

Reinventing Retirement Asia:

Employment and Active Engagement Beyond 50

January 8-9, 2009 | Singapore



REINVENTING RETIREMENT

AARP[®]



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EXECUTIVE SUMMARY

Promoting employment and engagement among older adults and developing new strategies to ensure adequate retirement income are critical strategies for the 21st century. The number of people worldwide age 60 and older is expected to triple by 2050, according to projections by the United Nations Population Division. This demographic shift will provide vast opportunities to capitalize on the talents and skills of older persons, but also create challenges in maintaining financial security for populations.

While population aging is a nearly universal phenomenon, countries are at varying stages in the process. Japan already has a top-heavy population structure and is concerned with providing income security for its older citizens. Singapore, which had a young population only 40 years ago, is fast following Japan's population pattern. China's population structure resembles a cube, so the goal is to maximize the value of its large, but soon-to-be-shrinking, workforce. In India, which has a young population today, the current challenge is providing enough jobs and housing. Yet, all of these countries must prepare for a growing population of older people who will be experiencing increasing longevity.

Singapore's Prime Minister, Mr. Lee Hsien Loong, addressing the conference during the opening plenary, highlighted the need to embrace an aging population through adjustments in policy and the workplace environment, and a conscious change in social attitudes.

This view is echoed by C3A Chairman, Mr. Gerard Ee, who noted that changing perceptions about retirement, employment, and aging requires a sustained, concerted effort from all stakeholders. Government, business, labor, NGOs, the media, and individuals all have a role to play.

Adding to the complexity is the current global financial crisis, which disproportionately is impacting older adults. As Dr. William Hall, a member of the AARP Board of Directors, explained, competition for jobs and resources is intensifying at a time when many older adults have lost significant portions of their retirement assets.

If there is a silver lining, it's that the current situation is driving countries to rethink outdated retirement systems, Dr. Hall noted in his opening

On January 8-9, 2009, AARP and Council for Third Age (C3A) gathered more than 400 opinion leaders from 16 countries for the Reinventing Retirement Asia conference in Singapore. Experts explored approaches to reengineering the workplace, re-careering older workers, recasting public perceptions of aging, and restructuring the regulatory environment for employment of older persons, pension plans and social insurance schemes.

remarks. Among highlighted best policies in this area is a feature of Singapore's mandatory savings scheme that provided stability to its population despite the downturn. The scheme requires contributions be invested chiefly in government-backed securities with guaranteed returns. In addition, the country has recently introduced the National LIFElong Income Scheme, which requires partial annuitization of pension schemes to ensure that people do not outlive their savings.

Ultimately, each country must come to its own solutions steeped in its culture, demographics and stage of development. However, even amidst this diversity, a number of common themes emerge:

- The artificial silos of "work" and "retirement" must be broken down. Many people will live an additional 30 years after they reach traditional retirement age. One emerging trend is the notion of an "encore career" that balances income with social impact. India's Dignity Foundation, for example, has created an online portal to link older adults with paid work opportunities, as well as volunteer positions at NGOs. It also provides training in computer skills and interview etiquette. Similar initiatives are taking place in other countries.
- Financial literacy and automatic pension features are becoming increasingly important as the responsibility for retirement planning shifts toward the individual. Studies show that most working adults are unaware of the opportunities and risks involved in investing and saving for their later years. Efforts like Singapore's national MoneySENSE program, which emphasizes life-long financial education through interactive tools, can empower individuals. However, sound financial education

EXECUTIVE SUMMARY

is not the panacea and should be combined with other measures to ensure adequate incomes in retirement. Examples include adequate disclosures, restrictions on pension withdrawals, and automatic mechanisms in defined-contribution plans.

- Extending working lives will play an important role in strengthening older adults' income security. Providing opportunities for prolonged working lives can alleviate labor shortages, help stabilize finances of social insurance systems, and bolster personal retirement savings. In some countries, the solution may be to raise formal retirement or pension-eligibility ages. For others, it may be a matter of creating better economic incentives for both individuals and employers to save. Singapore, for example, has a formal retirement age of 62, but employers are now required to offer re-employment for up to an additional three years. The country also recently introduced an earned-income credit that is weighted in favor of older workers.
- Human resources strategies like flexible work arrangements, career development and health promotion can help workers remain productive longer. AARP recently recognized 10 companies internationally that have implemented age-friendly policies, including two Singaporean firms, Singapore Health Services Pte. Ltd. and Alexandra Hospital. For example, Singapore Health Services Pte. Ltd. employs a "Silver Connection Consultant" who offers guidance on career transitions and management of older workers.
- Life-long learning and training are essential as work lives are extended. Unfortunately, older workers have fewer opportunities for continuing education because of overt and subtle discrimination. The United Kingdom has explored portable life-long learning schemes that are jointly funded by government, employers and employees. In the United States, older adults are turning increasingly to community colleges because of their affordability and flexible schedules.
- Workplace design can help create productive and comfortable work environments for older adults. Some companies are investing in automation to alleviate job-related physical demands. Research also suggests that the right lighting, acoustics, ergonomics and individualized work spaces can help maximize older workers' productivity.

- Ageist attitudes are a barrier to continued work and engagement, and all stakeholders must confront them. Governments and businesses can pass policies barring age discrimination and be proactive in ensuring training opportunities are evenly distributed. They can also join NGOs in public relations campaigns that show realistic and more positive images of older adults. The media has a responsibility, as well, not to further negative stereotypes.
- Policies aimed at helping older adults must be viewed through a broader lens. For example, in countries with high unemployment, extending the retirement age could heighten intergenerational tensions. Finding the right balance may require difficult trade-offs. At the same time, opportunities exist for intergenerational cooperation in childcare, education, environmental protection, and community organization.

Asia is at the forefront of a worldwide demographic transition. The extent to which countries can tap into older adults' potential as they age demographically will have a dramatic impact on their economic competitiveness and on the life-long quality of life of their individual citizens.

Welcome Remarks

WELCOME REMARKS

Mr. Andrew Thomas

Managing Director, Singapore Office, Ogilvy Public Relations Worldwide

In recent years, both public and private sectors have realized there are significant implications associated with people living longer, opened Andrew Thomas. According to the United Nations Population Division, the number of people worldwide age 60+ is expected to triple by 2050. Those same forecasts predict that Singapore will have the fourth oldest population in the world with a median age of 54 (after Macau, Japan, and South Korea). “All of this is going to have implications, not only for individuals, but for businesses and government,” Mr. Thomas said.

Mr. Gerard Ee

Chairman, Council for Third Age, Singapore

Over the span of one lifetime, Singapore will go from having a relatively young population to a very old one, opened Gerard Ee, as he welcomed participants to the conference. In 1970, 1 in 30 Singapore residents was 65 or older. By 2030, the proportion will grow to 1 in 5.

In early 2007, Singapore established the Ministerial Committee on Aging to spearhead a comprehensive government response to the opportunities and challenges of its aging population. Chaired by Minister Lim Boon Heng, one of the committee’s key focus areas was to promote active lifestyles and the well-being of seniors. As part of this focus, Council for Third Age was formed in May 2007.

During its first 18 months, the council has embarked on projects to help create an active aging culture in Singapore. Examples include the annual Active Aging Festival, The 50+ Singapore Expo 2009, and the Reinventing Retirement Asia conference (cosponsored by AARP).

Throughout these activities, the co-sponsored council has taken a two-

Gerard Ee,
Chairman of the Council
for Third Age, welcomes
the delegates.



pronged approach—it seeks to reach out to the public and market a positive attitude toward aging and also to work with organizations in the public, private and people sectors to develop products and services that give seniors the means and avenues to embrace active aging. “It’s one thing to convince seniors to keep working for their material, social and mental benefits,” Mr. Ee said. “But if employers are not willing to retain or rehire mature workers, we will only end up with frustrated seniors.”

Negative stereotypes about seniors are one of the chief issues behind age discrimination in the workplace, he said. Seniors are deemed to be slow, weak and unwilling or unable to learn. These perceptions are widespread and often go unchallenged, preventing employers from seeing the true worth of the mature worker. “Overcoming aging perceptions requires us to sort out the truth from myths perpetuated by misunderstanding and the generation gap,” Mr. Ee said.

Mr. Ee acknowledged that many workers do find certain jobs more challenging with age—such as those requiring heavy manual labor or frequent travel. However, if employers are willing to invest the resources to make changes in work processes and human resource practices, they can enable seniors to continue contributing.

Some organizations have already realized that letting older workers go is short-sighted. These workers’ experience, job skills and industry knowledge are assets that younger workers do not possess. Singapore Health Services Pte. Ltd. and Alexandra Hospital, both winners of the 2008 AARP International Innovative Employers Awards, have implemented comprehensive programs to retain and engage senior workers.

Mr. Ee suggested the realities of population aging may, over time, compel policymakers and decision makers to change the way employers manage and compensate mature workers. He praised Singapore’s model of tripartite cooperation and negotiation among government, unions and employers in labor and social policymaking, noting, “Changing perceptions of retirement, employment and aging will require a sustained, concerted effort from all players.”

KEYNOTE ADDRESS BY GUEST-OF-HONOR

Prime Minister Lee spoke of the need to value and encourage older workers in Singapore.



Mr. Lee Hsien Loong
Prime Minister of Singapore

Population aging affects all developed societies, opened Prime Minister Lee. “Demographic trends will require us to make adjustments both as individuals and as a society,” he said. Individuals will need to recalibrate the balance of

work and retirement. Societies must work out new family, workplace and community arrangements that are economically and socially sustainable.

“The best way for people to adjust to a longer life span is to continue working for as long as they can and stay active after formal retirement,” Prime Minister Lee emphasized. All stakeholders have a role to play in achieving this aim.

Businesses can modify job specifications and redesign work for their older employees. Singapore’s Workforce Development Agency (WDA) has created the ADVANTAGE! program to help fund such changes. For example, the National University Hospital used this grant to install an automated trolley system in its pharmaceutical department. This change eliminated a physically demanding task for older storekeepers—and increased productivity.

On the employee side, Prime Minister Lee stressed that workers must be prepared to work longer. Surveys indicate that older Singaporeans generally agree with this sentiment. However, that may also mean adjusting to different responsibilities and possibly lighter work with less pay.

Prime Minister Lee also emphasized that simply raising the retirement age is not a panacea. Singapore’s official retirement age is 62, but only 6 in 10 men are still working by that age. Women tend to drop out even earlier because of family responsibilities.

Singapore is trying to address this challenge through an approach modeled after Japan’s efforts. Rather than delaying the retirement age, it now



Prime Minister Lee poses with Council for Third Age staff.

requires employers to offer re-employment to workers at 62 for another three years until 65. However, the position does not have to be in the same job or at the same pay.

This legislative change will be supported by other measures, he noted. Singapore’s tripartite partners (government, business, and unions) have collectively released an advisory to help employers understand and prepare for re-employment. In addition, workers beyond age 50 will pay lower Central Provident Fund (CPF) contribution rates to lighten the cost of employing them and mitigate the effect of seniority-based wages. Singapore’s Workfare Income Supplement – in effect a negative income tax, is also weighted in favor of older workers.

Efforts are also under way to encourage older women to return to the workforce. Singapore’s Tripartite Workgroup on Enhancing Employment Choices for Women, which was formed last year, has successfully matched over 2,000 women with jobs in administration, childcare, security, retail, and hospitality industries.

KEYNOTE ADDRESS BY GUEST-OF-HONOR

Prime Minister Lee noted Singapore's efforts have resulted in a steady rise in the employment rate of workers aged 55 to 64. Although the economic downturn will make progress more challenging, Singapore still aims to increase the rate from 57 percent in 2008 to 65 percent by 2012.

Older adults are also being encouraged to contribute to society through community organizations and senior citizens groups in their housing estates. Singapore is currently piloting a Wellness Program that supports active lifestyles and health management. In addition, Singapore is working to make the physical layout of its housing estates barrier-free. One program is the Lift Upgrading Programme, which will install new lifts which stop on every floor. Another is adding fitness equipment to playgrounds, so older people can work out while socializing with friends. Singapore's train system is wheelchair accessible, and its bus system will soon be as well.

Turning to financial security, Prime Minister Lee stressed the importance of personal responsibility. "Our system encourages self-reliance, with the government playing an enabling role to help each person build up his individual assets and savings through home ownership and the Central Provident Fund (CPF)," he said. Singapore's public housing and home ownership policies have enabled 95 percent of Singaporeans to own homes. Those who need money can sell or rent their homes and either move in with children or switch to smaller apartments on shorter leases. Singapore also introduced a lease buy-back scheme for smaller flats to provide an additional financing source.

Under the CPF scheme, CPF savings are wholly invested in Special Singapore Government Securities (SSGS), which are risk-free and provide a steady return. In boom times, there were often complaints that this approach yields only modest returns. But in the current unstable financial markets, many are relieved that the government has been prudent, Prime Minister Lee noted. Singapore is currently adding an annuity to the CPF scheme, which will provide a lifelong stream of income starting at 65.

