

The Changing Face of Retirement - The Aegon Retirement Readiness Survey 2013



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Agenda

- About the survey
- Key findings
- Recommendations



About the Survey

Objectives

- ▶ Provide a clear picture of retirement readiness,
- ▶ Promote awareness of personal responsibility for retirement,
- ▶ Make recommendations for individuals, employers and public policymakers to increase levels of retirement readiness.

Partners

- Transamerica Center for Retirement Studies[®], Aegon Global Pensions
- Cicero Consulting

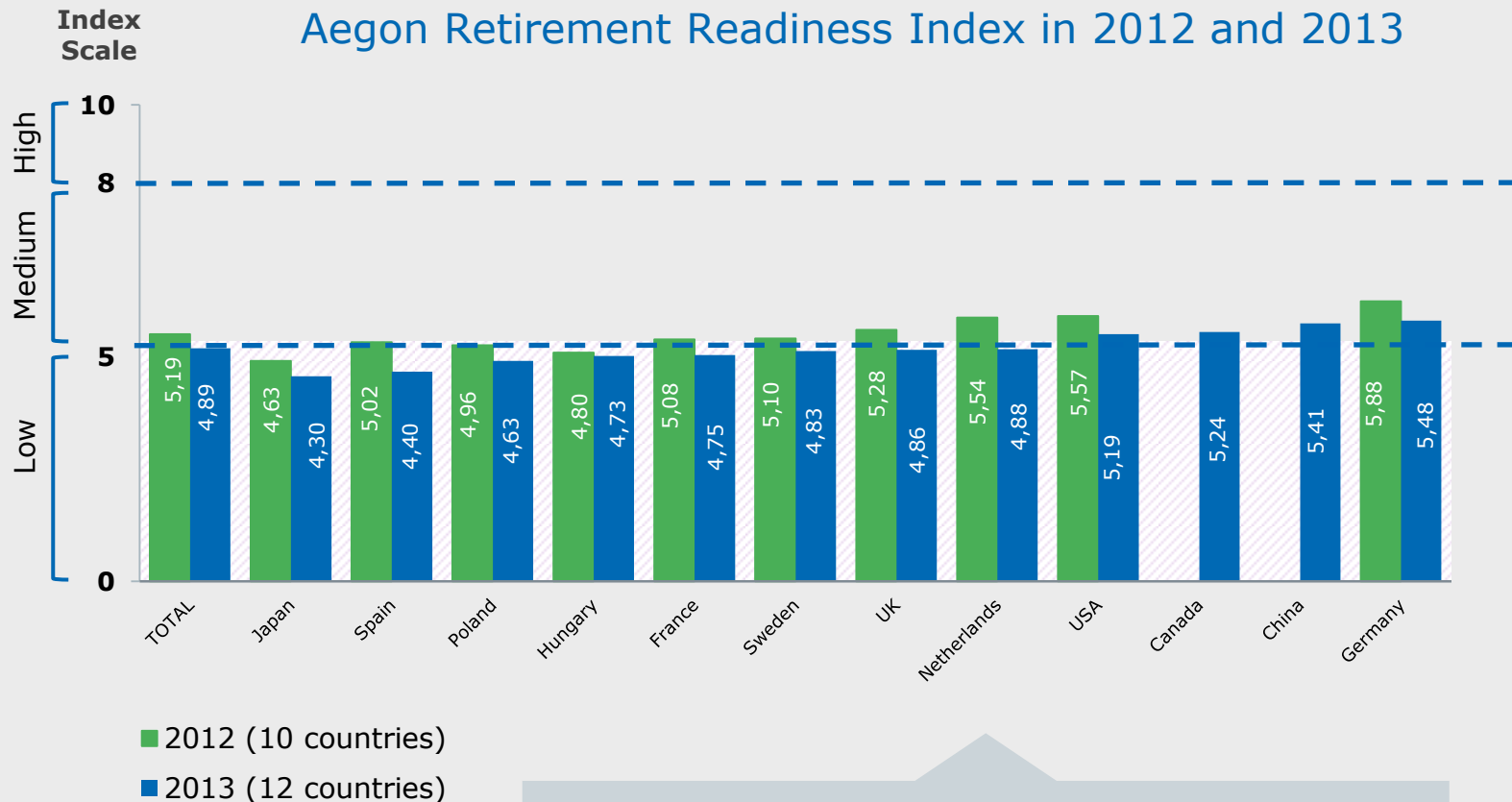
