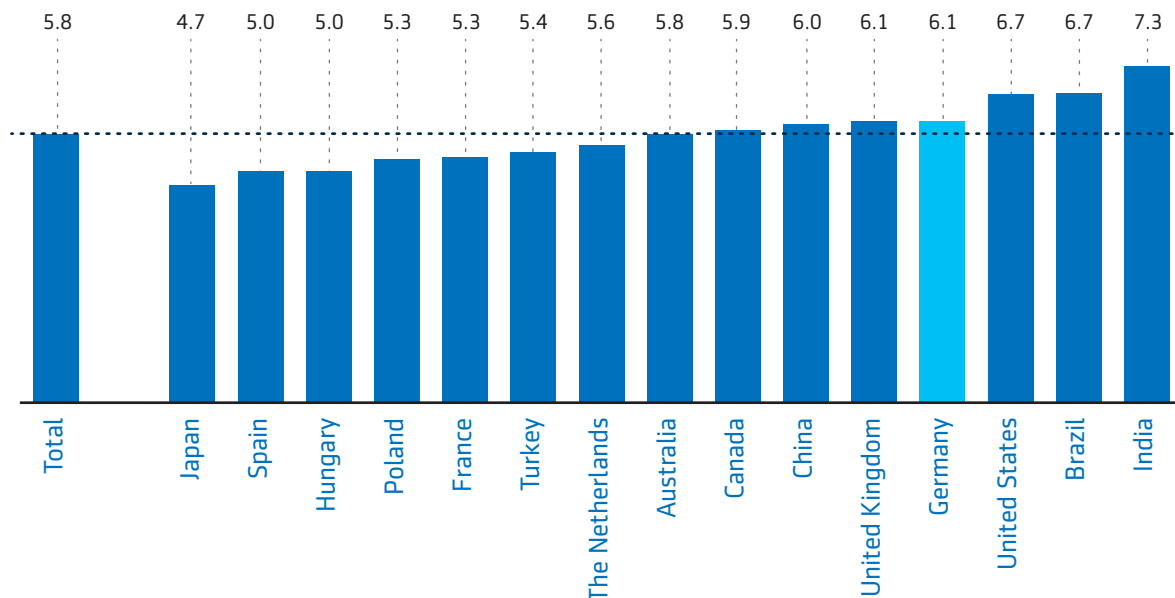
- **Half (52 percent) of German workers say that they will continue working to some extent into retirement.** Germans who say that they will continue working into their retirement years largely say they will do so for positive reasons, for example, to keep active or to keep their brain alert (63 percent), or because they enjoy their work or career (46 percent). Others however are anxious about funding their retirement. Thirty-four percent say they will continue working due to general anxieties about their retirement income and whether their savings will last, while 32 percent are concerned that Social Security benefits will be less than expected.

# Part 1: The state of retirement readiness: 2012 to 2016

The Aegon Retirement Readiness Survey is now in its fifth year. A cornerstone of the research is the Aegon Retirement Readiness Index (ARRI), which was created in 2012 to assess the relative levels of retirement preparedness across the participating countries. Individuals are grouped according to whether they achieve a high index score (eight or above out of 10), a medium score (between six and 7.99) or a low score (below six). With a score of 6.1 this year, Germany achieves a medium score and ranks joint fourth in retirement preparedness out of the 15 countries surveyed, reflecting the positive attributes of Germany's retirement system.

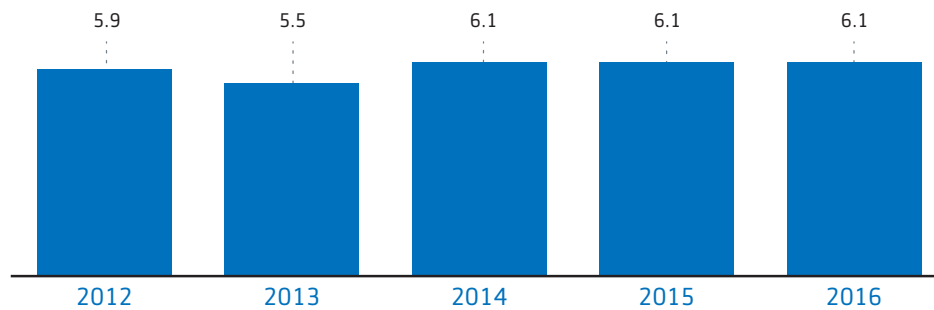
**Chart 1** Germany places joint fourth in the 2016 Aegon Retirement Readiness Index

Base: Not fully retired (n=14,400)



## Chart 2 Germany's 5-Year trend: Aegon Retirement Readiness Index

Base: Not fully retired (n=900)

