NATIXIS
INVESTMENT MANAGERS

2024 NATIXIS GLOBAL RETIREMENT INDEX

Only the lonely

Individuals increasingly feel they're on their own for retirement security.

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Retirement security is on shaky ground in 2024 as more and more individuals across the globe come to the realization they're on their own when it comes to funding after-work income.

Results from the long-running Natixis Global Survey of Individual Investors show that the number of individuals who believe it is increasingly their responsibility to fund retirement on their own, rather than to rely on public and private pensions, has grown from 67%[1] to 81%[2] between 2015 and 2023.

During that time, investors have felt the anxiety increase, as long-term trends such as the shift from defined benefit pensions to-defined contribution plans and a rapidly increasingly bill for public debt met short-term shocks such as Covid, inflation, and market volatility. In the end, their isolation is leading many to despair about their chances of achieving retirement security.

In just two short years, the number of individuals who thought it would take a miracle to achieve retirement security increased from 40% in 2021 to 45% in 2023.[2] The fact that this is among affluent investors with $100,000 or more in investable assets shows just how pervasive funding concerns are.

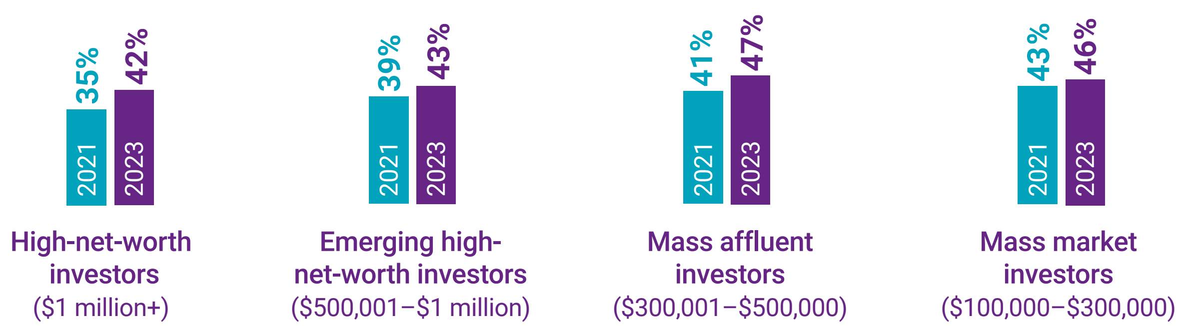
More money doesn't mean less anxiety

The number of investors waiting on a miracle grew almost evenly across wealth bands: High-net-worth investors ($1 million+) expressing this sentiment grew from 35% in 2021 to 42% in 2023; emerging high-net-worth investors ($500,001–$1 million) increased from 39% to 43%; mass affluent ($300,001–$500,000) investors increased from 41% to 47%; and mass market investors ($100,000–$300,000) increased from 43% to 46%.[3,2]

At the heart of the problem for many is the uncertainty of how they will foot the bill. Between 2021 and 2023, the number of individuals who worry that they'll never have enough to retire increased from 39% to 42%. While Millennials remain the most likely to express concern (47% to 48%), the sentiment is on the rise among Generation Xers (42% to 47%) and Baby Boomers (31% to 35%) as well.[3,2]

When it comes down to it, one in five (19%) investors said that even if they saved $1 million, they still couldn't afford to retire – that includes 18% of those who have already accumulated $1 million.[2]

The number of investors waiting on a miracle grew almost evenly across wealth bands.[3,2]



In seeking to fulfill the retirement funding responsibility that is keenly felt by eight out of ten investors,[2] individuals will need to navigate four key risks:

Interest rates:

Low rates had been a key risk for retirees for the 15+ years following the global financial crisis, but today's higher rates present new risks. Most notably, with more than $6 trillion invested in money market funds, certificates of deposit and similar instruments,[4] they need to be aware of a cash trap that could keep them from meeting their need for a sustainable source of long-term income

Inflation:

The worst of it may be past as inflation slowly recedes toward central bank targets, but the recent bout of rising prices serves as a stark reminder, and 83% of investors say recent events reminded them of just how big a threat inflation poses to their retirement security.[2] They will need to act accordingly to ensure they are prepared for any new episodes down the road.

Public debt:

Public debt in Organisation for Economic Co-operation and Development (OECD) countries has more than doubled in the first quarter of the 21st century as policymakers first navigated the global financial crisis and then the global pandemic. Although the steps were needed to stave off economic meltdown in the short term, the debt poses significant long-term challenges. A growing number of individuals worry high debt levels will result in cuts to the government retirement benefits that are a cornerstone for their retirement income plans.

Ourselves:

A secure retirement is a journey, not a destination. Success requires realistic expectations and meaningful commitment from individuals. While many may appreciate this in concept, not every investor makes reasonable assumptions and sets realistic goals. Natixis Investor survey results show that investors do not have a consistent vision for what it will take to succeed.

If individuals are to achieve retirement security, they will need to carefully manage these risks. Even as investors feel they are on their own, they don't have to be. A recent survey of 500 fund selectors at leading wealth managers around the globe shows that 84% believe retail investors need professional help if they are to achieve a secure retirement.[5]

One way professional advice may benefit investors is helping them recognize the opportunities for maximizing their chances at a secure retirement presented by today's market. Taking advantage of the highest interest rates in 15 years would be a good place to start.

INTEREST RATES: How high? How long? Low-rate risks have moderated, but retirees face new risks.

Interest rates have been among the greatest risks to retirement security since the Natixis Global Retirement Index was introduced in 2012. For the bulk of that time, retirees have been faced with ultra-low rates that made it difficult to annuitize lifetime savings as a predicable source of retirement income. But with rates at or near 15-year highs, many may be sacrificing a sustainable long-term income for short-term security presented by cash.

With the Fed funds rate averaging 1.09% and the European Central Bank (ECB) rate averaging 0.28% between 2007 and 2022, retirees were hard pressed to generate income from their assets.[6] It was a scenario in which principal could erode quickly as retirees dipped deeper into their savings to cover retirement expenses. A 10-year bull market helped offset some of the erosion but simultaneously exposed retiree assets to volatility as experienced at the onset of the global pandemic in 2020 and then again in the 2022 market correction.

An upside to inflation

Post-pandemic inflation changed the picture on fixed income, as central banks moved to quell rising prices with an 18-month dose of rate increases. Looking at an environment in which the US Federal Reserve's target range stands at 5.25%–5.5%, the Bank of England targets 5%, and the ECB targets 4.25%, retirees can finally breathe a sigh of relief.

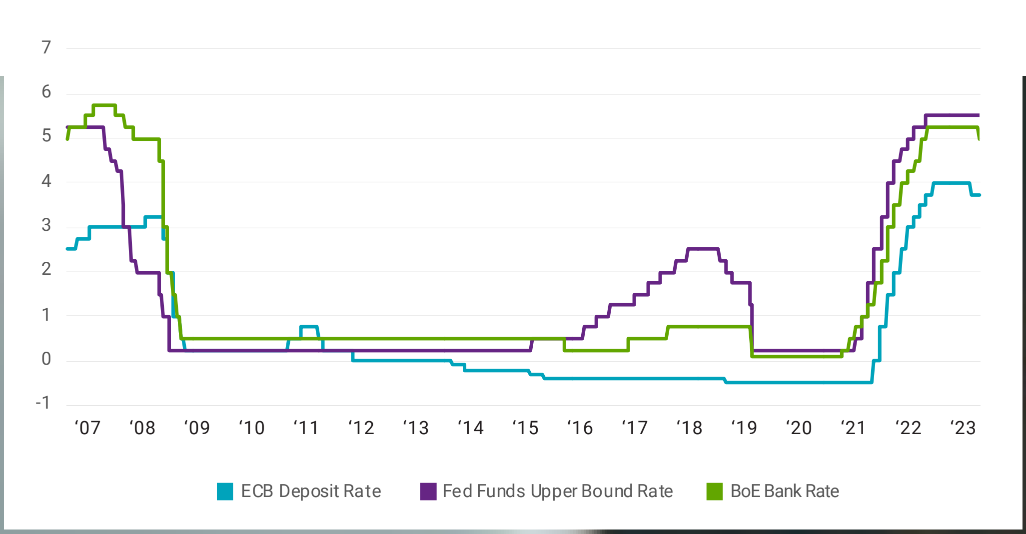
From a consumer mindset, it may be hard to see higher rates as something that brings relief, since it becomes more expensive to finance cars, homes and other large purchases. But the view is different for retirees looking for income, and 63% of fund selectors say rising rates are good for retirees in the long run.[5] Why? Higher yields on fixed income provide retirees with greater income potential.

Too much a of good thing

With rates at their highest point since 2007, investors have seized the opportunity and flocked to cash instruments such as certificates of deposit. As a result, more than $6 trillion is now invested in money markets.[4] Though the move may seem to offer risk-free returns, investors need to recognize that there is no such thing as a free lunch.

Where investors were exposed to the risk of low interest rates, they may now be missing new risk posed by overallocating to cash. In fact, market strategists and economists within the Natixis Investment Managers family surveyed in July 2024 highlighted what investors need to know about cash but may be missing. Even with cash paying upward of 5%, 53% of these investment professionals said more attractive returns can be found elsewhere. Another 43% said investors should be aware of inflation risk, while the same number also warned of reinvestment risk when considering cash.[7]

Policy Rate movement 2007–2024[6]



WHERE THE RISKS LIE:

Reinvestment risk:

5% yields may sound good now, but the key question for cash and cash instruments is what those rates will be when the investments mature. With inflation coming closer to central bank targets, the direction of cash is most likely down. In fact, Natixis strategists anticipate one (53%) or two (37%) cuts from the Fed by the end of 2024. In the same time frame, 97% anticipate one (30%) or two (67%) cuts from the Bank of England, and 87% anticipate two (70%) or three (17%) cuts from the ECB. Only in Japan, where inflation is on the upswing, do they expect a rate increase (57%).[7]

Longevity risk:

On average, individuals say they expect to live 20 years in retirement; that means their savings will have to work hard to generate income.[2] Dedicating too much to cash now could limit the opportunity to grow the assets needed to provide as much as two decades of income or more.

Inflation risk:

Post-pandemic inflation has been a critical reminder of just how painful rapidly rising prices can be. But even as it recedes, today's 3% inflation rate can have a significant impact, and the 5% return on cash investments become a real return of 2%. Simply put, 5% won't go as far because everything costs more.

Opportunity cost:

Natixis strategists say there are more attractive returns to be found elsewhere. The proof comes in first-half returns of 15.3% for S&P 500®, 18.6% for the Nasdaq, 13.3% for the FTSE All-World Index, and 18.28% for the Nikkei.[8] Even with a brief bout of volatility at the start of August, equities are still outperforming cash.

THE UPSHOT:

Diversification matters.

Higher interest rates are good news for retirees. Cash certainly plays an important role within a diversified portfolio, helping provide a potential risk offset to stocks and bonds as well as liquidity to capitalize on new investment opportunities. But it's critical that retirement plans recognize that even cash comes with some key risks.

Cash rates are in the 5% range now, but there is no guarantee what rates will be when those investments mature. Given current market conditions, 83% of fund selectors say retirees should diversify their income investments.[5] Government and investment grade corporate bonds may have somewhat lower rates, but they have longer durations – the time until the bond matures – which can provide retirees with a more consistent long-term income stream.

WHAT INVESTORS NEED TO KNOW ABOUT BONDS[7]

67%
Bonds can be used to generate both total return and income.

57%
Active management can add value to bond portfolios.

50%
Now is the time to start extending duration.

46%
Bonds provide diversification once again.

40%
Income is fixed, but prices are not.

40%
Credit quality is becoming more important.

INFLATION:
The giant sleeps no more. Prices have moderated, but the damage is done.

After a decade of relative calm, the convergence of pandemic stimulus, consumer spending, and supply chain disruptions unleashed the most painful bout of inflation in decades. Reaching 40-year highs in 2022, inflation delivered a powerful reminder to consumers of just how much rising prices can impact their finances.

Reaching 40-year highs, inflation delivered a powerful reminder to consumers of just how much rising prices can impact their finances—powerful enough to scar even more affluent individuals. Surveyed in 2023, 24 months into the inflationary grind, 8,000 affluent investors ($100,000+ investable assets) in 23 countries ranked rising prices as their number-one financial fear and rated it as their top investment concern. In fact, 42% went so far as to say inflation was killing their dreams of retirement.[2]

The dream killer

It's clear that inflation can challenge virtually any budget, forcing individuals to stretch their incomes to maintain their standard of living. But the pain can be more acute for those living on a fixed income, like retirees who more and more are finding they will need to rely on their personal savings to fund retirement. Savings that has to last for decades.

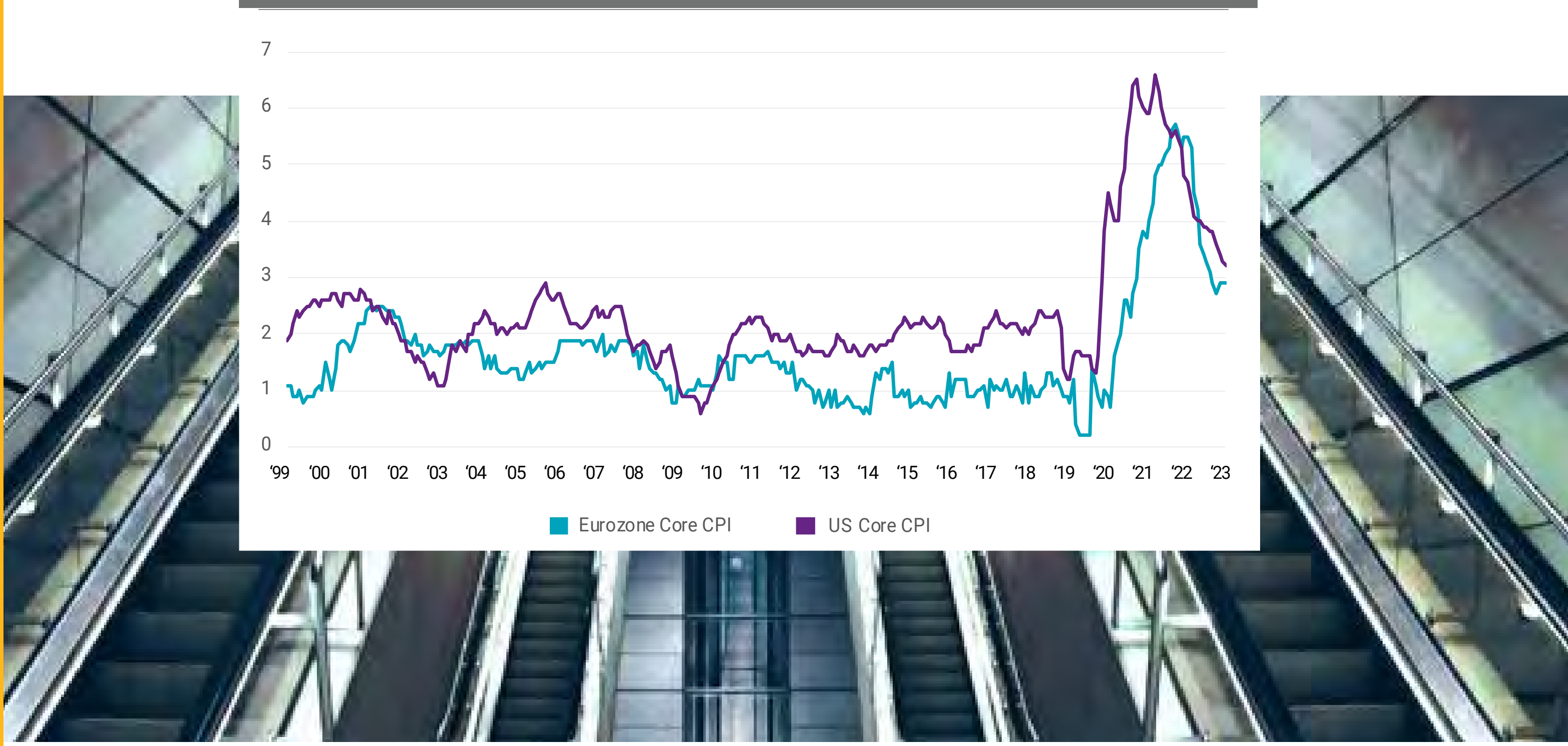
Like everyone else, retirees feel the bite of higher prices when inflation strikes. But they feel a second bite when they realize that covering higher costs means drawing down a larger portion of assets to meet monthly expenses. As a result, the nest egg they counted on lasting 20 to 25 years could come up short.

Has the giant been tamed?

It's taken three years, but all indicators suggest that central bank policy in Europe, the US and the UK is successfully reining in inflation, as a 2% target rate and a soft-landing scenario look likely. But even as the risk picture is improving, it's not gone entirely.

This brighter view comes with some caveats: 64% of strategists within the Natixis Investment Managers family rank inflation as a moderate (47%) or high (17%) risk. And in looking at a landscape in which prices have eased, growth has inched forward, and markets have swelled, 40% are still worried that inflation surprise could end the rally. All this concern for just the next four months.[7]

US vs Eurozone Core CPI 2000–2024[6]



WHERE THE RISKS LIE:

Loss of purchasing power:

Inflation may ease with time, but it is a measure that compares month-over-month and year-over-year trends. Just because it slows doesn't mean prices have declined. High costs may recede some, but unlike fluctuating energy and commodities prices, which are driven by demand, other day-to-day expenses are not likely to return to pre-pandemic levels.

Longevity risk:

Those who are already retired now need to spend more than they anticipated. They'll be faced with a difficult decision: Do they look to cut expenses to preserve more of their principal or invest in riskier assets to pursue the higher returns needed to make up for higher costs? Cutting expenses can be difficult at an age when medical costs may be escalating. Taking on more risk may be harder, as older individuals may not have the time needed to rebuild their savings should they experience significant losses.

Lower savings rate:

Inflation not only impacts current retirees but also can disrupt the retirement plans of younger workers. Asked about the impact of inflation on retirement savings a year ago, 83% of investors said recent history shows just how big a threat inflation is to their retirement security. And that impact was immediate, as 66% said inflation had significantly hurt their ability to save for retirement. Only 32% said it had motivated them to save more.[2]

THE UPSHOT:

Be vigilant. Plan ahead.

Even as day-to-day price hikes recede, inflation shouldn't be far from investors' memories. Price hikes can be swift and painful. Savings and investment plans need to account for the cold, hard truth that somewhere down the line, everything generally costs more, not less.

66%

of investors say inflation has significantly hurt their ability to save for retirement.

Gen Z feels the most pain

It's important to remember that while everyone is susceptible to rising prices, inflation can impact some groups more than others. Asked who's been hurt worse by inflation, Natixis strategists point to members of Generation Z (age 12–27).[7] Most specifically, it is the oldest of this group who are feeling its effects. Entering adulthood, they are faced with the consequences of a white-hot housing market that puts rents well out of reach for most entry-level workers.

Similarly, those earning entry-level wages will be challenged to find enough to start their retirement savings while they grapple with higher rents, educational loans, and a generally higher cost of living. Even when prices are higher, there are steps anyone of any age can take to address their own retirement security.

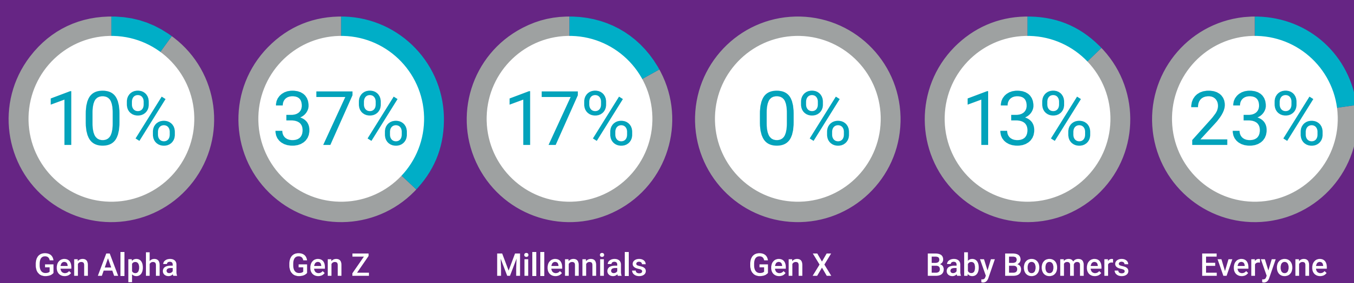
Younger workers may face financial pressures, but they should find a way to start saving, even a small amount, for retirement with each paycheck. They have the most important asset on their side: time. With decades to go until retirement, Gen Z can benefit from dollar-cost averaging and allowing small assets to compound over time.

But nobody escapes inflation

Inflation compounds the financial picture for mid-career workers. At a point in life when they're already faced with the competing priorities of raising a family, caring for parents, and maintaining a household, higher costs can make it even more difficult to save for retirement. For example, Generation X investors (age 44–59) were more likely to say they were saving less because of inflation (55%) than Millennials (age 26–43) and less likely to say they were saving more (33% vs. 37%).[2]

This most recent bout of inflation may have come as a surprise, especially as prices had remained in check for well over a decade, but the lesson should be lasting. While 76% of those surveyed say inflation has taught them they need to save more, it will be important the lesson sticks.[2]

WHICH GENERATION IS INFLATION HURTING THE WORST?



PUBLIC DEBT:
Is it sustainable? The risk is high – and it's bigger than it looks.

Retirement security often comes down to one essential question: Who's going to pay for it? Traditional models told workers they could expect to generate income from three different sources: an employer pension, government retirement benefits, and personal savings. Over time, that three-legged stool has been wobbly, as many employers have shifted from traditional company-funded defined benefit pensions to employee-funded defined contribution plans.

That position could become even more unstable as public debt pressures retirement systems. Individuals are taking note, and 76% of investors worry that increasing public debt in their country will result in reduced retirement benefits in the future.[2]

There is reason for concern. The debt load is a clear threat to global retirement security. Since the start of the century, the average public debt of OECD member countries, as measured by a percentage of gross domestic product (debt-to-GDP ratio) has more than doubled, from 51.2% in 2000 to 110.8% in 2022.[9]

Much of that increase is the result of extraordinary monetary policy enacted by central banks to address two financial crises.

First, policy decisions to stem losses in the Global Financial Crisis drove the average GDP for OECD countries from 66.1% in 2007 to 90.2% by 2010. Then, efforts to stave off financial meltdown during the global pandemic escalated public debt dramatically. In just one year, the average debt-to-GDP ratio soared from 105.3% in 2019 to 126.1% in 2020.[9]

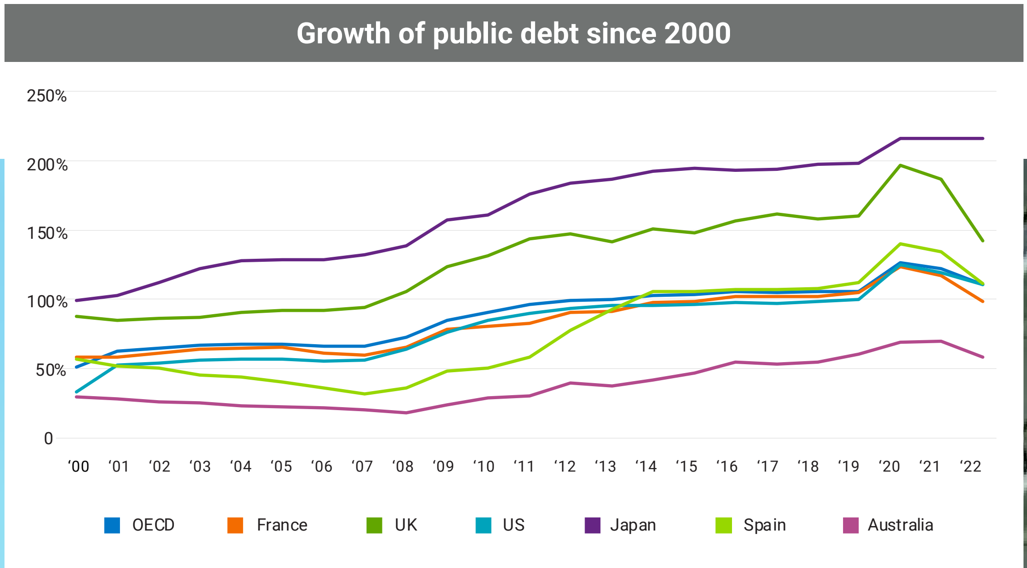
Growing debt. Growing risk.