Methodology

- Online, nationally representative research conducted in 12 countries
 - ▶ Canada, China*, France, Germany, Hungary, Japan, The Netherlands, Poland, Spain, Sweden, the United Kingdom, the United States
 - ▶ In total 12,000 survey respondents including 1,000 per country: 900 workers (i.e. not self employed, students, and homemakers) and 100 fully retired respondents per country

...making this one of the largest studies of its kind in the world

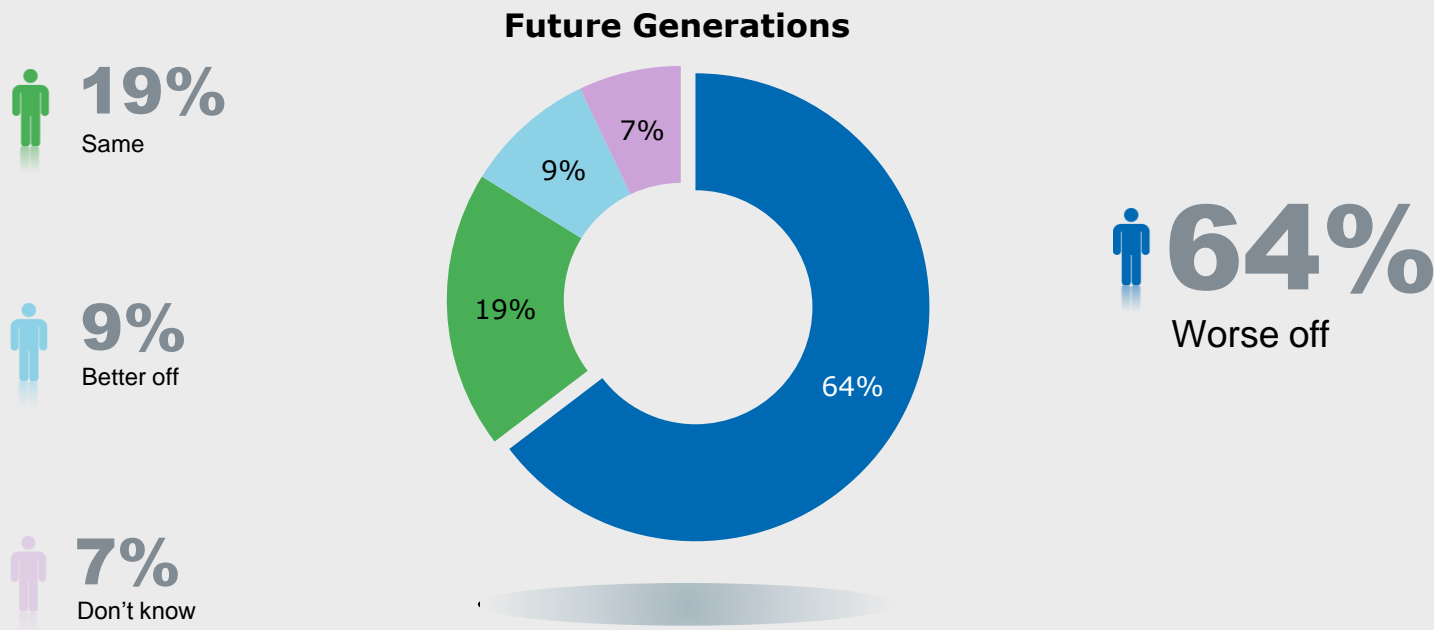
** The results for China are biased toward people living in urban areas.*

