

****This file is a simple translation of the article's content provided for better understanding.**

<1> "No Pension, Healthcare, or Income Support for Old Age"... South Korea's Economy Aging Alongside Its Super-Aged Society

[Silver Shift: The Rise of the Young Old]

- In countries like Australia, the "Young Old" are key drivers of consumption and production.
- In contrast, elderly South Koreans reduce spending, weakening economic vitality.
- Urgent societal reforms are needed to adapt to the new demographic structure.

On the afternoon of November 19 last year, inside an apartment at the BUPA Retirement Village in Sutherland, New South Wales, Australia, a group of 11 residents in their 70s and 80s were playing a ball-rolling game on a mat with goalposts drawn on it. Each time the ball neared the goal, the players cheered and applauded.

Among them was Geoff Duval (77), a retired civil servant who moved to the village with his wife four years ago. He enjoys both personal time at home and the freedom to participate in social activities. That day, a variety of activities such as water aerobics, crafts classes, and card games were available for residents. Thanks to his retirement pension of 7,000 AUD (approximately 6.4 million KRW) per month, he finds the 750 AUD (about 680,000 KRW) monthly management fee relatively affordable. "After covering living expenses, I have money left for travel, parties, and gifts for my family—thanks to my generous pension," he said with a smile.

This is a rare scene in South Korea, which has one of the fastest-aging populations in the world. As of December last year, one in five South Koreans was 65 or older, officially marking the country's entry into a super-aged society. Unlike Japan (which took 10 years), Germany (36 years), and France (39 years), South Korea transitioned from an aged society to a super-aged society in just seven years.

However, preparations for this "Silver Shift" have been severely lacking. It is time to redesign major policies and industries—including pensions, retirement, healthcare, and education—with seniors at the center, yet reforms have been sluggish. Unlike in advanced nations, where the "Young Old"—healthy and financially stable seniors—play a leading role in consumption and production, elderly South Koreans are cutting back on spending due to a lack of financial security. Over the past decade, the average annual return on retirement pensions has remained at just 2%, and nearly half of elderly workers earn less than 1 million KRW per month.

With South Korea's economic growth rate at risk of falling to the 1% range, unprepared super-aging could further weaken the country's economic vitality. The Bank of Korea estimates that the retirement of the second-generation baby boomers (born between 1964 and 1974) will reduce the nation's economic growth rate by 0.38 percentage points annually from 2024 to 2034.

Experts unanimously stress the urgency of reforming all aspects of society—from pensions and healthcare to the industrial workforce—before it is too late. Hong Seok-cheol, a professor of economics at Seoul National University, warned, "As aging accelerates, consumption inevitably declines, exerting a broad impact on the economy. We must invest in raising potential growth based on the new demographic structure."

- **[Silver Shift: The Rise of the Young Old] (1) South Korea's Long Road to Adapting to a Super-Aged Society**
- **Australia's retirement pension requires a 12% salary contribution...**
- **Up to 2.09 million KRW per month for those without savings**

- **The UK's three-tier pension system supports consumption-driven seniors**
- **South Korea rushes into a super-aged society unprepared... Urgent need for employment and pension reforms**

Behind the leisurely lives of elderly residents at BUPA Retirement Village in Australia lies the country's robust retirement pension system, known as "Superannuation" (Super). Introduced in 1992, Super is a mandatory national retirement pension scheme for all employees earning at least 450 AUD (approximately 410,000 KRW) per month, regardless of company size. Employers fully cover the mandatory contributions—currently 11.5% of an employee's salary—but many workers voluntarily contribute additional funds due to its high returns.

Dot Bishop (81), who relies on her husband's Super pension, shared: "When my husband was working, he used to ask me how much I spent. But after retirement, money is no longer a concern. We travel the world every two years and focus on learning new things."

For Australians who have not been able to save much in their Super due to career breaks, the government provides an age pension funded by taxes. Available from age 67, this pension varies based on income and assets but can reach up to 2,300 AUD (approximately 2.09 million KRW) per month for a single person.

- **Advanced Nations Offer Strong Pension & Job Security, But South Korea Lacks a Safety Net**

Karen Grieve (70), a member of the exclusive Phyllis Court Club in Henley-on-Thames, UK, expressed her satisfaction with retirement life: "Seniors in our community actively participate in sports, hobbies, and social clubs. We have the financial means to enjoy life." In the UK, retirees benefit from a multi-tier pension system, which includes a basic state pension, workplace pensions, and private pensions. The basic state pension provides an average of 815 GBP (approximately 1.45 million KRW) per month for those aged 66 and older, while workplace pensions yield an average annual return of around 7% over the past decade.

In developed nations like the UK and Australia, strong multi-layered pension systems and thriving re-employment markets enable the elderly to become key players in consumption and production, often referred to as the "Young Old." In stark contrast, South Korea has entered a super-aged society without adequate preparations. In just seven years, the country transitioned from an aged society to a super-aged society—where over 20% of the population is aged 65 and older—but has made little progress in reforming its pension system and industrial structure to accommodate this demographic shift.

Due to a lack of financial security, many elderly South Koreans are cutting back on spending. South Korea's retirement pension system fails to provide sufficient income for post-retirement living. Compared to the 10-year average annual return rates of 7.79% in the U.S., 6.72% in Australia, and 4.10% in Japan, South Korea's retirement pension system had a meager 2.07% return (2014–2023). This is largely due to 87.2% of pension funds being concentrated in low-risk, principal-guaranteed products like bank deposits.

Another major issue is that most elderly South Koreans' assets are tied up in real estate. According to the Korea Capital Market Institute, 83.66% of assets owned by South Korea's elderly are in real estate. Jeon Mo (65), a resident of Seocho District in Seoul, found himself in financial difficulty after retirement despite owning property. "I want to sell my house, but even after lowering the price by 100 million KRW, there are no buyers. My fixed income has dropped to just over 1 million KRW per month, and the burden of mortgage interest is overwhelming," he said.

The senior job market in South Korea is also bleak. While 37.3% of South Korean seniors remain in the workforce—the highest rate among OECD countries—nearly half of them earn less than 1 million KRW per month.

- **South Korea's Economy at Risk of Premature Decline**

Super-aging is emerging as one of the biggest threats to South Korea's economy. The working-age population (ages 15–64), which forms the backbone of the economy, is projected to drop below 70% by 2025 and further decline to 51.9% by 2050. Meanwhile, the proportion of seniors aged 65 and older is expected to surge to 40.1% by 2050. This demographic shift is already leading to reduced labor productivity. According to the OECD, South Korea's hourly labor productivity stood at just \$44.4 in 2023, ranking 33rd out of 38 OECD member countries.

The Bank of Korea estimates that as the second-generation baby boomers (born between 1964 and 1974) retire, the country's annual economic growth rate will decline by 0.38 percentage points from 2024 to 2034.

Experts argue that South Korea must urgently implement structural reforms to mitigate the economic impact of an aging population. Given that the second-generation baby boomers are well-educated and technologically proficient, reforming employment policies to accommodate their strengths could help. The Bank of Korea suggests that if strong institutional changes are made to increase employment rates among this generation, the decline in economic growth could be reduced by up to 0.22 percentage points.