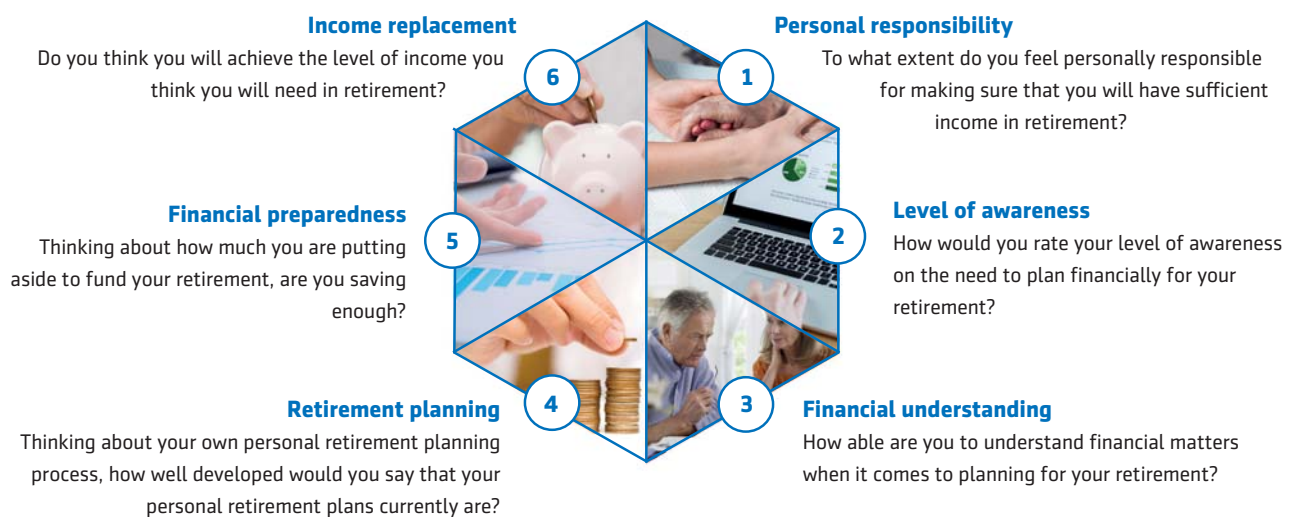


Germany's ARRI has seen its ups and downs over the five years of participation in this research. Shifting downward from 5.9 in 2012 to 5.5 in 2013 but pulling back up to 6.1 in 2014 and remaining steady since then. This inertia may be an indication of a lack of confidence that Germans have in the overall economy as nearly all Germans feel that the economy will get worse (46 percent) or stay the same (46 percent) over the next 12 months. Germans are less negative about their own financial situation, 17 percent expect their personal financial situation to improve over the next 12 months and 62 percent expect it will stay the same.

## Aegon Retirement Readiness Index Components

The ARRI is based on responses to six survey questions, three broadly attitudinal and three broadly behavioural in nature. The attitudinal measures have barely changed since 2012 but there has been a lot of movement in the behavioural measures. Worryingly, fewer German workers feel their retirement plans are well developed than in 2012, and fewer German workers say that they are saving enough. However, more German workers think that they will achieve 75 percent or more of their needed retirement income than in 2012.

## Chart 3 What factors shape the ARRI findings?

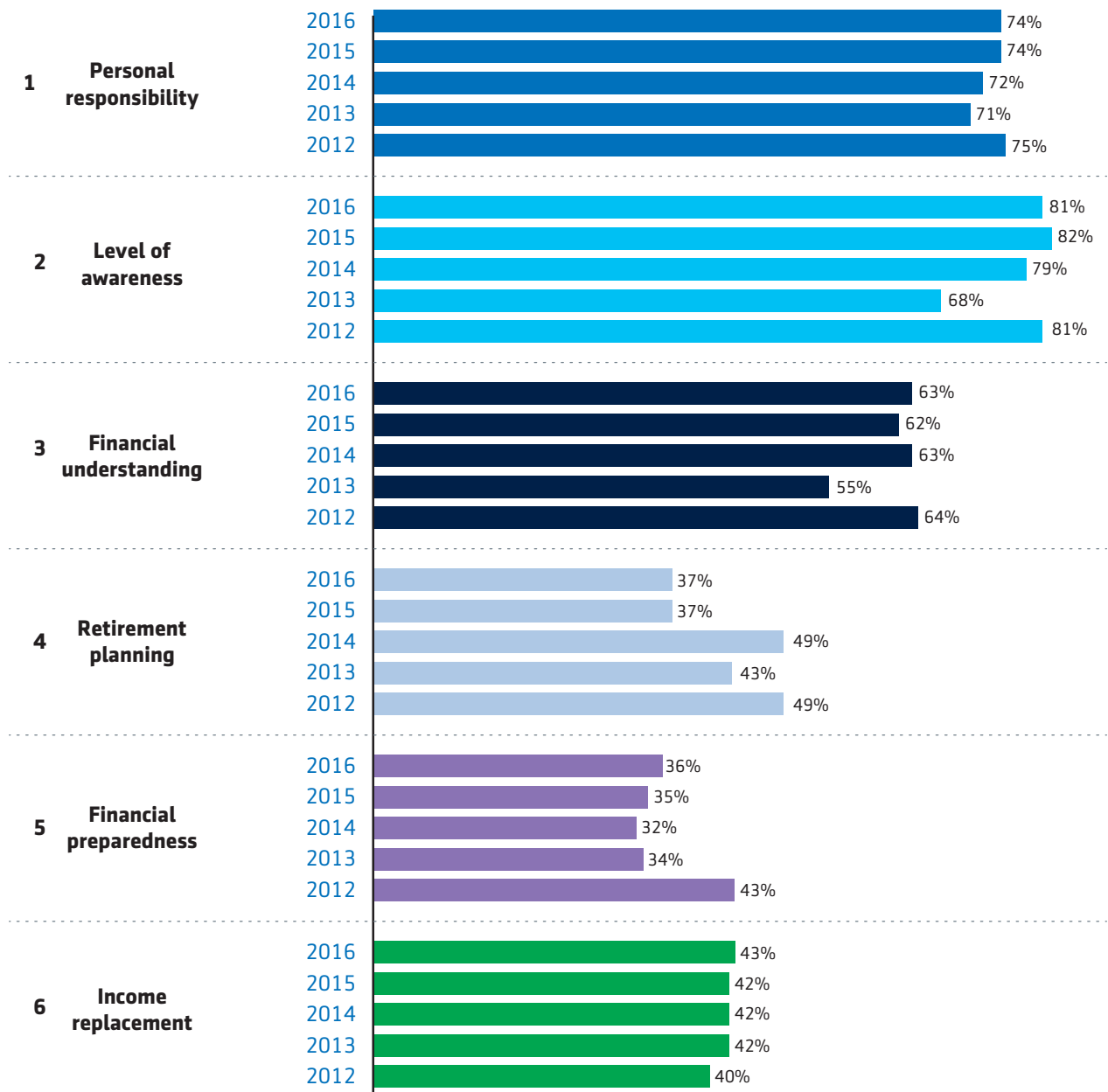


### Chart 4 Germany's 5-year trend: ARRI Components

The six index questions are answered on a five-point scale. Bars show the proportion of "top two option" (4 and 5) responses between 2012 and 2016.

For the first five questions from top to bottom, workers were asked to rate their level of agreement with a statement, e.g., "To what extent do you feel personally responsible for making sure that you have sufficient income in retirement?" From code 1 "I don't feel responsible at all" through to code 5 "I feel very responsible." Bars represent top-two options (4 and 5), for example, that workers feel "somewhat or very responsible."