In both instances, spending was necessary to address a likely economic catastrophe, but each accelerated a problem that had been growing for decades. Regardless of why the debt is high, it raises the overall risk to retirement security.

Faced with the challenge of balancing budgets and maintaining retirement benefits, policymakers have few choices:

1) They can increase revenues by raising taxes
2) They can raise the retirement age
3) They can cut benefits

None of these are winners with voters over the long run. If there is a fourth choice, it is kicking the can down the road and delaying action until someone else has to make the tough choices.



WHERE THE RISKS LIE:

Timing:

It can be hard to determine just how soon action is needed to address the mounting public debt problem globally. When asked, just 10% of Natixis strategists thought government debt levels were sustainable over the long term. Overall, 90% say it is either currently unsustainable (37%) — or sustainable for now — but a threat over the long term (53%).[7] As it grows, poli-cy- makers will eventually have to reckon with the debt. In terms of retirement, that challenge is increased by a rapidly aging population that will stress resources for entitlement programs. In the US, 2024 is the peak year for retirement, as 4.4 million Baby Boomers will turn age 65.[10] In the UK, about 19%[11] of the population was over age 65 in 2020. The challenge is magnified in China, where the number of people over age 50 is expected to rise from 2019's 254 million to 402 million by 2040.[12]

Disruption to retirement models:

Cuts to government retirement benefits will destabilize income plans – even for affluent individuals. A reduction in retirement benefits ranks high on the list of investors' fears about retirement, as 37% say they are worried that their government benefits will be cut. This concern ranks only behind inflation (42%) and not having enough to enjoy their retirement (47%). The anxiety is felt equally across wealth bands (37% of emerging high-net-worth investors and 35% of high-net-worth investors). When it comes down to it, 58% of investors overall say it will be difficult to make ends meet without their public retirement benefits, as do 53% of high-net-worth investors.[2]

THE UPSHOT:

Get ready for the bills to come due

Public debt has been a reality – and at times a necessity – in the first quarter of the 21st century. Few believe the level of government debt across the developed world is sustainable over the long term. As the debt matures, policymakers will be faced with tough decisions on where the money needed to pay the bills will come from. Retirement funding will be a key variable in the equation for many countries.

On the surface, the simple solution to making up the shortfall would be to raise taxes – it's not a popular option. If debt is going to impact governments' ability to deliver on retirement benefits, and particularly those that have been funded through pay-as-you-go programs, it will be critical to recognize that individuals are stakeholders in the decision as well.

Raising the retirement age is another unpopular option. But that assumes workers will be able to keep working those extra years. The 2023 Natixis investor survey shows that 42% of individuals are worried they won't be able to work as long as they like.[2] Their fears are not unfounded. Retirement plans can often be upended by a late-career layoff, the need to step out of work to take care of sick family members, or personal health issues that can end a career prematurely. A 2018 study by the Urban Institute of US workers between the ages of 50 and 65 found that only 16% were still working at age 65.[13]

Cutting benefits is a third option, but it could prove to be the least-popular option. Generations of workers have built long-term retirement plans on a foundation that includes income from public benefits. The growing debt level in many countries already has more than three-quarters of investors (76%) worried about cuts to public retirement benefits.[2]

From a policy standpoint, it will be critical to make changes to public retirement systems with an eye toward the long-term needs and expectations of individuals who have worked for decades under an assumed model for retirement income.

Are we our own worst enemy? The risk is real, but individuals need to live up to the responsibility.

The pressure is on, and individuals know they'll need to assume a great share of the responsibility for retirement funding. They recognize that their plans can be upset by short-term inflation spikes and the long-term growth of public debt. They recognize the opportunity presented by higher interest rates. Yet data shows individuals are not consistent in how they respond to those challenges.

Good progress on savings

On the positive side, long-term survey data suggests many are stepping up the amount they save for retirement every year. In the 2019 Natixis survey of investors, individuals reported they were saving an average of 13.8% for retirement. At that time Baby Boomers were leading the charge by saving 16.1% of their income, and Millennials were saving only 10.9%.[14]

Investors stepped up their savings in the following two years, reporting average retirement savings of 16.6%. Millennials had hiked their savings to 17.1% in that time frame. Fast-forward two more years, and the savings rate had increased by nearly 20%, reaching an average of 17.2%, with Boomers topping out at 17.5%.[2]

So, on one hand, investors show they are taking the funding challenge seriously by upping their contributions to retirement accounts. But on the other hand, they are underestimating how long that savings will have to last.

Bad assumptions on longevity

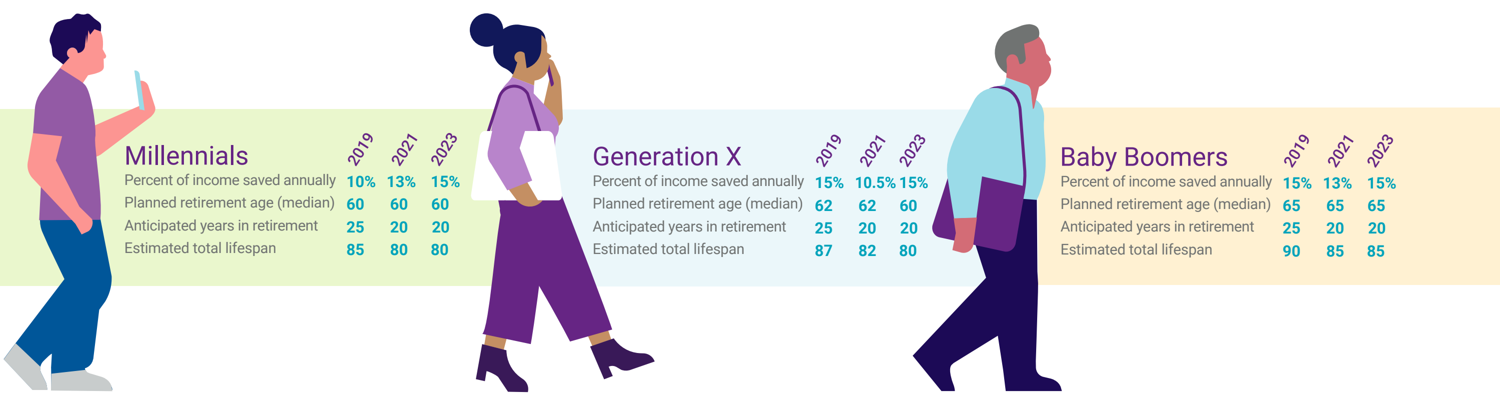
Savings is a definable goal, but longevity is the mystery variable in retirement planning. On average, OECD reports that the average life expectancy at age 65 is 19.9 years for men and 22.9 for women.[15] But it's important to remember that's an average. Many people will live considerably longer. And this is where investors may be making critical errors in their planning assumption.

When asked two key questions related to this side of the equation in our 2019 investor survey, individuals said the median age that they expected to retire was age 65 and live about 25 years in retirement.[14] Fair assumptions overall, but even those averages do not tell the whole story. Boomers reported an estimate retirement age of 65 years and a retirement length of 25 years, giving them a planning assumption of living to age 90. Millennials were more optimistic, planning on retiring at 60 and living 25 years – to age 85.[14]

But over time, both estimates have been shrinking. In 2021, they median retiring at 63 and living 20 years. Boomers came out at retiring at 65 and living 20 years (to age 85), while Millennials averaged age 60 and 20 years living in retirement (to age 80).[3] In 2023, the number shrank even more with investors reporting an average estimated retirement age of 61 and a 20-year lifespan. Boomers estimated retiring at 65 and living 20 years (to age 85), while Millennials and Generation X both shortchanged retirement by planning to stop working at 60 and living only 20 years (to age 80).[2]

What these numbers really show is that back-of-the-napkin estimates are not strong enough to serve as the foundation for a retirement plan. And this is where professional advice is needed. Left to themselves, investors will make a valiant effort to meet their funding responsibilities, but their estimates may be well off from what they can realistically expect.

INVESTORS UNDERESTIMATE LONGEVITY RISK



Millennials

	2019	2021	2023
Percent of income saved annually	10%	13%	15%
Planned retirement age (median)	60	60	60
Anticipated years in retirement	25	20	20
Estimated total lifespan	85	80	80

Generation X

	2019	2021	2023
Percent of income saved annually	15%	10.5%	15%
Planned retirement age (median)	62	62	60
Anticipated years in retirement	25	20	20
Estimated total lifespan	87	82	80

Baby Boomers

	2019	2021	2023
Percent of income saved annually	15%	13%	15%
Planned retirement age (median)	65	65	65
Anticipated years in retirement	25	20	20
Estimated total lifespan	90	85	85

Global

	2019	2021	2023
Percent of income saved annually	15%	12%	15%
Planned retirement age (median)	65	63	61
Anticipated years in retirement	25	20	20
Estimated total lifespan	90	83	81

Unrealistic return expectations

The other key variable in the mix of retirement plans is the rate of return that investors can realistically expect from their investments. Historically, investors have been overly optimistic in their expectations. Asked in 2017 what they expected their investments to deliver above inflation, investors responded with 9.9%.[16] Given they were in the midst of what would be a ten-year bull market, their optimism was easy to understand. However, financial advisors said 5.5% above inflation was more realistic.[17]

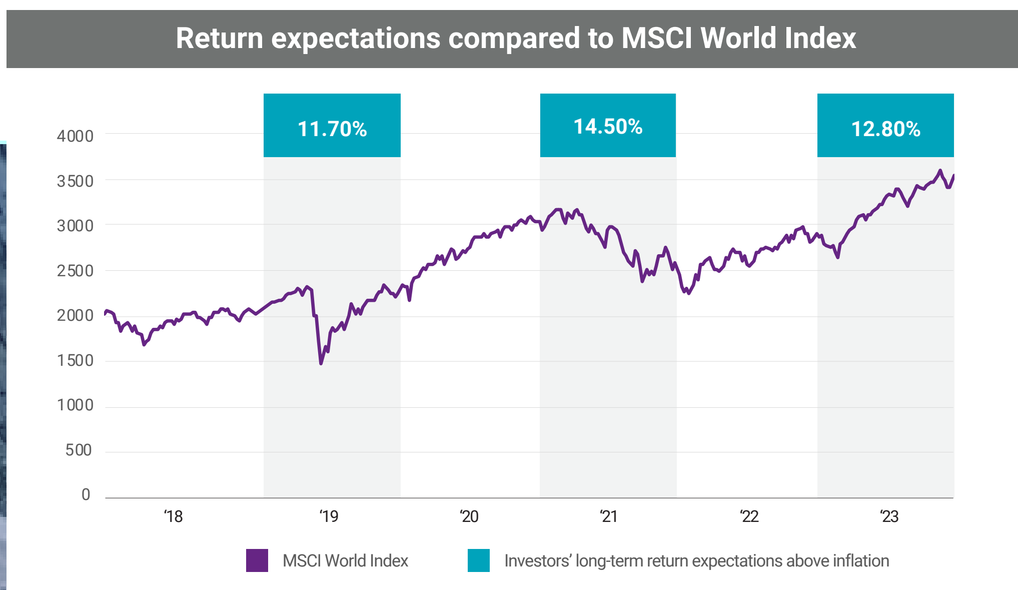
The expectations gap widened in 2019, when investors expected long-term returns of 11.7% above inflation.[14] Advisors countered with 5.3% above inflation as realistic.[18] In 2021, investors' expectations reached an all-time high of 14.5% above inflation[3] – this during a time when inflation was running in or near double digits in many countries. Advisors were not immune to the rush of post-pandemic markets when they said 9% was more realistic.[19] And after a highly volatile 2022, investors' optimism moderated somewhat as they called for long-term return assumptions of 12.8% above inflation.[2]

Big misconceptions about risk

The final piece of the puzzle is understanding the risks. This is where investors have historically missed the big picture. When asked to define risk, investors are clearly thinking in the short term: In 2023, 26% defined risk as exposure to volatility, and 23% said loss of wealth/assets.[2] When it comes down to it, though, they may not be seeing the disconnect between wanting high levels of returns and the riskier, often more volatile assets it takes to generate those returns.

What shows how much they are missing the long-term view on risk is that only 11% thought of risk in terms of not meeting their goals.[2] In fact, financial advisors were more than twice as likely to see the risk in missing goals (24%)[18]. Adding to the misconceptions is the blind spot they've developed for cash with higher interest rates, as only 6% define risk as having too much invested in cash.[2]

It all comes down to one simple observation. Investors know they need to do something if they are going to attain retirement security. But all too often, retirement planning is not a detailed process. It is a set of vague estimations and gut decisions. What individuals are really going to need is help from policymakers, employers, financial professionals, and themselves.



This time it's different

For all too long, it's seemed that the cards are stacked against individuals when it comes to reaching a secure retirement. But now some of the headwinds that may have slowed their progress have the potential to become tailwinds. Interest rates are at 15-year highs. Inflation is easing to central bank targets. And markets have proved to be remarkably resilient through the pandemic, high inflation, and slowing growth.

Now is the time, when all the forces are aligned, that the stakeholders in retirement security can take action:

Policymakers:

Policymakers can look at the responsibility that's been hefted on the shoulders of individuals and help ease the burden. Protecting national retirement benefits that are foundational to every retirement plan is an essential first step. But equally important are tax incentives for savings and ensuring individuals have access to professional advice that can help them enhance their odds of success.

Employers:

Employers can see the challenge facing their employees and start by offering a retirement plan. If they offer a plan, then they should implement key benefits such as matching contributions and features like auto enrollment, auto escalation, and access to advice. And probably most important is to offer education and advice that help employees maximize their plan participation. Employers can consider offering the kinds of investment options that may help drive participation and managed portfolios that may help enhance participant outcomes.

Individuals:

Individuals can help themselves by doing the work: putting pen to paper to outline out what they see for their retirement and scoping out a detailed financial plan based on realistic assumptions. If the responsibility belongs more and more to us as individuals, it's critical we live up to it.

Achieving retirement security is a big challenge, and many variables must be aligned if we are to succeed. Individuals know they are being asked to do more. But they shouldn't have to do it alone.

Additional Information

1. Natixis Global Asset Management surveyed 7,000 individual investors globally in February 2015. Investors from the Americas, Asia, Europe, the Middle East and Oceania are represented in the survey.

2. Natixis Investment Managers, Global Survey of Individual Investors conducted by CoreData Research in March and April 2023. Survey included 8,550 individual investors in 23 countries.

3. Natixis Investment Managers, Global Survey of Individual Investors conducted by CoreData Research, March–April 2021. Survey included 8,550 investors in 24 countries.

4. St. Louis Fed. (June 19, 2024). Financial assets of money market mutual funds in the United States from 2000 to 2023 (in billion U.S. dollars) [Graph]. In Statista. Retrieved August 15, 2024, from https://www.statista.com/statistics/188712/us-money-market-mutual-funds-total-financial-assets-since-1990/

5. Natixis Investment Managers, Global Survey of Fund Selectors conducted by CoreData Research in November and December 2023. Survey included 500 respondents in 26 countries throughout North America, Latin America, the United Kingdom, Continental Europe, Asia and the Middle East.

6. Bloomberg.

7. The 2024 Natixis Strategist Outlook is based on responses from 30 experts including 25 representatives from 12 affiliated asset managers, 4 representatives from Natixis Investment Managers Solutions, and 1 representative from Natixis Corporate & Investment Banking.

8. Natixis Portfolio Analysis & Consulting. FactSet.

9. https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS?end=2022&locations=OE&start=2000

10. https://www.census.gov/data/datasets/2023/demo/popproj/2023-popproj.html

11. https://commonslibrary.parliament.uk/the-uks-changing-population/

12. https://www.who.int/china/health-topics/ageing

13. "How Secure Is Employment at Older Ages?" Urban Institute, 28 Dec. 2018.

14. Natixis Investment Managers, Global Survey of Individual Investors conducted by CoreData Research, February–March 2019. Survey included 9,100 investors from 25 countries.

15. https://www.oecd-ilibrary.org/docserver/82ca511d-en.pdf?expires=1723309535&id=id&accname=guest&checksum=497AFA9F54EE6729DCA110C31C4A973F

16. Natixis Investment Managers, Global Survey of Individual Investors conducted by CoreData Research, February–March 2017. Survey included 8,300 investors from 26 countries.

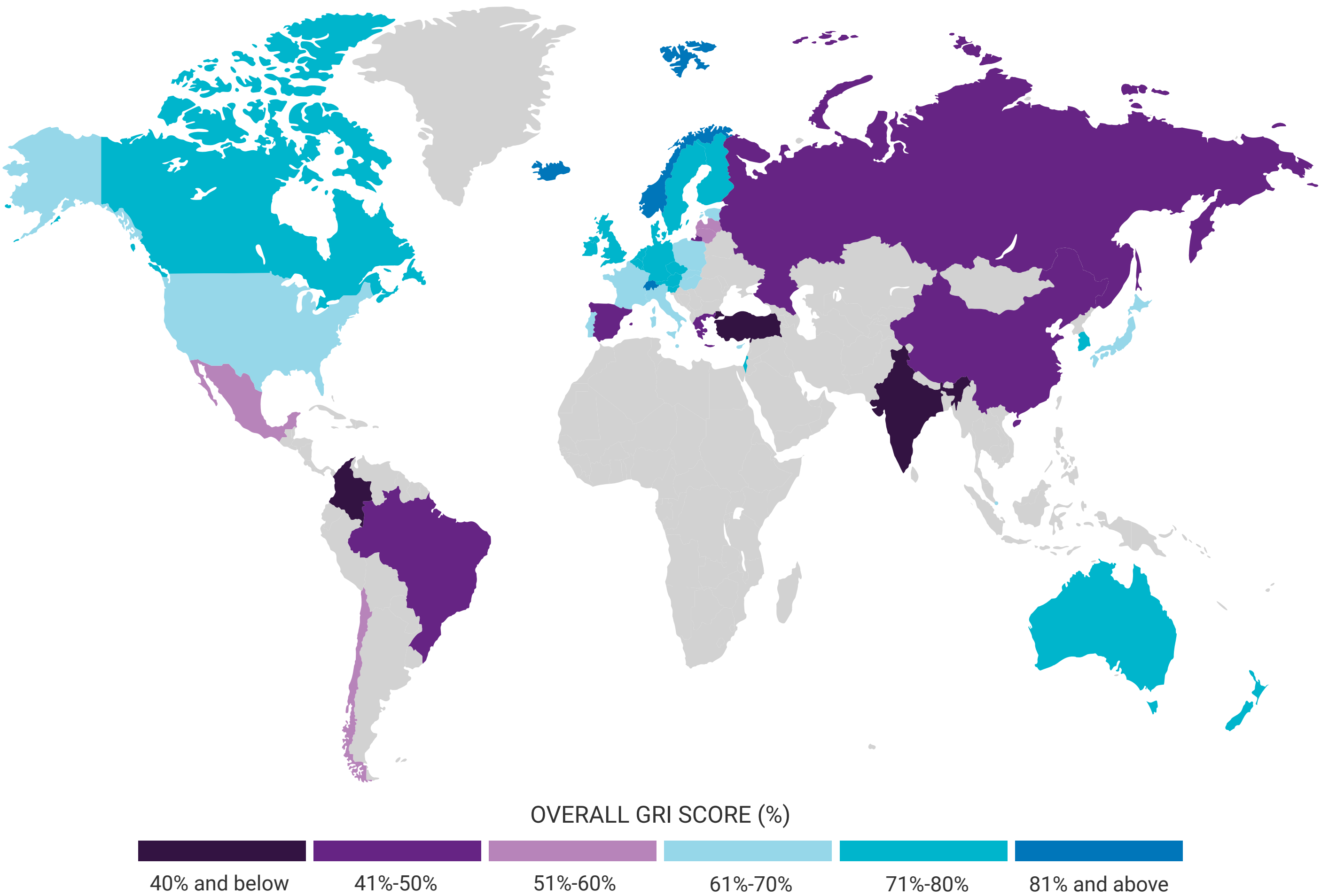
17. Natixis Investment Managers, Global Survey of Financial Professionals conducted by CoreData Research in March 2018. Survey included 2,775 financial professionals in 16 countries.

18. Natixis Investment Managers, Global Survey of Financial Professionals, conducted by CoreData Research in March–April 2020. Survey included 2,700 financial professionals across 16 countries.

19. Natixis Investment Managers, Global Survey of Financial Professionals conducted by CoreData Research in March and April 2022. Survey included 2,700 respondents in 16 countries.

Global Retirement Index 2024

The Global Retirement Index (GRI) is a multi-dimensional index developed by Natixis Investment Managers and CoreData Research to examine the factors that drive retirement security and to provide a comparison tool for best practices in retirement policy. As the GRI continues to run each year, it is our hope it will be possible to discern ongoing trends in, for instance, the quality of a nation's financial services sector, thereby identifying those variables that can be best managed to ensure a more secure retirement. The country rankings are intended to examine key retirement factors and a discussion of best practices. This is the twelfth year Natixis and CoreData have produced the GRI as a guide to the changing decisions facing retirees as they focus on their needs and goals for the future, and where and how to most efficiently preserve wealth while enjoying retirement. The index includes International Monetary Fund (IMF) advanced economies, members of the Organization for Economic Cooperation and Development (OECD) and the BRIC countries (Brazil, Russia, India and China). The researchers calculated a mean score in each category and combined the category scores for a final overall ranking of the 44 nations studied. See page 60: Appendix B for the full list of countries.