Immediate measures are also needed to prevent pension fund depletion, increase retirement pension returns, and secure more job opportunities for seniors. Roger Plané, Pension Program Director at the Netherlands Ministry of Social Affairs and Employment, warned: "Once pension reform efforts begin, it takes at least ten years to see meaningful results."

"Pension Reform: People Must First Understand That Paying Less Means Receiving Less"

- **Interview with Atsushi Seike, Global Labor Economist**
- **Japan's 2004 pension reform: "Pay More, Receive Less"**
- **Success attributed to public persuasion and employment extension**

"Pension reform must start with the public understanding that if contribution burdens decrease, the quality of services (such as pension payouts) will inevitably worsen. If the South Korean government wants to reform its national pension system, it must first make a concerted effort to help people understand how the system works."

Atsushi Seike, a globally recognized labor economist and President of the Japanese Red Cross Society, as well as Chair of Japan's Aging Countermeasure Committee (and former President of Keio University), shared this insight during an interview with *The Dong-A Ilbo* at the Japanese Red Cross headquarters late last year.

Japan's public pension system, known as *Kōsei Nenkin* (Welfare Pension Insurance), faced challenges similar to South Korea's National Pension. Following Japan's prolonged economic stagnation in the 1990s, the system fell into deficit in 2002. At the time, projections showed that by 2100, a total of 740 trillion yen would be needed to sustain pension payments, but there was a shortfall of 480 trillion yen. This sparked growing fears of pension fund depletion.

The key difference between Japan and South Korea is that Japan responded by implementing the so-called "Pay More, Receive Less" pension reform in 2004. The Japanese government gradually increased contribution rates over 13 years while simultaneously raising the pension eligibility age from 60 to 65. In addition, labor laws were amended to mandate continued employment opportunities for workers up to age 65, based on employer-employee agreements. Instead of enforcing a blanket increase in the retirement age, companies were given the flexibility to choose among three options: abolishing mandatory retirement for employees over 60, extending the retirement age, or rehiring employees after retirement.

Seike explained, “The success of Japan’s pension reform was driven by a clear government blueprint, public persuasion on the necessity of reform, and labor agreements that ensured employment extended in tandem with the increased pension eligibility age.”

When asked whether there was resistance from younger workers regarding expanded senior employment, he noted, “Japan has generally faced labor shortages, so it was not difficult for young people to find jobs. As a result, resistance was minimal.” He added, “When senior employment expands, the number of pension contributors increases, which ultimately reduces the burden on younger generations. A shift in perspective is necessary.”

Seike also emphasized the importance of strong political will in implementing such an unpopular reform. “There was a shared consensus that we must prevent future generations—who aren’t even born yet—from being unfairly burdened. This principle paved the way for the reform’s success,” he said. “Pension reform is an unpopular topic for politicians, but South Korea needs bold leadership, just as former Japanese Prime Minister Yoshihiko Noda demonstrated.”

Although the reforms initially faced public backlash, Seike pointed out that over a decade later, Japan’s pension system is now viewed as a more sustainable model. “Looking at the long-term sustainability of the pension system, the reform is now considered a success.”

<2> Skilled Workers in High Demand Across Europe: A 68-Year-Old Banker in Germany Continues Working Beyond Retirement Age

- In the UK and Germany, even those in their 70s remain active in the workforce
- 34% of South Korean workers aged 55–64 hold temporary jobs Without structural reforms, Korea’s potential growth rate could drop to 0%

"Isn't it discrimination to be forced to leave a company just because of age?"

Frank Goeltel (67), whom we met late last year in Frankfurt, Germany, is an executive at a cargo transportation company with over 30 branches across Europe. Despite having completed his retirement preparations a decade ago, he has no intention of stepping away from work. "I started receiving my pension last year," he said, "but I will continue working as long as I can."

The "Young Old" (individuals who are elderly but remain economically active) in the Netherlands, the UK, and Germany take great pride in their ongoing contributions to the workforce. In London, UK, 64-year-old Meb Khatri, head of risk management at a local bank, stated, "I feel a sense of accomplishment from fulfilling my responsibilities at work." He added, "There are even cases of people working at banks well into their 70s. If my health allows, I, too, expect to find new opportunities in my 70s."

In contrast, South Korea, which has already entered a super-aged society with over 20% of its population aged 65 or older, faces a bleak reality. Unlike skilled senior workers in advanced economies, Korea's elderly workforce is often relegated to low-skilled, temporary jobs that do not utilize their expertise. According to the Korea Development Institute (KDI), as of 2022, 34.4% of South Korean wage earners aged 55–64 were in temporary or contract-based positions. This is the highest rate among OECD member countries, with a significant gap of over 10 percentage points compared to Japan, which ranks second at 22.5%.

Starting this year, Korea will see the gradual retirement of the second wave of baby boomers, born in 1965, totaling 9.54 million people. As a result, the number of elderly individuals facing a financial cliff is expected to rise. The Bank of Korea recently warned that without structural reforms, Korea's potential growth rate could plummet to 0% by 2040. It urged the government to implement policies aimed at improving labor productivity among the elderly workforce.

- The 'Young Old' Workforce in Action
- The Netherlands and the UK Abolish Mandatory Retirement, While Germany Gradually Raises the Age to 67
- Public-Private Platforms Support Economic Participation
- Most Jobs for South Korea's Elderly Are Welfare-Oriented—Experts Call for Job Design Improvements

"I don't work just for the money. I still enjoy meeting new people and experiencing different cultures through my job."

Belly Abudak (68), whom we met in Frankfurt, Germany, reached retirement age two years ago but remains active at a local financial firm. "The cost of living has gone up—heating bills, maintenance fees, everything—but now that I receive both a salary and a pension, I have more financial flexibility," he explained.

Meanwhile, in Utrecht, Netherlands, 73-year-old architectural engineer Jan Brundel was busy overseeing a railway improvement project in Nijmegen. "Right now, trains between Schiphol International Airport and Nijmegen run about three times an hour, but we're working to reduce the interval between trains," he said. "The project is set for completion in 2029, so of course, I'll keep working until then," he added with a laugh. Brundel noted that he continues to receive job offers, expressing pride in his expertise as an electrical engineer.

- In Europe, Even Engineers in Their 70s Remain Active

The "Young Old" workers we met in the Netherlands, Germany, and the UK continue to thrive in their fields even after reaching retirement age. Governments and local communities actively support these skilled professionals, and businesses are eager to hire them. With skilled labor becoming increasingly scarce and elderly consumers gaining economic influence, there is a growing movement to value senior employees.

Abudak pointed out, "It's more important than ever for experienced workers to remain in the workforce, as many industries are facing a shortage of skilled professionals." Brundel agreed, saying, "Quite a few companies are looking for workers like me, and even large corporations are making efforts to extend senior employees' tenure."

Indeed, German company Bosch runs a *Senior Expert Program* to retain technical expertise, assigning older employees roles in training and mentoring. Similarly, British insurance firm Aviva employs workers in their 50s and beyond, with one-third of its workforce being over 50.