For the sixth question, "income replacement," workers were asked what proportion of their current income they expect to need in retirement, followed by "Do you think you will achieve this income?" This is answered on a scale from code 1 "I don't know if I am on course to achieve my retirement income" through to code 5 "Yes I am on course to achieve my retirement income." The bars represent top-two options (4 and 5), that they are on course to achieve at least 75% of their needed retirement income.



# Part 2 - Retirement readiness is a shared responsibility – and it requires a shared solution

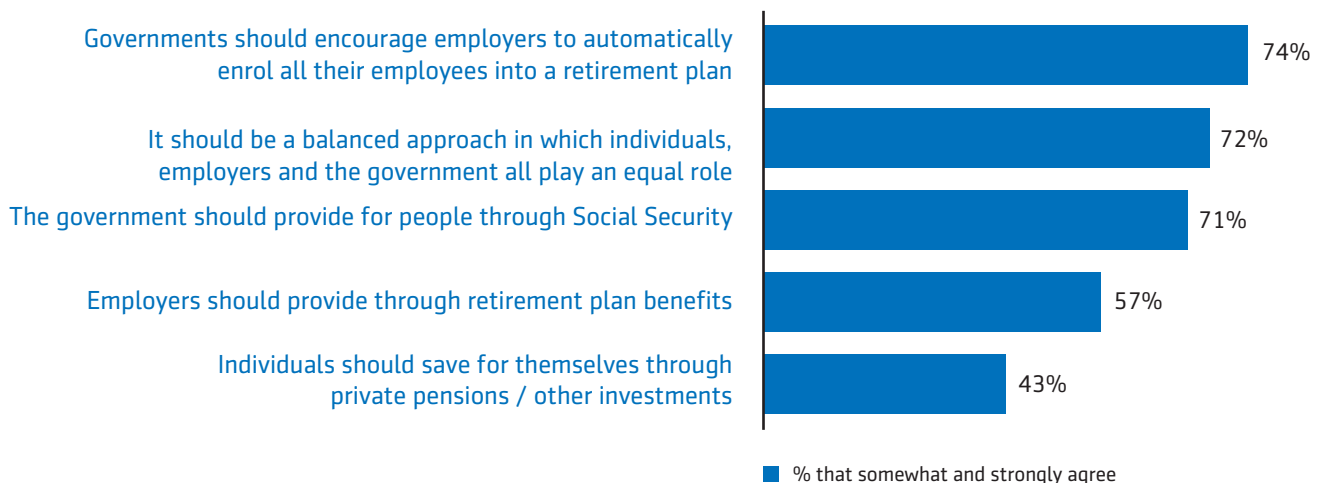
With increased longevity, retirement is lasting longer and people are enjoying more time after their working life. Funding this longer retirement rests on three pillars – firstly, governments must provide appropriate vehicles to invest in and guidance on how to do so, secondly, employers must engage with employees on planning their retirement as well as contributing their part financially. Finally individuals must take personal responsibility and put aside and invest a sufficient proportion of their salary. And start doing so in time.

German attitudes towards who should be responsible for funding people's retirement points in the direction of the government. Nearly three-quarters (74 percent) agree that the government should encourage employers to automatically enroll all their employees into a retirement plan. Seventy-two percent agree that there should be a balanced approach between government, employers and individuals, and 71 percent agree that the government should provide for people through Social Security. Fewer Germans feel that retirement funding should be placed on the shoulders of German workers via private pensions or other investments.

## Chart 5 German attitudes on how to fund retirement

Q. To what extent do you agree or disagree with the following statements about taking responsibility for funding people's retirement?

Please indicate on a scale from 1 to 5, where 1 means you strongly disagree and 5 means you strongly agree. Base: All respondents (n=1,000)



In line with funding attitudes, Germans expect just over half of their retirement income (52 percent) to come from the government via Social Security and other benefits, and very little funding to come from their employer retirement plans (17 percent). This implies that many people will likely have an income in retirement that is somewhat to much lower than their working incomes.

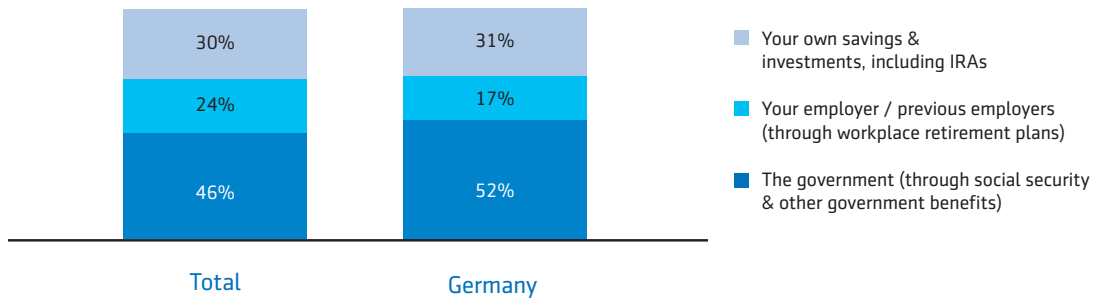
Germans age 50 and over are more likely to be depending on a larger portion of their retirement funding coming from the government (60 percent) but very little from their employer's plans (15 percent) and will supplement the remainder from their own savings (25 percent).



**Chart 6** Proportion of retirement income by three broad sources

Q. Approximately what proportion comes from or is likely to come from each of these three broad sources?

Base: All respondents (n= 16,000)



Given that the sustainability of the government retirement systems around the world are under strain as a result of the growing aging population and of longer life expectancy, all social partners need to take a more balanced, and realistic approach in which governments, employers and individuals are working together to fund retirement.

