HEALTH WEALTH CAREER

HEALTHY, WEALTHY AND WORK-WISE

The New Imperatives for Financial Security

The Netherlands Key Findings

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01

GLOBAL EXECUTIVE SUMMARY

If only we could predict our financial futures.

In the absence of a crystal ball to determine how long we will live and what we will need to live well, Mercer has conducted a global financial security research study to better understand the imperatives affecting financial security today and tomorrow.

The forecast: we are unprepared. We foresee working longer, trading off, downsizing and adjusting expectations as eleventh-hour measures to avoid outlasting our savings.

Healthy, Wealthy and Work-Wise: The New Imperatives for Financial Security examines the forces that have a profound impact on financial security and long-held beliefs about retirement. The 12-country study surveyed adults across six age groups, as well as senior executives in business and government.

The impetus for the research is a convergence of global trends, among them economic uncertainty, remnants of the fiscal crisis, greater longevity, pension shortfalls, ageism, industry disruptors and benefit reductions. These trends intersect health, wealth and career and place planning for later life at a crossroads. The findings depict an acute financial security gap comprising disparities in each of these three areas that are intensified by their interconnectivity. We also face a challenge — and a responsibility — to ensure financial security for all.

As people live longer and stay productive well into their 60s, 70s and even 80s, a statutory or customary retirement age no longer applies. Individuals are working longer, out of either choice or economic necessity. More than two-thirds (64%) of participants in the study don't ever expect to retire or expect to keep working in later life.

The time, then, has come to retire retirement.

As later-life financial needs vary, flexibility is vital as people will need and want to choose how long to work. There are those for whom work has become the only savings scheme; no job means no income. In other words, financial security requires staying employed and employable. The study shows that people do understand that to remain relevant and valuable requires life-long learning and keeping skills current and relevant in an ever-changing job market. Eighty-five percent say that continuing to develop professional and personal capabilities is important.

In addition to the requisite skills, to continue earning and saving, we are relying on robust health to be able to work as long as necessary, making health vital to wealth. Although the research found health is the most important priority when it comes to quality of life and financial security now and in later years, the analysis also uncovered that we are only doing the basics when it comes to our health. It stands to reason that only 39% professed to be in excellent or very good health as it relates to their ability to perform on the job.

Therefore, to live well later we need to act now.

Although most of us accept the responsibility that "it's up to me" to save enough income for later years, we do not take the necessary actions. One-third of us have not made any later-life financial calculations and only 26% of us are confident we can save enough for retirement. The research indicates several paths to increased financial confidence, including how employers and government engage people in saving for the future; redesigning retirement; and using technology to simplify, track and help people stay financially in control.

Another invaluable finding from the research is that a resounding 80% of adults trust employers to give sound, independent advice on planning, saving and investing. Eighty-six percent of employees say that if their employer improved benefits or added access to an investment scheme,

it would have a positive impact on them at work, resulting in higher job satisfaction and greater commitment to the organisation. Specifically, the workforce is looking to employers as a trusted provider of easy-to-use, secure digital tools to "help me, help myself", driven primarily, but not exclusively by technology-first, millennials — the largest segment of the workforce. Ninety-three percent of under-35s are interested in secure, easy-to-use, jargon-free, online financial tools to help manage their finances, but the same is true for 85% of total respondents. Additionally, across all age groups, two-thirds are comfortable managing their savings using mobile banking, online tools or apps.

However, that isn't to say different employee groups don't have different needs. In fact, employers will benefit from personalising schemes and benefits to meet those needs. Millennials — who expect to and will actually live longer — face a savings gap compounded by changing jobs more frequently over their lifetimes than previous generations did. Women face a gender gap in salary inequity, career continuity and access to employer-sponsored retirement schemes and, thus, in their ability to save. Both groups represent opportunities to build and sustain committed and diverse workforces.

Clearly, this is not a time for organisations to take a step back from employee healthcare, professional development or financial security benefits. Instead, employers need to augment efforts to redesign and improve health, pension and savings programmes accordingly — especially given that business leaders cite attracting, managing and retaining a skilled workforce as the number one business challenge in the next five years.

Everyone has a role to play — individuals, employers and governments.

New thinking, collaboration and structures are critical to closing gaps in health, savings and skills so no one is left behind on living well. Collaboration is particularly important to designing and implementing schemes and benefits that people will understand and use. CEOs must recognise that helping employees better manage their health and wealth is critical to any firm's value proposition and to attracting top talent. Governments need to set good policies to keep apace with change. Notably, the research uncovered contrasts between the consumer and business leader views in such areas as barriers to savings, trust in financial planning resources and retirement priorities, indicating that employers and employees would each benefit from better two-way communication and understanding.

Closing the financial security gap requires a public-private partnership to address the imperatives evident in the research. For starters:

- To retire retirement, policymakers must consider raising or even eliminating set retirement ages and encouraging employers to benefit from the significant experience and skill sets of older workers — especially in the face of a shrinking talent pool.
- To improve health — given its overwhelming importance in enabling people to contribute productively and to enjoy a good life — investing in physical as well as financial wellness at work is essential.
- To take action, employers need to transform savings into an engaging consumer experience rather than an onerous financial service, and make it achievable and interesting through simplified language, useful tools and the ability to track savings and progress in real time.
- To leverage technology, digital tools (as well as schemes and benefits) must not be one-size-fits-all and need to be for more than information and basic modelling. Technology must utilise data to make offerings more personalised and relevant to individuals and include the ability to make immediate transactions.
- To improve structures, governments and business leaders should redesign retirement schemes to, where possible, make savings contributions compulsory, mitigate the risk of outliving savings by requiring individuals to take some portion of their benefits as lifetime income and design investment options tailored to age, lifestyle and gender needs — as well as to risk profiles.

At Mercer, we are working with vision and purpose towards a future state prepared for the shifting notions of retirement and retirement planning, of age and ageism, of health, wealth and career. Financial security requires new tools and technologies, as well as new ways of thinking and collaborating to boost health, savings and skills alike. For living longer and living well, the future is now.

Rich Nuzum, CFA
President, Wealth Mercer

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EXECUTIVE SUMMARY: THE NETHERLANDS

The Netherlands is one of the least financially secure nations among the 12 surveyed in the Mercer global study *Healthy, Wealthy and Work-Wise: The New Imperatives for Financial Security*. There are a number of interesting dichotomies at play, especially between intention and action, with the reliance on government-provided pensions playing a critical part.

On three key measures of financial security surveyed, the Dutch are more insecure and less confident than the global average: just one-third (32%) feel financially secure, close to half (44%) are stressed by their financial situation and just one-fifth (21%) are confident they will save enough for retirement.

Only half expect to maintain their desired quality of life after retirement, yet the Dutch are the least willing among the study's global participants to trade off or give up anything after retirement, though some do anticipate making later-life adjustments. While 52% expect to retire at 65 or older, 38% expect to keep working in retirement — significantly lower than the global level of 60%.

The Dutch are more likely to say they need financial security to retire well, yet only 10% are paying into a personal retirement savings account beyond an employer or state pension. While 77% in the Netherlands say they are responsible for their retirement income, this level of responsibility is lower than the global average (81%) as the Dutch are more likely (37%) to think the government should also take responsibility.

Given the Dutch pension system reform planned for 2020, it is salient that more than half have not even calculated how much they will need in retirement, and 56% expect to live off government-provided pensions and benefits.

People in the Netherlands consider health the most important factor for a financially secure retirement, yet two-thirds rate their health as merely good or fair.

Most (88%) trust their partner or spouse to give sound independent advice on planning, saving and investing for retirement. At 83%, employers are trusted highly as well. There is a mutual gain opportunity, with 73% of Dutch workers believing that employer pension plan improvements would benefit their relationship with their employer.

Whereas 70% are interested in online financial tools, this level is much lower than 83% of adults globally. Compared to the global findings, there are also lower levels of trust in such financial planning tools, with only 53% being willing to let an online application manage their finances — privacy (44%) and trust (21%) are the main concerns.

Globally and in the Netherlands, being financially secure will mean working longer and investing now in health, savings and job skills. For the Dutch, specifically, a good, sustainable and socially equitable pension programme plays an important role for financial security — now and later.

METHODOLOGY

Healthy, Wealthy and Work-Wise: The New Imperatives for Financial Security examines the issue of financial security for individuals from both business and consumer perspectives. It aims to uncover insights into employer, employee and consumer behaviours, and the beliefs and perceptions of these groups around financial security across health, wealth and careers.

The research was conducted in conjunction with independent market research firm Reputation Leaders. It consisted of in-depth interviews with industry experts across countries and sectors, along with a survey of both individuals and senior decision-makers in government and the private sector.

A total of 7,828 adults aged 18 years and older in Chile, China, Ireland, Japan, the Netherlands, the Nordics (Denmark, Norway, Finland and Sweden), the UK and the US completed a 15-minute survey. Six hundred and ninety-five senior decision-makers were interviewed in China, Japan, the Netherlands, the Nordics, South America (Chile, Brazil and Mexico), the UK and the US. Fieldwork was conducted from July through December 2017.

The Dutch consumer study was conducted December 1–13 among 720 adults aged 18 years or older, with quotas applied to ensure the sample matched Dutch ratios for age (deciles), gender and regions. The Dutch executives study also included 81 executives or business owners.

The business leaders surveyed were all senior decision-makers at C-suite, director, EVP, VP and business-owner levels in both government and the private sector. Those in the private sector work for, or own, firms that have US$100 million minimum in global revenue, with half being small or medium enterprises with 50–250 employees and half being companies with more than 250 employees. The business leaders came from a range of industries.

The researchers applied quotas to the consumer study to ensure that the sample matched national ratios for age (deciles), gender and top-level regions or states.

Results shown in this report are from the consumer survey unless specifically noted as business leader survey results.

03

KEY FINDINGS: THE NETHERLANDS

FINANCIAL INSECURITY

Uncertainty today is affecting how we are planning — or not planning — for tomorrow.

Globally, the stress of financial security impacts all of us — no matter our age or stage of our careers — as we each face the prospect of outliving our savings. Women face pay and pension gaps. Older people face ageism. Those of us in our 20s and 30s face uncertainty about what to do and how to begin to save. The booming "gig" economy is changing the nature of work itself.

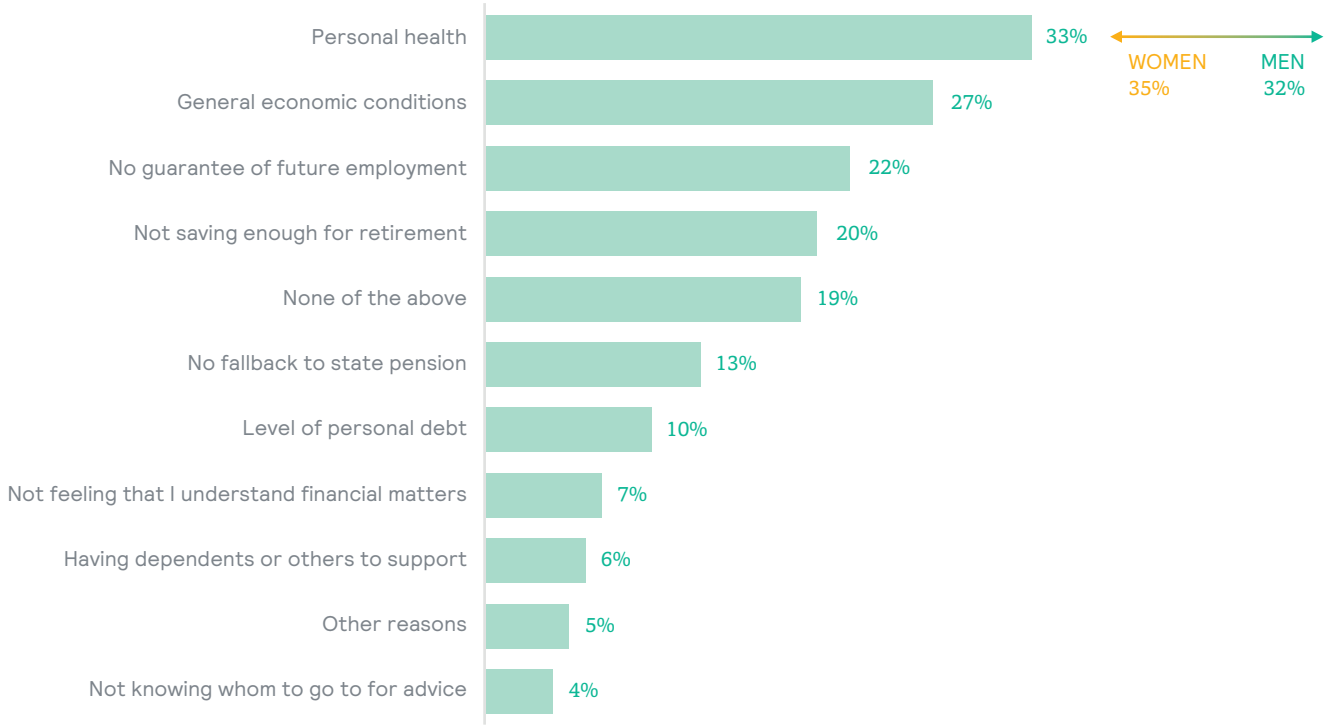
Financial security affects people's expectations of living well now and in retirement. Findings from our global research on financial security show there are imbalances between our need to save and our ability to do so — affecting all of us regardless of income status or geography. Sixty-seven percent of people in the Netherlands — nearly the same as participants in the global study (65%) — do not feel financially secure (see Figure 1).