1. Lack of retirement readiness is an emerging global crisis for governments, employers, and individuals



2. Most expect future generations to be worse off in retirement than current retirees

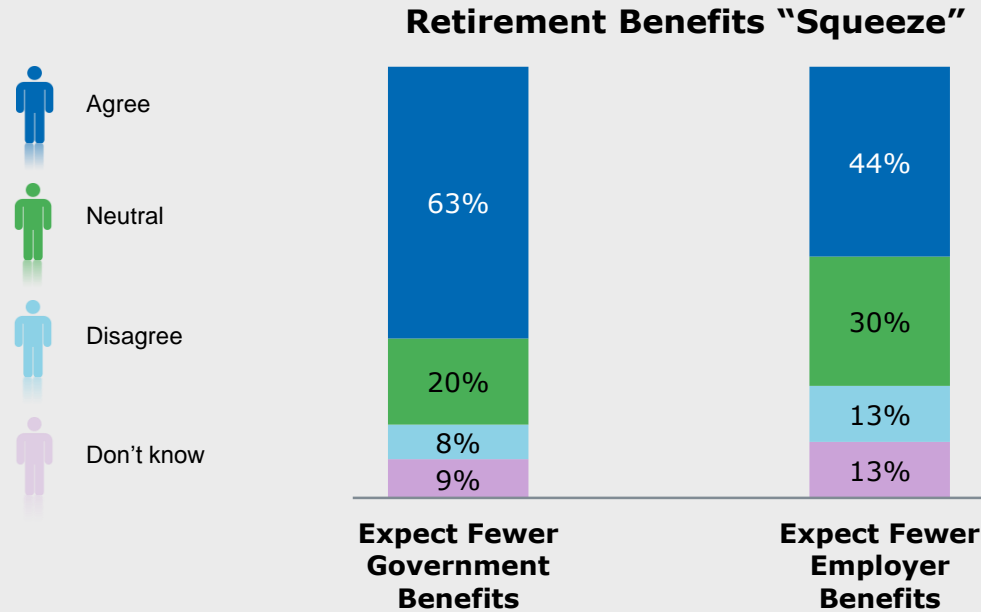
Future generations are expected to be worse off



In France and Hungary 80% expect future generations to be worse off and in China 20%.
In China, 45% expect future generations to be better off; in Hungary this is only 2%.

2. Most expect future generations to be worse off in retirement than current retirees

Expectations of government and employer benefit cutbacks



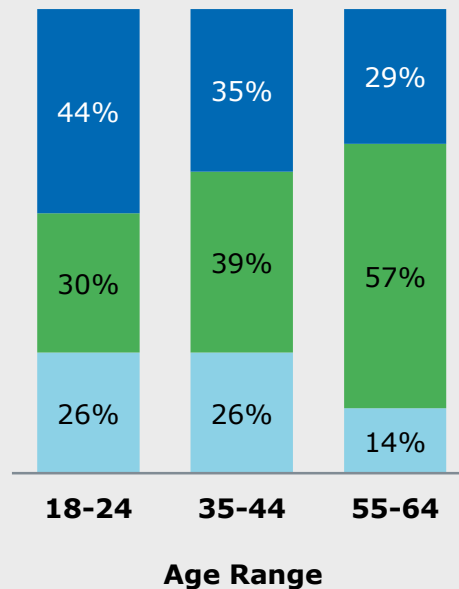
In the Netherlands, 72% expect that state benefits will be cut back and 55% that employer benefits will be cut back. In Sweden this is only 41% and 26% respectively.