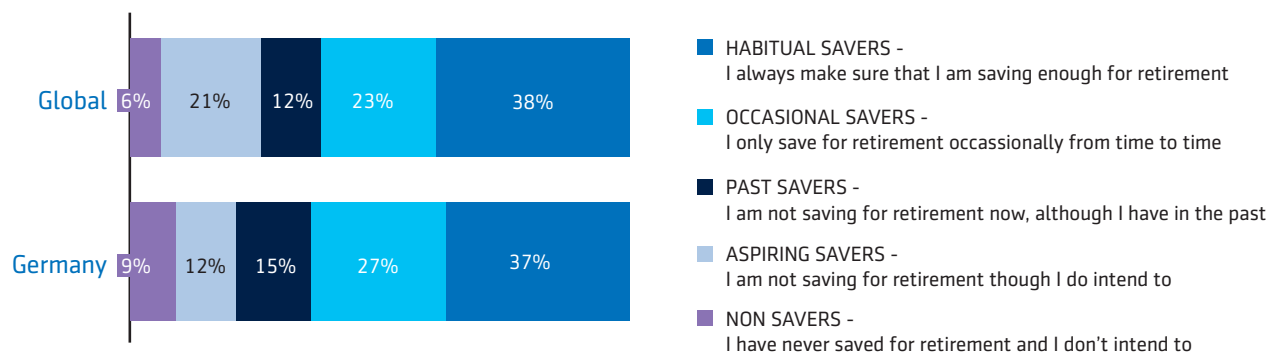
# Part 3 – Habitual saving is critical for success

The importance of habitual saving cannot be stressed enough. People who save habitually are in a better position in planning for their retirement, feel more responsible, and have a better understanding of what retirement will mean for them financially. While the number of habitual savers in Germany is on par with global respondents, discouragingly, the proportion of habitual savers has decreased from 45 percent in 2012 to 37 percent in 2016.

**Chart 7** Approach to saving for retirement

Q. Which of the following best explains your approach to saving for retirement? This can include money you contribute to any long-term investment including pensions, stocks and shares, investment-linked insurances, property, etc. Please select the option below that is closest to your view

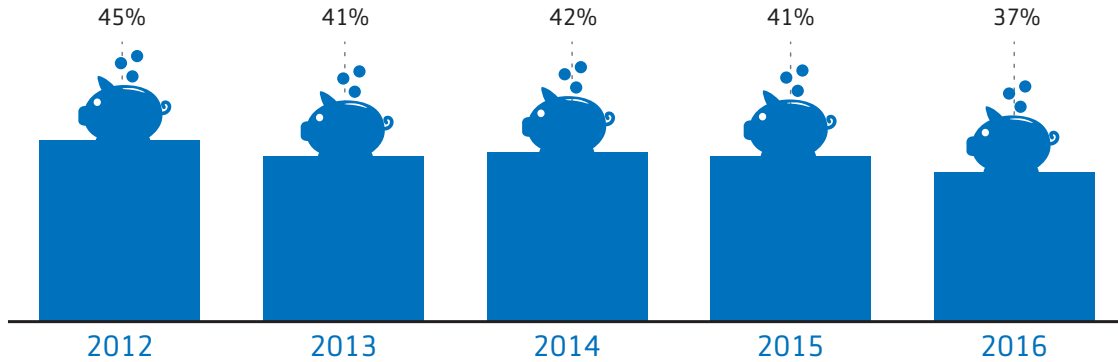
Base: Not fully retired (n=900)



**Chart 8** German habitual savers: 5-Year trend

Q. Which of the following best explains your approach to saving for retirement? This can include money you contribute to any long-term investment including pensions, stocks and shares, investment-linked insurances, property, etc. Please select the option below that is closest to your view

Base: Not fully retired (n=900)



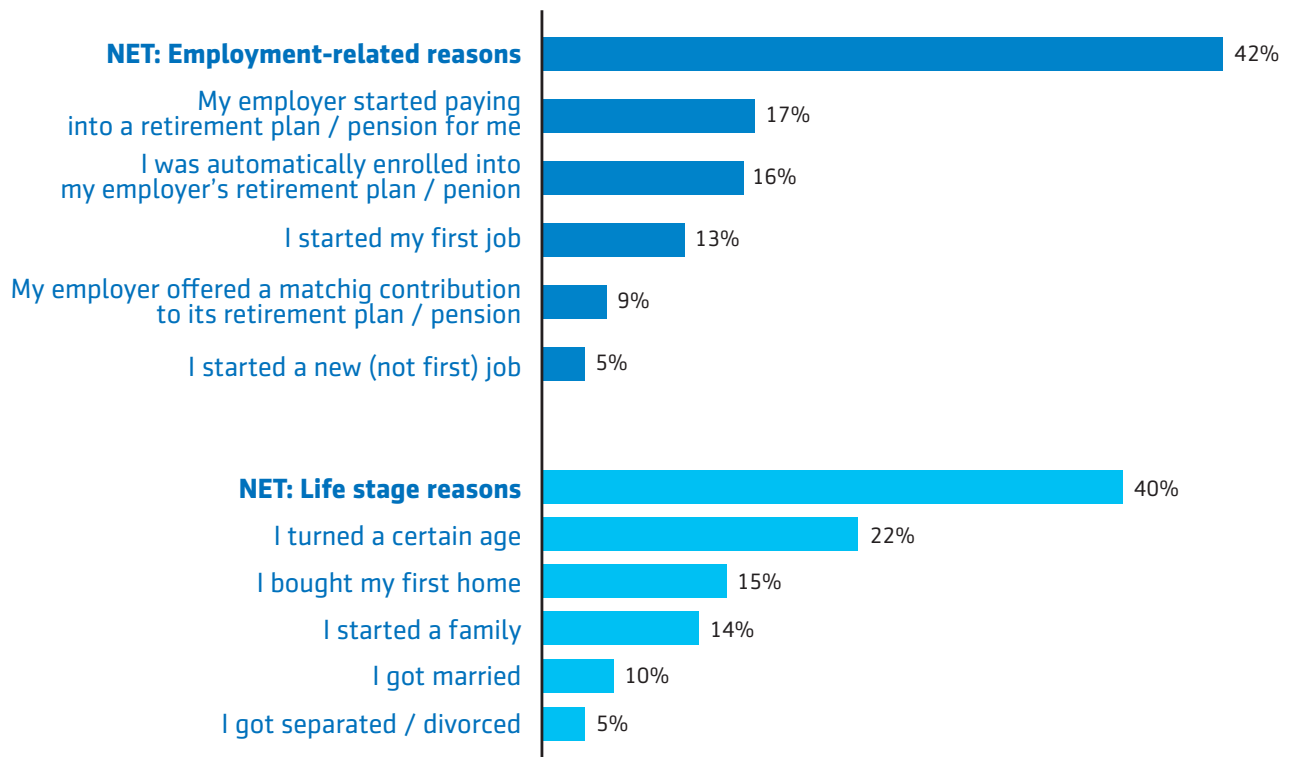
Triggers that start workers saving for retirement can be put into two broad categories. Firstly, encouragement from employers can have a strong influence on individuals to take that step to start saving for retirement. Second, major life stage changes can be just what's needed to energize workers to focus more on retirement.