Figure 1. How Financially Secure Do You Feel Today?

Across generations, geographies and genders, globally, people are feeling the pressure of their future financial security now. Globally, as well as in the Netherlands, people lack confidence in staying healthy, the current economy, staying employed and being able to save for retirement. Personal health (33%), general economic conditions (27%) and no guarantee of future employment (22%) are the top three causes of financial stress (see Figure 2).

Although stress is universal, women and younger people feel the most stress and have much less confidence in being able to save enough to retire. Older people (aged 55 and over) are more likely to feel financially secure: 44% versus 30% of millennials.

Figure 2. What Causes You Stress, if Anything, With Regard to Your Financial Security?



Interestingly, though, while less than half (45%) say they need financial security to retire well (see Figure 3), 44% are at least somewhat financially stressed today (see Figure 4).

Just over one-fifth expect to have enough saved by the time they reach retirement (21%) to afford to live as long as they live (21%) (see Figure 5). And even fewer, 18%, are confident they will be able to pay for medical costs in retirement.

Although about half expect to maintain a desired quality of life after fully retiring, 28% say they wouldn't change anything about their current lifestyle, even if it meant they couldn't maintain their desired quality of life in retirement.

The uncertain bottom line: only 32% of adults in the Netherlands feel financially secure today. Therefore, living well now and in the future requires better planning and readiness.

Figure 3. "To Plan for and to Achieve a Quality of Life That I Expect in My Later Years, I Need to Have Financial ..."

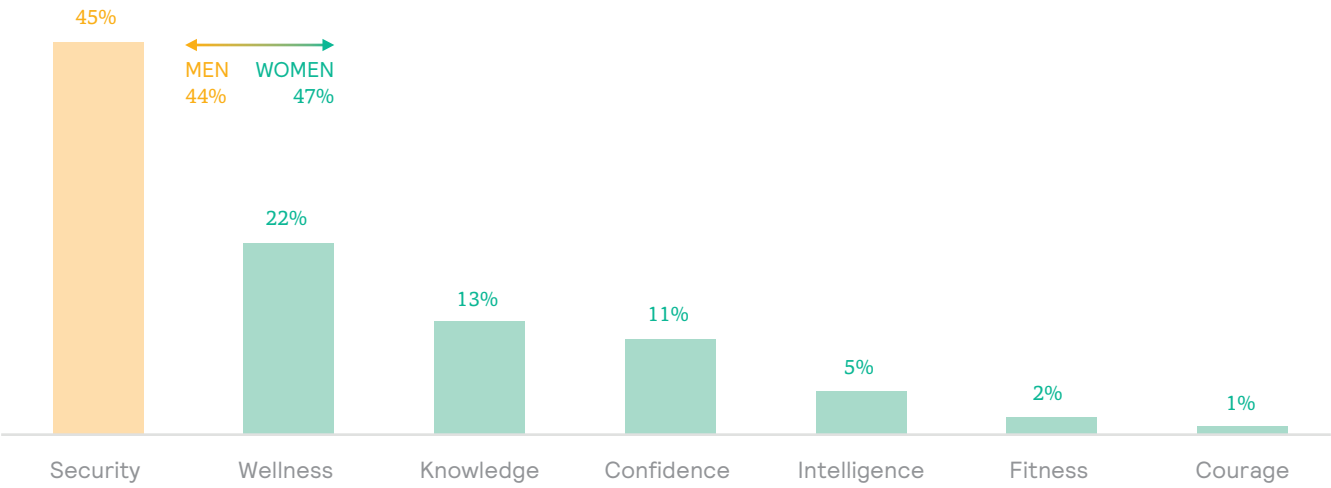


Figure 4. When You Think About Your Financial Situation, How Stressed or Anxious Do You Feel?

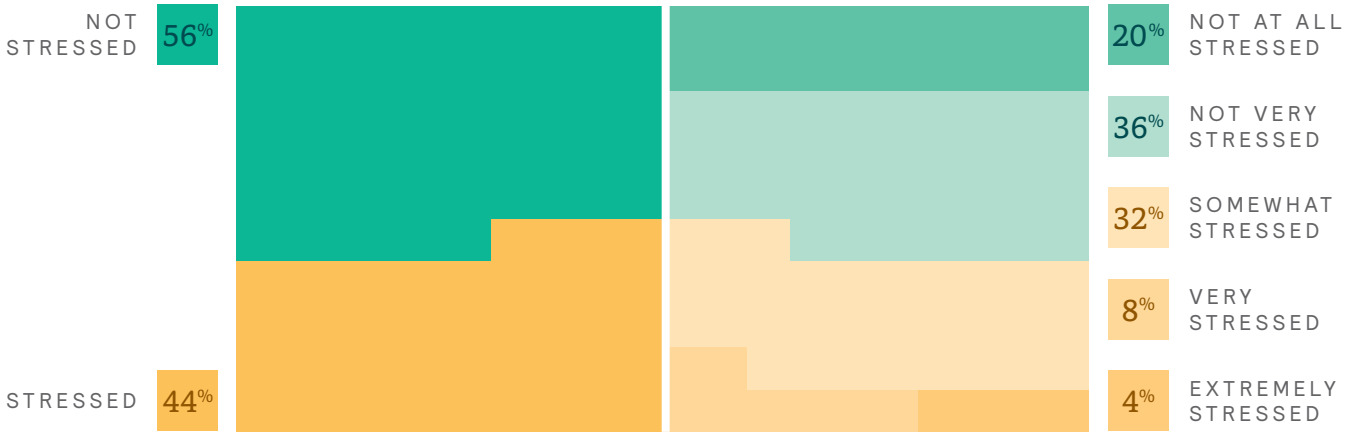
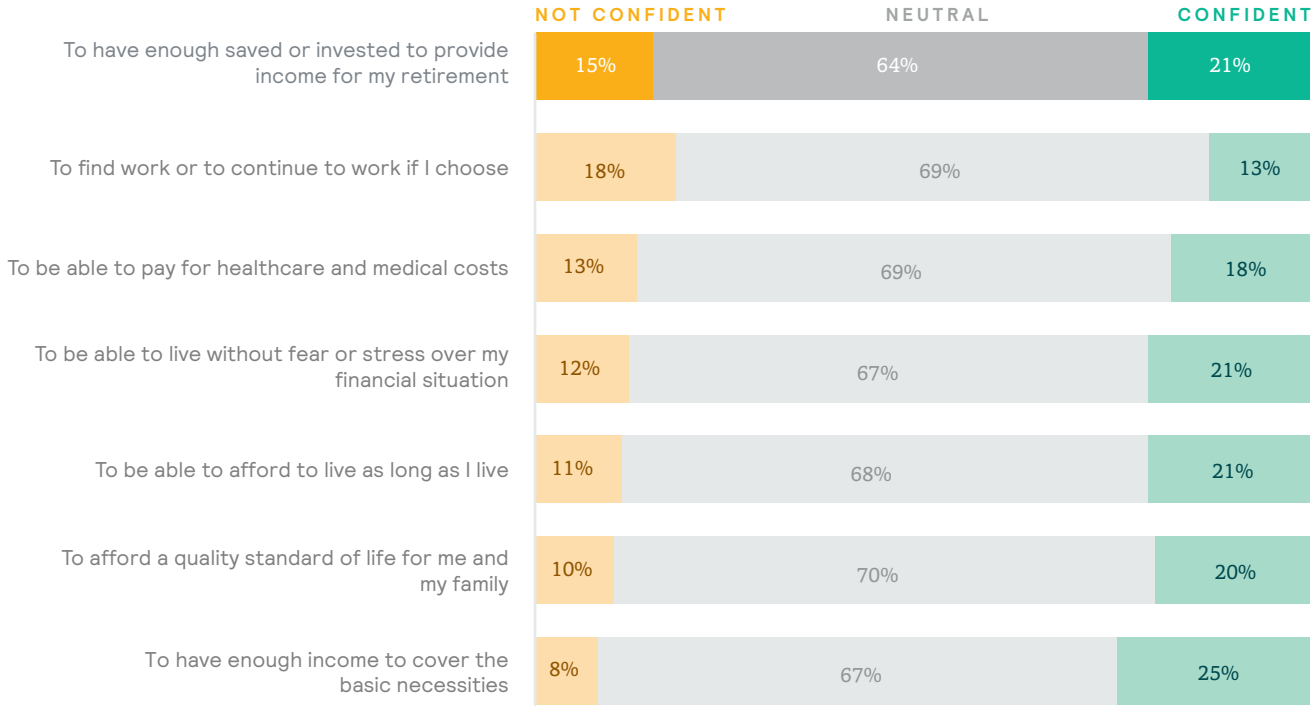


Figure 5. How Confident Are You in Being Able to Achieve the Following Outcomes for Your Retirement?

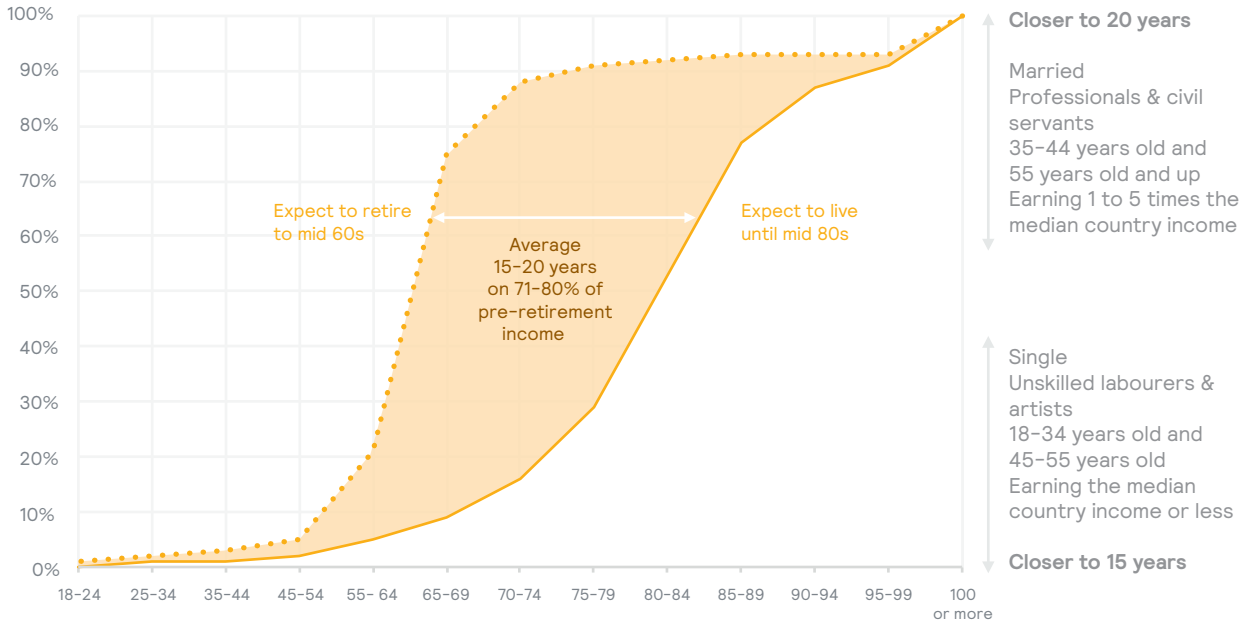


TIME TO RETIRE RETIREMENT

As societies age and the nature of work continues to evolve, old notions about work and retirement need to give way to a spectrum of new possibilities for work and what it means to retire.

Today, people in the Netherlands — as well as globally — expect to spend 15–20 years in retirement and are tracking to outlive their savings, work longer or have to reduce their expected quality of life (see Figure 6). Such realities require flexibility in benefits, systems and structures as retirement needs, investment and savings vary and affect decisions to continue working or to adjust lifestyles accordingly.