2. Most expect future generations to be worse off in retirement than current retirees

Younger generations are the most likely to be squeezed

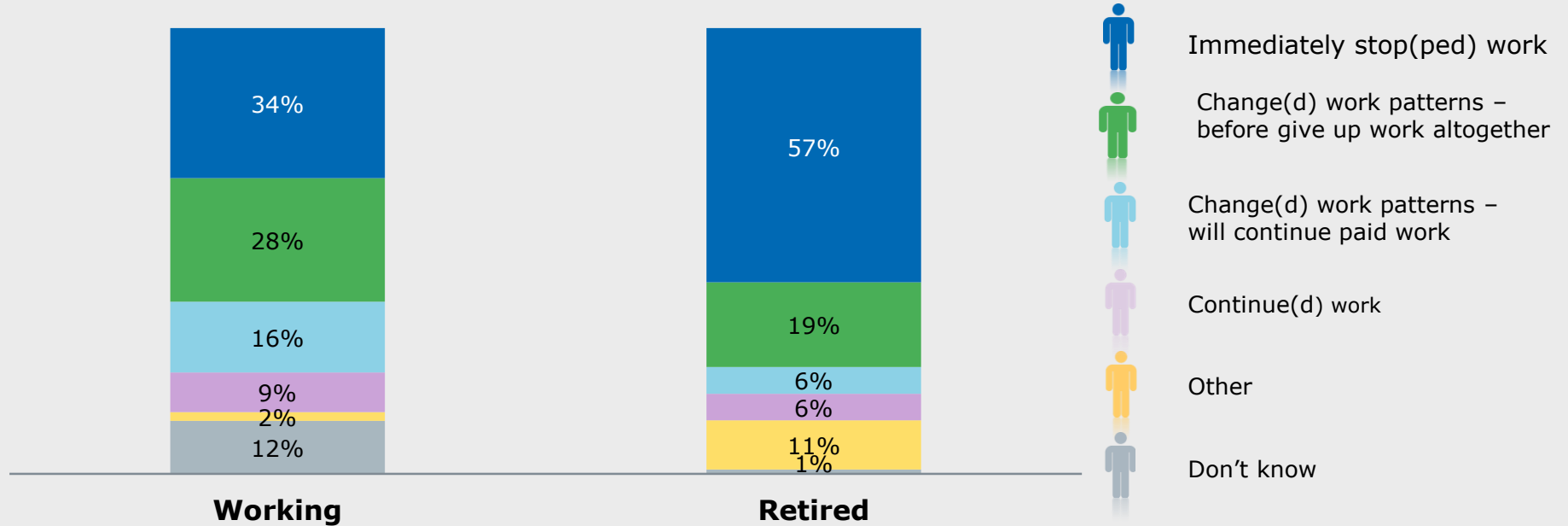


PROVIDE Financial Support



3. Delaying retirement offers an obvious solution, but obstacles remain

More employees expect a phased retirement, in contrast to those retired

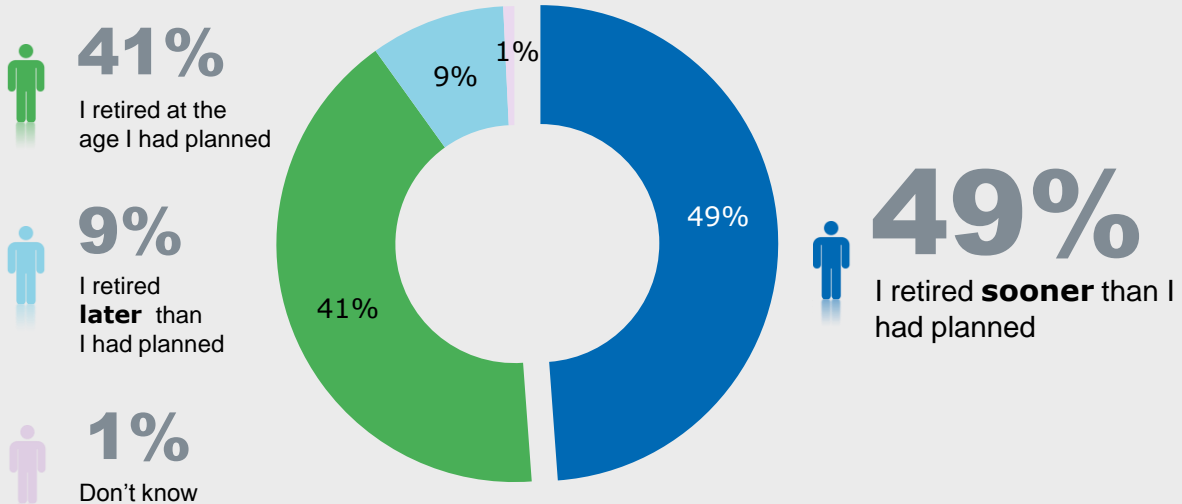


In France 49% expect to stop working immediately; in Canada this was only 22%.

