

# Pension Reform Survey 2026: Everyone knows reform is needed, few expect it to happen



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# Executive Summary



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- Citizens recognize the need for social security reforms, but have far less confidence that reforms will actually be delivered.** Our survey of more than 8,000 respondents across Austria, France, Germany, Italy, Poland, Spain, the UK and the US explores public attitudes towards social security reform, pension sustainability and retirement preparedness. Recognition of the need for reform is overwhelming, exceeding 80% in most countries. Yet confidence in governments' ability to implement the reforms needed to ensure long-term sustainability is much weaker. The latter ranges from just 36% in Italy and 42% in Germany to 63% in Poland and 66% in the US. Views diverge more sharply when it comes to how the adjustment burden should be shared. Taking greater personal responsibility through additional saving is the most widely accepted option, while higher taxes and social contributions receive little support. Importantly, while respondents differ on how adjustment should be achieved, only a minority rejects all proposed measures outright. The challenge for policymakers is therefore no longer convincing citizens that reform is needed, but demonstrating that reforms can be delivered and designing politically viable reform packages.
- Older generations are not blocking reform.** Recognition of the need for reform increases with age, but trust that governments will successfully implement the necessary reforms declines. While 61% of respondents aged 18 to 34 express confidence that the necessary reforms will be implemented, this falls to 54% among those aged 35 to 49 and to just 44% and 43% among respondents aged 50 to 64 and 65 to 79, respectively. The result is a striking paradox: the older cohorts are most convinced that reform is necessary, while younger respondents attach less urgency to the issue, suggesting that pensions suffer from a salience gap despite their long-term importance. Contrary to common stereotypes, respondents aged 50 to 64 are also among the most willing to accept measures such as working longer, postponing retirement or receiving lower public benefits.
- Responsibility for retirement is increasingly shifting onto individuals, yet many lack the knowledge to prepare for it.** Only half of respondents expect the public pension system to provide the majority of their retirement income. As occupational and private pension provisions gain importance, pension and financial literacy are becoming essential pillars of retirement income adequacy and pension system sustainability. Yet only one in six respondents shows a high level of financial literacy (18%), while one in four scores low (26%). The knowledge gaps have concrete implications: only one-third of respondents correctly identified how long they are likely to spend in retirement, and only half state that they have a clear picture of their expected financial situation in retirement. These findings suggest that the financial literacy gap is also a pension literacy gap.
- More funded pension provision – as envisaged in Germany – would be a win-win for households and the wider economy.** Stronger occupational and private pension pillars would improve retirement security through greater private wealth accumulation while simultaneously providing long-term capital to financial markets. This could support investment in innovation, infrastructure and the green transition. Asset-backed pension arrangements amount to more than 200% of GDP in Denmark, 145% in the US and 78% in the UK, compared with just 6% in Germany and 13% in France. If Austria, France, Germany, Italy, Poland and Spain had reached the UK's level of pension assets relative to GDP in 2025, an additional EUR8.8trn of long-term investment capital would have been available.



## Most agree reform is needed – few believe it will be delivered

**Ageing populations are putting social security systems under growing pressure.** With government spending on social protection already amounting to more than 25% of GDP in many countries and demographic change pushing old-age dependency ratios even higher, public pension and healthcare systems urgently need to be reformed<sup>1</sup>. Against this backdrop, we surveyed more than 8,000 respondents across Austria, France, Germany, Italy, Poland, Spain, the UK and the US to explore public attitudes towards social security reform, pension sustainability and retirement preparedness.

**How citizens view the need for reform, the likelihood that reforms will be delivered and their own role in the adjustment process matters greatly for reform success.** Public support can facilitate reform, while a lack of trust or perceived unfairness can undermine even well-designed policy proposals. The survey therefore examines attitudes towards social security reform and pension sustainability from several perspectives, including perceptions of reform need, trust in implementation, retirement preparedness, pension and financial literacy as well as individual preferences regarding different reform options.

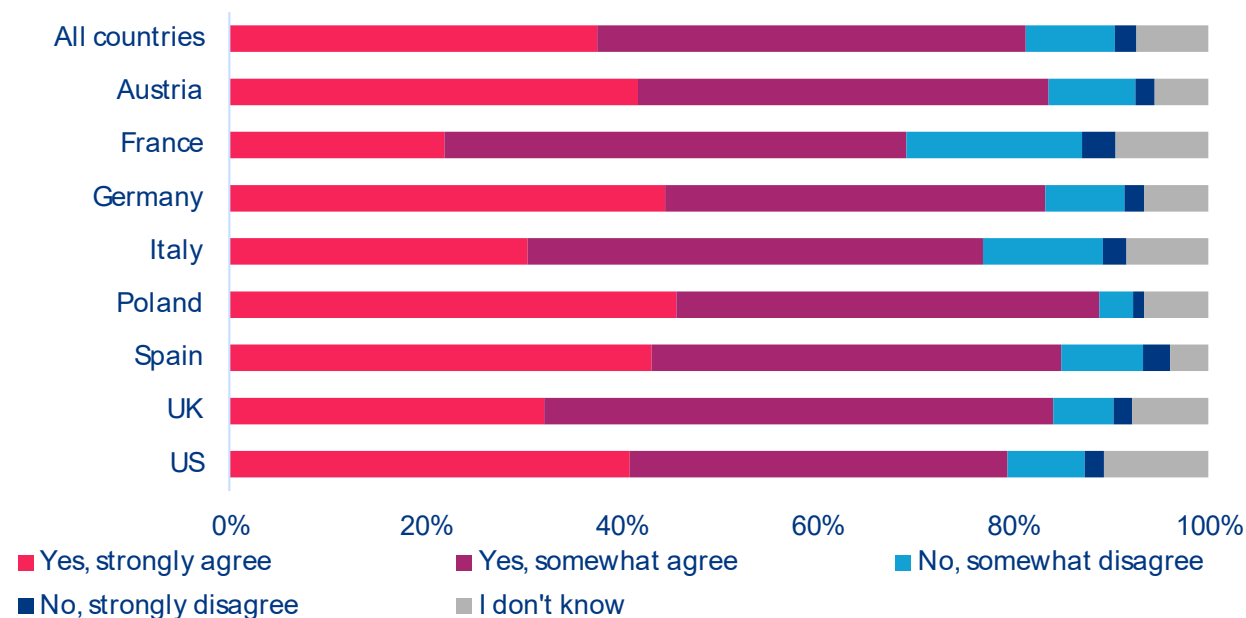
**Nearly half of respondents in Poland and Germany recognize the need for reform, compared to only 22% in France.** Across all eight countries, more than 80% of respondents agree or strongly agree that social systems must be reformed to remain sustainable. The share of respondents who strongly agree is highest in Poland (46%)

and Germany (45%), followed by Spain (43%), Austria (42%) and the US (41%). In the UK and Italy, around one-third of respondents express a strong need for reform. France is the clear outlier, with only 22% strongly agreeing and 21% either somewhat or strongly disagreeing (Figure 1).

**Support for reform is broad across all age groups, although older respondents express slightly stronger conviction.** The share of respondents who strongly agree that reform is needed ranges from 36% among young adults aged 18 to 34 to 39% among those aged 35 to 49. The relatively limited sense of urgency among younger respondents may reflect a salience and financial-literacy gap. For many younger people, topics such as pensions and healthcare remain too distant to register as immediate concerns, despite the fact that they will be most affected if governments fail to improve the sustainability of social security systems. The survey also reveals gender differences: Men express stronger conviction that reform is needed than women, with 39% strongly agreeing compared with 36% of women (Figure 2).

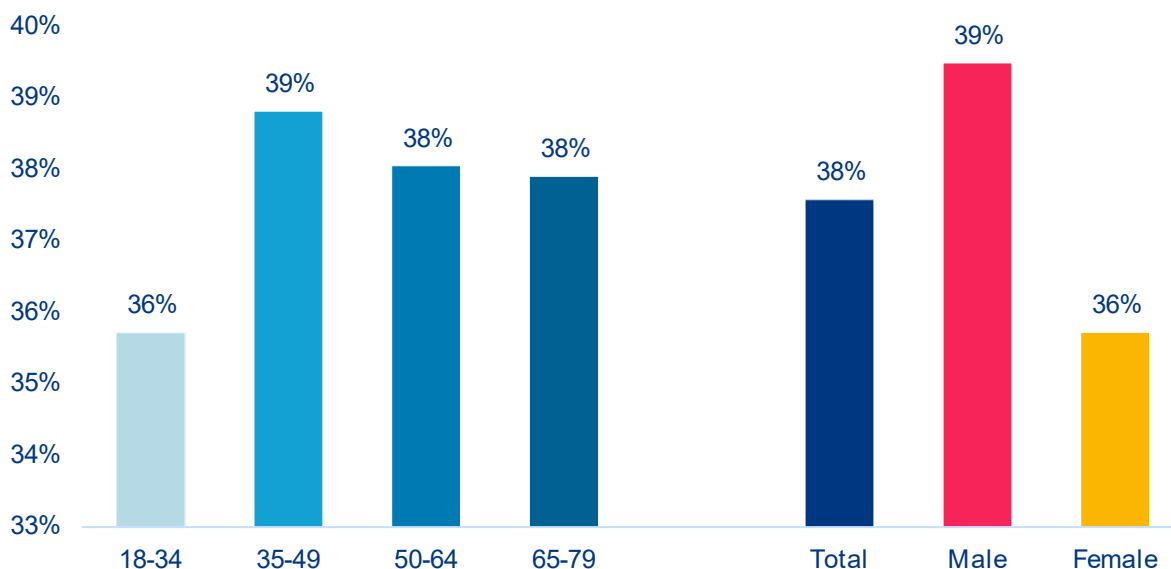
<sup>1</sup> In the eight countries covered by our survey, public social expenditure as a share of GDP in 2024 stood at: Austria 31.6%, France 30.6%, Germany 27.9%, Italy 27.6%, Spain 25.9%, Poland 23.1%, UK 23.0% (2023), US 19.8%. Source: OECD, Public social spending, [Social spending | OECD](#).

**Figure 1:** To what extent do you agree with the following statement: “Current social systems (e.g., social security, pensions, healthcare) will need to be reformed to remain sustainable.” Share of answers, in percent of all answers, by country



Source: Allianz Research.

**Figure 2:** To what extent do you agree with the following statement: “Current social systems (e.g., social security, pensions, healthcare) will need to be reformed to remain sustainable.”, share of respondents who “strongly agree”, by age group and gender (in percent of respective population group)



Source: Allianz Research.