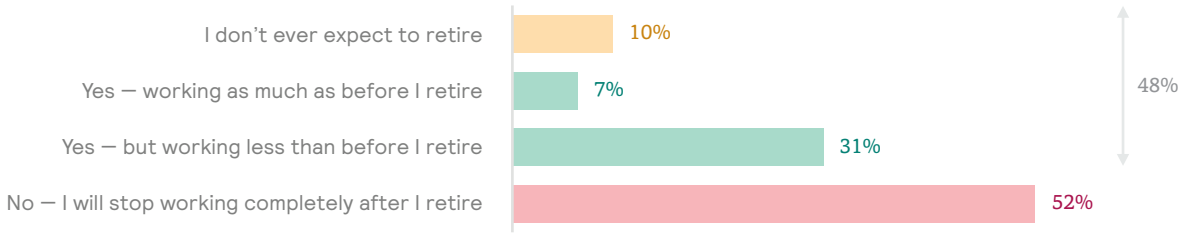
Figure 6. Expectations of Retirement and Life Expectancy



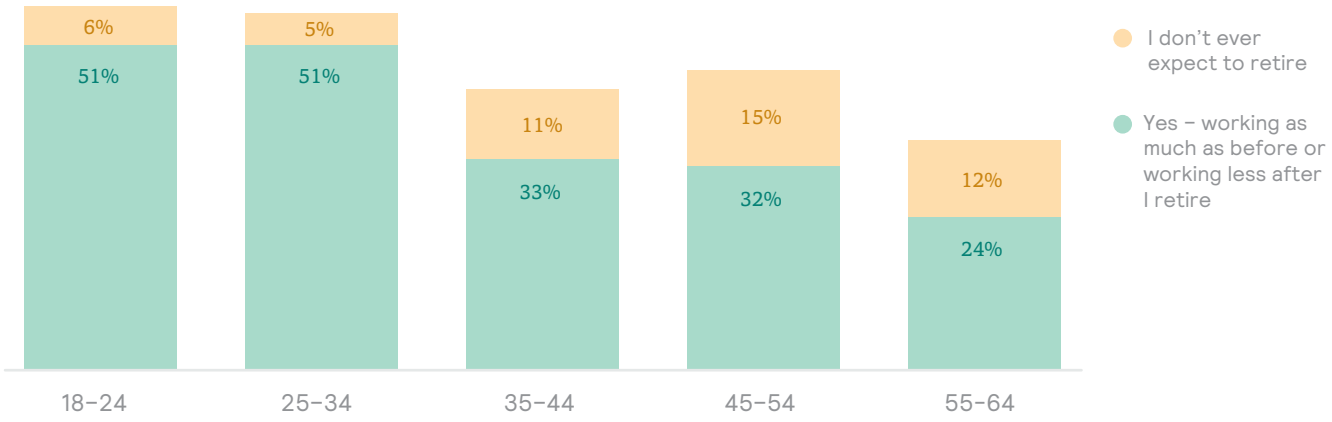
Longevity yields both optimism and concern. Seventy-one percent of adults in the Netherlands expect to live past the age of 80, and half expect to maintain their desired quality of life after fully retiring. Living on three-quarters of pre-retirement income, only 21% are confident they will be able to afford to live out the rest of their lives. Yet less than half, 48%, do not ever expect to retire or expect to keep working in some capacity after retirement — among the lowest levels in the global survey (see Figure 7). Conversely, 52% expect to stop working completely after they retire.

Twenty-eight percent say they wouldn't change anything about their current lifestyle, even if it meant they couldn't maintain their desired quality of life in retirement. For many, the statutory retirement age belongs to a bygone era. Individuals are working longer out of either choice or economic necessity. As with rest of the world surveyed in the Mercer study, the younger you are, the more you expect to keep working (74%) and spend fewer or the same number of years in retirement (15) than those in older age groups.

Figure 7. When You Retire, Do You Expect to Keep Working?



Younger people expect to work longer



With a global upward trend of people expecting to continue working, the time has come to retire retirement.

As people are staying productive well into their 60s, 70s and even 80s, we must consider raising or even eliminating set retirement ages and encouraging employers to benefit from the significant experience and skill sets of older workers — especially in the face of falling birth rates and a shrinking talent pool. Society needs to better enable older workers to contribute professionally. And for this to be true, society in general, and employers in particular, must reappraise their biases towards older people and eliminate ageism.

To stay employable and valuable, people understand the necessity of lifelong learning and keeping skills current to do the work of the future. This is well understood in the Netherlands, with 87% of adults saying that continuing to develop professional and personal capabilities is important.

Individual productivity and earnings in later years would go a long way to improving the solvency of government pension systems. In addition, research demonstrates that working correlates with improved health — physically, emotionally and cognitively — thereby enabling older populations to remain both productive and healthy.

Societies, employers and individuals themselves will all benefit from greater acceptance of and more accommodation for working later into life. This may mean raising or even eliminating set retirement ages. This action could go a long way toward improving the solvency of government and individual pension systems. Different expectations around work and retirement on the part of employers and employees could also help both. Older workers possess significant experience and competencies that are extremely valuable. Those employers that figure out how to keep these employees contributing longer will have a competitive advantage.

Opportunities for people to work for an additional decade or two, and in different capacities or with adjusted schedules, mean individuals will have many more years of productive activity in which to accumulate savings and contribute to social insurance programmes. As such, since they do not have to accumulate their long-term savings over a compressed period of time, individuals may choose to structure their earlier working years differently, with more time for caregiving and other family obligations. They may also be better off physically, emotionally and cognitively, as research has shown that working correlates with increased health in each of these areas.[1]

[1] Chamberlin J. "Retiring Minds Want to Know," *Monitor on Psychology*, Volume 45:1 (2004), p. 61.

Both globally and in the Netherlands, people rank health — now and in later years — as the most important factor for a financially secure retirement.

HEALTH IS VITAL TO WEALTH

Health is particularly important when relying on staying healthy to work as long as necessary and when it comes to enjoying a desired quality of life in later years.

According to the global study, there is a gap between the current state of health and the physicality essential to working, between the importance placed on health and the action required to stay healthy.

Both globally and in the Netherlands, people rank health — now and in later years — as the most important factor for a financially secure retirement and post-retirement lifestyle (see Figure 8). Other factors today impacting financial security in later life are levels of state or employer pensions and how much it is possible to save before retiring. In the Netherlands, after health, the next most important priorities affecting a good lifestyle are having enough income to survive on and spending time with people close to you.

And yet, despite the importance people place on health, we are only doing the minimum with basic efforts to be healthy. In the Netherlands, 33% say their health causes them stress with regards to their financial security and only 29% say their health is excellent or very good as it relates to being able to do their job — significantly lower than the global average of 39%. For most, health-related factors are causes for concern. It is understandable, then, that one-third of Dutch adults cite health as a financial stress factor, as only 18% are confident in their ability to pay for medical costs or believe their health will enable them to work as long as desired.

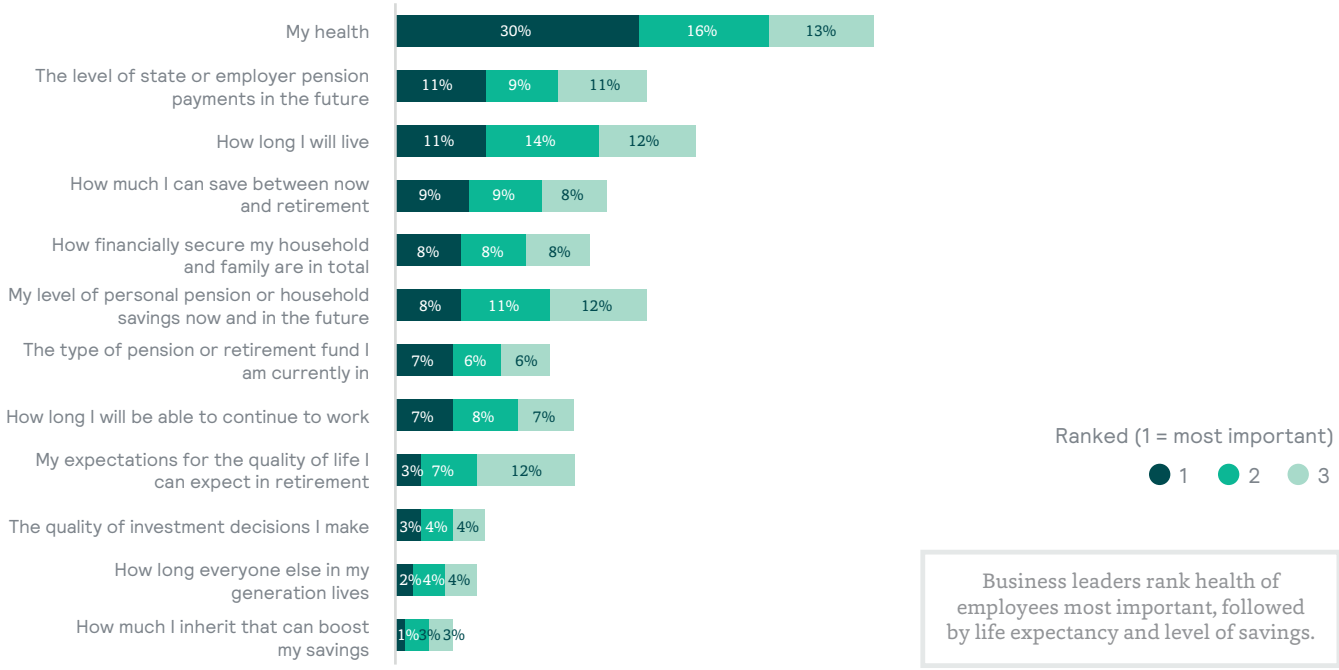
When it comes to the importance placed on health in retirement, there is agreement between the views of people and their employers in the Netherlands — the only country in the global survey with this finding — with 60% of Dutch business leaders saying health is the most important for a financially secure retirement.

Therefore, governments and corporations must look at the importance people place on health and how health and financial security are inextricably linked. Given how essential health is to enabling people to contribute productively, to working as long as desired or required, and to enjoying a good life, investing in health as well as financial wellness at work is imperative.

This is made all the more urgent given that business leaders cite attracting, managing and retaining a skilled and productive workforce as their number one business challenge in the next five years. Given the research findings, CEOs must recognise that helping employees better manage their health and wealth is critical to any firm's value proposition and to attracting top talent.

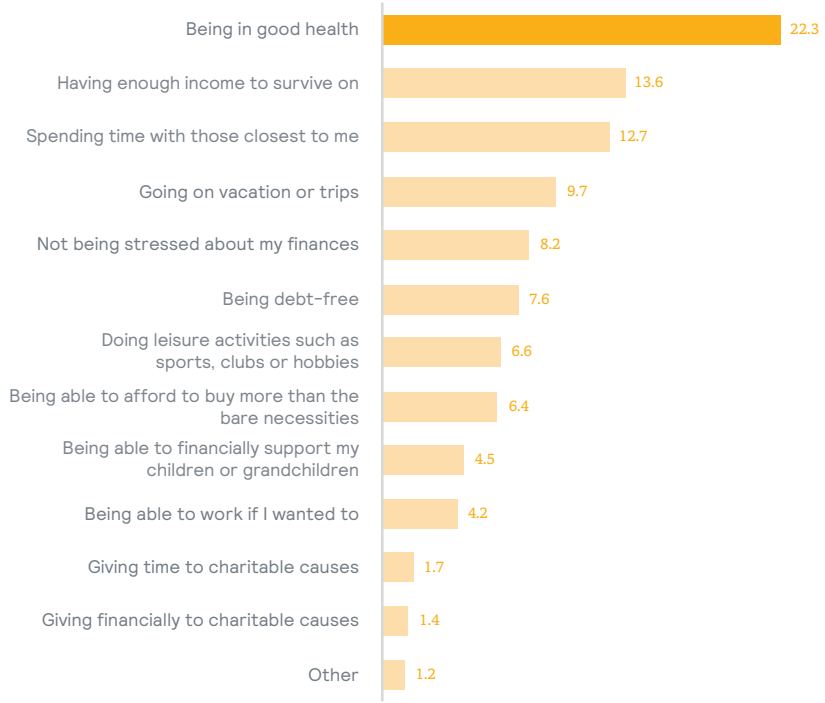
Figure 8. Health Is More Important Than Wealth for a Financially Secure Retirement

What do you think are the most important factors today affecting whether you will be able to be financially secure in retirement?



Business leaders rank health of employees most important, followed by life expectancy and level of savings.

What defines a good lifestyle after you stop working entirely?



ACT NOW TO LIVE WELL LATER

Although we accept that it is our personal responsibility to better prepare for retirement, we are not taking the necessary actions to improve our financial security.

In the Netherlands, 77% of adults feel personally responsible for their retirement income — lower than the global average of 81%. And 37% say it is the government's responsibility to ensure there is enough income for the basic necessities after retirement — somewhat above the global average of 31%. Twenty percent cite their pension or investment fund as responsible, and 15% say their current or former employer is responsible (see Figure 9). In the Netherlands, just under half (48%) have made some calculation as to how much savings they will need in retirement (see Figure 10), and just over half have invested in a retirement plan of some sort — 36% in employer plans, 15% in government plans and 10% in personal plans (see Figure 11).

Figure 9. Who Do You Think Is Responsible for Ensuring That You Have Enough Ongoing Income After Retirement to Live With the Basic Necessities?

