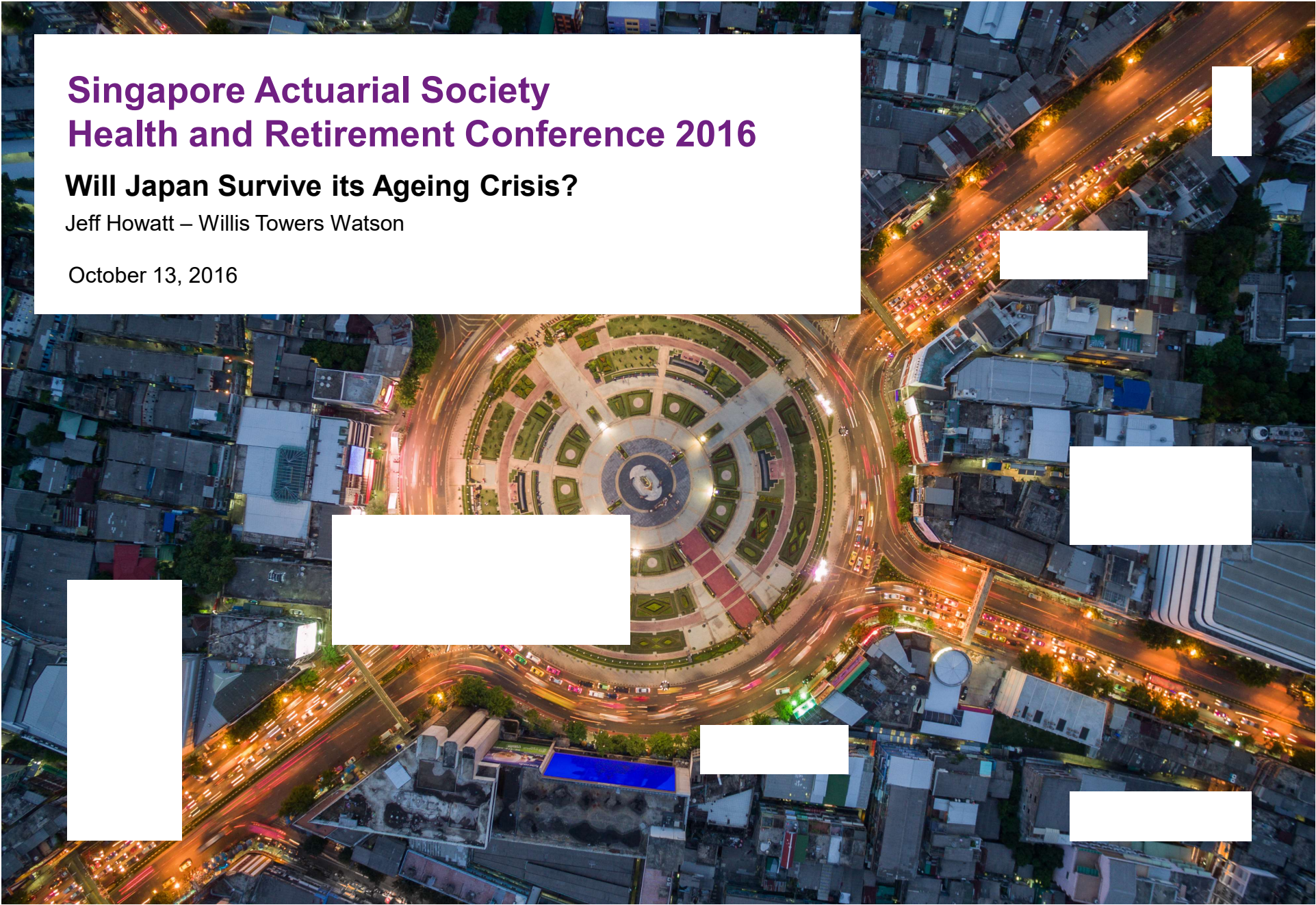




Singapore Actuarial Society Health and Retirement Conference 2016

Will Japan Survive its Ageing Crisis?