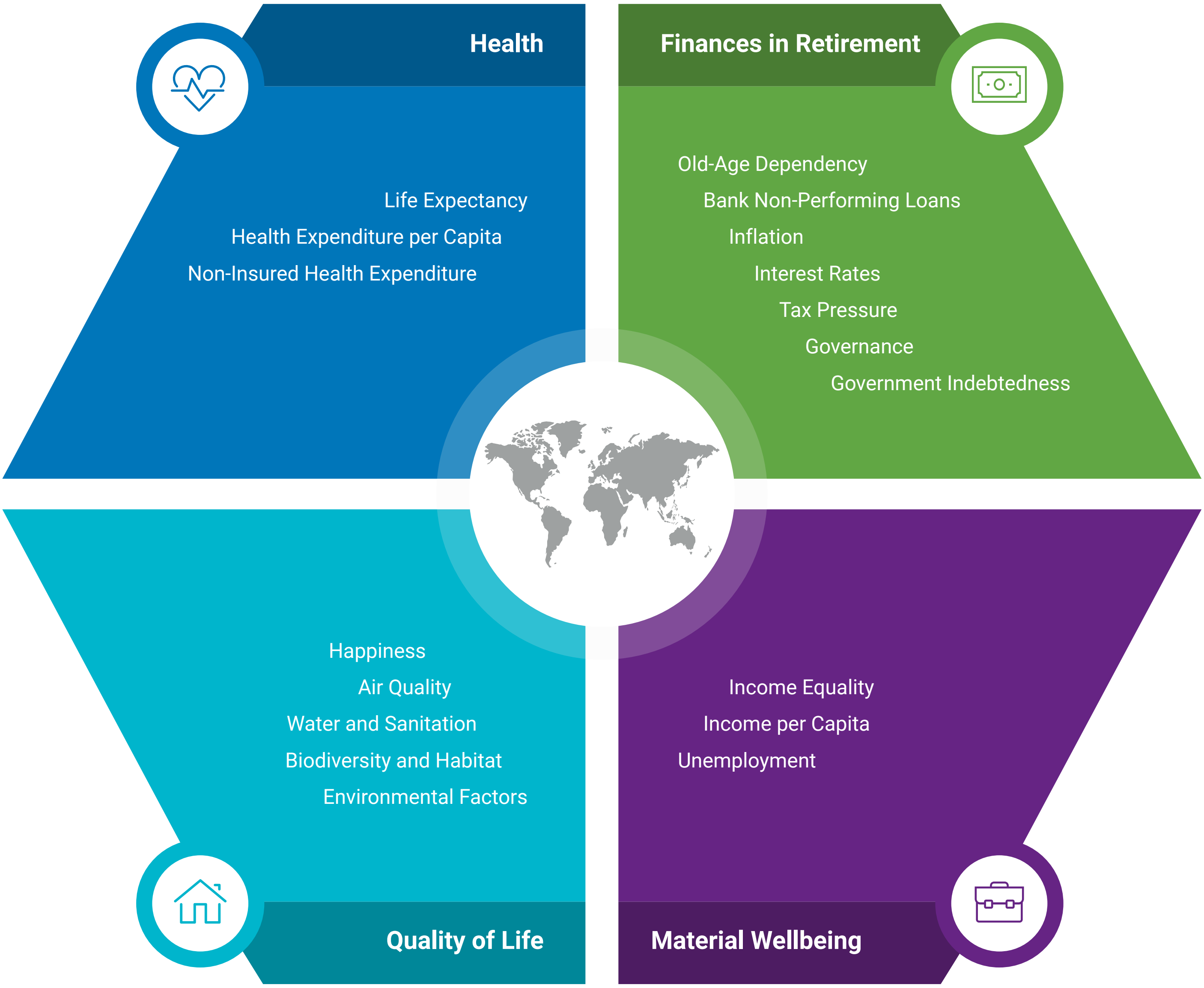


Framework

The index incorporates 18 performance indicators, grouped into four thematic sub-indices, which have been calculated on the basis of reliable data from a range of international organizations and academic sources. It takes into account the particular characteristics of the older demographic retiree group in order to assess and compare the level of retirement security in different countries around the world.

The four thematic indices cover key aspects for welfare in retirement: the material means to live comfortably in retirement; access to quality financial services to help preserve savings value and maximize income; access to quality health services; and a clean and safe environment.

The sub-indices provide insight into which particular characteristics are driving an improvement or worsening each country's position. Data has been tracked consistently to provide a basis for year-over-year comparison.



The Best Performers

Top 10 Countries in 2024 GRI

2024 | 2023 | 2014

▲ ▬ ▼ Ranking change

		2024		2023		2014
1	Switzerland	82%	▲1	82%	▼1	82%
2	Norway	81%	▼1	83%	▲1	81%
3	Iceland	81%	▬0	81%	▲5	75%
4	Ireland	80%	▬0	80%	▲19	64%
5	Netherlands	79%	▲1	79%	▼2	76%
6	Luxembourg	78%	▼1	79%	▲5	74%
7	Australia	78%	▬0	78%	▼4	76%
8	Germany	77%	▲1	76%	▬0	74%
9	Denmark	77%	▲1	76%	▼5	76%
10	New Zealand	77%	▼2	77%	▲5	73%

Switzerland overtakes Norway at the top of the GRI with a score of 82%, dethroning Norway after it finished at the top for two years in a row. Norway did not fall far, only down to second place overall with a score of 81%, while Iceland and Ireland take third and fourth, respectively. The Netherlands, Luxembourg, and Australia follow closely behind, with all finishing within the top seven rankings as they did last year. Germany, Denmark, and New Zealand finish off the top ten, with New Zealand having the most significant change in the best performing countries, dipping two places to tenth overall.

Countries in the top ten overall tend to be good allrounders that perform strongly across all sub-indices. However, Switzerland is the only nation to achieve the distinction of ranking in the top ten in all four sub-indices for the second year running. Ireland, Luxembourg, Norway, and the Netherlands finish in the top ten for three out of four sub-indices. The remaining countries in this elite group place in the top ten for two sub-indices.

This year, the best performers have more consistent rankings across all sub-indices. Among the overall top ten countries, there are five top ten finishes for Finances in Retirement, six for Health and Material Wellbeing, and seven for Quality of Life. Interestingly, despite near universal increases in score for the Health sub-index, half of the countries in the top ten saw their rankings decline. Quality of Life is the sub-index with the least amount of change from the previous year, with exception of Germany, which dipped three rankings for the category but managed to increase its overall ranking among all countries.

Newly crowned Switzerland finds itself at the top of the GRI rankings after upholding exceptional scores across the board, namely within the Finances in Retirement (2nd) and Health (3rd) rankings. Its Material Wellbeing ranking

broke into the top five this year (5th), as its Quality of Life sub-index ranking remained the same in sixth place.

Norway falls to second this year with a slightly lower score than 2023, following dips across all sub-indices apart from Quality of Life. A substantial decline comes in the Material Wellbeing ranking (1st to 6th), with Health and Finances in Retirement also declining by three spots apiece. This overall dip allowed Switzerland the chance to finish top of the GRI for the first time in three years.

Iceland maintains its third place ranking for the second year in a row despite experiencing declines in most sub-indices. Notably, Iceland saw its Health ranking drop by seven places (out of the top 10 to 11th) even after increasing its score slightly. Minimal declines in its score for Finances in Retirement and Material Wellbeing see its ranking drop by one place for both sub-indices, while it remains fifth overall in Quality of Life.

Ireland maintains its rank in fourth place, with an unchanged score of 80%. It moves up two spots to round out the top five countries in the Health sub-index, after a three-percentage point increase to 91%. Conversely, Ireland drops two spots in the Material Wellbeing sub-index to ninth, after a two-percentage point slip to 77%. The country rises to the top spot in the Finances in Retirement sub-index, with a slight increase of one percentage point in score to 74%. Despite an unchanged score in the Quality of Life sub-index, Ireland moves up in ranking to 12th.

The Netherlands overtakes Luxembourg in fifth rank, pushing Luxembourg down to sixth in the process, on the back of increases across all sub-indices apart from Finances in Retirement. Luxembourg remains ahead Australia which keeps its rank from last year in seventh, after an unchanged overall score. New Zealand also slips two places this year, as it did in 2022, but now from eighth to tenth.

Germany solidifies its spot in the top ten in this year's GRI, rising from ninth to eighth. This comes on the back of strong score increases in the Health and Material Wellbeing sub-indices. Following Germany is Denmark in ninth place, up from tenth last year. The rise in its ranking is attributable to positive score changes in each sub-index apart from Material Wellbeing. New Zealand closes out the top ten, falling in ranking from eighth to tenth after mostly weaker scores in each sub-index.

Performance by Sub-Index

Health Index

Luxembourg overtakes Norway at the top of the Health sub-index this year, as Sweden and Ireland both jump into the top five, with Switzerland making gains too. The Health sub-index is based on performance across three indicators: insured health expenditure, life expectancy and health expenditure per capita. Life expectancy is a key driver of overall performance in the sub-index.

Norway dips to fourth from the top overall score in the sub-index due to slight decreases in its scores across the board, but also because the top countries made such big improvements since 2023. Luxembourg, which rose by four percentage points to gain first place this year, was driven by a ten percentage point increase in its life expectancy score and a rise to first rank for the insured health expenditure indicator. Sweden makes a notable jump to second rank from sixth last year, on the back of an eight percentage point increase in its life expectancy score. Switzerland and Ireland both ascend two places after increasing their overall scores by three percentage points apiece.

Completing the top ten are Japan, Australia, the Netherlands, France, and Canada. Japan descends from second to sixth rank after slight decreases that nudged its score down by only one percentage point. It stands at the top of the life expectancy indicator, unchanged from last year. Australia and the Netherlands both rise by two spots each, following increases in life expectancy and modest growth in both other indicators. France drops one ranking to ninth despite increasing its score by two percentage points, powered by a five percentage point gain in the life expectancy indicator. Canada makes its way into the top ten (10th) from 13th last year, ushered by a nine percentage points rise in the life expectancy indicator.

Iceland, Denmark, Singapore, Germany, and Austria occupy the 11th to 15th spots in the Health sub-index. Iceland drops seven rankings, from fourth to 11th, despite increasing its overall score

Top 10 Countries in Health Sub-Index

Rank	Country	2024	Ranking change	2023	Ranking change	2014
1	Luxembourg	93%	▲ 2	89%	▲ 5	82%
2	Sweden	92%	▲ 4	88%	▲ 9	75%
3	Switzerland	91%	▲ 2	88%	▬ 0	82%
4	Norway	91%	▼ 3	92%	▲ 3	79%
5	Ireland	91%	▲ 2	88%	▲ 12	72%
6	Japan	90%	▼ 4	91%	▲ 8	84%
7	Australia	90%	▲ 2	88%	▲ 2	77%
8	Netherlands	90%	▲ 2	87%	▼ 3	80%
9	France	90%	▼ 1	88%	▼ 5	84%
10	Canada	89%	▲ 3	85%	▲ 13	71%

▲ ▬ ▼ Ranking change   2024   2023   2014

by one percentage point. Conversely, Singapore ascends to 13th rank from 19th last year, on the back of a six percentage point overall increase in the sub-index, attributable to a rise of eight percentage points in the health expenditure per capita indicator and a twelve percentage point rise in insured health expenditure per capita, while also maintaining a stellar life expectancy score. Interestingly, both Denmark and Germany dip in ranking despite recording overall gains in score, as other countries make greater progress. Austria moves into the top fifteen following a four percentage point increase, nudging its rank up by one place into 15th.
The next five countries down the table are Belgium, New Zealand, the United Kingdom, Finland, and Spain. New Zealand and Finland both dip in ranking by three or more places despite making a one percent overall gain in score. While New Zealand and Finland increase their score by one percentage point and dip in ranking, the

United Kingdom and Spain rise by at least three percentage points and keep their rankings unchanged.

The last five countries in the top 25 are Italy, South Korea, Israel, Slovenia, and Malta. All countries improve their score from the previous year. Italy gains three percentage points to keep its place in 21st, while South Korea gains three percentage points, rising two spots to 22nd. Slovenia's life expectancy indicator rises by seven percentage points but did not prove enough to keep the country from falling in ranking from 23rd to 24th. Malta breaks into the top 25 after increasing its score by three percentage points, enough to make the jump from 26th to 25th rank overall for the sub-index.

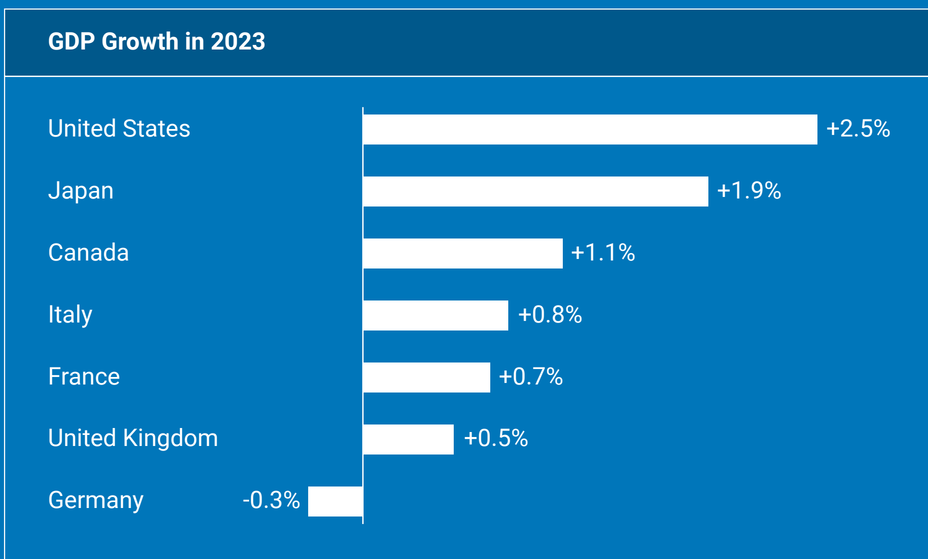
Top 25 Countries in Health Sub-Index	Ranking			Score		
	2024	2023	2014	2024	2023	2014
Luxembourg	1	3	8	93%	89%	82%
Sweden	2	6	15	92%	88%	75%
Switzerland	3	5	5	91%	88%	82%
Norway	4	1	4	91%	92%	79%
Ireland	5	7	19	91%	88%	72%
Japan	6	2	10	90%	91%	84%
Australia	7	9	11	90%	88%	77%
Netherlands	8	10	7	90%	87%	80%
France	9	8	3	90%	88%	84%
Canada	10	13	26	89%	85%	71%
Iceland	11	4	9	89%	88%	76%
Denmark	12	11	12	89%	86%	76%
Singapore	13	19	39	88%	82%	56%
Germany	14	12	2	88%	86%	85%
Austria	15	16	1	87%	83%	87%
Belgium	16	17	6	87%	82%	79%
New Zealand	17	14	25	86%	85%	70%
United Kingdom	18	18	21	85%	82%	74%
Finland	19	15	17	85%	84%	77%
Spain	20	20	16	85%	81%	75%
Italy	21	21	18	84%	81%	77%
Korea Rep	22	24	32	83%	80%	73%
Israel	23	22	24	83%	81%	71%
Slovenia	24	23	22	83%	80%	73%
Malta	25	26	27	81%	78%	73%

Color Scale: 0%-60% | 61%-70% | 71%-80% | 81%-90% | 91%-100%

Spotlight:

Immigration Can Be a Lifeline for Aging Societies

In the post-pandemic global economy, the United States has emerged as the clear frontrunner, leaving other advanced economies trailing in its wake. What sets the US apart, however, is not just its impressive GDP growth rate of 2.5% in 2023, but the pivotal role that immigration has played in fueling the growth[1]. Recent data from the IMF underscores this: while US growth surges ahead, others struggle to keep pace. These same countries who have fallen behind have a common problem: their societies are aging rapidly. The US experience highlights a potential remedy to the twin problems of an ailing economy and aging country: increasing immigration.



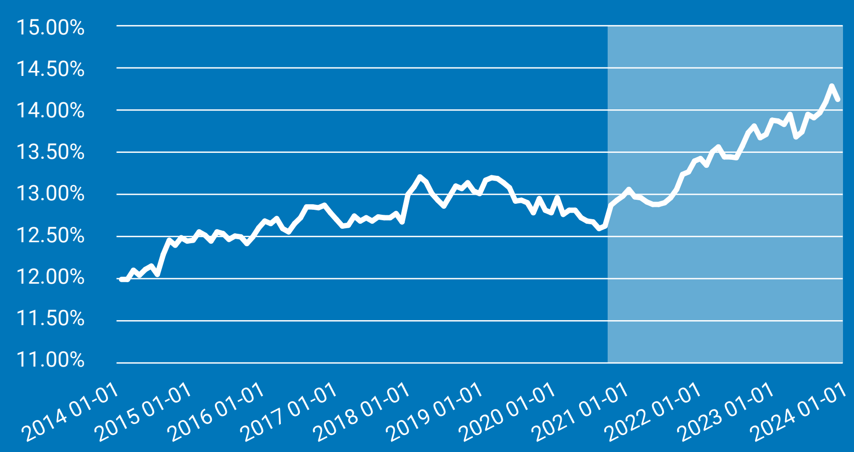
Source: IMF World Economic Outlook (Jan 2024)

[1] https://www.reuters.com/markets/us/us-immigration-fillip-shifts-economys-trajectory-mike-dolan-2024-03-13/

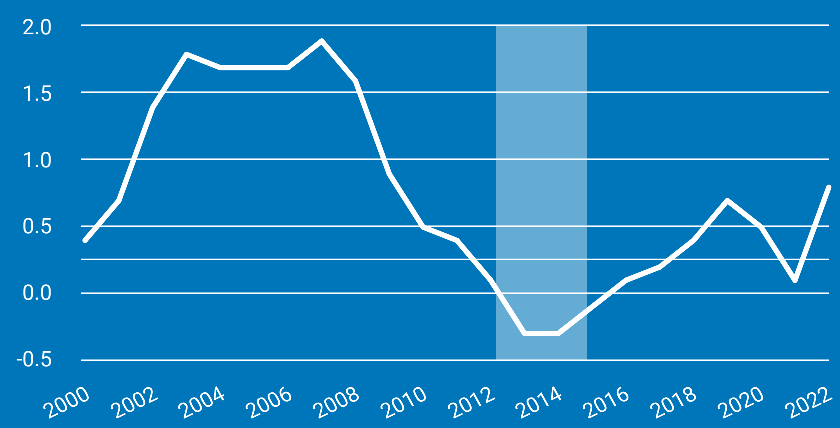
Immigration stands out as a pragmatic solution to counteract population decline and address the challenges posed by aging demographics, particularly in advanced economies. Historical data from North America and Europe indicate that immigrants tend to have higher birth rates compared to native populations, thus helping to sustain fertility levels closer to the replacement rate. Spain provides a concrete example of this phenomenon. In 2012, Spain's population declined for the first time since 1971, as the global economic crisis led to the Spanish economy shrinking by nearly 10% and sent unemployment rates soaring[2]. However, since 2015, Spain has reversed this trend, thanks to a surge in immigration[3]. Predominantly young and of childbearing age, these newcomers have rejuvenated Spain's aging population. By April 2024, Spain's population soared to a record-high of 48.7 million, with the influx of nearly 9 million foreign-born residents playing a key role in this growth[4].

In the context of an aging country grappling with workforce challenges, immigration serves as a critical factor reshaping both labor dynamics and the age structure of the population. Immigrants provide a crucial influx of young, working-age individuals, replenishing labor forces during periods of native decline. Germany, facing a dual challenge of scarcity of skilled labor and an aging population, is reassessing its immigration policy in response to mounting pressures. Recent reforms announced at Davos last year aim to ease restrictions on foreign workers, streamline hiring procedures, and even allow for the immigration of workers' families[5]. With projections showing nearly 13 million

Percent of Foreign Born Individuals in US



Spain's Population Growth Since 2000



Source: IMF World Economic Outlook (Jan 2024)

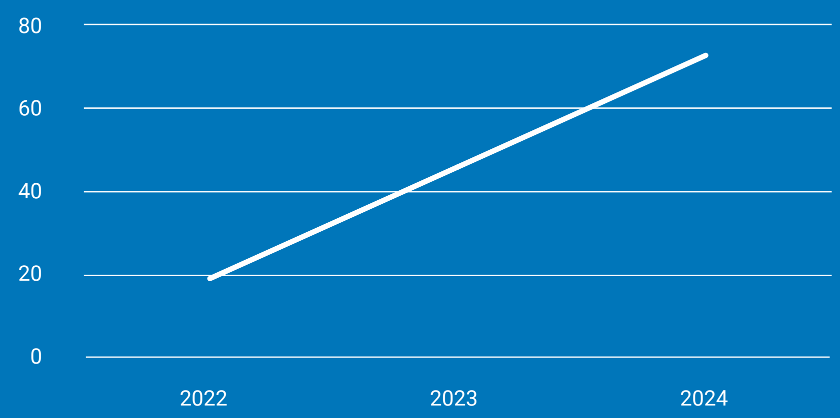
[2] https://english.elpais.com/elpais/2012/11/19/inenglish/1353339551_322908.html, https://www.ft.com/content/1a99dd14-975f-11e9-8cfb-30c211dcd229
[3] https://onlinelibrary.wiley.com/doi/10.1111/gean.12357#:~:text=Since%202015%2C%20population%20decline%20has,Llosa%2C%20and%20Salvati%202020).
[4] https://www.ine.es/dyngs/Prensa/en/ECP1T24.htm
[5] https://www.reuters.com/world/europe/germany-unveils-immigration-reform-plan-tackle-labour-shortages-2023-03-29/

workers leaving the labor market in the next fifteen years, Germany anticipates the need for approximately 400,000 new immigrants annually to counteract the declining workforce . This proactive shift underscores the critical role immigration plays in addressing labor shortages and rejuvenating aging economies like Germany's.

In addition to offering a solution to population decline and workforce challenges, immigrants are important contributors to their host country's economic growth. Studies consistently underscore the positive economic impact[6] of immigrants, primarily due to migrating at a young age. The United States provides a striking example of this phenomenon, where immigrant employment rates remain high, and a significant proportion possess advanced education. Immigration can serve as a catalyst for productivity growth, with studies from the IMF indicating that a 1 percentage point increase in immigrant inflow relative to total employment can elevate output by almost 1 percent within five years[7]. Immigrants also naturally provide a boost to consumer spending. Recent estimates from the Brookings Institute and the Hamilton Project indicate that increased immigration contributed approximately 0.1% to real consumer spending growth in 2022, 0.2% in 2023, and an expected 0.2% in 2024, as well as adding 0.1% to real GDP growth annually[8].

As the United States leads the charge in economic recovery post-pandemic, bolstered by the surge of immigration in recent years, it sets a compelling example for nations grappling with demographic challenges worldwide. Many developed economies across the globe are grappling with aging populations and labor shortages with few tools at their disposal for reversing these trends rapidly. Immigration is no panacea, but the evidence highlights how, in the right circumstances, it can help to stabilize populations and contribute to sustainable economic growth.

Real Consumer Spending Directly Attributed to Increase in Immigration, $ billions



Source: The Brookings Institution and The Hamilton Project

[7] https://www.imf.org/en/Blogs/Articles/2020/06/19/blog-weo-chapter4-migration-to-advanced-economies-can-raise-growth
[8] https://www.hamiltonproject.org/wp-content/uploads/2024/03/20240307_ImmigrationEmployment_Paper.pdf

Finances in Retirement Index

Ireland, fourth in the GRI overall, jumps five places to take the top spot in the Finances in Retirement sub-index. The sub-index is based on performance across seven indicators: old-age dependency, bank nonperforming loans, inflation, interest rates, tax pressure, government indebtedness, and governance.

Ireland's top ranking can be attributed to a significant jump in the government indebtedness indicator, along with strong performances in the tax pressure (6th), governance (12th) and old-age dependency (13th) indicators. Switzerland is knocked off the top after its interest rate score continues to decline, though its consistent scoring across the board helps the country keep second position. Australia and Singapore both retain their respective positions in third and fourth, following steady scoring across all indicators. South Korea slips three places but remains in the top five (5th) on the back of declines in the old-age dependency and tax pressure scores.

Completing the top ten countries for this sub-index are New Zealand, Chile, Luxembourg, Estonia, and Canada. Luxembourg falls out of the top five, slipping three places to eighth after weaker performances in the bank nonperforming loan and tax pressure indicators. Estonia enters the top ten in ninth after leaping five places up the rankings from 14th in 2023. This is mainly attributable to improvements in the inflation and government indebtedness indicators. Chile and Canada keep their places in seventh and tenth, respectively, following minor changes from 2023.

Top 10 Countries in Finances in Retirement Sub-Index

Rank	Country	2024	Ranking change	2023	Ranking change	2014
1	Ireland	74%	▲ 5	73%	▲ 20	59%
2	Switzerland	73%	▼ 1	75%	▲ 2	71%
3	Australia	73%	– 0	73%	▼ 1	74%
4	Singapore	72%	– 0	73%	▲ 1	71%
5	Korea Rep.	71%	▼ 3	73%	▲ 4	70%
6	New Zealand	71%	▲ 2	72%	▼ 4	71%
7	Chile	70%	– 0	72%	▼ 6	75%
8	Luxembourg	70%	▼ 3	73%	▲ 24	58%
9	Estonia	69%	▲ 5	67%	▼ 3	64%
10	Canada	69%	– 0	69%	▼ 3	69%

▲ – ▼ Ranking change 2024 2023 2014

After the top ten, the next five countries in the Finances in Retirement sub-index are Lithuania, Norway, Iceland, Israel, and the United States. Lithuania's surge can be attributed to its inflation score (+67%), which takes the country just shy of the top ten, following a four percentage point increase in its overall score which sends its ranking up six places. Norway and Israel both dip by three spots apiece, with Norway down by over two percentage points from 2023 and Israel's score falling by one percent. Iceland dips in ranking by one place, driven by modest declines across the board. The United States slips by two places from 2023 after a substantial dip in tax pressure, despite making gains in its inflation indicator.

