

2023 Newsletter

Pension Research Council

The 2022 Pension Research Council Symposium, co-sponsored with the Wharton School's Boettner Center, debated the topic of **Real-World Shocks and Retirement System Resiliency**. Executive Director Olivia S. Mitchell hosted the event online with co-organizers John Sabelhaus of the Brookings Institution and Stephen Utkus, Visiting Scholar at the Pension Research Council. Researchers focused on how changing financial and labor markets, and social as well as private insurance programs, are prompting the need for new policies and practices to meet these challenges. Keynoters discussed how new economic and financial phenomena are altering saving, investments, wealth, and inequality, along with pension system resiliency around the world. Prof. Mitchell introduced the discussion saying: "The long-term scarring effects of these shocks will force us to save more, work longer, and probably expect less." Conference papers and presentations are available on our website at <https://whr.tn/3OKM3CT>

Ulrike Malmendier of University of California, Berkeley, presented, **"The Longlasting Effects of Crises and Other Past Experiences on Expectations and Economic Decisions,"** and **David Knox** of Mercer presented, **"Learnings About the Resiliency and Objectice of Pension Systems."**



2022 Symposium Keynote Speakers

Ulrike Malmendier (L) and David Knox (R)

The 2023 PRC Symposium, slated for March 30-31 in 2023, will focus on **Diversity, Inclusion, and Inequity: Implications for Retirement Income Security and Policy**. Co-organized by Wharton Professors Olivia S. Mitchell and Nikolai Roussanov, the event explores the determinants and dynamics of inequality in retirement income outcomes with an emphasis on inequality by race and ethnicity. Topics include the roles of social security and housing, differential access to financial and human capital markets, and policies to narrow the gaps.

The **International Pension Research Association** (IPRA), co-founded by the Pension Research Council at the Wharton School of the University of Pennsylvania (US) along with the **ARC Centre of Excellence in Population Ageing Research** (CEPAR, Australia), the Network for Studies on Pensions, Aging, and Retirement (**Netspar**) at Tilburg University (The Netherlands), and the Organization for Economic Cooperation and Development (OECD) **pensions and insurance group**, hosts monthly webinars and a conference each year in June. This year's conference was held June 23 – 24 in Paris, France. For upcoming events see www.iprassn.org



PRC Updates:

Julie Agnew, PRC Advisory Board Member, received the 2021 CFP Board Center for Financial Planning Best Paper Award, along with Hazel Bateman, Christine Eckert, Fedor Iskhakov, Jordan Louviere, and Susan Thorp, for their study, **"Who Pays the Price for Bad Advice? The Role of Financial Vulnerability, Learning and Confirmation Bias."**

Surya Kolluri, PRC Advisory Board Member, received the 2021 **President's Volunteer Service Award**, presented by AmeriCorps in partnership with Points of Light, for his volunteer service and tireless work to help solve tough challenges facing the nation.

Annamaria Lusardi, PRC Advisory Board Member, with co-authors Tim Kraiser, Lukas Menkhoff, and Carly Urban, won the 2022 **Money Awareness and Inclusion Award** for the best academic paper entitled **"Financial Education Affects Financial Knowledge and Downstream Behaviors."**

Anna Rappaport, PRC Advisory Board Member, received the 2021 **Lifetime Volunteer Award** from the Society of Actuaries for her years of support and mentorship within the SOA and the actuarial profession, and for her pioneering work for women in the industry.

Annamaria Lusardi and Olivia S. Mitchell's book, ***Remaking Retirement: Debt in an Aging Economy***, won the 2022 American Risk and Insurance Association's Kulp-Wright Book Award for the best volume in risk management and insurance.

Steve Utkus, PRC Advisory Board member, along with coauthors Stafano Giglio, Matteo Maggiori, and Johannes Stroebel, received the 2021 AQR Insight Award for their paper **"Five Facts About Beliefs and Portfolios."**

Olivia S. Mitchell presented the **2022 Carnot Prize** for distinguished contributions to energy policy to Lord Nicholas Stern, professor at the London School of Economics and Political Science (LSE).



L to R: Mark Alan Hughes (*Founding Faculty Director of the Kleinman Center*), **Frederick Steiner** (*Dean of the Stuart Weitzman School of Design*), **Olivia S. Mitchell** (*Executive Director of the Pension Research Council*), **Nicholas Stern** (*2022 Carnot Prize Recipient and IG Patel Professor of Economics and Government at the London School of Economics*), **Francis X. Diebold** (*Paul F. and Warren Shafer Miller Professor of Social Sciences, and Professor of Economics, Finance, and Statistics at the Wharton School*), and **Scott Kleinman** (*Kleinman Center Founder and member of the Board of Advisors at the Stuart Weitzman School of Design*).

Upcoming Events:

- ▶ October 6, 2022 PRC Members Dinner
- ▶ October 7, 2022 PRC Advisory Board Fall Meeting
- ▶ March 30-31, 2023 Symposium & Spring Advisory Board Meeting

PRC PUBLICATIONS

EXECUTIVE DIRECTOR

OLIVIA S. MITCHELL
UNIVERSITY OF PENNSYLVANIA

PRC ADVISORY BOARD

JULIE R. AGNEW
ROBERT L. CLARK
PETER CONTI-BROWN
JULIA L. CORONADO
JOEL DICKSON
PETER A. FISHER
P. BRETT HAMMOND
J. MARK IWRY
MELISSA KAHN
EMILY KESSLER
SURYA KOLLURI
DAVID I. LAIBSON
ANNAMARIA LUSARDI
JEANNINE MARKOE RAYMOND
RAIMOND MAURER
ALICIA H. MUNNELL
MIKE ORSZAG
ANNA M. RAPPAPORT
CATHERINE REILLY
DAVID P. RICHARDSON
JOHN SABELHAUS
RICHARD C. SHEA
KENT SMETTERS
JACK L. VANDERHEI
STEPHEN P. ZELDES

