

The Changing Face of Retirement

Women: balancing family, career & financial security



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Agenda

- Introduction
 - About the survey
 - Key findings
 - Recommendations
 - Q&A
-
- All materials can be found on:

www.aegon.com/research



Introduction

- Welcome to *Women: balancing family, career & financial security*

The responsibilities of family life often still fall primarily on women; this puts them naturally at-risk of being underprepared for retirement

This report investigates this for 15 countries across the globe:

- ▶ Based on an online survey and a number of face-to-face interviews
- ▶ Looking into attitudes and behaviors of people preparing for their retirement
- ▶ The face-to-face interviews are a new element to this report

The goal of our research is to:

- ▶ Raise awareness of what helps people make more informed retirement decisions
- ▶ Provide recommendations for individuals, employers and policy makers to make saving for retirement easier

About the Survey

Survey Methodology

- 2014 Survey: a growing online and nationally representative survey conducted in local languages in 15 countries between 14th Jan – 15th Feb 2014

Countries included:



Brazil**



Canada*



China*



France



Germany



Hungary



India**



Japan



Nether-
lands



Poland



Spain



Sweden



Turkey**



UK



US

Respondents

- In total 16,000 respondents ***
- Of which 7,956 women

This Survey is a collaborative work between Aegon,
Transamerica Center for Retirement Studies® and Cicero Consulting

* Added 2013, ** Added 2014, *** 1,000 per country, 2,000 in China

Key findings

1

Positive retirement aspirations are undermined by lifestyle differences

2

Women around the world have different expectations about their retirement

3

Women acknowledge their pension shortfalls

4

Building access to workplace retirement plans and flexible retirement is the way forward

1. Positive retirement aspirations are undermined by lifestyle differences

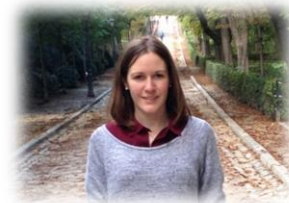


"I'd love for retirement to be a time for travel, relaxation and enjoyment. Whether that's viable will depend on my financial situation when the time comes."

Aleta, 28, United States

"I'm fairly realistic about my retirement and I don't think I will be jetting around the world on holiday all the time. I see retirement more as an opportunity to do some volunteer work and relax with my family."