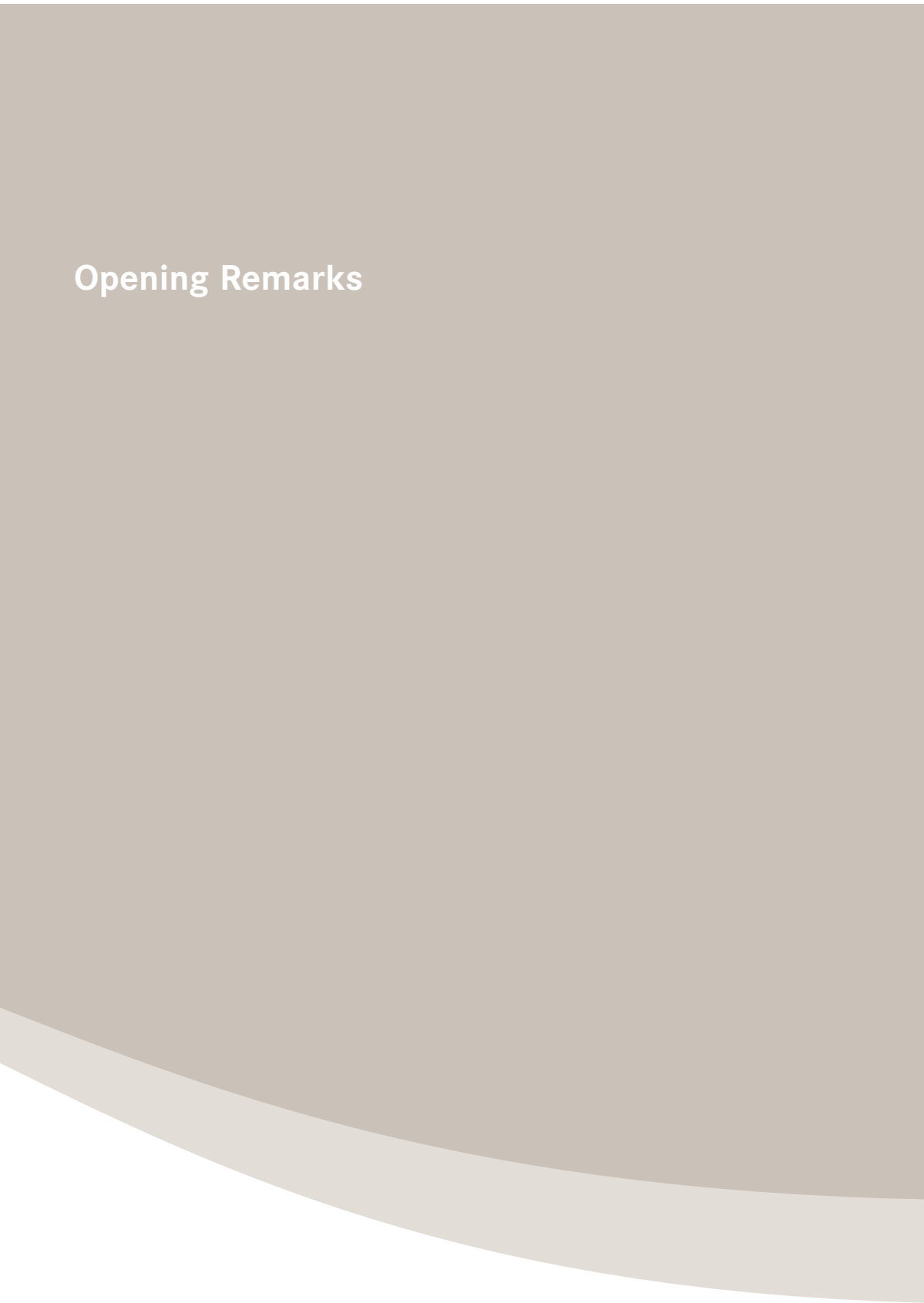
In closing, Prime Minister Lee emphasized that, in Asian societies, family remains the first line of care and support for seniors. But, beyond the family, there must be a system where community and voluntary organi-

zations help support the more vulnerable seniors. As the population ages, there will be a need for more medical and long-term care, he continued.

However, a free health care system is not the answer, he continued. Experience in many countries has shown that, in practice, "free" health care leads to uncontrollable and unsustainable demand for health care services. "We have aimed for a combination of personal responsibility, with community and state support, in order to avoid the problems of inadequate coverage, over-consumption and long waiting lists," he said.

Population aging brings complex and multi-faceted challenges, but living longer is not a bad thing, Prime Minister Lee closed. At work, older workers bring experience, stability and quiet deliberation to their workplaces. Within the family, older members are a valuable source for advice and help to bring up children.

There is also potential for a "silver industry" to emerge to service demand from the new demographic. "If we prepare our society to make the necessary adjustments, update our policies, and improve our infrastructure, we can ensure that older citizens continue to lead full and happy lives," he said.



OPENING REMARKS

Dr. William Hall, AARP, challenges the conference to look for “silver linings.”



Dr. William (Bill) Hall
Member, Board of Directors,
AARP, USA

For more than 50 years, AARP has served as the primary source of information and action on issues affecting aging populations, opened Dr. William Hall. AARP’s International Affairs office furthers

this work by catalyzing policy discussions around the world, disseminating research, and strengthening the network of people who believe that everyone should be able to age with dignity and purpose.

In 2006, AARP established the AARP Global Network, a membership-based association of organizations serving 50+ populations, Dr. Hall explained. Presently, there are affiliates in the United States, Denmark, Canada, Italy, India and, most recently, the Netherlands.

Reflecting on the global financial crisis and the election of President Barack Obama, Dr. Hall observed that these are extraordinary times. “The question is whether we see storm clouds, silver linings—or both,” he said.

Dr. Hall acknowledged that a major recession is under way in the United States, Japan and Europe. Global job losses are projected to be about 20 million by the end of 2009, and global trade is expected to decline for only the third time in the last 26 years.

Dr. Hall cautioned that the economic crisis will likely hit older people the hardest. Competition for jobs and resources is intensifying at a time when asset losses are forcing many older Americans to work longer.

In 2008, U.S. workers 55+ experienced a 65 percent increase in unemployment. Nearly a quarter of Americans who filed for bankruptcy last year were 55 years and older. Many 50+ consumers are raiding their retirement accounts just to make ends meet, Dr. Hall observed.

These realities affect Asia as well. Given the relative inflexibility of Asian labor markets, where salary structures are often based on seniority, he worries older workers will be the first to be cut loose. Questions also remain about whether public pension assets will be sufficient throughout the crisis to meet retirement needs.

Yet, despite these many challenges, there are also silver linings. Dr. Hall observed that many view the recent U.S. elections as an opportunity to address the long-term viability of Social Security and an expansion of health care coverage.

AARP has supported and welcomed legislative efforts to extend unemployment benefits and financial benefits to older workers. It also supports a moratorium on a stipulation of 401(k) retirement plans that requires 70-year-olds to start taking out a mandated proportion of their savings, which is then immediately taxed.

“We are living in a time of enormous uncertainty,” Dr. Hall said. “So, the answer to the question of whether it’s storm clouds or silver linings is that it’s probably both.”

Dr. Hall pointed to the concept of “a new pragmatism.” It involves avoiding ideologically fixed ideas and learning from the social experimentation taking place around the world. Countries must also recognize that change will not be easily embraced by the public. An exceptional amount of public education will be required, which demands synergy among stakeholders.

Dr. Hall pointed to active aging as an example of the new pragmatism’s potential. Unions, NGOs, businesses and government are increasingly supporting flexible work arrangements, raising or eliminating the retirement age, and other measures, resulting in greater productivity from an expanded workforce, independence for older citizens, and a more positive perception of older people.

A second example lies in efforts to combat age discrimination, Dr. Hall explained. While some regions have enacted laws that prohibit age discrimination, these measures are not a panacea. It is critical to raise

OPENING REMARKS

awareness about what older adults can bring to the table. And as employers begin to come around, public attitudes will follow.

Another opportunity for the new pragmatism is life-long learning, he noted. Many countries are supporting programs to upgrade older workers' skills, and model employers are doing the same. "Studies show that older workers tend to stay with employers longer than younger workers," he said. "Given this and the looming talent shortages, it no longer makes sense to only upgrade the skills of younger workers."

Finally, Dr. Hall spoke about the importance of bolstering financial literacy. This is particularly important as the responsibility for retirement planning shifts increasingly toward the individual. "Financial literacy should be seen as a life-long educational priority—not a crash course the day you decide to retire," he urged.

Consumers have to take financial responsibility seriously, and financial advisors must make available clear, transparent information, Dr. Hall added. Policy-makers must ensure vigorous oversight, while the nonprofit sector should offer programs that promote sound financial behaviors. Government can also do its part to incorporate literacy principles and best practices.



Koh Yamada from Japan's Ministry of Health, Labour and Welfare, **Gary Moulton** from Microsoft Corporation, and **Jeremy Myerson** from the Helen Hamlyn Research Centre listen to opening presentations.

Opening Plenary:
Four Pillars of Economic Security

FOUR PILLARS OF ECONOMIC SECURITY

Adele Hayutin,
Stanford University,
provided an overview of
Asia's demographics of
aging.



Moderator: Dr. Adele Hayutin
*Director, Global Aging
Programme, Stanford Center
on Longevity, USA*

“The increase in life expectancy over the past century is a remarkable success story,” Dr. Adele Hayutin opened. “But that success story would be even better if we had policies,

social infrastructure and long-term strategies that fit the new reality of our aging population.”

The population shifts have tremendous consequences that affect all aspects of our lives, she continued. Not just individual choices, but national and international priorities as well. New strategies and policies will be needed to accommodate changing needs and resources.

While population aging isn't new, there are some dramatic developments that make the situation urgent. “We have more old people than ever before and a higher share of older people,” she said. “And many countries already face shrinking workforces and shrinking populations. What makes the situation urgent is that the impacts are gaining momentum.”

The good news is demography provides a window to the future, she explained. With respect to population aging, four trends are apparent. First, population aging is occurring everywhere—even in the youngest countries. Second, it's a major force with consequences that affect all aspects of life. Third, population aging is happening quickly and the pace is accelerating. And, finally, it is taking place at different rates around the world.

To illustrate this point, Dr. Hayutin reviewed histograms of several Asian countries' population structure. She noted each histogram's shape represents a different reality and, consequently, different priorities, resources and needs. “It is good business practice to understand these demographic shifts and pay attention to what's driving them.”

China's population structure looks like a cube, so the goal is to maximize

the value of its large but soon-to-be-shrinking workforce. Japan already has a top-heavy population structure, so its primary concern is providing financial security for an aging population.

In Asia, Japan is the first country facing the age wave, followed by South Korea and China, and then India and Pakistan. “If you only look five to 10 years ahead, you miss out on the action in many of these countries,” Dr. Hayutin cautioned. “This is why it's so important to have a global perspective and a long-term perspective.”

“As population histograms shift, the number of workers per retiree declines,” she explained. “It's declining at different rates depending on a country's fertility and longevity, but it's falling everywhere and it's falling quickly. This places enormous stress on both public and private budgets.”

A second economic challenge relates to the changing size of the working-age population. “If you have a shrinking workforce, this threatens your economic well-being,” Dr. Hayutin said. “One of the challenges will be to increase the productivity of the labor force so that economic well-being can be maintained.”

A third potential change could be in the balance of economic power. “We expect economic power to shift toward emerging economies like China and India,” Dr. Hayutin said. In addition to economic implications, there are security challenges associated with demographic shifts. For example, countries experiencing a youth bulge could face political instability if they are unable to keep up with demand for jobs and infrastructure. Other potential troubles include gender imbalances and rapid urbanization.

Demographic shifts can also present challenges to social well-being, she explained. It's important to take into consideration care for dependents, stress on family structures, and the need to provide more housing and transportation. Additionally, countries must understand the implications of changing expenditure patterns. For example, a young society tends to emphasize education for youth. There is the potential for older societies to move away from that paradigm—even as education grows increasingly important.

FOUR PILLARS OF ECONOMIC SECURITY

In closing, Dr. Hayutin reiterated that new strategies are needed to address population shifts. “Understanding how these shifts will unfold is critical for effective policy-making,” she said. “And given our increasing interdependence, it’s essential that policymakers and stakeholders have a global perspective on these changes and their consequences.”

Vanessa Wang,
Mercer, provided three
scenarios of the future
of retirement in Asia.



Ms. Vanessa Wang
*Head, Retirement Business,
Asia (Ex-Japan), Mercer,
China*

“How can a society finance and deliver retirement income?” asked Vanessa Wang. She shared insights from a new study by the World Economic Forum and Mercer,

titled *The Future of Retirement in a Rapidly Ageing World*.

There are three main characteristics of the aging issue in Asia, Ms. Wang explained. First is the speed of aging, which in some cases has been driven by policies that prohibit more than one child per family. The scale of aging is also significant, as Asia is the world’s most populous region. In 20 years, China will have more than 400 million people over age 65. Lastly, middle classes in Asia are currently growing. But although income is rising quickly, China does not yet have well-developed insurance and investment sectors. Thus, it is difficult to achieve the kind of returns necessary to accumulate enough retirement income.

Ms. Wang suggested two forces will shape the future landscape of retirement in Asia. The first is social attitudes, namely whether retirement financing is considered a collective or an individual responsibility. The second is the amount of economic growth that different countries experience.

Taking into account these forces, the study outlined three possible scenarios.

The first scenario, *The Winners and the Rest*, assumes high economic growth but individual responsibility. “Rapid growth could delay aging concerns and lead to underinvestment in the public sector,” Ms. Wang said. “Some people will have more and save more, but there will also be growing inequality and unrest.”

The second scenario, *We’re in This Together*, assumes moderate economic growth and collective responsibility. “This is an ideal system where leaders reign in inequality and assert collective responsibility for social services,” Ms. Wang said. “Growth is moderate because some of the money is reinvested in social services. However, the lower return is compensated for by finding innovative ways to manage the implications of the demographic shift.”

The final scenario, *You’re on Your Own*, involves low economic growth and individual responsibility. “This is a world where recession is prolonged causing fiscal difficulties for state-funded pensions,” she explained. “Government shifts responsibility almost entirely to companies and individuals, and state-funded pensions and health care are reduced to minimal levels.”

Reflecting on trends, Ms. Wang noted that pension reforms are resulting in reduced government spending. In OECD countries, the average promised pension has been cut by 22 percent.

Ms. Wang also stressed that the way people save money is very cultural. For example, most Chinese put their personal financial assets in deposits that earn only 2 percent. This is problematic in a region where salaries are increasing by double digits every year.

Developed Asian countries are taking a careful look at their current retirement systems. Korea has brought in consultants to examine assets versus liabilities and determine sustainability. Singapore, which has one of the first 401(k)-type systems, is trying to determine benefit adequacy.

The way people spend money in retirement is also a concern. Ms. Wang recounted a study that said many people spend lump sum pension payouts in just three to five years. This concern drove Singapore to introduce an annuity element called CPF LIFE.

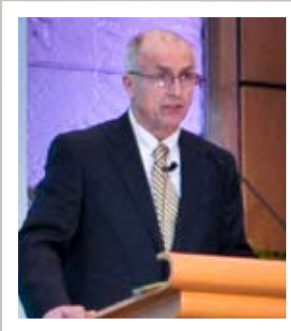
FOUR PILLARS OF ECONOMIC SECURITY

Of course, retirement systems must be tailored to a country's individual situation. For example, India can only afford to cover 20 percent of the population with social security, so its priority is to encourage individual savings.