BOARD MEMBER EMERITUS

STEPHEN P. UTKUS, *EMERITUS*

EXECUTIVE DIRECTOR LEVEL MEMBERS

BANK OF AMERICA

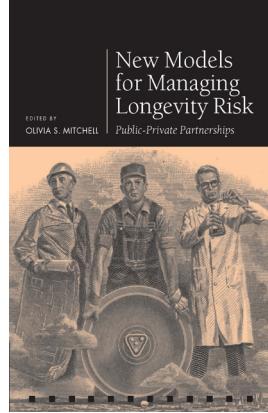
DIRECTOR LEVEL MEMBERS

BLACKROCK
STATE STREET GLOBAL ADVISORS
THE VANGUARD GROUP

ASSOCIATE LEVEL MEMBERS

AARP
ALMANAC NEUBERGER BERMAN
CAPITAL GROUP
FEDERAL RESERVE EMPLOYEE BENEFITS
SYSTEM
FIDELITY INVESTMENTS
FINRA INVESTOR EDUCATION FOUN-
DATION
INTERNATIONAL FOUNDATION OF
EMPLOYEE BENEFIT PLANS
INVESTMENT COMPANY
INSTITUTE (ICI)
J.P. MORGAN ASSET MANAGEMENT
SMART USA
T. ROWE PRICE
TIAA INSTITUTE
WILLIS TOWERS WATSON

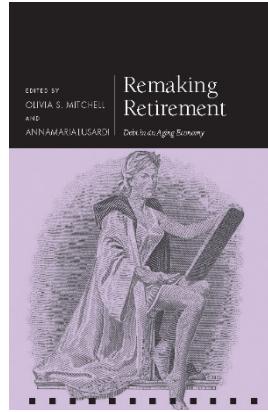
New Models for Managing Longevity Risk: Public-Private Partnerships



Ed. Olivia S. Mitchell. Notwithstanding the terrible price the world has paid in the coronavirus pandemic, the fact remains that longevity at older ages is likely to continue to rise in the medium and longer term. This volume explores how the private and public sectors can collaborate via public-private partnerships (PPPs) to develop new mechanisms to reduce older people's risk of outliving

their assets in later life. As we show in this volume, PPPs typically involve shared government financing alongside private sector partner expertise, management responsibility, and accountability. In addition to offering empirical evidence on examples where this is working well, our contributors provide case studies, discuss survey results, and examine a variety of different financial and insurance products to better meet the needs of the aging population. *ISBN: 978-019-2-85980-8*

Remaking Retirement: Debt in an Aging Economy



Eds. Olivia S. Mitchell and Annamaria Lusardi. Around the world, people nearing and entering retirement are holding ever-greater levels of debt than in the past. This is not a benign situation, as many pre-retirees and retirees are stressed about their indebtedness. Moreover, this growth in debt among the older population may render retirees vulnerable to financial shocks, medical care bills, and changes in interest rates. Contributors to this volume explore key aspects of the rise in debt across older cohorts, drill down into the types of debt and reasons for debt incurred by the older population, and review policies to remedy some of the financial problems facing older persons, in the US and elsewhere. The authors explore which groups are most affected by debt, and they also identify the factors producing this important increase in leverage at older ages. *ISBN: 978-0-19-886752-4*

Our 2021 research volume, **Sustainable Investment in Retirement Plans**, is forthcoming from Oxford University Press. **Presentations** covered the rising global interest in environmental, social, governance (ESG), and impact investing to generate positive impact while generating finance return.

The Disruptive Impact of FinTech on Retirement Systems



Eds. Julie Agnew and Olivia S. Mitchell. Many people need help planning for retirement, saving, investing, and decumulating their assets, yet financial advice is often complex, potentially conflicted, and expensive. The advent of computerized financial advice offers huge promise to make accessible a more coherent approach to financial management, one

that takes into account not only clients' financial assets but also human capital, home values, and retirement pensions. Robo-advisors, or automated on-line services that use computer algorithms to provide financial advice and manage customers' investment portfolios, have the potential to transform retirement systems and peoples' approach to retirement planning. *ISBN: 978-019-8-84555-3*

Subscribe for free to the **Pension Research Council SSRN Working Paper Series**, where our authors address a wide range of retirement related topics including financial literacy, retirement plan coverage and distributions, the pandemic, and more. <http://bit.ly/PRC-SSRN>

The Pension Research Council of the Wharton School of the University of Pennsylvania sponsors academic inquiry and debate on pensions and other employee benefits in the US and around the world. Together with the **Boettner Center**, they support scholarly research, teaching, and outreach on global aging, successful retirement, and public and private pensions.

PRC Social Media

The Pension Research Council's curated blog features insights from the industry's leading professionals. Recent articles have included how Covid-19 has impacted **economic** and **retirement security**, **young adults** and **financial matters**, and **ESG impact on retirement plans** and **pension fund strategies**.

Visit the blog at: <http://bit.ly/RetireSecure>

Like and follow us on **Facebook** and **Twitter**:



PRC.Boettner

@PensionResearch

PRC

Pension Research Council

The Wharton School, Univ. of Pennsylvania

3620 Locust Walk, 3302 SH-DH

Philadelphia, PA 19104-6302

T: 215.573.3414 • F: 215.573.3418

prc@wharton.upenn.edu

www.pensionresearchcouncil.org

Order books online at: <http://whr.tn/3IKZfG5>