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### Feature Articles

#### This month's focus: **Personal Financial Assets and Preparation for 100-year Lifespan**

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#### Articles

**Changing Economic Behavior of Households in Aging Society:  
Impact of Public Pension Reform and Fintech on Personal Wealth Management  
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The decline in household savings in Japan due to population aging is slower than projected at the beginning of the 21st century. However, the burden on individual households of having to make their own decisions regarding saving and wealth management has been increasing due to the reduction in benefits resulting from pension reform. In assisting households in this context, it is important to increase their financial literacy through education, but we also have to take advantage of the rapid expansion of Fintech in the personal wealth management business. The current business model of robo-advisors is a good start, but lower income groups should be included among target customers in the near future. It is also important to enhance Fintech services to address the various problems in the asset decumulation phase after retirement.

**Issues and Challenges Facing Japan's Pension System in Comparison  
with Overseas Counterparts** ..... *Akiko Nomura, CMA* 16

Compared to OECD countries, Japan's pension system is below average in terms of both the replacement rate of public pension benefit and ratio of private pension assets to GDP. This indicates that the adequacy of private pensions needs to be improved. In order to raise the replacement rate of private pensions, tax benefits should be enhanced by a significant increase in DC contribution limits and the abolition of the special corporate tax on pension assets. It is also important to improve DC asset diversification during the accumulation phase and to start considering how to extend the wealth span after retirement. Drastic measures such as UK's automatic enrollment is worth considering in order to expand pension coverage.

<b>What is Reasonable Spending for a Couple after Retirement?</b> .....	<i>Wakako Takaoka, CMA</i>	25
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We usually assume that there is no lifespan uncertainty when we consider how much retirement wealth we need or how to draw down retirement wealth. However, there is a deep relationship between lifespan uncertainty and risk of wealth depletion. Therefore, I attempted to gauge appropriate spending after retirement on the assumption of lifespan uncertainty. The process of estimation is more difficult for a two-person household than a single person household. In this study, I tried to derive reasonable spending for the former with reference to previous research and give the main points for retirees peculiar to a couple.

<b>Aging and the Neuroeconomics of Decision Making: Implications for Fiscal Gerontology</b> .....	<i>Kohei Komamura</i>	35
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Cognitive function declines with age. The decline in cognitive function makes it difficult for the elderly to manage their assets.

Baby boomers, who hold many high-value assets, will turn 75 in 2025. Financial gerontology is a discipline that supports the asset management and investment of the elderly.

Neuroeconomics is the study of how brain function changes with age and its impact on economic behavior. In this paper, we review the research trends in neuroeconomics and examine the implications of neuroeconomics for financial gerontology.

## Prospects

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