Since the concept of a pension is relatively new to Asia, many countries are looking abroad for help in designing their systems. But while there are many opportunities, Ms. Wang warns that Western models are not necessarily ideal. "A lot of Western countries have systems that are very risk polarizing—either the employer takes all of the responsibility with a pension or the employee takes it with a 401(k)," she said. "How can we better share risk between the stakeholders?"

In closing, Ms. Wang stressed that financial security is not just about retirement assets. "Companies need to do more to retain workers and their knowledge," she said. "How do we use the wonderful assets of baby boomers to collectively create a better retirement for everyone?"

Greg Boyko of The Hartford stressed the negative impact of the obesity epidemic in retirement savings and planning.



Mr. Gregory Boyko
Chairman, Hartford Life Insurance K.K., Japan

Japan's current life expectancy is 83—one of the highest in the world—and it's expected to increase to 87 by 2050, opened Gregory Boyko. In 40 years, Japan will have 550,000 people over the age of 100. In 2050, Japan's worker-retiree ratio will

be approaching 1 to 1. This is a far cry from the 12 to 1 ratio back in 1950.

According to a recent survey by Hartford, 94 percent of people in Japan were somewhat to extremely concerned about having enough money in retirement. That number was 87 percent in the U.S. and 75 percent in the United Kingdom. "People are starting to really 'get' it now," Mr. Boyko said. "The angst we see in Japan is the tip of the spear. We are going to be seeing it elsewhere in the world, especially with the recent economic difficulties."

There are three reasons why people have been so slow to prepare for their retirement, Mr. Boyko explained. First, many baby boomers still harbor a hope that the government will take care of them. In Japan, the U.S. and the UK, three-quarters of the population expects their public pension will be the main source of their retirement income. But, at the same time, they have serious doubts about their governments' ability to sustain those pension systems.

Second, studies reveal that people don't want to take risks—even when it would be to their benefit long-term. Their fears have been compounded by recent tumultuous stock fluctuations and declines.

Finally, people who try to plan their own retirement often give up when confronted with the complexity of the process. In a recent U.S. survey, only 18 percent of Americans could correctly identify the retirement age at which they would get maximum Social Security benefits. Almost seven in 10 pre-retirees overestimate how much they can draw down from their savings, and 60 percent underestimate their life expectancy, Mr. Boyko noted.

A major factor compounding retirement security concerns is the growing global health risk of obesity, Mr. Boyko suggested. In the United States, three-fifths of adults aged 20 to 74 are now considered overweight or obese. Even in China, where obesity rates are relatively low, densely populated cities are seeing obesity rates approach 30 percent.

It's critical to recognize that the cost of obesity will affect everyone, he continued. Yale University estimates that between 6 percent and 10 percent of U.S. national health care spending is related to obesity.

The silver lining is that all stakeholders can take action to prevent and reduce obesity, Mr. Boyko emphasized. Individuals are being encouraged to adopt healthier habits. Employers can help by offering risk assessments, weight-loss and smoking cessation programs, and reduced medical premiums for those who stay in shape.

Japan recently passed a new law that requires individuals between the ages of 40 and 74 to undergo annual waistline measurements. Municipalities and firms that fail the measurements will face financial penalties for

FOUR PILLARS OF ECONOMIC SECURITY

noncompliance. The goal is to shrink the overweight population in Japan by 25 percent by 2015.

In closing, Mr. Boyko offered a framework for addressing the new retirement challenges. Regarding financial literacy, companies can provide consumers with retirement planning advice and help policymakers set standards for solutions. To encourage people to stay in the workforce, it is important to better understand how people make decisions about retirement.

DISCUSSION

The discussion began with a question for Mr. Boyko about what governments and companies should be doing to promote financial literacy. He responded that, first and foremost, financial education should be introduced in the schools—as opposed to beginning at age 40. However, channels for reaching adults include banks, securities firms, financial advisors, to name a few.

Ms. Wang was asked to comment on what countries are doing to boost financial literacy. She noted the Chinese government has hired consulting firms to train government employees in the best way to teach citizens. Similarly, employers are asking consulting firms to provide worksite education and develop consumer education and protection materials.

The discussion then turned to how to define the four pillars of economic security. Ms. Wang characterized the four pillars as government, employers, individuals and families. When asked which pillar is most important to increasing retirement security, she noted that, although government spending is increasing overall, the benefits for individuals are declining. Because of this trend, it's more important than ever for individuals to have private pension plans.

Ms. Wang also was asked to offer insight on the optimal balance of GDP spending in terms of retirement versus health care. She responded that the right approach depends on each country's unique situation. India, for example, is looking for best practices in individual retirement savings plans, because its government lacks the money to fund a central scheme.

China also faces an under-funded social security scheme, but a partial solution is to impose a 10 percent payroll tax paid by companies to accelerate its funding.

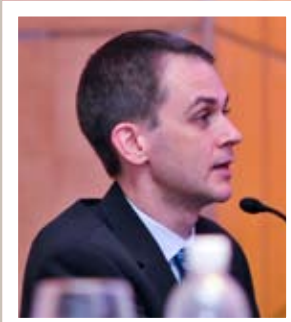
Dr. Hayutin asked Mr. Boyko to comment on lessons from Japan that can be applied in other parts of Asia. Mr. Boyko praised Japan for its recent focus on financial literacy, though he noted it would have been better to start 20 years earlier. He also worried that Japanese are reluctant to assume an appropriate amount of investment risk, which will impact their gains in the long-term.

The discussion concluded with a question for Mr. Boyko about how to protect retirement funds from financial crises. Mr. Boyko noted that there are products, like a variable annuity, that often have principal guarantees. He also added that teaching people to save is only part of the solution. People also need to be encouraged to diversify their investment and be financially literate and responsible.

Panel 1:
Financial Education and Literacy

FINANCIAL EDUCATION AND LITERACY

Michael Herndon of AARP noted the growing importance of financial literacy.



Moderator:
Mr. Michael Herndon
Manager, Financial Security Institutional Outreach, AARP, USA

Financial literacy is growing increasingly important as responsibility for retirement planning shifts more toward the individual, explained Michael Herndon. Moreover,

a higher degree of financial literacy is necessary to navigate the growing array of complex financial products on the market.

Study after study shows that people need to improve financial literacy to make the decisions that are being asked of them. Compounding this problem is the issue of fraud, since older adults are often a target of con artists and fraudsters. To address these issues, governments, NGOs, employers and institutions are promoting financial literacy. Programs are already in place in Singapore, Malaysia, the Philippines, the U.S. and throughout Europe.

Mr. Herndon noted that AARP is very engaged on financial literacy issues. The organization provides print and web materials to help its members, and Americans in general prepare for retirement. Another example is the “Retirement Made Simpler” campaign, for which AARP is providing materials to employers to help them automate participation in their defined-contribution plans. When employees have to opt-out versus opt-in, participation rates increase dramatically, Mr. Herndon explained. This leads to more asset accumulation for retirement.

Dr. Flore-Anne Messy
Administrator, Directorate for Financial and Enterprise Affairs, OECD, France

In 2003, the OECD launched a comprehensive project on financial education, explained Dr. Flore-Anne Messy. It recognized countries need to help households make better financial decisions, and also to address the power imbalance between financial markets and households.

One impetus for the project was the increasing risk that households face in retirement planning.

The OECD’s other key concern was the growing complexity of financial markets and providers.

Dr. Messy noted that the combination of these factors has contributed to a massive rise in consumer debt and a lack of preparedness for retirement. Other problems include misrepresentation of products, inadequate coverage, and higher administrative costs for disadvantaged groups.

To lay the groundwork for improving financial literacy, the OECD in 2005 published *Improving Financial Literacy: Analysis of Issues and Policies*, to assess the financial literacy landscape in OECD countries. OECD members also endorsed a set of principles and good practices for financial education and awareness. With respect to program design, Dr. Messy stressed, “Financial education is not a substitute for regulation.” Programs must be adapted to national circumstances and gaps in the market.

The government’s role is to serve as a facilitator and to set specific requirements for financial institutions. Other stakeholders like NGOs can be valuable partners. Financial education should begin in school and

Flore-Anne Messy of the OECD, “Financial education is not a replacement for regulation.”



FINANCIAL EDUCATION AND LITERACY

continue throughout life, Dr. Messy emphasized. She encouraged countries to use simple messages, work through a variety of channels, and train “teachers” who can spread the word.

Since the 2005 study, the OECD has also developed recommendations specific to pension education. “There is a role for government to explain the interaction between public and private sources of retirement income,” Dr. Messy noted. “Government also needs to ensure the provision of simple, practical information.” She pointed to the need for national campaigns and the introduction of financial literacy into school curricula.

Despite the importance of financial education, there are limits to what it can achieve. Dr. Messy touted the importance of complimentary strategies like proper disclosure, limited choice, and automatic enrollment and default investment options.

In closing, she noted that the OECD project has created a global clearinghouse on financial education as well as an international network. The project plans to develop methodologies to assess the effectiveness of financial education programs and the financial literacy of populations. Other priorities include financial education in schools, the role of financial intermediaries, and financial education of minorities. “A lot has been done, but much work remains,” Dr. Messy closed. “It will be an ongoing and long-term process that will involve both a top-down and bottom-up approach.”

Shane Tregillis of the Monetary Authority of Singapore highlighted the MoneySENSE financial education program.



Mr. Shane Tregillis
Deputy Managing Director, Market Conduct Group, Monetary Authority of Singapore, Singapore

The Monetary Authority of Singapore (MAS) believes all stakeholders have a role in the financial education of Singaporeans, explained

Shane Tregillis. Government and industry must work together to provide resources; industry and community organizations can provide platforms to disseminate information; and, ultimately, individuals must take advantage of opportunities to become financially literate. “A philosophy of collective responsibility, that partnership approach, is fundamental to what we have been trying to do,” he said.

Mr. Tregillis described MoneySENSE, Singapore’s national program for financial education, as a three-tiered approach to financial literacy. Tier 1 is basic money management, which includes budgeting, saving and responsible uses of credit. Tier 2 focuses on financial planning and making longer-term decisions. Tier 3 concentrates on investment know-how and products. He stressed that MoneySENSE steers clear of endorsing or promoting specific products or institutions. The program is focused on educating all age groups, from school-aged children to seniors.

Interactive activities engage people and help them pay attention, regardless of their age group. Mr. Tregillis recounted watching individuals play the Moneywise board game. “You could see people were having a lot of fun and interacting, but they were actually talking about some difficult topics,” he said.

In addition to seniors and young people, Mr. Tregillis explained that it was just as important to reach out to the broader working population. In October 2008, MoneySENSE initiated a partnership with CPF and the National Trades Union Congress (NTUC) to bring financial education programs to NTUC members and workers over the next two years. The aim is to equip workers with the basic skills and knowledge they need to manage their finances. Since 2006, similar MoneySENSE workplace workshops have reached 45,000 workers in Singapore.

FINANCIAL EDUCATION AND LITERACY

Mukul Asher urged greater education by governments managing retirement savings.



Prof. Mukul G. Asher
Professor, Lee Kuan Yew School of Public Policy, National University of Singapore, Singapore

Provident funds (mandatory savings schemes) require a greater degree of financial education and literacy on the part of stakeholders than social insurance systems,

according to Prof. Mukul G. Asher. The growing complexity of financial products, coupled with the erosion of trust in the public and private financial sectors, makes it difficult to design effective financial education programs.

The fundamental contradiction between globalized finance and domestic financial regulatory systems has created systemic risks, Prof. Asher suggested, referring to the current economic crisis. He believes these risks are beyond the capacity of most individuals to manage. “If we add the insights from behavioral finance, particularly the lack of self control, herd-behavior and inertia, then the importance of embedding financial education and literacy efforts into a larger social and regulatory framework becomes even stronger.”

Prof. Asher feels the lessons of financial education and literacy should be incorporated into the design and governance structures of provident funds. Unfortunately, this is typically not the case for provident funds in Southeast Asia. Instead, many funds permit excessive pre-retirement withdrawals; undertake investments in a non-transparent manner; permit lump-sum withdrawals at retirement; do not recognize the importance of an independent and accountable board of directors; and ineffectively deliver member services. As a result, simply conveying basic financial knowledge to members has only limited results.

“Countries need to undertake financial education and literacy—not just for individuals—but also for businesses, financial sector organizations

and policy-makers,” said Prof. Asher. He noted that the financial literacy of pension fund trustees is relatively limited. Even in many industrialized countries, there are no set rules governing who can serve on the board of a provident fund in the public or private sector.

“Pension economics are subtle, and pension systems must be robust and sustainable over 70 years,” concluded Prof. Asher. “Therefore, the design, administration and governance of provident and pension funds must also incorporate the insights from financial education and literacy campaigns. In their absence, campaigns aimed at individuals alone will only have a limited impact.”

DISCUSSION

The discussion began by exploring the idea of “functional” financial literacy—a level at which individuals know enough to get by. Dr. Messy explained that consumers are not expected to be experts, and intermediaries should be advising them. However, consumers do need to know what types of questions to ask these intermediaries. Mr. Tregillis noted that Singapore is in the process of trying to define competencies for each of the MoneySENSE tiers. Dr. Messy added that the UK is using five criteria to assess whether its population is “financially capable.” The criteria look at behaviors, such as whether individuals are making ends meet each month or saving enough for retirement.

One participant asked how the internet is being used to further financial education. Mr. Herndon explained that, in AARP’s experience, those willing to use the Internet for financial reasons are already fairly financially literate. Thus, for now, AARP is putting more of its efforts toward systematic changes like automatic “opt-in” enrollment. Mr. Tregillis stated it’s important to reach people at points where they’re already interacting with the system.

Panel 2:
**Human Resources Strategies for Engaging
and Retaining Older Workers**

HUMAN RESOURCES STRATEGIES FOR ENGAGING AND RETAINING OLDER WORKERS

Mirko Sporket of the Institute of Gerontology, Germany, said the private sector must retool to let older workers thrive.



