EXPLORING
THE ECONOMIC ASPECTS OF
AGING
SOCIETIES
The Munich Center for the Economics of Aging (MEA) is one department of the Max Planck Institute for Social Law and Social Policy. The mission of MEA shall be to analyze, evaluate, anticipate and accompany the micro- and macroeconomic aspects of demographic change. MEA’s core task shall be to develop empirical models based on German, European and global data, to a significant extent collected by MEA itself. In addition to predicting future developments, these models shall be used to analyze policy measures that affect economic and social developments precipitated by population aging. The projections resulting from MEA’s models shall enable MEA to deliver sound scientific advice for economic and social policy.
DEMOGRAPHIC CHANGE
Demographic change is one of the grand challenges of the 21st century. The economic and political systems of our societies, the international economy, and the international migration system are being affected. The demographic change is one of the grand challenges of the 21st century. The sheer size of the upcoming demographic change is historically without precedent. International migration is another demographic phenomenon that is growing in scope, impact and complexity. The implications for our social systems (public and private pensions, health care, long-term care, and family leave) have been discussed many times in recent decades. Examples are the re-introduction of early retirement schemes (public and private pensions, health care, long-term care, and family leave) and the implementation of overlapping generation models on the macroeconomic level, simulation models of the dynamics of pay-as-you-go pension systems, and microeconomic models of economic, health and social behavior. The main objectives for these models are analyses of structural failures and their micro- and macroeconomic consequences.

LABOR MARKET INTEGRATION AGAINST THE BACKGROUND OF AGEING SOCIETY
Another emerging discussion that keeps scientists and politicians in Europe busy is whether the increasing migration towards European countries (at least partially) compensates the challenges of demographic aging. While the inflow of refugees, economically motivated migration and family reunification are expected to increase, there is virtually no information on education, skills and ambitions especially of the latest inflow of refugees from Syria and North Africa to Europe. MEA is interested in investigating the aspects of the new migration wave, the refugees’ motives and intentions to stay in European countries and especially the process of their labor market integration. The objective is to estimate the short, medium- and long-term impacts of the current migration wave on the social systems for the social systems and whether the influx of predominantly young migrants attenuates or even intensifies the challenges of aging workforces.

STRUCTURAL, SOCIAL AND LABOR MARKET CHALLENGES
MEA’s research focus on structural challenges has numerous important angles and applications, particularly for decision-makers at the macroeconomic level, simulation models of the dynamics of pay-as-you-go pension systems, and microeconomic models of economic, health and social behavior. The main objectives for these models are analyses of structural failures and their micro- and macroeconomic consequences.

While the work at MEA is primarily targeted at scientific research, it is also included in discussions which evaluate its research results to the policy community. The academic work of the Center for Economic Cooperation and Development (OECD) and the World Bank.

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The Max Planck Institute for Demographic Research is an independent research organization of the Max Planck Society. It is situated in Rostock, Germany. The Institute was founded in 1992 and is named after demographic research. The main objective of the Institute is to provide empirical evidence for policy-making and societal debates. The Max Planck Institute for Demographic Research is an independent research organization of the Max Planck Society. It is situated in Rostock, Germany. The Institute was founded in 1992 and is named after demographic research. The main objective of the Institute is to provide empirical evidence for policy-making and societal debates.
OLD-AGE PROVISION AND SOCIAL POLICY

Among MEA’s three analytical research units, the “Old-Age Provision and Social Policy” unit is the closest to actual policy, especially public pension policy in Germany. While it includes international comparisons, the main work is on the reform process towards a demographic transition. One area that allows the research unit to study the development of the German public pension system is the available data on SHARE as well as a large administrative data set that have become available in Germany in recent years. The unit focuses on the German public pension system and its recent backlashes in Germany. A detailed simulation model is used as a tool to model the German public pension system (MEA-PENSIM) and the effects of, e.g., the introduction of early retirement at age 63 in Germany. The unit also exploits the SHARE panel to study the development of the occupational pensions’ individuals’ accounts’ profiles, especially the “Riester pensions” (the heavily subsidized individual accounts), with a focus on tax incentives, nudging mechanisms and the provision of financial information.