The countries occupying 16th to 20th place in the sub-index are Sweden, Czech Republic, the United Kingdom, Netherlands, and Malta. The Czech Republic makes substantial gains, rising six places to 17th overall on the back of gains in the bank nonperforming loans, inflation, and government indebtedness indicators. Sweden jumps two places to 16th following improvements in the bank nonperforming loans, inflation, and government indebtedness indicators as well. The Netherlands and United Kingdom both slip three places, both of which saw minimal change in their scores. Malta dips to 20th in the sub-index, after a slight decrease in its score from last year following declines in the bank nonperforming loans and tax pressure indicators.

Rounding out the top 25 countries for the Finances in Retirement sub-index are India, Germany, Latvia, Finland, and Mexico. India rises four rankings to 21st following a one percentage point increase in the sub-index score. Latvia makes significant progress, rising by six rankings into 23rd after a two percentage point increase from 2023. Sliding down the rankings are Germany, Finland, and Mexico, despite these countries maintaining their scores from last year.

Top 25 Countries in Finances in Retirement Sub-Index	Ranking			Score		
	2024	2023	2014	2024	2023	2014
Ireland	1	6	26	74%	73%	59%
Switzerland	2	1	3	73%	75%	71%
Australia	3	3	2	73%	73%	74%
Singapore	4	4	5	72%	73%	71%
Korea Rep	5	2	6	71%	73%	70%
New Zealand	6	8	4	71%	72%	71%
Chile	7	7	1	70%	72%	75%
Luxembourg	8	5	29	70%	73%	58%
Estonia	9	14	11	69%	67%	64%
Canada	10	10	7	69%	69%	69%
Lithuania	11	17	10	69%	65%	64%
Norway	12	9	12	68%	70%	64%
Iceland	13	12	19	68%	68%	62%
Israel	14	11	17	67%	68%	63%
United States	15	13	8	67%	67%	66%
Sweden	16	18	9	66%	65%	65%
Czech Republic	17	23	22	66%	63%	61%
United Kingdom	18	15	38	66%	66%	53%
Netherlands	19	16	18	66%	66%	62%
Malta	20	19	23	65%	65%	61%
India	21	25	42	64%	63%	47%
Germany	22	20	24	64%	64%	60%
Latvia	23	29	14	63%	61%	63%
Finland	24	22	34	63%	63%	55%
Mexico	25	24	15	63%	63%	63%

Color Scale: 0%-60% | 61%-70% | 71%-80% | 81%-90% | 91%-100%

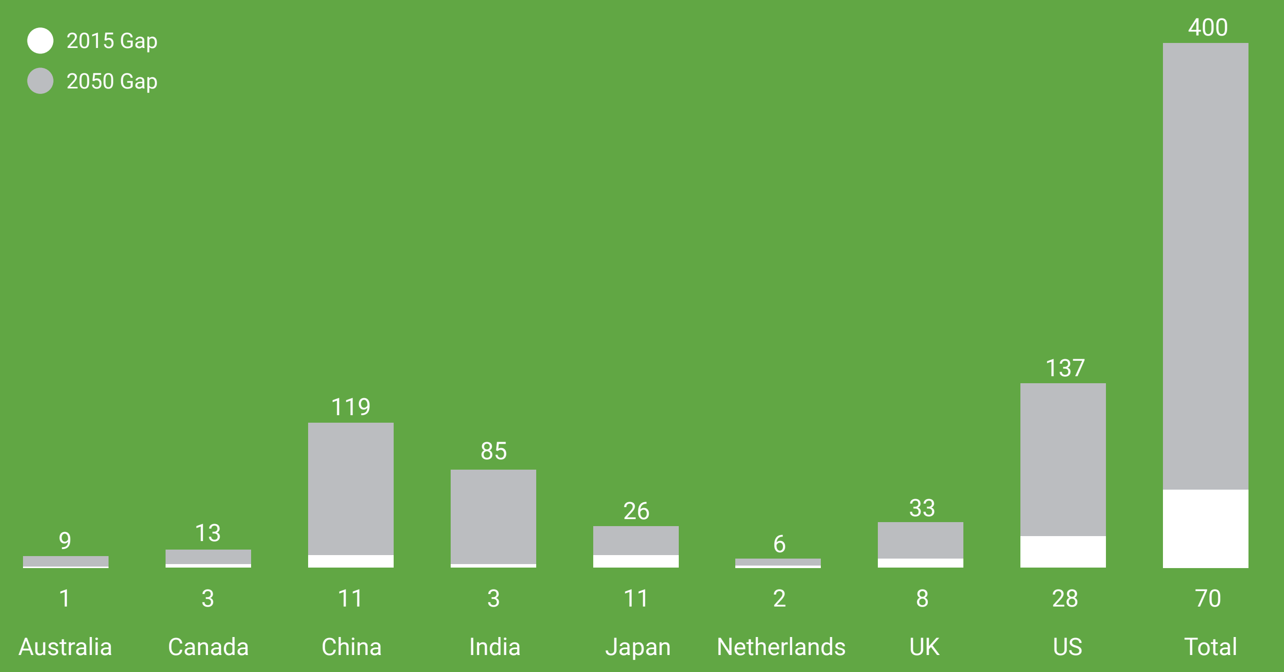
Spotlight:

Bridging the Global Retirement Savings Gap

The global retirement savings gap, estimated at $70 trillion in 2015, presents a significant challenge to financial security worldwide. Projections indicate that by 2050, this gap could balloon to approximately $400 trillion, highlighting the urgency of the issue[1]. In the United States, the deficit is particularly concerning, as it is expanding at a staggering rate of $3 trillion annually, equivalent to five times the country's defense budget. A substantial portion of this deficit stems from unfunded government-provided pension systems, which comprised three-quarters of the global savings gap in 2015. As global populations age, sustaining pay-as-you-go pension systems has become increasingly burdensome. The ratio of working individuals to retirees is declining, with projections suggesting that by 2050, only two working people will support each retiree, down from ten in just a few decades[2].

[1] https://www.weforum.org/impact/solving-the-global-pension-crisis/
[2] https://www.imf.org/en/Publications/fandd/issues/2020/03/impact-of-aging-on-pensions-and-public-policy-gaspar

Size of the Retirement Savings Gap ($ trillions)



Source: World Economic Forum

One strategy to tackle this challenge involves increasing the full retirement age. This policy has been under consideration in the United States and has already been put into effect in nations like Brazil and France. For instance, the United States is contemplating a proposed three-year raise in the full retirement age from 67 to 70, a move estimated by the Congressional Budget Office to potentially reduce federal outlays by $28 billion through 2028[3]. France and Brazil successfully implemented measures to address demographic challenges by raising retirement ages, but these actions are often met with resistance. France's decision to raise the retirement age from 62 to 64 sparked significant protests[4]. Similarly, Brazil has increased the minimum retirement age to 65 for men and 60 for women, with the minimum retirement age for women set to gradually rise to 62 by 2023. Previously, the average age for claiming old age pension stood at 56 for men and 53 for women.

Another important area that can help close the savings gap is in retirement plan design. Features such as automatic enrollment, automatic escalation, and investment matches encourage individuals to save more effectively for retirement. For example, the highly regarded Australian superannuation (or "super") system automatically enrolls eligible employees in qualified retirement plans with minimum deferral rates set between 6% and 10% of compensation, gradually increasing over time. On the employer side, starting from July 2023, the mandatory minimum "guarantee" contribution in Australia will rise to 11%, reaching 12% by 2025[5]. However, concerns exist about self-employed individuals lacking access to pension accounts.

The United Kingdom provides a compelling example of the impact of

[3] https://www.cbo.gov/budget-options/54745
[4] https://www.npr.org/2023/04/15/1170246219/despite-fierce-protests-france-has-raised-the-retirement-age-from-62-to-64
[5] https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/pubs/BriefingBook47p/Superannuation

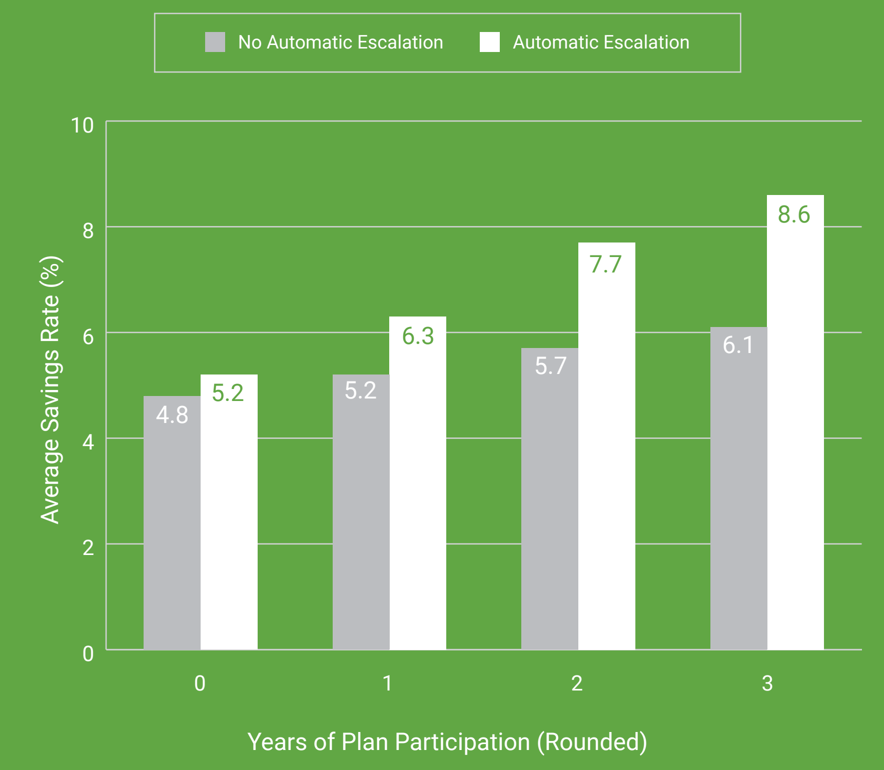
auto-enrollment plans, exemplified by the National Employment Savings Trust (NEST) public pension scheme. Launched in October 2012, NEST aimed to achieve two primary objectives: facilitating employer-sponsored retirement plans and enabling automatic enrollment for employees lacking such provisions. Initially starting with mandatory contributions set at 2% of pay, this figure gradually increased to 8% by 2018. Since its inception, NEST has helped facilitate a remarkable surge in the coverage of private sector employees, soaring from 47% in 2012 to an impressive 79% by 2021[6].

Disparities in pension assets and coverage rates spotlight the urgency of addressing the retirement savings gap. While some countries have substantial pension reserves and high coverage rates, others lag behind, leaving significant portions of the working-age population financially vulnerable. The International Labour Organisation (ILO) estimates that about 2 billion workers globally operate in the informal or unorganized sector - at least part-time - which limits their access to retirement savings accounts in general[7].

The challenge of closing the retirement savings gap is accentuated by increasing life expectancies, lower birth rates, and the prevalence of informal sector employment. Defined contribution plans further exacerbate these challenges, putting the onus on individuals to save and invest effectively. Initiatives aimed at enhancing coverage and access to pension schemes worldwide can serve as a vital buffer to this pressing issue. Governments and policymakers must prioritize measures to address these challenges effectively.

Measures such as establishing universal pension safety nets, enhancing access to well-managed retirement plans, and supporting initiatives to boost contribution rates could help tremendously. By utilizing a variety of proven, proactive measures, governments can get on a sustainable path to ensuring financial security for retirees.

Impact of Auto Escalation on Savings Rates



Source: Morningstar

[6] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/workplacepensions/bulletins/annualsurveyofhoursandearningspensiontables/2021provisionaland2020finalresults
[7] https://www.imf.org/en/News/Articles/2021/07/28/na-072821-five-things-to-know-about-the-informal-economy#:~:text=The%20International%20Labor%20Organization%20estimates,variation%20within%20and%20across%20countries.

Material Wellbeing Index

The Czech Republic jumps out to first in the Material Wellbeing sub-index, stepping up from fourth in 2023. The improved ranking results from a gain in income equality, where the Czech Republic added five percentage points to its score, and its exemplary unemployment score. Also moving up the sub-index table this year are the Netherlands, from fifth to third, and Switzerland which ascends one spot to fifth, following a two percentage score increase. The Material Wellbeing sub-index is based on performance across three indicators: income equality, income per capita, and unemployment.

Slovenia keeps its second place ranking with an unchanged score of 83%, with dips in both unemployment and income per capita. Iceland sees its ranking fall by one place into fourth following a one percentage point dip in its overall score.

The remaining five countries in the sub-index top ten are all European. Of these, Poland and Germany manage to improve their rankings from last year. Poland, which sees its Material Wellbeing score increase by a marvel fifteen percentage points, jumps fifteen places in ranking to eighth. This comes on the back of a substantial increase in its unemployment score. Germany also climbs in the Material Wellbeing sub-index and makes its way to seventh overall with a three percentage point increase in its score. But Norway bows out of the top spot in the sub-index to sixth overall following a four percentage point decrease. Elsewhere, Ireland and Malta both lose their footing in the rankings, with Ireland sliding from seventh to ninth and Malta slipping from ninth to tenth.

Top 10 Countries in Material Wellbeing Sub-Index

Rank	Country	2024	Ranking change	2023	Ranking change	2014
1	Czech Republic	83%	▲ 3	82%	▲ 10	77%
2	Slovenia	83%	– 0	83%	▲ 15	75%
3	Netherlands	82%	▲ 2	82%	▲ 2	83%
4	Iceland	82%	▼ 1	83%	▲ 2	84%
5	Switzerland	81%	▲ 1	79%	▼ 4	87%
6	Norway	80%	▼ 5	84%	– 0	98%
7	Germany	80%	▲ 1	77%	▲ 1	80%
8	Poland	79%	▲ 15	64%	▲ 6	61%
9	Ireland	77%	▼ 2	79%	▲ 24	58%
10	Malta	74%	▼ 1	73%	▲ 3	78%

▲ – ▼ Ranking change   2024 2023 2014

The 11th to 15th rankings are held by Belgium, South Korea, Austria, Japan, and Denmark. Among this group, three countries move up the sub-index rankings. Belgium climbs four places to 11th due to gains in the income equality indicator, while Japan ascends four spots to 14th following improvements in the income equality indicator and upkeep of its top unemployment score. South Korea moves up from 14th to 12th, driven by increases in income equality and similarly to Japan, maintenance of its model unemployment score. Meanwhile, Denmark slips even further this year, falling from 12th to 15th, due to losses in the unemployment and income equality indicators. And Austria also dips from 2023, sliding two places to 13th from 11th, after modest losses across all indicators.

Australia, Luxembourg, Hungary, the Slovak Republic, and New Zealand complete the Material Wellbeing top twenty. Luxembourg slides all the way to 17th from tenth last year, following a fourteen percentage point decrease in its unemployment indicator score. Australia also took a hit, down by three places to 16th overall following an eleven percentage point decrease in its unemployment indicator score. Hungary and New Zealand also suffered the same fate as Australia and Luxembourg, finding themselves in worse positions compared to last year due to notable losses in the unemployment indicator. The Slovak

Republic is the only country between 16th to 20th place to record a gain in ranking, as its income equality score is among the best, and it posts increases across both other indicators.

The United Kingdom, Israel, Canada, the United States, and Russia take up the 21st to 25th positions. Canada sinks by four rankings to 23rd on the back of a six percentage point loss, driven by a substantial dip in its unemployment score. The United States also dips by three rankings to 24th, following an overall four percentage point decrease, driven by an eight percentage point dip in the unemployment indicator. The United Kingdom rises to 21st, while Israel rises two places to 22nd on the back of strong gains in its unemployment indicator score. Russia rounds out the top twenty-five after modest growth across the board, propelling the country up three places from 2023.

Top 25 Countries in Material Wellbeing Sub-Index	Ranking			Score		
	2024	2023	2014	2024	2023	2014
Czech Republic	1	4	14	83%	82%	77%
Slovenia	2	2	17	83%	83%	75%
Netherlands	3	5	7	82%	82%	83%
Iceland	4	3	5	82%	83%	84%
Switzerland	5	6	2	81%	79%	87%
Norway	6	1	1	80%	84%	98%
Germany	7	8	9	80%	77%	80%
Poland	8	23	29	79%	64%	61%
Ireland	9	7	31	77%	79%	58%
Malta	10	9	12	74%	73%	78%
Belgium	11	15	10	72%	71%	78%
Korea Rep	12	14	6	71%	71%	83%
Austria	13	11	4	71%	72%	85%
Japan	14	18	16	71%	70%	76%
Denmark	15	12	8	70%	72%	81%
Australia	16	13	15	70%	72%	76%
Luxembourg	17	10	3	69%	73%	86%
Hungary	18	16	22	69%	70%	64%
Slovak Republic	19	20	26	69%	67%	62%
New Zealand	20	17	19	68%	70%	70%
United Kingdom	21	22	20	65%	65%	69%
Israel	22	24	24	63%	64%	63%
Canada	23	19	18	63%	69%	72%
United States	24	21	30	62%	66%	61%
Russian Federation	25	28	34	60%	59%	56%

Color Scale: 0%-60% | 61%-70% | 71%-80% | 81%-90% | 91%-100%

Spotlight:

Australian Retirement and the Longevity Balancing Act

As life expectancy continues to rise, Australians – and the world at large – face the challenge of managing retirement savings effectively. While the economic fallout of the COVID-19 pandemic has exacerbated cost-of-living pressures, rising healthcare costs and concerns about investment performance present further uncertainties for pre-retirees, underscoring the critical importance of retirement planning. Navigating this complex environment is even more challenging when participants lack access to the necessary information and guidance or find it difficult to comprehend. In this landscape, access to affordable and quality financial advice is key — but the advice gap remains a significant challenge in Australia.

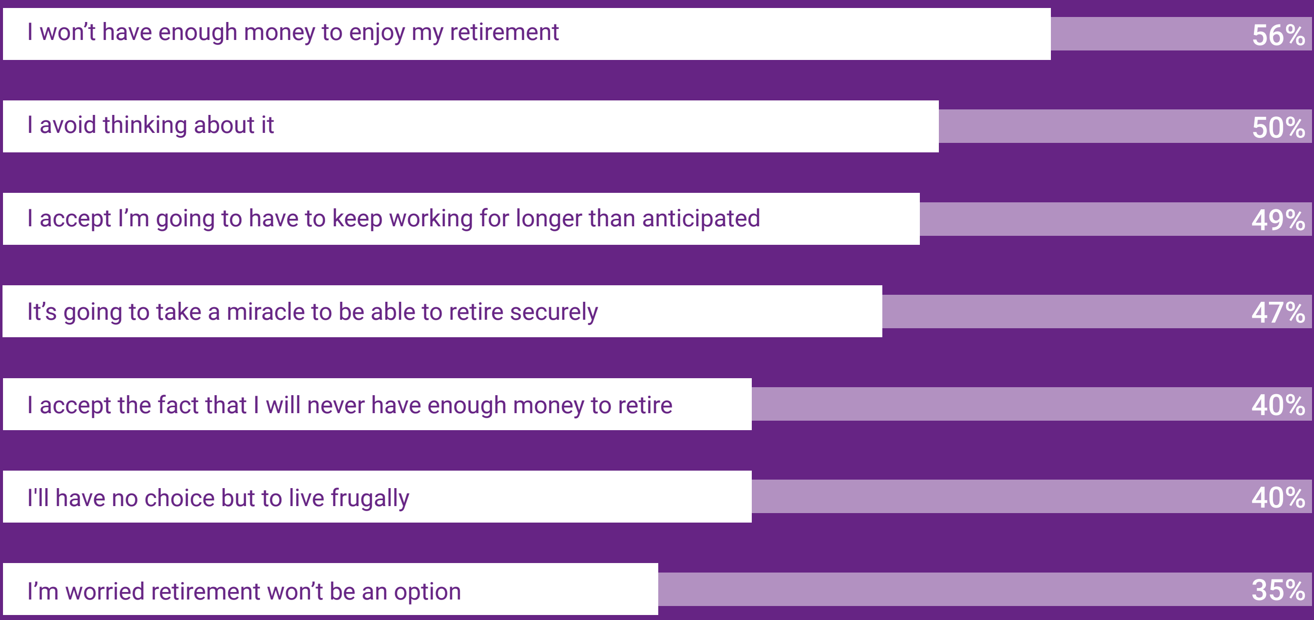
Australia's retirement income system operates on a three-pillar framework: the means-tested Age Pension, compulsory superannuation savings, and voluntary private savings. But despite the country's robust pension system, concerns persist over the adequacy of retirement preparation and Australians' understanding of how to maximize their nest eggs. Previous reforms focusing on accumulating assets have overshadowed the need for effective post-retirement management, raising the prospect of subpar financial outcomes for some retirees.

Such challenges are set to intensify, with the proportion of retirees projected to more than double from 8% today to 19% over the next 40 years[1]. These dynamics call for the introduction of measures to help retirees improve their financial literacy and optimize retirement income planning in order to achieve a secure retirement.

Research from the Super Members Council of Australia (SMC) shines light on these issues. The research finds two-

[1] Retirement phase of superannuation -- https://treasury.gov.au/sites/default/files/2023-12/c2023-441613-dp.pdf

Australians' Concerns on Retirement



Source: Natixis Individual Investor Survey 2023

thirds of retirees draw down more than the minimum required from their super. More worryingly, an overwhelming majority of women (90%) and men (80%) have no super funds left upon reaching life-expectancy age[2].

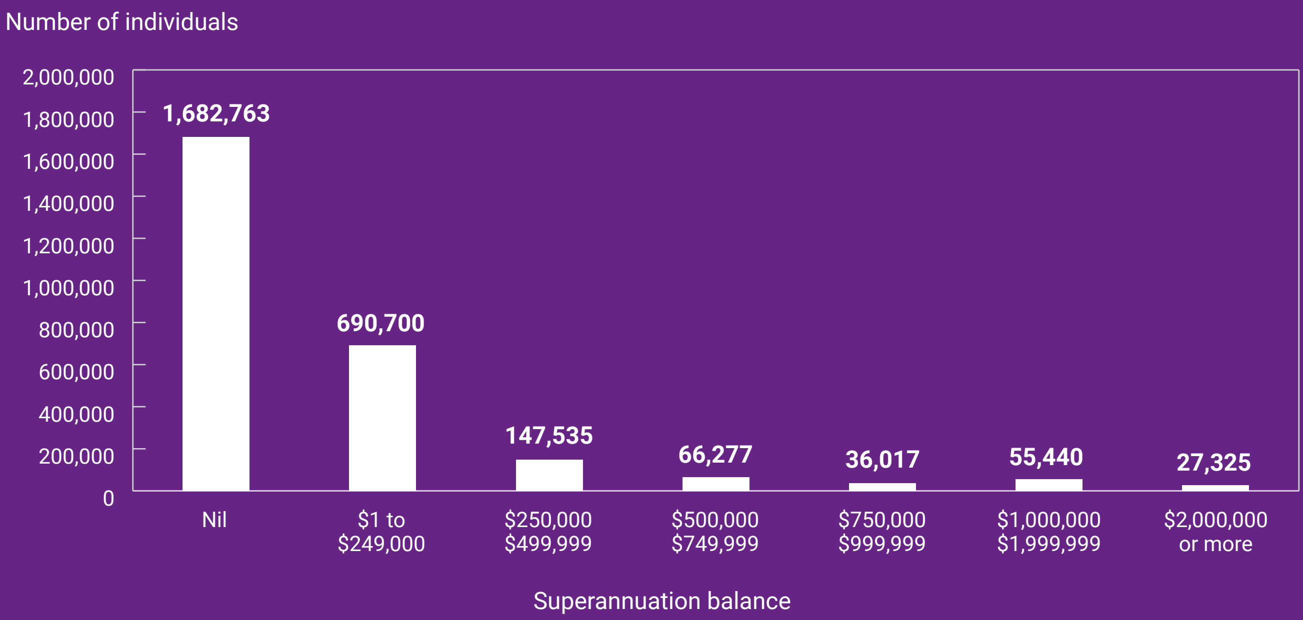
The challenge of drawing down retirement savings centers around longevity risk. Some retirees underspend, fearing they will run out of money, while others outlive their savings. All of which underlines the pressing need for tailored financial advice addressing individual circumstances. However, the ongoing advice gap in Australia leaves retirees vulnerable to the challenges of longevity risk in their golden years.