Moderator: Mr. Mirko Sporket
Research Manager, Institute of Gerontology, University of Dortmund, Germany

As the working population ages, businesses face a number of challenges and opportunities, explained Mirko Sporket. Companies need to transfer institutional knowledge, manage a diverse work-

force, retain older workers, and keep those workers productive.

At the policy level, prolonging work life can be influenced by pension policy and labor market policy. But these reforms won't be successful unless companies adjust their human resources strategies as well. Businesses must find ways to enhance older workers' employability and help them stay productive. There are a number of measures that contribute to these aims, including targeted recruitment, life-long learning, flexible working practices, career development, health promotion, ergonomics and leadership.

Prof. Tan Ser Kiat

Group Chief Executive Officer, Singapore Health Services Pte. Ltd., Singapore

At Singapore Health Services Pte. Ltd. (SingHealth), one of the winners of AARP's 2008 International Innovative Employer Awards, 20 percent of the company's 15,000-person workforce is aged 50 or above. Of workers who retire at age 62, 78 percent will be re-employed at the organization in either the same or a new role.

"We strongly and sincerely believe that mature workers offer the greatest value to our organization," Prof. Tan Ser Kiat said. "We want to create a win-win situation for the individual worker, for the organization, and for the country as a whole."

From the organization's perspective, Prof. Tan stressed that it takes years to master the competencies needed for many health care professions. In addition, patients often prefer to be treated by more experienced health professionals.

Knowledge management is also very important to SingHealth. "We need older workers, with their vast experience, to transfer that knowledge so it doesn't go to waste," he said. "It's not just about skills, but about core values and ethical practices."

From a macro perspective, workers over 50 will comprise 30 percent of Singapore's workforce in five years. Given the shrinking pool of younger workers, there is a strong incentive to harness the talents of older workers. At SingHealth, more experienced employees are often utilized as mentors and coaches for younger staff.

SingHealth has been widely praised for its "Silver Connection" program, which recruits retirees for meaningful projects and social activities. Another SingHealth initiative is to try to re-employ retirees by harnessing their talents in new ways. For example, the company appointed a renowned retired pediatrician to oversee medical students and facilitate the educational aspects of the organization's work.

SingHealth also supports flexible work arrangements, such as part-time, flex-work and project-based work. "We highly customize employment contracts, so people can balance between family, their social activities and the workplace," Prof. Tan said. The company offers job sharing and telecommuting—a favorite among mature workers.

Many senior nurses and doctors continue to work in the same jobs as before, but also take on additional responsibilities in management, teaching and research. "These types of opportunities stimulate their passion to move forward," Prof. Tan said.

HUMAN RESOURCES STRATEGIES FOR ENGAGING AND RETAINING OLDER WORKERS

Prof. Tan concluded by sharing two examples of employees who have thrived under SingHealth's practices. The first is a 72-year-old radiographer who retired 13 years ago as chief of radiology at Singapore General Hospital. Since that time, he has continued to work as a radiographer and also trains young people in the field.

The other example is a retired nurse, who took on a new role in 2007 helping patients with chronic conditions. SingHealth gave her the opportunity to take a university course in chronic care management and also to upgrade her information technology skills. This preparation, combined with her own initiative and passion, has resulted in dramatically improved quality of life for many of her patients.

Mr. Liak Teng Lit

Chief Executive Officer, Alexandra Hospital, Singapore

In a diverse, fast-paced world, the continuous development of knowledge and skills is critical to success, opened Liak Teng Lit. "It's not a rocket launch, where you get a degree and stay in orbit forever," he said. "Instead, it's more like trying to sustain a flight."

"Individuals need to have a portfolio of multiple passions, talents and usefulness," he continued. "If you can focus on the intersections of these areas, you're going to do well."

Mr. Liak described his own company Alexandra Hospital, another winner of AARP's 2008 International Innovative Employer Award. "It's a challenging environment with hard physical work, but also very intense brain work," he said. Although the health industry is a "caring field," it is also a business, Mr. Liak stressed. As such, Alexandra Hospital has high standards for employees in order to create the best possible experience for patients. Knowledge, skills and attitude are all part of the mix. In addition, Alexandra Hospital requires employees to be fit so they set a good example for patients.

So long as employees meet company standards, age is not a barrier. Mr. Liak stressed the company employs doctors in their 60s and 70s—and an ambulance driver who is 72. As is the tradition in Asia, younger employ-

ees address their elders in a way that demonstrates respect.

To strengthen the qualifications of all workers, Alexandra Hospital offers employees an average of 200 hours of training per year. The company focuses on both "paper qualifications" and practical, hands-on opportunities.

Health promotion is another major company focus. Some of Alexandra Hospital's tactics include signs encouraging employees to take the stairs; price differentiation in the cafeteria based on nutritional value; running clubs for staff; and annual employee fitness tests and check-ups. Alexandra Hospital also offers training for workers approaching retirement that covers health, social engagement, and getting into peak performance.

In addition to its age-friendly policies, Alexandra Health engages in other progressive human resource practices like flexible scheduling and on-site childcare. "We've tried to set the tone from the top that diversity is welcomed—and that includes age," Mr. Liak said.

HUMAN RESOURCES STRATEGIES FOR ENGAGING AND RETAINING OLDER WORKERS

Masaharu Kumashiro noted the need for simple changes in workplace design.



Prof. Masaharu Kumashiro
Professor, University of Occupational and Environment Health, Kitakyushu, Japan

The aging workforce should be approached at four different levels, opened Prof. Masaharu Kumashiro. First, at the individual level, the focus should be on maintaining health. Next, at the workplace level, it's important to support older

employees through job design and special tools and equipment. At the company level, employers should conduct work-ability evaluations and tailor their salary and benefits systems accordingly. Lastly, at the government level, there is a strong need for a standardized employability evaluation system.

Prof. Kumashiro noted two important dimensions of workplace design -- the effect that the job demands will have on the aging worker, and the impact aging will have on the quality and quantity of the person's work. Simple changes like ensuring sufficient lighting, for example, can have a positive impact on both.

It is critical to not only increase work ability for a specific job, but also to expand the range of jobs that can be performed. "When we increase the capacity of work, we increase the employability of the worker both in his current company and the outside labor market," he said.

Prof. Kumashiro described work ability as a pyramid. Health is at the foundation, composed of physical and psychological capacity and social functioning. The next layer represents employee morale, which encompasses work motivation and job attitude. The final layer involves competence for a task—the sum of knowledge, experience and skills.

One of the main tools for evaluating work ability is a seven-item self-assessment known as the Work Ability Index. It ranks workers on areas, such as subjective estimation of present work ability compared with



The audience during one of the workshop sessions.

lifetime best and number of diagnosed diseases, etc. Prof. Kumashiro's research suggests that work ability can be positively influenced by support from supervisors, co-workers, friends and, particularly, by family. On the flip side, there is a strong relationship between stress and decreased work ability.

Beyond work ability, it's useful to understand workers' degree of proficiency at their current jobs. The end goal is to balance the demands of a job with the work ability possessed by workers. "Preventing a mismatch between job demands and work ability is the key to creating a productive aging work society."

At the macro level, employers must be able to estimate what impact declines in health will have on current and future work ability. This will enable them to estimate labor productivity, tailor their wage and benefit systems accordingly, and compile suitable supportive equipment. It will also allow Japan to offer employment opportunities without regard to chronological age.

Panel 3:
**Life-long Learning & Training of Older
Workers**

LIFE-LONG LEARNING & TRAINING OF OLDER WORKERS

This session was moderated by Associate Prof. Paulin Tay Straughan, Vice-Dean of Faculty of Arts and Social Sciences at the National University of Singapore. Prof. Straughan is also a Board Member of Council for Third Age.

Allen Edwards: An increasing share of the 6.6 million Americans in community colleges are 50+.



Dr. Allen Edwards
President, Pellissippi State Technical Community College, USA

As the number of baby boomers who plan to work after retirement increases, so does the need for training and adult learning opportunities, according to Dr. Allen Edwards. “There is no national model for adult learning in the United

States,” he explained. “There are instead about 50 different models—one for each state.” Even within a state, there may be varying models at work.

Dr. Edwards also stressed there is no traditional education pipeline in the United States. Individuals exit and re-enter the education system at various times throughout their lives. Work-related instruction in the United States is provided by many sources, such as business and industry; post-secondary institutions; government agencies; professional and labor organizations; community organizations; and other nonprofit groups.

Dr. Edwards’ expertise lies in community colleges, the approximately 1,200 post-secondary, two-year institutions throughout the U.S. that offer an associate’s degree in either arts or sciences. “We have an open door policy,” Dr. Edwards explained. “If you have a high school diploma you may attend community college.”

This accessibility helps explain why community colleges enroll about 6.6 million students in credit courses and an additional five million in non-credit courses for job training or personal growth. Nearly 60 percent of the registered nurses and most of the engineering technicians in the

U.S. are trained at community colleges. The accessibility of community college also attracts a wide range of students. Overall, 40 percent of community college students are full-time, 60 percent part-time, Dr. Edwards noted.

Dr. Edwards explained, “Initiatives are under way to take what community colleges have always done, which is to provide access to higher education, and repackage those courses and services specifically for older adults.” He highlighted a pilot program from the Community College Association called Fifty Plus, in which select colleges are receiving funding to begin providing services to engage older adults. The goal is to address the kind of needs older adults may have for either personal growth or retraining for the workforce.

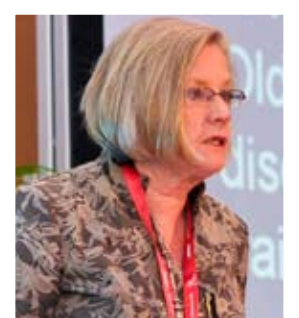
The U.S. community college system was designed to provide access to all Americans, Dr. Edwards concluded. “As Americans have grown older, we are finding that our enrollment ages are getting older as well. We think that is a significant contribution back to the public good.”

Dr. Judy McGregor
Equal Employment Opportunities (EEO) Commissioner, New Zealand Human Rights Commission, New Zealand

There are three main reasons why life-long learning has not been mainstreamed in many countries, explained Dr. Judy McGregor. First, it has not been integral to market policies. Second, employment has never been a priority in most active aging programs. Finally, national governments struggle with who should be responsible for life-long learning.

Dr. McGregor highlighted five things government can do to prioritize life-long learning. These actions include:

Judy McGregor,
New Zealand Equal Opportunities Commissioner, urged all governments to hire more older workers.



LIFE-LONG LEARNING & TRAINING OF OLDER WORKERS

- Leadership
- Legislation to address age discrimination
- Modeling in the public service
- Promotion and social marketing of older workers
- Reform of educational curricula

“Employment has to be elevated as a priority in national approaches to active aging,” Dr. McGregor said. While many countries have focused solely on health and recreational possibilities, Dr. McGregor suggested, “Now is employment’s time.”

She also believes that governments need to ensure that fiscal and social policies are integrated. It is pointless to encourage retirees to continue to work if they are facing financial penalties or social disincentives for doing so.

According to Dr. McGregor, global research shows that older workers feel they are discriminated against in selection for training opportunities. Even in the U.S., which has been progressive about in-job training, there is a 15 percent gap between early-career and late-career opportunities.

Although it’s not a panacea, Dr. McGregor thinks all governments should subscribe to anti-age discrimination legislation. She also suggested that governments seek national targets regarding on-the-job training to rectify disparities. She stressed that government must set the example by making the public service a best practice for life-long learning. “The fact that the public sector is, in many countries, ‘knowledge work’ should suit older workers well.”

Government will need to have a role in funding life-long learning if a program is to be fully realized, stressed Dr. McGregor. Businesses have difficulty visualizing the return on their investment, and individuals are skeptical about putting their own money into late-in-life education. “The deluge of older populations means that governments will have to start funding labor market participation in different ways,” she noted.

“Globally, if we look at employment law frameworks, they are outdated, outmoded and don’t necessarily include the aspirations of older workers,” Dr. McGregor said. Older workers tend to leave jobs or retire if the

work does not fit their lifestyle. Revising current employment law would provide the flexibility that older workers need to accommodate employment into their lives.

Dr. McGregor also urged governments to encourage less conservative modes of teaching and more job-relevant content. Education should be aimed not only at elite employees, but also at average workers. Finally, she said she believes that government encouragement, through promotion and social marketing, is required for a societal commitment to life-long learning.

Mr. Goh Eng Ghee
Deputy Chief Executive, Singapore Workforce Development Agency, Singapore

“Our system must support the life-long training needs of our workers so they can advance careers and skills as they age,” said Mr. Goh Eng Ghee, in describing Singapore’s continuing education and training (CET) systems.

According to Mr. Goh, Singapore established the Workforce Development Agency (WDA) five years ago to enhance the employability and competitiveness of its workers. Three driving forces shaped the need for a robust CET system in Singapore: an aging workforce, a widening income gap, and constant economic restructuring. “These three driving forces mean that educational and economic changes will continue,” Mr. Goh emphasized. “Lifetime employment with a company is a thing of the past, and workers need new skills for emerging industries as the economy moves up the value chain.”

There are three key pillars to the WDA’s continuing education program, according to Mr. Goh. The first is the employability skills systems (ESS), which aims to improve workers’ basic skills such as literacy and nu-

Goh Eng Ghee,
Singapore Workforce Development Agency, said continued training should stress the basics.



LIFE-LONG LEARNING & TRAINING OF OLDER WORKERS

meracy. The second pillar is workforce skills qualifications (WSQ), which strives to equip workers with industry-specific skills. The final pillar is the CET centers themselves, which not only deliver the training, but also help workers find jobs.

Mr. Goh said there are several reasons for the success of Singapore's CET system. For example, there are no education requirements to hinder workers from enrolling in courses. With such open access to training, individuals who may have forgone a formal education earlier in life can now update their skills. Training is also very affordable, thanks to government funding.

According to Mr. Goh, CET centers offer more than just training; they offer integrated value to both the worker and to the industry. Companies can send their employees for training and pay the same subsidized rate offered to individuals. The CET center will work in partnership with employers to train and track the progress of employees. For the workers, the CET center offers guidance and advice on training, career changes and job placement. "Workers can make use of their skills to stay in their job or seize opportunities to better their careers."