Clare, 30, United Kingdom

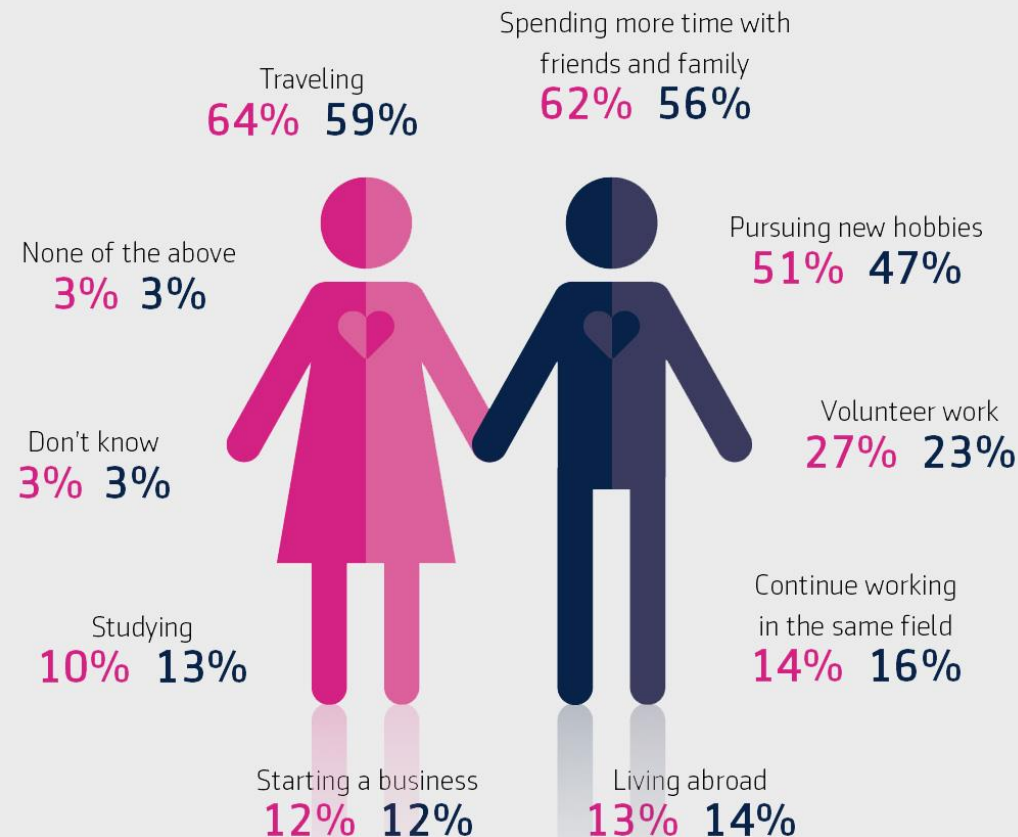


"I don't want to stand still when I retire. I want to build a new life with things that make me and my family happy."

Irma, 59, Hungary

1. Positive retirement aspirations are undermined by lifestyle differences

The notion of retirement is broadly universal





Q11 - Which, if any, of the following are important retirement aspirations for you?



1. Positive retirement aspirations are undermined by lifestyle differences

However, women face key obstacles linked to family responsibilities



Education gap closed ...

		
Less than high school graduate	7%	7%
High school graduate	22%	22%
Some college or trade school	19%	18%
College degree /University degree	30%	30%
Postgraduate degree or qualification	19%	20%
Other	2%	2%
No formal educational or professional qualifications/None	0%	0%
Survey question: Please choose from the list the highest level of educational or professional qualification you have achieved. Base: All respondents (16,000)		

but more part-time work ...

		
Work full-time	65%	75%
Work part-time	24%	11%
Semi-retired	3%	3%
Fully retired	9%	11%
Survey question: Which of the following best describes your current employment status? Base: All respondents (16,000)		

and lower salaries

		
Up to \$29,999	67%	53%
\$30,000-\$59,999	24%	28%
\$60,000-\$89,999	6%	12%
\$90,000+	4%	7%
Grouped Median	22836	28361
MEAN	36581	50192
Survey question: Which of the following reflects your annual personal income before taxes? Base: All respondents (16,000)		

Q4 - Please choose from the following list the highest level of educational or professional qualification you have achieved.
S4 - Which of the following best describes your current employment status?
S5 - Which of the following reflects your [annual] PERSONAL income before taxes?

2. Women around the world have different expectations about their retirement



"Since I will have more leisure time, my real hope would be to travel abroad, spend time with my friends and learn more about the things I am interested in."

Daisy, 36, China

"Nowadays everyone has to be aware of the need to plan for retirement. The sooner we do it, the sooner we start saving money, the better."

Katarzyna, 30, Poland

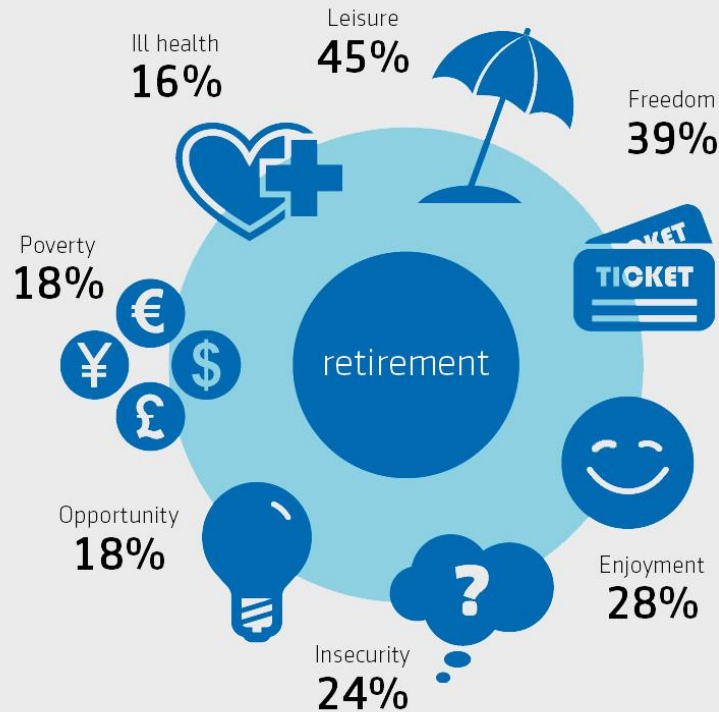


"When I think about retirement the first idea that springs to mind is not having to depend on my children. Being able to enjoy this golden age without being a burden on my children."