Governments are also implementing policies to help the "Young Old" remain in the workforce. The Netherlands and the UK have effectively abolished mandatory retirement ages, while Germany is gradually raising its official retirement age from 65 to 67 by 2029. A representative from Germany's Ministry of Labor and Social Affairs explained, "We provide career counseling for retirees who wish to re-enter the workforce, and since January 2023, early retirees can earn unlimited additional income without pension reductions."

One government-led initiative to help mid-career workers plan for their later years is the UK's *Mid-life MOT* platform, launched by the Department for Work and Pensions in 2020. The platform allows middle-aged individuals to assess their retirement preparedness and access reemployment resources. The term "MOT" is borrowed from vehicle inspections, symbolizing the importance of regular self-assessment and career planning.

Kim Ki-jung (pseudonym, 58), a part-time computer engineer in London, shared his perspective: "Having a variety of employment options rather than a fixed retirement age benefits more people in the long run."

- Schools and Companies Support Senior Employment

Educational institutions and community programs are also helping "Young Old" professionals continue contributing to society. In the Netherlands, five universities—including those in Leiden and Tilburg—collaborated to create *Higher Education for the Elderly (HOVO)*, a senior learning program. Carolin Vanbergen, director of the HOVO program at Vrije Universiteit Amsterdam, noted, "This program helps older individuals maintain a sense of purpose and engagement. Recently, a 60-year-old student who worked in translation took an architecture course and later published a translated book on the subject."

Another Dutch initiative, the nonprofit organization *PUM*, sends retirees to small and medium-sized enterprises in developing countries each year, passing down decades of industry knowledge. Since its establishment in 1978, PUM has collaborated with over 40,000 companies worldwide, with financial support from the Dutch government.

In Germany, *Volkshochschule* (community colleges) serve as key educational centers for the elderly. More than 900 institutions across the country offer affordable courses taught by high-quality instructors, funded by government subsidies. Another notable organization, *Seniorenbüro* (Senior Office), helps older job seekers by connecting them with local business projects.

Experts stress the importance of creating high-quality, long-term job opportunities for South Korea's aging workforce. Lee Byung-hoon, an emeritus professor of sociology at Chung-Ang University, commented, "The reality is that most senior jobs in Korea are welfare-oriented rather than sustainable

career paths. We need to focus on job design and employment support to enhance the quality of senior employment.”

South Korea’s Senior Workforce Grows, but Experience Goes to Waste in Low-Skill Jobs

- **38% of Koreans Aged 65+ Are Economically Active (2023)**
- **Half of Senior Workers Earn Less Than 1 Million KRW per Month**
- **Urgent Need for Policies to Ensure Job Continuity**

South Korea has one of the highest rates of senior employment globally, and the number of elderly workers continues to rise. In 2023, workers aged 60 and older played a key role in labor market growth, making South Korea the country with the highest proportion of senior workers among all age groups. However, unlike in advanced economies where "Young Old" professionals continue working in skilled roles, most elderly workers in South Korea are pushed into low-wage, manual labor unrelated to their lifelong careers.

According to Statistics Korea, as of November 2023, the number of employed individuals aged 60 and older increased by 298,000 compared to the previous year, reaching a total of 6.78 million. This growth was more than double the overall increase in employment across all age groups (123,000).

As a result, for the first time since employment statistics began in 1982, workers aged 60+ became the largest age group in the labor force. Just over a decade ago, working seniors were relatively rare; until September 2013, the 60+ age group had the fewest workers among all age groups except teenagers. However, by October 2013, they surpassed workers in their 20s, overtook those in their 30s in September 2020, and exceeded workers in their 40s in May 2023. By September 2023, they had even outnumbered workers in their 50s. As of November 2023, seniors aged 60+ accounted for nearly one in four (23.5%) employed individuals in South Korea.

Globally, South Korea has one of the highest rates of economic activity among seniors. In 2003, 28.6% of Koreans aged 65 and older were either working or looking for work. By 2023, this figure had jumped to 38.3%, the highest among OECD member countries. South Korea held this top position in 2003 and retained it in 2023, widening its lead over second-place Japan. In 2003, Japan's senior labor participation rate was 20.2%, 8.4 percentage points behind Korea. By 2023, Japan's rate had risen to 25.7%, but the gap with Korea had grown to 12.6 percentage points.

Despite this high participation rate, elderly workers in South Korea face severe economic hardships. In Q2 2023 (April–June), 46.7% of households where the primary earner was an employed individual aged 65+ had a monthly work income of less than 1 million KRW. This means that nearly half of elderly breadwinners earned less than 1 million KRW per month.

Financial necessity is a major driver behind senior employment, with half of elderly workers citing "maintaining a livelihood" as their primary reason for working. This suggests that even among employed seniors, many struggle with poverty.

Kim Ji-yeon, an associate research fellow at the Korea Development Institute (KDI), highlighted the inefficiency of the current labor system: *“Older workers in Korea are primarily engaged in physically demanding, low-skilled labor. As the overall labor supply declines, we must develop strategies to make better use of the middle-aged and senior workforce. Structural reforms are needed to ensure job continuity and improve the quality of employment for older workers.”*

<3> 22% of U.S. Consumer Spending Comes from Seniors—Wealthy 'Young Old' as an Economic Powerhouse

- **The Big Spenders Revitalizing the Economy**
- **High Income and Education Levels Make Them a Social Force—Investing Generously in Travel and Self-Development**
- **Creating Social Value Through Volunteering—56% of Elderly Koreans Living Alone Are “Unprepared for Retirement”**

《The Young Old (active seniors in their 60s and 70s) who possess wealth, income, and health are becoming a key economic driver in developed nations. They immerse themselves in K-pop, pursue academic interests, and even use their accumulated knowledge and experience to create social value.

Korea is also witnessing the rise of the Young Old, but many find their wealth tied up in real estate, limiting their ability to become strong consumers. Experts warn that this could burden Korea's potential growth rate as it enters a super-aged society. 》

Atsuko Kumai (60) from Japan left her long-time job at a call center in 2023. Now, she starts her day studying Korean, relying on a stable income of 330,000 yen per month from her lifelong savings and pension. She attends Korean language school at least twice a week and frequently travels to Korea. In November 2023, she visited Haman in South Gyeongsang Province to experience traditional culture, and in December, she enjoyed a gourmet tour in Seoul. "I started learning Korean because I wanted to understand dramas and K-pop concerts without subtitles, but now it has become a significant part of my life," she said.

Anita Howard (70) from Beecroft, New South Wales, Australia, was a schoolteacher before retirement. She now teaches art classes to neighbors and writes books. Thanks to her pension of \$4,000 per month, she actively saves for travel. In September, she plans to celebrate her 70th birthday with a cruise trip alongside her two sons and four grandchildren.

The Young Old are healthier, wealthier, and more educated than previous generations, making them powerful economic contributors and an attractive target for businesses. Their willingness to spend boosts national economies, and some analysts argue that affluent seniors are now a "secret weapon" for economic growth in developed countries.