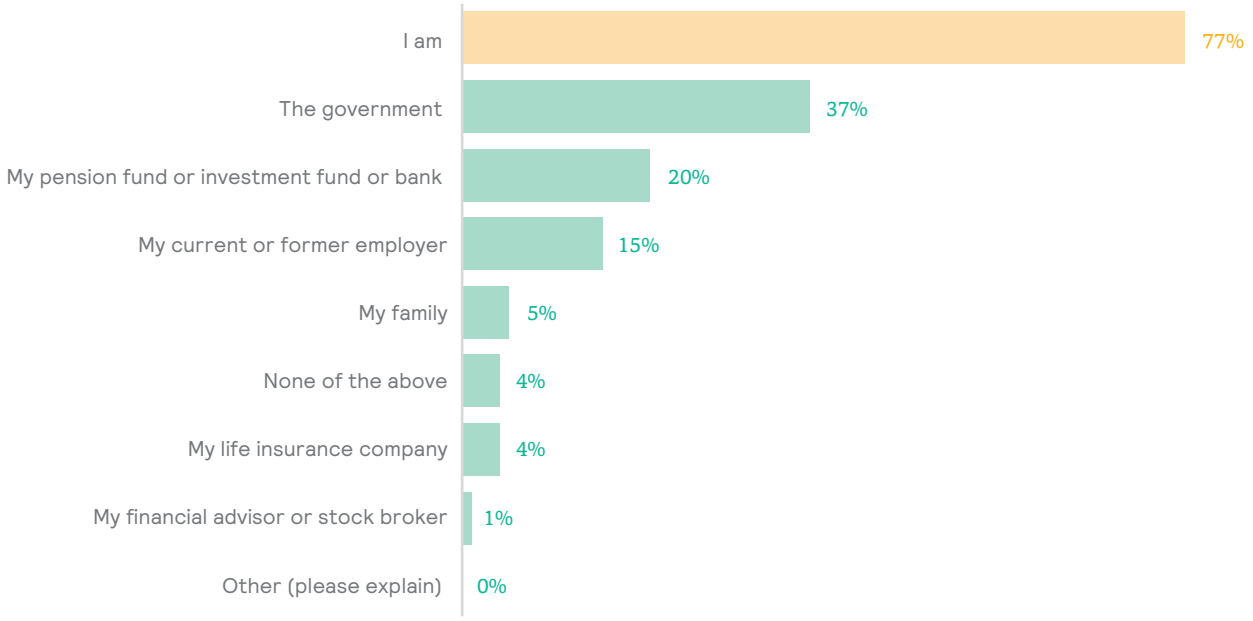


Figure 10. How Do You Plan to Calculate How Much You Will Need to Have Saved in Order to Retire and Maintain Your Desired Quality of Life?

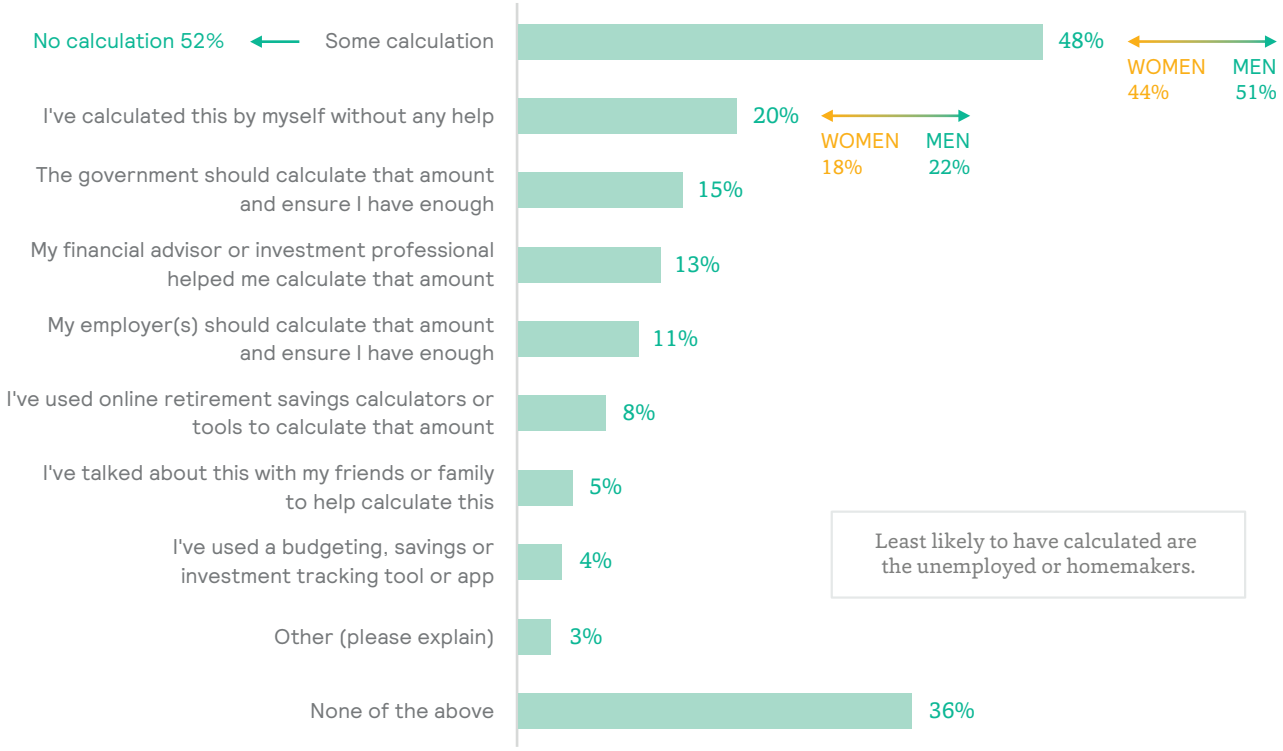
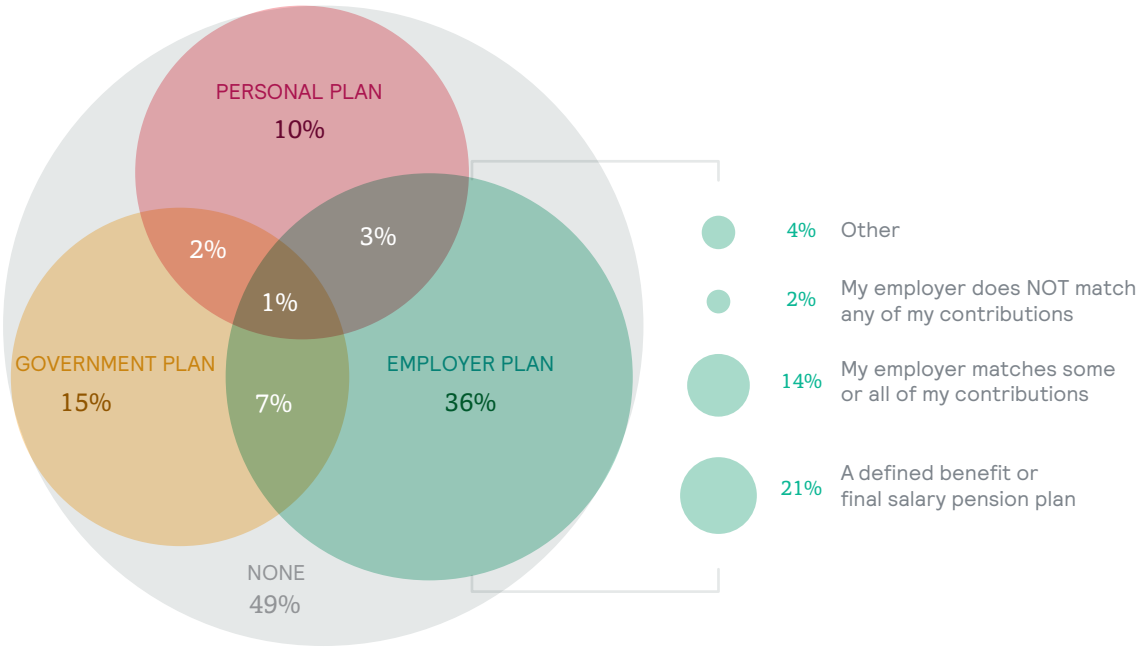


Figure 11. Do You Currently Pay Into a Pension or Savings Plan?



Yet more than half (56%) expect retirement income to come from government retirement savings (AOW) (see Figure 12). Despite the actions taken, less than a quarter, only 21%, are confident that they can save enough by retirement. While 20% have not had any help in calculating how much they will need in retirement, 15% say government and 11% say employers should make the calculations. Only a small fraction have used an online retirement calculator (8%) or have tried budgeting, savings or investment tracking tools or apps (4%), even though 70% of adults are interested in online financial tools to help manage their finances — as long as they are easy to use and secure.

Although we understand our personal responsibility — saying "it's up to me" to save enough income for later years — it is evident from the research that we do not take the necessary actions, begging the question: Do we even know which actions to take? The study found that only half of those surveyed in the Netherlands were likely to change how they save for retirement if they knew whether they had saved enough — the second lowest among the countries in the global survey.

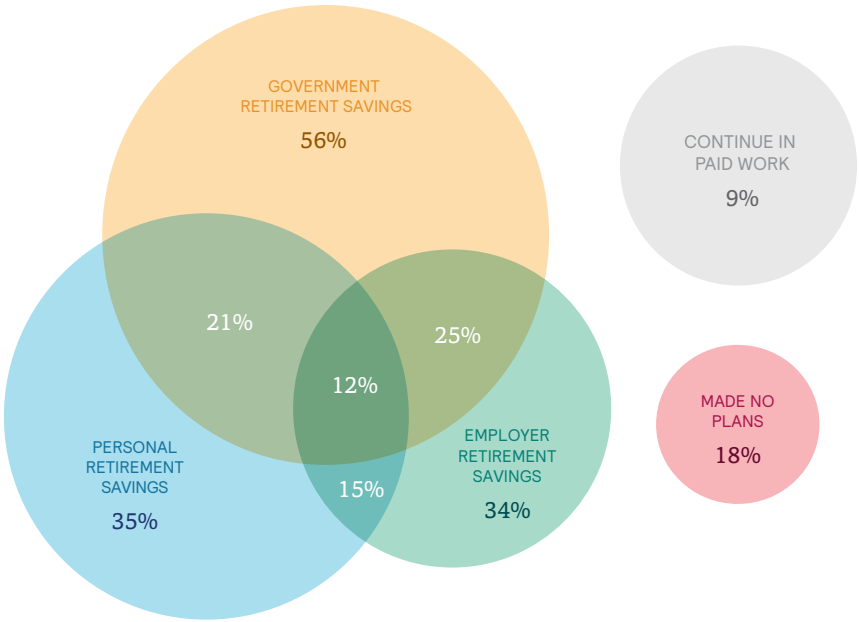
Changes in the economy, laws and pension systems around the world have put more individuals today in the driver's seat when it comes to planning and paying for their own healthcare and retirement. Unfortunately, many lack the background to make sound financial decisions and have, therefore, become more susceptible to financial distress, which impacts health, increases absenteeism and impedes productivity.

There are several paths to increased financial confidence, including how we engage people in saving for their future, redesigning retirement plans and using smart technology to simplify, track and help people stay financially in control.

Acting now applies to businesses and governments as well. The need to adapt long-term savings programmes and products to new demographic and economic realities is urgent. Our current trajectory is putting large numbers of people at risk of poverty, undercutting the competitiveness and social cohesion of our societies and diminishing the productivity of workers. Applying creative and strategic thinking would alter this trajectory and transform the future reality for individuals and societies.

Both government and employers have a critical role to play — and Mercer consultants are currently working with both on forward-thinking solutions to help them mend the gap. Companies must improve their benefits to employees not just because it is the right thing to do, but also because this will result in a workforce with less stress, higher job satisfaction and greater commitment to the organisation. By better engaging individuals in developing their own financial fitness, designing smarter savings systems and redefining work and retirement, societies and businesses stand to reap huge dividends.

Figure 12. Where Is Retirement Income Coming From? 12% Expect to Use All Three Savings Avenues; 9% Expect to Keep Working; 18% Have No Plans



Governments, employers and financial intermediaries have both the incentive and the ability to help societies and individuals mend the long-term savings gap.

HOW DO WE GET PEOPLE TO TAKE ACTION?

Enhancing financial benefits — or improving access to what is offered — provides substantial value.

Helping to find solutions to inaction goes to the core of Mercer's purpose to make a difference in the lives of people by advancing their health, wealth and careers. In our view, progress will result from multiple stakeholders coming together to effect change. Governments, employers and financial intermediaries have both the incentive and the ability to help societies and individuals mend the long-term savings gap. Each stands to reap significant rewards by helping to ensure that their citizens, employees and customers are able to save efficiently and appropriately for the future.

According to the study, employees trust their employer for financial advice more than professional financial advisors. Employers can help bridge the financial security and knowledge gaps as the research shows that people look to organisations to be a trusted recommender of investments and savings, digital tools and health plans to "help me, help myself".

It's a Matter of Trust

Trust in the Dutch pension system has been threatened as a result of unmet expectations by state pensions, such as indexation levels. On a positive note, 73% of employees say improved benefits or better access to an employer retirement savings plan would have a positive impact on the employee-employer relationship, including higher trust levels and job satisfaction, and lower financial anxiety.

Enhancing financial security benefits — or improving access to what is offered — does provide value: In fact, 73% of employees and 94% of business leaders in the Netherlands expect a positive benefit for employees when an employer improves an employee's financial security (see Figure 13).