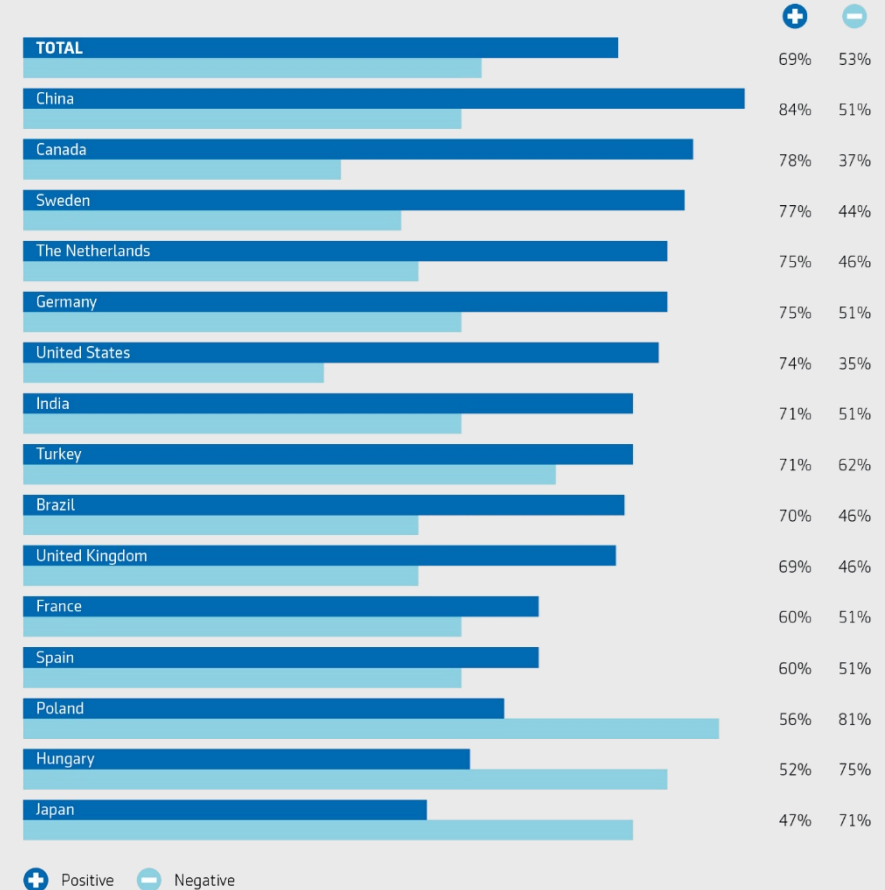
María Victoria, 40, Spain

2. Women around the world have different expectations about their retirement

Word associations with retirement



Positive vs. Negative word associations



Q10 - Which, if any, of the following words do you most associate with retirement?

2. Women around the world have different expectations about their retirement

Different retirement age expectations shaped by national policy settings



Q18 - At what age do you expect to retire from all paid employment?

3. Women acknowledge their pension shortfalls



"I do prepare myself and plan for my retirement, but with a young family you cannot save what you would like to save."

Andrea, 44, the Netherlands

"It is good to know that my spouse will contribute to our retirement financially, because it is much easier together."

Irma, 59, Hungary



"I am not confident. I feel I need to save for my retirement ever since the financial crises ... but interest rates are so low now and ... I am worried about investing in risky assets. The economic outlook should improve. The prospects are depressing."