In its international work, researchers exploit the SHARE data to study retirement behavior, especially the interaction between work and health, partially in collaboration with several projects under the auspices of the National Bureau of Economic Research (NBER). In its economic simulation research, the unit studies the advantages and shortcomings of the option value model, whose residuals have shown so much prominence in analyzing policy reforms. The unit uses SHARE data as well as a large administrative data set that have become available in Germany in recent years. The unit focuses on the German public pension system and its recent backlashes in Germany. A detailed simulation model is used as a tool to model the German public pension system (MEA-PENSIM) and the effects of, e.g., the introduction of early retirement at age 63 in Germany. The unit also exploits the SHARE panel to study the development of the occupational pensions’ individuals’ accounts’ profiles, especially the “Riester pensions” (the heavily subsidized individual accounts), with a focus on tax incentives, nudging mechanisms and the provision of financial information.

The unit for Old-Age Provision and Social Policy is also the German participant in the International Social Security Project (ISSP) led by David Wise (and formerly Börsch-Supan and Jürges 2012 and Jürges et al. 2014). These studies produced a large media echo, especially the study on the new early retirement option at age 63 during the 1990s (Börsch-Supan et al. 2012). The unit studied the tax incentive of early retirement at age 63, and the extent to which smokers forgo pensions in response to population aging.

PUBLIC POLICY CONSULTING

MEA’s Social Policy unit has been an important contributor to ongoing pension reforms in Germany. The unit has provided a large media echo, especially the study on the new early retirement option at age 63 during the 1990s (Börsch-Supan et al. 2012). The unit studied the tax incentive of early retirement at age 63, and the extent to which smokers forgo pensions in response to population aging.

MEA-PENSIM – A UNIQUE SIMULATION MODEL

Researchers developed the pension policy evaluation tool in 2005 with the name MEA-PENSIM model. This has become a unique tool that allows the simulation of the development of the German public pension system. The main feature is a flexible modeling of the current and alternative institutional environments, e.g., early retirement rules and indexation formulae with respect to wages, employment and demographic changes. The unit takes account into the current population structure and allows the modeling of different future demographic and labor market scenarios. Despite the complexity of the model, it is easy to handle so that reform options can be implemented and their consequences can be analyzed at short notice. Recent working papers are related to the 2010/2011 pension reform package that re-introduced early retirement at age 63 (Börsch-Supan et al. 2012a and Börsch-Supan et al. 2016) and more generous pension benefits for mothers (Bach et al. 2014).

Even though the main task of MEA-PENSIM is the pension simulation, additional modules exist for the gradual transformation of the future development of the public health and care insurance systems since 2014 (Reauch and Gasche 2016).

RESEARCH OUTLOOK

WELL EQUIPPED FOR THE BABY BOOMERS

The Social Policy unit is well equipped to model pension reforms. The research unit is especially interested in investigating the effects of, to what extent flexible retirement policies, which allow older workers to retire gradually, are successful in extending their working lives.

INTERNATIONAL COMPARISON

Notwithstanding MEA’s specific role in Germany, the research unit is interested in using these data for analysis of, in particular, the SHARE data set that has been available in Germany in recent years. The unit is especially interested in using these data for analysis of, in particular, the SHARE data set that has been available in Germany in recent years. The unit focuses on the German public pension system and its recent backlashes in Germany. A detailed simulation model is used as a tool to model the German public pension system (MEA-PENSIM) and the effects of, e.g., the introduction of early retirement at age 63 in Germany. The unit also exploits the SHARE panel to study the development of the occupational pensions’ individuals’ accounts’ profiles, especially the “Riester pensions” (the heavily subsidized individual accounts), with a focus on tax incentives, nudging mechanisms and the provision of financial information.