Jeff Howatt – Willis Towers Watson

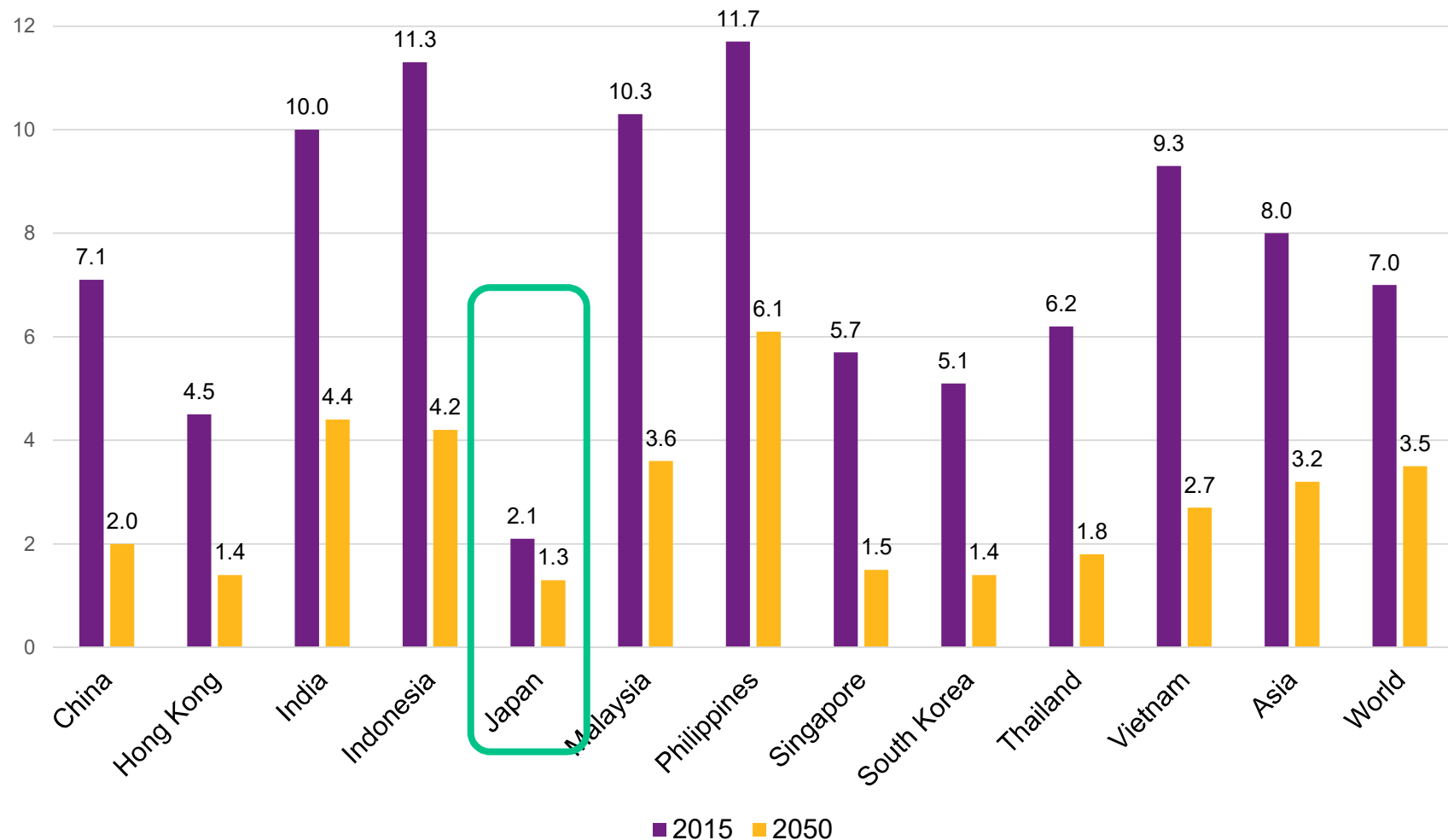
October 13, 2016





Populations are ageing