According to the U.S. Federal Reserve, Americans aged 70 and older currently hold about 26% of total household wealth. A 2023 report from the U.S. Department of Labor found that seniors aged 65 and older accounted for 22% of total consumer spending, the highest percentage recorded since data collection began in 1972.

The *Wall Street Journal* (WSJ) noted that older generations act as a financial cushion against inflation and high interest rates, explaining, "Since most seniors are retired, their spending is less affected by unemployment rates."

- Investing in Lifelong Learning and Becoming Public Speakers

The Young Old take pride in their intellectual curiosity and actively invest in education and social activities.

In November 2023, we visited a lecture hall in the basement of Vrije Universiteit Amsterdam, where about 40 students with gray hair and reading glasses were diligently taking notes. The day's topic was astronomy. Attendees ranged from part-time workers in their 60s to nearly 100-year-olds, all deeply engaged in studying the "Laws of Stars."

This course is part of the "Higher Education for Older Adults (HOVO)" program, run by five universities in the Netherlands, including those in Leiden and Tilburg. Currently, around 7,000 seniors take courses at Vrije Universiteit Amsterdam, and across the Netherlands, the number reaches 25,000.

A fine arts history course that opened for offline enrollment in December 2023 quickly filled up, despite its €355 (approx. 540,000 KRW) fee for 10 sessions. This enthusiasm reflects the Young Old's strong commitment to lifelong learning.

Peter Griffiths (76), a retired airline pilot from the UK, now travels across Southeast England giving small lectures, sharing insights from his career. "I've worked as a personal pilot for Hong Kong airline executives, Russian oil tycoons, Kazakh mining moguls, and Belgian financiers," he said. "Now, I enjoy sharing these experiences with others."

- **Creating Social Value: Teaching English to Ukrainian Refugees**

Jennifer Wilson (75), who retired as a teacher in 2010, has been actively involved in the "University of the Third Age (U3A)" since 2016. This UK-based learning community for retirees boasts over 400,000 members and more than 1,000 local groups. Wilson says she finds it rewarding to help create new opportunities for seniors.

U3A goes beyond social networking; it also generates significant social value through research projects. For example, with support from the University of Oxford, U3A members have created a digital archive documenting daily life during World War II. More recently, they have been involved in providing English language education for Ukrainian refugees.

Korea is also seeing a rise in well-educated, high-income seniors. According to the Ministry of Health and Welfare's *2023 National Senior Survey*, the average annual household income for seniors reached 34.69 million KRW (\$26,000) in 2023, an increase of 4.42 million KRW (\$3,300) from 2020.

Educational levels have also improved. The percentage of seniors with a high school diploma increased from 28.4% in 2020 to 31.2% in 2023, while those with at least a two-year college degree rose by 1.1 percentage points to 7.0%.

However, as the Young Old emerge, issues of elderly loneliness and poverty are also growing. According to Statistics Korea, as of 2023, 5.65 million households were headed by seniors aged 65 or older. Among them, 2.14 million (37.8%) were elderly living alone, and more than half (55.8%) said they were "unprepared for retirement."

France: 750,000 Pensioners Receiving 5.9 Million Won Monthly... Korea Struggles with Mortgage Interest

- **U.S. Sees Record Number of 'Pension Millionaires' with \$1.4 Billion in Accounts**
- **Korean Elderly Have Most Assets Tied Up in Real Estate**
- **Non-Financial Assets Account for 77%—Twice That of the U.S. and Japan**
- **"Monetizing Real Estate Essential for Boosting Consumption"**

In advanced economies such as the U.S. and Europe, 'pension

millionaires'—young-old retirees with substantial pension funds—are emerging as a strong driving force for consumption. In contrast, most elderly Koreans have their wealth tied up in real estate, leaving them with little liquidity for spending.

According to Fidelity, the largest retirement asset management company in the U.S., the rising stock market has propelled the number of Fidelity 401(k) account holders with balances exceeding \$1 million (approximately 1.4 billion won) to a record high of 497,000 as of the second quarter (April–June) of last year. France also has a significant number of well-off pensioners. According to the Directorate for Research, Studies, Evaluation, and Statistics (DREES), an estimated 750,000 retirees in France received monthly pensions exceeding €4,000 (approximately 5.9 million won) last year, accounting for about 4.4% of the total 17 million pension recipients.

While these pension-rich retirees are spending freely, Korea's elderly population has limited purchasing power, posing an economic challenge. According to the Bank of Korea, as of the end of 2023, 77.1% of Koreans' net assets were tied up in non-financial assets such as real estate, with financial assets like stocks and bonds making up only 22.9%. This is significantly higher than in the U.S. (37.3%) and Japan (43.1% as of 2022). Unlike financial assets, which generate income through dividends and can be liquidated quickly, real estate assets are difficult to monetize, with mortgage interest payments further eroding income. Many elderly Koreans face a "retirement income cliff," forcing them to cut back on consumption.

Reflecting the financial struggles of the elderly, loans have also been increasing. A growing number of retirees are taking out loans not only for home purchases but also to cover living expenses. According to the Bank of Korea, the proportion of outstanding loans held by borrowers aged 60 and above increased from 18.5% at the end of 2021 to 20% by the end of September last year.

This year marks the beginning of retirement for those born in 1965, kicking off the gradual retirement of 9.54 million second-wave baby boomers over the next decade. The market views increased spending by this demographic as a crucial factor for the Korean economy.

The Korea Capital Market Institute emphasizes the need to establish a consumption base for the elderly through real estate monetization. Given the deep-rooted preference for property ownership in Korea, experts highlight the importance of improving and expanding the reverse mortgage system as a necessary step.

<4> “Targeting the Young-Old”: Financial Firms Offer Estate Planning and Pet Care Services

- **The Rising ‘Young-Old Business’**
- **Financial Sector Expands into Trust Services for Dementia, Funerals, Inheritance, and Gifting—Partnerships with Japan**
- **‘Aging Tech’ Booms in U.S. and Japan—Smart Toilets and Assisted Bathing Devices**
- **Senior Industry Expected to Reach 168 Trillion Won by 2030**

"Ensuring even your beloved pets live out their full lifespan."

This was the message on a brochure for "Ohitorisama Trust" (Single-Person Household Trust), a financial product offered by Japan's largest trust bank, Sumitomo Mitsui Trust Group. During a visit to the company's Tokyo headquarters late last year, this unique service stood out as part of the firm's wide range of financial products tailored to the elderly, including those living alone. In addition to notifying relatives of a client's passing, the service handles estate clean-up, funeral arrangements, data deletion from smartphones, PCs, and laptops, and even the transfer of pets to designated caretakers.

Yoshimitsu Taniguchi, Executive Director at Sumitomo Mitsui Trust Group, explained, *"Individually arranging these services can be cumbersome, and there is no guarantee they will be properly executed. Consumers trust banks because of their credibility. Due to strong demand, subscriptions for this service remain steady."*

With the rise of the *young-old*—active seniors who enjoy a healthy and independent lifestyle—industries catering to aging consumers are expanding rapidly. Financial institutions are rolling out specialized products, while cutting-edge technologies such as big data, artificial intelligence (AI), and robotics are transforming daily life and healthcare through *aging tech*.