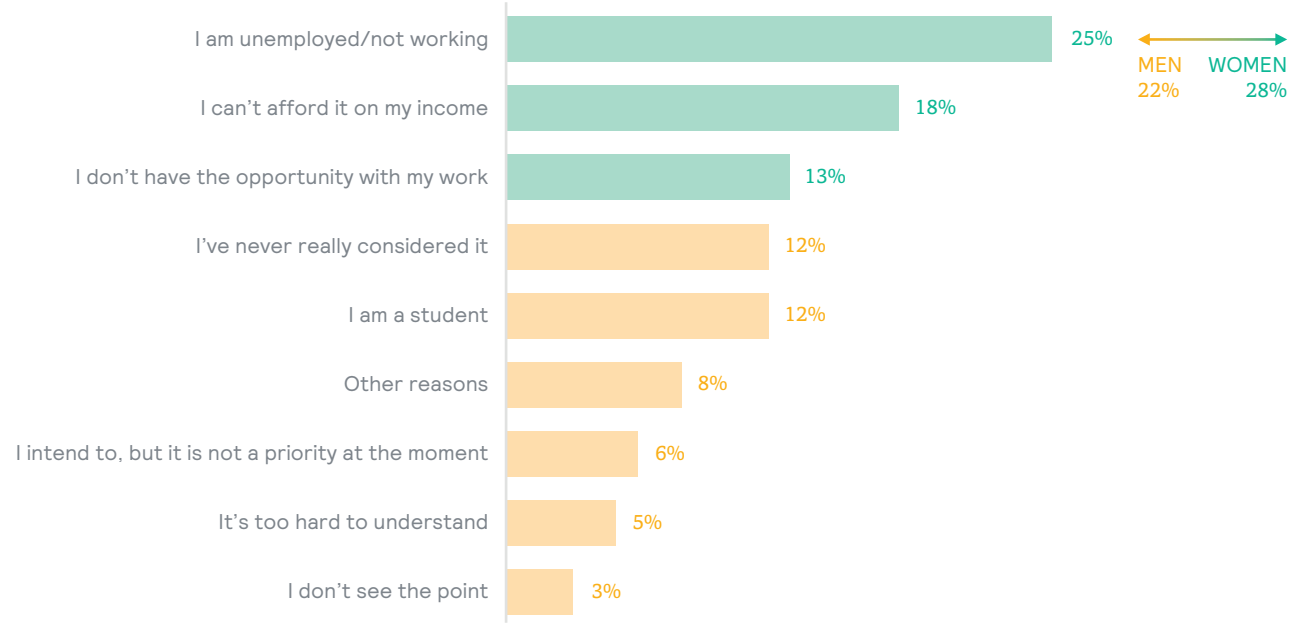
The positive impact at work of improved benefits or added access to a pension plan includes higher job satisfaction (26%); greater commitment to the organisation (20%); and less time worrying about financial matters at work (20%). Interestingly, 27% say it wouldn't make any difference. However, the impact is much greater for millennials: 87% cite a positive impact if employers offer better pension benefits.

However, a number of factors impede employees' ability to participate in savings or pension plans. For a quarter of Dutch adults (25%), the biggest factors are unemployment or not working, followed by affordability (18%) (see Figure 14). For employers, 85% are offering a savings plan of some sort, but of those who are not, half cite costs as the reason. Business leaders say lack of pension awareness or visibility is a main barrier to employees investing in pension plans, but 20% agree with consumers that the reason is employees can't afford to on their income.

Figure 13. If Your Employer Was to Provide Access to or to Improve the Overall Benefits of the Pension Scheme Available to You, What Impact Would That Have on Your Relationship With Your Employer?

94% of business leaders expect a positive benefit for employees when an employer improves an employee's financial security.

Figure 14. What Are Some of the Reasons You Don't Participate in a Pension or Retirement Savings Scheme?

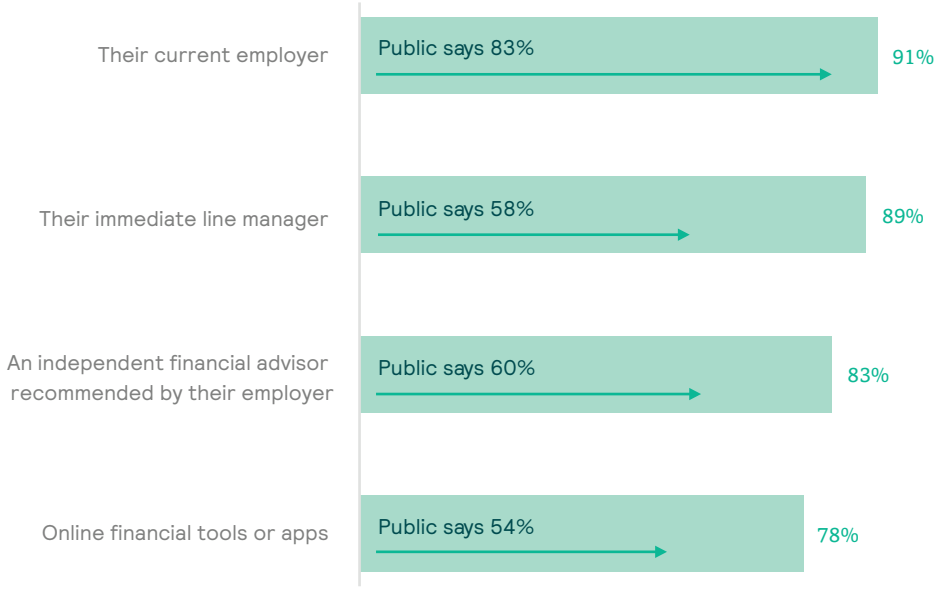


Most people (88%) trust their partner or spouse to give sound independent advice on planning, saving and investing for retirement. Significantly, the data show that the Dutch place the greatest trust (83%) in employers for sound financial advice. This is considerably more than in personal financial advisors (60%) or even their immediate line managers (58%) (see Figure 15).

There is considerable interest in digital financial security tools or apps that "help me, help myself" (70%), providing an opportunity for organisations to be a trusted provider. However, trust in digital resources is significantly lower at 53%, reflecting the necessity that online tools or mobile apps be easy to use, jargon-free and secure.

As employees have such trust in employers for financial advice and tools, this is not the time for organisations to reduce employee healthcare or financial security benefits. Business leaders cite attracting, managing and retaining a skilled workforce in changing times as their number one business challenge in the next five years. Understanding the positive impact of improved benefits and promoting access to a pension plan are among the study's key findings and opportunities for business leaders.

Figure 15. As Business Leaders, How Much Do You Think That Employees Trust the Following People or Sources to Give Sound Independent Advice on Planning, Saving and Investing for Retirement?



Personalise to Meet Individual Needs

Ensuring that organisations will have the talent necessary to compete today and tomorrow relates to how well entities attract and manage people. Those unable or unwilling to fully utilise all populations — or to look beyond typical programmes when considering how best to support and enable all employees — will lose out on valuable talent.

We need to transform savings into an engaging consumer experience, rather than an onerous financial service, and make it achievable and interesting through simplified language, useful tools, and the ability to track savings and progress in real time. This could create the same explosion in the savings industry as we have seen over the past several decades in fitness, aided by the fitness revolution of the 1970s and 1980s and advances in digital tools used to track, motivate and improve performance. Fairness in rewards, along with supporting employees in planning for their future financial well-being, has become a more pressing issue for employers in an age of increased individual accountability.

Among the factors to take into consideration is the nature of work itself and the impact of the burgeoning gig economy of independent contractors who are working informally on a project, freelance or earn-as-you-go basis and lack benefits, consistency of earnings and predictably steady work.

The research conducted in the Netherlands demonstrates the importance of addressing the different needs, behaviours and access as well as looking beyond traditional categorisations of white- and blue-collar workers.

Although still at less than half (40%), financial security is highest for traditional white-collar workers, such as professionals and civil servants, as is their ability to pay into a pension plan (83%). Financial security is lower for all other workers, as is their ability to pay into a pension plan.

While 74% of blue-collar workers contribute to a pension plan, less than one-third of blue-collar workers (30%) feel financially secure. Additionally, blue-collar workers are most likely to be stressed about their financial situation (61%).

Only slightly more than a quarter of those who are self-employed (28%) feel financially secure. These workers are most likely to not pay into a pension plan due to affordability (43%).

The low level of financial security is similar (33%) for those outside of the white-collar, blue-collar or self-employed categories, including people who either are not working or are stay-at-home, students or retired. This is understandable as only 35% pay into a pension plan, yet they are the most reliant on one. They are most likely not to participate because they are unemployed (35%).

White-collar (73%) and self-employed (73%) workers are most likely to have made some calculation for retirement income. Blue-collar workers (62%) and non-workers (60%) are less likely.

White-collar workers are more likely to be confident that they can save enough for their retirement (32%), and that they can find work or continue to work (36%). Those not currently working or those who are stay-at-home, students or retired are the least likely to be confident (17% and 18%, respectively).

While gig workers enjoy the increased flexibility and empowerment of being their own boss, they give up some degree of security and structure in their lives. The flexibility they sign up for also becomes their biggest worry. Since they work different schedules and in different places than permanent employees, organisations employing gig workers will require creative solutions to reach them. Employers need to look beyond typical programmes and communications when considering how best to support and enable all talent.

The Gender Gap

Simply put, women have unique financial needs.

Whereas all ages and stages lack confidence in saving enough to retire from full-time work, it is lower among women in every category in the global study. Compared to men, women are planning less, less able to save, contributing less to investment plans and less confident in retiring well. Consequently, women globally and in the Netherlands are more stressed about both their current and future financial security.

Globally, employment status and disparities in financial incomes affect women's ability to plan and save. Women's work cycles are different from men's, resulting in disparities in how much money is earned. The financial security of women in the workplace is impacted by distinctive experiences and attitudes. In the Netherlands, only 19% of women have confidence in their ability to save for retirement — men are slightly higher at 24%. And only 30% feel financially secure (versus 34% for men) (see Figure 16).

Figure 16. The Financial Security Gender Gap

		MEN	WOMEN	WOMEN ARE	
PLANNING FOR RETIREMENT	Have made some plans for retirement income	84%	81%	-3%	Planning
	Have calculated needed retirement income	51%	44%	-7%	
SAVING FOR RETIREMENT	Confident they can save enough to retire	24%	19%	-5%	Saving
	Currently investing into a retirement savings plan	54%	48%	-6%	
	Not saving in a retirement plan due to being unemployed	22%	28%	+6%	
FINANCIAL SECURITY	Feel financially secure	34%	30%	-4%	**Less** able to save
	Can handle a short-term financial emergency	54%	55%	+1%	
RETIREMENT EXPECTATIONS	Confident they can afford to live as long as they live	22%	20%	-2%	**Less** confident about retiring well
	Expect to maintain desired quality of life	56%	48%	-8%	
FINANCIAL STRESS	Stressed by current financial situation	41%	47%	+6%	**More** stressed
	Stressed by not saving enough for retirement	17%	24%	+7%	

Women continue to earn less in the same occupations, work in lower-paid employment, have more gaps in service, have more part-time employment, and spend more years out of the workforce caring for others, impacting their lifetime earnings. In the Netherlands, 28% of women (compared to 22% of men) cite unemployment as the reason why they are not saving in a retirement plan. Given that women earn less than men do on average, retirement benefits linked to income yield lower pensions on average for women.[2]

Women may struggle to effectively save, thereby increasing the risk that they will fall short of retirement savings goals. Women are more likely than men to spend savings on caring for someone else rather than keeping the money for their own needs. Women are also more risk-averse investors compared to men, which impacts the amount of money they are able to accumulate for retirement. And yet, because women live 4.6 years longer on average according to the World Health Organization, they often need financial resources that will stretch through a longer retirement period.[3]

As women balance multiple significant roles, career and developmental opportunities — especially in conjunction with workplace flexibility — are particularly important. Supportive practices influence attraction, promotion, and retention and also drive engagement and productivity.

Additionally, women are affected by different health issues and illnesses than men. They experience and use the healthcare system differently and are more likely than men to be caregivers for others, making health concerns of special significance in making financial security decisions. Traditional health offerings are not sufficiently gender-specific or aligned with women's professional lifecycles. More targeted and flexible approaches to women's health and well-being would significantly impact female participation in the workforce.

Organisations on the vanguard of change have introduced gender-specific elements into their retirement and savings programmes and, as a result, are seeing an impact on their ability to engage and retain female talent. Effective approaches to helping women improve their financial well-being include programmes and education geared toward their specific financial needs, attitudes and behaviours. For example: holding female-only financial planning and investing workshops; monitoring savings ratios and investment choices by gender; customising retirement savings education and training programmes to different gender behaviours; and allowing varying contributions to compensate for different work arrangements.

[2] Mercer. *The Gender Pension Gap: From Awareness to Action*, 2017.

[3] World Health Organization, 2015.

For leaders seeking to significantly impact female workforce participation and resulting gender diversity outcomes, employers must recognise and respond to women's unique financial, health and career needs at different stages of their careers with innovative, targeted programmes recognising the interconnectivity of all three.

Successful approaches include taking a macro-system approach by collaborating with other key stakeholders, including schools, governments, public health organisations, industry groups, and NGOs. Specific strategies include working with industry groups and universities to deliver training and lifelong learning opportunities to women, or working with governments and NGOs to promote better access to healthcare. The right solution is highly dependent on the particular organisation's strategic, operational and cultural context. A deep-dive diagnosis of the issue across HR and diversity and inclusion programmes will determine the most robust and relevant strategies.

The Generation Gap

Millennials value employer plans, trust advice and seek tech tools.

By 2020, millennials will make up more than half of the global workforce. As they are still at the early stages of their careers, they are among the most stressed about finances. Globally, they are the least confident in being able to handle short-term financial emergencies, are the least financially secure and expect to be retired for the least number of years (see Figure 17).