across Asia... especially Japan

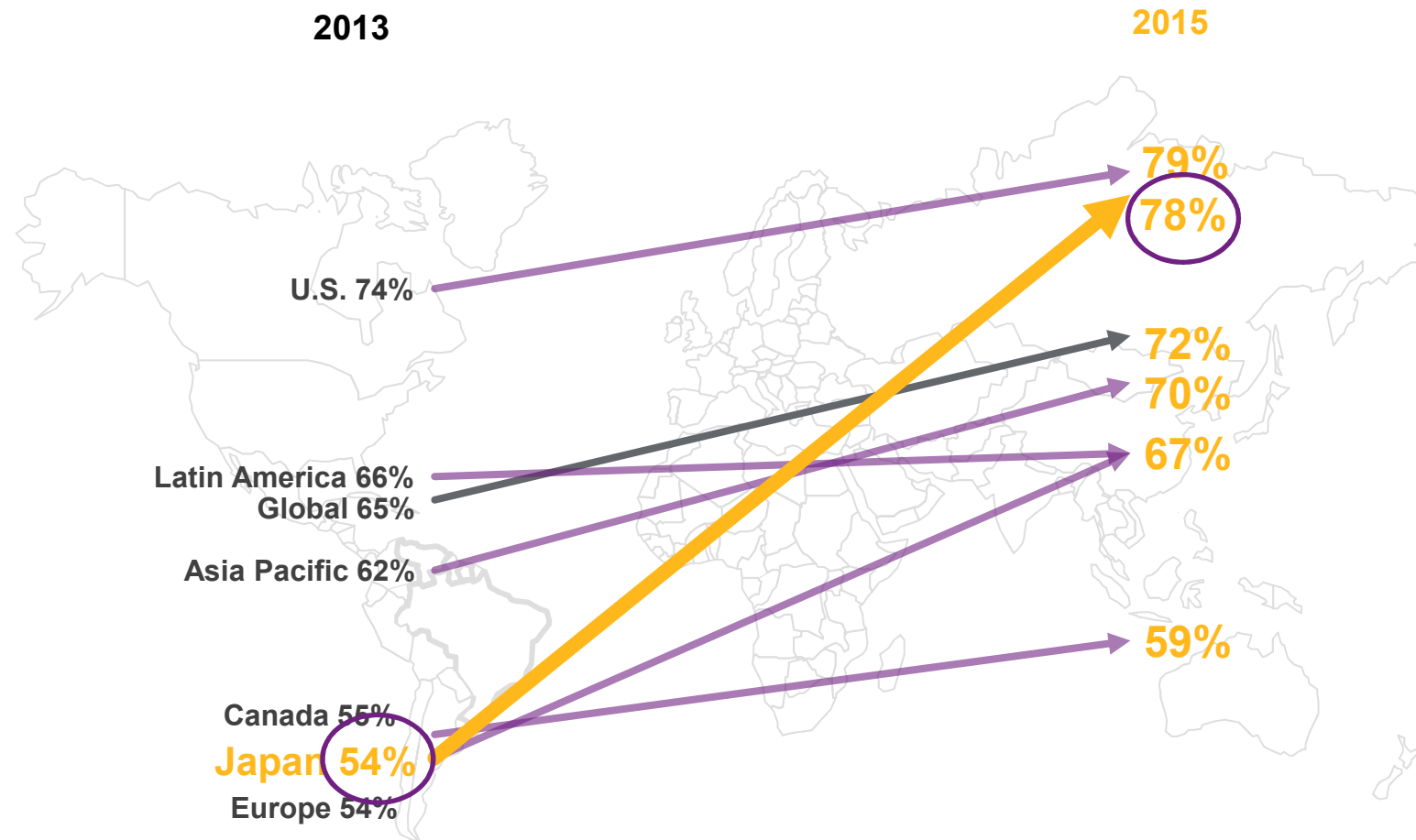
Support ratio of population 20-64 / population 65+