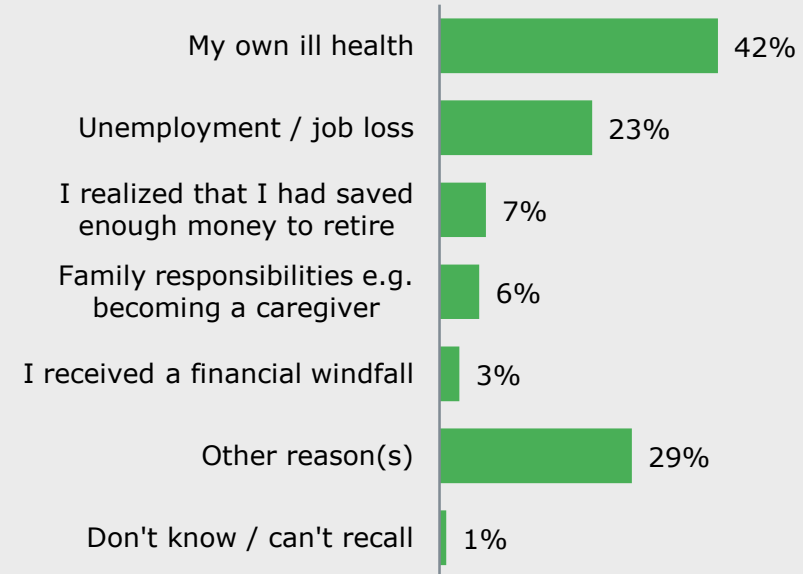
In France 74% immediately stopped working; in Japan this was 44%.

3. Delaying retirement offers an obvious solution, but obstacles remain

Many retirees retired sooner than planned – and mostly due to negative reasons



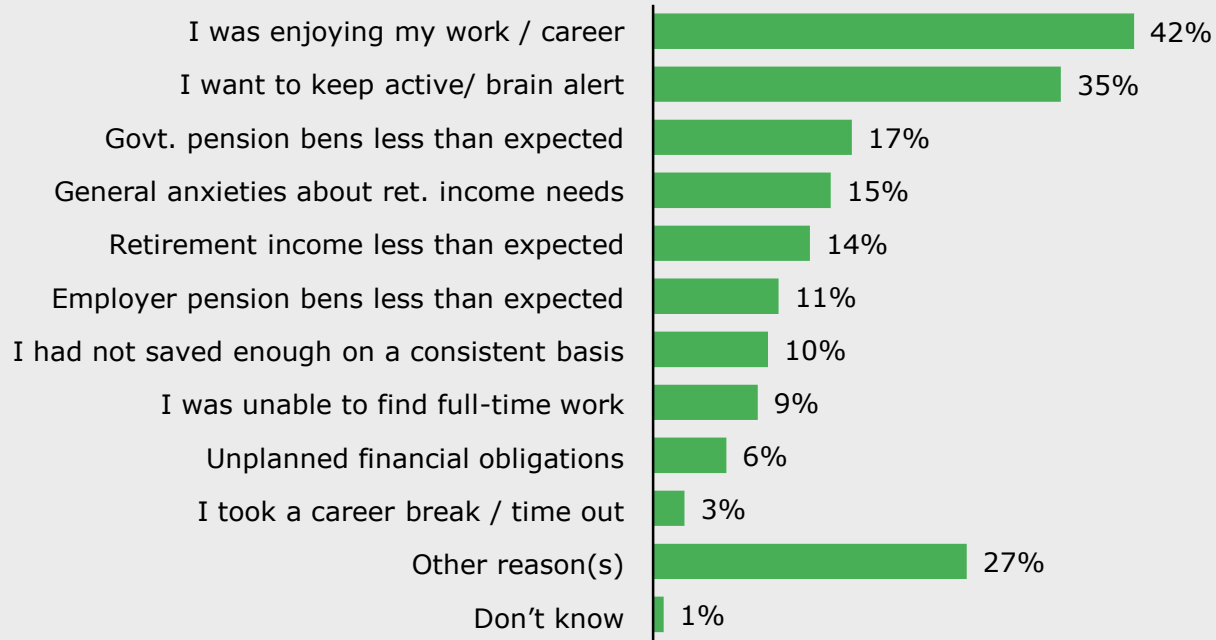
IF SOONER THAN PLANNED...



In Germany and Spain 64% retired sooner than expected. In China this was only 19%.

