

**News**

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**Age-Friendly Employers Are Integral to the New Social Contract for Retirement**

*New global research highlights ways employers can promote retirement security*

**LOS ANGELES – June 24, 2020** – Workers globally and in the U.S. expect they will need on average 67 percent of their current income in retirement, yet relatively few believe they are on course to meet these needs (25 percent globally, 39 percent U.S.), according to research released today. [\*\*\*The New Social Contract: Age-Friendly Employers\*\*\*](#) explores the vital role of employers in helping workers prepare financially for retirement, a role that has become even more crucial albeit precarious amid the coronavirus pandemic.

The report is based on findings from the 9th annual global survey of 15 countries spanning the Americas, Europe, Asia, and Australia that was conducted in 2020 at the early stages of the pandemic. It is a collaboration among [Aegon Center for Longevity and Retirement](#) (ACLR) and nonprofits [Transamerica Center for Retirement Studies®](#) (TCRS) and [Instituto de Longevidade Mongeral Aegon](#).

“Retirement systems around the world are undergoing severe strain due to increases in longevity, population aging, globalization, and evolving employment trends,” said [Catherine Collinson](#), CEO and president of nonprofit Transamerica Institute® and TCRS, and executive director of ACLR. “The coronavirus pandemic and economic downturn are intensifying existing risks to retirement security — and creating an even greater urgency for a new social contract among governments, employers, individuals, and other stakeholders.”

***Age-Friendly Employers and How They Can Influence Retirement Security***

Age-friendly employers embody an inclusive, diverse, and multigenerational workforce and they foster an environment in which workers of all ages can succeed. “Age-friendly employers are integral to a new social contract for retirement. By collaborating with other social partners, employers can help mitigate the retirement-related risks workers currently face and pave the way for a better, stronger retirement system for future generations,” Collinson said.

The survey findings identify ways employers can support their employees to extend their working lives and financially prepare for retirement. The following are options to consider now and in the future, as the broader economic picture improves:

- **Cultivate an age-friendly workplace that recognizes the value and contributions of workers of all ages.** When asked about initiatives their employers have in place to encourage a multigenerational workplace, only 32 percent of workers globally (37 percent U.S.) indicate their employer has an age-neutral workplace; 27 percent globally (30 percent U.S.) say their employer has a supportive work environment; and 25 percent globally (30 percent U.S.) say their employer has an inclusive culture.
- **Provide retirement, health, and welfare benefits — and design them with portability in mind so that workers can maintain them as their employment situation changes.** Fifty-two percent of workers globally are offered a retirement plan by their employer (66 percent U.S.). Fifty-eight percent of workers globally agree with the idea that a “job for life” is a thing of the past (61 percent U.S.).

- **Offer retirement planning services and financial advice.** Only 17 percent of workers globally have a written retirement strategy (31 percent U.S.) — and 35 percent have a backup plan in the event they are unable to continue working before they reach their planned retirement age (43 percent U.S.).
- **Promote financial literacy through training, education, or financial wellness programs.** Only 28 percent of workers globally could answer all the “Big Three” financial literacy questions developed by leading academic experts Drs. Annamaria Lusardi and Olivia Mitchell that test knowledge of compounding interest, inflation, and risk diversification (30 percent U.S.).
- **Encourage health and well-being by offering a workplace wellness program.** More than eight in 10 workers are interested in one or more types of workplace wellness programs (86 percent global, 84 percent U.S.). The most often cited types include exercise programs (35 percent global, 41 percent U.S.), healthy food or snack options at the office (35 percent global, 40 percent U.S.), and financial incentives for focusing on health and wellness (32 percent global, 36 percent U.S.).
- **Offer flexible work arrangements to help workers more easily balance their jobs and their personal lives.** Globally, 50 percent of workers report having flexible working hours (55 percent U.S.). Only 28 percent of workers indicate their employers offer pre-retirees the option to move from full-time to part-time work while phasing into retirement (27 percent U.S.).
- **Facilitate lifelong learning to help workers keep their job skills up to date and relevant.** Almost three in four workers globally and in the U.S. (both 74 percent) are offered one or more types of training to help them keep their skills current and to remain employable in the future. Twenty-four percent are offered reimbursement for continuing education (29 percent U.S.).

“The role of the employer in helping workers prepare for retirement transcends the offering of a job with a paycheck,” Collinson said. “Employers tremendously influence retirement preparedness among workers by providing retirement and other health and welfare benefits, offering flexible work arrangements, and enabling pre-retirees to work as long as they want.”

[\*The New Social Contract: Age-Friendly Employers\*](#) contains in-depth analysis, country comparisons, case studies, and detailed recommendations. It is based on findings from the 9<sup>th</sup> Annual Aegon Retirement Readiness survey series calling for a new social contract and it builds on [\*The New Social Contract: Achieving retirement equality for women\*](#) (2020), [\*The New Social Contract: Empowering individuals in a transitioning world\*](#) (2019), and [\*The New Social Contract: A blueprint for retirement in the 21<sup>st</sup> century\*](#) (2018).

Please visit [www.transamericacenter.org](http://www.transamericacenter.org) for the report and other information about the research. Follow TCRS on Twitter [@TCRStudies](https://twitter.com/TCRStudies).

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#### **Transamerica Center for Retirement Studies®**

Transamerica Center for Retirement Studies® (TCRS) is a division of [\*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. [www.transamericacenter.org](http://www.transamericacenter.org)

#### **Aegon Center for Longevity and Retirement**

Aegon Center for Longevity and Retirement (ACLR) is a collaboration of experts assembled by Aegon with representation from Europe, the Americas, and Asia. ACLR’s mission is to conduct research, educate the public, and inform a global dialogue on trends, issues, and opportunities surrounding longevity, population aging, and retirement security. [www.aegon.com/thecenter](http://www.aegon.com/thecenter)

**Instituto de Longevidade Mongeral Aegon**

Instituto de Longevidade Mongeral Aegon is a champion in the theme of longevity and its social economic impacts in Brazil. With its initiatives, the nonprofit organization tackles the challenges of living longer by integrating governments, companies, schools, and people through activities towards income, work, health, and behavior. The Instituto is part of the Mongeral Aegon Group and provides complimentary services to create opportunities for individuals of all ages.

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