In an attempt to address the longevity challenge, the Australian government introduced the Retirement Income Covenant (RIC) in July 2022. Under this major reform, trustees are mandated to establish retirement income strategies aimed at helping members maximize incomes and manage risks to retirement sustainability as well as provide flexible access to savings[3]. The legislation emphasizes the importance of trustees' role in both guiding members through their retirement journeys and implementing strategies tailored to individual needs.

Despite regulatory changes aimed at promoting the uptake of lifetime income products, Australia continues to face challenges encouraging retirees to embrace annuities. A joint review by the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC) highlighted progress but noted a lack of urgency in fully embracing the covenant's intent. This 'annuity puzzle,' or reluctance to purchase annuities, is an ongoing challenge, with just 3.5% of pension assets currently allocated to these products. In contrast, the vast majority (84%) of assets are held in account-based or allocated pensions offered by most superannuation funds[4]. While these account-based pensions provide flexibility, they may not effectively optimize retirement income or manage risk, indicating the need to

[2] Most Australians run out of super by the end of their lives -- https://www.afr.com/policy/tax-and-super/most-australians-run-out-of-super-by-the-end-of-their-lives-study-20240220-p5f6bb
[3,4] Retirement phase of superannuation -- https://treasury.gov.au/sites/default/files/2023-12/c2023-441613-dp.pdf

Superannuation balances of Australians 70 and older



Source: Association of Superannuation Funds of Australia (AFSA)

offer wider choice in retirement income strategies.

As for the advice gap in Australia, the government has proposed a financial advice reform package under the Delivering Better Financial Outcomes bill. This is aimed at introducing a new class of financial advisers known as 'qualified advisers' (QAR) in order to increase the availability and affordability of simple personal advice. These advisers will focus on providing basic advice at no charge and will be subject to a 'modernized best interests duty.' This is an updated set of standards that financial advisers must adhere to when offering personal advice to consumers, ensuring all personal advice is provided under a single uniform quality standard[5]. The reforms aim to address the industry's talent shortage by creating new entry pathways and fostering future professionals through structured career progression[6]. This will ensure there are enough skilled advisers to provide comprehensive financial guidance to the growing population of pre- and post-retirees, better meeting the financial needs of Australians.

Australia's retirement system has long been admired for its success in building retirement savings and is seen as a model for other nations to emulate. As the country and wider developed world confront the complexities of an aging population and the challenges of smart decumulation, Australia's reform initiatives could potentially serve as a global benchmark for retirement policy. Furthermore, the push for enhanced financial literacy and equitable retirement solutions present a global opportunity for learning and adaptation. As Australia charts its course through these challenges, it will provide valuable insights and potentially shape a template for retirement security worldwide.

[5] Delivering Better Financial Outcomes -- https://treasury.gov.au/sites/default/files/2023-12/p2023-471470.pdf
[6] Financial adviser enters skills shortage list -- https://www.moneymanagement.com.au/news/financial-planning/financial-adviser-enters-skills-shortage-list

Quality of Life Index

Denmark surpasses Finland to claim the top spot in the Quality of Life sub-index, after Finland held the position for five consecutive years. The sub-index is based on performance across five indicators: air quality, biodiversity and habitat, environmental factors, happiness, and water and sanitation.

Denmark moves up one place to first this year on the back of a one percent overall score increase, due to improvements in environmental factors and happiness indicator scores. Finland drops to second rank despite maintaining its score in environmental factors and remaining at the top of the happiness indicator. Nordic countries constitute the next three in the rankings, with Sweden, Norway, and Iceland each retaining their rankings from last year.

Switzerland, New Zealand, the Netherlands, Austria, and Luxembourg complete the sub-index top ten. Switzerland keeps its place in sixth, while New Zealand and the Netherlands step up one spot to seventh and eighth, respectively. New Zealand progresses thanks to improvements in the environmental factors indicator despite its score decreasing in the happiness indicator. Meanwhile, Austria dips two places to finish in ninth rank after its score decreases by two percentage points. There is no change for Luxembourg, which stays at number ten in Quality of Life this year.

The United Kingdom, Ireland, Australia, France, and Germany rank from 11th to 15th in Quality of Life. Germany records the greatest slide down the sub-index rankings as it falls from 12th to 15th. Australia makes a notable gain, up to 13th from 15th last year after gains in its environmental factors. France and the United Kingdom both keep their rankings from the previous year after modest changes across all indicators. Ireland moves up to 12th rank from 13th despite an unchanged overall score in the sub-index.

Top 10 Countries in Quality of Life Sub-Index

Rank	Country	2024	Ranking change	2023	Ranking change	2014
1	Denmark	90%	▲ 1	89%	▼ 1	91%
2	Finland	90%	▼ 1	90%	▲ 4	84%
3	Sweden	88%	– 0	88%	– 0	87%
4	Norway	88%	– 0	87%	– 0	87%
5	Iceland	87%	– 0	87%	▲ 5	80%
6	Switzerland	83%	– 0	85%	▼ 4	89%
7	New Zealand	82%	▲ 1	82%	– 0	80%
8	Netherlands	82%	▲ 1	82%	▼ 2	81%
9	Austria	81%	▼ 2	83%	▼ 1	83%
10	Luxembourg	81%	– 0	81%	▲ 6	74%

▲ – ▼ Ranking change 2024 2023 2014

The countries lying 16th to 20th in the subindex rankings are Belgium, Canada, Israel, Spain, and Slovenia. Slovenia caps off the top 20 for the Quality of Life sub-index, following a three-rank jump from 23rd place last year. No other country recorded substantial movement, with the rest of the countries constituting 16th to 19th unchanged in ranking from 2023. Rounding out the top 25 countries are Italy, Estonia, the United States, Lithuania, and the Czech Republic. Italy dips by one rank to 21st following decreases in both the happiness and environmental factor indicators. Estonia's overall score for the sub-index remains unchanged despite a slight decrease in the environmental factors indicator. The United States drops two rankings to 23rd, which can be attributed to a three percentage point decrease in happiness, enough to push it down five rankings within that indicator. Lithuania sees improvements in its scores across the board, but not enough to nudge it past the 24th rank, which is where it stood last year. The Czech Republic records consistent growth in each indicator, maintaining its ranking from 2023.

Air quality, biodiversity & habitat, and water & sanitation indicator scores remain unchanged across all countries from the previous year.

Top 25 Countries in Quality of Life Sub-Index	Ranking			Score		
	2024	2023	2014	2024	2023	2014
Denmark	1	2	1	90%	89%	91%
Finland	2	1	5	90%	90%	84%
Sweden	3	3	3	88%	88%	87%
Norway	4	4	4	88%	87%	87%
Iceland	5	5	10	87%	87%	80%
Switzerland	6	6	2	83%	85%	89%
New Zealand	7	8	8	82%	82%	80%
Netherlands	8	9	7	82%	82%	81%
Austria	9	7	6	81%	83%	83%
Luxembourg	10	10	16	81%	81%	74%
United Kingdom	11	11	12	80%	80%	77%
Ireland	12	13	24	79%	79%	69%
Australia	13	15	11	79%	79%	78%
France	14	14	17	79%	79%	73%
Germany	15	12	15	78%	80%	74%
Belgium	16	16	23	77%	76%	70%
Canada	17	17	9	76%	76%	80%
Israel	18	18	18	75%	76%	73%
Spain	19	19	26	75%	75%	65%
Slovenia	20	23	27	73%	71%	65%
Italy	21	20	22	72%	73%	70%
Estonia	22	22	38	72%	72%	38%
United States	23	21	13	71%	72%	75%
Lithuania	24	24	39	71%	70%	32%
Czech Republic	25	25	28	70%	70%	64%

Color Scale: 0%-60% | 61%-70% | 71%-80% | 81%-90% | 91%-100%

Year on year Trends

The list of countries in the top 25 has remained the same for four consecutive years.

Consistent performers Switzerland, Norway, Iceland, and Ireland remain in the top four this year, while the Netherlands replaces Luxembourg in fifth. Luxembourg descends to sixth, while Australia remains in seventh. Germany and Denmark each jump one ranking higher from last year, occupying the eighth and ninth rankings. New Zealand slips two rankings to tenth to complete the top ten in this year's GRI. Iceland (3rd) and Ireland (4th) maintain their rankings for the third consecutive year.

Slovenia and Belgium notably rose by four ranking points each, with Belgium rising to 15th from 19th and Slovenia just missing out on the top ten by rising to 11th from 15th. Sweden and Finland tumble by the largest amounts this year, with Sweden down by three rankings to 17th from 14th, and Finland dipping to 18th rank from 13th. Austria falls to 12th from 11th, as Canada also dips by one place to 13th from 12th. The United Kingdom makes progress, up to 14th rank from 16th, as does the Czech Republic, which rises to 16th from 18th. Israel drops a couple of spots to 19th place from 17th, while South Korea rises one ranking to round off the 20th position.

Year on year Trends

Elsewhere, Malta ascends to 21st from 22nd, while the United States dips to 22nd from 20th. Japan and Singapore both inch forward by one rank to 23rd and 25th, respectively, while France drops by one rank, sinking to 24th from 23rd. The only countries in the top 25 to experience no change in ranking are Iceland, Ireland, and Australia, all of whom are in the top ten. Over the past decade, there have been some noteworthy swings in the top 25. Ireland has seen the largest change, leaping 21 places from 25th in 2013 to 4th again this year. Singapore has also improved significantly, moving from 38th in 2013 to 25th in 2024. Meanwhile, Sweden and Finland have seen large swings in the opposite direction, falling out of the top ten from seventh and ninth in 2013 to 17th and 18th this year, respectively.

Top 25 Countries in 2024 GRI

Country	Ranking			Trend in Ranking (2024-2014)	Score		
	2024	2023	2014		2024	2023	2014
Switzerland	1	2	1		82%	82%	82%
Norway	2	1	2		81%	83%	81%
Iceland	3	3	8		81%	81%	75%
Ireland	4	4	23		80%	80%	64%
Netherlands	5	6	4		79%	79%	76%
Luxembourg	6	5	10		78%	79%	74%
Australia	7	7	3		78%	78%	76%
Germany	8	9	9		77%	76%	74%
Denmark	9	10	5		77%	76%	76%
New Zealand	10	8	13		77%	77%	73%
Slovenia	11	15	21		74%	73%	67%
Austria	12	11	6		74%	75%	75%
Canada	13	12	11		74%	74%	73%
United Kingdom	14	16	20		74%	73%	67%
Belgium	15	19	14		73%	72%	71%
Czech Republic	16	18	17		73%	72%	69%
Sweden	17	14	7		72%	74%	75%
Finland	18	13	12		72%	74%	73%
Israel	19	17	22		72%	72%	67%
Korea Rep	20	21	16		71%	70%	70%
Malta	21	22	24		70%	69%	64%
United States	22	20	18		70%	71%	68%
Japan	23	24	19		69%	68%	68%
France	24	23	15		68%	69%	70%
Singapore	25	26	28		67%	65%	60%

Changes in 2024: Increase · Consistent · Decrease

Score Scale: 51%-60% · 61%-70% · 71%-80% · 81%-100%

Country Reports

1. Switzerland

Switzerland takes the lead in this year's GRI, with improved results in the Material Wellbeing and Health sub-indices.

Switzerland posts gains in Material Wellbeing for the second consecutive year. The country ascends one place up the rankings to fifth after seeing its score increase by two percentage points. This can be attributed to strong performances in the unemployment and income equality indicators. In income equality, the country climbs two spots up the rankings to 20th and registers a five percentage point score increase. And in the unemployment indicator, Switzerland retains its position at the top of the table and boasts an unchanged score of 100%, reflecting the country's impressive labor force participation rate. The country also retains its fifth-place finish in income per capita.

In the Health sub-index, a three percentage point score increase drives Switzerland two places up the rankings table to third. A notable improvement comes in life expectancy, where it climbs from sixth to second in the rankings after improving its score by seven percentage points. The average Swiss life expectancy has increased over recent years, in line with global life expectancy trends. Meanwhile, the country falls one place in the insured health expenditure rankings to 31st, despite improving its indicator score by three percentage points. Other indicator scores saw insignificant changes, rounding out a strong and steady sub-index showing.

Switzerland falls out of the number one spot in Finances in Retirement to finish second after returning a two percentage point score decline. The lost ground can be attributed to its interest rate and tax pressures scores which declined by five and eleven percentage points, respectively. Conversely, the country makes up ground in inflation where it improves its score by twelve percentage points, powering it to the top of the rankings table. The country's success in bringing down inflation saw the Swiss National Bank recently ease monetary policy by cutting interest rates.

Switzerland holds onto sixth place in Quality of Life but sees its score slide by two percentage points. Scores for environmental factors and happiness drop by one percentage point and three percentage points, respectively, although Switzerland stays in the top 10 in the happiest indicator. The remaining indicators within the sub-index hold steady.

SWITZERLAND			1
RANKING	2024	2023	2014
	1	2	1
SCORE	2024	2023	2014
	82%	82%	82%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES	2023	CHANGES	2014
HEALTH	91%	▲	88%	▲	82%
QUALITY OF LIFE	83%	▼	85%	▼	89%
MATERIAL WELLBEING	81%	▲	79%	▼	87%
FINANCES IN RETIREMENT	73%	▼	75%	▲	71%
Old-Age Dependency	33%	▼	34%	▼	40%
Bank Non-Performing Loans	65%	▼	70%	▼	85%
Inflation	100%	▲	88%	▼	100%
Interest Rates	58%	▼	63%	▼	74%
Tax Pressure	28%	▼	39%	▲	14%
Government Indebtedness	70%	▲	67%	▲	47%
Governance	92%	–	92%	–	92%

2. Norway

Norway drops down to second place after leading the GRI for two consecutive years, with a two-percentage point decline in overall score.

The country falls from first to sixth in the Material Wellbeing sub-index and sees its score decrease from 84% to 80%. This is largely driven by declines in the unemployment and income equality indicators. Although unemployment remains relatively low in Norway, some sectors are more exposed, such as the construction industry which has suffered amid fewer infrastructure projects. More positively, Norway performs impressively in the income per capita indicator where it moves from second to first and sees its score jump up by seven percentage points.

In the Health sub-index, Norway's score slips slightly to 91% while its ranking falls from first to fourth. This is the consequence of declines in the health expenditure per capita and insured health expenditure indicators. However, its life expectancy indicator score increases to 93% as the country shirks off any lingering effects of the COVID-19 pandemic.

Norway retains its fourth place ranking in the Quality of Life sub-index, with a marginally improved score of 88%. This is due to slight gains in the environmental factors and happiness indicators. These results reflect the country's longstanding focus on the environment, and in particular water quality and ecosystem preservation, which has been recognized by the United Nations. For instance, Norway has made significant enhancements to disinfecting and filtering drinking water at treatment plants over the past three decades. The country has also increased its commitment to safeguarding essential water-related ecosystems.

In Finances in Retirement, a two-percentage point score decline sees Norway fall out of the top ten and finish 12th. The country sees slight decreases in the tax pressure indicator – where it sits near the bottom of the table — and old-age dependency and governance. And despite registering a twelve-percentage point score increase in the inflation indicator, the country slides down the rankings table to 37th. More brightly, Norway motors into the top 20 for the interest rate indicator, where it finishes in 18th place, after seeing its score climb to 78%.

NORWAY	2		
	2024	2023	2014
RANKING	2	1	2
	2024	2023	2014
SCORE	81%	83%	81%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲–▼	2023	CHANGES ▲–▼	2014
HEALTH	91%	▼	92%	▲	79%
QUALITY OF LIFE	88%	▲	87%	–	87%
MATERIAL WELLBEING	80%	▼	84%	▼	98%
FINANCES IN RETIREMENT	68%	▼	70%	▲	64%
Old-Age Dependency	35%	▼	36%	▼	45%
Bank Non-Performing Loans	83%	▲	75%	▲	73%
Inflation	77%	▲	65%	▼	100%
Interest Rates	78%	▲	75%	▲	32%
Tax Pressure	6%	▼	14%	▲	3%
Government Indebtedness	74%	▲	66%	▲	58%
Governance	92%	–	92%	▼	93%

3. Iceland

Iceland's ranking and score remain frozen as a steady and strong performance sees it retain third place overall with an unchanged score of 81%.

The overall stability is mirrored in its solid performance in the Quality of Life sub-index where it stays in fifth place with the same score of 87%. While Iceland ranks within the top ten across most indicators, it grabs the number one spot for both air quality and water and sanitation and finishes third for happiness. Additionally, Iceland retains its seventh-place finish in environmental factors. However, the country languishes near the bottom of the table in biodiversity and habitat, where it retains its 38th placement. Iceland's geographic isolation from land masses, along with its subarctic climate, makes it difficult for plants and animals to thrive, impacting its biodiversity rankings.

Iceland falls out of the top ten in the Health sub-index to 11th, despite increasing its score by one percentage point to 89%. The country improves its score in the life expectancy indicator, where it remains in the top ten.

In the Material Wellbeing sub-index, Iceland slips one spot down the rankings to fourth and registers a one percentage point score decline. This is driven by a slightly lower score in the unemployment indicator resulting from a minor uptick in the number of unemployed. The country nevertheless climbs two places up the rankings to 15th in this indicator. In the income equality indicator, Iceland retains its third-place ranking but sees its score slip by one percentage point year-over-year.

Iceland has the same score in the Finances in Retirement sub-index as last year but moves one spot down the rankings to 13th. Despite improving its inflation indicator score from 52% to 66%, Iceland plummets ten places down the rankings as other countries make better progress. Inflation in Iceland remains above the central bank's target.

ICELAND	3		
RANKING	2024	2023	2014
	3	3	8
SCORE	2024	2023	2014
	81%	81%	75%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023	CHANGES	2014
HEALTH	89%	▲	88%	▲	76%
QUALITY OF LIFE	87%	–	87%	▲	80%
MATERIAL WELLBEING	82%	▼	83%	▼	84%
FINANCES IN RETIREMENT	68%	–	68%	▲	62%
Old-Age Dependency	48%	▼	50%	▼	59%
Bank Non-Performing Loans	45%	▼	49%	▲	42%
Inflation	66%	▲	52%	▲	38%
Interest Rates	84%	–	84%	▼	85%
Tax Pressure	16%	▼	19%	▲	7%
Government Indebtedness	50%	▲	46%	▲	26%
Governance	90%	▼	91%	▲	90%

4. Ireland

Ireland maintains both its overall score (80%) and fourth ranking in another impressive performance in the GRI. While the country leads the GRI pack in the Finances arena, it also returns an improved score in Health. However, it registers a slight decline in the Material Wellbeing sub-index.

Ireland moves up two places in the Health sub-index to fifth and records a higher score (91% versus 88%) on the back of improved results for all indicators. Notably, its health expenditure per capita score increases from 85% to 89%, lifting it five places up the rankings to fifth. Reforms such as Sláintecare in Ireland shed light on the ongoing efforts to reform its healthcare strategies nationwide, whilst still being one of the top countries in that regard globally. Despite this, the country slides down four places to 17th in life expectancy but improves its score by three percentage points.

In Material Wellbeing, Ireland falls two places in the rankings table to ninth and sees its score decline two percentage points to 77%. But its indicator rankings remain static following modest score changes. The exception is unemployment, where it stays in 20th place but sees its score decrease by five percentage points.

Ireland grabs the number one spot in the Finances in Retirement sub-index after improving its score by one percentage point to 74%. It performs particularly well in government indebtedness, climbing four spots to 13th and improving its score by ten percentage points. Since reaching its peak in 2013, Ireland has steadily reduced its government debt each year. But after a sharp increase in its inflation score from 57% to 85%, it falls three places down the table to 26th.

The country moves one place up the rankings in Quality of Life to 12th, but its score remains static due to only minor changes across the board.

IRELAND	4

RANKING	2024	2023	2014
	4	4	23

SCORE	2024	2023	2014
	80%	80%	64%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES	2023	CHANGES	2014
HEALTH	91%	▲	88%	▲	72%
QUALITY OF LIFE	79%	–	79%	▲	69%
MATERIAL WELLBEING	77%	▼	79%	▲	58%
FINANCES IN RETIREMENT	74%	▲	73%	▲	59%
Old-Age Dependency	48%	▼	49%	▼	63%
Bank Non-Performing Loans	48%	▲	44%	▲	6%
Inflation	85%	▲	57%	▼	100%
Interest Rates	74%	–	74%	▲	66%
Tax Pressure	44%	▼	62%	▲	14%
Government Indebtedness	67%	▲	57%	▲	21%
Governance	89%	–	89%	–	89%

5. Netherlands

The Netherlands enters the top five of the GRI this year, edging up from sixth to fifth overall. While the country makes particular progress in Health, it performs solidly across the board.

In the Health sub-index, the Netherlands boosts its ranking from tenth to eighth on the back of a three-percentage point score gain. Despite returning score increases in life expectancy, health expenditure per capita and insured health expenditure, the rankings for these indicators remain unchanged.

The country falls three places down the Finances in Retirement sub-index to 19th despite its score remaining static compared to last year. But the country achieves improved scores in government indebtedness and particularly inflation, where it has proved successful in slowing down price rises.

In Material Wellbeing, the Netherlands climbs two spots up the rankings to third, despite its overall score remaining static. Its income equality score rises by four percentage points, taking it one place up the rankings to sixth. Conversely, the country registers score declines in unemployment and income per capita by two percentage points and one percentage point, respectively.

Despite an unchanged score in the Quality of Life sub-index, the Netherlands sees its overall ranking rise one place to eighth. It improves its environmental factors score by two percentage points, lifting its overall ranking up one place to 33rd. And in happiness, the country exits the top five after a one percentage point score decline results in a slip down the rankings by one spot to sixth.

NETHERLANDS	5		
	2024	2023	2014
RANKING	5	6	4
SCORE	79%	79%	76%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES	2023	CHANGES	2014
HEALTH	90%	▲	87%	▲	80%
QUALITY OF LIFE	82%	–	82%	▲	81%
MATERIAL WELLBEING	82%	–	82%	▼	83%
FINANCES IN RETIREMENT	66%	–	66%	▲	62%
Old-Age Dependency	28%	▼	30%	▼	41%
Bank Non-Performing Loans	46%	–	46%	▼	54%
Inflation	90%	▲	58%	▼	78%
Interest Rates	73%	▼	74%	▲	35%
Tax Pressure	9%	▼	12%	▲	6%
Government Indebtedness	62%	▲	59%	▲	36%
Governance	90%	▼	91%	▼	92%

6. Luxembourg

Luxembourg continues to feature in the upper echelon of the GRI. But this year it slips out of the top five, falling one place in the rankings to sixth and dropping one percentage point in score to 78%.

Contributing to its impressive overall finish is its performance in Health, where it climbs two places from third to grab the top spot with a four percentage point score gain. The stellar showing is driven by strong gains in its life expectancy score, along with above-par scores in all other indicators. The country improves its life expectancy score by ten percentage points, powering it six places up the rankings to finish 12th. Luxembourg's life expectancy has rebounded in the wake of the pandemic and now stands two years above the European average. Meanwhile, the country rises one place in the insured health expenditure indicator to take top spot and remains in fourth place in health expenditure per capita.

