

2015 Global Retirement Savings Summit

Japanese and International Experiences

About the summit

Economic conditions and demographic changes are straining government pay-as-you-go retirement systems worldwide, which is leading countries to reform their pension systems. This is particularly true in Japan, where a rapidly ageing population and uneven economic growth have spurred the government to initiate a series of reforms, most recently to its defined contribution (DC) system.

Given these developments, Tokyo was the ideal place for ICI Global to host its Global Retirement Savings Summit: Japanese and International Experiences, which took place on 23 April 2015 and examined Japanese, US, and UK experiences with retirement reforms. The summit continued a discussion that ICI Global has pursued through its Global Retirement Savings Conferences in Hong Kong (2013), Geneva (2014), and Paris (2015).

To document the findings from the Tokyo summit, ICI Global published a post-conference report, *Insights from the Global Retirement Savings Summit: Japanese and International Experiences*.

About the post-conference publication

Featuring edited transcripts of the summit's presentations and panels, *Insights from the Global Retirement Savings Summit: Japanese and International Experiences* offers information about a variety of issues, including:

- » Japan's economy and asset management sector
- » Japanese, UK, and US pension systems
- » DC reforms in Japan
- » UK and US experiences with automatic enrolment and target date funds
- » Financial education and behavioural economics

The first two sections of the report cover a presentation by ICI President and CEO Paul Schott Stevens and a keynote speech by Naoyuki Yoshino, dean of the Asian Development Bank Institute and professor emeritus at Keio University, Japan.

In his opening presentation, Stevens discussed the DC system in the United States and the role that investment funds have played in the system's success. Yoshino's keynote address offered an overview of Japan's economy, savings culture, and asset management industry.

The next section of the report documents the summit's first panel, during which Japanese, UK, and US panellists spoke about each country's approach to designing and reforming their pension systems. For example, during the session, the panellists examined how the United States and United Kingdom have used automatic enrolment in different ways to successfully increase participation.

The panellists also explored the different emphases that their three countries have placed on behavioural economics and financial education to increase engagement: though all three are expanding financial education, the United Kingdom and United States have relied on behavioural economics as well.

The last section of the report covers the summit's second panel, which focused on appropriate asset allocation strategies for long-term savings. In Japan, 60 percent of household assets are allocated to bank deposits, and during the session, the panellists discussed Japanese savers' desire and need to have more diversified portfolios. The panellists also examined UK and US experiences with placing retirement savers into investment funds that adjust a participant's equity and fixed-income allocations based on the saver's age.

In each of these instances, and others, the differing experiences of these three countries offer fascinating insights, which the post-conference report examines in detail.

To read the full publication, visit www.iciglobal.org/retirementpublications.

About ICI Global

The international arm of the Investment Company Institute, ICI Global serves a fund membership that includes regulated funds publicly offered to investors in jurisdictions worldwide, with combined assets of US\$19.0 trillion. ICI Global seeks to advance the common interests and promote public understanding of regulated investment funds, their managers, and investors. Its policy agenda focuses on issues of significance to funds in the areas of financial stability, cross-border regulation, market structure, and pension provision. ICI Global has offices in London, Hong Kong, and Washington, DC.

To learn more

Visit www.iciglobal.org/grsc to access all the materials from the 2015 Global Retirement Savings Summit, including panellists' slides, speaker biographies, and video testimonials.

Contact Anna Driggs, associate chief counsel, retirement policy, at anna.driggs@iciglobal.org with questions about *Insights from the Global Retirement Savings Summit: Japanese and International Experiences* or about global long-term savings and retirement.



110 Bishopsgate, 19th Floor
Suites 19-06 and 19-07
London, EC2N 4AY
United Kingdom
+44 (0) 207 961 0830
www.iciglobal.org

Suite 715-717, Level 7
Two Exchange Square
8 Connaught Place
Central, Hong Kong
+852 2168 0882

1401 H Street, NW
Suite 1200
Washington, DC 20005
United States
+001 202 326 5800
www.ici.org