Fumiko, 30, Japan

3. Women acknowledge their pension shortfalls

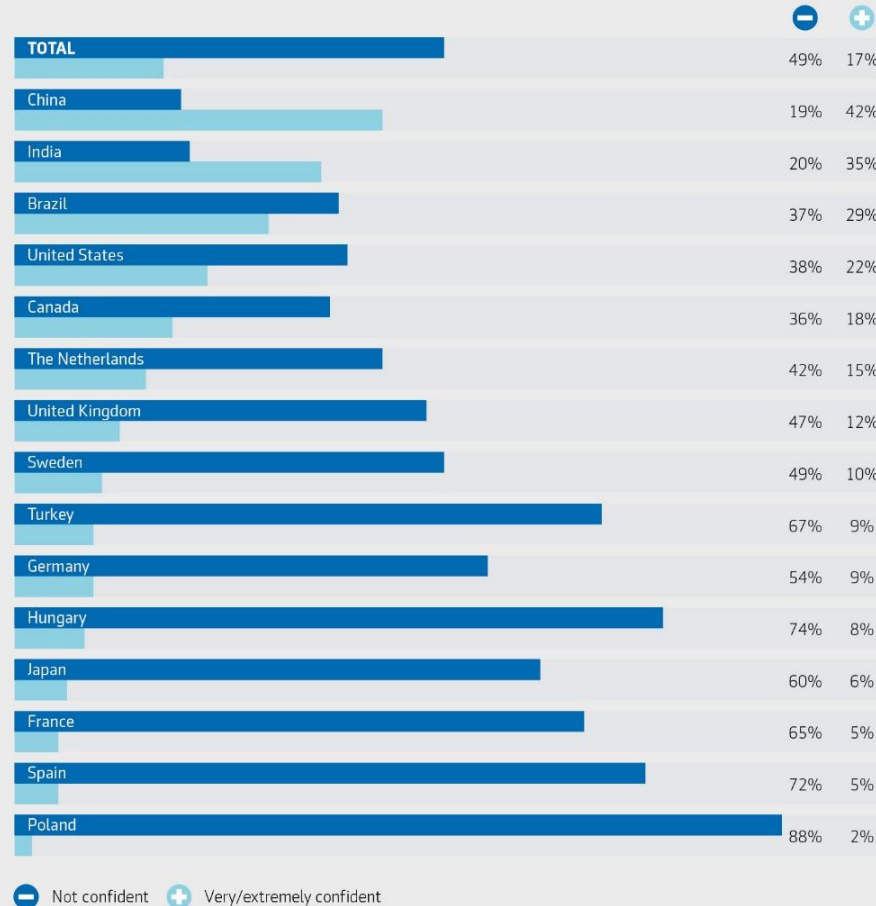
Anxiety deepens when women are asked if they think they will achieve their required retirement income



Q31 - Do you think you will achieve this income?

3. Women acknowledge their pension shortfalls

Few are very confident that they will fully retire with a comfortable lifestyle



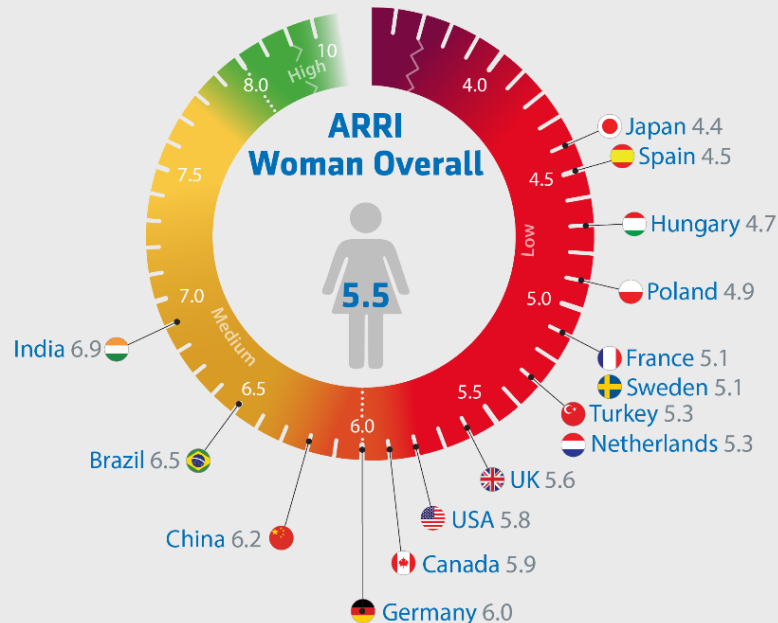
Q12 - Overall, how confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

3. Women acknowledge their pension shortfalls

Women score low on the Aegon Retirement Readiness Index

Aegon Retirement Readiness Index

Aegon Retirement Readiness Index (ARRI) shows women around the world are not as ready for retirement as they should be



Index is Based on Six Key Measures:

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 planning for retirement
4. **Retirement planning** – level of development of plans
5. **Financial Preparedness** for retirement – actual savings
6. **Income replacement** – level of projected income replacement

3. Women acknowledge their pension shortfalls

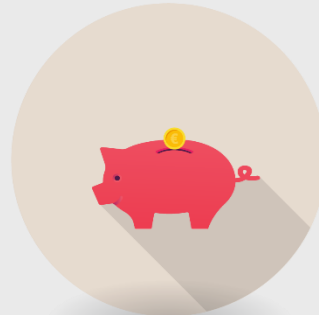
Women are not saving enough

Are women saving enough for retirement?