In Material Wellbeing, a four percentage point drop in score pushes Luxembourg out of the top ten into 17th. The slide down in rankings is partly driven by its unemployment score which sees a fourteen percentage point decline, sending it down the rankings from 21st to 27th. This comes amid an increase in both the unemployment rate and number of jobseekers within the country since 2023. Elsewhere, Luxembourg's income equality indicator score rises from 63% to 68%, pulling it four places up the rankings to 14th.

Luxembourg's Quality of Life ranking of tenth and score (81%) remain unchanged. A one percentage point score increase in environmental factors is balanced by a one percentage score decline in happiness. All other indicators in the sub-index are unchanged.

The country drops out of the top five for the Finances in Retirement sub-index, sliding three places to eighth with a three percentage point score decline. This is largely driven by a decrease in the bank nonperforming loan indicator, as well as a decline in the tax pressure indicator.

LUXEMBOURG	6		
RANKING	2024	2023	2014
	6	5	10
SCORE	2024	2023	2014
	78%	79%	74%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	93%	▲	89%	▲	82%
QUALITY OF LIFE	81%	–	81%	▲	74%
MATERIAL WELLBEING	69%	▼	73%	▼	86%
FINANCES IN RETIREMENT	70%	▼	73%	▲	58%
Old-Age Dependency	52%	▼	53%	▼	54%
Bank Non-Performing Loans	41%	▼	58%	▼	100%
Inflation	87%	▲	82%	▲	76%
Interest Rates	74%	▼	75%	▲	1%
Tax Pressure	11%	▼	14%	▲	7%
Government Indebtedness	89%	▲	87%	▲	73%
Governance	91%	▼	92%	–	92%

7. Australia

Australia sits in seventh place in this year's GRI, finishing with the same overall score (78%) and rank as last year. The country is a consistently strong performer, having ranked in the top ten each year for the past decade. Australia's high overall ranking is driven by strong performances in the Finances in Retirement and Health sub-indices.

Australia moves two places up the health rankings from ninth to seventh and improves its score from 88% to 90%. Underpinning the stellar sub-index performance is the life expectancy indicator which has benefited from the country's strong response to the COVID-19 pandemic. The country sees its life expectancy score improve by three percentage points as it retains its fifth-place ranking. Australia also records year-over-year score increases in health expenditure per capita and insured health expenditure.

The country sees both its Finances in Retirement score (73%) and sub-index ranking (third) stay static. The inflation indicator presents something of a mixed bag of results – while Australia manages to increase its score by twenty-one percentage points, it slides down the rankings from 20th to 32nd. Other nations in the region including New Zealand, Japan and Korea also see sharp ranking drops for this indicator as they struggle to bring down stubbornly high inflation.

Australia moves up two places to 13th in the Quality of Life sub-index rankings on the back of a rise from 12th to 10th in happiness. The country remains sixth in the air quality index but languishes near the bottom of the GRI (36th) in environmental factors.

In Material Wellbeing, Australia falls from 13th to 16th amid a subdued performance in unemployment where it declines in both rank (14th to 18th) and score (89% to 78%). That said, unemployment rates have improved recently after reaching a two-year high earlier in the year. Elsewhere, income equality slips one spot to 24th from last year, while the country's income per capita ranking is unchanged year-over-year.

AUSTRALIA			7
RANKING	2024	2023	2014
	7	7	3
SCORE	2024	2023	2014
	78%	78%	76%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲–▼	2023		2014
HEALTH	90%	▲	88%	▲	77%
QUALITY OF LIFE	79%	–	79%	▲	78%
MATERIAL WELLBEING	70%	▼	72%	▼	76%
FINANCES IN RETIREMENT	73%	–	73%	▼	74%
Old-Age Dependency	41%	▼	42%	▼	52%
Bank Non-Performing Loans	68%	▼	77%	▲	74%
Inflation	80%	▲	59%	▼	100%
Interest Rates	79%	▲	77%	▼	85%
Tax Pressure	27%	▼	38%	▲	16%
Government Indebtedness	62%	▲	55%	▼	65%
Governance	90%	–	90%	▼	91%

8. Germany

Germany moves up one spot to eighth place in this year's GRI rankings, as its overall score rises from 76% to 77%. This is driven by improvements in its scores in the Material Wellbeing and Health sub-indices.

The country made good progress in the Material Wellbeing sub-index, placing just outside of the top five in seventh place, its score up by three percentage points from 2023. A significant advancement of ten percentage points in the income equality indicator helped push its ranking to 16th overall, up from 20th in the previous year. Germany's unemployment score did take a slight hit by two percentage points, losing its first-place position in 2023, but remaining in the top 10 in eighth.

Germany made ground in the Health sub-index, increasing its score by two percentage points despite dipping in ranking by two places to 14th overall. Overall life expectancy increased by four percentage points, but its ranking remained unchanged. Health expenditure per capita also slightly rose by one percentage point, which sent its ranking to third, up from fifth in 2023.

The Finances in Retirement sub-index overall score for Germany remains consistent from the previous year but despite this, it drops two places to 22nd this year. Germany's inflationary landscape has improved significantly over the past year, with the country making its way to the top ten for this indicator in ninth, up from 24th spot last year. In the Finances in Retirement, Germany is held back by its poor placings in the indices for old age dependency (38th), interest rates (42nd) and tax pressure (35th). Despite recent sticky inflation figures, the country's overall projections continue to point in a positive direction for the economy.

Germany sees its Quality of Life index dip to 15th rank overall, down by two percentage points of its score from the previous year. Its happiness ranking sank by five places, decreasing by three percentage points from the previous year. All other indicators were largely unchanged, with it retaining top spot in the biodiversity and habitat index.

GERMANY	8

	2024	2023	2014
RANKING	8	9	9
SCORE	77%	76%	74%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023	CHANGES ▲ – ▼	2014
HEALTH	88%	▲	86%	▲	85%
QUALITY OF LIFE	78%	▼	80%	▲	74%
MATERIAL WELLBEING	80%	▲	77%	▼	80%
FINANCES IN RETIREMENT	64%	–	64%	▲	60%
Old-Age Dependency	22%	▼	23%	▼	27%
Bank Non-Performing Loans	51%	▼	56%	–	56%
Inflation	93%	▲	56%	▼	96%
Interest Rates	72%	–	72%	▲	26%
Tax Pressure	9%	▼	14%	▲	7%
Government Indebtedness	52%	▲	49%	▲	32%
Governance	88%	▼	89%	–	89%

9. Denmark

Denmark makes headway in this year's GRI, rising one place to ninth in the overall rankings after squeezing into the top ten last year. It sees its overall score increase by one percentage point, driven primarily by gains in the Finances in Retirement and Quality of Life sub-indices.

Denmark performs well in the Finances in Retirement sub-index, rising from 31st in the rankings last year to 26th this year. Its score increases by two percentage points from 2023, mainly due to improvements in the inflation and government indebtedness indicators. Denmark sees its inflation index score rise by forty percentage points, powering it from 19th to first place. The rise in rankings can be attributed to favorable inflation forecasts for 2024.

Denmark moves down three places in Material Wellbeing and finishes 15th on the back of a two percentage point decrease from last year. The decline results from lower scores across all indicators in the sub-index. While Denmark's unemployment indicator score falls by four percentage points, it nevertheless sees its ranking rise two places to 23rd.

In Quality-of-Life, a one percentage point score improvement sees Denmark move up one spot from second to take pole position in sub-index rankings. The country improves its scores in environmental factors and happiness by two percentage points and one percentage point, respectively. Scores for the remaining indicators are unchanged.

Denmark records a mixed set of results in the Health sub-index where it increases its score by three percentage points but nevertheless slides one place down the rankings to 12th. The country improves across all sub-index indicators, with the strongest gains in life expectancy where it stages a three percentage point score increase.

DENMARK			9
	2024	2023	2014
RANKING	9	10	5
SCORE	77%	76%	76%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲▬▼	2023		2014
HEALTH	89%	▲	86%	▲	76%
QUALITY OF LIFE	90%	▲	89%	▼	91%
MATERIAL WELLBEING	70%	▼	72%	▼	81%
FINANCES IN RETIREMENT	62%	▲	60%	▬	60%
Old-Age Dependency	27%	▼	28%	▼	37%
Bank Non-Performing Loans	61%	▲	56%	▲	45%
Inflation	100%	▲	60%	▼	88%
Interest Rates	72%	▼	73%	▲	54%
Tax Pressure	1%	▬	1%	▬	1%
Government Indebtedness	82%	▲	72%	▲	47%
Governance	93%	▬	93%	▬	93%

10. New Zealand

New Zealand remains in the top ten of this year's GRI but drops from eighth to tenth in the rankings despite maintaining its overall score at 77%. The strength of the country's overall ranking comes from placing in the top ten for both the Finance and Quality of Life sub-indices, where it ranks sixth and seventh, respectively. New Zealand ranks within the top 20 for all four sub-indices.

For the Finances in Retirement sub-index, New Zealand climbs from eighth to sit just outside the top five for this sub-index, in sixth place this year. New Zealand ranks fourth in governance and within the top 15 for interest rates (11th) and government indebtedness (14th). Despite an improvement on its inflation score, a number of other countries did even better here, resulting in New Zealand dropping from 18th to 40th for this indicator.

New Zealand ranks seventh in the Quality of Life sub-index after finishing eighth last year. Its strength in this sub-index is driven primarily by its fourth place in air quality, supported by its solid performance on happiness and environmental factors (11th for each indicator). New Zealand's rankings remain unchanged this year for biodiversity and habitat (23rd) and water and sanitation (28th).

For the Health sub-index, New Zealand drops three spots in the rankings to 17th this year, but it does see a one percentage point increase in its overall score. The country's strength in this area comes from insured health expenditure where it maintains its seventh-place ranking. New Zealand's high ranking in the insured health expenditure indicator reflects its robust healthcare system, ensuring widespread coverage and accessibility to healthcare services for its citizens.

New Zealand remains ranked 16th for life expectancy but does see a five-percentage point improvement in score this year, underlining the ongoing success of its COVID-19 response and vaccination programs.

New Zealand slides three spots to 20th in the Material Wellbeing sub-index this year. Unemployment remains a relative bright spot as New Zealand ranks 14th, although this does represent a step back from last year's ranking of tenth as unemployment among young adults depresses the overall figure here. New Zealand remains just inside the top 25 for income per capita (23rd), but for income equality, it drops from 24th to 26th.

NEW ZEALAND	10

RANKING	2024	2023	2014
	10	8	13

SCORE	2024	2023	2014
	77%	77%	73%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023	CHANGES ▲ – ▼	2014
HEALTH	86%	▲	85%	▲	70%
QUALITY OF LIFE	82%	–	82%	▲	80%
MATERIAL WELLBEING	68%	▼	70%	–	70%
FINANCES IN RETIREMENT	71%	▼	72%	▲	71%
Old-Age Dependency	43%	▼	44%	▼	53%
Bank Non-Performing Loans					75%
Inflation	76%	▲	61%	▼	100%
Interest Rates	81%	▲	80%	▲	61%
Tax Pressure	18%	▼	27%	▲	11%
Government Indebtedness	65%	▲	60%	▲	55%
Governance	92%	–	92%	▼	93%

11. Slovenia

Slovenia continues to rise up the GRI, with a one percentage point score gain powering it four places up the rankings to sit just outside the top ten in 11th. This improvement is driven by increases in the Health, Quality of Life, and Finances in Retirement sub-indices.

The country slips one place in the Health sub-index ranking to 24th despite recording a three percentage point increase in sub-index score. In the life expectancy indicator, it rises to 26th from 28th on the back of a seven-percentage point score gain. Slovenia's life expectancy sits above 81 years old, higher than the EU's average. In health expenditure per capita, a rise in score from 72% to 74% was not enough to prevent it sliding down the rankings two spots to 26th. But a two-percentage point decline in insured health expenditure was enough to push it down the ranking from fifth to ninth.

Slovenia makes progress in Quality of Life, with a higher score (73% vs. 71%) fueling a three-place jump in rankings to 20th. The improvement is due to a better happiness score (79% vs. 76%), driving it three spots up the table to 19th. Elsewhere, all other sub-index indicators remain unchanged in both score and rank in a steady performance.

Slovenia advances slightly in Finances in Retirement, with a marginally higher score (62% vs. 61%) and an unchanged sub-index ranking (28th). The country makes striking progress in inflation, with a thirty-one-percentage point score gain, but the scale of improvement is not reflected in its ranking which edges up two places. It also improves its government indebtedness score by two percentage points, although the ranking is unchanged.

In Material Wellbeing, Slovenia retains its impressive credentials with the same sub-index score (83%) and rank (second) as last year. It sees its income equality score edge up from 90% to 91% to stay in second place. And it climbs two places up the income per capita rankings to 24th, despite recording a one percentage point score decline. But a three-percentage point fall in the unemployment score sees it slip down two places to 11th.

SLOVENIA	11

RANKING	2024	2023	2014
	11	15	21

SCORE	2024	2023	2014
	74%	73%	67%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES	2023	CHANGES	2014
HEALTH	83%	▲	80%	▲	73%
QUALITY OF LIFE	73%	▲	71%	▲	65%
MATERIAL WELLBEING	83%	–	83%	▲	75%
FINANCES IN RETIREMENT	62%	▲	61%	▲	58%
Old-Age Dependency	26%	▼	28%	▼	43%
Bank Non-Performing Loans	47%	▲	43%	▲	17%
Inflation	85%	▲	54%	▼	83%
Interest Rates	76%	▼	77%	▲	76%
Tax Pressure	12%	▼	17%	▲	7%
Government Indebtedness	48%	▲	46%	▲	45%
Governance	82%	▼	83%	▲	82%

12. Austria

Austria slips from 11th to 12th in this year's overall ranking for the GRI, with a marginal decrease of one percentage point from last year's overall score. This is driven by decreases in the Quality of Life, Finances in Retirement, and Material Wellbeing sub-indices.

In the Health sub-index, Austria sees an uptick, elevating from 83% to 87%, with all indicators in this category improving from the previous year. Its life expectancy score notably sees a rise to 81%, reflecting broader trends away from the pandemic-induced disruptions and towards a gradually increasing overall life expectancy experienced across the globe. This underscores the growing significance of this trend, particularly in the face of demographic shifts and the challenges posed by an aging population.

While Austria's Quality of Life score witnesses a slight dip from the previous year, driven by a slip in the happiness indicator from 86% to 82%, the country maintains a strong foothold in this sub-index, retaining its position in the top ten at ninth place, although slipping from seventh in 2023.

Austria loses ground in the Finances in Retirement sub-index, dropping two points in the score and seeing a more pronounced effect in the ranking, falling from 27th to 33rd. Despite slipping two spots in the inflation ranking, Austria witnesses a turnaround in its inflationary landscape, with a remarkable climb of nearly thirty percentage points. This is due to the recent governmental initiatives helping curb inflationary pressures, particularly in the energy sector, through measures like the electricity price brake and grid cost subsidies. Moreover, the nation's economy is on a path of recovery from the euro-zone recession, bolstered in part by housing initiatives enacted by the Austrian government promising substantial economic stimulus.

The Material Wellbeing sub-index experiences a marginal decline, slipping from 11th to 13th place this year. This decline is primarily attributed to a dip in the unemployment indicator, falling from 65% in 2023 to 62%. Despite this setback, Austria remains steadfast in addressing long-term unemployment issues, with initiatives such as the Model Project for Job Guarantees in Marienthal (MAGMA) spearheaded by the Austrian employment agency. This pilot program aims to provide a safety net for those trapped in long-term unemployment by offering minimum-wage jobs in dedicated workshops or state-supported companies.

AUSTRIA	12

	2024	2023	2014
RANKING	12	11	6

	2024	2023	2014
SCORE	74%	75%	75%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	87%	▲	83%	▼	87%
QUALITY OF LIFE	81%	▼	83%	–	83%
MATERIAL WELLBEING	71%	▼	72%	▼	85%
FINANCES IN RETIREMENT	60%	▼	62%	▲	53%
Old-Age Dependency	32%	▼	33%	▼	38%
Bank Non-Performing Loans	38%	▼	48%	–	48%
Inflation	78%	▲	49%	▼	84%
Interest Rates	75%	–	75%	▲	1%
Tax Pressure	4%	▼	7%	▲	3%
Government Indebtedness	45%	▲	42%	▲	35%
Governance	87%	▼	88%	▼	90%

13. Canada

Canada maintains its overall score but sees its ranking in the GRI slip one place to 13th. While declines in Material Wellbeing help explain the dip in overall ranking, the country returns solid results in the other sub-indices.

The country's Material Wellbeing score decreases by six percentage points, dragging down its ranking four places from 19th to 23rd. The decline is largely driven by a sharp drop in the unemployment indicator, where it sinks from 22nd to 28th. The unemployment rate is predicted to average 6.1% in 2024 amid weak domestic demand for jobs.

Canada breaks into the top 10 of the Health sub-index, rising from 13th to 10th following a four percentage point score improvement. This is mainly due to its performance in the life expectancy indicator, where it climbs four places up the table to 13th. The country also makes progress in insured health expenditure, moving up three positions into 12th and registering a two percentage point score gain.

The country's Quality of Life score (76%) and ranking (17th) remain unchanged from 2023. In an otherwise largely static set of indicator results, Canada improves its environmental factors score by one percentage point to move it one place up the rankings to 30th.

Canada retains its place in the Finances in Retirement top 10, where another consistent set of results sees it keep the same score (69%) and rank (10th) as last year. While the country returns a much-improved score in inflation (91% vs. 71% in 2023), it tumbles seven places down the rankings to 13th as its peers make more pronounced progress. The Bank of Canada expects inflation to dip below 2.5% in the second half of 2024 before returning to targets by 2025. Meanwhile, a two percentage point increase in its interest rate indicator score is enough to power Canada eleven places up the rankings to 20th.

CANADA	13		
	2024	2023	2014
RANKING	13	12	11
SCORE	74%	74%	73%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES	2023	CHANGES	2014
HEALTH	89%	▲	85%	▲	71%
QUALITY OF LIFE	76%	–	76%	▼	80%
MATERIAL WELLBEING	63%	▼	69%	▼	72%
FINANCES IN RETIREMENT	69%	–	69%	–	69%
Old-Age Dependency	34%	▼	36%	▼	50%
Bank Non-Performing Loans	86%	▼	88%	▼	93%
Inflation	91%	▲	71%	▼	100%
Interest Rates	77%	▲	75%	▲	67%
Tax Pressure	19%	▼	22%	▲	11%
Government Indebtedness	33%	▲	31%	–	31%
Governance	89%	▼	90%	▼	91%

14. United Kingdom

The United Kingdom rises two spots in this year's GRI to 14th after marginally increasing its score by one percentage point. The country makes gains in the Health sub-index, while scores in the remaining sub-indices are unchanged.

In the Health sub-index, the UK improves its score by three percentage points and stays in 18th place. The country sees its life expectancy score rise from 74% to 78% but this is not enough to prevent it slipping one place down the rankings to 27th. However, it climbs five places to 11th in the health expenditure per capita after improving its score from 81% to 84%, with the United Kingdom seeing rebounds in the overall health spending in the years following the global pandemic . It also makes progress in insured health expenditure per capita, where a three-percentage point score gain sends it four places up the ranking to 15th.

The UK edges up one spot in the Material Wellbeing sub-index to sit just outside the top 20 in 21st place with the same score as last year. While the country's income equality score increases by four percentage points, its unemployment score declines by five percentage points. The UK labor market has recently shown signs of fragility, with an increase in unemployment and a slowdown in wage growth.

The country also maintains its score in the Finances in Retirement sub-index, but nevertheless drops down three places in the rankings to 18th. Similarly to peers, the UK improves its inflation indicator score but falls one spot to 30th. The country has recently made progress on this front, with UK CPI inflation falling to 3.2% in March 2024 to reach its lowest level since September 2021.

A stable performance in Quality of Life sees the UK finish with the same rank (11th) and score (80%) as last year. Its performance across the indicators remains largely consistent, but progress is made in environmental factors where the country moves up three places to tenth, as pressure for sustainability worldwide has led countries like the UK to adopt greener strategies.

UNITED KINGDOM	14		
	2024	2023	2014
RANKING	14	16	20
SCORE	74%	73%	67%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	85%	▲	82%	▲	74%
QUALITY OF LIFE	80%	–	80%	▲	77%
MATERIAL WELLBEING	65%	–	65%	▼	69%
FINANCES IN RETIREMENT	66%	–	66%	▲	53%
Old-Age Dependency	31%	▼	32%	▼	38%
Bank Non-Performing Loans	60%	▼	61%	▲	49%
Inflation	82%	▲	54%	▼	77%
Interest Rates	79%	▲	77%	▲	1%
Tax Pressure	18%	▼	26%	▲	8%
Government Indebtedness	35%	▼	37%	▲	29%
Governance	87%	–	87%	▼	89%

15. Belgium

Belgium makes progress in this year's GRI as it improves its ranking to 15th from 19th following a slight gain in overall score to 73%. The higher overall score and ranking are driven by improvements across all four sub-indices.

In the Health sub-index, Belgium rises one place from 17th to 16th after increasing its score by four percentage points from last year. Significant progress comes in life expectancy, where Belgium breaks into the top 20 on the back of a twelve percentage point score gain which pushes it eight places up the rankings to 19th. The country also enters the top 20 for insured health expenditure as it improves its score from 90% to 92% and moves one place up the table to 20th.

Belgium stays in 32nd place in Finances in Retirement with a one percentage point score gain. The country's performance in inflation sees it finish with a contrasting set of results as it improves its score by 23 percentage points but slides eight places down the rankings. Despite an improving post-pandemic inflationary backdrop, pricing pressures remain in some sectors, as evidenced by rising labor costs.

The country also keeps the same ranking in the Quality of Life sub-index (16th) after returning a one percentage point score increase. Reflecting the steady overall performance, only two indicators see score gains while the remainder stay static. The country gains two percentage points in happiness, taking its rank from 17th to 14th. And in environmental factors, it improves its score by one percentage point but nevertheless slides two places down the rankings to 35th.

In the Material Wellbeing index, the country climbs up the rankings from 15th to 11th, despite only seeing its score increase by one percentage point. Notable progress is made in income equality, where a seven percentage point score gain takes Belgium to third position in the indicator. Conversely, the country's income per capita score declines by two percentage points, but this has no bearing on its ranking where it remains just outside the top ten in 11th.

BELGIUM	15		
	2024	2023	2014
RANKING	15	19	14
SCORE	73%	72%	71%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲–▼	2023		2014
HEALTH	87%	▲	82%	▲	79%
QUALITY OF LIFE	77%	▲	76%	▲	70%
MATERIAL WELLBEING	72%	▲	71%	▼	78%
FINANCES IN RETIREMENT	60%	▲	59%	▲	58%
Old-Age Dependency	30%	▼	31%	▼	37%
Bank Non-Performing Loans	41%	▼	42%	▼	46%
Inflation	87%	▲	64%	▼	82%
Interest Rates	75%	–	75%	▲	65%
Tax Pressure	6%	–	6%	▲	2%
Government Indebtedness	34%	▲	32%	▲	26%
Governance	86%	–	86%	▼	88%

16. Czech Republic

The Czech Republic rises two spots to 16th this year, increasing by one percentage point in its overall score in the Global Retirement Index. The country sees improvements in three of the four GRI sub-indices, with no changes in the Quality of Life sub-index score and ranking. The greatest improvement comes from the Finances in Retirement sub-index, with the Czech Republic increasing its score by three percentage points and jumping in ranking by six spots to 17th.

The Health sub-index score for the Czech Republic increases by three percentage points as well but sees no movement in the rankings from last year (29th). The country registers improvements across all three indicators in this sub-index, with an increase of three percentage points in the life expectancy indicator to 59% and increases of two percentage points in both the insured health expenditure indicator (97%) and in the health expenditure indicator (73%).

The country increases its score in the Material Wellbeing sub-index by one percentage point to 83%, jumping from fourth place and taking the top spot in this sub-index. The country registers an improvement of five percentage points to 87% in income equality, rounding out the top five countries in this indicator. The Czech Republic keeps its top spot in the unemployment indicator, maintaining a stable unemployment rate despite a slight increase in the number of job seekers and a rise in vacancies.