DISCUSSION

The discussion began with a question for Mr. Goh about how the WDA's education program is financed. Mr. Goh responded there are two sources of funding that together comprise a budget of S\$200 million per year. The first is the Skills Development Fund, which is financed by money collected from employers. The second is interest earned from the government's life-long learning endowment fund.

Mr. Goh also was asked to elaborate on how workers use the program. Mr. Goh used the example of an older person applying for a job that requires a high level of literacy. He can go to ESS and have his literacy level assessed, and then go onto training if necessary. Mr. Goh estimated that, so far, 80,000 people have been assessed or trained.

The discussion then turned to a new private university in Singapore devoted to adult learning. As one participant explained, UniSiM offers

programs exclusively to learners who are older than 21 and have some working experience. Degrees are offered on a part-time basis, under the assumption that most students will be working during the day. It may take five or six years to complete a degree.

UniSiM is currently targeting a new category of students—those who want to go back simply for the sake of learning. Two years ago, it conceived a General Studies Program aimed at this demographic, and students will soon have an opportunity to construct their own degree. While the program has started slowly, UniSiM believes it will eventually attract older adults.

The discussion then turned to how countries can encourage older adults to return to school. Dr. Edwards noted that the economic downturn is spurring interest in continuing education. "My community lost 2,000 jobs recently, and our enrollment for spring semester increased by 6.5 percent," he said. "That's not an incentive I would wish on anyone, but it certainly is effective."

Another participant noted the way people learn is influenced by their early educational experiences. If they had difficulty in school growing up, it can be hard to convince them of the merits of life-long learning. Dr. Edwards acknowledged this challenge, but noted it reinforces the importance of life-long education. "We all grow and develop at different rates," he said. "Having access to education at different stages is valuable."

The participant from UniSiM felt that e-learning would continue to grow in popularity. However, she also stressed that many older students enjoy the intergenerational component of being in the classroom. Another participant agreed that intergenerational classrooms are important. However, the participant cautioned that many older people cannot afford to go back to school.

Panel 4:
Workplace Design for the Aging Workforce

WORKPLACE DESIGN FOR THE AGING WORKFORCE

The panel was moderated by Dr. Milton Tan, Executive Director of Design Council Singapore.

Jeremy Myerson,
Royal College of Art,
noted that many employers remain ambivalent about their older employees.



Prof. Jeremy Myerson
Co-Director of the Helen Hamlyn Research Centre, Royal College of Art, United Kingdom

With the advent of an aging population, there follows a focus on older people remaining active in the workforce.

According to Prof. Jeremy

Myerson, “Independence for older people—and dignity and self-sufficiency—starts with economic independence and the ability to continue to work.”

The Helen Hamlyn Research Centre was established in 1991 specifically to address the design implications of an aging population. Prof. Myerson stressed, “By 2020, in just over 10 years’ time, one in two working adults in the European Union will be over the age of 50.”

At the same time, the very nature of work is changing. Traditional manufacturing and service industry jobs are giving way to knowledge work. Prof. Myerson noted that many knowledge workers are older workers because they have acquired knowledge and experience over time.

For the past two years, Prof. Myerson and his colleagues have been working on a project called Welcoming Workplace as part of the Designing the 21st Century initiative. In this study, the team interacted with over 80 older knowledge workers from various industries in three industrialized cities. “In a nutshell, we found out that older workers are fit, healthy and motivated,” Prof. Myerson said. “But they do have a number of particular problems and challenges.”

A chief problem among the older workers was difficulty working in an open-plan environment. Many workers felt there was too much emphasis put on collaboration and not enough value placed on uninterrupted,

solitary work. The noise, light levels and cold temperatures of the open-plan environment left the older workers feeling distracted and drained. And, while not afraid to learn new things about technology, the older workers wanted to be taught face-to-face instead of receiving an e-learning package.

Prof. Myerson believes that older workers felt a strong sense of institutional ambivalence. “They felt they were no longer on the radar to advancement in any way, and they were being sidelined by their organizations,” he said.

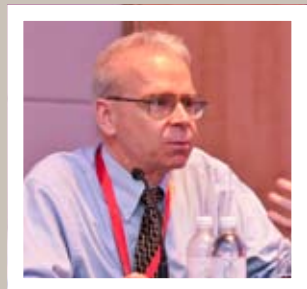
“There needs to be a more integrated management strategy toward recruiting and retaining older workers, and using physical work environments should be part of that strategy,” he explained. The Welcoming Workplace plan includes spaces in which to concentrate, to collaborate and, most critically, to contemplate. “The current way of working in the knowledge economy is outdated,” Prof. Myerson concluded. “If we’re going to have a society in which we are living longer and working longer, our environments have to be flexible and adapt over time. We need different spaces, more spaces and better spaces.”

Mr. Gary Moulton
Product Manager, Accessibility Business Unit, Microsoft Corporation, USA

“There are three things that govern Microsoft’s thinking about information technology and older workers,” noted Gary Moulton. The first is that technology

enables an individual to do things that he or she might not otherwise be physically able to do. The second is that technology can allow older people to learn to do things with a machine that will eventually make them more employable. Third, “If you are more comfortable working from home, or if you have to work from home, technology is going to enable you to do that,” Mr. Moulton said.

Gary Moulton of Microsoft stressed the power of technology in helping older people stay in the workforce.



WORKPLACE DESIGN FOR THE AGING WORKFORCE

According to Mr. Moulton, Microsoft conducted research with working adults aged 18 to 64. Fifty-seven percent said they would like to make their computers easier to see, hear and use. Microsoft knew that many of the desired features already existed in the operating system. The challenge was to help the user take advantage of these features. The solution was to create the ease-of-access center, which is available at the log on screen. This tool puts all of the features that make the computer easier to see, hear and use in one convenient spot.

On the hardware side, Mr. Moulton explained that Microsoft is making great strides with ergonomic keyboards. Many of the newer keyboard designs are wireless, which allows the user complete freedom in positioning the keyboard. Several keyboards have a zoom control in the middle, so the user can increase the size of whatever is on the screen. “Microsoft is looking at ways to improve the computer experience for older adults, especially for their workforce-related needs,” he said.

Mr. Tan Hock Soon

General Secretary of Food, Drinks and Allied Workers Union (FDAWU); and Central Committee Member, National Trades Union Congress, Singapore

Workplace redesign is a key strategy for prolonging employment, explained Tan Hock Soon. “There are great opportunities for employers and unions to come together to make the workplace more age friendly,” he said. “The goal is not only to support older workers, but also to sustain and enhance business productivity.”

Mr. Hock Soon suggested three key tactics for workplace redesign. First, companies can use special equipment to improve the working environment. Second, they can semi-automate or automate processes to reduce the physical demands of a job. Finally, they can use technology to enhance older workers’ competitiveness.

Mr. Hock Soon described how one factory mechanized its stacking process. Originally, workers had to use a mechanical lifter to transfer the finished product to the stacker manually. With the improved process, the finished products are automatically stacked, which saves time and eliminates bending. Workers manage the process via computer.

Another example comes from a Singapore pharmacy. The pharmacy used to use trolleys that were heavy and slow—and had to be pushed manually by storekeepers. However, new motorized trolleys can be navigated with a controller, which reduces the risk of injuries.

Lastly, Mr. Hock Soon recounted how the hotel industry has begun using bed-lifting systems. The systems lift the bed to waist-height, which allows workers to vacuum underneath and change linens more quickly and without physical strain or risk of injury.

“Each of these examples of workplace redesign is driven by business competitiveness,” Mr. Hock Soon emphasized. “It’s not just for the sake of keeping older workers employed.” There is an incentive for companies to hire and retain older workers, because some positions are difficult to fill. In addition, older workers tend to be more reliable, Mr. Hock Soon noted. While the cost of workplace redesign can be significant, it is usually recouped in the long-run.

Looking ahead, Mr. Hock Soon suggested there are opportunities for many industries to engage in workplace redesign. He encouraged employers to collaborate with institutions like the >60 Design Centre at Temasek Polytechnic.

WORKPLACE DESIGN FOR THE AGING WORKFORCE

DISCUSSION

The discussion began with a question about which aspects of technology still create barriers for seniors. Reflecting on the Welcoming Workplace study, Prof. Myerson noted that older workers are willing to learn new technology, but they want a human to teach it to them. They feel very alienated when they are given an e-learning kit or told to look online for solutions.

Professor Myerson was also asked to elaborate on how jobs can be redesigned. He responded that the nature of many jobs has already shifted. For example, the Dyson vacuum cleaner company used to employ older workers to assemble vacuum cleaners in the United Kingdom. However, it eventually switched its manufacturing to Malaysia. Now Dyson employs 12,000 in the United Kingdom, but the current positions are “knowledge” jobs.



Tadaaki and **Yoko Masuda** from Japan.

Panel 5:
Opportunities of an Aging Population

OPPORTUNITIES OF AN AGING POPULATION

The session was moderated by Michael Herndon, Manager, Financial Security Institutional Outreach, AARP, USA.

Sarah Harper, University of Oxford, suggested a whole new approach to cycles of life and work.



Prof. Sarah Harper
Director, Oxford Institute of Ageing, University of Oxford, UK

By 2050 roughly 20 percent of the world's population, with the exception of sub-Saharan Africa, will be over age 60, opened Prof. Sarah Harper. This phenomenon, called

structural aging, is driven primarily by falling fertility rates and high life expectancy. "As demographers, this was the one signal that we missed—that in Asia and Latin America, women would choose to have fewer children," she said. This shift is significant because much of the world's migration, both of population and economic capital, is based on the different population structures.

"The whole of the 21st century is going to have a new demography, and we are going to move very quickly," she stated. The majority of people will live long, healthy and productive lives with only a short period of disability at the end of life. Multiple generations will be alive at the same time and active together in the family, community and workplace.

However, experts are very concerned about the increased dependency ratios that will result from fewer workers. By the year 2050, several countries, such as Italy and Japan, will have a nearly one-to-one dependency ratio. "One of the things that governments are very worried about is asking people to work longer," she said. But perspective may be found in the results of a 24-country survey of 44,000 people aged 40-80. Conducted by the University of Oxford, the survey explored attitudes, expectations and behaviors of those in later life.

The survey asked participants how they wanted to retire -- stop work completely at retirement; continue to work full time into current retire-

ment age; or continue to work part-time or flexibly into retirement age. Roughly two-thirds of respondents across the globe said they wanted to work either part-time or flexibly. "I think that governments should not be worried about saying to people that they need to work longer," Prof. Harper said. "Given the choice, many people would rather work longer than the alternatives."

However, evidence shows that older people already do an estimated \$50 billion of unpaid voluntary work in their communities each year. Many older people care for their grandchildren and even their elderly parents. "There comes a time when we have to ask how far we can stretch the obligations that we are now putting on our older generations," Prof. Harper said.

The balance, suggests Prof. Harper, is to take healthy, active men and women in their 60s and 70s and retain them as active as long as possible. "It's good for our societies, and it is also good for the individuals themselves," she concluded.

Dr. Sheilu Sreenivasan
Founder-President, Dignity Foundation, India

"A perpetual holiday is a good working definition of hell," said Dr. Sheilu Sreenivasan, quoting George Bernard Shaw. As the founder and president of Dignity Foundation, Dr. Sreenivasan noticed that many retirees in India had a similar perspective. That is why Dignity Foundation created the first Web portal in India dedicated to matching retirees with a second career.

The Web site allows employers to register open positions and enables potential employees to post their resumes. In addition, the site actively promotes the special and unique talents retirees bring to the job market. "However, life is not just about jobs, as we all know," Dr. Sreenivasan

Sheilu Sreenivasan, Dignity Foundation, noted that Indians are only beginning to recognize value of employing older people.



OPPORTUNITIES OF AN AGING POPULATION

noted. “We encourage the fifty-plus, therefore, to look for volunteer positions as well.” These volunteer positions are listed on the same Web site and provide meaningful opportunities for those who can’t find paid work.

Dignity Foundation also offers aid programs to help older workers better adjust to the current work environment. One such program addresses communication issues that older workers may encounter. Examples include problems with brevity and difficulty relating to the modern expectations of the younger generation. By solving communication issues and sharing tips on workplace etiquette, Dignity Foundation helps retirees feel more secure in the interview process. The foundation also provides basic computer literacy training for a very low cost, she explained. Dignity Foundation has a full-time staff encouraging retirees back to the workplace and convincing employers that older workers are stable, mature and good prospects. “In India today there is quite a talent crunch and employers are ready to experiment with the 50+ worker,” Dr. Sreenivasan said.

Because India is still a society that observes filial piety, many younger people visit the site on behalf of their parents, which helps to generate advertising revenue. Registration is free for retirees; however, employers pay a one-month retainer to the Dignity Foundation upon placement. In return, they are offered a free replacement if a retired person leaves the company shortly after being hired. The employers are also advised by Dignity Foundation to offer only gross salary, which exempts them from paying medical insurance and other benefits.

“This is the advocacy and lobbying that we as a group have to continue doing,” Dr. Sreenivasan said. “We need to encourage the employer to offer job prospects rather than huge salaries. The retiree is looking to find a meaningful job opportunity—not necessarily pay that will equal the value of his working time.”

At the moment, second careers in India tend to be dominated by males. Dr. Sreenivasan suggests this may be because men are not encouraging the women in their lives to go back to work.

The Dignity Foundation has made great strides in group employment,

where several skilled retirees receive a contract to perform a very specific job. “It’s all about promotion, and very vigorously pushing the agenda of work for older people,” Dr. Sreenivasan said.

Mr. Marc Freedman

Founder and Chief Executive Officer, Civic Ventures, USA

When Ida May Fuller received the first U.S. Social Security check on Jan. 31, 1940, neither she nor the American government imagined she would live to 100, opened Marc Freedman. In the post-WWII period, people began living much longer after they left the workforce.

Seniors, as a group, became disenfranchised in the early 1950s, Mr. Freedman observed. They needed guidance to give meaning to this new stage of life. According to Mr. Freedman, “A vice president at the Hartford came up with a brilliant insight: we tell older people not that they are rejected, but that they are lucky. They are the first American aristocrats; they have freedom from work, liberation from labor.”

Thus, through marketing and promotion, people began to look forward to “the golden years” of leisure-filled retirement. The lure became so great that the goal eventually evolved to, not just retiring from work, but “early retirement.” A half century later, America is finding that this model is not sustainable.