Millennials are mostly concerned about future employment (30%); older people are mostly concerned about their health (38% for those 55 and over). Consistent with the global findings, 18- to 34-year-olds in the Netherlands have a higher expectation of continuing to work after retirement. However, at 57%, their expectations are much lower than the global average (70%). And yet 58% expect to maintain the same quality of life.

In the Netherlands, half (50%) of millennials have made some calculations — 14% have calculated their income needed in retirement themselves, and 36% have done so with help — compared to two-thirds (67%) globally. Millennials are more likely to be willing to save more now (29%), and older people are not willing to trade or give up anything after retirement (36% for those aged 55 and over). While older people (those over 55) expect to live off government pension and benefits (64%), millennials are more likely to expect to live off their savings (44%); are more likely to save more if they knew more about savings impact on later years (72% versus 32% for those aged 55 and older); and are more likely to consider savings to be the most important factor for a financially secure retirement (15% versus 3% of those aged 55 and over).

Figure 17. The Financial Security Generational Gap

		18–34	35–54	55+	YOUNGER PEOPLE
RETIREMENT EXPECTATIONS	Expect to be retired for (years)	15	16	**20**	Expect to keep working, shortening retirement
	Expect to keep working after retirement	**56%**	46%	38%	
	Expect to maintain desired quality of life in retirement	58%	40%	**62%**	
FINANCIAL SECURITY	Feel financially secure	30%	26%	**44%**	Feel financially insecure and stressed
	Stressed about finances	**45%**	**46%**	39%	
	Confident to handle a short-term financial emergency	50%	49%	**66%**	
RETIREMENT PLANNING	Made no plans for retirement	**20%**	21%	11%	Want and are getting more help to plan
	Calculated income needed in retirement myself	14%	16%	**31%**	
	Calculated income needed in retirement with help	**36%**	27%	21%	
ONLINE TOOLS	Interested in online financial tools	**85%**	68%	57%	Have more interest in online tools
	Willing to allow online apps to hold personal information	**77%**	47%	36%	
EMPLOYER IMPACT	Trust their employer to give good financial advice	**87%**	80%	84%	Employers can have a greater impact
	Positive impact if employer offers better pension benefit	**87%**	68%	63%	

Dutch millennials are less likely to be confident that they can pay for healthcare (27% versus 34% for those aged 55 and older); afford to live as long as they live (28% versus 42% for those over 55); or can live without stressing about their financial situation (19% versus 37% for those aged 55+). Older people consider their health to be the most important (34% versus 27% of millennials).

As digital natives, not surprisingly, millennials are the most interested in online tools and mobile apps — 85% for those aged 18 to 34. The interest is significantly less for 35- to 54-year-olds at 68%, and tapers even further down to 57% for those 55 and older. Millennials are most likely to be willing to let online apps manage their finances (77% versus 36% for those aged 55 and older). They are also most likely to be comfortable using mobile banking, budgeting apps and robo-advisors.

Dutch millennials also have a high level of trust (87%) in employers to give good financial advice. At 87%, millennials are more likely to think improvements to employer pension plans will have a positive impact on employees — significantly higher than 35- to 54-year-olds at 68%, and those aged 55+ at 63% — resulting in higher job satisfaction as well as greater commitment and loyalty to the organisation. This presents a valuable opportunity as business leaders cite attracting, managing and retaining a skilled workforce in changing times as their number one business challenge in the next five years.

Design Smart Investments

Everyone has a role to play.

Governments and employers need to design — or redesign — retirement schemes to, where possible, make saving contributions compulsory, encourage individuals to take their pensions as lifetime annual income, and design growth and defensive investment options tailored to age, lifestyle and gender needs — as well as to risk profiles.

Critical for improving investment outcomes is a public-private partnership to design and implement financial security and health benefits and investment systems. The roles of and collaboration among employers and governments — as well as individuals — are particularly important for designing smart savings systems that make it easier for people to act.

Among the ways employers can help achieve better outcomes are designing auto-escalation programmes based on behavioural finance principles and constructing intelligent glide paths for operating through retirement — even for those who may not take action.

Employees want financial security now and later. A good and sustainable pension scheme plays an important role. The impact across generations and social strata is one of the key debates in the upcoming pension reform.

Almost everything currently in place around pensions is overcomplicated, and most people tend to tune out. We need to make the process simple to make it informative. When reforming pension systems, policymakers should also ensure the new rules are future-proof, taking into account upcoming trends in employment, including the rise of freelance gig work and flexible rewards.

Modelling on the physical fitness revolution, creating a revolution in financial fitness combined with providing greater support to individuals in making sound saving and investment choices will go a long way towards closing the long-term savings gap. However, given the many priorities competing for an individual's pay and the primacy of the immediate over the long term, voluntary contributions to long-term savings simply may not be enough. In fact, the pension systems that are among the highest ranked in terms of adequacy, sustainability and integrity are designed to make savings contributions compulsory, both for individuals and for employers on behalf of their employees.[4]

A number of intelligent design principles can be used to create the appropriate combination of growth and defensive investments to produce superior retirement outcomes. For example, the smartest of these products are designed to allow investments to continue to grow during retirement. Rather than being fully invested in cash or de-risked on the day of retirement — should there actually be one — systems would ensure investments continue to accumulate even as they begin to draw from savings.

In addition, because individuals do not know how long they will live and may unwisely manage and spend their savings after retirement, systems can be designed to prohibit individuals from withdrawing all their pension funds in one lump sum. Instead, requiring individuals to take all or part of their pensions as a form of annual income improves their financial security throughout old age. The appropriate investment options and mix for those saving in retirement schemes should also be considered when designing long-term savings systems.

[4] Melbourne Mercer Global Pension Index, 2017.

TECHNOLOGY: THE PATHWAY TO ENHANCE SAVINGS

The future of financial security is digital.

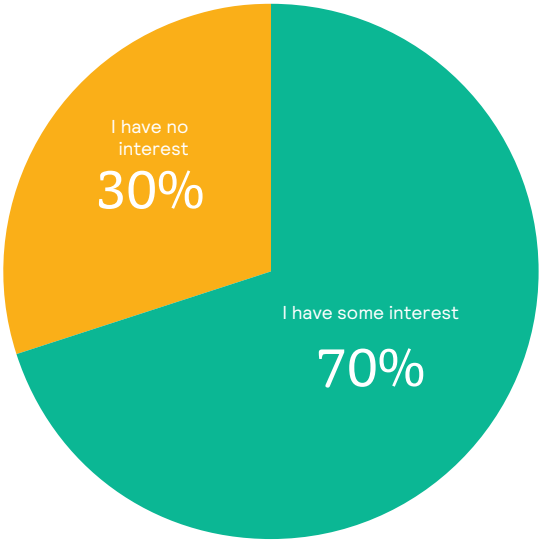
Increasingly, across both developed and developing markets, people are conducting their lives online and especially on mobile devices — with the easy access and immediacy of being able to track anything in real time.

Easy-to-use, jargon-free, secure and effective online tools are vital to assisting people of all ages and especially today's largest segment of the global work force, millennials.

They are the least financially secure among the age groups Mercer surveyed as well as the most digitally-oriented.

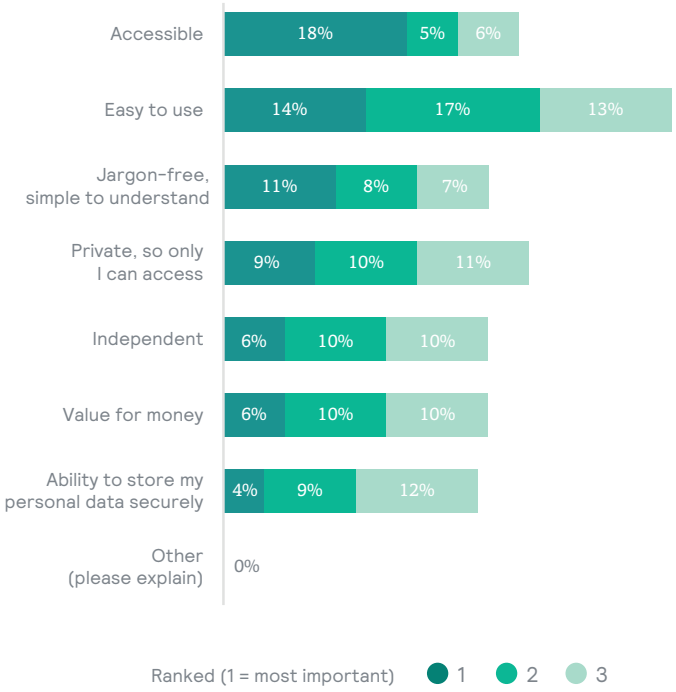
A sizeable majority, 70%, of adults in the Netherlands are somewhat interested in online financial tools to help manage their finances (see Figure 18a), with the stipulation that they must be secure, jargon-free and easy to use (see Figure 18b).

Figure 18a. Do You Have an Interest in Online Financial Tools?



Eighty percent of those aged 18 to 44 have some interest.

Figure 18b. What Features Do You Most Need From Online Financial Tools?



Akin to their global counterparts, millennials (18- to 34-year-olds) in the Netherlands highly value technology: 85% have some interest in online tools. However, a lower number (77%) are willing to allow these tools to hold personal information and help them track and manage their financial, health and personal data (see Figure 19). The willingness to aggregate data online decreases significantly to 47% for 35- to 54-year-olds and drops to 36% for those over 55 years old, making ease of use and data security of critical importance to all age groups.

Though the comfort level varies, the majority of adults in the Netherlands are comfortable with a variety of financial resources, including mobile banking through mobile phones or tablets (71%); managing finances using online tools or websites (60%); using budgeting, saving or investment-tracking apps on mobile devices (45%); and using mobile financial apps (54%). There are resources, though, that do not hold the same level of comfort. More than half of adults (56%) are uncomfortable using robo-advisors that provide automated financial planning, and nearly half (58%) are uncomfortable speaking with a call centre financial advisor (see Figure 20).

Given the high-level of interest, as well as variations across age groups, technology must utilise data to make offerings personalised and relevant for individuals — it must not be one-size-fits-all. Digital tools (as well as plans and benefits) need to be for more than information and basic modelling and must include the ability make real-time transactions.

A technological revolution akin to that in the physical fitness industry is needed to engage individuals in saving for the long term. Just like exercise, saving can be painful, both because it gives individuals more pleasure to consume now than plan for later, and because working with savings-related products or financial planners can be complicated, confusing and time-consuming as well as potentially risky.

Transforming saving into an engaging consumer experience rather than a financial services experience requires presenting it not as something difficult and unpleasant but as achievable and interesting through simplified language, useful tools and the ability to track progress in real time.

Although the financial services industry must help lead such a revolution, employers have an absolutely critical role to play given their long history of and capability for bringing vetted products and services to their employees — as well as their vested interest in easing their employees' financial worries in order to reap significant productivity gains. Government, too, must help spur the revolution by expanding pension coverage and individuals' access to savings programmes and products.

The research depicts an opportunity for employers and governments: to address both the financial and behavioural needs of the workforce, generally, and of the growing population of digital natives, specifically, by providing secure, easy-to-use, do-it-yourself digital tools and apps that assist individuals in making better decisions now and for the future. In this way, business leaders and governments can help bridge the gap on financial security and knowledge.

Figure 19. How Willing Are You to Allow an Online Application to Hold Your Financial, Health and Personal Data to Help You Plan and Manage Your Finances?