Two-in-five (42 percent) of those already saving for or intending to save for retirement were prompted by their employer. Employers starting to pay into a retirement plan or pension, or automatically enrolling employees into a plan provided that initial nudge for many. For those motivated by a life stage change, turning a certain age was a key to initializing their retirement saving.

**Chart 9** What prompted retirement saving among savers and intenders

Q. There are many reasons why people start saving for retirement. Which, if any, of the following have prompted you to start saving for retirement?

Base: Retirement savers/ intenders (n=823)



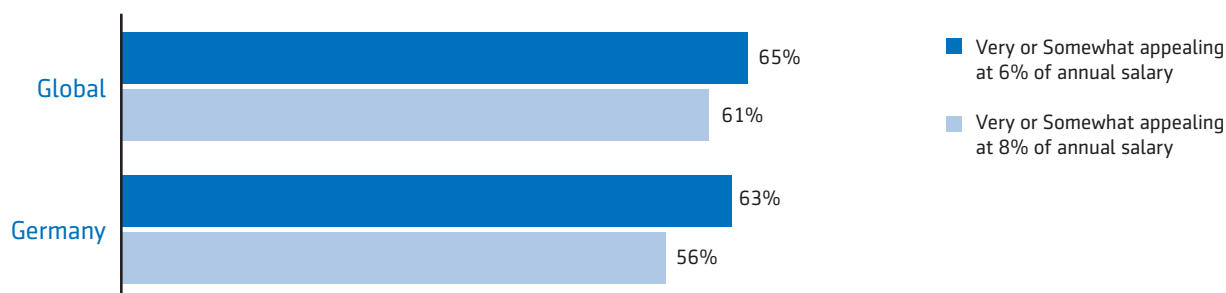
# Part 4 – Making it easy and more convenient to save

Workplace retirement plans can provide an impetus to start saving for retirement. Automatic enrollment into a workplace retirement plan, whereby workers are automatically enrolled and a set proportion of their salary is invested into a retirement plan has wide appeal globally. Germans are on par with global respondents at a six percent contribution level but are much less likely to view an eight percent annual contribution as appealing.

Segments of the population that are vulnerable - women, part-time workers, lower income earners, those with less education- who do not have as much opportunity to achieve retirement readiness would particularly benefit from more structured arrangements in terms of auto enrollment in workplace retirement plans. Yet the research shows that among these groups there is no noticeable difference in how appealing they find auto enrollment at either deferral rate when compared to all Germans or even globally.

## Chart 10 *The appeal of auto-enrollment*

Q. Imagine that your current employer automatically enrolled you into a workplace pension and you were expected to contribute 6%/ 8% of your annual salary or wages to it. The money would be invested into an account for use when you retire. On a scale of 1 to 5, where 1 is very unappealing and 5 is very appealing, how appealing would this seem to you? Base: Not fully retired (n=900)



## The role of workplace retirement plans

The workplace is a primary channel for encouraging retirement savings, yet only a third (34 percent) of all German workers feel their employers provide enough information and support to help with their retirement planning.

German employers fall short in providing services to help workers prepare for retirement. Few workers say that they receive annual retirement plan statements (22 percent) or educational materials (21 percent), suggesting better information would be a significant step forward. Easy access to clear and concise information is a key component to staying engaged with one's savings and investments- particularly those that are intended to be used in retirement, which is decades away for most savers.

In this digital age, it is unimaginable that so few German workers have access to online tools to help them with retirement planning – specifically, less than 10 percent of workers say they have access to online retirement modelling tools, digital access to manage their retirement savings, webcasts or seminars about saving for retirement or company sponsored blogs and online network groups. Notably, when workers are offered such services, a majority find them extremely or very helpful, particularly the ability to view and manage their retirement savings.

**Chart 11** *Very few German workers are offered digital tools from their employers to help them prepare for retirement*





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

BASE: Not fully retired (n=900)

Q. For each of the services that your employer (or plan administrator) offers, please say how helpful each is in preparing you for retirement? Please use a scale of 1 to 5, where 1 is not at helpful and 5 is extremely helpful.

Base: If service offered



	Percentage of workers offered this service	Percentage who find the service very / extremely helpful (among those offered)
 Online retirement modeling tools	6%	67%
 Digital access to view / manage retirement savings	6%	76%
 Webcast meetings/seminars about pensions/saving for retirement	6%	62%
 Company-sponsored blogs and/or online network groups	3%	(low base size)

Employers offer a wide range of benefits to attract and retain workers. Paid time-off and medical health insurance are among the most popular.

As the workforce grows older the demand for flexibility around retirement age is likely to increase, yet few German workers have access to services to prepare them for the transition. Currently, only two-in-five workers are offered the ability to work past normal retirement age (40 percent) or a phased retirement or other employer programs providing for a transition into retirement (37 percent). Thirty-nine percent are offered a retirement plan with employer contributions, just a quarter have access to a retirement plan without employer contributions (26 percent).

Just below half (49 percent) of Germans workers age 50 and over are offered the ability to work past the normal retirement age, while 42 percent are offered a phased retirement by their employers or other employer programs providing for a transition into retirement. Germans age 50 and over are either offered more retirement benefits than Germans overall or they are generally more aware of them.