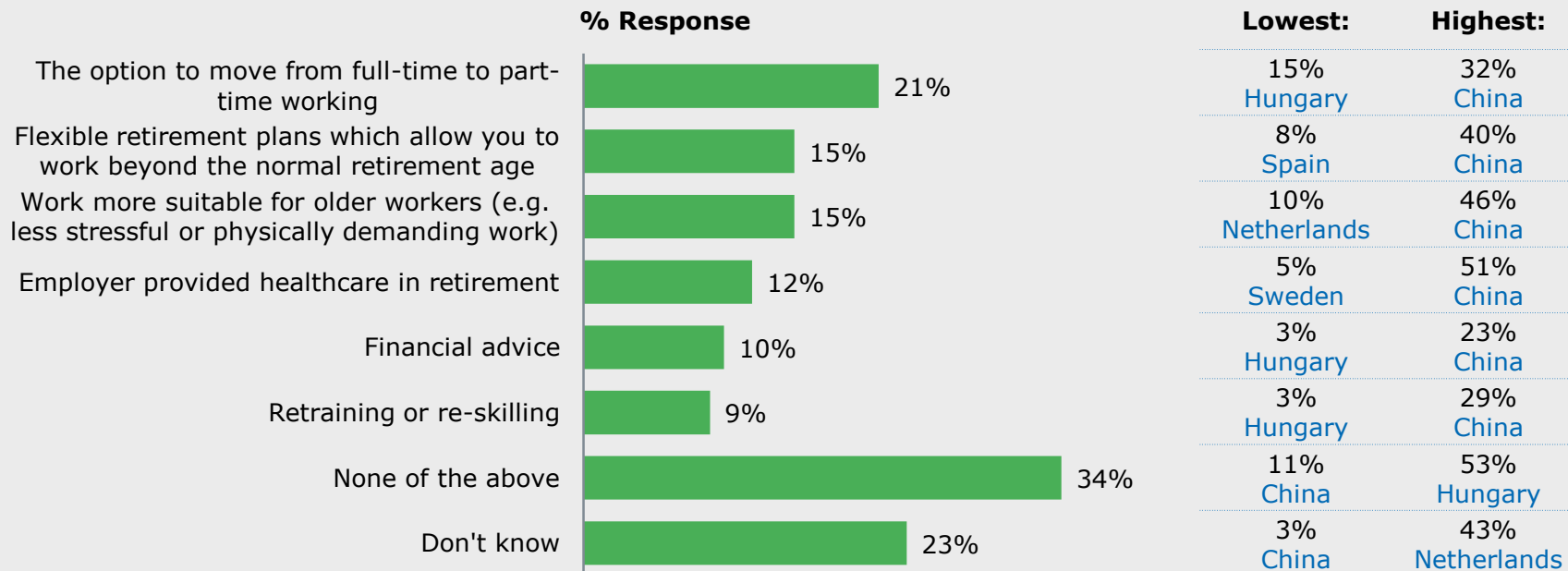
3. Delaying retirement offers an obvious solution, but obstacles remain

IF LATER THAN PLANNED...



3. Delaying retirement offers an obvious solution, but obstacles remain

Few employers offer services to facilitate a phased retirement



In 'urban' China, employers offer three times as many phased retirement services than the average