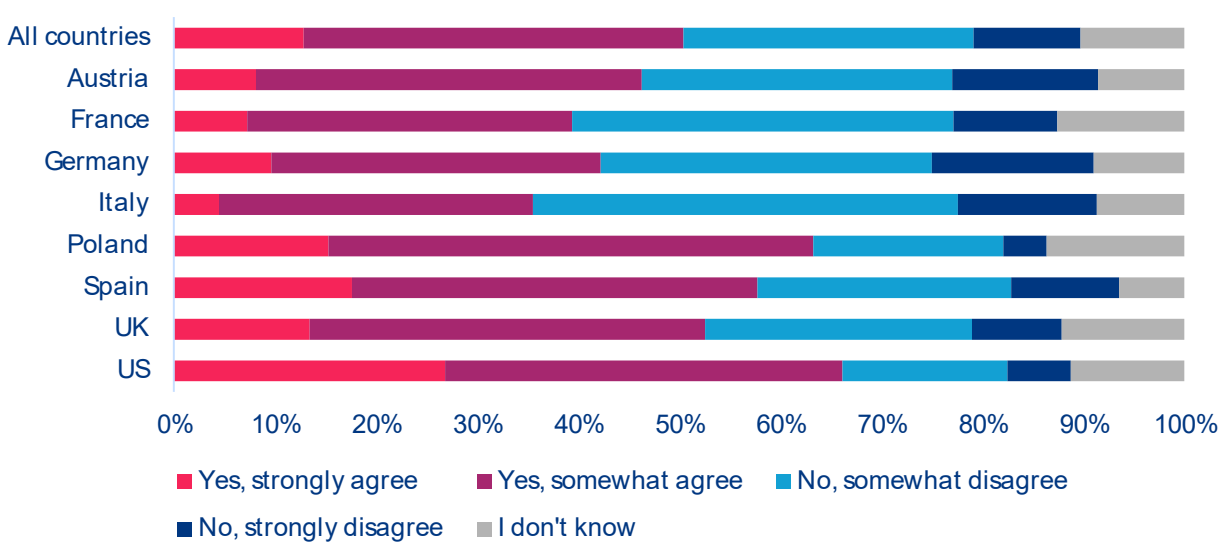
**Surprisingly, nearly four in five retirees believe reform is necessary even though they are already drawing benefits from the current system.** While the intensity of reform demand varies somewhat across subgroups, support remains broad throughout the sample. It is strongest among university graduates (85%) and lowest, though still substantial, among respondents with lower educational attainment (71%). Employment status shows a similar pattern. Recognition of reform need is highest among the employed (85%) and self-employed (82%), suggesting that those who bear social contributions most directly are particularly aware of the pressures facing the system. The more striking finding, however, comes from retirees. While the level of support is at 78% somewhat lower than among the workforce, nearly four in five still agree that reform is necessary despite already drawing benefits from the current system. Recognition of reform need is therefore not confined to future contributors; it is also shared by many who already depend on the system today.

**While more than 80% of respondents in most countries agree that social systems require reform, confidence that governments will follow through on the reforms needed is far lower.** Across all eight countries, only around 50% of respondents believe that the necessary reforms will

actually be implemented. Confidence is highest in the US, where around two-thirds of respondents believe reforms will be delivered, and relatively strong in Poland (63%). By contrast, confidence is markedly lower in Germany at 42% and lowest in Italy, where only 36% believe the necessary reforms will be implemented (Figure 3). The challenge therefore appears less one of recognizing the need for reform than of building confidence that policymakers will follow through on reform commitments.

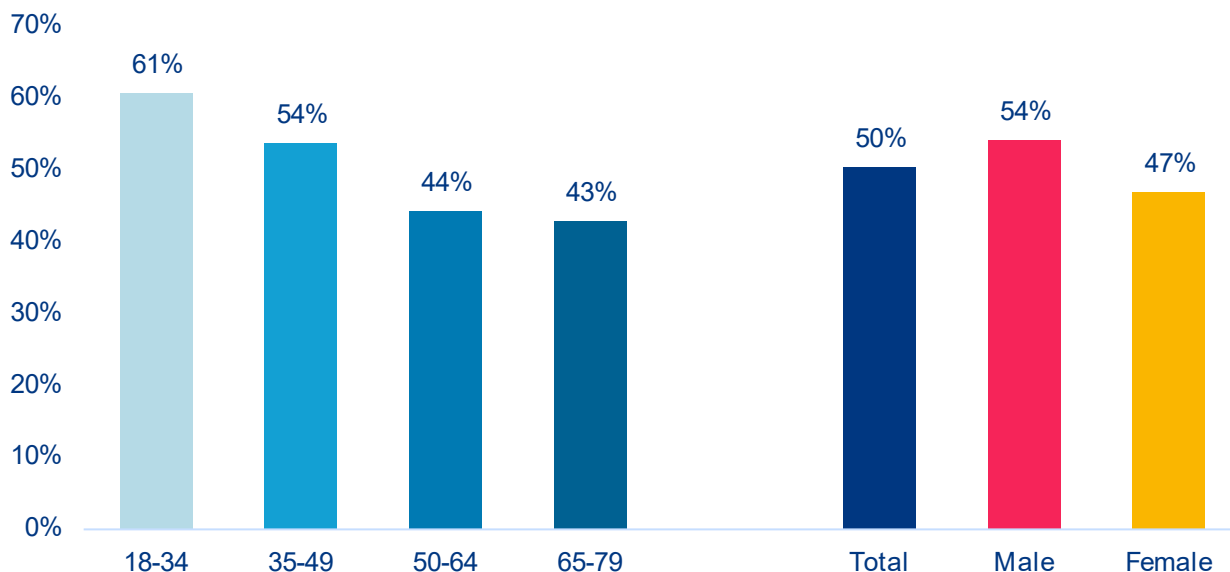
**The generational pattern is the mirror image of reform need.** While recognition of reform need tends to rise with age, confidence that reforms will actually be implemented declines. Younger respondents remain considerably more optimistic that governments will follow through on reform commitments, whereas older respondents combine the strongest support for reform with the deepest skepticism that it will happen. This divergence between reform demand and reform confidence is one of the most striking findings of the survey and helps explain why broad support for reform so often fails to translate into expectations of action (Figure 4).

**Figure 3:** Do you think your country is capable of implementing the reforms needed to ensure long-term economic sustainability? Share of answers in percent of all answers, by country



Source: Allianz Research

**Figure 4:** Do you think your country is capable of implementing the reforms needed to ensure long-term economic sustainability?, approvers by age group and gender (in percent)

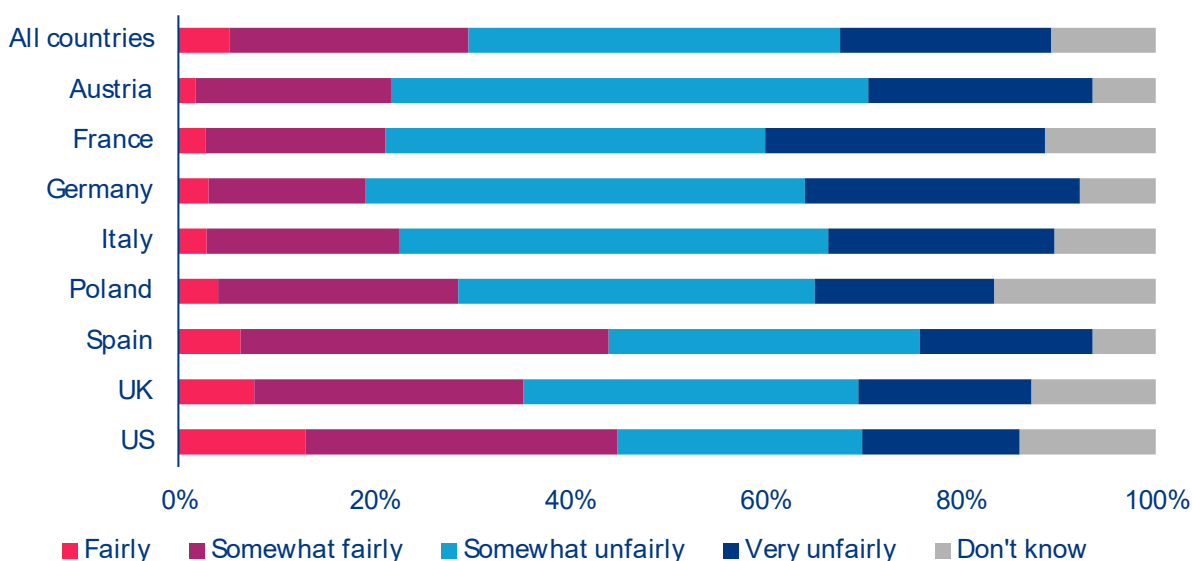


Source: Allianz Research.

**Many citizens doubt not only that reforms will happen, but also that they will be fair.** Across the eight countries, **only** around 30% of respondents expect the costs and benefits of reform to be distributed fairly, while almost 60% expect an unfair outcome (Figure 5). This skepticism is particularly pronounced in continental Europe and may

help explain the broader trust deficit identified above. Citizens do not merely question whether governments will implement reform; many also question whether they will do so in a fair and balanced way. Reform credibility is therefore as much a question of legitimacy as of policy design.

**Figure 5:** How fairly do you think the costs and benefits of reforms will be distributed across society?, share of answers in percent of all answers, by country



Source: Allianz Research



# Pension reform is not on the top of the list

**Pension reform is widely recognized as necessary, but it is not at the top of the public’s reform agenda.**

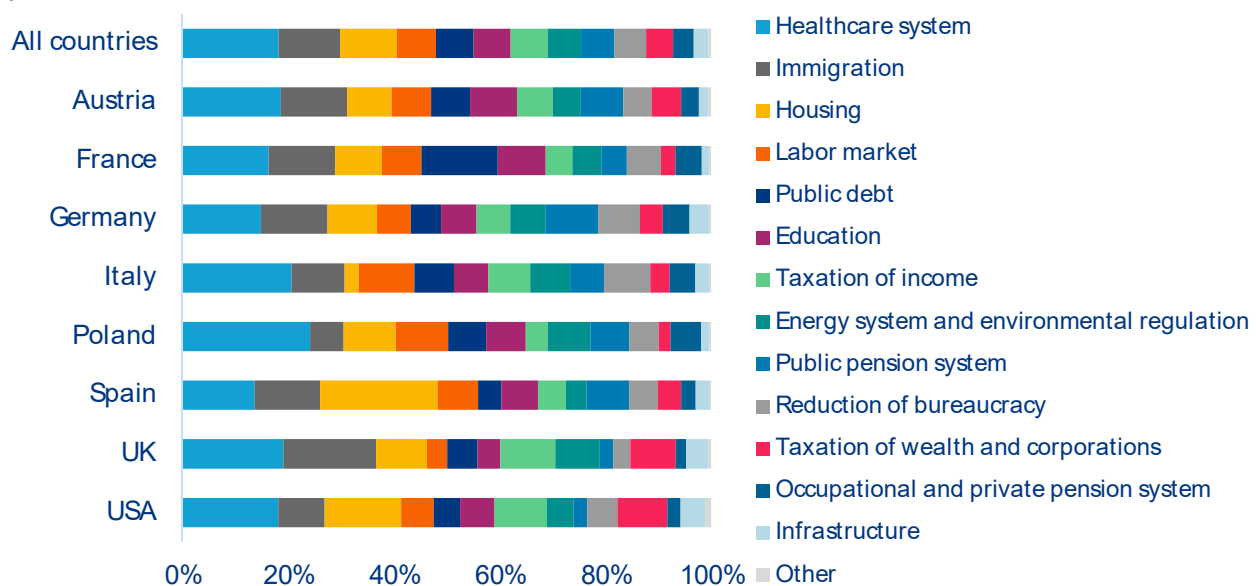
When asked where reforms are most urgently needed, respondents consistently rank healthcare, immigration and housing at the top, far ahead of public, occupational and private pension systems (Figure 6). This may help explain why pension reform is so frequently postponed despite broad recognition of the underlying challenges. The issue is therefore not a lack of awareness, but a lack of urgency.

the broader survey finding that perceptions of reform need increase with age. The pattern points to a salience effect: as retirement moves from a distant prospect to an imminent reality, concern about the sustainability of pension systems rises markedly. Younger generations, despite having the greatest long-term stake in the sustainability of pension systems, tend to view retirement as a distant concern.