## Chart 12 Workplace benefits provided to German workers

Q. And which of the following does your current employer offer you?

Base: Not fully retired (n=900)

	Percentage of workers offered this service
Vacation/ paid time off	90%
Convenient location of workplace	74%
Medical health insurance	69%
Flexible working hours	59%
Access to good training provision	52%
Overtime and bonus pay	49%
Opportunities for career progression	46%
Ability to work past the normal retirement age	40%
Retirement plan with employer contributions	39%
Phased retirement or other employer programs providing for a transition into retirement	37%
Retirement plan without employer contributions	26%
Life insurance	14%

When asked which sources German workers and retirees use or would use when choosing how to save for retirement, 43 percent said that they would seek financial retirement planning advice digitally. Choosing to use digital services such as government websites (21 percent), personal finance websites/ online retirement planning tools (18 percent), retirement plan provider websites (15 percent) and financial services provider websites (11 percent). Germans are seeking retirement planning services and advice digitally outside of their employment, highlighting that there is an opportunity for employers to help their employees prepare for retirement by offering them online information about employment based pension schemes. If workers have easier, faster access to their retirement plans, they may be encouraged to become more involved and take greater charge of their retirement planning. Improved access will provide workers with more control and focus over the planning and management of their retirement funds.

Many German workers consult their friends and family (31 percent) for retirement advice which may not always be the most prudent source of information as friends and family may not be qualified to offer sound advice. Others rely on professionals - professional financial advisors (25 percent) or bank advisors (20 percent).

# Part 5 – The imperative for retirement literacy and planning

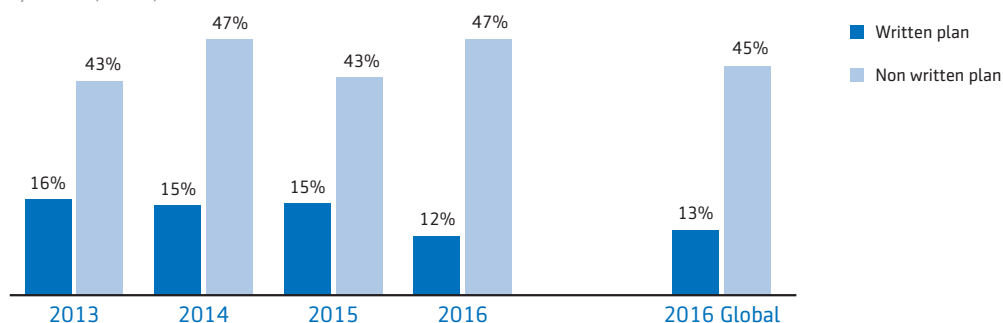
A written retirement strategy is not merely a piece of paper but is often the outcome of a process where future retirees have taken the time to consider what their post working life can look like and how they can fund it. Overall, three-in-five (59 percent) Germans have a retirement strategy, on par with global responses (58 percent). Only 12 percent have a written plan and while on par with global responses, it represents a 4 percentage point decrease since 2013 in Germany.

Discouragingly, Germans age 50 and over are slightly less likely than all Germans to have a written retirement plan (10 percent) which is in sharp contrast to younger Germans. Among those aged 25-34, 18 percent have a written plan, while among those aged 35-44, 14 percent have a written plan.

**Chart 13** German Workers with a Retirement Strategy

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

Base: Not fully retired (n=900)



Vulnerable groups, such as people who work part-time, lower income earners and people with low education, are less likely to have had the opportunity to formulate a strategy to prepare financially for retirement - written as well as one that is not written down. For example, only 49 percent of part-time workers compared to 59 percent of all German workers have taken the first step toward a more financially secure retirement by having a strategy written or not written.

Among the vulnerable groups low income earners (48 percent), women (41 percent) and part time workers (41 percent) are more likely not to have a retirement plan than all Germans (36 percent). Reassuringly for the future, young workers age 20-29 (62 percent) are actually more likely than Germans overall to have a retirement plan (either written or non-written).

**Chart 14** Non savers are the least likely to have a retirement strategy, written or not written

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

Base: Not fully retired

	Total	Women	Young (age 20-29)	Work part-time	Low income (personal)	Low education (less than undergrad degree)	Aspiring savers	Non- savers
<b>I have a written plan</b>	12%	10%	10%	8%	8%	12%	3%	3%
<b>I have a plan, but it is not written down</b>	47%	42%	52%	41%	37%	43%	32%	8%
<b>I do not have a plan</b>	36%	41%	36%	41%	48%	39%	59%	83%
<b>Don't know</b>	5%	7%	2%	10%	7%	6%	6%	6%

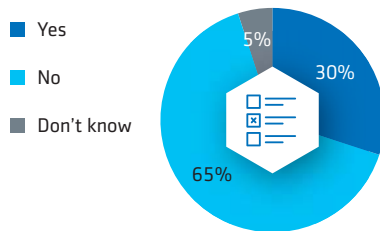
Under a third (30 percent) of German workers say they have a backup plan to provide them with an income should they be unable to continue working before reaching their planned retirement age.

Of these people, 47 percent say that they will rely on their savings as part of their backup plan. Notably, 46 percent have taken it upon themselves to invest in disability insurance either from their employer or purchased themselves.

Just under a quarter (24 percent) of German workers age 50 and over have a backup plan in the event that they are unable to work prior to retirement. They will rely on their savings (62 percent), their spouse or partner's income (34 percent) or disability insurance from an employer or that they themselves purchased (31 percent) should they become unable to work.

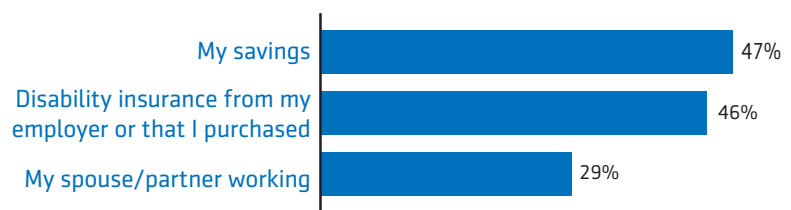
**Chart 15** *Just under a third of all German workers have a backup plan*

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? Base: Not fully retired (n=900)



**Chart 16** *Their 'backup plan' includes...*

Q. Which, if any, of the following are part of your 'backup plan' for an income in the event that you are unable to continue working due to ill health or job loss? Base: If have "backup plan"



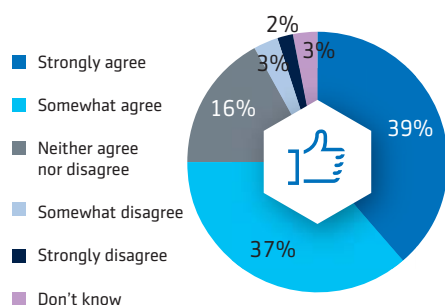
Less than half (47 percent) of all Germans find it extremely or very important to have an investment strategy for their assets, which also reflects how Germans feel about their retirement financial planning. Forty-four percent of all Germans say that their retirement financial planning is very or well developed. The most vulnerable Germans are less likely to have well-developed retirement planning, with only a third (33 percent) of part-time workers saying so, and even fewer in the lower personal income bracket (27 percent).