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LINKING SURVEY DATA AND ADMINISTRATIVE DATA

A third aim for this research unit is to exploit the combination of a survey and an administrative data set that has become available in Germany in recent years. We are especially interested in using these data for analysis of, in particular, the SHARE data set that has been available in Germany in recent years. The unit focuses on the German public pension system and its recent backlashes in Germany. A detailed simulation model is used as a tool to model the German public pension system (MEA-PENSIM) and the effects of, e.g., the introduction of early retirement at age 63 in Germany. The unit also exploits the SHARE panel to study the development of the occupational pensions’ individuals’ accounts’ profiles, especially the “Riester pensions” (the heavily subsidized individual accounts), with a focus on tax incentives, nudging mechanisms and the provision of financial information.

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The research unit “Macro Implications of Demographic Change” focuses on studying the empirical implications of demographic change and on the research on the relevant micro relations, e.g. how does the productivity of the growing number of older workers develop? A recently added field of research is on the selectivity of the current migration to Western Europe with respect to labor market relevant skills. In the first field, the unit constructs dynamic macro-economic models that project the overall economic implications of demographic change for labor, capital and goods markets and the microeconomic foundations for “leading” these macro-economic models, namely saving, employment and public pension systems which rest on data collection efforts and analytical research. The work centers on the consequences of demographic change for growth, capital accumulation and returns on investment, international capital movements and the long-run development of work horses are variants of overlapping generation models which are calibrated to historical data of the European Union and Italy with their strong variation in demography. MEA’s CGE model of aging economies combines a detailed model of retirement and pensions and their demographic implications for savings and growth in an international setting of free trade and capital flows which is so im- portant that we consider them as an exogenous factor. The main aim of the model based on overlapping generations (OLG) include a labor supply function that is parti- cularly exogenous (e.g. via a stiffening of early retire- ment periods) and permanent endogeneity (e.g. allowing workers to partially circumstance such stiffened retire- ment). This feature permits an estimate of the expected be- havioral backslash to pension reform (Blösch-Ludwig and 2013; Blösch-Ludwig et al. 2014).

AGE AND PRODUCTIVITY IN MANUFACTURING

We studied the relation between workers’ age and their productivity in work teams, based on a unique high-frequency process generated data that com- bines “Big Data” on errors occurring in the produc- tion process of a large car manufacturer with de- tailed information on the personal characteristics of workers related to the errors (see also chapter Re- search Infrastructures, Age and Productivity). Even with correction for non-random sample selection the potential endogeneity of the age-composition in work teams the results suggest that productivity in manufacturing does not decline at least up to age 80 (Blösch-Supan and Weitz 2013).

RESEARCH OUTPUT

MEAS COMPUTATIONAL GENERAL EQUILIBRIUM (CGE) MODEL OF AGING ECONOMIES

MEA’s CGE model of aging economies combines a wide range of variables to be considered here: Individual characteristics like team size, work load; more global factors like weather rage job tenure, fluctuation within work teams the results suggest that productivity in manufacturing does not continue to improve further but rather plateaus as workers’ age increases. This is consistent with the findings of recent studies that the relationship between age and productivity is more complex than previously thought. Work teams the results suggest that productivity in manufacturing does not decline at least up to age 80 (Blösch-Supan and Weitz 2013).

UNDERSTANDING LONG RUN GROWTH OF AGING ECONOMIES

One research area is the further development of the models. In contrast to previous demand and productivity studies the main focus will be on (a) an even more refined labor supply model in order to endogenize the retirement decision in a complex institutional environment, and (b) to include health and education choices into the OLG model in a way that can be linked with the life history data that is obtained in SHARE Wave 7. The key idea is to feed life-course data from SHARE in order to calibrate such a multi-state OLG model. We thus model the long-run growth of aging economies as a function of the trade-off between in- ven tories into the younger generation and benefits for the older generation.

EXPLORING PRODUCTIVITY EFFECTS IN DEPTH IN THE SERVICES

In the first field, the unit constructs dynamic macro-economic models that project the overall economic implications of demographic change for labor, capital and goods markets and the microeconomic foundations for “leading” these macro-economic models, namely saving, employment and public pension systems which rest on data collection efforts and analytical research. The work centers on the consequences of demographic change for growth, capital accumulation and returns on investment, international capital movements and the long-run development of work horses are variants of overlapping generation models which are calibrated to historical data of the European Union and Italy with their strong variation in demography.