- **Banks Race into Trust Business, Aging Tech Surges**

Japanese financial institutions such as Mitsubishi UFJ Financial Group and Aozora Bank are expanding trust and estate management services in response to their aging clientele. These services include drafting and storing wills, executing bequests, mediating inheritance disputes, and distributing assets according to the client's wishes. As more *young-old* individuals seek control over their wealth distribution, demand for such services has soared.

Korean financial firms are also aggressively entering the trust business. Representative services include dementia trusts (which allocate funds for medical, caregiving, and living expenses in case of cognitive decline), funeral trusts (which set aside funds for posthumous expenses), and event-based trusts (which distribute inheritances or gifts for milestones such as a grandchild's college admission or wedding). Hana Financial Group has even partnered with Sumitomo Mitsui Trust Group to enhance its trust business.

At the same time, *aging tech* is gaining traction among tech-savvy *young-old* consumers. U.S. healthcare startup *Casana* has developed a smart toilet seat equipped with sensors to monitor heart rate, blood oxygen levels, heart rate variability, and restroom usage frequency, storing the data in the cloud for real-time chronic disease management between seniors and caregivers.

Another U.S. company, *Mighty Health*, offers a smartphone app that provides age- and health-specific exercise and nutrition plans, along with expert courses on sleep quality, stress reduction, and menopause management.

Japan's largest property and casualty insurer, *Sompo Japan Insurance*, launched its caregiving subsidiary *Sompo Care* in 2019 and has since been developing advanced caregiving technologies at its *Future Care Lab in Japan*. One notable innovation is an assisted bathing device that allows wheelchair users to bathe without transferring to and from a tub. Since its launch in September 2021, 200 units have been deployed. The company has also introduced 19,000 sleep-monitoring devices that detect fall risks, further integrating smart solutions into eldercare.

- Expanding 'Senior Living' Market

The senior living market, which combines age-friendly housing with caregiving services, is also expanding rapidly. According to the Korea International Trade Association, the senior industry—centered around senior living communities—is projected to grow from 72 trillion won in 2020 to 168 trillion won by 2030.

In *BUPA*, an Australian retirement village offering fitness centers and educational programs, 78-year-old resident Lynn remarked, *"I have no regrets about selling my home to move here. I enjoy socializing with like-minded individuals and building meaningful relationships."*

Lee Kyung-ja, a team leader at Samsung Securities, predicted, *"As the financially strong 50s and 60s transition into the senior demographic, the demand for senior housing will become more diverse and expand significantly. The next ten years will be a crucial turning point for this industry."*

"Life Insurance Payouts to Be Used for Pensions and Nursing Home Entry"

- **Financial Services Commission to Introduce Retirement Support Insurance**
- **"3.6 Million Whole Life Insurance Policies Can Be Liquidated"**
- **ISA Accounts to Gain 'Medical Savings' Feature**

As the *young-old* demographic gains prominence, South Korea's financial sector is undergoing transformation. On February 9, the Financial Services Commission (FSC) announced a new initiative to launch a five-part "Retirement Support Insurance" package. This initiative aims to help seniors secure retirement funds by allowing life insurance payouts to be liquidated and used in advance for pensions or nursing home admission rights.

An FSC official explained, *"There are approximately 3.6 million whole life insurance policies that have completed premium payments and could be converted into liquid assets. Since many seniors hold limited financial assets and primarily own real estate and life insurance, this policy is designed to allow them to utilize insurance similarly to reverse mortgages."*

Under the proposed system, if a policyholder has completed their premium payments and is both the policyholder and the insured, they can access their death benefit before passing away. For instance, if a life insurance policy has a death benefit of 300 million won and the policyholder chooses to receive 50% as a pension, they could receive 150 million won as monthly pension payments while leaving the remaining 150 million won for their beneficiaries upon their passing.

Additionally, the government is enhancing Individual Savings Accounts (ISA) and pension accounts by introducing a "medical savings account" function. Specifically, ISA accounts will restore contribution limits when funds are withdrawn for medical expenses, ensuring continued tax benefits for savers.

Furthermore, a "Life Insurance Beneficiary Trust" system was introduced in South Korea for the first time in November last year. Previously, trust products offered by financial institutions covered only real estate, retirement pensions, and funds, excluding life insurance. However, a legal amendment now allows insurance payouts to be included in trust assets, enabling financial firms to manage life insurance benefits on behalf of clients.

If the insured has a life insurance payout of at least 30 million won, they can pre-designate the distribution method, amount, and schedule of the payout through a beneficiary trust.

Mr. Jung (41), a single father who divorced three years ago, is raising his eight-year-old daughter. Recently, after consulting with a bank, he signed a 300-million-won *Life Insurance Beneficiary Trust*

contract. Under this arrangement, his daughter will receive 20 million won annually for tuition from college enrollment until graduation, with the remaining funds disbursed in a lump sum after graduation.

Jung shared, *“Even if I were to pass away while my child is still a minor, I feel reassured knowing that she will have financial support throughout her university years and job-seeking process.”*

"Senior 'GG' Emerging as Major Consumers – Must Be Targeted"

- **"GG Purchasing Power to Expand Over the Next 30 Years**
- **Urgent Need to Shift Business Strategies Away from MZ-Centric Approach"**

"The era of 10 million seniors is here, and the 'Grand Generation (GG)' is emerging as a major consumer force—companies must focus on targeting this market."

On the 30th, the Korea Chamber of Commerce and Industry (KCCI) released a report titled *GG Market Targeting Strategy*, advocating for strategic initiatives to capture the senior market. The report defines GG as individuals born between 1950 and 1971 (ages 54–75) who are either approaching retirement or actively engaged in economic, social, and leisure activities post-retirement. It emphasizes the need for businesses to quickly shift away from an MZ-generation (Millennials and Gen Z)–focused strategy and prepare for the increasing consumer power of GG over the next 30 years.

Professor Roh Eun-jung of Dongguk University's Industry-Academic Cooperation Foundation stated, "As life expectancy increases, single-person households lasting 20–30 years or more will become common, fundamentally changing consumption patterns and lifestyles. Companies that successfully align with GG's lifestyle and spending habits will take the lead in the market."

According to the report, GG tends to perceive themselves as at least 10 years younger than their actual age, meaning businesses should market products and services based on a "mind-aging" rather than chronological age approach. It also highlights GG's strong investment in health and appearance to maintain a youthful image, suggesting that offering "self-beauty" solutions presents a promising business opportunity.

Additionally, the report advises companies to pay attention to the growing "self-aging" mindset—where individuals take full responsibility for their own aging process. This shift is expected to drive demand for self-support services, personalized meal plans, and concierge services for household chores and shopping. Furthermore, the report emphasizes that seniors have a strong desire for social connections, recommending that businesses establish dedicated communities for GG consumers to enhance brand loyalty and engagement.

