Korean Baby Boomer Study Finds Boomers

Optimistic About the Future But Unprepared for Retirement

- Lack of savings and risk avoidance lead to dissatisfaction with their current financial situation

Seoul, Korea. March 8, 2011 – The Seoul National University Institute on Aging, MetLife Mature Market Institute, and Gallup Korea jointly released today the most comprehensive study of Korean Baby Boomers ever undertaken.

Titled “Korean Baby Boomers in Transition,” the study, supported by the MetLife Korea Foundation, was begun in 2009 and focused on a sampling of 4,668 Korean Baby Boomers. The report contains findings that run counter to common ideas and the current dialogue about Korean Baby Boomers. Key findings include the following:

- As a group, Baby Boomers have an optimistic outlook when it comes to their future financial situation. However, their satisfaction with their current financial situation is not great (a score of 57.6 out of 100). Baby Boomers expect a better future than what they are experiencing today.

- Only about half of Baby Boomers are currently saving for retirement. The average amount of savings for retirement is 172,000 KRW ($154) per month. A large majority of Baby Boomers possess insurance products for retirement (8 out of 10) and 85% participated in the national pension and other public pensions systems, while 69% possess bank depository products to prepare for their retirement.

- Only 27% of the Baby Boomers have calculated their retirement income needs. Considering the fact that the oldest Korean Baby Boomer reached age 55 in 2010 and retirement can begin as early as age 55, this low retirement income needs calculation rate could indicate a serious national problem.

- As a group, Baby Boomers are risk avoiders. More than three-quarters of Baby Boomers report that they will take only minimum risks even though the return would be less desirable. Only about one-fifth said that they will take average risks to gain average returns.

- Among other findings:
About 42% of the Korean Baby Boomers report that they are happy, while only 6% report that they are unhappy.

Close to half of the Korean Baby Boomers (49%) are not aware that they belong to the "Baby Boomer" generation. Just over half report that being 50 bothered them, while 11% report that turning 50 is (or was) 'no big deal' to them.

Baby Boomer household assets consist mainly of real estate. The percentage of real estate assets is 82% while financial assets are only 15% of the total.

Prof. Gyeonghye Han of Seoul National University, said, “Given the heavy weight and importance of Korean Baby Boomers in the total population of Korea, it should not be overlooked that their issues go beyond their own quality of life and affect sustainability of the entire Korean society.”

The report points out that discussions about Korean Baby Boomers so far have tended to view them as a problem which causes a burden to society and, thus, focuses on difficulties in their life conditions and dismal future outlook. This report emphasizes that, as Korean Baby Boomers are expected to face aging and mass retirement soon, we need to take more positive approach and shift the focus of discussions towards what efforts are needed for the future.

In this regard, this report suggests the following:

- The market and policy makers need to take note of the diversity within the Korean Baby Boomer group and pay attention to the fact that this diversity may lead to inequalities in many aspects of life. According to findings of the study, Korean Baby Boomers’ life aspects such as family life, career paths, values, life styles and health conditions are very different depending upon their class status such as age, gender and education level.

- We need to track the changes in lives of Korean Baby Boomers who are in a transition from the middle age to the old age. As the aspects and quality of their retired life would become different depending upon how they prepare for their future life, a scenario should be developed to guide Korean Baby Boomers - a generation in rapid socio-cultural transition - which tells us what a retired life should look like and what should be prepared for the retired life.

- As the burdens of Korean Baby Boomers as the “sandwiched generation” are expected to realize soon, we need to develop ways to ease their burden of providing care to both parents and children. We need to actively consider developing policies where the caregiving function is shared among three parties – the family, the state and the corporation – and building and expanding related services and markets.
We need to develop a new plan for retired life of Korean Baby Boomers. Current discussions about retirement by Korean Baby Boomers are excessively focused on financial preparations. We need to develop a new paradigm which covers all aspects of life including family, financial and physical and mental health matters such as how to live after retirement and what preparations should be made for retired life. In this regard, cooperation between three parties is important where individuals make personal preparations for their retired life, corporations provide programs to help individuals adapt smoothly to retired life, and the state develops appropriate policies.

Dr. John Migliaccio, a director at the MetLife Mature Market Institute, said, “We are pleased to have played a part in this important study. Korea is a very important market for MetLife. We will make continued efforts to enhance discussions aimed at helping solve many issues associated with aging and retirement by Korean Baby Boomers.”

The Seoul National University Institute on Aging and MetLife Mature Market Institute will hold a symposium today to discuss findings of the study. Hundreds of participants are expected to attend, including officials from the Ministry of Health and Welfare of Korea, key scholars and business leaders, and Korean experts on Baby Boomer studies and demographics. A copy of the study is also available on www.maturemarketinstitute.com.

About the MetLife Mature Market Institute
The MetLife Mature Market Institute is MetLife’s center of expertise in aging, longevity, and the generations and is a recognized thought leader by business, the media, opinion leaders, and the public. The Institute’s groundbreaking research, insights, strategic partnerships, and consumer education expand the knowledge and choices for those in, approaching, or working with the 40+ market.

The Institute supports MetLife’s long-standing commitment to identifying emerging issues and innovative solutions for the challenges of life. MetLife, Inc. is a leading global provider of insurance, annuities, and employee benefit programs, serving 90 million customers in over 60 countries. Through its subsidiaries and affiliates, MetLife holds leading market positions in the United States, Japan, Latin America, Asia Pacific, Europe, and the Middle East. For more information, please visit: www.maturemarketinstitute.com

About Seoul National University Institute on Aging
The multidisciplinary Institute has been established in Seoul National University at 2006 in order to develop the programs and the strategies for the coming aged societies by participation of experts from colleges of Natural Sciences, Social Sciences, Human Ecology, Agricultural Sciences, Engineering Sciences, Medicine, Dental Science and Public Health. The Institute has been evolved from the Aging and Physical Culture Institute of Medical School, which has been
designated as the WHO Collaborating Center of Physical Culture and Aging Research for Health Promotion by WHO. And also the Institute has been designated as the Aging and Apoptosis Research Center by the Ministry of Education, Science and Engineering. The Institute has collaborated with many organizations by contracting Memorandum of Understanding, MOU with a purpose to encourage the communities, research centers such as Kwang Ju, Chollanamdo, Chejudo, Sunchang Gun, GuGokSunDam communities, Korea Basic Research Center, Seoul National University BunDang Hospital, National Sorokdo Hospital, Nagasaki University and Chicago University, etc. For further information, please visit: http://ioa.snu.ac.kr

Contacts:

MetLife Korea: Daejong Kim, Manager, (02) 3469-9868 / 010-2093-1702, ultrabell@metlife.co.kr

MetLife Mature Market Institute : Christina Tso, 212-578-4946, ctso@metlife.com

Seoul National University: Prof. Gyeonghye Han, 010-8386-1970, ghhan1970@naver.com

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