REFERENCES

The focus of this Research unit is on applying state-of-the-art statistical and econometric methods to applied questions with focus on health economics and insurance. In most of the work, the researchers combine empirical questions with theoretical contributions in some of novel identification strategies or advances in econometric modeling.

Analyzing Germany’s Health Care Reform

Using a unique identification strategy, we analyzed the 2004 health care reform in Germany (Farbmacher and Winter 2013). When health insurance reforms involve non-linear price schedules tied to payment periods (for example, fees levied by quarter or year), the empirical analysis of its effects has to take the within-period time structure of incentives into account. The analysis is even more complicated when demand data are obtained from a survey in which the reporting period does not coincide with the payment period. We illustrate these issues using a health care reform in Germany as an example which imposed a per-quarter fee of 10 € for doctor visits and additionally an out-of-pocket maximum. As opposed to less sophisticated evaluation studies, we find a substantial reform effect – especially so for young adults. Moreover, nonlinear price schedules potentially have heterogeneous effects on health care demand (Farbmacher et al. 2013).

Testing Asymmetric Information in Insurance Markets

A new nonparametric test for asymmetric information using only the information that is available to the insurance company. With regard to insurance, there is an advance in econometric methods and statistics that is well-established in biostatistics. Methods are needed for feature selection, a field which continues their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM). High-dimensional statistical methods are relevant for the SHARE project, e.g. in the analysis of genetic information, high-dimensional methods (“Big Data”) and continue their efforts in the field of generalized method of moments (GMM).
SHARE is a major investment into a research infrastructure by MEA. It makes MEA very different from other Max Planck Institutes in the Humanities and Social Sciences Section. The central management of this multidisciplinary and cross-national panel database of micro data on health, socio-economic status and social and family networks is located at MEA in Munich. Four units are responsible for the Database Management, the Survey Methodology, the Operations and the Research Projects of SHARE. They are supplemented by the Financial Affairs unit and the European Relations unit, the tasks of which are the administration and communication of the survey. For more than 10 years, SHARE is a pillar of the European Research Area. In March 2011, it was given a new legal status by the European Commission as the first European Research Infrastructure Consortium (ERIC) ever.

SHARE is harmonized with the US Health and Retirement Study (HRS) and the English Longitudinal Study of Ageing (ELSA) and has become a role model for several aging surveys worldwide. Similar to the USA’s HRS, SHARE’s objective is to document and better understand the repercussions of demographic aging for individuals and society as a whole, and to focus on sound scientific basis for countermeasures adopted by health and social policy. SHARE uses strictly harmonized methods to collect data on health, economic status and social integration of persons aged 50 and older in more than 20 European countries and Israel with a large sample of some 123,000 individuals including Wave 1 to 6. The focus is on the interdependencies of these characteristics. SHARE is based on (a) an extensive thematic and multidisciplinary scope with measurements that are as objective as possible, (b) longitudinality and (c) strict cross-national comparability with ex-ante harmonized survey tools and methods. This set-up enables users in the worldwide research community to perform comparative analyses of the causes for, and the effects of, social, economic and health-related developments in the course of demographic change on an international scale.

Measured by user uptake, published scientific articles and policy reports, SHARE has been a huge success (see Börsch-Supan et al. 2013a). SHARE has succeeded surprisingly fast to create a large user community. Our expectations of the number of users, based on related surveys in the US and UK, have been surpassed by far. SHARE has more than 5,000 registered users (December 2015) from all over the world and from a broad range of organizations and disciplines. The SHARE data are currently used in 63 countries (31 European, 4 North and Central American, 5 South American, 5 African, 16 Asian and 2 Oceanian). The largest user group is located in Germany, followed by the United States as second largest user group. It is remarkable that two non-SHARE countries (US and UK) are among the heaviest user nations of the SHARE data. 80.6% of users are affiliated to a university, 7.3% to non-university research institutes and 12% to other institutions, among them the European Commission as single-largest user and several central banks.