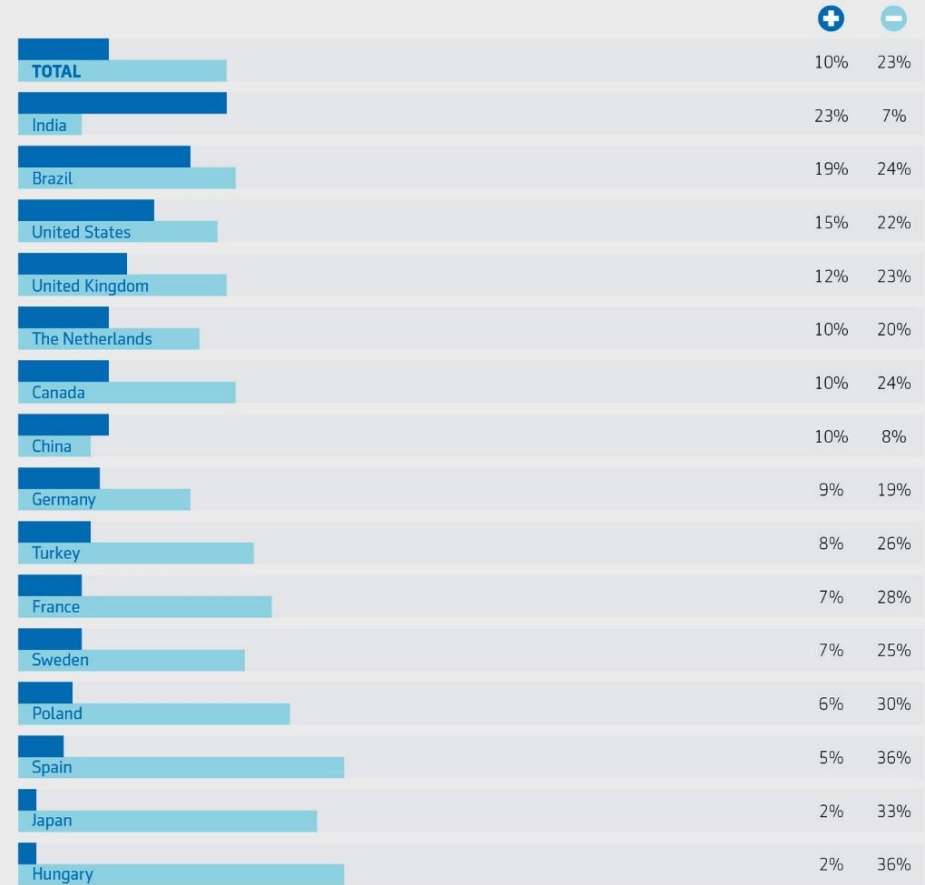
10%

I am already saving enough



23%

I hardly save at all



+ Already saving enough - Hardly saving at all

Q29 - Thinking about how much you are putting aside to fund your retirement, are you saving enough?

3. Women acknowledge their pension shortfalls

Many women expect to depend on their spouse or partner's income

Women largely depend
on their partner



54%

Expect their partner
will be very important
source of retirement
income



36%

Expect their partner
will be important as
backup plan if they
can't work anymore

Q36 - How important do you think your spouse/partner will be as a source of financial support during your retirement?
Q39 - 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?

4. Building access to workplace retirement plans and flexible retirement is the way forward



"Automatic deductions from a salary into a pension plan, offered by employers, would be a big incentive to increase retirement savings... A gradual decrease in my working hours at retirement would also allow me to keep active professionally, maintain a good salary and leave me time to develop other activities."

Elaine, 43, Brazil

"I want to work as long as I am healthy. I like working. When you retire completely, you may lose interaction with people. I want to be active for as long as I can. I would like an easier job, working three days a week."