<5> Lecture Attendance and Use of University Facilities... "Campus-based Young-Old Villages" UBRC Emerges

- **University-Based Retirement Communities (UBRC) for Retirees**
- **Young-Old live and communicate with younger generations**
- **Universities generate revenue through rent and use excess facilities for dual benefits**
- **In the U.S., 400 UBRCs to be established by 2032**
- **Dongmyong University in Busan to create Korea's first UBRC... "Young-Old who want to live vibrantly will flock here"**

On the afternoon of the 6th, in front of the main gate of Dongmyong University in Busan's Nam-gu district, McDonald's, Starbucks, and various restaurants and cafes lined the streets, typical of a university area. Just a 5-minute drive away is one of Busan's largest shopping districts, home to Kyungsoo University and Pukyong National University. In this location, within three years, a UBRC (University-Based Retirement Community) will be established, where "Young-Old" will live, communicate with youth, and share experiences. Campus Innovation Team Leader Kang Seung-han of Dongmyong University shared, "By 2027, a dormitory will be built with around 1,000 residents, and right next to it, the UBRC will be developed. It will be bustling with retirees who want to live vibrantly."

As healthier, wealthier, and more educated Young-Old individuals rise as key figures in society, the introduction of UBRCs in Korea is accelerating. For Young-Old who view their later years as an opportunity for self-actualization, the ability to communicate with younger generations and enjoy lifelong learning at a UBRC makes it an attractive living option. Universities, facing financial difficulties due to declining student numbers, are also eyeing UBRCs for diversified revenue.

- **Dongmyong University Preparing for Korea's First UBRC**

On the 10th, Dongmyong University announced that it is in the process of establishing basic plans for the construction and operation of a UBRC. University President Jeon Ho-hwan stated, "Once construction is complete and residential facilities are finished, the operation of the UBRC will commence."

A UBRC is a retirement community built on a university campus, first established in the U.S. The 'Meadowood Retirement Community' in Indiana, founded in the 1980s, has the longest history. Since the 2000s, as active seniors with higher education began retiring, the popularity of UBRCs has risen. Residents have access to university facilities such as classrooms and fitness centers, while attending various courses and engaging directly with students.

Dongmyong University is the first Korean university to venture into establishing a UBRC. The university operates departments that appeal to retirees, such as Animal Husbandry, Speech-Language Pathology, and Nursing. It is expected that retirees looking for a second life chapter will be drawn to these programs. The university also anticipates generating around 20 billion KRW annually through rental income by leasing residential areas to private companies. With long-term low birth rates making it difficult to rely solely on tuition fees, universities see UBRCs as a way to diversify their revenue. Kang explained, "Once the UBRC is established, companies providing senior-specific beauty and health care services will naturally emerge, and this area will become a 'senior welfare hub' for Busan."

- **"In the U.S., 400 UBRCs Expected by 2032"**

In the U.S., which pioneered retirement communities, over 100 UBRCs have already been established. The American Association of Retired Persons (AARP) predicts that the number of UBRCs will increase to around 400 by 2032, driven by the rise of the Young-Old demographic. UBRCs provide an environment beneficial to both universities and curious, socially active retirees.

Professor Yoo Seon-jong of Konkuk University's Department of Real Estate noted, "Unlike traditional senior towns, UBRCs offer residents education and social interaction through a university setting, which

is a significant difference. For local universities in Korea, which face the issue of excess facilities due to declining student numbers, UBRCs can be a valuable way to repurpose these resources."

Notable examples of UBRCs in the U.S. include Florida State University's "Oak Hammock" and Stanford University's "Classic Residence." Ronnie Thompson, a resident of Oak Hammock who turned 100 last year, shared in an interview on the 3rd, "I've lived here for 16 years, and during that time, I've received excellent services and built meaningful relationships."

Professor Kim Jeong-geun from Kangnam University's Department of Silver Industry commented, "If you create a community where only seniors live, it can become isolated and closed. However, by providing opportunities for interaction with younger generations and fostering a continuous ability to learn, UBRCs are a meaningful space."

- **Active University-Senior Exchanges in Advanced Countries**

Last November, at the main building of the Amsterdam Free University in the Netherlands, classrooms were filled with older adults, many of whom had white hair or thinning locks. Nearly 100 seniors were taking courses in literature, Indian economics, and astronomy.

Universities in advanced countries, not just in the U.S., are playing an important role in response to aging populations. These institutions offer libraries or lifelong learning programs to meet the intellectual curiosity of seniors. In the Netherlands, universities such as Leiden and Tilburg offer programs for older adults called "Higher Education for Seniors (HOVO)." Spain has established a separate association for senior university programs, called the "State Association for University Programs for the Elderly."

Carolien van Bergen, the director of the HOVO program at Amsterdam Free University, shared, "Many older adults come part-time, working 3–4 days a week while studying topics of personal interest. We believe we are doing meaningful work by providing them with a foundation to lead independent lives."

Japan's "Motto Mate" Service Connects MZ Generation with Seniors to Combat Loneliness

- **University students regularly visit to engage in conversation**
- **Filling the gap between household help and caregiving**

In Japan, which entered an ultra-aging society earlier than other countries, a service has emerged where university students, who are the age of grandchildren, become "partners" to elderly individuals living alone. This service, called "Motto Mate," is designed to help the elderly escape psychological loneliness and isolation by regularly communicating with the younger generation, particularly the MZ generation (Millennials + Generation Z) and the Young-Old (elderly but still active individuals).

The service, whose name means "good partner," has been operating since 2020 in Japan with the concept of "grandchild generation companions for the well-being of the senior generation." The company behind the service, Agewell Japan, explains, "Many elderly individuals, despite financial security, suffer from loneliness. Our goal is to alleviate their sense of isolation and loneliness while increasing their independence and dignity."

By becoming a member of this service, the elderly person is paired with a university student, who visits regularly to teach them how to use smartphones or appliances. The student also becomes a companion, accompanying the elderly on outings and engaging in conversation. When the student visits, they carry a medical record card and answer a few questions from a set of around 150 questions, designed to stimulate memories and help the elderly engage with technology. For example, if asked about the elementary school they graduated from, the student might look it up on Google Maps and find the school song on YouTube, offering a familiar and comfortable way for the elderly to learn digital skills.

This service fills a gap between traditional household help and caregiving services by providing regular conversation and listening to personal concerns. One advantage is that, rather than pairing people of the same age group, the generation gap allows both sides to approach each other without preconceived notions and more comfortably.

The "university student companion" undergoes rigorous training before being deployed to the field. During interviews, candidates must answer in-depth questions such as "Who do you admire and why?" to assess their respect and gratitude towards the elderly.

Once hired, the students are trained to focus on close communication with the elderly, including hospitality training and how to identify and meet the elderly person's needs. Depending on their performance, the pay rate increases based on their level of service.