**The older the wiser: the strongest demand for pension reform comes from those closest to retirement.**

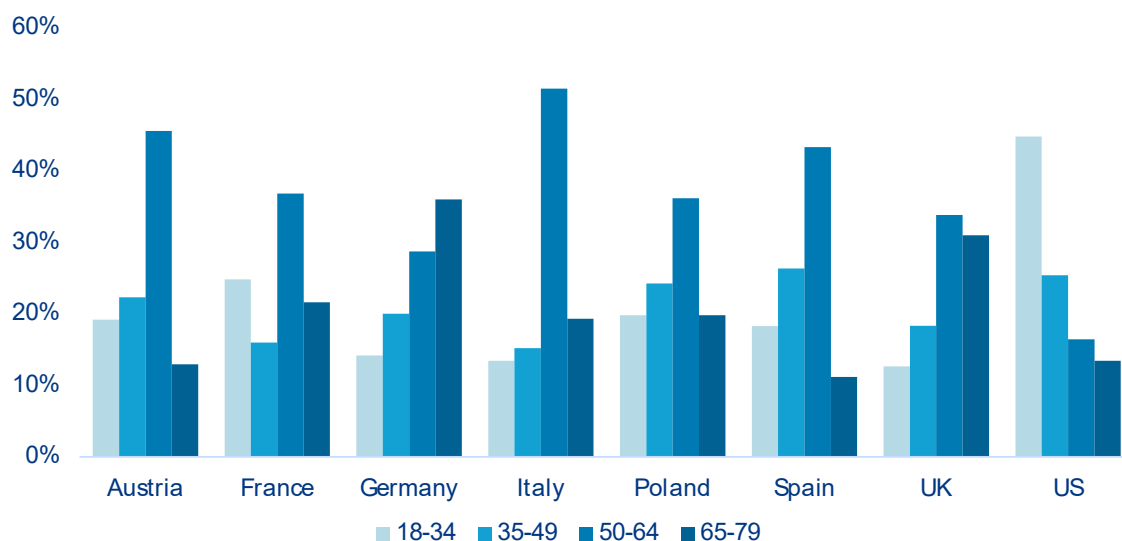
Respondents aged 50 to 64 are most likely to identify pension reform as a policy priority (Figure 7), mirroring

**Figure 6:** In which areas do you think reforms are most needed in your country? Select max. 3, share of answers in percent of all answers



Source: Allianz Research

**Figure 7:** In which areas do you think reforms are most needed in your country? Select max 3. - Public pension system, approvers by age group (in percent)



Source: Allianz Research

**Demographic pressures are accelerating and the window for gradual reform is narrowing.** With the baby-boomer generation reaching retirement age, the increase of the old-age dependency ratio (OADR) – the number of people aged 65 and over relative to every 100 people of working age – is set to accelerate sharply across most advanced economies over the next decade before levelling out on a comparatively high level. The countries covered in our survey are no exception. By mid-century, in Italy and Spain, there are projected to be around 75 retirees

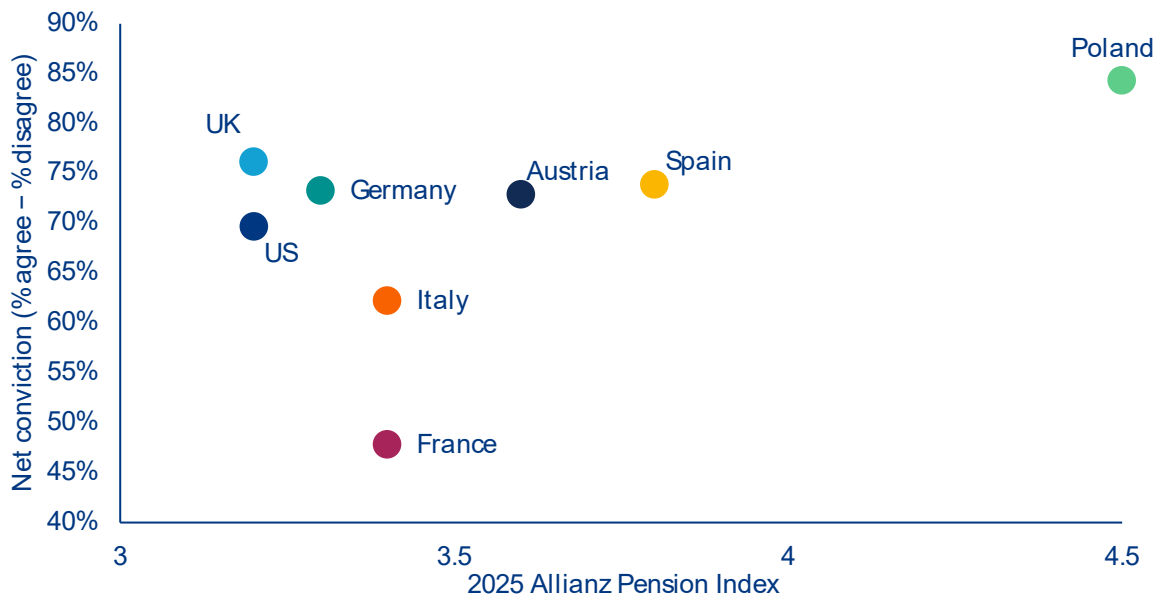
per 100 people of working age<sup>2</sup>, while in Poland the ratio will exceed 60%. In Austria and Germany it is expected to stabilize at around 58%, and even in France it is projected to surpass 50%. Only in the UK and the US is it expected to remain below 40%.

**Figure 8:** Allianz Pension Index 2025

	API 2025	Basic Conditions	Sustainability	Adequacy
<u>Surveyed Countries:</u>				
UK	3.17	3.40	3.54	2.70
US	3.24	3.10	3.45	3.11
Germany	3.26	3.80	3.58	2.67
Italy	3.35	4.34	3.32	2.89
France	3.39	3.47	3.70	3.05
Austria	3.57	4.14	4.08	2.78
Spain	3.77	4.18	4.43	2.90
Poland	4.51	4.39	4.92	4.16
<u>Reference Countries:</u>				
Denmark	2.34	3.17	2.29	1.98
Netherlands	2.60	2.98	3.33	1.68
Sweden	2.62	2.93	2.94	2.15

1 = no need for reforms 7 = high reform pressure

Source: Allianz Research

**Figure 9:** Net convictions about reform need vs. Allianz Pension Index 2025, by country

Source: Allianz Research

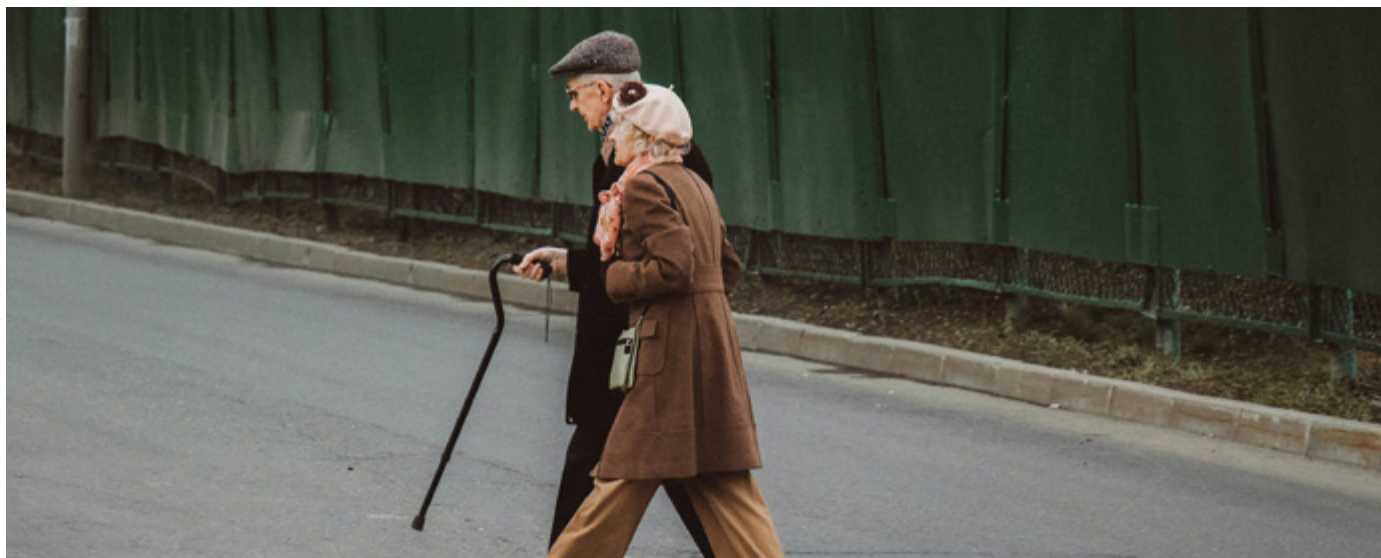
**Demographic pressures are accelerating and the window for gradual reform is narrowing.** With the baby-boomer generation reaching retirement age, the increase of the old-age dependency ratio (OADR) – the number of people aged 65 and over relative to every 100 people of working age – is set to accelerate sharply across most advanced economies over the next decade before levelling out on a comparatively high level. The countries covered in our survey are no exception. By mid-century, in Italy and Spain, there are projected to be around 75 retirees per 100 people of working age<sup>2</sup>, while in Poland the ratio will exceed 60%. In Austria and Germany it is expected to stabilize at around 58%, and even in France it is projected to surpass 50%. Only in the UK and the US is it expected to remain below 40%.

**Public perceptions of reform need broadly mirror the structural pressures facing pension systems.** The stronger the reform need identified by the Allianz Pension Index<sup>3</sup> (API), which assesses the adequacy and sustainability of pension systems across countries, the stronger the perceived need for reform revealed in our survey (Figure 8). Citizens appear remarkably adept at recognizing where pension systems face the greatest strain, suggesting that

awareness is not the main obstacle to reform. Poland tops both rankings (API: 4.5; net conviction: 84%), with Spain (3.8; 74%) and Austria (3.6; 73%) not far behind. At the other end, the UK (3.2; 76%) and the US (3.2; 70%) combine comparatively good API scores with somewhat lower reform urgency. The deeper divide, however, is not national but institutional. The perceived and actual need for reform tends to be strongest in countries that rely heavily on pay-as-you-go pension systems, while countries with stronger funded pension pillars are less exposed to demographic pressures (Figure 9). France (3.4; 48%) and Italy (3.4; 62%) remain notable exceptions, where the perceived need for reform appears more subdued than the underlying structural pressures would suggest.

<sup>2</sup> Here aged between 20 and 64. Source United Nations, Department of Economic and Social Affairs, Population Division (2024).

<sup>3</sup> The Allianz Pension Index (API) is based on three sub-indices – starting points, sustainability and adequacy – and takes into account 40 parameters. Each parameter is rated on a scale of 1 to 7, with grade 1 signaling no need for reforms and 7 a high reform pressure.