In the Quality of Life sub-index, the country registers no changes across the indicators. The Czech Republic places just outside of the top ten countries for the biodiversity and habitat indicator, and places within the top twenty countries for the happiness indicator (16th).

CZECH REPUBLIC			16
	2024	2023	2014
RANKING	16	18	17
SCORE	73%	72%	69%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023	CHANGES	2014
HEALTH	75%	▲	72%	▼	75%
QUALITY OF LIFE	70%	–	70%	▲	64%
MATERIAL WELLBEING	83%	▲	82%	▲	77%
FINANCES IN RETIREMENT	66%	▲	63%	▲	61%
Old-Age Dependency	27%	–	27%	▼	45%
Bank Non-Performing Loans	53%	▲	48%	▲	39%
Inflation	100%	▲	36%	▼	68%
Interest Rates	78%	▼	81%	▲	75%
Tax Pressure	18%	▼	22%	▲	8%
Government Indebtedness	67%	–	67%	▲	51%
Governance	84%	–	84%	▲	82%

17. Sweden

Sweden falls to 17th place within the overall GRI rankings down from 14th, seeing a two percentage point drop from the previous year in overall score. Strong results in the Health and Finances in Retirement indices were offset by a dip in Material Wellbeing scores, while Quality of Life remained largely unchanged. For Quality of Life, Sweden maintains a high overall ranking, staying in third place. It does even better on Health, moving up from sixth to second place.

The Material Wellbeing score of Sweden notably decreased by nine percentage points, which sent its ranking down by six places into 33rd overall. Driven by downturns in its income equality and unemployment scores, income per capita is the only indicator to remain within the top ten of all countries, although Sweden slips one place here from ninth to tenth. Unemployment has been steadily increasing since November of 2023, and reached a recent high of 9.2% in March of 2024.

Sweden makes gains in the Finances in Retirement sub-index, rising by one percentage point to propel its rise to 16th in the category from 18th last year. On the bank nonperforming loans indicator, Sweden jumps one place to second overall, following a six percentage point increase to its overall score. The other notable increase is for the inflation indicator, where its score rises from 2023, although its ranking falls by four places. Government indebtedness also improves by six percentage points this year. Sweden remains a strong performer on governance, staying within the top ten overall in eighth place.

The country keeps its stellar Quality of Life scores roughly at the same level as in 2023, ranking third overall as it did in the previous year. All indicators but one remain at the same level as 2023, highlighting the consistency of Sweden in the Quality of Life sub-index. The exception is on the happiness indicator, where Sweden climbs from sixth to fourth spot.

A substantial increase in the Health sub-index sees Sweden rise by four percentage points, enough to push its ranking up four places from last year and into second place overall. The life expectancy score rises by eight percentage points, contributing to its rise within the top ten (eighth), up two places from 2023. The country sees a slight improvement in health expenditure per capita percentage score, despite a slip in its ranking down two places to ninth overall. The score for insured health expenditure per capita is unchanged but Sweden drops two places in ranking to 13th.

SWEDEN	17		
	2024	2023	2014
RANKING	17	14	7
SCORE	72%	74%	75%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	92%	▲	88%	▲	75%
QUALITY OF LIFE	88%	–	88%	▲	87%
MATERIAL WELLBEING	51%	▼	60%	▼	77%
FINANCES IN RETIREMENT	66%	▲	65%	–	65%
Old-Age Dependency	27%	–	27%	▼	31%
Bank Non-Performing Loans	92%	▲	86%	▼	93%
Inflation	77%	▲	46%	▼	100%
Interest Rates	72%	–	72%	▲	67%
Tax Pressure	5%	▼	6%	▲	2%
Government Indebtedness	78%	▲	72%	▲	55%
Governance	91%	–	91%	▼	93%

18. Finland

Finland sees its overall score in the Global Retirement Index drop this year by two percentage points, which leads it to fall five spots to 18th in overall ranking. This is largely driven by a significant decline in the Material Wellbeing sub-index.

The country decreases its overall score by eight percentage points in the Material Wellbeing sub-index, driven by a sharp decrease in the unemployment indicator, where it drops five places to 36th, as well as a less prominent decline in its income per capita score, although it remains in 14th place for this indicator. Finland increases by four percentage points in the income equality indicator, but it is not enough to offset the impact of the other decreases. With a rise in unemployment rates and full-time layoffs in Finland, challenges persist in labor market matching and incentives, particularly evident in sectors like construction.

Finland's overall score in the Health sub-index increases to 85%, but this does not prevent its ranking slipping to 19th. For the life expectancy indicator, Finland declines three places to 18th in the ranking, despite increasing its percentage score. On health expenditure per capita and insured health expenditure, Finland drops a place for each indicator, to 18th and 21st, respectively, despite unchanged scores.

For the Finances in Retirement sub-index, Finland drops two places to 24th while maintaining a consistent score to last year. Despite a one percentage point decrease in the governance indicator, the country still excels here, securing a spot in second place. The inflationary landscape in Finland improves drastically over the last year, jumping from 27th to 19th, but the country maintains high interest rates, keeping its score in this indicator steady, but losing a spot and coming in at 33rd.

Similarly, the Quality of Life sub-index score is consistent with last year's score but drops from first place to second. Finland maintains the top spot for both the happiness and water and sanitation indicators, and comes in third for the air quality indicator, holding the same ranking for that indicator as the previous year. Finland moves up in one place to 15th for the environmental factors indicator, as one of the many European countries to lead in the renewable energy space. Finland ranks in first in the happiness indicator for the seventh consecutive year.

FINLAND			18
RANKING	2024	2023	2014
	18	13	12
SCORE	2024	2023	2014
	72%	74%	73%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	85%	▲	84%	▲	77%
QUALITY OF LIFE	90%	–	90%	▲	84%
MATERIAL WELLBEING	56%	▼	64%	▼	78%
FINANCES IN RETIREMENT	63%	–	63%	▲	55%
Old-Age Dependency	17%	▼	19%	▼	33%
Bank Non-Performing Loans	53%	▲	49%	▼	95%
Inflation	89%	▲	55%	▼	70%
Interest Rates	75%	–	75%	▲	1%
Tax Pressure	5%	▼	8%	▲	3%
Government Indebtedness	48%	▼	50%	▲	45%
Governance	92%	▼	93%	▼	94%

19. Israel

Israel slips from 17th to 19th in overall GRI ranking, despite no change to its overall score. The country's dip in the Finances in Retirement sub-index is due to decreases in the indicators for tax pressure and bank non-performing loans. A one percentage point decrease in its score was enough to send it down three rankings to 14th overall for the sub index, despite increasing its score in the inflation indicator. A mixed bag of results across the indicators contributes to the overall change in score and ranking for the sub-index.

On the Health sub-index, Israel's downward movement comes after increasing its score by two percentage points. Despite gaining two percentage points in the life expectancy indicator, Israel falls from eighth rank to 14th, underscoring the need to make substantial progress to maintain its strong position. A four-percentage point gain in the insured health expenditure category was also only enough to nudge the country into 24th place from 25th.

In addition, Israel's Quality of Life sub-index score slightly decreases as well, although it remains in 18th place. The lower score is driven by a decrease in its happiness indicator, which is down by one percentage point from last year. The rest of the indicators remained unchanged in ranking and score, contributing to its minor change from the previous year.

Israel's Material Wellbeing sub-index rises in rank to 22nd this year, despite the overall score decreasing by one percentage point. Income equality was pushed further downwards, dipping in rank from 31st to 37th after a seven-percentage point decrease in its score. However, Israel's unemployment score rises from the previous year, sending the country up to tenth from 16th in ranking for the indicator. The improvement in unemployment scores can be attributed to the declining unemployment rate in Israel.

ISRAEL			19
	2024	2023	2014
RANKING	19	17	22
SCORE	72%	72%	67%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	83%	▲	81%	▲	71%
QUALITY OF LIFE	75%	▼	76%	▲	73%
MATERIAL WELLBEING	63%	▼	64%	▲	63%
FINANCES IN RETIREMENT	67%	▼	68%	▲	63%
Old-Age Dependency	57%	–	57%	▼	65%
Bank Non-Performing Loans	63%	▼	66%	▲	58%
Inflation	93%	▲	71%	▼	100%
Interest Rates	80%	▲	77%	▲	72%
Tax Pressure	21%	▼	33%	▲	10%
Government Indebtedness	55%	▲	49%	▲	35%
Governance	79%	–	79%	–	79%

20. Korea Rep.

South Korea rises one spot in this year's GRI rankings, making it into the top twenty countries with an increase in overall score of one percentage point. This improvement is driven by increases in the Health and Quality of Life overall scores. The country climbs up two places to 22nd in the Health sub-index, with improvements across the board in the indicators for this sub-index. The greatest improvement for South Korea in this sub-index is in the health expenditure per capita indicator, which improves by five percentage points since the previous year, which lifts it two places to 23rd. For life expectancy, South Korea retains third place, as its percentage score rises from 92% to 95%.

The Quality of Life overall score increases by two percentage points to 61% but retains its spot at 37th for this sub-index. This increase is driven by an improvement in the happiness indicator, with South Korea gaining three percentage points from last year, prompting a two-spot jump into 36th for this indicator.

South Korea loses two percentage points in the Finances in Retirement sub-index, slipping from second in this sub-index to rounding out the top five countries in fifth place. This is driven by slips in the old-age dependency and tax pressure indicators. South Korea maintains the same score for the interest rate indicator, and despite an improvement in the inflation indicator from last year, it slips out of the top five for this indicator to 21st place.

The Material Wellbeing score remains the same as last year for South Korea but climbs two spots to 12th in this sub-index. South Korea keeps its top spot in the unemployment indicator. South Korea's remarkably low unemployment rate, hovering around 2-3%, is driven by rising labor market participation among women and older Koreans, coupled with growing demand in sectors such as healthcare, hospitality, and the platform economy.

KOREA REP.	20

	2024	2023	2014
RANKING	20	21	16
SCORE	71%	70%	70%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	83%	▲	80%	▲	73%
QUALITY OF LIFE	61%	▲	59%	▲	55%
MATERIAL WELLBEING	71%	–	71%	▼	83%
FINANCES IN RETIREMENT	71%	▼	73%	▲	70%
Old-Age Dependency	44%	▼	47%	▼	68%
Bank Non-Performing Loans	100%	–	100%	▲	87%
Inflation	87%	▲	77%	▼	94%
Interest Rates	77%	–	77%	▼	79%
Tax Pressure	25%	▼	37%	▲	16%
Government Indebtedness	60%	–	60%	▲	59%
Governance	84%	–	84%	▲	81%

21. Malta

Malta's overall rank increases again by one spot to 21st this year, reflecting a slight increase in its overall score. This is a result of a three-percentage point improvement in the Health sub-index, driven by a climb of two places to 19th on health expenditure per capita. For life expectancy and insured health expenditure, Malta drops one place for each indicator. On life expectancy, Malta slips from ninth to tenth spot, despite a higher percentage score this year, reflecting an overall rise in life expectancy scores among countries. It is a similar story for insured health expenditure; Malta drops one spot to 39th, despite a higher percentage score for this indicator.

The Material Wellbeing overall score for Malta increases slightly to 74%, rounding out the top ten countries for this sub-index. This is driven by an improvement in the income equality indicator, rising from 57% to 61%, but maintains its ranking in 20th. Malta falls in the unemployment indicator and slips from the top spot to eighth, still securing a spot in the top ten for this indicator. Malta still maintains a strong unemployment rate and is among the lowest in the EU on this measure.

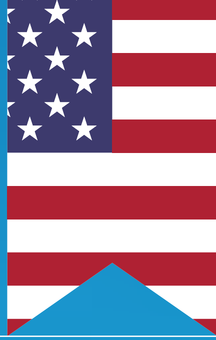
The Quality of Life overall score for Malta increases by two percentage points to 63%, but it slips in the rankings to 36th. Its higher score here is driven by increases in its scores in both the environmental factors and happiness indicators, although its ranking for environmental factors is unchanged, at 43rd. Malta boasts a strong performance in the water and sanitation indicator and a ranking within the top ten countries in seventh. Malta's recently announced €310 million decade-long plan aims to further enhance tap water quality, upgrade reverse osmosis plants, increase new water production for irrigation, and combat drought conditions, supported partly by EU funds.

Malta's overall score in the Finances in Retirement sub-index has not changed from the previous year, but the country's ranking does slip by one spot, rounding out the top twenty countries for this sub-index. The inflationary landscape in Malta improves over the last year, with its ranking skyrocketing to just outside of the top ten countries for this indicator to 11th. This improvement is primarily influenced by reduced prices in communication and clothing alongside stable inflation in key sectors such as food and education.

MALTA	21		
RANKING	2024	2023	2014
	21	22	24
SCORE	2024	2023	2014
	70%	69%	64%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲▬▼	2023		2014
HEALTH	81%	▲	78%	▲	73%
QUALITY OF LIFE	63%	▲	61%	▲	50%
MATERIAL WELLBEING	74%	▲	73%	▼	78%
FINANCES IN RETIREMENT	65%	▬	65%	▲	61%
Old-Age Dependency	35%	▼	37%	▼	47%
Bank Non-Performing Loans	25%	▼	30%	▲	27%
Inflation	93%	▲	56%	▼	69%
Interest Rates	75%	▼	76%	▲	72%
Tax Pressure	36%	▼	50%	▲	9%
Government Indebtedness	61%	▲	56%	▲	36%
Governance	81%	▼	82%	▼	86%

22. United States



The United States slips two places to 22nd in the overall rankings this year, following a slight decrease in the overall score to 70%. This is primarily led by declines in the Material Wellbeing and Quality of Life sub-indices. The overall score in the Material Wellbeing sub-index drops to 62%, slipping from just outside of the top 20 countries in this sub-index to 24th this year. The country sees decreases across the board in this sub-index, with the sharpest decline in the unemployment indicator. T he US experienced a rise in new unemployment claims to the highest level in nearly a year, signaling a cooling labor market amid fewer job openings.

The Quality of Life score for the United States slips one percentage point, coming in 23rd after slipping two spots from the previous year. The country's happiness indicator falls three percentage points but is able to retain a spot in the top 20 countries (20th) after slipping from 15th last year. The decline in happiness among Americans, particularly those under 30, is attributed partly to decreased subjective wellbeing, with social connections identified as a significant factor, according to researchers.

The country sees a two-percentage point increase in the Health sub-index from the previous year, but the US falls from 25th to 27th on this sub-index. This increase in the overall score for this sub-index is driven by an increase in the life expectancy indicator by four percentage points, but the US still trails the majority of its peers in 33rd. On the other hand, the US maintains a perfect score in the health expenditure per capita indicator, leading the pack in first place, and also keeps its top five ranking for insured health expenditure in fourth spot.

The United States maintains its score in the Finances in Retirement sub-index at 67% but slips two places to 15th. The country secures a spot in the top 20 for several indicators, namely the tax pressure, interest rate, bank non-performing loans, and the old age dependency indicators. United States' interest rate improves relative to other countries, with the Federal Reserve opting to maintain interest rates to address persistent inflation concerns, with expectations for rate cuts pushed to the second half of the year.

UNITED STATES	22		
	2024	2023	2014
RANKING	22	20	18
SCORE	70%	71%	68%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES	2023	CHANGES	2014
HEALTH	80%	▲	78%	▲	73%
QUALITY OF LIFE	71%	▼	72%	▼	75%
MATERIAL WELLBEING	62%	▼	66%	▲	61%
FINANCES IN RETIREMENT	67%	–	67%	▲	66%
Old-Age Dependency	40%	▼	42%	▼	54%
Bank Non-Performing Loans	64%	▼	68%	▲	60%
Inflation	87%	▲	67%	▼	98%
Interest Rates	79%	▲	78%	▲	68%
Tax Pressure	31%	▼	44%	▲	17%
Government Indebtedness	29%	▲	26%	▲	24%
Governance	84%	–	84%	▼	86%

23. Japan

Japan climbs one spot to 23rd in the Global Retirement Index this year, slightly increasing its overall score to 69% since last year. This comes from a minor increase in the score for the Material Wellbeing sub-index to 71%, where the country moves up four spots to 14th. This is driven by an improvement in the income equality indicator, increasing three percentage points to 53%. Despite this improvement, Japan still lags its peers in 31st.

The country sees a slight decrease in the Health sub-index overall score to 90%, dropping from second in this sub-index to sixth. Japan continues to lead in the life expectancy indicator in first place. The country slips out of the top ten countries for the insured health expenditure indicator, slipping to 11th, but maintaining the same score as last year.

The Quality of Life sub-index sees a slight decrease in score for Japan to 68% but maintains the same ranking as last year in 26th. This decrease comes as a result in Japan's happiness indicator score slightly declining from the previous year, falling one spot in ranking to 35th.

Japan maintains its score and rankings from last year in the Finances in Retirement sub-index. Despite an increase in the inflation indicator over the past year, Japan slips from third to 14th place in the indicator rankings due to the progress made by its peers. However, rising wages offer hope that Japan's inflation will soon reach its target, prompting the Bank of Japan to cease eight years of negative interest rates in March and signaling potential future rate hikes.

JAPAN			23
	2024	2023	2014
RANKING	23	24	19
	2024	2023	2014
SCORE	69%	68%	68%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	90%	▼	91%	▲	84%
QUALITY OF LIFE	68%	▼	69%	▲	61%
MATERIAL WELLBEING	71%	▲	70%	▼	76%
FINANCES IN RETIREMENT	51%	–	51%	▼	54%
Old-Age Dependency	1%	–	1%	▼	13%
Bank Non-Performing Loans	54%	▲	50%	▼	64%
Inflation	90%	▲	85%	▼	100%
Interest Rates	56%	▲	46%	▼	69%
Tax Pressure	19%	▼	29%	▲	14%
Government Indebtedness	1%	–	1%	–	1%
Governance	88%	–	88%	–	88%

24. France

France slips one spot to 24th this year with an overall score of 68%, falling from 69% in the previous year. This is led by a decrease in the Material Wellbeing overall score of five percentage points, from 58% to 53%. This comes from decreases in the income per capita and unemployment indicators, with the latter dropping ten percentage points to 32%, coming in 34th in ranking. The country has seen high unemployment rates since the previous year, particularly affecting younger workers and women. This rise in unemployment reflects recent economic slowdowns and waning momentum in reforms.

The Health sub-index score increases by two percentage points to 90% and keeps a spot in the top ten countries for this sub-index, despite slipping one spot to ninth. This comes as a result of an increase in the life expectancy indicator, landing in 15th. The country falls to second from first in the insured health expenditure indicator, slipping from a perfect score of 100% to 99%.

France increases its score in the Finances in Retirement sub-index to 56% but drops one spot in ranking to 39th. The rise in score comes from improvements in inflation and bank nonperforming loans. French consumer price inflation has slightly declined, driven by slower food and tobacco price increases, alongside a drop in manufactured goods prices. However, a potential resurgence in inflation in the coming months is anticipated, mainly due to expected spikes in energy prices, prompting caution from the European Central Bank regarding future rate cuts.

France maintains its 14th position in this year's Quality of Life sub-index, with most indicator scores remaining consistent with last year's, except for a slight increase of one percentage point in the environmental factors indicator, now standing at 67%. Notably, France ranks in the top ten for air quality (10th) and biodiversity indicators (3rd).

FRANCE			24
	2024	2023	2014
RANKING	24	23	15
SCORE	68%	69%	70%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲–▼	2023	CHANGES ▲–▼	2014
HEALTH	90%	▲	88%	▲	84%
QUALITY OF LIFE	79%	–	79%	▲	73%
MATERIAL WELLBEING	53%	▼	58%	▼	67%
FINANCES IN RETIREMENT	56%	▲	55%	▼	58%
Old-Age Dependency	21%	▼	23%	▼	36%
Bank Non-Performing Loans	38%	▲	35%	▼	46%
Inflation	89%	▲	66%	▼	100%
Interest Rates	74%	▼	75%	▲	60%
Tax Pressure	2%	–	2%	–	2%
Government Indebtedness	32%	▲	31%	▲	29%
Governance	84%	▼	85%	▼	86%

25. Singapore

Singapore finds a spot rounding out the top 25 countries in the Global Retirement Index this year, after a two-percentage point increase in the overall score to 67%. This comes after improvements in three of the four sub-indices, apart from the Finances in Retirement sub-index. The Health sub-index sees the greatest improvement since last year, with an increase in the overall score of six percentage points to 88%. This prompts a six-place jump from 19th to 13th for this sub-index. This change is driven by significant improvements in the health expenditure per capita and insured health expenditure indicators. Singapore lands among the top five countries for the life expectancy indicator in fourth.

The country's Material Wellbeing sub-index score rises by three percentage points to 56%, propelling it up five spots to 26th place. The improvement is attributed to an improvement in the income equality indicator, which increases by four percentage points. However, Singapore trails behind its peers in this indicator, ranking 42nd due to relatively high income inequality. Despite this, Singapore excels in the unemployment indicator and ranks second in the income per capita indicator. The country maintains its low and stable unemployment rate despite a slowdown in employment growth amid weaker economic conditions, thanks to stable hiring intentions and improved business expectations.

Singapore's Quality of Life sub-index score slightly improves to 55% but maintains its ranking in 40th. This improvement comes as a result of an increase in the environmental factors indicator to 17% but comes in last in the rankings (44th).

The Finances in Retirement sub-index score for Singapore slips one percentage point to 72% but keeps its place in the top five for this sub-index in fourth. The country places among the top ten countries for three of the seven indicators within this sub-index, coming in second place in the tax pressure indicator, seventh in the governance indicator, and ninth in the old-age dependency indicator.