<6> UK-Japan: "Financial Well-being for Seniors Can Save National Economies" — Government Steps In for "Young Old" Education

- **Advanced Countries Make Every Effort to Prevent Financial Exclusion**
- **UK actively supports retirement plans for independence**
- **Japan: "75,000 people trained for investment circulation"**
- **Germany strengthens digital education for seniors**
- **Korea: 60-70s' financial literacy below average... Increased risk of financial crimes**

"Opening my eyes to finance changed my life."

Frederick Limbaya, Financial Education Director and Non-Executive Director at the UK financial education and consulting organization "Money A+E," shared that over ten years ago, he joined a financial education program by chance and eventually made it his workplace. He revealed that his life quality improved thanks to financial education. Understanding how to budget and consume wisely helped reduce his debts and increase his savings. As his finances stabilized, his stress decreased, and he started thinking about ways to increase his income through investments. Last year, Limbaya shared, "Financial difficulties greatly affect a person's well-being."

- UK and Japan: "Financial Education Saves National Economies"

Leading developed countries are focusing on "financial well-being" education, recognizing that personal financial stability can, in turn, influence the entire economy. In the UK, the government's Department for Work and Pensions (DWP) launched a "National Strategy for Financial Well-being in the UK" in 2020 under its public institution, Money and Pensions Service (MaPS). The plan aims to achieve the following goals by 2030: Provide meaningful financial education to 2 million children and teenagers, Increase the number of debt counselors by 2 million, Help 5 million people understand and implement adequate retirement planning.

In practice, financial education and counseling alone often lead to improved financial conditions. Kathy (pseudonym, 54), a nurse in London, was struggling financially and psychologically due to a refusal of her personal independence payment (PIP) while living with her daughter, who had dropped out of college due to health issues. Money A+E offered advice that helped her save money by reducing her phone plan costs and allowing her to pay local taxes in 12 installments instead of 10. Kathy said, "I was able to save £15 (about 27,000 KRW) per month on the phone bill and £20 (about 36,000 KRW) on the tax payment. I could add this budget to supplements and treatment costs," expressing satisfaction.

In Japan, a public-private partnership, including the government, Bank of Japan, the Bankers Association, and the Securities Industry Association, established the "Japan Financial Literacy Education Promotion Organization (J-FLEC)" in April last year, and began full-scale activities in August. While financial education had existed previously, it was fragmented and unsatisfactory, prompting the creation of an integrated body. J-FLEC aims to provide financial education to 750,000 people through 10,000 seminars annually. The organization has already conducted 200 seminars for seniors by October last year, based on age-specific educational materials.

J-FLEC explains that financial education leads to investment, creating a virtuous economic cycle. Hitashi Iwabuchi, the Strategic Planning Manager at J-FLEC, said, "The goal is to encourage funds currently concentrated in deposits and savings to be invested. Financial education is essential to revitalize the economy."

In Australia, a "pension powerhouse" that mandates membership in retirement pension plans, most pension funds operate education campaigns to encourage participants' interest. The government also provides financial information to the public through the "MoneySmart" website. In Germany, the National Senior Citizens' Council (BAGSO) supports digital education for seniors.

As a result of active financial education, seniors in advanced countries are knowledgeable about finance and proactive in investments. Robert Kiedan, in his 70s and living in New York, still manages part of his

investment portfolio. He shared, "10% of it is managed in deposit form, and the rest is allocated across stocks, mutual funds, bonds, etc., maintaining a balanced portfolio while always setting buffers to reduce risk."

- **Lack of Financial Education Leads to Senior Financial Crimes**

In contrast, South Korea's elderly population shows low financial literacy. According to the 2022 National Financial Literacy Survey, the financial literacy scores for people in their 60s and 70s were 64.4 and 61.1, respectively, below the national average of 66.5.

Seniors are also more exposed to financial crimes. According to the Financial Supervisory Service, seniors aged 60 and above accounted for the largest proportion (36.4%) of voice phishing victims in 2023. They are also vulnerable to losses from high-risk financial products. During the 2019 derivative-linked fund (DLF) loss incident, seniors aged 60 and above represented half of the individual investors affected. One in five investors who were harmed by Hong Kong H-index-linked securities (ELS) was also over the age of 65.

The insufficient financial education, which fails to meet demand, accelerates financial exclusion among seniors. A survey conducted by the Korea Financial Consumer Protection Foundation in July last year, involving 3,000 adults (aged 18-69) from Seoul, the metropolitan area, and six major cities, found that only 16.2% had received financial education in the past three years. However, 86.3% expressed interest in receiving financial education in the future.

Experts argue that systematic financial education should start during one's working years to prevent financial exclusion in later life. Kim Ja-bong, Senior Research Fellow at the Korea Financial Research Institute, said, "Education on life-cycle decisions and financial asset portfolio setup is lacking. Financial education for employees should be mandatory, and a public body dedicated to financial education should be established to provide long-term support."

Korea's Financial Fraud Countermeasures Stalled in National Assembly... Difficult to Respond Swiftly to Senior Victims

- **US: If Financial Exploitation of Seniors Is Suspected, Bank Employees Directly Encourage Reporting**
- **Japan: Contracts for Those Over 80 Delayed for One Day... Systematic Measures for Cautious Investments**

In reality, there is a lack of both financial education for seniors and systems to prevent financial fraud. As the elderly population grows, so does financial fraud targeting seniors, leading to increased calls for systems to protect elderly people from financial exploitation, similar to the measures in the US and Japan.

Advanced countries have long established institutional measures to address financial fraud targeting seniors. In 2018, the US Congress passed the "Economic Growth, Regulatory Relief, and Consumer Protection Act," which, in Section 303, allows bank employees to proactively report suspected financial exploitation of seniors to the authorities. The law also ensures that even if financial information is disclosed in the process, civil and administrative liability is waived.

Japan, in 2013, created the "Elderly Consumer Sales Guidelines" under the Japan Securities Dealers Association (JSDA), which calls for financial institutions to be more cautious when making investment recommendations to elderly consumers. According to the guidelines, for people over 80, the financial institution must delay signing the contract for one day after making the investment offer, ensuring that investment recommendations and sales of financial products are more carefully conducted.

However, in Korea, institutional measures to prevent financial fraud against seniors are still lacking. Amendments focused on preventing financial fraud for seniors, both in terms of prevention and post-incident response, are currently stalled in the National Assembly. In the 22nd National Assembly, Democratic Party lawmaker Kim Jung-ho introduced amendments to the Financial Consumer Protection Act and the Elderly Welfare Act. The current versions of these laws do not have specific regulations for preventing financial fraud targeting seniors.

Lawmaker Kim's proposed amendment to the Financial Consumer Protection Act defines elderly financial consumers and financial damage, and allows financial product sellers to report suspected financial fraud involving elderly consumers to law enforcement or financial supervisory authorities. This aims to ensure a swift and effective response to financial fraud.

Democratic Party lawmaker Han Jun-ho also introduced an amendment to the Elderly Welfare Act, adding fraud, embezzlement, and breach of trust to the list of crimes related to elderly abuse. The amendment also includes provisions for cooperation between local governments, public institutions, and financial institutions to address suspected cases of financial exploitation and protect the victims. However, whether these bills will pass through the National Assembly remains uncertain.