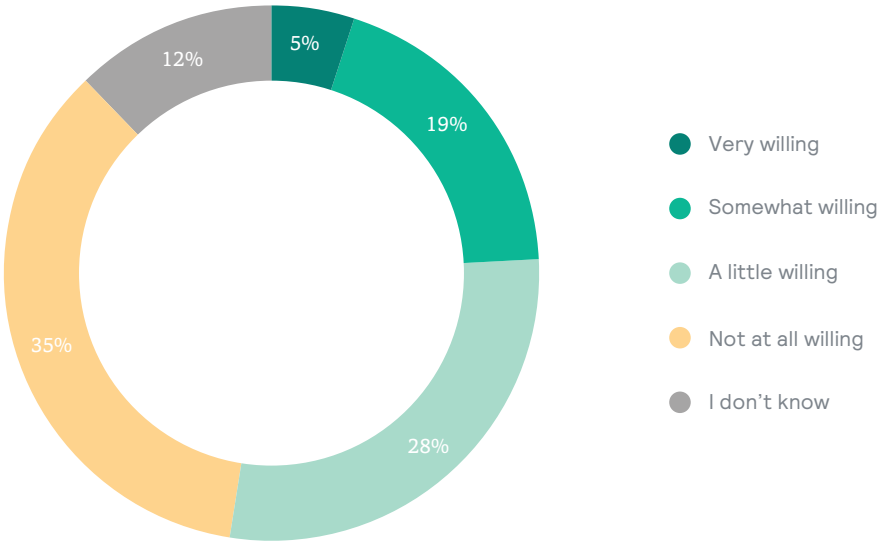
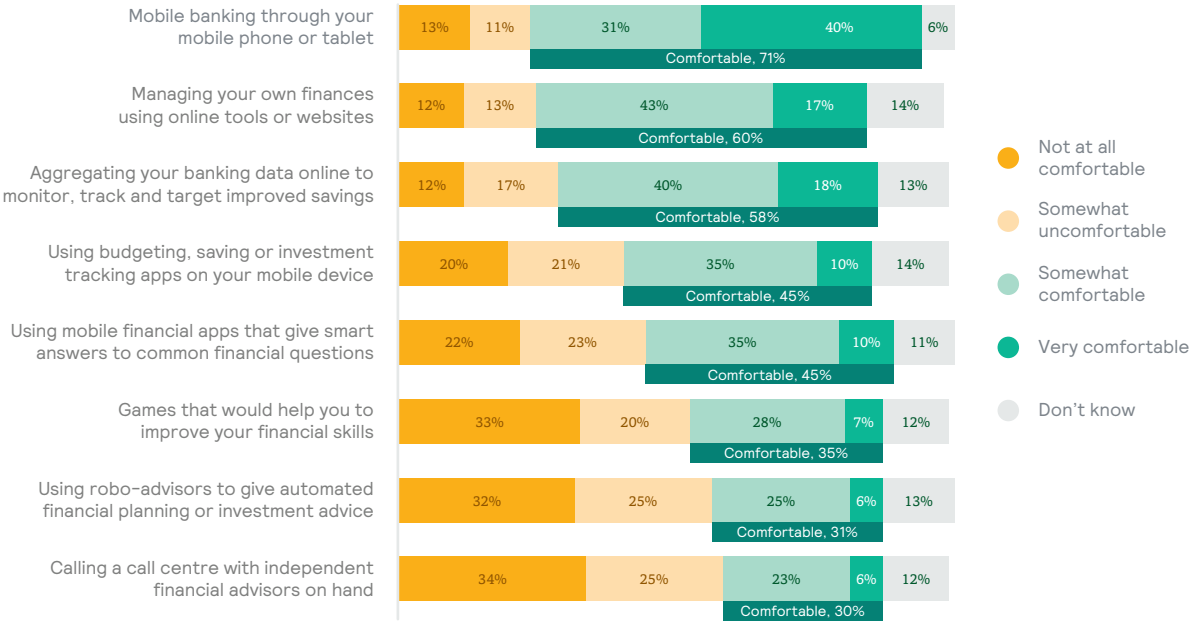


Figure 20. How Comfortable Would You Be in Using the Following to Plan, Manage and Get Advice on Your Savings?



ENSURING FINANCIAL SECURITY FOR ALL

Savings, health and skills gaps require a public-private partnership to ensure no one is left behind when it comes to living well.

Employers today are scaling back on defined benefit commitments, governments are looking for ways to close future gaps in their unfunded promises and individuals are bearing an increasing share of the responsibility for funding their own retirements. According to the research, people who are not participating in retirement savings plans say the most significant barriers are affordability along with access to work or workplace pensions.

Addressing the gender gap is also vital if we are to ensure that half the population can better plan, save and live with financial security. Women face a gender gap in salary inequity, career continuity and access to employer-sponsored plans — and are significantly more stressed than men when it comes to their financial security. This is compounded by the fact that women, generally speaking, live longer than men. Not surprisingly, they report being more stressed than men by their current financial situation and by not saving enough for retirement.

Millennials are the largest segment of the workforce globally and will live longer, work longer and change jobs more frequently than previous generations. In the Netherlands, just over half (56%) of 18- to 34-year-olds expect to keep working after retirement — among the lowest in the global study — and have among the lowest stress levels (45% — similar to their 35- to 54-year-old counterparts at 46%). Dutch millennials are looking for sound savings advice and 87% trust employers to provide this advice. In fact, 72% of millennials surveyed said they would save more if they knew more about savings impact on later years. And for 87%, improved access or benefits would have a positive impact on them at work.

Those who are a part of the growing informal workforce face gaps in access to and affordability of retirement and benefit plans. Globally, workers who make up the exploding gig economy will need access to benefits. They also want to feel connected and engaged with the organisations contracting them. Private-public partnerships are vital to help self-employed, contract or part-time workers prepare for their future.

According to the Organisation for Economic Co-operation and Development (OECD), pension systems face considerable social and economic challenges in the wake of the economic crisis and given the ongoing ageing of the population. A drastic change in the Dutch pension system is planned for 2020. Such reform will require strategic change — as well as addressing the implications based on age, life stage, employment status (white or blue collar, full or part-time, gig or unemployed) or income level.

An important element of the overhaul is greater employee responsibility for their individual pensions. As employers are seen as the most important and confidential advisor on pensions, they must take responsibility for preparing their employees thoroughly and assisting them with their personal and individual pension plans. Personal, face-to-face advice facilitated by employers also remains very important, especially to cement workplace bonds.

A major concern for employees is that they will be unable to retire or work after retirement because of personal health issues. Employers and employees must help employees invest in their personal and professional skills to ensure they successfully reach the retirement age and are able to continue to work should they need or desire to.

Pension plans should not be looked at in isolation, but as an important part of an employee benefits package. The full package should offer flexible benefits and tools to ensure an employee remains happy, healthy and motivated.

Employers need to pinpoint the individual needs of employees by conducting research and analysing relevant data to offer customised remuneration and employee benefits packages. Deploying innovative technology, for example, is an increasingly accessible way to provide personalised financial advice, including financial planning.

The dynamics and importance of the pillars of retirement savings must change to reflect the different social systems and work experiences. Financial security should not be the domain of those with access to employer programmes over those without, of one gender over another, and of older generations to the detriment of those that will follow. Both public and private enterprises must join forces to ensure that financial security is available to everyone.

Given the changing dynamics of work and the workplace, it is more important than ever that individuals be given the help and tools they need to plan for and achieve long-term savings goals. Mercer's view is that governments and employers have an important role to play in helping individuals recognise what "good" looks like when it comes to savings products, advice and decisions.

Both governments and employers have the responsibility and much greater capacity than individuals to assess products, gather information and discern among financial intermediaries. The payoff for both is a more financially secure and productive workforce. Such involvement also fosters greater receptivity among individuals for appropriate levels of risk to build sufficient long-term savings. Greater financial knowledge by itself rarely translates into action. What does spur action is giving individuals access to smart tools, default options and guidance that can help them achieve success.

04

THROUGH THE BUSINESS LEADERS' LENS: INSIGHTS AND OPPORTUNITY

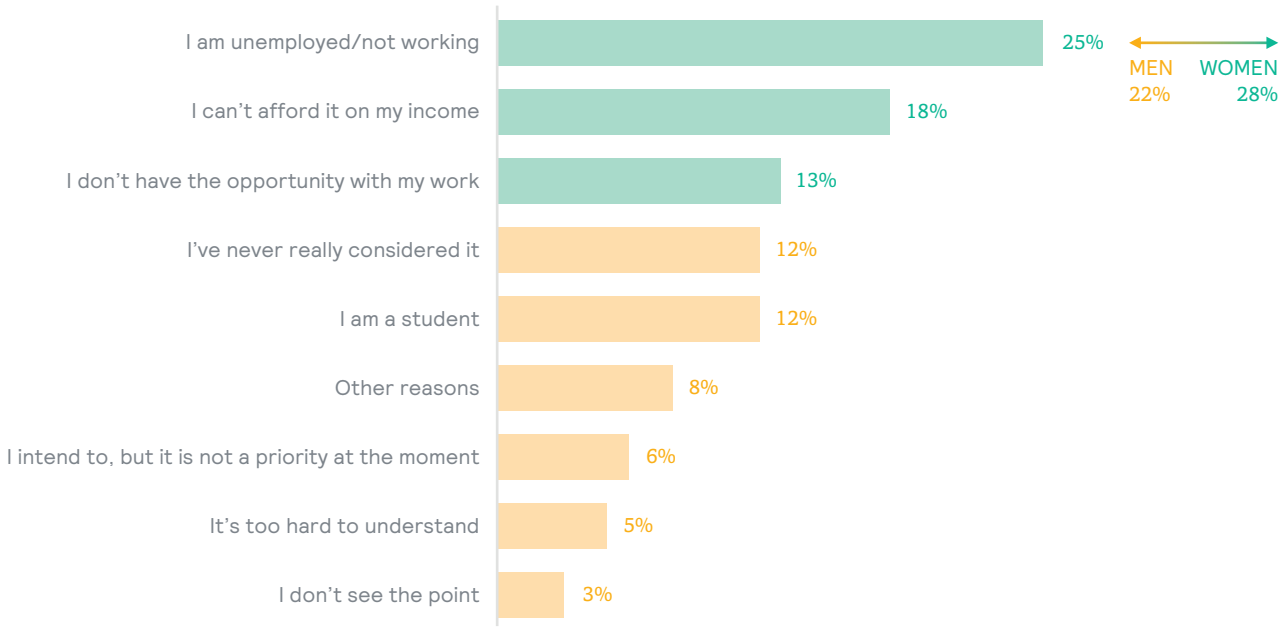
Societies, governments, businesses and financial intermediaries have much to gain by taking immediate action to address the looming long-term savings gap.

In examining the current state of financial security, the global study surveyed 695 executives and 7,828 adults aged 18 and over, finding both similarities and differences in views between business leaders and the general public, issuing a clarion call for better two-way communication and collaboration.

Among the differences between leaders and workers in the Netherlands study, 73% of leaders in contrast to 52% of people have a higher expectation of maintaining their quality of life in retirement. Forty-seven percent of senior leaders feel more financially secure compared to 32% of the consumers surveyed. Significantly, 60% of business leaders rank health as most important for a financially secure retirement — the only country in the survey to do so.

Globally, business leaders and the general public also see things differently when it comes to pension participation. Almost half, 45%, say lack of pension awareness or visibility is the main barrier to employees investing in pension plans. Yet nearly as many people, 41%, say the number one reason they don't participate is that they cannot afford to on their income, followed by being unemployed or not working (21%). However, in the Netherlands, 32% of employers say employees do not invest in pension plans due to lack of pension visibility. Additionally, the Dutch study found 20% of leaders agree with 18% of general public who say affordability is the number one reason (see Figure 21).

Figure 21. What Are Some of the Reasons You Don't Participate in a Pension or Retirement Savings Scheme?



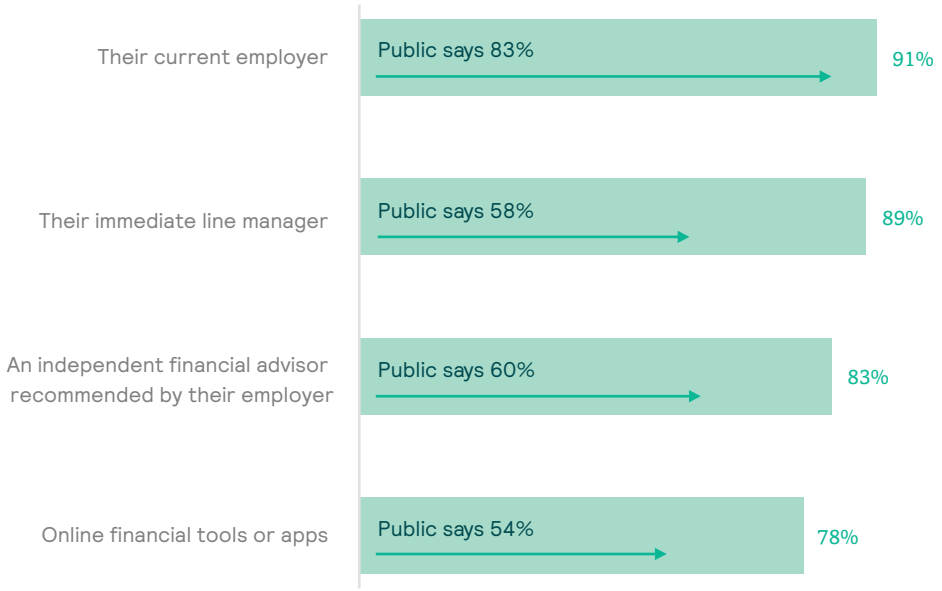
Business leaders interviewed in the Netherlands expect that employees' trust in employers and other sources for advice on planning, saving and investing for retirement to be greater than it actually is. A resounding 91% of employers say employees trust their current employer for financial advice; in actuality it is (a still very significant) 83%. Eighty-nine percent of employers say employees trust their immediate line managers; in actuality it is 58% of employees. Eighty-three percent of employers expect employees to trust a financial advisor; in actuality it is 60%. And, 78% of employers expect employees to trust online web tools or apps; in actuality it is 54% (see Figure 22).

Stable and prosperous societies depend on citizens with the confidence to live a quality life during their working years and throughout their retirement — an issue that will have a growing impact on the economy as a whole as people of retirement age make up an increasingly large share of the overall population.

Notably, societies that do a better job of helping individuals close the long-term savings gap will be more competitive in attracting both employers and a skilled workforce, generating higher productivity and lowering the overall burden on the state. Countries with large, unfunded pension promises risk losing out on growth opportunities as employers seek to locate operations in places where benefits are not only sufficient but sustainable. The longer societies put off addressing the issue, the more drastic the actions they will have to take, placing a potentially disastrous burden on individuals and businesses.

Employers, too, have much to gain in helping their employees bridge the gap. Research shows that employees who are not financially healthy have higher levels of stress and distraction, leading to lower productivity, poorer customer service and impaired health. Worrying about money matters at work places a significant drag on productivity — and could be largely eliminated if employers used the information at their disposal and their ability to aggregate and negotiate to help their employees find appropriate financial tools and information, including long-term savings options. Beyond the practical, for employers committed to social responsibility, helping their employees attain financial wellness is simply the right thing to do.