Fumiko, 35, Japan



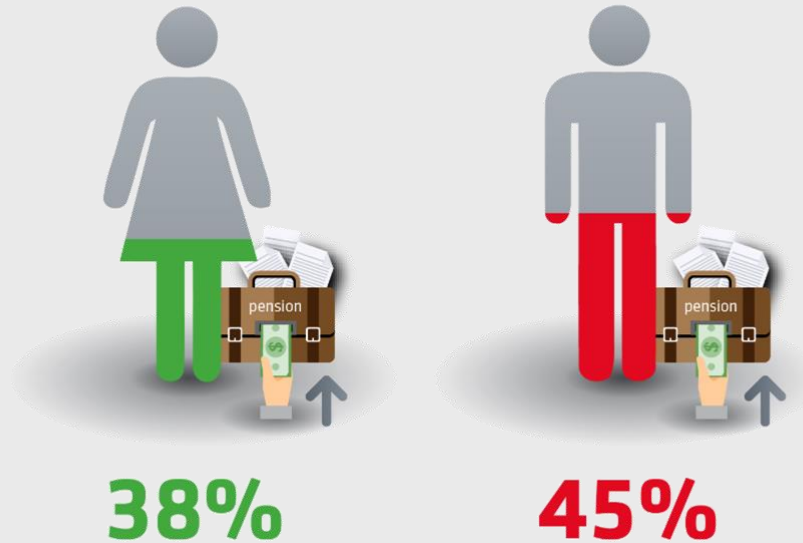
"Working longer is not only attractive for financial reasons. It is also a way in which you can remain active especially if you enjoy your job. There are obviously alternatives like volunteer work, but the important thing is to remain active, keep busy."

Andrea, 44, Netherlands

4. Building access to workplace retirement plans and flexible retirement is the way forward

Equal access to workplace retirement plans will enable women to save more

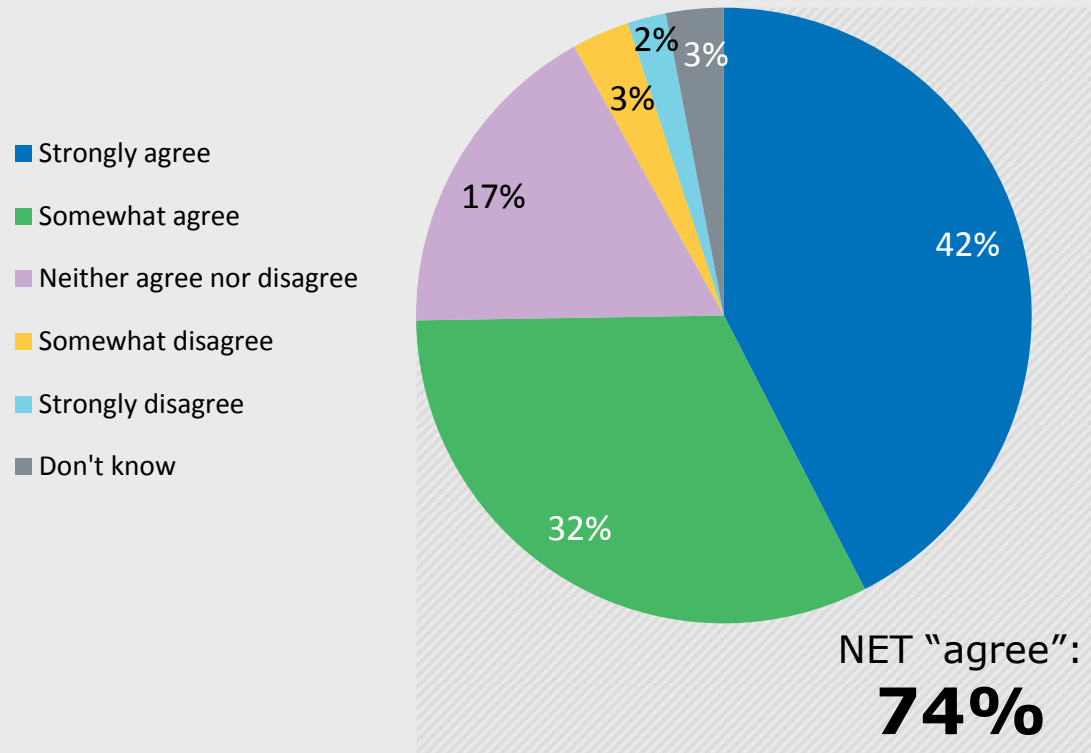
Workplace retirement plans



Q46 - Which of the following does your current employer offer you? Retirement plan with employer contributions.