Fortunately, the notion of retirement is undergoing a radical revision. “We are not so much seeing the reinvention of retirement, as the creation of an entirely new stage of life,” Mr. Freedman said. The key question moving forward is how older adults will be harnessed. “Will it be in roles that dismiss what they have learned—the investments they have made in their human capital?” he posed. “Or will it be an opportunity to recapture those investments and target their talent in areas where it is needed?”

Marc Freedman, Civic Ventures, spoke about “encore careers.”



OPPORTUNITIES OF AN AGING POPULATION

Freedman's organization, Civic Ventures, focuses on an emerging movement known as encore careers. He describes it as a kind of practical idealism that combines the spirit of volunteerism and the need to leave a legacy with the practicality of continued income.

"In June 2008, we did a study that found between 5 and 8 million Americans in the second-half of life have already shifted into encore careers," Mr. Freedman said. "These second careers are in areas like the environment, education, the nonprofit sector and government—all of which have this blend of income and social impact."

Mr. Freedman suggested the goal should be to muster the same enthusiasm and policy support for encore careers, as was once directed toward "the Golden Years." "Doing this would create a future that we all want to inhabit and pass on to younger generations," he said.

DISCUSSION

Dr. Sreenivasan was asked to share more information about how Dignity Foundation was built. She began by noting that the organization is active in 10 Indian cities and involves more than 700,000 people. Over the past 30 years, Dignity Foundation has been able to establish 25 different services. There are programs to help those who are lonely, abused, or in need of legal or psychological counseling. Other services help older people find new opportunities for paid work and service. These services are organized by 120 professionals working in various parts of the country.

"We are in the business of building self esteem," she said. For example, Dignity Foundation hosts events called "You Speak, We Listen," where retired people are invited to speak to groups of experts that include lawyers, psychologists, social workers, commissioners and media. "The very simple mechanism of hearing older people speak makes a difference," she said.

One participant asked Dr. Sreenivasan to share more about the challenges Dignity Foundation has faced. Dr. Sreenivasan acknowledged that funding services was initially a challenge. Dignity Foundation charges for about half of its services, and that revenue helps to fund the rest. In Dignity's 13th year, a large Indian company offered to help subsidize the Foundation.

Mr. Freedman added that it's striking to see how older people are inventing new pathways to contribute. Civic Ventures offers a \$500,000 award each year to people 60+ who are social innovators. In its first year, the contest received 1,500 nominations.

Another participant asked whether it is still permissible for seniors to simply relax in retirement. Mr. Freedman responded that most people desire work, and the goal is to move those people from aspiration to action. He also noted that those who initially conceptualized retirement never dreamed it would last 30 or more years. He suggested a new way of thinking -- a mid-life "sabbatical" from work, followed by a return to a more balanced work-home life.

Dr. Sreenivasan added that, when leisure is intersected by work, the value of leisure increases. It is important to older people's self esteem to continue contributing.

Prof. Harper agreed that retirement must be redefined to keep pace with healthy life expectancy. She emphasized the importance of a life-course perspective that mixes education and work. "In order to keep up with modern technology, we are going to have to further our skills and education into our 60s and 70s," she said.

Prof. Harper also believes there is too much pressure on young people to peak by age 40. "You cannot be at the top of your career at 40 and continue there for another 30 years," she said. "Let's go back to the time when people reached the top of their professions in their 50s and 60s."

The discussion then turned to whether prolonging work life is appropriate for those in manual labor. It was noted that lower socioeconomic classes have shorter life expectancy. Prof. Harper noted that one approach is to base retirement on years of work versus a specific age. For example, a manual laborer who begins at age 16 would be 56 after 40 years of work. Conversely, a professional who attained multiple degrees might not reach 40 years of work until age 65. Yet, that professional would find it easier to work until 65, because the work is far less physical. However, even if manual laborers retire from their primary careers at 56, they need other channels to continue contributing to society.

Panel 6:
**Cultural Change and Intergenerational
Cooperation**

CULTURAL CHANGE AND INTERGENERATIONAL COOPERATION

This session was moderated by Associate Prof. Paulin Tay Straughan, Vice-Dean of Faculty of Arts and Social Sciences at the National University of Singapore. Prof. Straughan is also a Board member of Council for Third Age.

Ailing Zhuang, NPO Development Centre, described the changing family structure in China.



Dr. Ailing Zhuang
Chair and Executive Director, NPO Development Centre, China

The demographics of China are rapidly changing, explained Dr. Ailing Zhuang. In 1953, China had a very low percentage of seniors. By 1982, that percentage had almost

doubled. By the year 2050, there will be an estimated 350 million Chinese over 60.

The aging of the population has had a tremendous impact on Chinese culture and the traditional family, Dr. Zhuang said. The archetypal Chinese family is very large and close knit, with three-to-five generations living together under the same roof. In modern China, especially the urban coastal regions, this is no longer the case.

Seniors are the main decision makers in the traditional Chinese family, with younger generations required to be obedient to their parents and grandparents. Parents live for their children, but the family's main priority is the care and support of its oldest members. That is why Chinese families have historically placed so much value on having male children over females, explained Dr. Zhuang. Sons traditionally take care of their elders, whereas daughters marry and leave the family. Family dynamics, however, are changing rapidly in China. "In the social chain now, you can see more and more smaller families," Dr. Zhuang said.

On the positive side, younger generations play a more active role in family decisions, and seniors have gained more financial independence. Since children are no longer parents' sole financial supporters, it has also

become more acceptable to have daughters.

"More and more seniors and children prefer to live separately and independently," Dr. Zhuang said. This independence is creating a mutual respect between generations who, in turn, are learning from one another. The older generation is learning about computers, fashion and travel from the young, while retired parents are helping adult children with childcare and creating small businesses.

Mr. Mirko Sporket
Research Manager, Institute of Gerontology, University of Dortmund, Germany

"For a long time, the European policy toward older workers was characterized by a culture of early exit from the labor market supported by most stakeholders," opened Mirko Sporket. The goal was to provide financially acceptable pathways to retirement to create job openings for the younger generation.

"Although this culture of early exit seemed rational at the time, it has had negative consequences in terms of labor market participation for older workers," explained Mr. Sporket. "In all of the EU states, the employment rates of older workers are much lower than the employment rates of the younger age group."

The early-exit culture has also led to an age employment paradox, Mr. Sporket observed. The older the population grows, the earlier people seem to leave the labor market. "In 2050, almost one-third of EU citizens will be over 65—up from the current level of one in six," Mr. Sporket said. "Early exit, set against the backdrop of demographic change, is strictly limiting and not sustainable."

To address this concern, the European Union has set objectives within the Lisbon Strategy with regard to employment of older citizens. In 2001, the Stockholm European Council set a target that at least half of the EU population age 54 and over should be employed by the year 2010. The 2002 Barcelona European Council identified 2010 as the year in which a progressive five-year increase in retirement age should commence.

CULTURAL CHANGE AND INTERGENERATIONAL COOPERATION

Finally, the 2004 European Spring Council identified active aging as one of three priority areas. It urged countries to remove disincentives for working longer, discourage early retirement, stimulate life-long learning and improve working conditions.

“Despite these political objectives, the employment rates of older people remain relatively low,” Mr. Sporket said. To date, only 12 of the 27 EU countries have fulfilled the Stockholm European Council target. Mr. Sporket and his colleagues have also noticed considerable gender gaps, with older women lagging significantly behind their male counterparts.

“There is still a strong need for action, especially on the corporate level, as companies play a key role in attracting and retaining older workers,” Mr. Sporket said. He suggests organizations provide the framework for intergenerational cooperation and employ good practices in age management.

Thang Leng Leng,
National University of
Singapore, discussed
intergenerational
cooperation.



Dr. Thang Leng Leng
Vice-President, International Consortium for Intergenerational Programmes; and Associate Professor and Head of Department of Japanese Studies at the National University of Singapore, Singapore

Nearly all cultures are becoming more generationally segregated, opened Dr. Thang Leng Leng. She highlighted the key dimensions of this phenomenon and offered insight into solutions.

Institutional age segregation involves socially constructed divisions according to chronological age, she explained. Children are channeled into daycare, adults to the workplace, and seniors to retirement communities. Age segregation also extends to leisure and other dimensions. “In the community, we see divisions of senior centers and youth centers,” Dr. Thang said. “Even in religious congregations, we see separate senior fel-

lowships and youth fellowships.”

The family is often referred to as the only truly age-integrated social institution, she continued. However, the advent of nuclear families and increase in divorce and migration are chipping away at those ties. Even in multigenerational households, each member of the family often lives in a “separate island of activities.”

Age segregation results in many consequences—first and foremost—ageism. It also weakens social support networks and widens the generation gap. Dr. Thang suggested age segregation threatens social cohesion by contributing to competition between generations for limited resources. Population aging is a timely reminder to rethink the need for age integration. Intergenerational programs are defined as social vehicles that create a purposeful and ongoing exchange of resources and learning among older and younger generations, she explained.

Looking abroad, Dr. Thang noted that Germany is experimenting with reinforcing or setting up multigenerational households. In Japan, many communities are repurposing empty school classrooms to be meeting places for seniors. Often, these seniors also volunteer with students teaching history or arts and crafts. Another example from Japan is the co-location of a childcare center and nursing home.

In the workplace, forward-thinking employers are trying to reduce age segregation. Dr. Thang praised the Workability concept as a means to ensuring seniors are given appropriate support and able to work more intelligently. She also stressed the value of mixed-age work teams.

In closing, Dr. Thang emphasized the need for knowledge and training in adopting an intergenerational social services approach. “There are many places that look age integrated physically, but are not so in their operation,” she cautioned. “Generations don’t become integrated by just being in close proximity.

DISCUSSION

The discussion began with a comment about how older adults need a

CULTURAL CHANGE AND INTERGENERATIONAL COOPERATION

defined functional role in society. Until they are seen as assets rather than liabilities, it will be difficult to make large-scale progress. Dr. Thang suggested that policymakers should look for policies that benefit all generations—instead of pitting them against each other. “We tend to think that one side has to be an asset and the other a liability,” she said. “Intergenerational programs showcase how benefits can come to everyone when we put the generations together.”

Dr. Zhuang added that older adults continue to help the young build their future. In China, adults in rural areas are migrating to the city for better jobs. The grandparents provide care and education to the grandchildren, so the parents can seek a better future.

The discussion then turned to the shift from seniority-based employment systems to performance-based systems. Mr. Sporket emphasized that organizations need to create a framework for intergenerational cooperation.

Prof. Straughan suggested that there needs to be a different way to measure older adults’ contributions at work. “Younger workers tend to be able to clock more hours,” she said. “But when you look at older workers holistically, you see that you can’t do without them.”

Participants then debated whether a top-down or bottom-up approach is more effective in achieving age integration.

One participant commented that Singapore’s tripartite solution needs to be extended to promote intergenerational integration. He doubted progress could be made without strong support from the three major groups. Prof. Straughan agreed that the tripartite system is important, but she also felt older adults themselves must play a role. “Today’s baby boomers are the demographic bulk—and have more education and assets than ever before,” she said. “They must do their share in partnership with policymakers, employers, and labor.”

Dr. Zhuang was curious whether senior-driven advocacy organizations exist in countries other than the United States. Mr. Sporket explained Germany has an umbrella NGO that includes most of the country’s senior organizations. The individual senior organizations tend to be small



Ailing Zhuang of the NPO Development Centre speaks with **Wang Xiao Yan**, Community Alliance

and local, but together comprise over 10 million older adults, or about 13 percent of the total population.

The final portion of the discussion focused on the implementation of intergenerational activities. Dr. Thang noted Singapore’s schools have community involvement projects that often involve cross-generational activities. But how well they work depends on implementation and whether the teachers are well trained. In one project, students visited elderly persons living alone. During the first visit, teachers realized that most of the elderly spoke dialects and students had difficulty communicating with them. Therefore, neither age group was getting very much out of the experience. During the next visit, students tried a different approach and organized a communal tea party for the seniors. As the students became more used to interacting with elders, they also reported becoming closer with their own grandparents.

Panel 7:
Media & Messaging: Changing Attitudes & Perceptions

MEDIA & MESSAGING: CHANGING ATTITUDES & PERCEPTIONS

This session was moderated by Kim Walker, Founder of Silver Group Pte. Ltd., Singapore.

Tadaaki Masuda, JANCA, noted that 80 percent of baby boomer men in Japan would like to continue working past retirement.



Mr. Tadaaki Masuda
Director of International Affairs, Japan NGO Council on Aging (JANCA), Japan

Last year, the first of Japan's baby boomer generation began to reach age 60. Mr. Tadaaki Masuda noted that 80 percent of the baby boomer men said they would like to

continue working until 65. "We need to think much more seriously about how to maximize and utilize the baby boomer generation," he said.

Stakeholders will need to work together to create opportunities for older people to contribute, Mr. Masuda urged. Government, business, civil society, and the media all have important roles to play. There is potential for aging NGOs to connect these sectors, but this is not yet taking place in Japan.

One issue Japan faces is that the majority of citizens are not interested in participating in NGOs. Instead, empowerment for the elderly is championed by a small group of wealthy individuals. Japan has yet to make the connection between community-based clubs and NGO activities. This is in contrast to the U.S., where many NGOs grow out of community-based organizations. Under the U.S. model, it's easier for NGOs to build relationships with government, media and business.

Professional Japanese males spend their life at one company and tend to stay in company-based circles after retirement, Mr. Masuda observed. Females, in contrast, are more connected with community and neighborhood groups, but these groups are not well organized.

In addition, contrary to widely held beliefs in the West, only 10 percent of Japanese males retire from a large company. The rest work in agriculture or very small companies, and they have little awareness of social organizations like aging NGOs.

Mr. Masuda suggested there are steps NGOs must take to become more relevant in Japanese society. "First, we need to review our missions much more realistically and precisely by organization," he said. "We need to ask who we are as an NGO and what we can do—and how and when."

Second, while NGOs are comprised of talented individuals, they must become better at working as a team. This will allow them to engage in more effective social marketing and enhance their management. Japanese NGOs must find new ways to earn revenue that can be reinvested into their mission, he emphasized. It is not realistic for NGOs to rely solely on donations and charity.