Figure 22. As Business Leaders, How Much Do You Think That Employees Trust the Following People or Sources to Give Sound Independent Advice on Planning, Saving and Investing for Retirement?



05

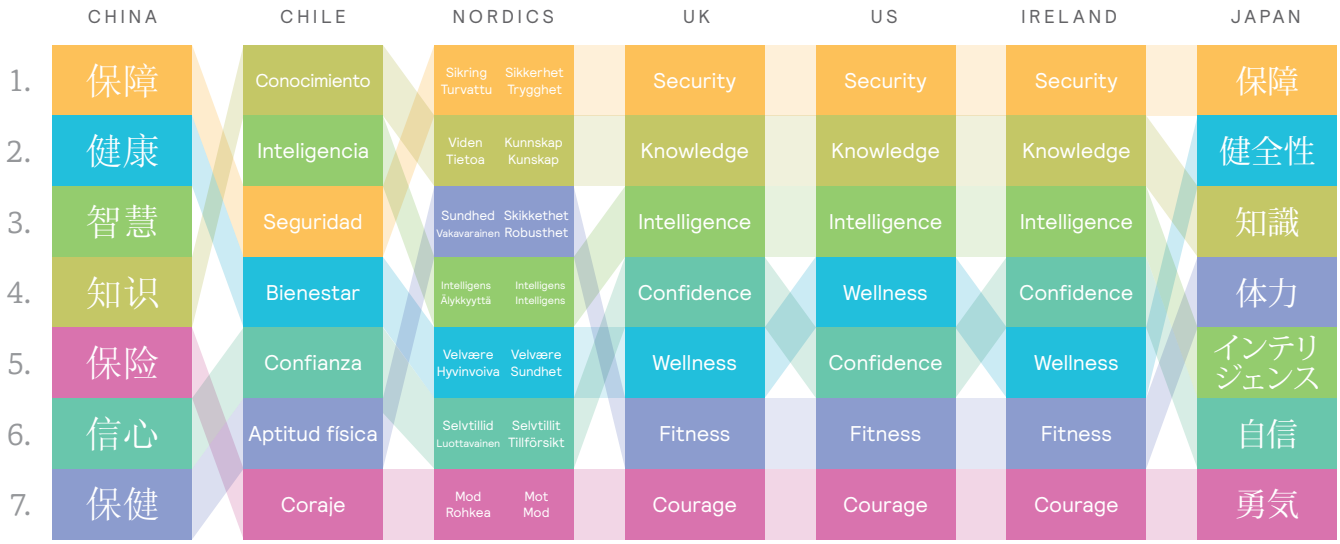
A GLOBAL SNAPSHOT: NOTABLE COUNTRY DIFFERENCES

While financial security is a critical need globally, there are variations by country, including levels of financial stress, expectations of work and responsibility for retirement income.

The need for financial security is evident in how people rate its importance (see Figure 23).

The study shows that financial security-related stress is an issue impacting all of us — regardless of age, geography or salary. Globally, 60% responded that they are at least somewhat stressed about their financial situation. While personal health was one of the top three stressors identified across all regions, the levels of stress vary widely (see Figure 24). The highest stress levels were found in Japan, with 30% indicating they are very or extremely stressed and another 47% saying they are somewhat stressed. Not surprisingly, only 21% of Japanese adults surveyed expect to maintain their desired quality of life in retirement, compared to 50% of adults globally. The Nordics have the lowest financial stress compared to the other regions, with only 45% indicating they are at least somewhat stressed. These low levels of stress in the Nordics align with high reliance on the government and strong social systems in the region.

Figure 23. "To Plan for and Achieve the Quality of Life That I Expect in My Later Years, I Need to Have Financial ..."



Globally, people are working longer, out of either choice or economic necessity. More than two-thirds (68%) of adults surveyed expect to keep working in some capacity and never fully retire. This presents a significant opportunity for employers to make accommodations for older workers, thereby benefiting from the experience and knowledge of more seasoned workers. The Dutch are more likely to stop work and retire completely, helped by a government pension, but they view personal health as important so they can continue working if they want to.

Retirement expectations are generally consistent across regions, with notable exceptions in Chile and the Nordics (see Figure 25). Chileans are the most likely to expect to keep working, and 37% specifically cite continuing in paid work as a source of their retirement income. Conversely, the Nordics have the lowest expectation of working later in life.

Figure 24. When You Think About Your Financial Situation, How Stressed or Anxious Do You Feel?

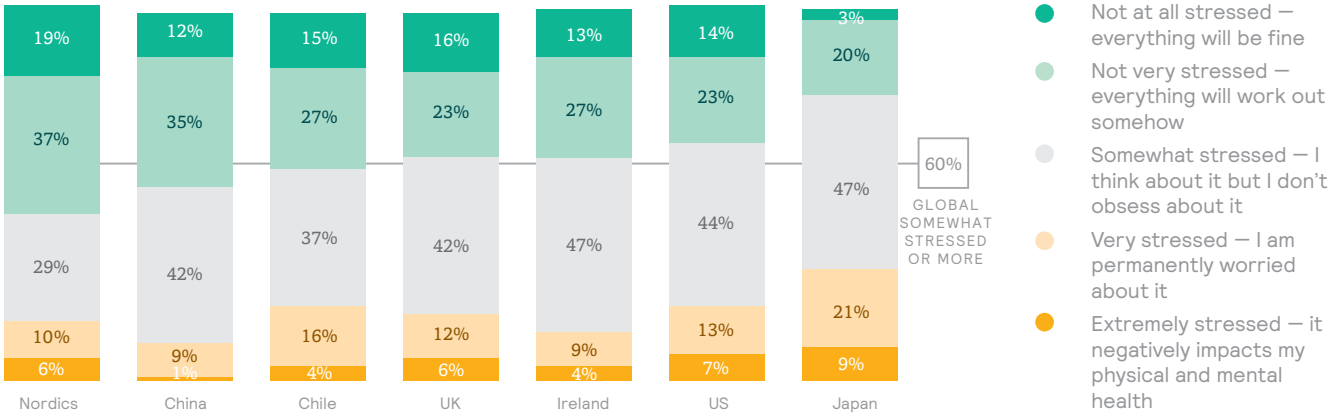
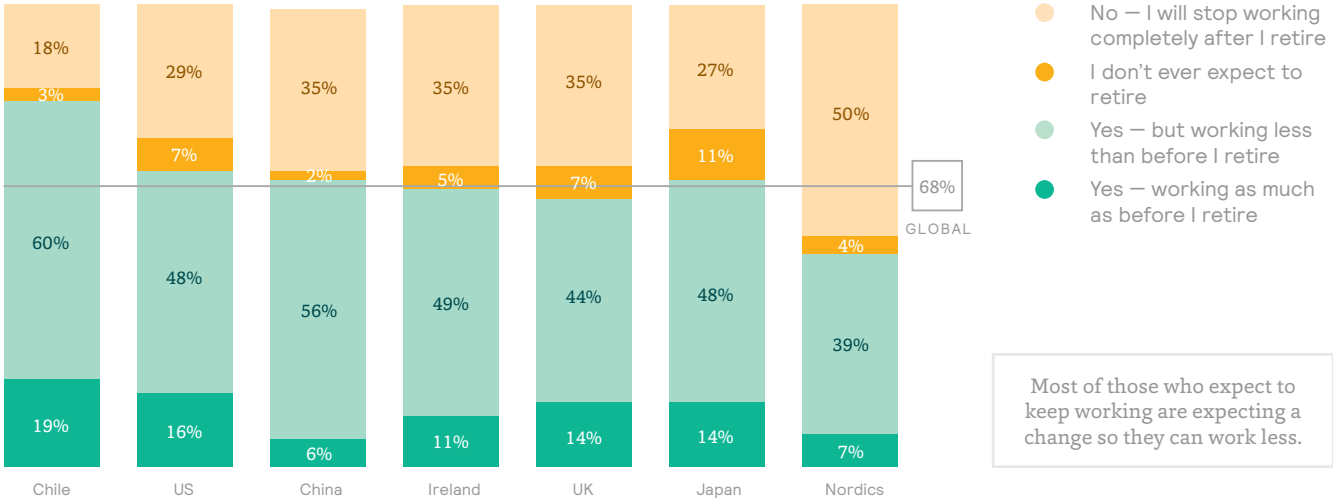


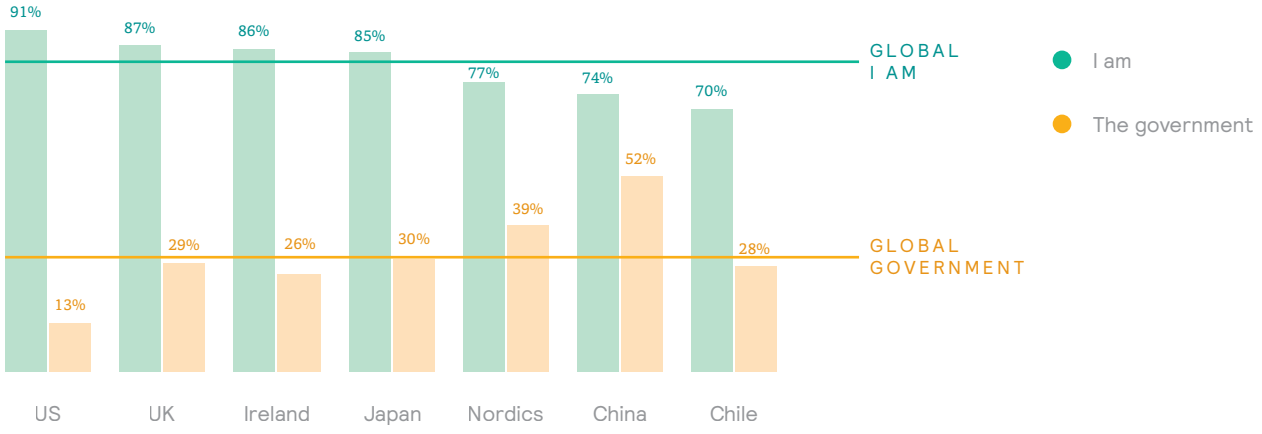
Figure 25. When You Retire, Do You Expect to Keep Working?



Most of those who expect to keep working are expecting a change so they can work less.

Responsibility for retirement income also varies by country (see Figure 26). The Chinese rely heavily on external sources to provide for retirement, which include government playing a key role in both making retirement calculations (25%) and ensuring sufficient income in retirement (52%) — much more than other nations. Americans place the least responsibility on government for retirement income, with 91% accepting that the responsibility lies with themselves. Respondents in Japan, Ireland and the UK also feel a strong sense of personal responsibility for their basic income in retirement. At 70%, Chile has the lowest level of personal responsibility.

Figure 26. Who Do You Think Is Responsible for Ensuring That You Have Enough Ongoing Income After Retirement to Live With the Basic Necessities?



Additional reports are available — with detailed key findings for each participating country or region — for Chile, China, Ireland, Japan, the Nordics (Denmark, Finland, Norway, Sweden) and the United States (for further information see www.mercer.com/our-thinking/healthy-wealthy-and-work-wise.html).

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CONCLUSION

Societal shifts can be speedy or glacial. No matter the pace, by understanding the implications and potential impact of change, we are better prepared to take necessary action — especially to reap positive rewards.

This research enables us to do just that. The findings depict the implications of trends in greater individual financial responsibility and increasing longevity. Additionally, with pervasive financial insecurity globally, if we — as individuals, businesses, and governments — do not take action, the study foretells the harrowing impact: outliving our savings.

Whether stemming from living longer or inadequate savings (or both), people anticipate working longer to augment or provide income. Combined with those who expressly want to continue working, a significant majority do not ever expect to retire or expect to keep working in some capacity in later life. The choice is not solely theirs. Prevailing ageist practices as well as health are determining factors and, potentially, barriers. Given attitudinal changes and practical needs, the time has come to retire retirement or at least retire previously held notions about it. The time, therefore, has also come to replace ageism with attributing value to more experienced workers and adjust offerings accordingly, including developing relevant skills and varying types of employment (such as job sharing, special projects and mentoring).

To work as long as desired or necessary, health is vital to wealth. Every country in the survey ranks health in retirement as the number one priority — even higher than having enough income for basic necessities. And yet, just over one-third profess excellent or very good health currently as it relates to ability to perform on the job. As such, it bears reiterating that this is not the time to retreat from programmes to support personal as well as financial well-being. Rather, this is the time to bolster them. Employers are trusted for advice and improved benefits. Helping people better manage their health, wealth *and* careers enhances an enterprise's value proposition and its ability to attract top talent — while yielding higher job satisfaction, greater commitment and less time at work stressing about financial matters. As no single entity can effect change alone, governments also need to respond and take action accordingly.

Ensuring financial security for all requires understanding, collaboration and communication — between employee and employer, business and government, government and people. *Healthy, Wealthy and Work-wise: The New Imperatives for Financial Security* provides the road map and shows technology as a pathway. **It would be wise for all of us to heed the signs and set a new course**.

For further information, please contact your local Mercer office or visit us at www.mercer.nl.

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