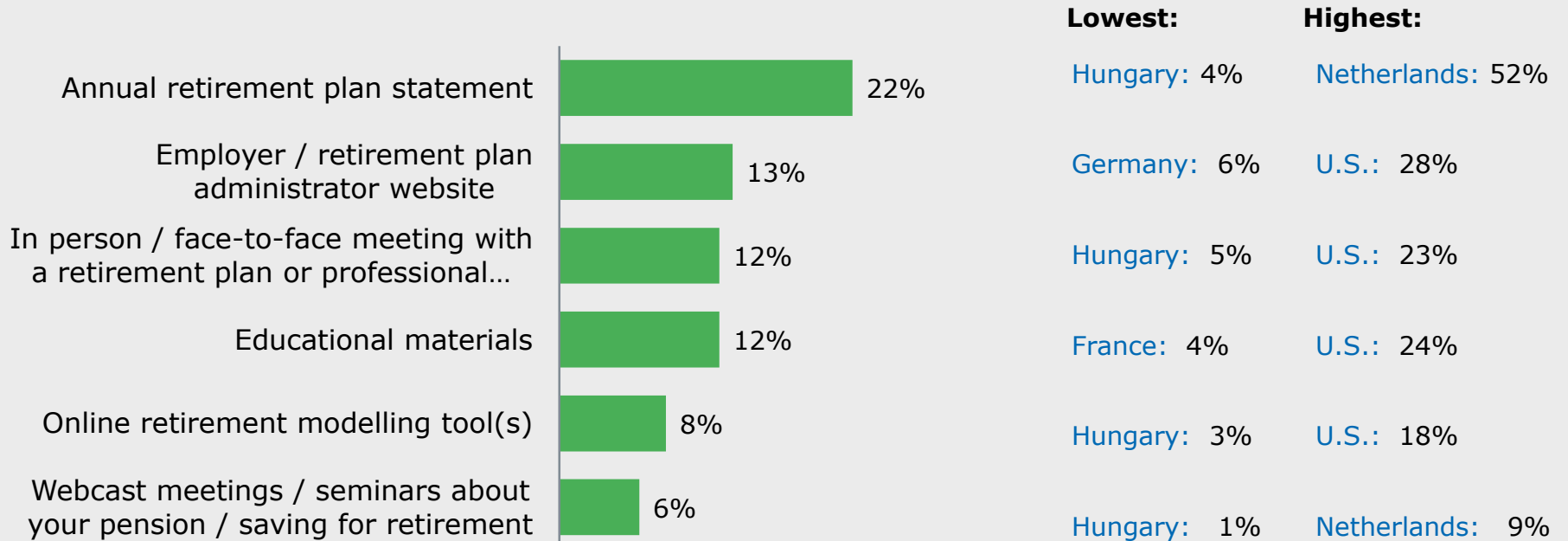
4. Widespread retirement illiteracy worsens readiness

Retirement literacy begins with personal responsibility

- 39%** **do not know** if they are on course to achieve their retirement income needs
- 20%** are 'very able' to **understand financial matters** when it comes to planning for retirement
- 9%** say their **personal retirement planning process** is 'very well developed'
- 9%** have a **written plan** for retirement
- 22%** have a **back-up plan** if unable to continue working before planned retirement age is reached

4. Widespread retirement illiteracy worsens readiness

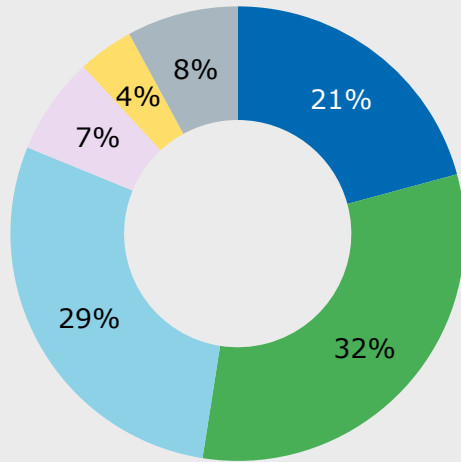
Employer provision of 'retirement preparation services' is limited...



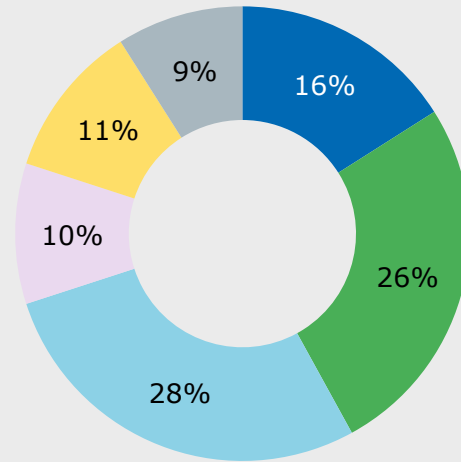
5. Wary about retirement-related risks, individuals seek solutions

The majority of respondents will take fewer risks with their savings. Many are looking for protections against volatile markets.