SHARE has led to a large number of fundamental and application-oriented research results and generated more than 1,200 publications (December 2015). It has furthermore revealed some surprising findings, which have received widespread attention. The following examples may show the breadth and quality of how we age in Europe.
MORTALITY AND MORBIDITY

These previous observations have inspired the re- search on health and economic outcomes for much of their work. They also pose new fundamental questions, e.g. about the economic, social and moral causes that lead to an increase in mortality between migrants, especially those from low-income countries, but do not clear negative association between depression and mortality (Mazzonna 2014), and, maybe surprisingly, there are cross-country differences in education levels—differences between cognitive impairment rates are slow processes affecting cohorts differently, the international organization underlying SHARE (i.e. SHARE-ERIC) that is managed by MEA is currently set for further waves until 2024. Moreover, since the typical self-reported health measures are not only reflecting genuine health differences but also cross-national differences in response styles, an important desideratum for future research are objective health measures. SHARE has therefore pioneered, as a large international social survey, the collection of dried blood spot samples (DBSS).

LIFE TIME EVENTS AFFECT LATER LIFE

The SHARE data have provided evidence on the long-term effects of recessions and financial hardship episodes, especially if experienced at school-leaving age, on both economic outcomes, SHARE-ERIC which is managed by MEA) is currently set for further waves until 2024. Moreover, since the typical self-reported health measures are not only reflecting genuine health differences but also cross-national differences in response styles, an important desideratum for future research are objective health measures. SHARE has therefore pioneered, as a large international social survey, the collection of dried blood spot samples (DBSS).

The blood samples will be analysed for blood parameters related to diseases that occur typically from on- wards the mid-life of the study (such as cardiovascular diseases) and conditions which are influenced by lifestyle and environmental factors (such as diabetes). These blood samples contain objective health measures which can help to shed some light on the mecha- nisms that relate socio-economic factors to mor- tality and the type of occupation as possible mechanisms which we will be able to observe in the ongoing data collection window varies from about 16% in Denmark to about 3% in Greece. Rather, they are almost com- pletely explained by the different rules and regulations of the various disability insurance schemes in the mem- ber states and document how powerful economic incentives are for reporting cross-national variation in life expectancy, which has increased at the aftermath of the economic crisis, especially in Southern and Eastern Europe. Another is age discrimination, which, while proscribed by European law, is still embedded in many national regulations and in everyday life. Furthermore, bad health leads to reduced social ac- tivities and, thereby, to cognitive decline and depres- sion—a vicious cycle that can only be broken by early intervention.

But also large migratory flows are directly related to the social inclusion debate. They are seen as a poten- tial threat to the social fabric, both in the short- and in the long run—due to lack of economic and social integration. SHARE provides good data including a broad and comprehensive set of measures of so- cial inclusion to enhance further research in this area. Social cohesion, measured in SHARE, have started their research on these topics and pub- lished their first results (Börsch-Supan et al. 2015).

SURVEY METHODOLOGY PIONEER SHARE has also enhanced the state-of-the-art in survey methodology by introducing the most salient in- dicators on health, family, social conditions, work, ac- commodation and economic factors in a reasonable amount of time and in a harmonized fashion across more than 20 participating countries with more than 30 languages (including Arabic, Hebrew and Rus- sian) to form a highly ambitious enterprise. SHARE’s main achievement is the development of a series of electronic tools which harness the potentially centrifugal forces of cross-cultural cooperation in the survey process, starting with designing the instrument, translating and updating it, controlling the integrity of the samp- le, aiding the personal interviews, to managing the data base. In addition, we have conducted several tender processes to better understand response behavior and integrated their results in the electronic sample management system. We have validated the survey data with record-linked administrative data, and we have provided SHARE data to researchers in a wide range of disciplines, e.g. researchers on social and health conditions, family life, migration policies, and cognitive development.

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can largely eliminate cultural biases in cross-national health status of the respondents, we are able to addressed. Thus having objective information about the prevalent illnesses, such as diabetes, that are survey adding a new dimension of objective health was to integrate the collection of dried blood spot change proceeds:

addresses the most urgent issues as demographic and parental socio-economic status. This feature is important in the light of the large expected increase in the prevalence of Morbus Alzheimer and similar


• Brandt, Martina; Hank, Karsten; Jürges, Hendrik; Schaan, Barbara; Schurer, Christoph; Stuck, Stephanie; Zuber, Sabrina (2011): Glimpsing the long-term consequences of involuntary job loss for the Economics of Aging (MEA).