## The reform options are known – but there is no one size fits all

**The inventory of possible reforms is well known, implementation remains the real challenge.** The broad contours of pension reform look remarkably similar across countries: increasing the retirement age, encouraging longer working lives, strengthening funded occupational and private pensions, improving financial literacy and adjusting contribution rates and benefit levels. What differs across countries is the mix. Pension systems vary widely in their reliance on public transfers, occupational pensions and private savings, as well as in their demographic pressures and labor-market conditions. Successful reform therefore requires adaptation rather than imitation. The challenge is not a lack of solutions, but turning well-known reform options into policy action and implementing the right combination of measures before demographic pressures force more abrupt and costly adjustments.

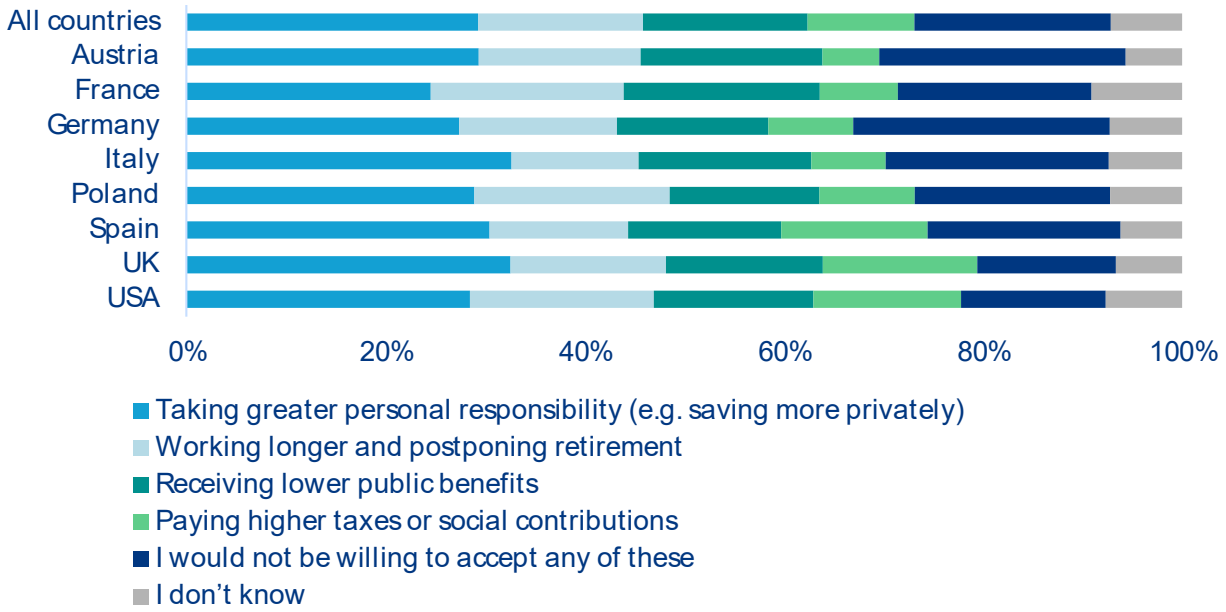
**Support for pension reform is broad, but there is much less agreement on which reform measures should be implemented.** When asked which measures they would personally be willing to accept to improve the long-term sustainability of public finances, respondents paint a more nuanced picture than their broad recognition of the need for reform might suggest. The most widely supported option is taking greater personal responsibility through additional private saving (29% of all responses). However, the second most common response is a refusal to accept any of the proposed measures (22%). Working longer and postponing retirement ranks third, followed by accepting lower public benefits. The results highlight a central

challenge of pension reform: while many agree that change is necessary, there is far less consensus on how the adjustment burden should be shared (Figure 10).

**Taking greater personal responsibility is the most widely accepted reform option.** In most countries, support for additional private saving is strongest among older age groups (Figure 11). This likely reflects greater financial flexibility later in life, when major household expenditures such as mortgages and child-related costs have often declined. Across all countries, however, support for this measure is consistently higher among men than among women.

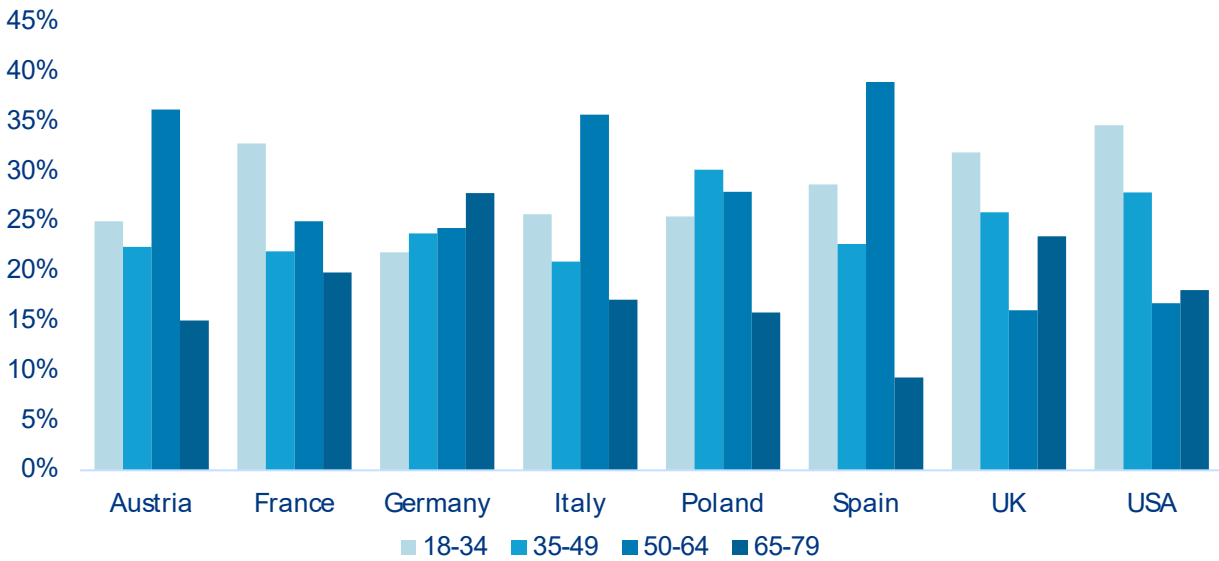
**The stereotype that older workers are unwilling to work longer finds little support in the data.** In Austria, Italy and Spain, more than one-third of respondents supporting later retirement are aged between 50 and 64. In France, support is distributed relatively evenly across age groups. Germany presents a more nuanced picture: only 21% of supporters are aged between 50 and 64, compared with 25% aged 65 to 79. One possible explanation is that extending working lives may appear less realistic in an environment characterized by economic weakness, corporate restructuring and relatively high long-term unemployment among older workers. By contrast, support for working longer is more broadly distributed in the UK and the US, where labor-force participation at older ages is already higher and funded pension systems play a larger role (Figure 12).

**Figure 10:** Which of the following would you personally be willing to accept to ensure long-term sustainability of public finances? share of answers in percent of all answers



Source: Allianz Research

**Figure 11:** Which of the following would you personally be willing to accept to ensure long-term sustainability of public finances? Taking greater personal responsibility, approvers by age group (in percent)

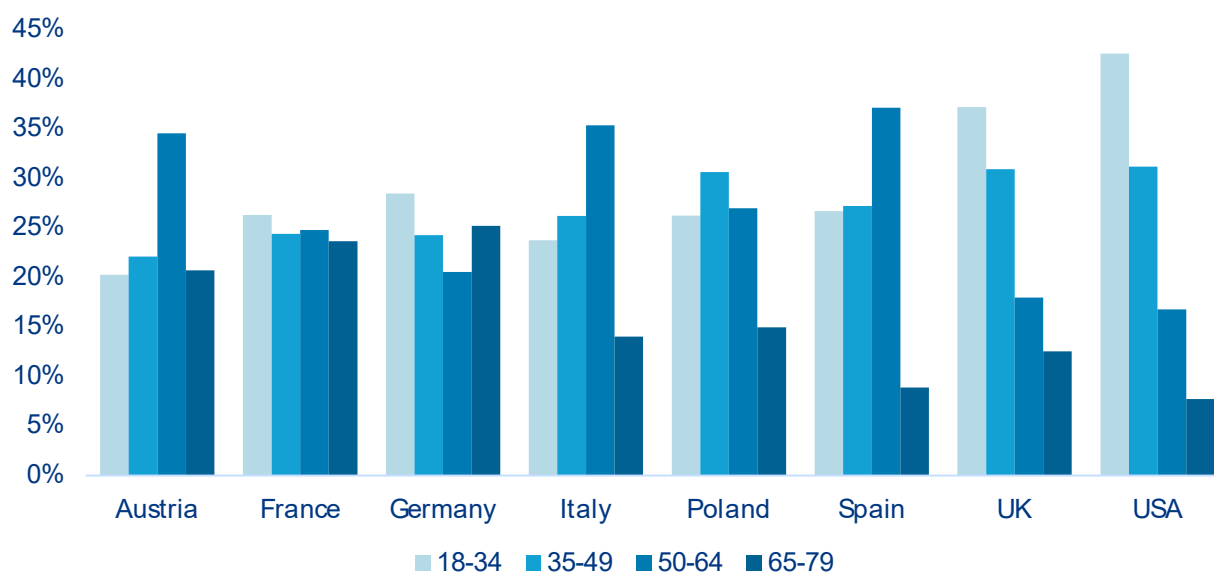


Source: Allianz Research

**Support for lower public benefits remains limited, but is not confined to younger generations.** Around one-quarter of respondents would consider lower public benefits as part of a reform package. In Austria, Italy and Spain, where public pension replacement rates remain comparatively high, more than one-third of supporters are aged between 50 and 64. In most countries, however, support is lower among those approaching or already in retirement than among younger cohorts, reflecting the shrinking time horizon available to compensate for benefit reductions through additional private saving (Figure 13).