SINGAPORE	25

	2024	2023	2014
RANKING	25	26	28
SCORE	67%	65%	60%

SUB-INDEX AND INDICATOR SCORES	SCORES 2024	CHANGES ▲ – ▼	2023		2014
HEALTH	88%	▲	82%	▲	56%
QUALITY OF LIFE	55%	▲	54%	▼	58%
MATERIAL WELLBEING	56%	▲	53%	▼	57%
FINANCES IN RETIREMENT	72%	▼	73%	▲	71%
Old-Age Dependency	55%	▼	60%	▼	80%
Bank Non-Performing Loans	51%	–	51%	▼	85%
Inflation	85%	▲	65%	▲	46%
Interest Rates	76%	▲	75%	▼	82%
Tax Pressure	72%	▼	95%	▲	32%
Government Indebtedness	17%	▼	18%	▼	23%
Governance	91%	–	91%	▲	90%

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Framework

Index	Sub-index	Policy Category Weight (% of Index)	Indicators	Indicator Weight (% of Sub-Index)	Data Source	Latest Data Available	Target	Low performance benchmark	Statistical transformation
Health Index	Life Expectancy Index	GEOMEAN	Life expectancy at birth	1	Wold Health Organization	2021	Sample Maximum (84.36 years, Japan)	Sample Minimum (70.79 years, India)	None
	Health Expenditure Per Capita Index	GEOMEAN	Current health expenditure per capita, PPP (current international $)	1	World Bank WDI 2022	2020/2021	Sample Maximum ($10,623.85, USA)	Sample Minimum ($275.13, India)	Natural Logarithm
	Non-Insured Health Expenditure Index	GEOMEAN	Out-of-pocket expenditure (% of current health expenditure)	1	World Bank WDI 2022	2020/2021	Sample Minimum (9.25%, France)	100%	None
Material Wellbeing Index	Income Equality Index	GEOMEAN	GINI Index	1	Eurostat, OECD, World Bank WDI 2022, CIA World Factbook	Mostly 2023	Sample Minimum (22.80, Slovak Republic)	Sample Maximum (53.90, Brazil)	Natural Logarithm
	Income per Capita Index	GEOMEAN	GNI per capita, PPP (current international $)	1	World Bank WDI 2022	2022	Sample Maximum ($92,270, Singapore)	Sample Minimum ($6,920, India)	Natural Logarithm
	Unemployment Index	GEOMEAN	Unemployment (% of total labor force) (modeled ILO estimate)	1	OECD, IMF, World Bank WDI 2022	2024	3% Unemployment	Sample Maximum (15.50%, Greece)	Natural Logarithm
Finances in Retirement Index	Institutional Strength Index	0.5	Average of World Bank Governance Indicators	1	World Bank Worldwide Governance Indicators 2024	2022	Maximum on Scale (2.5)	Minimum on Scale (-2.5)	Natural Logarithm
	Investment Environment Index	0.5	Age dependency ratio, old (% of working age population)	GEOMEAN	World Bank WDI 2022	2022	10%	50%	Natural Logarithm
			Bank nonperforming loans to total gross loans (%)	GEOMEAN	IMF Financial Soundness Indicators	2023	Sample Minimum (0.24%, South Korea)	Sample Maximum (29.80%, Greece)	Natural Logarithm
			Inflation, consumer prices (% annual)	GEOMEAN	World Bank WDI 2021	2019 to 2024	2%	Sample Maximum (11.62%, Turkey)	Natural Logarithm
			Real interest rate (%)	GEOMEAN	World Bank WDI 2021, OECD	2019 to 2024	20%	0%	Natural Logarithm
			Public Debt (% of GDP)	GEOMEAN	CIA World Factbook	2022	Sample Minimum (8.40%, Estonia)	Sample Maximum (237.40%, Japan)	Natural Logarithm
			Tax Burden (% of GDP)	GEOMEAN	Country statistical agencies, central banks, and ministries of finance economy	2022	Sample Minimum (9.42%, China)	Sample Maximum (46.09%, France)	Natural Logarithm
Quality of Life Index	Air Quality Index	0.125 GEOMEAN	PM2.5 Exposure	0.55	Environmental Performance Index 2022	2022	Sample Minimum (71.68, Iceland)	Sample Maximum (2,706.53, India)	Natural Logarithm
			Household Solid Fuels	0.40	Environmental Performance Index 2022	2022	Sample Minimum (0.22, Switzerland)	Sample Maximum (1,837.97, India)	Natural Logarithm
			Ozone Exposure	0.05	Environmental Performance Index 2022	2022	Sample Minimum (2.66, Ireland)	Sample Maximum (293.93, India)	Natural Logarithm
	Water and Sanitation Index	0.125 GEOMEAN	Unsafe Drinking Water	0.6	Environmental Performance Index 2022	2022	Sample Minimum (1.68, Greece)	Sample Maximum (1,425.45, India)	Natural Algorithm
			Unsafe Sanitation	0.4	Environmental Performance Index 2022	2022	Sample Minimum (0.41, United Kingdom)	Sample Maximum (815.66, India)	Natural Algorithm
	Biodiversity and Habitat Index	0.125 GEOMEAN	Marine Protected Areas	0.2	Environmental Performance Index 2022	2022	10% of country's exclusive economic zone (EEZ) designated as a marine protected area	0%	None
			Terrestrial Protected Areas (National Biome Weights)	0.2	Environmental Performance Index 2022	2022	17% protection for all biomes within its borders	0%	None
			Terrestial Protected Areas (Global Biome Weights)	0.2	Environmental Performance Index 2022	2022	17% global protection goal	0%	None
			Species Protection Index	0.1	Environmental Performance Index 2022	2022	100%	0%	None
			Protected Areas Representativeness Index	0.1	Environmental Performance Index 2022	2022	0.31	Sample Minimum (0.04, Singapore)	None
			Biodiversity Habitat Index	0.1	Environmental Performance Index 2022	2022	1.0	0.0	None
			Species Habitat Index	0.1	Environmental Performance Index 2022	2022	100.0	Sample Minimum (96.4, Brazil)	None
	Environmental Factors Index	0.125 GEOMEAN	CO2 emissions per capita	0.33	US Energy Information Administration (EIA), World Bank WDI 2022	2021	1262 kg CO2 eq. (Estimated value associated with 50% reduction in global GHG emissions by 2050, against 1990 levels)	19588.33059	Natural Logarithm
			CO2 emissions per GDP	0.33	US Energy Information Administration (EIA), World Bank WDI 2022	2021	0.07642 kg CO2 eq. (Estimated value associated with 50% reduction in global GHG emissions by 2050, against 1990 levels)	1.532823116	Natural Logarithm
			CO2 emissions per electricity generation	0.165	US Energy Information Administration (EIA), World Bank WDI 2022	2022	0 grams CO2 per KWh	8.453269722	Natural Logarithm
			Renewable electricity	0.165	US Energy Information Administration (EIA), World Bank WDI 2022	2022	100% electricity from renewable sources	0%	None
	Happiness Index	0.5 GEOMEAN	Happiness (0-10)	1	World Happiness Report 2024	2024	Sample Maximum (7.74, Finland)	Sample Minimum (4.05, India)	Natural Logarithm

Appendix A

Methodology

The Natixis CoreData Global Retirement Index is a composite welfare index which combines 18 target-oriented indicators, grouped into four thematic sub-indices.

The four sub-indices cover four relevant considerations for welfare in old age and are:

Health

Quality of Life

Material Wellbeing

Finances in Retirement

Constructing the Indicators

The first step in expanding the index is to construct the 18 indicators. These are constructed by selecting and preparing the raw data obtained from reliable secondary sources, and then transforming it into normalized indices.

In order to create normalized indices, minima and maxima need to be established. As a target-oriented performance index, the maxima are determined as ideal outcomes. The selection of target varies from variable to variable and will be explored in greater depth later on.

The minima are in fact the opposite, and are defined as lower performance benchmarks, which mark the worst possible scenario. In some cases, they will refer to subsistence minimum levels and in others, simply as the worst observed value in the sample for that variable.

These indicators are created, following Emerson, et al. (2012)[1] and based on a "proximity-to-target" methodology by which "each country's performance on any given indicator is measured based on its position within a range" established by the lower performance benchmark and the target, on a scale from 0.01 (instead of 0 to facilitate further calculation) to 1, where 0.01 is equal or lower than the lower performance benchmark and 1 equal or higher than the target.

The general formula to normalize the indicators is then given by:

$$\textit{Indicator} = \frac{\text{Observed value - lower performance benchmark}}{\text{Target - lower performance benchmark}}$$

However, this formula is, in certain cases, adapted to the characteristics of the data for each variable.

Again, following Emerson et al. (2012), most indicators are transformed into logarithms[2] due to the high level of skewness of the data. This has the advantage of identifying not only differences between the worst and the best performers, but it more clearly differentiates between top performing countries, allowing to better distinguish variations among them.

Moreover, using logarithms allows for better identification of differences across the whole scale, distinguishing between differences in performance which are equal in the absolute but very different proportionally.

Also, logarithmic functions are a better representation of variables which have decreasing marginal welfare benefits, such as income.

Once the indicators have been created, they are aggregated by obtaining their geometric mean[3] to obtain the thematic indices. The geometric mean offers a number of advantages over the arithmetic mean;[4] this will be discussed later in this chapter.[5]

[1] Emerson, J. W., Hsu, A., Levy, M. A., de Sherbinin, A., Mara, V., Esty, D. C., & Jaiteh, M. (2012), "2012 Environmental Performance Index and Pilot Trend Environmental Performance Index." New Haven, CT: Yale Center for Environmental Law & Policy.

[2] Logarithmic form: variables with skewed distributions are transformed into logarithmic form by taking natural logarithms of the values to make the distribution less skewed. When calculating an indicator we transform into logarithmic form by doing the following:
Where: t = target or sample maximum
m = lower performance benchmark or sample minimum
x = value of the variable
non-logarithmic indicator = (x-m) / (t-m) -> take logs -> indicator in logarithmic form = [ln(x)-ln(m)] / [ln(t)-ln(m)]

[3] Geometric mean is a representation of the typical value or central tendency of a series of numbers calculated as the nth root of the product of n numbers.
Geometric mean = $\sqrt[n]{x_1 \times x_2 \times \dots \times x_n}$

[4] Arithmetic mean (or average) is a representation of the typical value or central tendency of a series of numbers calculated as the sum of all the values in the series and divided by the number in the series. Arithmetic mean = $\frac{x_1 + x_2 + \dots + x_n}{n}$

[5] See Constructing the Global Retirement Index on page 58.

The four thematic sub-indices are constructed using the indicators in the following way:

1. **The Health in Retirement Index:** this sub-index is obtained by taking the geometric mean of the following indicators:

    a. **Life expectancy Index:** obtained using data from the World Bank's World Development Indicators (WB's WDI). The target for this indicator is the sample maximum which is equal to 84.62 years, and the low performance benchmark is equal to 70.13 years, a figure observed as the sample minimum.

    b. **Health expenditure per capita Index:** obtained using data on current health expenditure per capita, PPP (current international $) from WB's WDI 2021. The target set for this indicator is the sample maximum, equal to $10,921.01 USD, and the low performance benchmark is equal to the sample minimum of $211.00 USD. The indicator is transformed into logarithms, as the marginal returns to extra expenditure are decreasing.

    c. **Non-insured health expenditure Index:** this indicator is included to take into account the level of expenditure in health that is not insured. The smaller the proportion of expenditure in healthcare that is uninsured, the higher the probability of having access to healthcare. This indicator is calculated using data on out-of-pocket expenditure (percentage of current health expenditure), included in the WB's WDI 2021. The target for this indicator is equal to the sample minimum of 9.26% and the low performance benchmark is equal to 100%, which means that none of the population is covered by health insurance.

2. **The Material Wellbeing in Retirement Index:** this
sub-index measures the ability of a country's population to provide for their material needs. The following indicators are aggregated by obtaining their geometric mean to obtain a single measure:

    a. **Income per capita Index:** this indicator is calculated using data for the gross national income per capita, PPP (current International $) from the WB's WDI. The purchasing power parity (PPP) version is used as it provides a better approximation to the real purchasing power of incomes across countries. The target used for this indicator is the sample maximum of $102,450 USD, and the low performance benchmark is equal to the sample minimum of $7,130 USD. Logarithmic transformation is applied to calculate the indicator.

    b. **Income equality Index:** this indicator is included as it has been generally accepted that average levels of income in a society cannot on their own measure material welfare, and including a measure of equality ensures that countries with higher and more equally distributed income get a better score. This index is constructed using the GINI index with data obtained from Eurostat, the Organization for Economic Cooperation and Development (OECD), the WB's WDI and the CIA World Factbook. The target is set at 20.90, which is the sample minimum. The low performance benchmark is set at 52.90, which is the sample maximum. The index is presented in a logarithmic form.

    c. **Unemployment Index:** a measure of unemployment is included in this index, despite the fact that its focus is on people who have already retired from the labor market. This is because societies with high levels of unemployment will see their social security systems under pressure, putting in danger the financing and provision of services for the elderly. Moreover, retirees in countries with low unemployment levels will have a better possibility of complementing their pension incomes with employment income, which is becoming increasingly necessary and common. High levels of unemployment are also indicative of a country undergoing economic problems and it is likely that this will affect the living standards of those in retirement. The target for this index is 3% unemployment, at which level structural and cyclical unemployment can be assumed to be 0 and only frictional unemployment persists, which indicates practical full employment. The low performance benchmark is set at 12.80%, which is the sample maximum. The index undergoes a logarithmic transformation and the raw data used for this index was sourced from the OECD, The Economist, and the IMF World Economic Outlook.

3. **Finances in Retirement Index:** this sub-index captures the soundness of a country's financial system as well as the level of returns to savings and investment and the preservation of the purchasing power of savings. It is calculated as the arithmetic mean of the institutional strength index and the investment environment index, which is in itself the geometric mean of six indicators of the soundness of government finances and the strength of the financial system. The rationale behind this construction is that while a favorable investment environment is extremely important for the finances of retirees, this will only be long lasting and stable in the presence of sound institutions, low levels of corruption, strong property rights and a strong regulatory

framework. Hence, good governance is a necessary condition for long-term financial strength and stability and as much receives an equal weight.

a. **Institutional Strength Index:** is calculated under logarithms after obtaining the arithmetic mean of the estimates of governance from six different dimensions (Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption) of the WB's Worldwide Governance Indicators (2022 Update). The target level is set equal to the maximum on the scale used by the indicators, which is +2.5, while the lower performance benchmark is equal to the lowest value of the scale, -2.5.

b. **Investment Environment Index:** this is calculated as the geometric mean of the following indicators:

   I. **Old-age dependency Index:** this indicator is included because a high dependency ratio poses a severe threat to the capacity of society to pay for the care of the elderly, as well as risks reducing the value of savings in the long run, through several channels such as a fall in asset prices and a fall in output, among others. This index is transformed into logarithms and is calculated using data on old-age dependency ratio (percentage of working-age population) from the WB's WDI 2021. The target value is equal to 10%, which reflects healthy demographics, where for every old-age dependent there are 10 people in the working force. The low performance benchmark is equal to 50%, as it is potentially unsustainable to have less than two workers for every old-age dependent.

   II. **Inflation Index:** this is important due to the fact that high inflation will reduce the purchasing power of savings and pensions, which can affect retirees disproportionately. The data used is on annual consumer price inflation and is sourced from the OECD. The target is 2%, which is a level of inflation pursued by major central banks and considered to be sufficiently close to price stability and sufficiently far from deflation to provide some buffer from either. The low performance benchmark is set at the sample maximum 55.18%. This indicator undergoes a logarithmic transformation when calculated.

   III. **Real interest rate Index:** this is included as higher interest rates will increase the returns to investment and saving, and in turn increase the level of wealth of retirees, who tend to benefit more than other age groups. Real interest rate is used instead of nominal interest rate to eliminate the effect of inflation. The data for this indicator is sourced from the WB's WDI 2021 and is completed from the OECD[6,7]. The target is 20% and the low performance benchmark is 0%. The data is multiplied by 100 before logarithmic transformation applied.

   IV. **Tax pressure Index:** the importance of this indicator lies in the fact that higher levels of taxation will decrease the level of disposable income of retirees and affect their financial situation. Data used is the tax burden from country statistical agencies, central banks, and ministries of finance, economy, and trade, which measures the total taxes collected as percentage of GDP. The target is set at the sample minimum of 12.00% of GDP while the low performance benchmark is the sample maximum of 46.50% of GDP.

   V. **Bank non-performing loan Index:** this indicator captures the strength of the banking system by looking at the proportion of loans that are defaulted on. This index is transformed into logarithms and is constructed using the data observed from the IMF Financial Soundness Indicators database. The target for this index is set equal to the sample minimum of 0.21% and the low performance benchmark is the sample maximum of 8.65%

   VI. **Government indebtedness Index:** captures the soundness and sustainability of government finances and serves as a predictor of future levels of taxation. The data used for this index is sourced from the CIA World Factbook and undergoes a logarithmic transformation to construct the index. The target level is set equal to the sample minimum of 17.0% and the low performance benchmark is the sample maximum of 262.50%.

4. **Quality of Life Index:** this sub-index captures the level of happiness and fulfillment in a society as well as the effect of natural environment factors on the Quality of Life of individuals. It is constructed as the geometric mean of the happiness index and the natural environment index.

    a. **Happiness Index:** this data is taken from the World Happiness Report 2023, which calculates scores for happiness based on responses by people asked to evaluate the quality of their current lives on a scale of 0 to 10, averaged over the years 2020-2022. The indicator is presented in the logarithmic form. The target is set at the sample maximum, which is an average score of 7.80, and the low performance benchmark is set at the sample minimum of 4.04.

    b. **Natural Environment Index:** this is calculated as the geometric mean of the following indicators, which measure the natural environment quality of a country and the effects of pollution on humans.

        I. **Air quality Index:** this index is calculated as the weighted average of PM2.5 exposure (55% weight), household solid fuels (40% weight), and ozone exposure (5% weight). The data is obtained from EPI 2022.

        II. **Water and sanitation Index:** captures the level of infrastructure providing people with safe drinking water and safe sanitation. This index is calculated as the weighted average of the two indicators with water weighing 60% and sanitation weighing 40% (after logarithms transformation). The data used is obtained from EPI 2022.

        III. **Biodiversity and habitat Index:** provides an insight into a country's protection of its ecosystem. The higher the score is, the more a country is capable to ensure a wide range of "ecosystem service" like flood control and soil renewal, the production of commodities, and spiritual and aesthetic fulfillment will remain available for current and future generations. This index is calculated as the weighted average of marine protected areas (20% weight), national terrestrial protected areas (20% weight), global terrestrial protected areas (20% weight), the species protection index (10% weight), the protected areas representativeness index (10% weight), the biodiversity habitat index (10% weight) and the species habitat index (10% weight). The data is obtained from EPI 2022.

        IV. **Environmental Factors Index:** this index is included due to the fact that the impacts of environmental factors will dramatically affect human health, water resources, agriculture, and ecosystems. The index is calculated as the weighted average of CO_2 emissions per capita (1/3 weight), CO_2 emissions per GDP (1/3 weight), CO_2 emissions per electricity generation (1/6 weight) and renewable electricity (1/6 weight). Logarithmic transformation is applied for all indicators except for renewable energy. The data is sourced from the U.S. Energy Information Administration (EIA) and the WB's WDI 2022.

Constructing the Global Retirement Index

The four sub-indices are then aggregated into the Global Retirement Index by obtaining their geometric mean. The geometric mean was chosen over the arithmetic mean as the functional form of the index in order to address the issues of perfect substitutability between the different indices when using the arithmetic mean.

In this sense, Klugman, Rodriguez and Choi (2011) argue that the use of an arithmetic mean is problematic because it implies that a decrease in the level of one of the sub-indices can be offset by an equal increase in the level of another sub-index without taking into account the level of each variable. This poses problems from a welfare point of view. For example, a fall in the level of health cannot be assumed to be offset by an increase in the level of income on a one-by-one basis and at a constant rate. Thus, perfect substitutability does not apply when analyzing the effects of different factors on welfare.

The opposite alternative, full complementarity, would also be problematic, as it would assume that the only way of increasing wellbeing is by providing two components at the same time (Klugman, Rodriguez and Choi, 2011)8, and so for example, an increase in the level of health would have no effect on welfare if it is not accompanied by an improvement in the other three sub-indices.

In this light, it makes sense to assume that there is some level of complementarity and some level of substitutability between the different parameters in the index. On one hand, a worsening of one of the indicators can be partially offset by an improvement of another one, but we can also assume that at least a basic level of health, financial services, material provision and quality of life is necessary in order to enjoy a good retirement.

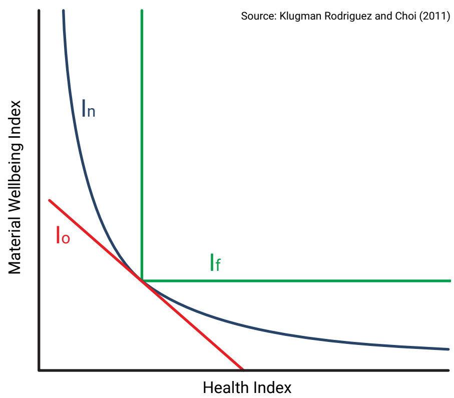
In the end, each of the 44 countries is awarded a score between 0% and 100% for their suitability and convenience for retirees. A score of 100% would present the ideal country to retire to, with a great healthcare system and an outstanding health record, a very high quality of life and a well-preserved environment with low levels of pollution, a sound financial system offering high rates of true return and a very high level of material wealth.

The chart graphically shows the three cases:

1. **Perfect substitutability (Io):** where the effect on the GRI score of a unit decrease in one of the sub-indices can be perfectly offset by a unit increase in another sub-index. For example, the GRI score will not change after a 1% decrease in the Health Index score if accompanied by a 1% decrease in the Material Wellbeing Index. This assumes that welfare remains unchanged if a decrease in the health of the population is matched by a proportional increase in their Material Wellbeing, which is problematic (e.g. If taken to the extreme it means that the welfare of a society with middle levels of income and good health could be equal to that of a very rich society affected by a deadly epidemic.)

2. **Perfect complementarity (If):** where the effect on the GRI score of a unit increase in one of the sub-indices is zero if not accompanied by an equal increase in all the other sub-indices. This means that a 1% increase in the Health Index would not increase the overall GRI score unless accompanied by a 1% increase in the other four sub-indices. (I.e. assumes that an increase in Health is not an increase in overall welfare unless Material Wellbeing, Finances and Quality of Life all increase concurrently.)

3. **Unit-elastic substitution (In):** this is the assumption made in the construction of the GRI by using the geometric means. It means that the sub-indices become perfect substitutes as their levels approach the high end of the scale (100%) and perfect complements as their levels approach the low end of the scale (0%). As a result, when a country scores very low on one or more sub-indices, an increase to a high score on another sub-index will result in a less than proportional increase in the overall GRI score. This is consistent with the assumption that at least a basic level of health, financial services, material provision and quality of life is necessary in order to enjoy a good retirement. The geometric mean also offers an advantage over the arithmetic mean and other aggregation methods in that the results do not vary due to differences in the scales in which the variables are measured.



[8] Klugman, Rodriguez and Choi (2011), “The HDI 2010: New Controversies, Old Critiques”, Human Development Research Paper 2011/1, UNDP, New York.

Appendix B: Full Rankings

Rank	Country	Health Index	Finances in Retirement Index	Quality of Life Index	Material Wellbeing Index	Global Retirement Index
1	Switzerland	91%	73%	83%	81%	82%
2	Norway	91%	68%	88%	80%	81%
3	Iceland	89%	68%	87%	82%	81%
4	Ireland	91%	74%	79%	77%	80%
5	Netherlands	90%	66%	82%	82%	79%
6	Luxembourg	93%	70%	81%	69%	78%
7	Australia	90%	73%	79%	70%	78%
8	Germany	88%	64%	78%	80%	77%
9	Denmark	89%	62%	90%	70%	77%
10	New Zealand	86%	71%	82%	68%	77%
11	Slovenia	83%	62%	73%	83%	74%
12	Austria	87%	60%	81%	71%	74%
13	Canada	89%	69%	76%	63%	74%
14	United Kingdom	85%	66%	80%	65%	74%
15	Belgium	87%	60%	77%	72%	73%
16	Czech Republic	75%	66%	70%	83%	73%
17	Sweden	92%	66%	88%	51%	72%
18	Finland	85%	63%	90%	56%	72%
19	Israel	83%	67%	75%	63%	72%
20	Korea, Rep.	83%	71%	61%	71%	71%
21	Malta	81%	65%	63%	74%	70%
22	United States	80%	67%	71%	62%	70%
23	Japan	90%	51%	68%	71%	69%
24	France	90%	56%	79%	53%	68%
25	Singapore	88%	72%	55%	56%	67%
26	Poland	64%	61%	63%	79%	66%
27	Estonia	69%	69%	72%	52%	65%
28	Slovak Republic	61%	62%	65%	69%	64%
29	Cyprus	81%	56%	66%	56%	64%
30	Portugal	78%	59%	68%	53%	64%
31	Italy	84%	52%	72%	52%	64%
32	Hungary	59%	58%	58%	69%	61%
33	Lithuania	61%	69%	71%	45%	60%
34	Latvia	54%	63%	65%	49%	57%
35	Chile	69%	70%	64%	27%	54%
36	Mexico	37%	63%	64%	46%	51%
37	Greece	70%	46%	64%	30%	50%
38	China	56%	61%	39%	44%	49%
39	Spain	85%	58%	75%	16%	49%
40	Russian Federation	39%	48%	47%	60%	48%
41	Brazil	52%	56%	64%	16%	41%
42	Turkey	60%	47%	32%	30%	40%
43	Colombia	53%	61%	58%	6%	33%
44	India	4%	64%	4%	12%	10%

Color Scale
81% and above
71%-80%
61%-70%
51%-60%
41%-50%
40% and below

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Actual results may vary.

All investing involves risk, including the risk of loss. No investment strategy or risk management technique can guarantee return or eliminate risk in all market environments.

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