

News

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Workers' Vision of a Flexible Retirement Requires Support From Employers

New research highlights opportunity to make retirement more affordable and achievable for all

LOS ANGELES – January 28, 2016 – Today, [Transamerica Center for Retirement Studies®](#) (TCRS) (a division of the Transamerica Institute®, a nonprofit, private foundation) in collaboration with the [Aegon Center for Longevity and Retirement](#) (ACLR) released a new report, *The New Flexible Retirement*, which illustrates that today's workers are expecting to transition into retirement but face a significant obstacle: few employers have employment practices to support them.

"Population aging is a global phenomenon. The shift toward a proportionally smaller working-age population and larger older population is disrupting traditional employment models and the fundamental economics of government-sponsored social security systems around the world," said [Catherine Collinson](#), executive director of ACLR and president of TCRS. "A flexible retirement, which offers workers the ability to pursue their own personalized transition, can create opportunities to work longer, continue earning income, and stay active and involved in society. Moreover, a new flexible retirement can create a win-win situation by serving as a powerful tool to help solve the government, social security, and employer-related retirement issues resulting from an aging population."

This new report is based on research from the [Aegon Retirement Readiness Survey 2015](#), comprising 16,000 workers and retirees. It presents global trends and profiles for 15 countries, offering unique perspectives on the state of flexible retirement in Europe, the Americas, Asia, and Australia and includes recommendations for policymakers, employers, and workers.

How do workers envision their retirement?

"The concept of retirement is changing rapidly. As people live longer and in good health, retirement is becoming a more active life stage, with more people looking for the opportunity to combine work and leisure," said Collinson. "Many workers have retired the notion of fully retiring at age 60 or 65."

The survey found that globally 51 percent of all workers, and 64 percent in the U.S., now expect to retire at age 65 or later, or not at all. The mindset of working beyond traditional retirement age varies around the world; in Japan, 43 percent of survey respondents aspire to continue working past retirement compared to only 15 percent in France.

More than half of workers (56 percent globally; 61 percent U.S.) envision a flexible transition to retirement. Of those age 55 and older, 55 percent globally and 66 percent in the U.S. share this vision, with an even higher proportion of younger workers thinking they will have a flexible transition to retirement. The most common reasons for continuing to work to some extent in retirement include keeping active, enjoyment of work, and financial-related concerns.

Employers can do more to support a flexible retirement

"How workers can successfully extend their working lives is a complex issue. Workers in jobs that involve manual labor may find it difficult to continue in their current profession. Others may encounter workplace biases against older workers," said Collinson. "Employers play an all-critical role and can make or break workers realizing their vision of a flexible retirement."

Workers indicate that their employers are doing little to help them phase into retirement. The survey found that of workers age 55 and older, only 27 percent globally and 25 percent in the U.S. say their employers offer the opportunity to shift from full-time to part-time working arrangements as they phase into retirement.

Very few workers age 55 and older (nine percent globally; four percent in the U.S.) say their employer offers retraining opportunities to extend their careers and help them phase into retirement. “Maintaining existing job-related skills and acquiring new ones are important for workers of all ages and especially for older workers who want to work past normal retirement age,” said Collinson. “Employers can do more to help their older employees keep their skills up-to-date.”

Despite the lack of pre-retirement assistance from employers, workers age 55 and older are nevertheless loyal:

- Many say they feel a strong sense of belonging to their employer (48 percent globally; 44 percent U.S.)
- A large majority plan to work with their current employer until they retire, if possible (73 percent globally; 80 percent U.S.)

“Employers may be overlooking the opportunity to tap into the knowledge, skills, and loyalty of older workers. By adopting business practices to support a flexible retirement, employers can benefit from improved succession planning and the ability to optimize their workforce management,” said Collinson.

How employers and policymakers can help workers transition into retirement

Policymakers, employers, and workers each play a critical role in redefining retirement, retirement benefits, and employment practices to keep step with increases in longevity and the implications of population aging. *The New Flexible Retirement* offers a full set of recommendations, including:

1. Governments should consider reforms to social security benefits that can positively influence workers’ behavior and attitudes to retirement. Examples include increasing the age at which government benefits begin and providing enhanced benefits for those deferring their entitlements.
2. Governments should identify and remove disincentives in social security and workplace retirement plans to working past a fixed retirement age. Examples include the ability to start receiving retirement benefits while continuing to work.
3. Employers can and should promote an aging-friendly work environment and culture designed such that workers of all ages thrive. Flexible work arrangements and ongoing training help workers maintain a good work-life balance and keep their skills current. Employers should conduct a review to see how changing demographics will affect their workforce and assess the value of retaining older workers as a way of retaining institutional knowledge and address potential labor shortages in the future.

“A clear strategy for promoting the new flexible retirement can benefit workers, employers, and governments in addressing the challenges created by population aging and building retirement systems that are affordable, sustainable, and achievable for all,” concludes Collinson.

Please visit TCRS at www.transamericacenter.org to view the [full survey report](#) and country-specific fact sheets. Follow TCRS on Twitter [@TCRStudies](#).

About the Survey

The **Aegon Retirement Readiness Survey 2015** is a collaboration between the Transamerica Center for Retirement Studies® and the Aegon Center for Longevity and Retirement. The survey encompasses 16,000

employees and retirees and 1,600 homemakers in 15 countries: Australia, Brazil, Canada, China, France, Germany, Hungary, India, Japan, the Netherlands, Poland, Spain, Turkey, the United Kingdom and the United States. These countries were selected on the basis of their distinctive pension systems, as well as their varying demographic and aging trends. Note: The survey results in China, India, and Brazil are biased toward people living in urban areas. In these countries, internet access is underrepresented in rural areas and among lower income groups.

Cicero Group, a leading global research firm, was engaged to conduct the survey. Respondents were interviewed using an online panel survey, and interviews were conducted in their local languages in February 2015. This survey provides a broad perspective on savings and retirement, based on working, fully retired, and homemaker populations. In total, 14,400 employees, 1,600 fully retired people, and 1,600 homemakers were interviewed. The findings reflect both the attitudes and behaviors of these individuals.

About Transamerica Center for Retirement Studies®

The Transamerica Center for Retirement Studies® (TCRS) is a division of the Transamerica Institute®, a nonprofit, private foundation. TCRS is dedicated to conducting research and educating the American public on trends, issues, and opportunities related to saving, planning for, and achieving financial security in retirement. Transamerica Institute® is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties. TCRS and its representatives cannot give ERISA, tax, investment or legal advice. Follow TCRS @TCRStudies. www.transamericacenter.org

About Aegon Center for Longevity and Retirement

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

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