In closing, Mr. Masuda called for an intermediary organization to coordinate aging non-profit organizations around policy issues. He hoped Japan could make progress in this area by learning from the experience of other countries.

Dr. Marcie Pitts-Catsouphe
Director, Sloan Center on Aging and Work, Boston College, USA

"Who exactly is an older worker?" opened Dr. Marcie Pitts-Catsouphe. To begin answering this question, she shared insights from a U.S. study that explored perceptions about aging.

Respondents of all ages felt that men become "old" at age 60 and women at age 62, Dr. Pitts-Catsouphe noted. However, those 65 and older felt men didn't become old until 70 and women until 73 and a half. Similar discrepancies were found when both groups were asked when people become "very old."

The study also looked at what people consider to be the markers of aging. Over 40 percent of respondents said people become old because of declines in physical capacities; about a third referenced declines in cognitive or intellectual capacities. Less than 10 percent felt old age is marked by retirement. The study also explored attributes that people associate with old age. Forty percent of all respondents said warm and friendly, but among older respondents, the percentage jumped to 60.

In a different study, 600 employers were asked what attributes they as-

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sociate with workers at different stages in their career. Employers felt mid-career and late-career workers have similar productivity. This was somewhat of a surprise, since many aging advocates worry that employers view older workers as less productive, Dr. Pitts-Catsouphe explained.

Dr. Pitts-Catsouphe highlighted another study from AARP that explored what attributes are most important to employers—and whether they feel older workers possess them. She noted employers' second-highest priority was for employees to “get along with coworkers,” an attribute they were less likely to associate with older workers.

Turning to whether attitudes matter, she noted that employers who had more negative attitudes about older workers admitted they were reluctant to hire them. “It’s important to develop audits to help employers look at these perceptions, because they are related to behavior,” she said. “It’s not only during the hiring process, but also in the supports that employers provide workers at different career stages.”

She also urged employers to begin paying attention to what is important to workers. For example, U.S. employees of all age groups say they want flexible work options, but it is particularly attractive to older workers. Yet, a much higher percentage of younger workers have access to these arrangements than older ones.

In closing, Dr. Pitts-Catsouphe introduced the idea that not all early-career workers are young. “There has been a lot of talk about encouraging older workers to re-career,” she said. “If we have people in their 60s who are early in a career, is the workplace ready to provide the supports they need?”



The audience at the opening plenary session.

MEDIA & MESSAGING: CHANGING ATTITUDES & PERCEPTIONS

Mr. Jean Paul Treguer
President and Founder, Senioragency Paris, France

Fifty percent of Europe's wealth is in the hands of the 50+, opened Jean Paul Treguer. Mature adults purchase 80 percent of high-end cars, 50 percent of cosmetics, 55 percent of coffees, and 80 percent of cruises. Yet, 95 percent of the marketing dollars in Europe are dedicated to consumers under the age of 35.

Mr. Treguer expressed frustration that companies have been slow to recognize the value of the 50+ market. "In Europe, 50+ are still considered a niche market," he explained. "Just to give you an idea of the size of this 'niche,' it involves 150 million European consumers."

Part of the problem is that the marketing and advertising industries tend to be dominated by the young. "The product managers and advertising executives are generally around the age of 25 or 30," he said. "To them, a 50-year-old person is a dinosaur."

Mr. Treguer is particularly concerned about how older adults are stereotyped in print ads and commercials. "The problem with seniors is they're the perfect punching bag for advertisers and marketers," he said. "They never seem to react." He went on to highlight several examples of distasteful advertising—some of which received awards. In Belgium, a bank ad targeting young people features a close-up of an older man holding his dentures. Another ad for Internet service shows an older woman trying to use her mouse like a remote control.

DISCUSSION

The discussion began with a question about how to remove the stigma from words that describe aging. Dr. Pitts-Catsouphe acknowledged this is a challenging issue for employers. Most feel there are negative connotations around words like older workers, experienced workers, or mature

Jean Paul Treguer, Senioragency Paris, described the negative, often cruel, depiction of older people in the media.



Henry Quake, CEO of Council for Third Age, welcomes **Minister Lim Boon Heng**.

workers, and they are uncomfortable using this language. She suggested baby boomer is a more palatable term, and many prefer using terms like "50+."

The panelists were then asked to share positive examples of how companies can target the 50+ market. While much advertising uses negative stereotypes of older people, Mr. Treguer has also seen some promising ads. He praised McDonalds for making a point to show older people as a natural part of the restaurant scene. Another example is the Dove skin-care products campaign that showed beauty is for all generations.

Mr. Walker suggested there are certain principles companies should keep in mind when targeting the 50+ market. First, he highlighted the value of universal design, using the Apple iPhone as an example. "Everyone assumes it's designed for youth, but it's also perfect for older people," he said. "The numbers are large, it's easy to use, and you can expand the images to suit your eyes." Mr. Walker also stressed the importance of ageless marketing, which takes into consideration the needs of multiple generations.

SINGAPORE ROUNDTABLE

This session explored a unique tripartite mechanism in Singapore, whereby government, unions and employers work together to address critical social and economic issues including those associated with demographic change. Gerard Ee, Chairman of Council for Third Age, Singapore, served as moderator.

Gan Kim Yong, Acting Minister of Manpower, described Singapore's Tripartite System.



Mr. Gan Kim Yong
Acting Minister, Ministry of Manpower, Singapore

Singapore's tripartite relationship has been building for decades, opened Acting Minister Gan Kim Yong. In the beginning, labor and business took a more confrontational approach, as is the case in many countries. However, they even-

tually saw it could be mutually beneficial to rethink their relationship.

"We've found ways to communicate with each other, so that all the partners share some common objectives and understand the other parties' interests," Minister Gan said. For example, the unions understand that, when businesses are not doing well, it's difficult for them to pay workers well. Likewise, businesses understand that when workers are not motivated, they will not be competitive globally. Minister Gan emphasized that the parties must continue to strengthen their relationship to bring Singapore's economy to the next level.

Mr. Heng Chee How
Deputy Secretary-General, National Trades Union Congress, Singapore

For a relationship to be of value in the long-term, each party must be able to consistently bring something to the table to build a track record of credibility, explained Heng Chee How. "When the three parties come together, we're looking for a win-win-win," he said. "It's not just a question of taking turns winning and losing—and then trying to package that together. We're really trying to put ahead solutions that make the most

sense all around."

Mr. Stephen Lee
President, Singapore National Employers Federation, Singapore

The tripartite relationship grew out of necessity as Singapore strove to weather different economic cycles, explained Stephen Lee. Since the country has a small, open economy, financial fluctuations can be quite significant.

"Singapore is basically a price-taker in the market," Mr. Lee said. "After going through violent economic cycles, we've learned the value of being flexible and quick to respond—both of which require teamwork."

Stakeholders soon realized this teamwork was not only beneficial during hard times, but could become a competitive advantage for the economy. Mr. Lee observed that mutual trust and confidence has been greatly strengthened over the past 15 years.

"We may not agree, but the unspoken understanding is we will always keep the channels of communication open," Mr. Lee said. "When external pressures are severe, we've learned that it is better to work with each other than fight over a decreasing bowl of rice."

DISCUSSION

The discussion began by exploring how the tripartite framework is helping Singapore retain older workers and create new opportunities for them. Minister Gan emphasized that it is in the long-term interest of Singapore's economy to ensure that older adults stay in the workforce. This is a common objective shared by all members of the tripartite. To achieve this aim, employers need to change their work processes to make them more suitable for older workers. They also need to establish a human

Stephen Lee, Singapore National Employers Federation, said the Tripartite Model helps Singapore remain an open economy.



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resources system that rewards individuals for productivity as opposed to seniority.

Labor needs to address the outdated mindset that age 62 equals retirement. Workers also need to understand that they may reach a point where they need to transition into another job that is more suitable. And, in some cases, the switch may require retraining to acquire new skills. The government's role is to put in place the legal framework that allows these changes to occur. It can also provide programs to support employers and labor in doing what is necessary.

Mr. Heng was asked whether it has been difficult to get labor to support extending work lives. "I think, before you do something, you have to question whether it's really necessary," he said. In this case, he believes statistics clearly point out that prolonging work life makes sense—both economically and socially. "Population aging does not slow down during a depression," he said. "That is why we should persist in both good and bad times."

Mr. Lee added that business was able to support re-employment, because the law does not require seniors to continue in the same position. "Employers recognize that many older workers can contribute, but we have problems with a seniority-based wage system," he explained. A simple extension of the retirement age could harm companies' international competitiveness.

The discussion then turned to what business and labor view as the major barriers to engaging mature workers. Mr. Lee noted, from the business perspective, mature workers must have marketable skills. However, companies don't want to finance training for workers to take elsewhere. Thus, it can be difficult for mature workers to cross industries or companies.

From labor's perspective, there are four main barriers, Mr. Heng explained. The first is a lack of opportunity, though he believes companies are becoming more age-friendly. The second is convincing older people that opportunities exist—and that they must help themselves and be proactive. The third is instilling confidence in older people and equipping them with the right training. And, finally, mature workers need support

switching companies or careers.

Minister Gan added that the government has established the ADVANTAGE! scheme to support employers and individuals. "We help companies put in systems of re-employment, redesign their processes, and develop new ways to provide career counseling" he said. In addition, the ADVANTAGE! scheme provides training to help workers acquire new skills.

The panelists were asked what has been most challenging to sell to their respective constituencies. With respect to convincing individuals to extend their work life, Mr. Heng noted that public perceptions have changed over the past 20 years. People have a much better understanding of the demographic reality," he said. "And when you calculate your future needs, it makes sense to continue working."

Minister Gan also believes more must be done to create opportunities for older women, whose employment rates lag far behind that of men. Singapore recently launched a program called Step Up for Work, which targets people who have been out of the workforce for a long time. Through career counseling and support groups, the program helps them ease back into employment.

The panelists were also asked why board members, who tend to be older, don't do more to encourage age-friendly workplaces. Minister Gan stated that the tripartite alliance focuses on fair employment practices, and it develops campaigns, programs, guidelines and best practices to promote them.

One participant stressed the importance of life-long learning as a natural solution. "If companies promote life-long learning and employees are keen to do it, then they will not become obsolete," she said. However, she also suggested that part of the problem is poorly trained human resource (HR) managers.

Mr. Lee added that, first and foremost, companies are set up to conduct business. While some life-long learning is justifiable, it's unreasonable to expect them to invest large amounts of time and money in training that won't further their business goals. Perhaps the latter should be funded by

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outside sources.

The discussion then turned to how to convince employers to allow busy employees to attend training. One participant noted that companies are becoming better at scheduling for training. However, as Mr. Lee stated, companies train primarily to meet their own needs. When broader opportunities occur, they tend to be for middle management or higher.

Minister Gan noted the government also has a scheme aimed at HR professionals. Last year, Singapore held a Human Capital Summit to bring together opinion leaders and share best practices. At the beginning of last year, Singapore launched a national plan for continuing education and training, he continued. “For companies to survive and excel, they must be continually on the move and upgrading their people so they’re ready for new opportunities.”

Mr. Gan noted that, during the recession, many companies have excess manpower. The tripartite guidelines encourage companies to send these employees for training, so the company will be better positioned when the economy recovers.



Prime Minister Lee speaks with Dr. Ailing Zhuang, NPO Development Centre, Shanghai.

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The session was moderated by Dr. William Hall, Member, Board of Directors, AARP, USA.

Mr. Koh Yamada

Deputy Director, Employment Measures for the Elderly and Persons with Disabilities Department, Ministry of Health, Labour and Welfare, Japan

In April 2008, Japan unveiled a three-year employment strategy targeting youth, women and elderly, opened Koh Yamada. With respect to older people, the plan focuses on promoting continued employment; supporting activities that help older people contribute to their communities or start businesses; and promoting measures to improve quality of life.

Mr. Yamada outlined the plan's objectives for older persons. The first is to increase the employment rate of 60 to 64 year olds from 55.5 percent in 2007 to 57 percent in 2010. Next is to raise the percentage of companies with a mandatory retirement age of at least 65 from 37 percent to 50 percent by fiscal year 2010. Similarly, the percentage of companies where workers can stay until age 70 should go up from 11.9 percent to 20 percent. The final objective is to increase the membership of Silver Human Resource Centers, a network of government-supported jobs centers, to one million. These centers focus on helping older people find ways to work and contribute to society.

In 2006, Japan began implementing a new policy to raise the retirement age and introduce a continuing employment system. Mr. Yamada noted that Japan offers employers three options—raise the retirement age, offer re-employment to workers, or remove the retirement age entirely.

He emphasized that it is very important to connect such an employment system to pensions. For example, Japan's public pension scheme currently begins at 63—the same as its present age limit on job security measures. But by April 2013, it will increase to 65.

Over the past three years, 96.2 percent of companies with more than 51 employees have implemented measures to offer employees job security until age 63. Mr. Yamada noted that more than 85 percent of companies had chosen the continuous employment system option.

Reflecting on the current economic crisis, Mr. Yamada acknowledged there are still many challenges ahead. More must be done to help small and medium-size enterprises that have not raised the job security age. Japan must also continue to find new ways to help older people continue to work longer.

Mr. Xie Gongwei

Vice Secretary-General of Commission for the Development of the Elderly Human Resources, Gerontological Society of China

“China is growing old before it becomes wealthy,” Mr. Xie Gongwei said. This is leading to increasing concerns about the provision of basic pensions and health care.

China has 6 million retired professional and technical personnel. Seventy percent are below age 70—and of that group—70 percent are able to work. Thus, Mr. Xie suggests it's important to further develop human resource strategies for older workers.

In China, the general retirement age is 60 for men and 55 for women. Now, the government is encouraging Chinese companies to rehire retirees into their original unit or other units. It is also urging retirees to start their own businesses.

Organizations such as the China Association of Senior Scientists and Technicians (CASST) and the Commission for the Development of the Elderly Human Resources (CDEHR) are helping to link retirees with new opportunities in companies, national service projects, and universities. At the national level, CASST and CDEHR have organized “Ten Thousand Experts” lectures and elderly talent forums.