<7> Affluent "Young Old" in Developed Countries Advise: "Korea Needs to Balance Investment in Children and Retirement"

- **Global "Young Old" Share Their Advice**
- **Interviews with 48 individuals from 7 countries, including the US and UK, reveal that "cutting back on real estate improved our financial situation."**
- **"I will keep working even after 70, as long as my health allows" ... "Government needs to manage retirement pensions more efficiently"**

"Always prepare for life's 'rainy days.' I've always driven small cars and second-hand cars, but I've kept my life insurance for over 40 years." (Robert Keyedan, 70s, living in New York, USA)

As Korea enters an ultra-aged society, our publication conducted interviews with 48 "young old" individuals from seven global countries: Australia, the US, the UK, Germany, the Netherlands, France, and Japan. These interviews included government officials and pension agency representatives, revealing various systems that Korea should benchmark, such as robust multi-layered pension systems and labor markets where those with substantial know-how can continue working well into old age. We also received heartfelt advice from the "young old" regarding retirement planning.

The "young old" in developed countries advised Korean retirees to invest in both their children and their own retirement, avoid being overly tied to real estate, and actively engage in asset remodeling. They also suggested finding something to focus on, whether a job or a new hobby, and not to withdraw psychologically.

- **"Cutting Back on Real Estate Provides Financial Freedom"**

Keyedan, who contributed the maximum possible amount to his pension throughout his youth, expressed regret about Korean retirees focusing too much on investing in their children, which often leads to a financially strained old age. He said, "Korean immigrant families in the US also tend to dedicate themselves intensely to their children's education and future. They raise their children well but should aim for a better balance between investing in their children and in their own retirement." Johann Preis (70), living in Frankfurt, Germany, also emphasized the importance of pensions, saying, "Since I contributed a lot to my pension during my working years, even though my wife is ill, we have no financial issues."

They also pointed out that most Korean retirees' assets are tied up in real estate. Lyn (78), who retired from nursing and now lives in an Australian senior town, stated, "In Australia, overall financial situations improve after retirement. Most retirees downsize their real estate when they move into retirement villages. This way, we didn't have to cut back on spending and were able to travel after retirement."

A worker from Manhattan, New York, Kim, explained, "In the US, there is the 3:3:3:1 rule, where the ideal distribution is 3 parts real estate, 3 parts stocks, 3 parts bonds, and 1 part cash. Unlike Korea, where all assets are often tied up in real estate, such diversification is common."

- **"If My Health Allows, I Want to Keep Working"**

The "young old" from advanced countries also stressed the importance of retirees maintaining an active attitude. Chang (64), an Australian immigrant, said, "I work full-time at a memorial park and earn 100,000 dollars (about 92 million KRW). I plan to keep working even after 70." He added, "I'd rather continue working as long as my physical abilities allow, than become an empty-nester without a job."

They also advised that it's important to find something to immerse in, such as a hobby. Karen Grieve (70), who lives in Laureate Gardens, a housing community for people over 55 in the UK, said, "I don't waste time sitting in front of the TV. Our local seniors are very active in sports, hobbies, and club activities." Atsuko Kumai (60) from Japan shared, "I started studying Korean to directly enjoy K-drama and K-pop concerts, and it's become a significant part of my life, also helping with dementia prevention."

- Advice to the Korean Government

There were also plenty of suggestions directed at the Korean government. Mary Delahunty, CEO of the Australian Superannuation Fund Association, emphasized the need for efficient management of retirement pensions, saying, “In Australia, retirees don’t need special knowledge to join the ‘superannuation’ retirement system. Through a competitive structure, underperforming funds are eliminated, and funds that perform well remain.”

There were also calls for Korea to introduce tax-advantageous financial products for the elderly. A representative from Japan’s Financial Services Agency, related to the New NISA (Nippon Individual Savings Account), said, “The new NISA accounts have created a virtuous cycle of asset growth for seniors and increased stock prices for Japanese companies. Bold tax incentives have been effective.” The new NISA system, introduced last year, is a tax-free investment account under Japan’s goal of “doubling national retirement assets.”

Kim Kyung-rok, a senior advisor at Mirae Asset Global Investments, stated, “Even the younger generations, such as those in their 30s, should take more challenging investment risks, like increasing their stock investments within their pensions. In Korea, where the working period is shorter than in developed countries, it’s crucial for those over 50 to remain active in the labor market.”

“In an Ultra-Aged Society, We Must Raise the Pension Eligibility Age”

- **Lord Adair Turner, Former UK Pensions Commission Chairman**
- **In the UK, pension reforms were completed in 4 years after public consultations and social consensus.**
- **“Social issues must be discussed from a long-term perspective.”**

“When a population ages, we must adjust one of the three components of pension reform: the contribution of the working-age population, the age at which pension benefits begin, or the amount of pension benefits. We have consistently explained this and emphasized that we must raise the pension eligibility age.”

Lord Adair Turner, Chair of the Energy Transition Commission (ETC) and former Chairman of the UK Pensions Commission (pictured), explained the UK’s pension reform process in a video interview with *Dong-A Ilbo* on January 24. Lord Turner stated, “The arrival of an ultra-aged society means that the ratio of retirees will exceed that of workers. Therefore, we had no choice but to adjust the pension eligibility age.”

The UK government established the Pensions Commission in December 2002. Lord Turner, then Vice Chairman of Merrill Lynch, was appointed as the chairman at the recommendation of the Prime Minister’s office, with the Treasury and the Department for Work and Pensions recommending Jeannie Drake, President of the Trades Union Congress, and John Hills, Professor at the London School of Economics. They worked until 2006, creating a pension reform plan based on social consensus.

The Pension Commission spent a year just analyzing the situation. Their analysis, which covered demographic trends, life expectancy, birth rates, pension benefit predictions, and the costs of providing private pensions, amounted to 500 pages of data. Based on this, they began discussions with various social groups, including trade unions, employers, elderly organizations, and political parties.

They also invested effort in social communication. Public consultations were held with 1,000 citizens across four regions: London, Edinburgh, Belfast, and Manchester, with 250 people in each area. Lord Turner reflected, “During my time as the head of the Trades Union Congress, I maintained good relations with union leaders, which allowed me to play an important role in the Pension Commission. This was why the government appointed people with various backgrounds and views.”

The Pensions Commission's reform proposal, completed over four years, was eventually implemented as policy. In 2007, the UK government raised the eligibility age for public pension benefits and linked basic pension increases to the average wage growth rate, not the consumer price index. In 2008, a law was passed to introduce the National Employment Savings Trust (NEST), an automatic enrollment system. Starting in 2012, low-income and small-business workers were able to benefit from higher returns through NEST.

Thanks to large-scale public consultations conducted over a long period, the UK was able to achieve pension reforms while minimizing social conflicts. The UK continues to periodically review the appropriateness of the pension eligibility age and carries out reforms to improve retirement pension returns.

Lord Turner emphasized, "In recent times, social media and the internet have fostered divisive politics and short-term thinking," adding, "To address social issues like pension reform, it is essential to engage in discussions from a long-term perspective."