Who's Worried About Funding Retirement?

Financial and Capital Market Research Dept.
Tsubasa Fujiwara
Taisei Watanabe

Summary

- In this report, we analyze the current condition of uncertainty regarding the funding of retirement amongst working adults using questionnaire data from the Daiwa Institute of Research "Literacy Survey on Asset Formation."

- Results of the analysis show that in addition to the low income and non-regular employee categories, which are generally assumed to have little capacity for asset formation, there is a relatively strong tendency for individuals to worry about retirement funds amongst the self-employed and owner-operated businesses, as well as families with children.

- Analysis shows that the expected need for retirement funds is larger for self-employed and owner-operated businesses, including freelancers, than for other professions. It is hoped that private pensions for this category of workers will be designed into a system that is easy to use.

- Regarding child-rearing households, the burden of child-rearing costs has lowered the capacity for asset formation, suggesting that uncertainty regarding the funding of retirement is becoming stronger. Progress has been made in policies to reduce education expenses, but it will also be necessary in the future for policies from the perspective of "asset building support" for child-rearing households.

- In addition, our analysis confirms that even those with relatively sufficient asset building capacity, such as households with income of 10 mil yen or more, there are a certain number of respondents who expect retirement funds to be insufficient.

- Based on these results, it was reaffirmed that policies to support self-help asset formation are also important as a response to the shortage of retirement funds.

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