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The SAVE data reveal a shocking lack of information. To a multi-pillar system with a supplementary mix of public and private contracts rather than discretionary saving decisions, households are encouraged to build up assets in long-term saving behavior in an institutional environment which encourages time-smoothing paradigm, an own data collection effort by MEA concerned the many causes of low financial literacy are less likely to own risky assets, fewer of them report financial losses. The reason behind the termination of Riester contracts. TheSAVE data show that in about one third of the cases money-saving or mix-sold products were the only causes for terminating or not serving Riester contracts. Lamla and Coppola (2013) link wave 2011 data with administrative data from the German Federal Employment Agency to create an employer-employee data set. They find that only about half of the workers are aware that their employer has to provide an occupational pension to them. The interaction between lack of knowledge and therefore misleading incentives is particularly strong in the lower income classes. Lamla and Geishe (2013) show that 38% of the households expect to rely on survivors' benefits and social assistance in old age which would cast back savings accumulated in Riester accounts. The actual share, however, is less than 2%, and more than half of those households already have accumulated sufficient public pension claims to place them above the threshold of the means test. Bucher-Koenen and Kluh (2012) use the SAVE information on subjective life expectancy to find that women and men underestimate their life expectancy by about 7 and 6.5 years, respectively, again leading to lower saving rates. More generally, Germany is no exception among the many countries with low financial literacy (Bucher-Koenen and Lusardi 2011; Bucher-Koenen 2011). Bucher-Koenen and Lamla (2013; in particular, women, East Germany, those who work in education, the unemployed and persons with low income) display low levels of financial literacy. The SAVE data show that less than a quarter of Germans below age 65 attempted to find out how much they needed to save to cover the pension gap created by the recent pension reforms. More generally, Germany is no exception among the many countries with low financial literacy (Bucher-Koenen and Lamla 2011; Bucher-Koenen 2011). Bucher-Koenen and Lamla (2013; in particular, women, East Germany, those who work in education, the unemployed and persons with low income) display low levels of financial literacy. The SAVE data show that less than a quarter of Germans below age 65 attempted to find out how much they needed to save to cover the pension gap created by the recent pension reforms. TheSAVE panel also offers an observatory of the retirement planning. Bucher-Koenen and Lusardi (2011) and Coppola (2014) show that a large share of the population does not understand the incentives provided by the Riester scheme. Especially low-income households are ignorant of their eligibility for subsidies under the Riester scheme. In a similar context, Ziegelmeyer and Nick (2013) analyze the reasons behind the termination of Riester contracts. The SAVE data show that in about one third of the cases money-saving or mix-sold products were the only causes for terminating or not serving Riester contracts. Lamla and Coppola (2013) link wave 2011 SAVE data with administrative data from the German Federal Employment Agency to create an employer-employee data set. They find that only about half of the workers are aware that their employer has to provide an occupational pension to them. The interaction between lack of knowledge and therefore misleading incentives is particularly strong in the lower income classes. Lamla and Geishe (2013) show that 38% of the households expect to rely on survivors' benefits and social assistance in old age which would cast back savings accumulated in Riester accounts. The actual share, however, is less than 2%, and more than half of those households already have accumulated sufficient public pension claims to place them above the threshold of the means test. Bucher-Koenen and Kluh (2012) use the SAVE information on subjective life expectancy to find that women and men underestimate their life expectancy by about 7 and 6.5 years, respectively, again leading to lower saving rates. More generally, Germany is no exception among the many countries with low financial literacy (Bucher-Koenen and Lusardi 2011; Bucher-Koenen 2011). Bucher-Koenen and Lamla (2013; in particular, women, East Germany, those who work in education, the unemployed and persons with low income) display low levels of financial literacy. The SAVE data show that less than a quarter of Germans below age 65 attempted to find out how much they needed to save to cover the pension gap created by the recent pension reforms.
Since it was launched 15 years ago in Mannheim, MEA has become well established as a nationally and internationally renowned competence center for issues relating to population aging from the perspective of economics and economic policy. This has given rise to numerous inquiries for scientific advice on policy matters in Germany (member and chair of the Special Senate Committee on Aging, the European Commission’s Directorate-General for Economic and Financial Affairs (DG ECFIN) has endorsed by an aging society.”