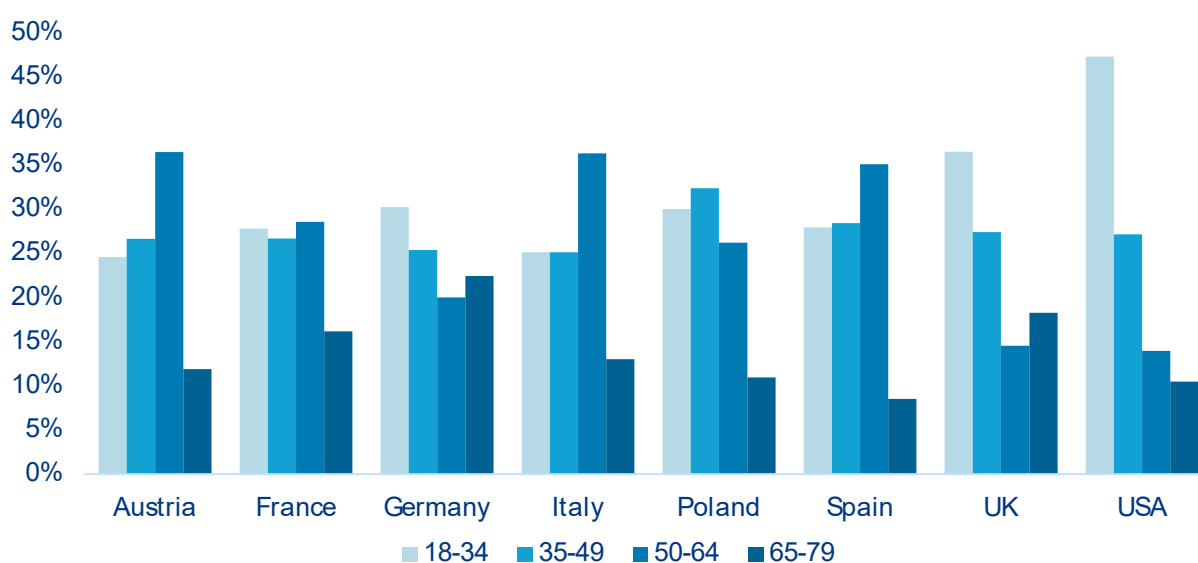
**Disagreement over reform measures should not be confused with opposition to reform.** While respondents differ on how adjustment should be achieved, only a minority reject all proposed measures outright. The challenge for policymakers is therefore less one of overcoming universal resistance than of combining measures in a way that distributes the adjustment burden credibly and fairly. The survey results suggest that citizens may disagree on the preferred path, but many recognize that some form of adjustment will be necessary to ensure the long-term sustainability of pension systems.

**Figure 12:** Which of the following would you personally be willing to accept to ensure long-term sustainability of public finances? Working longer and postponing retirement, approvers by age group (in percent)



Source: Allianz Research

**Figure 13:** Which of the following would you personally be willing to accept to ensure long-term sustainability of public finances? Receiving lower public benefits, approvers by age group (in percent)



Source: Allianz Research



## Retirement preparedness starts with knowing the numbers

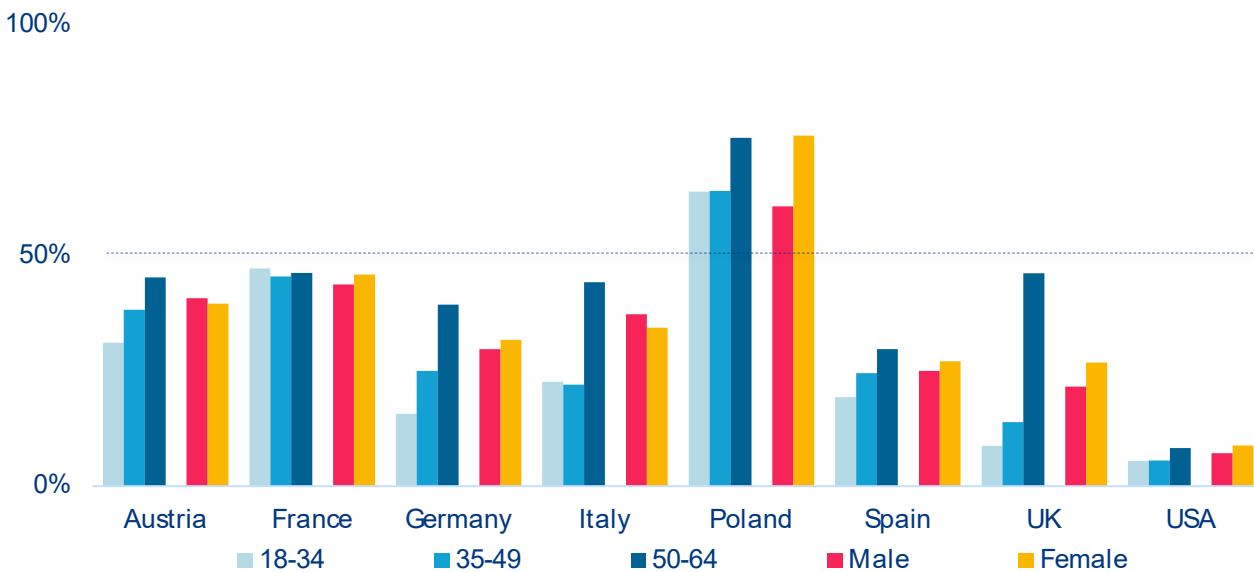
**Limited knowledge of key pension parameters makes retirement planning more difficult.** Pension reform ranks below healthcare, immigration and housing on the public policy agenda, and this lower salience is reflected in respondents' understanding of pension systems. Across countries, many respondents struggle to estimate key parameters such as the statutory retirement age, the number of years they are likely to spend in retirement and the level of income they can expect from the public pension system. Yet these are precisely the variables individuals need to understand in order to assess how much additional saving toward retirement will be required.

**The knowledge on retirement options increases with age.** More than half of respondents in every country except Poland plan to retire before the current or already legislated retirement age. However, as respondents approach retirement age and become more familiar with the options and financial implications of retiring early or

later, their expected retirement age converges towards the statutory retirement age. Furthermore, the answers reflect debates about or actual reforms of the retirement age in recent years. Respondents aged 50 to 64 were generally the most likely to plan retirement in line with the statutory retirement age, with the exception of France. Only in Poland, more than 50% of respondents plan to retire at the statutory retirement age, which has remained unchanged over the past decade (Figure 14).

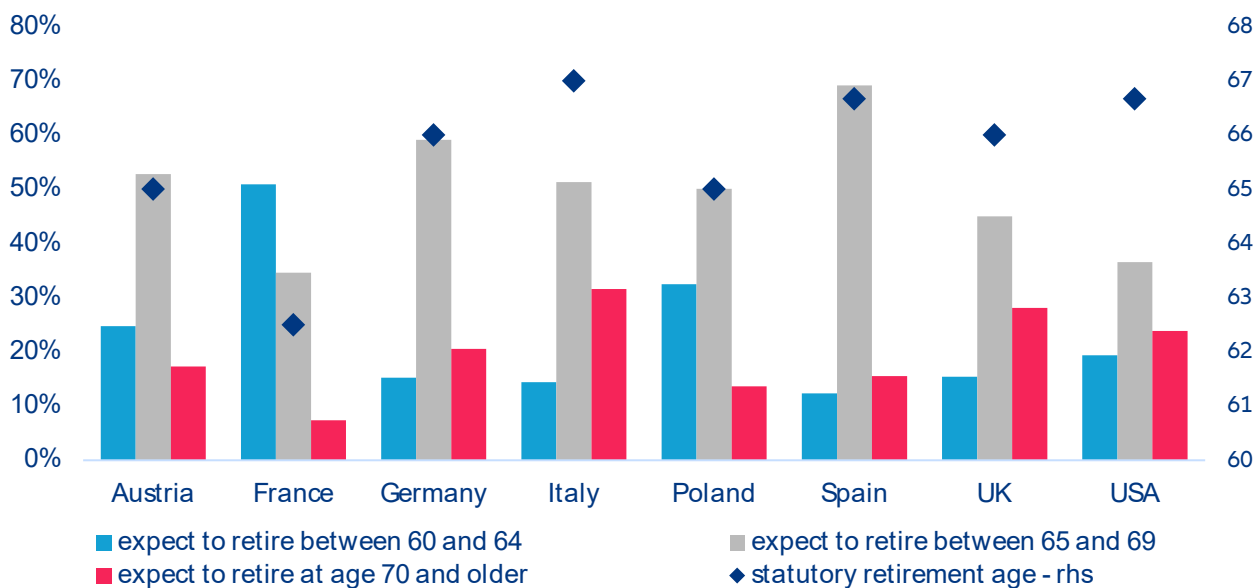
**Most respondents expect to retire between the ages of 65 and 69.** France is the notable exception, where many respondents expect to retire as early as possible by making use of the possibility to retire at age 63, or age 64 in the future, once the required contribution periods have been met (Figure 15).

**Figure 14:** At what age do you realistically expect to retire?, share of respondents who gave the actual statutory current or after reform statutory retirement age (in percent of respective population group).



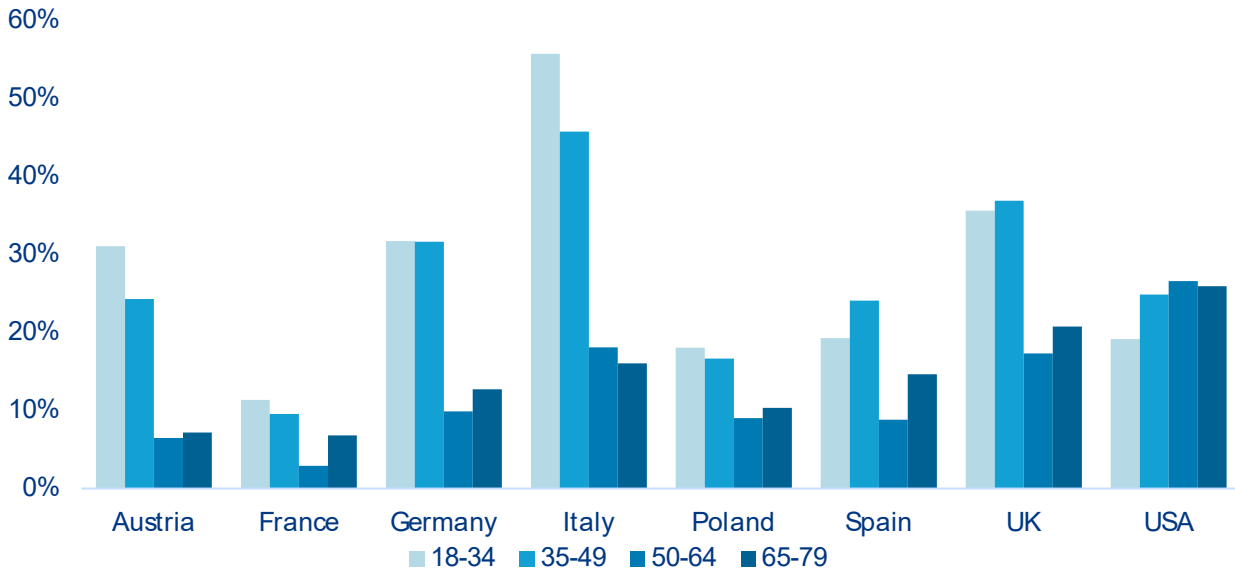
Source: Allianz Research

**Figure 15:** At what age do you realistically expect to retire?, age brackets (share of respondents in percent)



Source: Allianz Research

**Figure 16:** At what age do you realistically expect to retire? – At the age of 70 and older (in percent of the respondents in the respective age class)

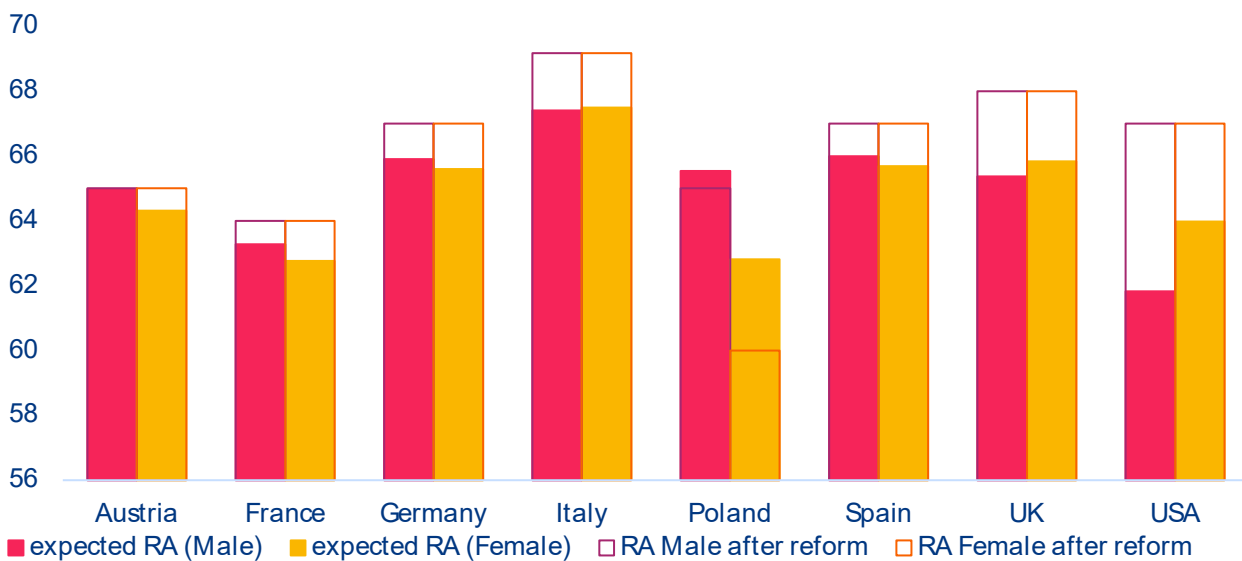


Source: Allianz Research.

