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NEWS RELEASE

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International Survey Finds Complexity of Retirement Risks Is a Challenge Common to Future Retirees in U.S., U.K., Australia

WASHINGTON—A new international [survey](#) from the American Academy of Actuaries, the Institute and Faculty of Actuaries (U.K.), and the Actuaries Institute of Australia shows that many people in the United States, the United Kingdom, and Australia struggle with preparing for retirement for similar reasons.

“Many people start planning but can’t follow through because they aren’t equipped to address complex questions like how much they need to save for retirement, how they will cover the risk of an especially long life, or how they will handle unexpected costs associated with chronic health conditions as they age,” said Academy Senior Pension Fellow Ted Goldman. “A concerted effort by policymakers to support education initiatives could help savers sort out the tough questions they face as they prepare for their retirement future.”

A major factor behind the challenges, according to [Retirement Readiness: A Comparative Analysis of Australia, the United Kingdom, and the United States](#), is the increasing demand on Americans, British, and Australians to individually manage the risks of their future retirement. While the pension and retirement systems of all three countries provide some safeguards against risks, the trend away from defined benefit pension systems continues to shift greater responsibility to individuals for taking the steps to achieve financial security in retirement.

Little more than half of all respondents (working-age people ages 18–64) believe they are preparing for retirement’s risks; nearly half are not. Among the risks, longevity risk is the least understood. “Only about one-third of the respondents know how long their assets will last in retirement, and about half have planned for the possibility of a longer-than-expected life,” the survey concludes.

“Understanding and managing complex retirement risks presents a societal challenge, not just a personal one,” said Goldman. “As a society, we need to be open to new retirement policy approaches and public education initiatives to help people evaluate and address the risks and achieve financial security in retirement.”

10-12-17 – INTERNATIONAL SURVEY FINDS COMMON RETIREMENT CHALLENGE

The survey recommends targeted financial education, greater use of default features in private retirement plans, and ensuring that public pension and social insurance systems are sustainable and capable of providing adequately for those who depend on them most.

Read more in-depth analysis of pension and retirement issues under the public policy tab at www.actuary.org.

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The American Academy of Actuaries is a 19,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.