4. Building access to workplace retirement plans and flexible retirement is the way forward

Make it easy: Broad support for auto enrollment into workplace retirement plans



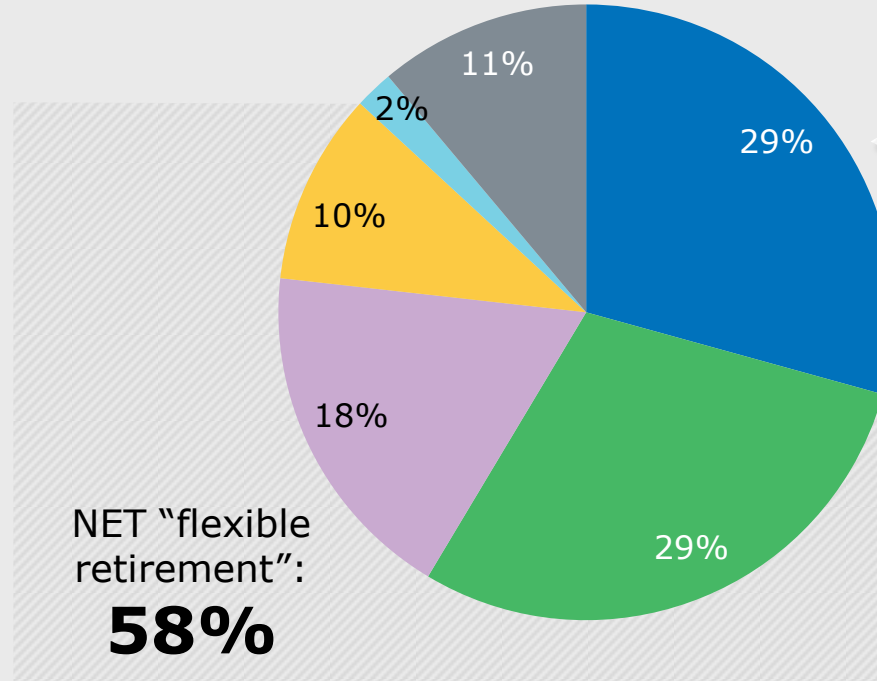
NET "agree"	
Japan	57%
U.S.	65%
Spain	66%
Hungary	69%
Turkey	71%
Sweden	73%
Netherlands	73%
Poland	75%
Germany	76%
France	77%
Brazil	78%
U.K.	78%
China	82%
India	83%
Canada	83%

Q41_5 - Governments should encourage employers to automatically enroll all their employees into a retirement plan - To what extent do you agree or disagree?

4. Building access to workplace retirement plans and flexible retirement is the way forward

Most women expect some form of work during retirement

- Immediately stop working altogether and enter full retirement
- Change the way I work (e.g. working part-time), before giving up work altogether
- Change the way I work (eg. working part-time) and continue paid work
- Retirement won't make a difference to the way I work
- Other
- Don't know



In Spain 53% expect to quit working altogether, while in India and U.S. only 17% envision to stop working immediately

Reasons mentioned are enjoying work, remaining active and the money

Q20 - Looking ahead, how do you envision your transition to retirement?

Recommendations

- **Encourage employers to broaden women's access to workplace retirement plans**
 - ▶ Extend, where necessary, workplace retirement plans to cover part-time workers
 - ▶ Implement automatic enrollment and automatic escalation features in workplace retirement plans
- **Encourage government and employer policies to improve retirement incomes for women while facilitating a more flexible workforce aligned with the unique needs of women**
 - ▶ Provide for equal maternity and paternity leave and, in addition, provide the ability to take leave from work to care for family members
 - ▶ Provide social security or government "credits" for unpaid time spent by individuals in caregiving roles
 - ▶ Expand the entitlement age range for receipt of government retirement benefits in all countries to reflect increasing longevity and workers' preferences for a phased transition into retirement
 - ▶ Encourage the implementation of age-friendly workplace policies
 - ▶ Provide vocational training opportunities and support to help women remain economically active longer into their retirement
 - ▶ Encourage the implementation of phased workplace retirement programs
- **Facilitate better financial advice and information**
 - ▶ Facilitate the offering of investment advice inside the workplace
 - ▶ Step up financial literacy courses

Questions and Answers



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Company information

Aegon

- Aegon's roots go back more than 150 years – to the first half of the nineteenth century. Since then, Aegon has grown into an international company, with businesses in more than 25 countries in the Americas, Europe and Asia. Today, Aegon is one of the world's leading financial services organizations, providing life insurance, pensions and asset management. Aegon's purpose is to help people take responsibility for their financial future. 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

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