



SOCIETY OF ACTUARIES

Article from:

# Pension Section News

February 2003 – Issue No. 51

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# Retirement Implications of Demographic and Family Change (RIDFC)

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**R**etirement Implications of Demographic and Family Change (RIDFC) was a project designed to respond to our rapidly changing environment (aging, divorce, single vs. two earner families). The project began with a call for papers, which were then presented at a symposium within the SOA's Spring San Francisco Meeting. A monograph of the papers along with an overview and discussant papers can be accessed from the Pension Section Web site at <http://www.soa.org/sections/pension.html>.

Participant feedback from a questionnaire distributed at the symposium has been compiled and summarized. Of particular interest are the suggestions for further research and follow-up. Three Retirement Systems Practice Area Committees—the Committee on Social Security-Retirement and Disability Income, the Committee on Retirement Systems Research and the Committee on Retirement Systems Professional Education & Development—are considering the comments for potential future research and continuing education presentations.

Excerpts from the RIDFC participant feedback are presented here. If you would be interested in pursuing any of the research or presentation ideas, please contact the chair of one of the above committees or Karen Gentilcore at [kgentilcore@soa.org](mailto:kgentilcore@soa.org).

## **Question: What would you identify as the most important topics for further research?**

### **Summary of Responses**

Phased retirement was mentioned more than twice as often as any other topic. Decisions about retirement timing, whether employers would rehire old workers, the concept of not retiring at all and how to annuitize retirement savings and how these impact a redesign or

elimination of social security or a national health program were mentioned in reference to the topic of phased retirement.

Additional work on projecting retirement income was suggested along with including realistic demographic changes. We should seek better modeling and predictions of future birth rates and productivity. The economic implications of an aging population along with funding sources and plan options were suggested for further study. It was recommended to conduct a stochastic analysis of retirement income and wealth distributions by gender and by race under various proposals for privatization of social security.

It was also suggested that we study the impact of future productivity on the economy as longevity increases. What is the ability of our economy to sustain productivity growth? How does that affect the ability of the post baby boom generation to produce the goods and services to meet the needs of the population?

Also mentioned was nationalized provision of benefits. A couple of respondents remarked about assigning benefits for unpaid labor (i.e., child care, elder care) and others on the impact of social inequities (i.e., gender wage gap, lack of universal health care, impact of divorce on women's benefits). Other suggestions related to aging and policy-driven changes, in particular: the impact of including flex workers (part time, flex schedules) in benefit packages, and the considerations surrounding retirement and the transfer of wealth.

Several respondents indicated that there is a need to better educate individuals so they can prepare for their future financial needs. They need to plan for their own retirement, taking into account all possible income sources. This is related to the switch from DB to DC plans.

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Additional research ideas included: studies of effects of various plan designs on the life choices of the study group; employers' attitudes (especially smaller employers); studies on eliminating social security for those currently under 40; tie retirement/social security research to health/medicaid research; market implications of asset transfer from retired to active; the relationship of the world economic situation to capital markets.

**Question: What other follow-up work would you like to see done?**

**Summary of Responses**

Several suggested another call for papers and/or follow-up symposiums, along with getting information out to the general public. One suggested distributing "sound bites" to the media and having broader discussions on TV and radio.

Two people indicated that developing databases would be helpful. Also suggested for study were techniques for greater cooperation with government. Introduction of proposed legislation in areas of ERISA, the tax code and social security to provide flexibility with regard to timing and equity of social security benefits of dual income couples. Follow up on the SOA and AAA responses to IRS Notice 2002-43 was recommended.

**Question: How will this information be the most useful for you?**

**Summary of Responses**

It was noted that the concepts were directly applicable to consulting work. In particular, designing new retirement plans (DB and DC), designs to fill in the gaps and designs that reward career employment while meeting the needs of all workers. Some also indicated it would help them better communicate with their employees.

**Question: What was the best thing about RIDFC?**

**Summary of Responses**

Overwhelmingly, the participants indicated the variety of topics and the representation of non-actuarial fields provided a breadth of issues and perspectives that they felt was valuable. They liked having the diversity of perspectives, providing broad thinking from a wide range of specialties.

They liked the format and indicated it covered some very timely issues. There were suggestions to conduct more symposia like this one. ❧

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