Source: United Nations World Population Prospects: The 2015 Revision (medium fertility variant)

Employees are relying on their employer's retirement plan

My retirement plan is the primary way I save for retirement



Source: 2013/2014 and 2015/2016 Global Benefits Attitudes Survey

Retention effects of retirement plans are high

My retirement plan
meets my needs

My retirement plan is an important reason I
will stay with my current employer

if “agree”



63%

if “do not agree”

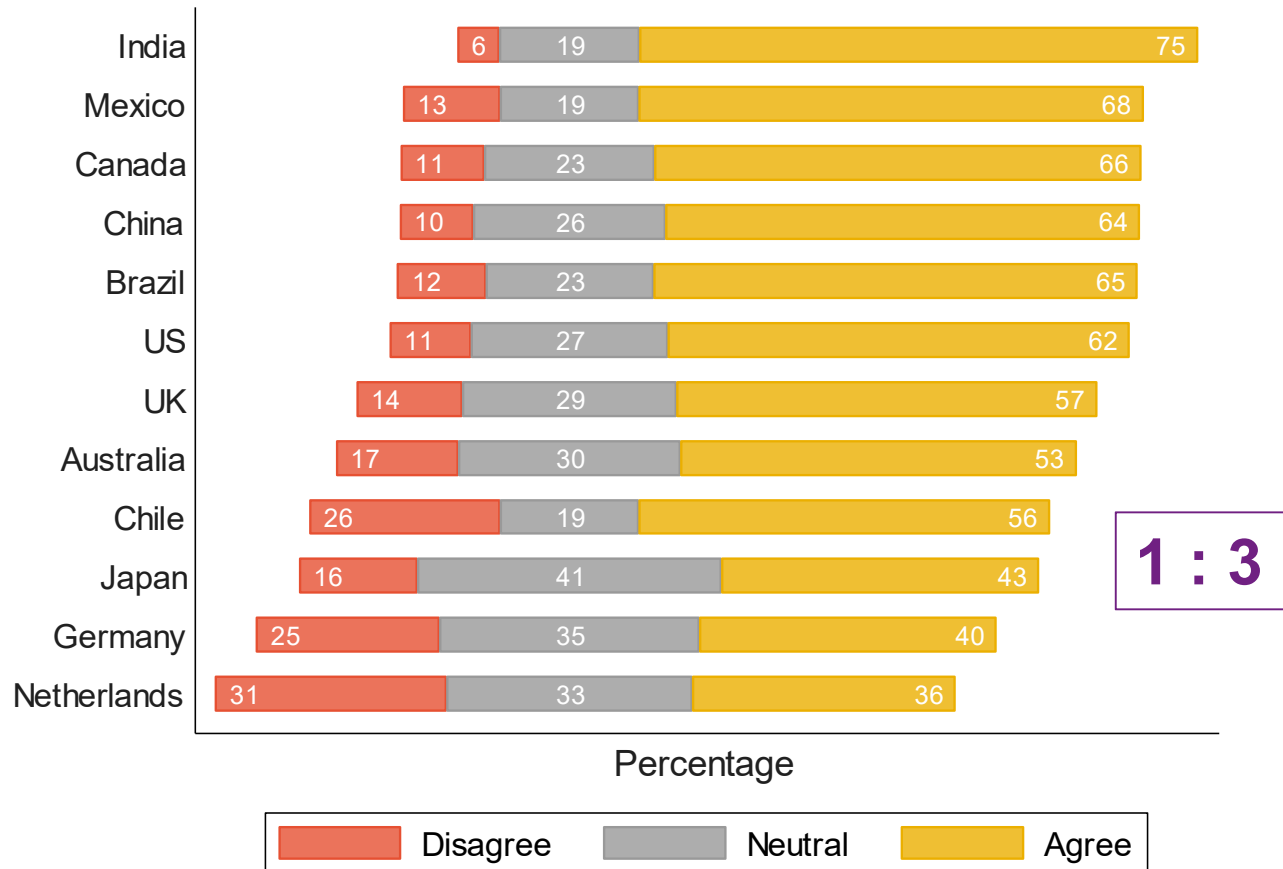


13%

Source: 2013/14 Global Benefits Attitudes Survey – Japan results

Employees want retirement guarantees

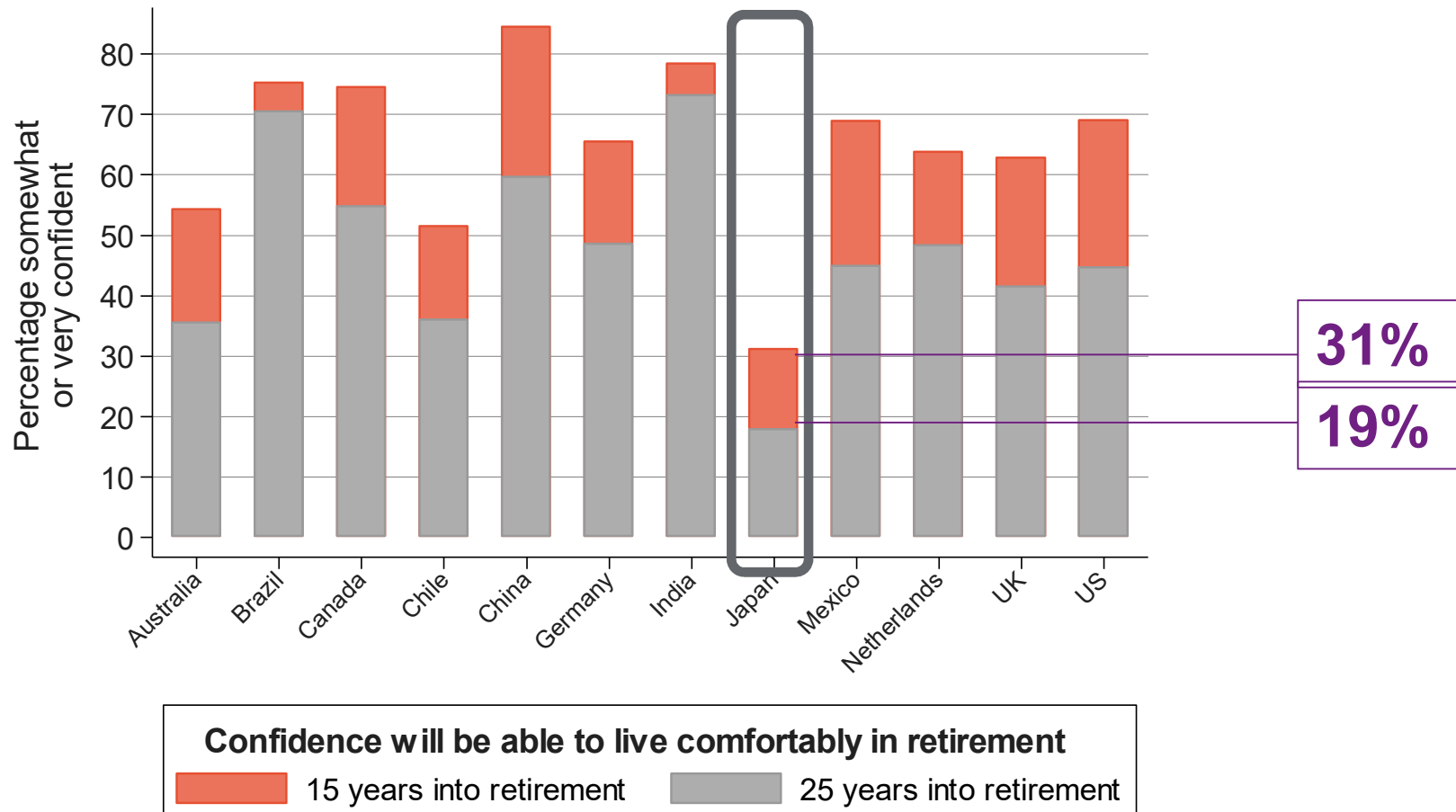
I would be willing to forego pay for a guaranteed retirement benefit