Less than one-in-five Germans (18 percent) know exactly what to expect from their pension benefits. Germans over 50 years are significantly more likely than those under to know exactly what to expect in their pension benefits (29 percent of Germans 50 and over, compared to 10 percent of Germans under 50 years). Notable, is that venerable Germans are just as aware as all Germans as to what they will receive in pension benefits, specifically, those who are less educated as well as those who have lower personal income (17 and 19 percent respectively).

Germans want to know if they will be financially safe in retirement but less are convinced that they will be. Three-quarters (76 percent) of Germans strongly or somewhat agree with the statement "I am interested in knowing whether I will be financially safe and sound in retirement." But only 41 percent of Germans agree strongly or somewhat with the statement "I am convinced that I shall maintain my desired standard of living throughout retirement even I live to be 90 or older."

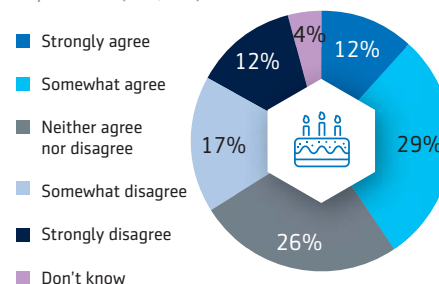
**Chart 17** *Over three quarter (76 percent) of Germans are interested in knowing whether they will be financially safe and sound in retirement*

'I am interested in knowing whether I will be financially safe and sound in retirement.' To what extent do you agree with the following statements? Base: All respondents (n=1,000)



**Chart 18** *Only two-in-five (41 percent) Germans think they will maintain their desired standard of living if they live to 90 or older*

'I am convinced that I shall maintain my desired standard of living throughout my retirement, even if I live to be 90 or older.' To what extent do you agree with the following statements? Base: All respondents (n=1,000)



# Part 6 – It’s personal: Making the case for the new flexible retirement

Germans expect to live an average of 17 years in retirement, but the reality is that they may live even longer. Increases in longevity may require individuals needing to work longer in order to adequately fund retirement. Working longer can also promote active living and healthy aging.

Half (52 percent) of German workers intend to work into retirement, which may involve shifting from full-time to part-time work. For others, it may involve working in a different capacity or pursuing an encore career. However, employers are falling short in accommodating workers in extending working lives and transitioning into retirement. Seventy percent of German workers find phased retirement to be a very or extremely important occupational benefit, yet only 37 percent are offered it.

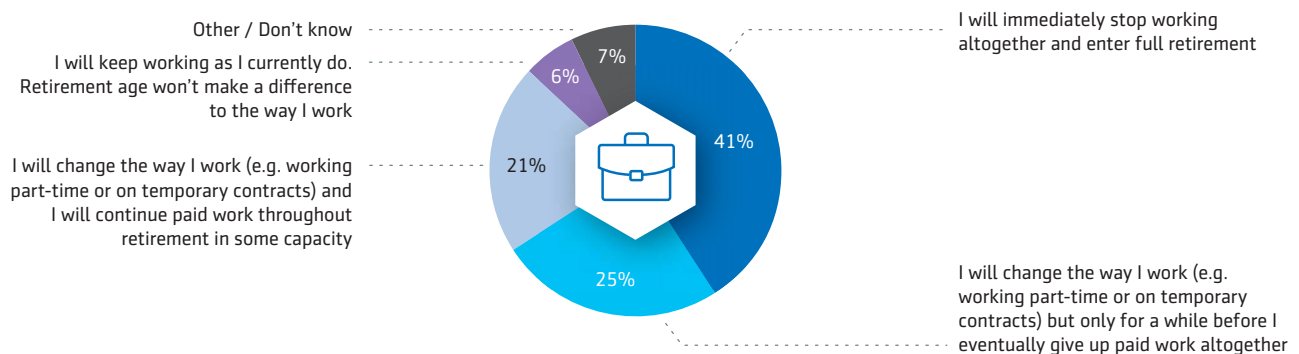
Among those who envision or envisioned working to some extent in retirement, 63 percent want to do so to keep active or to keep their brain alert, while 46 percent simply enjoy their work or career. A third (34 percent) have general anxieties about their retirement income and whether their savings will last, while 32 percent are concerned that Social Security benefits will be less than expected.

Germans age 50 and over who intend to work into retirement will do so to keep active or to keep their brain alert (73 percent), or because they enjoy their work or career (53 percent). They may be more financially secure about facing retirement and are less likely than all Germans to have income and savings-related concerns (62 percent versus 68 percent).

## Chart 19 Working into retirement will be the norm

Q. Looking ahead, how do you envision your transition to retirement? Please select the response closest to your view.

Base: Not fully/semi-retired (n=895)





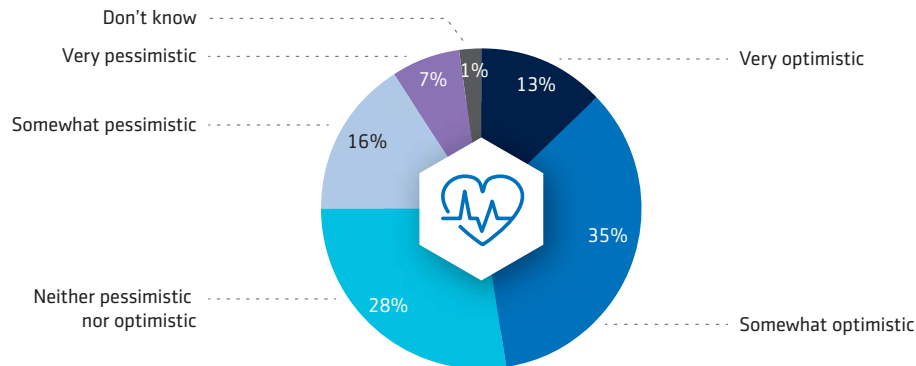
# Part 7 – The promise of active living and healthy aging

Over half (53 percent) of all Germans claim to be in good or excellent health. Being healthier for longer opens up opportunities to stay active and engaged, travel, and enjoy things considered to be important to them. Just under half (48 percent) are optimistic that they will be able to maintain good health in retirement. This level of optimism is mirrored by Germans age 50 and over, with nearly half (49 percent) feeling optimistic about maintaining good health in retirement.