**Younger generations in particular expect to work beyond the age of 70.** In most countries, fewer than 25% of respondents expect to retire at age 70 or later. Only in Italy and the UK does this share reach around one-third. In both countries, future increases in the retirement age have already been linked to rising life expectancy. Since these changes are being implemented gradually, it is particularly younger respondents aged 18–34 and 35–49 who expect to retire at age 70 or beyond (Figure 16).

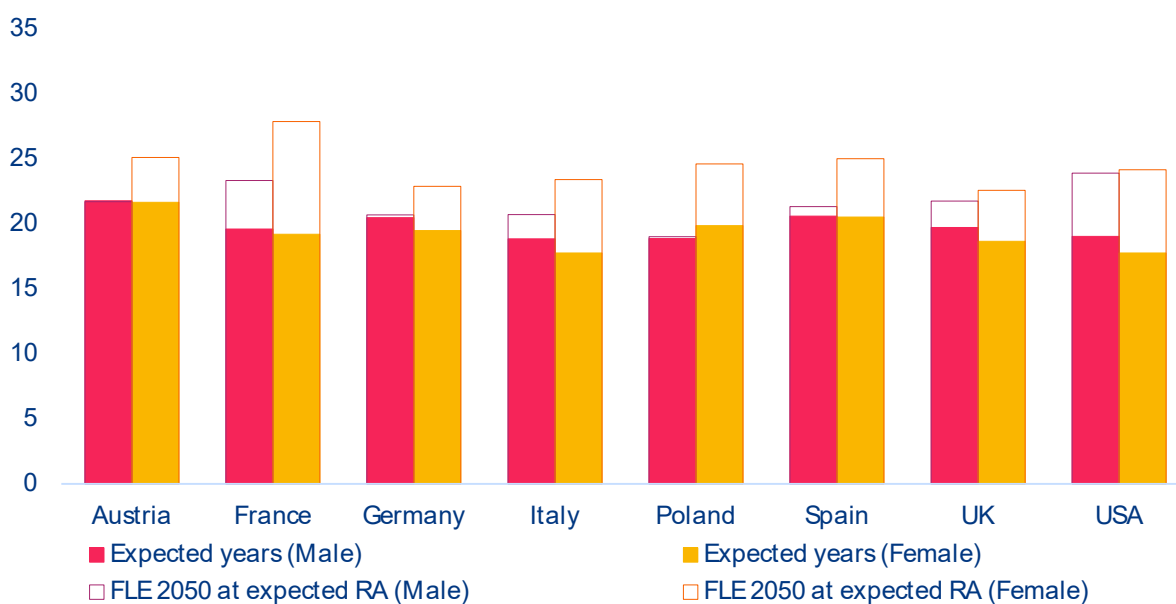
**Many respondents expect to retire up to two years earlier.** Ranging from 62 years in the US to 67 years in Italy, the average expected retirement age remains between one and two years below the future statutory retirement age already agreed upon in legislation (Figure 17) in most countries. Poland is the main exception, partly because many women choose to work beyond the statutory retirement age of 60 in order to receive a higher pension. Another explanation may be the expectation that the retirement age will be increased in the long run.

**Figure 17:** At what age do you realistically expect to retire?, average expected retirement age compared to the statutory retirement age after reforms (in years)



Source: Allianz Research.

**Figure 18:** How many years do you expect to spend in retirement?, expected average time spend in retirement compared to the average further life expectancy at retirement age (in years)



Sources: UN Population Division (2024), Allianz Research.

**Respondents are even less informed about how long they are likely to spend in retirement.** Of course, it depends on the individual situation, but the average further life expectancy at the age of retirement is a rather good proxy for the time one can expect to spend in retirement. In most surveyed countries, only around one-third of respondents correctly estimated average life expectancy at their expected retirement age. Women in particular tend to underestimate the number of years they are likely to spend in retirement. The largest gap emerges in France, where female respondents expect to spend around 19 years in retirement on average, while the average further life expectancy of a woman retiring at age 63 is currently around 26 years and is projected to increase to 28 years by 2050 (Figure 18).

**Underestimating longevity can lead to a significant underestimation of retirement savings needs.** Rising life expectancy poses a challenge not only for public pay-as-you-go pension systems but also for individual retirement planning. Linking retirement ages more closely to life expectancy could help preserve intergenerational fairness by maintaining a more stable relationship between working life and retirement duration across generations. The implications for individual saving behavior are equally important. Taking the example of an average French woman aiming for a retirement income equal to 70% of her final wage, annual savings of 3.7% of earnings would

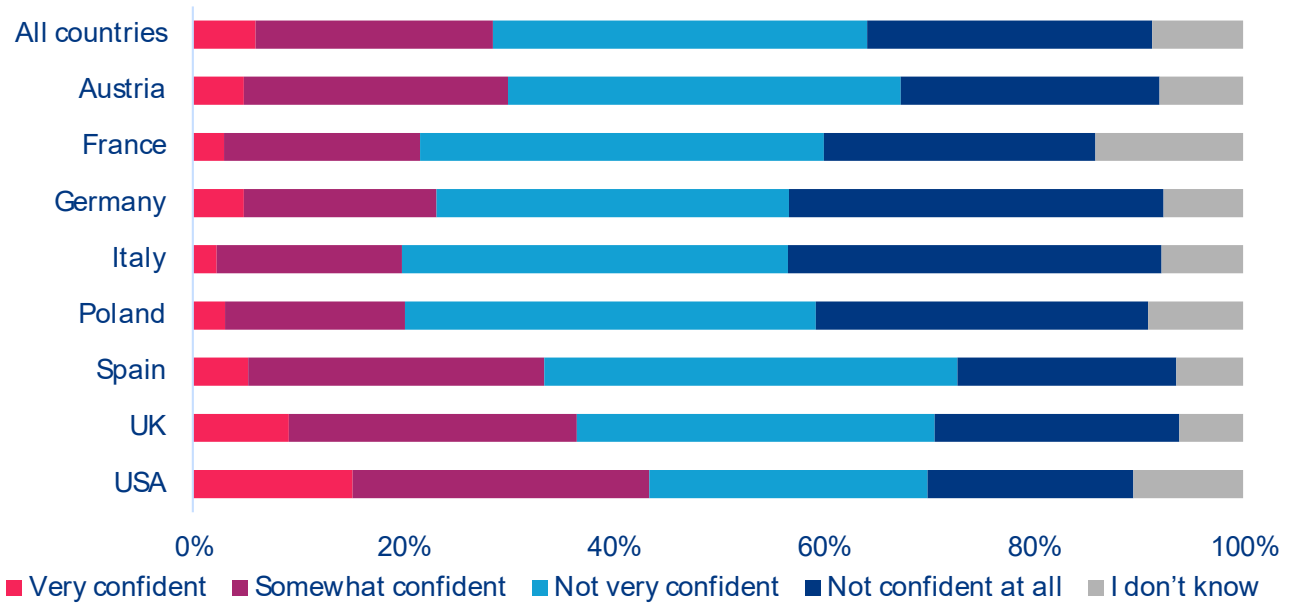
be sufficient if retirement lasted only 19 years. However, if retirement lasts closer to 28 years, the required savings rate rises to 5.0% of earnings, or alternatively requires accepting a lower retirement income of around 67%<sup>4</sup>.

**The pension and financial literacy gap therefore has direct consequences for retirement preparedness.**

Understanding retirement age, longevity and expected pension income is essential for estimating future pension gaps and determining how much supplementary saving will be required. Yet confidence in the ability of public pension systems to provide an adequate retirement income is already limited. Only in the US do more than 40% of respondents report being very or somewhat confident that the public pension system will provide a decent standard of living in retirement. In Spain this share falls to 37%, in the UK to around one-third, while in France, Germany, Italy and Poland fewer than 25% of respondents express such confidence (Figure 19). The challenge is therefore not a lack of awareness that additional retirement provision may be needed, but a limited understanding of how large the resulting savings gap may be.

4 Furthermore, we assumed an average inflation of 2%, an annual increase of the nominal wage of 2%, an average annual yield of 5.0% during the savings phase and of 3.0% during the payout period.

**Figure 19:** How confident are you that the public pension system in your country will provide you with an adequate income when you retire? share of answers in percent of all answers, by country

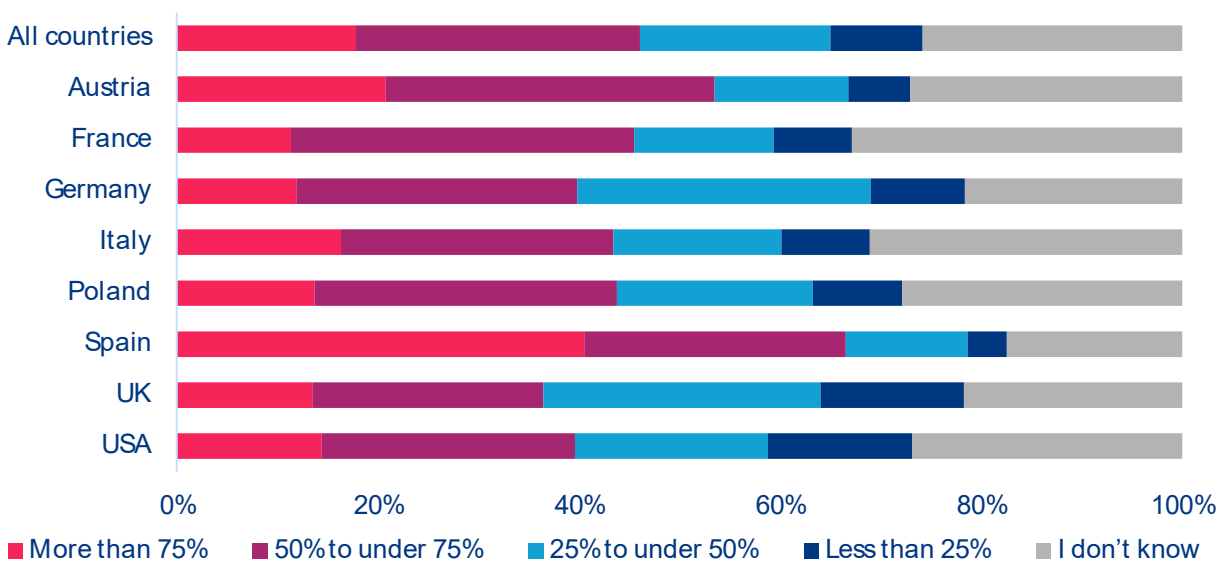


Source: Allianz Research

**Many respondents expect public pensions to remain their main source of retirement income despite limited confidence in their adequacy.** In Austria and Spain, 53% and 64% of respondents respectively expect the public pension system to provide more than half of their retirement income. In the remaining countries, the share ranges from less than 40% in the UK and the US to 45% in Italy (Figure 20). The results reveal a striking tension: many respondents expect to rely heavily on public pensions, yet relatively few are confident that these systems will provide an adequate standard of living in retirement.