Source: 2013/14 Global Benefits Attitudes Survey.

Japan the least confident about retirement

How confident are you that you will have enough financial resources to live comfortably in retirement?

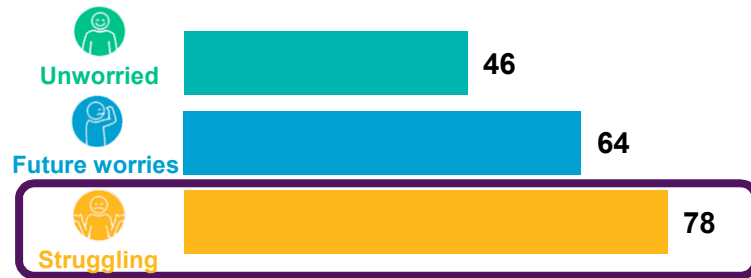


Why do financial worries matter?

Links to poor health and productivity

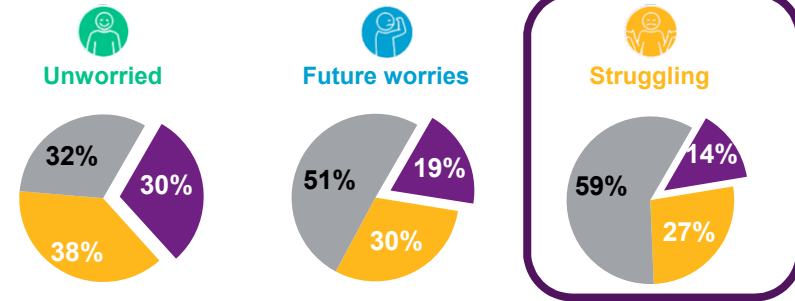
Stress

Percentage in high personal stress



Health status

Health issues are linked to “struggling” employees

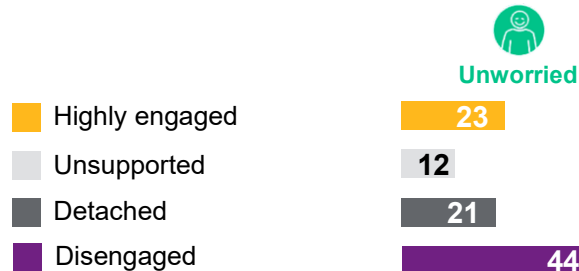


Very good health Good health Poor health

Productivity and engagement

Absence 2.2 days

Presenteeism 9.6 days



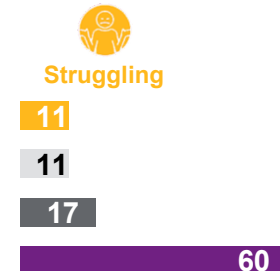
3.3 days

11.4 days



3.9 days

15.0 days



Source: 2015/2016 Global Benefits Attitudes Survey, Japan

Employers are disconnected on stress causes

To what extent is each of the following a source of stress?



Note: Responding 3, 4 or 5 on a 5-point extent scale.

