

11 mai 2009

Conférence de l'OEE : « Quels produits d'épargne pour la retraite ? »

Déroulé de la conférence :

11 am-11.15: welcome and introduction by Jacques de Larosière

11.15-12.00: presentation of the study by Theo Nijman

12.00-12.30: comments by Philippe Trainar and Christian Gollier

12h30-13.00: discussion with the audience and conclusion by Jacques de Larosière

Introduction by Jacques de Larosière

It is my pleasure to introduce this conference dedicated to pension savings product.

I thank AFG, the French Association of Portfolio Managers for welcoming us here. AFG is one of the founding members of the OEE and it plays a very important role in the public debate on pension schemes. AFG statistics and research on all occupational schemes are the reference in France.

We invited you to allow Theo Nijman to present its study entitled "Optimal Annuitization with Background Risk and equity Exposure During Retirement". This study has been sponsored by the OEE. This is the most recent output of the research program developed by the OEE since 1999. More than 30 research papers have thus been financed thanks to the contributions of our members. You have the list of our members in your file and we can be very grateful to each of them for their true commitment for 10 years.

The name of Theo Nijman is not new to the OEE: first he is highly recognized internationally for the quality of its publications. He is a member of the Finance and Econometrics Group at Tilburg University, in the Netherlands. He is one of the best-known researchers in the area of pension economics. We have another reason to know Theo: he was at the initiative of the support given by a group of investors

and researchers, named Inquire, to our project of “data aggregator” for researchers. And I happy to announce that this project is currently moving ahead very rapidly with the support of the Caisse des Dépôts and the so-called competitive cluster “Finance Innovation”. We hope to be able to launch the aggregator before the end of 2009.

Two discussants will then introduce the discussion: Christian Gollier, who is Professor at Toulouse and the Chairman of our Scientific Committee; Philippe Trainar, who is Chief Economist at SCOR and who has long been the treasurer of our association. Thank you, Christian and Philippe for your much appreciated contribution. After the discussion, we invite you to a buffet, just in the room next to this one where we will continue our discussions more informally and bilaterally.

Before giving the floor to Theo, let me insist on the very topical issue raised by his research. It is topical because one of the most important issues for the financial sector after the financial crisis is to improve the quality of financial advice given to savers. Financial advice should take into account the individual position of each client in the life cycle, his risk aversion and his financial knowledge. The MIFID directive imposes stringent requirements in that area and several countries, such as France, extended these requirements to all products, including pension products and to all types of intermediaries, including independent financial advisors and insurance companies.

You will find some statistics in your file on pension funds and some individual pension products like the French PERP and PERCO or the German Riester scheme. For example 12 million German households subscribed to a Riester scheme, 2 millions people hold a PERP in France and the occupational PERCO is progressing rapidly. However, theses figures are still insufficient to meet the needs that will inevitably result from the financial problems that Pay-as-you-go schemes will face in the next years.

In order to convince more individuals to subscribe to pension products, it is necessary to provide the right advice to them. And one of the most debated issues is about annuitization products versus capital products.

Therefore we are very curious to know your findings in that area. Theo, we listen to you.