Mr. Xie recounted the story of an 83-year-old who developed an innovative rice cultivation technology. Another example is a 75-year-old en-

Xie Gongwei,
Gerontological Society
of China, said many
Chinese seniors are ac-
tive in volunteering and
disaster relief.



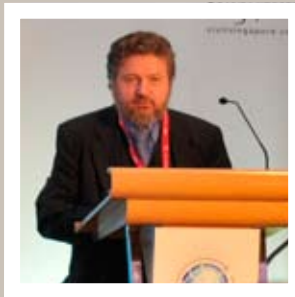
ASIA-PACIFIC ROUNDTABLE

gaged in a national water conservation project. Retirees are also getting involved in aging-related businesses like caregiving.

Seniors are being organized to provide aid during emergencies like earthquakes. In addition, they are undertaking studies to provide advice to the government. Examples include investigations into the rural gas service system as well as the safety of coal mines.

Looking ahead, Mr. Xie noted that the Chinese government will more actively explore new ideas and policies for developing the talent of retired workers. It will continue to support and guide CASST and CDEHR and incorporate their work into the nation's overall human resources planning. The goal is to enable more retirees to rejoin the workforce and fully contribute to China's development.

Phil Gallagher, the Australian Treasury, explained Australian fiscal incentives for working longer.



Mr. Phil Gallagher
Manager, Retirement and Intergenerational Modeling Unit, The Australian Treasury, Australia

Australia, like most countries, has had a substantial decline in fertility rates over the past few decades, opened Phil Gallagher. At the same time, life

expectancy has increased to 78.5 years for men and 83 for women. “Any Australian contemplating retirement at age 60 is looking at a long period of life in retirement,” he said.

Mr. Gallagher noted that rates of workforce participation are actually increasing in each age-specific group. However, Australia is still experiencing an overall decline because of demographic shifts. This is exacerbated by the slow growth rate of Australia's population since the 1960s. This is expected to impact employment rates down the road and, consequently, GDP. “The ability of our economy to satisfy growing aspirations is going to slow down,” Mr. Gallagher explained.

Australia is focused on boosting workforce participation and productivity.

“We’re looking at what we need to do across all portfolio areas to ensure economic growth and sustainable social and economic policies,” he said. Last year, Australia targeted tax cuts to secondary income earners in specific income brackets to encourage workforce participation. Education and training policies are also being assessed through the lens of promoting participation and productivity.

Australia recently introduced transition-to-retirement pensions that enable people to self-fund career changes later in life. Another policy allows people to draw down on their pension while still working to help facilitate career changes.

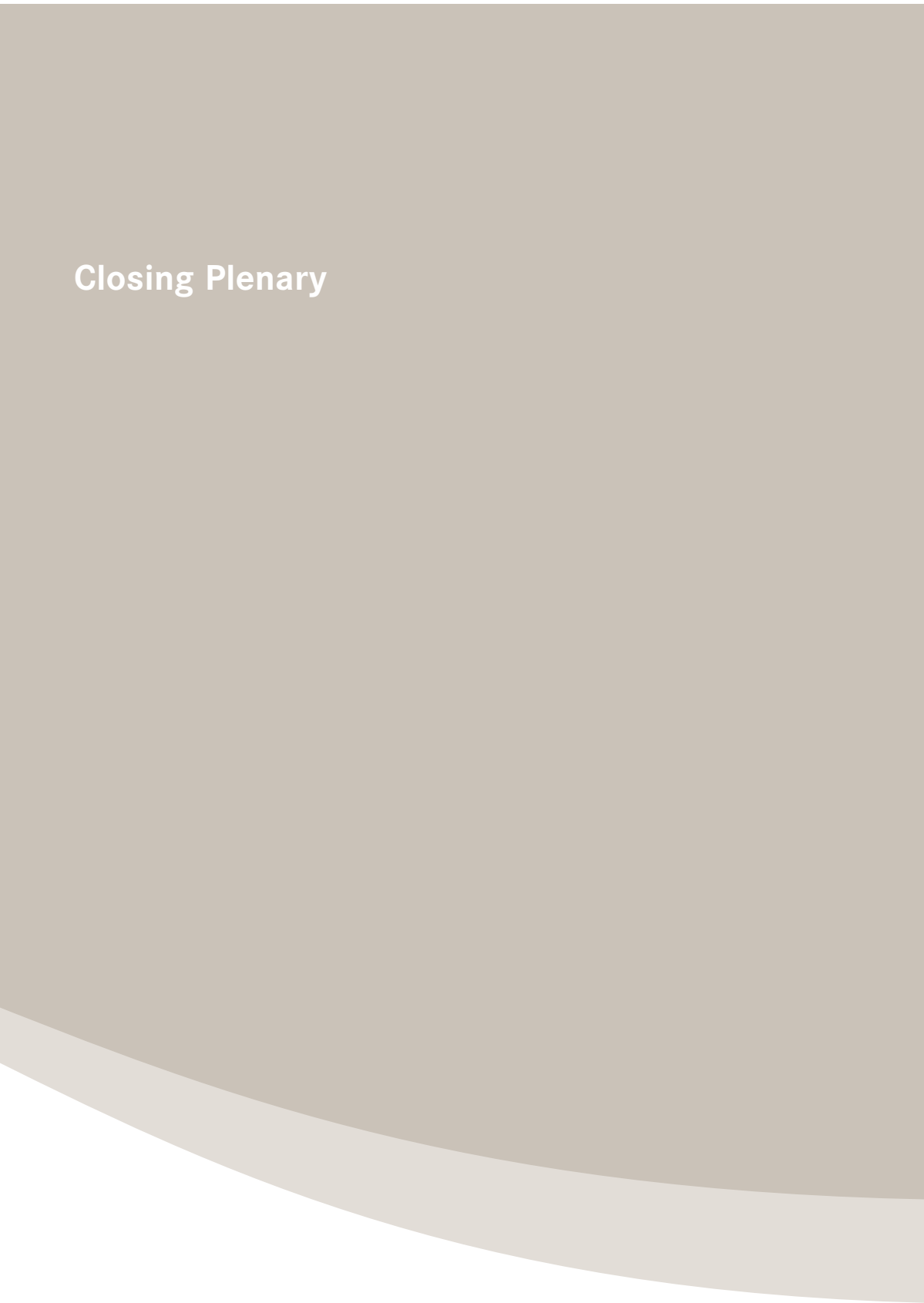
Mr. Gallagher noted that Australia's defined-contribution scheme rewards longer work. Australia also offers a tax-offset for mature workers, and there are programs to support job seekers. The government is currently running an information campaign to promote phased retirement.

Regarding retirement income security, Australia has a three-pillar system. There is a publicly managed poverty alleviation pension scheme; a mandatory private savings system for employment, which is currently set at nine percent of wages; and a voluntary savings system with tax incentives.

Mr. Gallagher noted that, in response to the mandatory scheme, coverage for full-time workers increased from 46 percent to 96 percent; for part-time workers, coverage rose from seven percent to 79 percent. “We’ve had a remarkable increase in potential retirement incomes on top of what could be achieved with the poverty-alleviation age pension,” he noted.

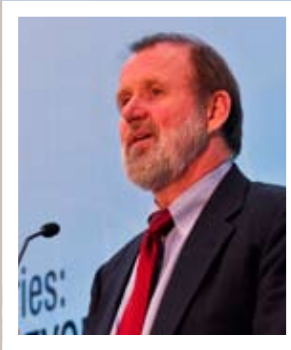
Along with a private scheme comes the importance of regulation, Mr. Gallagher stressed. Australia has significant regulation from its Prudential Regulation Authority and Tax Office, and there are also consumer protections and disclosure requirements from the Australian Securities and Investments Commission.

Mr. Gallagher noted that the public and compulsory schemes should result in a 63 percent income replacement rate for those with average earnings. However, the rate drops substantially for those with higher incomes, so there is a strong incentive for them to participate in the voluntary schemes as well.



CLOSING PLENARY

Kenneth Apfel,
University of Maryland,
gave an insider's per-
spective on U.S. Social
Security.



Prof. Kenneth Apfel
*Former Commissioner of So-
cial Security Administration;
Professor of the Practice, Uni-
versity of Maryland School of
Public Policy, United States*

The U.S.—in theory—has a multi-tiered framework for supporting older Americans, opened Prof. Kenneth Apfel. However, if one looks at low-income older Americans, the

Social Security scheme represents virtually their entire foundation for income. Even among middle-income Americans, Social Security comprises two-thirds of their financial support. Only at higher income levels do the multiple tiers of retirement income truly emerge.

Prof. Apfel suggested there are five major sources of support in the U.S.—family, public programs, employers, savings, and more work. He offered predictions about the potential of each of these sources over the next 30 to 40 years.

“In all countries, family support as a major source of income is declining,” he said. “This is happening as societies industrialize and move away from informal labor markets.”

Public support is also declining in the United States, he continued. Under current laws, Social Security replacement rates are dropping from 40 percent to 30 percent, and future benefit reductions could be necessary.

Ironically, the U.S. could shore up its Social Security program simply by spending another one percent of GDP, Prof. Apfel explained. However, this solution is unlikely to be adopted, because the United States also faces massive increases in its Medicare health care program, which covers virtually all Americans older than 65. Escalating health care costs are also a disincentive for hiring older workers, since employers typically provide health insurance.

Turning to the private tier, Prof. Apfel noted that employer pensions and retiree health insurance are declining. The result is that more of the risk is placed on individuals.

Prof. Apfel noted the average 55 to 64-year-old only has US\$60,000 saved for retirement. Many younger Americans end up cashing out their retirement plans and taking a penalty. The value of U.S. retirement accounts has declined by US\$3 trillion over the past year due to the financial crisis and recession.

With so many sources of support shrinking—and only a modest increase in retiree savings—Prof. Apfel highlighted the increasing importance of prolonging work life. The United States has established several policies to encourage longer work. First, the Social Security retirement age has increased from 65 to 67, although individuals can still retire at 62 with reduced benefits.

In addition, the U.S. has added incentives so that Social Security benefits increase dramatically if a person delays retirement. Each year, individuals



Prime Minister Lee speaks with AARP's **Dr. William Hall**

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receive a statement in the mail showing what their monthly benefit will be depending on what age they retire. The retirement earnings test was also eliminated to encourage people to work later.

The U.S. government can play an important role in motivating individuals to work longer. One potential policy option is another increase in the Social Security retirement age. However, while this change would bring economic benefits, Prof. Apfel acknowledged it would place hardships on some individuals and be politically difficult to implement.

Other options include providing greater health insurance to working-age Americans, increasing incentives for savings, and raising the penalties for early withdrawal from retirement accounts. Prof. Apfel suggested that, in all likelihood, a combination of these options will be needed.

The key is making sure that older workers do not cost more to employ, Prof. Apfel emphasized. Examples of potential policy options include giving tax breaks to employers who hire older workers; eliminating the Social Security payroll tax for older workers; and having the government pay more of older workers' health care costs.

Summarizing what the U.S. approach to retirement should include, Prof. Apfel said there is a need for a modest basic income benefit and health care insurance. In addition, there must be multi-tiered pension systems and incentives for low-income and middle-income people to save. Lastly, to achieve better economic security, governments must encourage people to work longer.

Prof. Apfel expressed hope that President Obama would take steps to strengthen the solvency of government programs and increase incentives for savings. He also praised the President for opposing privatization of Social Security. However, Prof. Apfel said he was disappointed that the option of increasing retirement age does not appear to be on the table.

Looking ahead, Prof. Apfel suggested that government and NGOs should collaborate on financial education. "Individuals must understand longevity risk, inflation risk and investment risk," he said. With respect to retirement policy, they need to recognize the dual challenges of sustainability and income adequacy.

Mr. Lim Boon Heng
Minister, Prime Minister's Office, Singapore

"As we live longer, we cannot depend entirely on savings and investments to sustain us a long retirement," opened Minister Lim Boon Heng. "The old norms of work and retirement have to change, and barriers that hinder older people from working and contributing to society have to be addressed."

Although countries have different socio-economic and cultural contexts, they face similar challenges with aging, said Minister Lim, but they also have similar opportunities that come with healthier and more educated seniors.

Commenting on the current recession, Minister Lim said he hoped countries would not try to solve unemployment through early retirement. Europe made that policy error in the 1980s and now finds it more difficult to convince seniors to stay in the workforce.

Minister Lim also acknowledged that, although raising the social security age is logical, it is extremely difficult politically. In the early 1980s, Singapore incited an uproar when it tried to defer the withdrawal of its Central Provident Fund savings from age 55 to age 60. Eventually, it chose to establish a minimum balance of S\$100,000 that people must maintain if they withdraw their CPF savings early.

Minister Lim noted that the current financial crisis is driving many seniors to return to work. "We have an opportunity to re-skill and up-skill our older and not-so-older workers," he said. "We can help them save and develop "win-win" work arrangements such as part-time and flex-time jobs."

Minister Lim Boon Heng, surveyed the many initiatives in Singapore to help and encourage older workers.



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Achieving these goals requires partnerships among government, employers, unions, individuals and communities. Simply passing a law increasing the retirement age will not necessarily bring about more employment, he stressed. Each stakeholder has to understand the issues faced by the others, and then work out a solution that makes employment possible for seniors.

Singapore recently launched a new scheme to prop up the CPF savings of low-income workers. Under the scheme, the government contributes to workers' accounts when they cannot put in enough themselves.

Minister Lim highlighted the importance of flexible management practices and age-friendly work environments. Life-long learning is another key element to enabling life-long employability. Singapore has set aside money in an endowment fund to provide Singaporeans with the means to finance retraining.

Minister Lim believes that more and more Singaporeans are recognizing the need to work longer. In a recent survey, 64 percent of Singaporeans said they wanted to work past retirement age; the global average was 51 percent.

Of course, maintaining health goes hand in hand with the ability to work longer. Singapore is currently piloting a Wellness Programme to encourage those 50+ to remain active. It is also adapting ideas from Japan and Finland to intensify health promotion in the workplace.



Delegates listen to the panel discussion on Lifelong Learning and Training of Older Workers.

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C3A is committed to creating active ageing culture in Singapore so as to allow everyone to age with dignity. It provides the thought leadership on active ageing and provides the thrust towards achieving this paradigm.

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