Source: 2015/2016 Global Staying@Work Survey, Japan, and 2015/2016 Global Benefits Attitudes Survey, Japan

Health important for workforce effectiveness



Excellent health



Poor health

Average days lost to

... absence	1.5 days	4.2 days
... presenteeism	7.4 days	10.6 days

Sustainable engagement

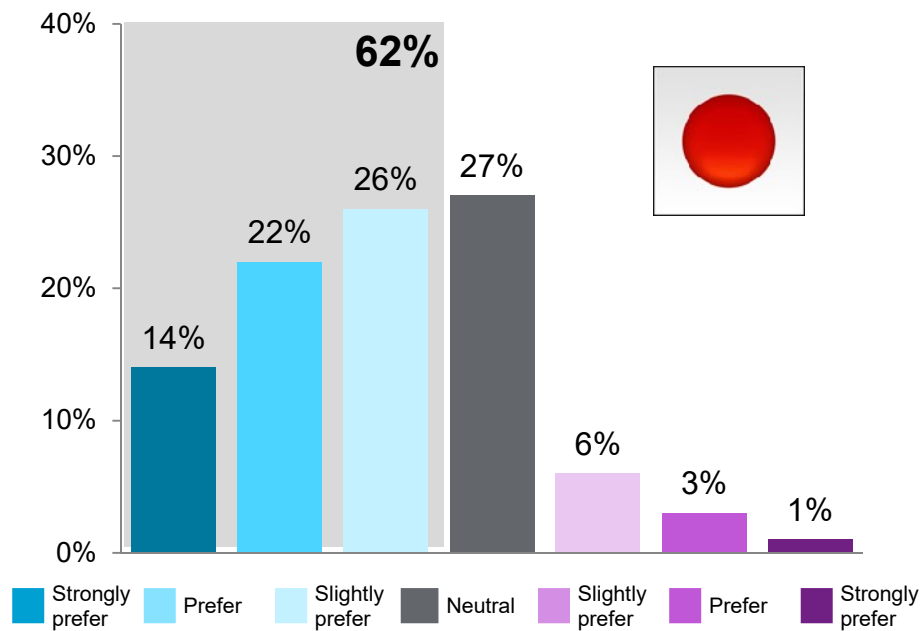
Disengaged	37%	60%
Detached	19%	17%
Unsupported	12%	8%
Highly engaged	33%	15%