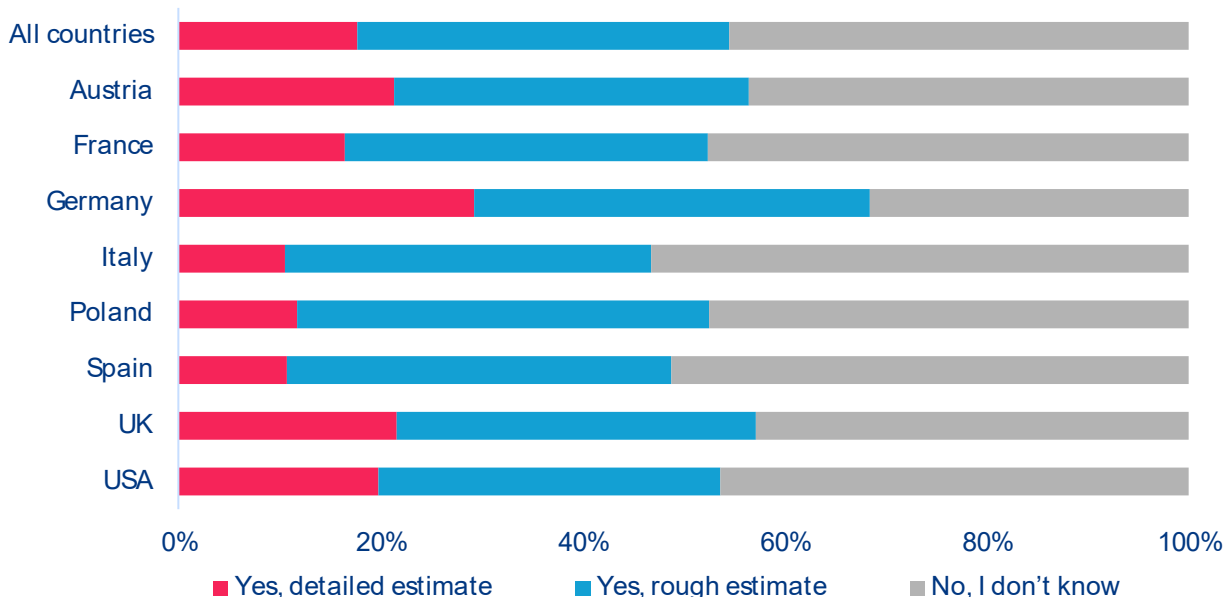
**Knowledge of expected pension income remains limited.** In most countries, fewer than half of respondents report having a detailed or rough estimate of their future public pension income. Across all countries, only 11% of respondents have a detailed estimate of their expected public pension income. Germany is the exception at 29%, likely reflecting the annual pension statements provided by the public pension provider. Between 34% of respondents in the US and 41% in Poland report having at least a rough estimate. At the same time, an average of 45% do not know how high their future public pension income will

**Figure 20:** What percentage of your retirement income do you expect to come from the public pension system?, share of answers in percent of all answers, by country



Source: Allianz Research

**Figure 21:** Do you know what your expected public pension income will be?, share of answers in percent of all answers, by country



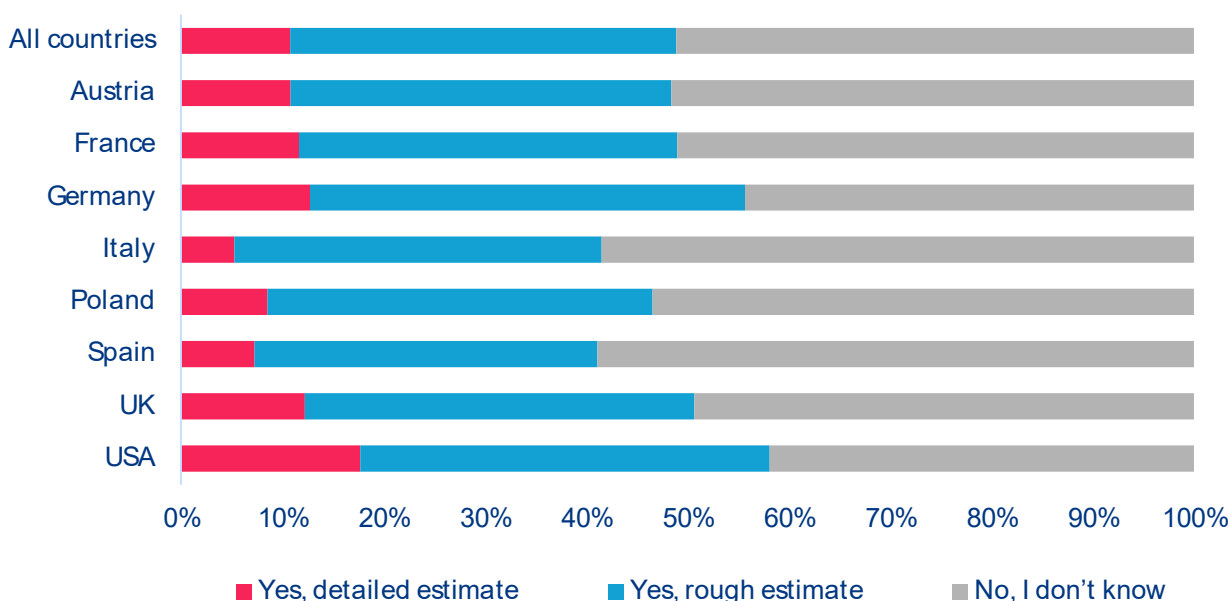
Sources: Allianz Research

be, ranging from 32% in Germany to 53% in Italy (Figure 21). For many households, retirement planning therefore begins without a clear understanding of expected retirement income.

**Many respondents have not estimated how much income they will need in retirement.** With the exception of the US and Germany, where the share is close to 60%, around half of respondents across countries have never

estimated their required retirement income (Figure 22). Women are particularly likely to report not knowing how much income they will need. Surprisingly, the largest share of respondents without such an estimate is often found among those aged 50 to 64, i.e. the group approaching retirement most rapidly. The results suggest that retirement planning remains incomplete even among individuals nearing the end of their working lives.

**Figure 22:** Have you ever estimated how much income you will need in retirement?, share of answers in percent of all answers, by country



Source: Allianz Research

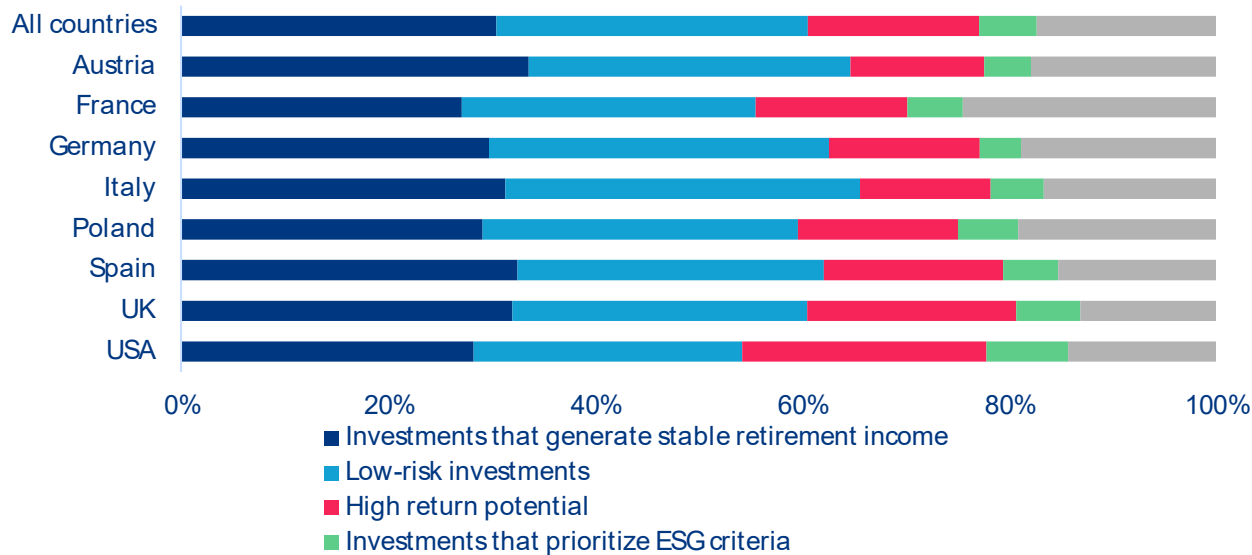


## Financial literacy, a growing imperative for pension policy

**Financial literacy is becoming an increasingly important pillar of retirement planning.** As trust in public pension systems remains limited and funded occupational and private pensions become more important, individuals will need to take greater responsibility for retirement planning. A solid financial education becomes essential to ensuring the maintenance of the desired living standard in old-age. Across the eight countries surveyed, only one in six respondents shows a high level of financial literacy (18%), compared with 57% of respondents with medium and 26% with low financial literacy. The low levels of financial literacy translate into savings and investment behaviors that favor suboptimal low-risk investments. When asked about their investment preferences, most respondents favor low-risk investments and products that provide a stable retirement income. By contrast, fewer than 10% identify ESG characteristics as their primary consideration when saving for retirement (Figure 23).