**Chart 20** *When thinking about their retirement, nearly half of all Germans are optimistic about maintaining good health*

Q. When thinking about your retirement, how optimistic are you about each of the following aspects of it? Maintaining good health

(Base: All respondents n=1,000)



With increasing life expectancies, there is a need for many to extend their working lives and retire at an older age. Doing so can help bridge retirement savings and income needs. It's also an opportunity to stay involved and enjoy more years filled with active living and healthy aging.

## Recommendations

The world is ready for its retirement wake-up call. The fifth annual Aegon Retirement Readiness Survey finds little improvement, and in fact, even inertia in Germany's retirement preparedness since 2012. Around the world, many workers expect to rely heavily on government benefits and are not saving enough to adequately fund their retirement income needs. The reality is that people are living longer than ever before, yet inadequate attention is being given to address the costs and implications associated with increased longevity. Governments, employers, and individuals must continue to expand upon actions that have proven effective while innovating new solutions for the future.

With German retirement eligible age set to increase over time, and rising in line with life expectancy, Germans need to reconsider if the government will be able to fund half of their retirement income. They will need to assume greater personal responsibility in saving either directly or through company plans.

1. Employers should be encouraged to set up employer retirement savings plans. Policymakers should work to increase incentives to employers, remove barriers to setting up plans, and opening them to all workers. Workers should be encouraged to save on a consistent basis through payroll deduction. Incentives to participate, such as employer or government matching contributions, will help draw attention to the benefits of deferring a portion of salary into an employer-sponsored retirement plan. Incentives, however, may not by themselves be enough to change behavior. Employers should provide for workers to be automatically enrolled into a workplace plan. Automatic enrollment is an effective nudge to start workers on a consistent long term savings program.
2. Currently, very few German employers are taking advantage of the digital tools that are available to help promote good retirement planning and management among their workers. This presents a missed opportunity in encouraging workers to save for retirement. If given easy and quick digital access to planning and management tools to enhance the retirement experience, workers would be more apt to become involved, take charge of their retirement planning, resulting in a better retirement planning journey.
3. Employers and workers should agree on triggers for automatic increased savings by payroll deduction (auto-escalation). Depending on when a worker started saving consistently and how long they have before retirement, the automatic enrollment default rate may not be adequate to provide sufficient retirement income. Increases in the amount people save can be made automatically at predetermined times, such as pay raises, or upon attaining a certain age.
4. Employers and governments should continue to promote financial literacy and raise awareness, not only of the need to save for retirement, but also how to invest long term savings, and the benefits of working longer.
5. Governments should consider engaging family and friends in their campaigns to help increase awareness of the benefits of establishing a retirement savings strategy, especially for those not covered by an employer-sponsored retirement plan. No age is too young or old to start. Parents can instill good savings habits in their children by teaching them how to budget and invest.
6. Parents and adult children can begin to discuss topics that are typically sensitive, such as getting one's legal affairs in order, inheritance, caregiving, and other financial matters.
7. Individuals should create a retirement strategy to fund retirement and manage their retirement savings to last a lifetime. A retirement strategy should be tailored to the individual's plans for retirement (e.g. travel, continued working, etc.), other possible sources of income in retirement, and the individual's health. Individuals should take advantage of any professional financial advice or other tools in modeling their retirement. Online tools and robo advice can help individuals assess the amount they will need to save and how to invest their savings.
8. The retirement plan or strategy should help people to manage retirement savings to last a lifetime. Building up adequate retirement savings is one half of the solution. Individuals should also plan to manage their retirement savings during the decumulation phase to provide them an income for life that includes possible pension income and government benefits. Lifetime income can be achieved through a guaranteed lifetime income product (annuity) or through a combination of other solutions and/or products, without any guarantees.
9. Individual retirement strategies should also include a backup plan to enable the individuals to pay for unexpected expenses and events. A wide range of insurance products including life, income or critical illness policies, for example, can provide a cost-effective way of helping individuals and their families in the event employment ends prior to expected retirement date because of an illness, disability or death.
10. Governments and employers should encourage individuals to work longer or, at a minimum, facilitate their working past normal retirement age. As many individuals and employers tie retirement age to the date of receipt of government retirement benefits, any increase in the age of entitlement (when people can draw on their social security pension) would likely influence a change in behavior and encourage individuals to work longer.

11. Employers can also facilitate workers remaining in the workforce past their normal retirement date by developing age-friendly workplaces and by implementing phased and flexible retirement options (e.g., flexible work arrangements, reducing hours, working in a different capacity). Employers are encouraged to consider the benefits of retaining older workers in the workforce, such as the experience they bring, their loyalty and understanding of the business. Employers and governments should facilitate continued training to enable individuals to maintain skills to perform their job. Individuals should take advantage of training and phased retirement programs and consider the benefits of remaining in the workplace (e.g., maintaining an active mind and body, fulfillment, community, increased income).
12. Finally, as individuals consider their preparedness for retirement, actions to keep healthy and active can increase their confidence in their retirement security and their ability to work longer. Employers should be encouraged to promote greater vitality through wellness programs in the workplace and governments and employers should consider incentives for healthy and active lifestyles.

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the 1990s, the number of people with a mental health problem has increased in the UK. The prevalence of mental health problems is estimated to be 10% of the population (Meltzer & Peck, 2000).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Government has set out a strategy for mental health care in the UK (Department of Health, 2003).

The strategy aims to improve the lives of people with mental health problems by providing them with the best possible care and support.

The strategy also aims to reduce the stigma and discrimination that people with mental health problems often experience.

One of the ways in which the strategy aims to improve the lives of people with mental health problems is by providing them with the best possible care and support.

This includes providing them with the best possible care and support in the community, as well as in hospital.

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