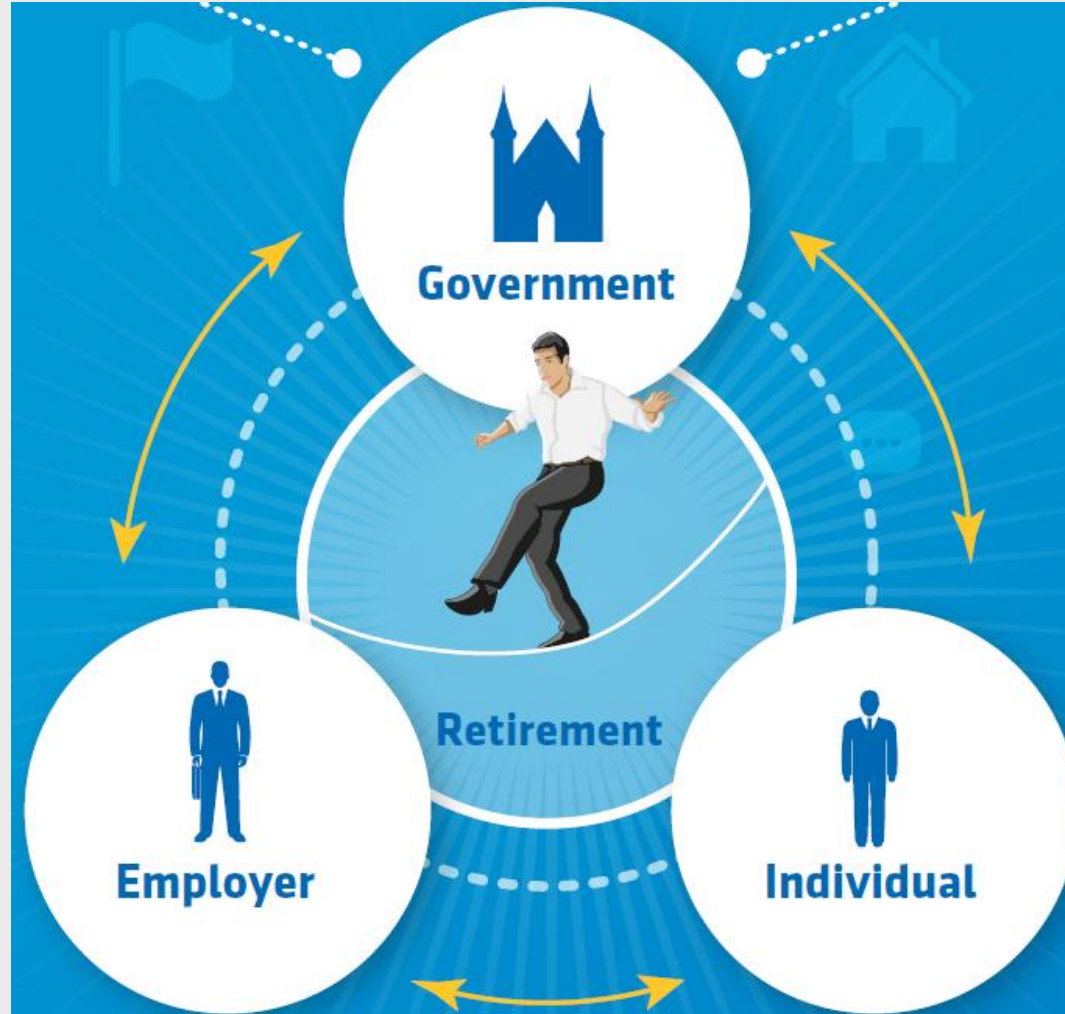
"I will take fewer risks when it comes to saving for my retirement."



"I am looking for investment products which offer greater protection against volatile markets."



Recommendations: A shared responsibility



Summary

Key Findings

- Lack of retirement readiness is an emerging global crisis for governments, employers and individuals
- Most expect future generations to be worse off in retirement than current retirees
- Delaying retirement offers an obvious solution, but obstacles remain
- Widespread retirement illiteracy worsens readiness
- Wary about retirement-related risks, individuals seek solutions

Recommendations in General

- Retirement readiness is a shared responsibility between individuals, employers and governments

Aegon Turkey

- Designing Annuity products in line with needs of people
- Knowhow transfer related Long Term Care

Thank You

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