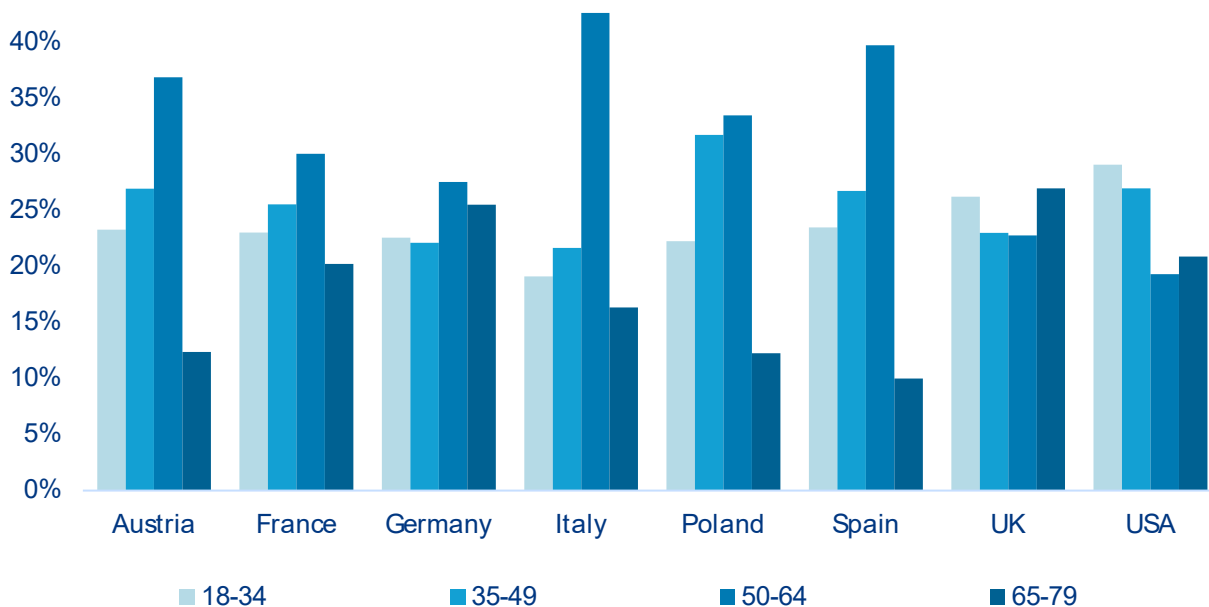
**Investment preferences vary systematically across age groups.** Respondents preferring low-risk investments are predominantly aged 50 to 64 (Figure 24), reflecting a shorter investment horizon and greater sensitivity to market fluctuations. By contrast, ESG-related preferences are most common among respondents aged 18 to 34.

**Figure 23:** When saving for retirement, which characteristics are most important to you?, share of answers in percent of all answers, by country



Source: Allianz Research

**Figure 24:** When saving for retirement, which characteristics are most important to you? Low-risk investments, respondents by age group



Source: Allianz Research



## More capital-funded pension provision is a win-win

**More capital-funded pension provision could create benefits beyond retirement income.** Strengthening funded pension pillars could be a win-win for households and the wider economy. It would strengthen retirement security by increasing private wealth accumulation while simultaneously providing long-term capital to financial markets, supporting investment in innovation, infrastructure and projects aimed at mitigating climate change. Countries with strong funded pension pillars tend to exhibit significantly higher levels of household financial wealth. In Denmark, net financial assets per capita amount to EUR191,560, more than twice the level observed in Germany (EUR86,800)<sup>5</sup>. At the same time, pension assets correspond to more than 200% of GDP in Denmark, compared with just 6% in Germany. Comparable figures amount to 147% in the US and 78% in the UK (Figure 25).

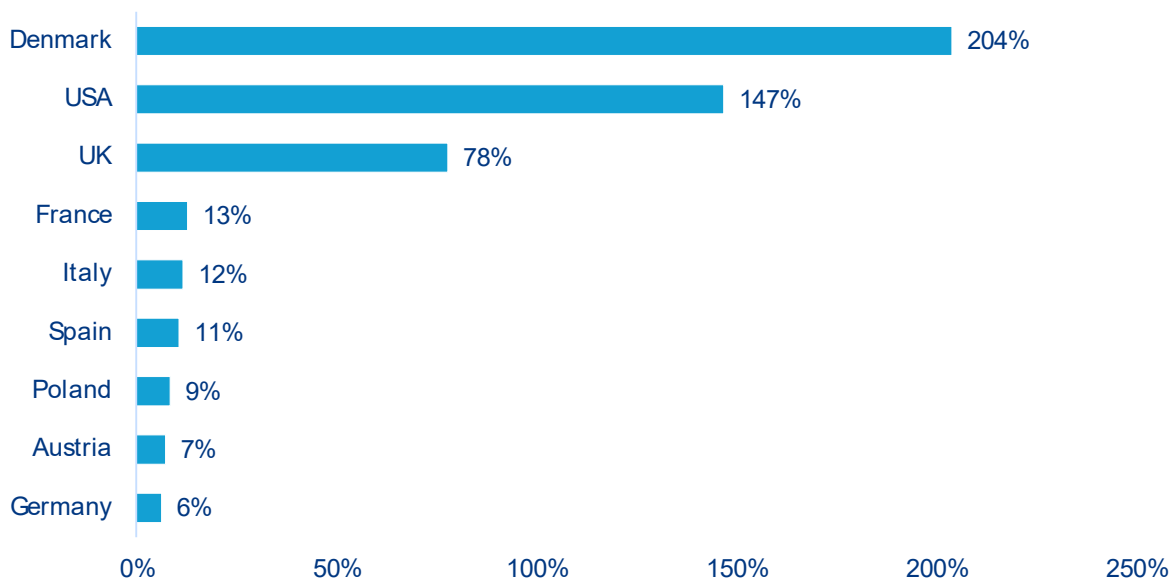
**To illustrate the effect of strengthening capital-funded pension pillars with respect to availability of long-term investment capital, we conduct the following thought experiment:** If pension assets in Austria, France, Germany, Italy, Poland and Spain were to reach the same share of GDP as in the UK today, additional long-term investment capital of around EUR8.8trn could become available, equivalent to approximately twice the free-float market capitalization of the Euro Stoxx 50<sup>6</sup> (Figure 26).

How pension assets are invested is as important as how much is accumulated. Significant differences remain in asset allocation across countries, reflecting differences in regulation and pension-system design. US pension funds invest only 12.5% of assets in bills and bonds and 1.5% in cash and deposits, whereas German pension providers allocate 42.8% to bills and bonds and 2.6% to cash. These differences have important implications for long-term returns, retirement outcomes and the availability of capital for financing economic transformation and innovation. The potential benefits of stronger funded pension pillars therefore depend not only on the amount of assets accumulated, but also on how effectively these assets are invested. Pension reform is thus not only about strengthening retirement security, it is also about mobilizing long-term capital, deepening capital markets and supporting future growth.

<sup>5</sup> See Allianz Global Wealth Report 2025.

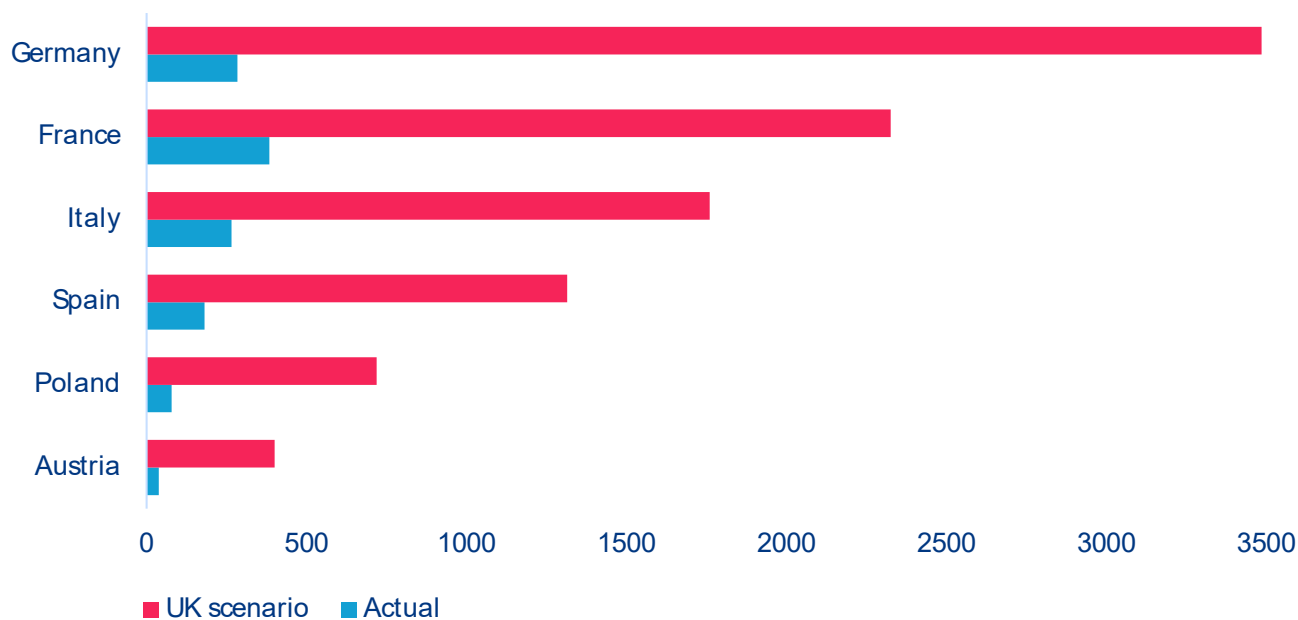
<sup>6</sup> On May 29, 2026, the free-float market capitalization of the Euro Stoxx 50 was EUR 4.3trn, see Euro Stoxx (2026) factsheet, <https://stoxx.com/index/sx5e/?factsheet=true>

**Figure 25:** Pension assets (in percent of GDP 2024)



Source: OECD Pension Outlook 2025.

**Figure 26:** Actual pension assets vs UK scenario (in bn EUR)



Sources: IMF, OECD, Allianz Research.

# Appendix: About the survey

The survey covered more than 8,000 respondents across eight countries: Austria, France, Germany, Italy, Poland, Spain, the United Kingdom and the United States. It was conducted as a web-based survey between 22 April and 25 May 2026. Overall responsibility lies with Allianz Research, Allianz Investment Management SE. Sample planning and fieldwork were carried out by Qualtrics.

**Respondents were selected using representative quota sampling.** Qualtrics was given quotas specifying how many people to survey in each country and which selection criteria to apply, with quotas set in line with official statistics for gender and age groups. A comparison with official statistics confirms that the resulting sample broadly corresponds to the population aged 18 and over in each of the eight countries.

**Table 1:** Sample statistics

	Total	Austria	France	Germany	Italy	Poland	Spain	UK	USA
Number of respondents	8048	1006	1006	1006	1006	1006	1006	1006	1006
Gender, in % of respondents									
Female	50.6%	50.0%	51.4%	49.9%	50.7%	50.9%	50.4%	50.9%	51.0%
Male	49.2%	50.0%	48.2%	49.9%	49.1%	49.0%	49.4%	48.9%	48.9%
Age groups, in % of respondents									
18-34	24.4%	25.0%	24.9%	23.1%	20.8%	22.7%	22.7%	27.4%	29.1%
35-49	25.0%	25.0%	23.9%	23.9%	21.3%	29.8%	24.8%	25.9%	25.1%
50-64	31.0%	36.7%	30.3%	26.0%	40.1%	30.8%	40.8%	21.8%	21.7%
65-79	18.4%	12.4%	20.4%	25.7%	16.8%	16.3%	11.5%	23.0%	21.1%
Education, in % of respondents									
Primary (less than high school)	4.8%	2.2%	3.7%	2.6%	14.1%	4.0%	2.8%	2.0%	7.2%
Secondary (high school)	52.5%	75.2%	47.9%	69.2%	52.5%	55.2%	36.0%	43.6%	40.1%
Tertiary (university or comparable)	42.7%	22.6%	48.4%	28.2%	33.4%	40.9%	61.2%	54.4%	52.8%

Source: Allianz Research

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