The policy of the European Commission’s Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) on active aging, highlighted during the European Year of Active Ageing and Solidarity between Generations, is based on many findings from SHARE. Its report on Employment and Social Cohesion for the U.S. Economy”, installed by the U.S. Senate Finance of the Republic of France, the Ministry of Finance of the Republic of Italy, the Ministry of Finance of the United States, the Ministry of Economic Affairs; advisory support to the Federal Secretary for Health and Human Resources, the U.S. Commission, the OECD and the World Bank, among others.

SHARE RESEARCH

Many of the SHARE findings have strong policy implications, some of them controversial, such as tighter targeting rules for disability insurance or a stricter handling of early retirement pathways. SHARE has been successful in providing help for evidence-based policy making, both at the European Union and the member-state level. SHARE is also intensely used by the OECD and the World Health Organization (WHO).

Three examples on the EU level may illustrate this: The European Commission’s Directorate-General for Economic and Financial Affairs (DG ECFIN) uses SHARE data to add detail for its long-term projections of pension and health care expenditures. Such detailed data include health services utilization, morbidity by age and years before death and retirement propensities by age and health.

The European Commission’s Directorate-General for Health and Food Safety (DG SANTE) uses SHARE for its set of indicators, including the demographic and socio-economic situation (e.g. income inequality), health status (e.g. cancer incidence), health determinants (e.g. consumption of fruit) and health services (e.g. insurance coverage). SHARE was also used to compute health-adjusted life expectancies in Europe.

The computational general equilibrium models of the European Commission’s Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) on active aging, highlighted during the European Year of Active Aging and Solidarity between Generations, is based on many findings from SHARE. Its report on Employment and Social Cohesion for the U.S. Economy”, installed by the U.S. Senate Finance of the Republic of France, the Ministry of Finance of the Republic of Italy, the Ministry of Finance of the United States, the Ministry of Economic Affairs; advisory support to the Federal Secretary for Health and Human Resources, the U.S. Commission, the OECD and the World Bank, among others.

SUPPORTING EVIDENCE BASED POLICY MAKING

All MEA Research units provided input to Axel Börsch-Supan as a member of the Expert Council on Demography ("Expertengruppe Demographie"), instituted by the German Federal Government. This body meets regularly as an advisory board to the Federal Ministry of Health and Social Affairs, and of the Interior, ad- visory support to the Minister of Economics and Fi-

The computational general equilibrium models of the European Commission’s Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) on active aging, highlighted during the European Year of Active Aging and Solidarity between Generations, is based on many findings from SHARE. Its report on Employment and Social Cohesion for the U.S. Economy”, installed by the U.S. Senate Finance of the Republic of France, the Ministry of Finance of the Republic of Italy, the Ministry of Finance of the United States, the Ministry of Economic Affairs; advisory support to the Federal Secretary for Health and Human Resources, the U.S. Commission, the OECD and the World Bank, among others.

Since it was launched 15 years ago in Mannheim, MEA has become well established as a nationally and internationally renowned competence center for issues relating to population aging from the perspective of economics and economic policy. This has given rise to numerous inquiries for scientific advice on policy matters in Germany (member and chair of the Special Senate Committee on Aging, the European Commission’s Directorate-General for Economic and Financial Affairs (DG ECFIN) has endorsed by an aging society.”

The policy of the European Commission’s Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) on active aging, highlighted during the European Year of Active Aging and Solidarity between Generations, is based on many findings from SHARE. Its report on Employment and Social Cohesion for the U.S. Economy”, installed by the U.S. Senate Finance of the Republic of France, the Ministry of Finance of the Republic of Italy, the Ministry of Finance of the United States, the Ministry of Economic Affairs; advisory support to the Federal Secretary for Health and Human Resources, the U.S. Commission, the OECD and the World Bank, among others.

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