Health a priority for employees, and want employer help

Employers should take an active role

It is not the role of an employer

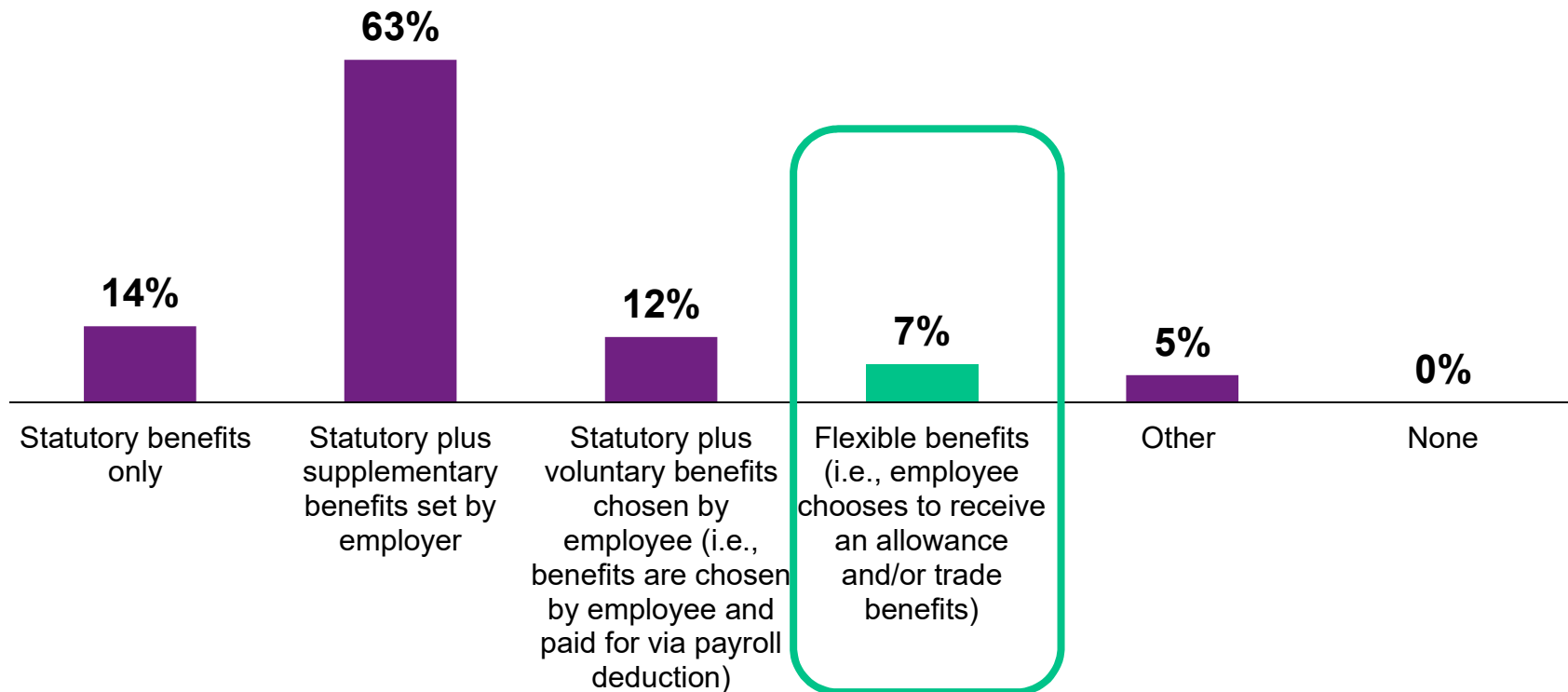
Programs offered by my employer have encouraged me to live a healthier lifestyle



Japan	Asia	Global
16%	35%	32%

Source: 2015/2016 Global Benefits Attitudes Survey

Current benefit packages in Japan – not so flexible



Source: 2015/2016 Global Staying@Work Survey, Japan



By 2020, expect:

Greater demand for
benefits

Work-life balance
more important than
job security

Managing talent
becomes top 3 driver
of change

What employers should do?

Retirement plan
innovation

Financial wellness

Health & wellbeing

Flexible programs

Abenomics getting attention

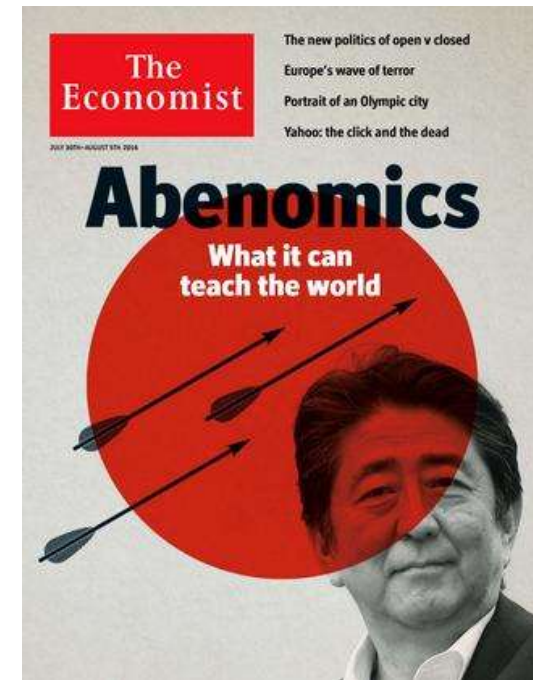
Third arrow needs to strike hard at demographic crisis



May 2013



July 2014



August 2016

What more government should do?

Workforce

Womanomics

Mandatory retirement

Productivity

Labor law reform

Education

Voter representation

Social security reform

Immigration

We hope
Japan is...

THE
NEVERENDING
STORY

