



Annual report 2005

# Netspar





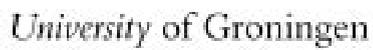




**Netspar**

# **Annual report 2005**

**April 2005 – April 2006**



Ministerie van Onderwijs,  
Cultuur en Wetenschap



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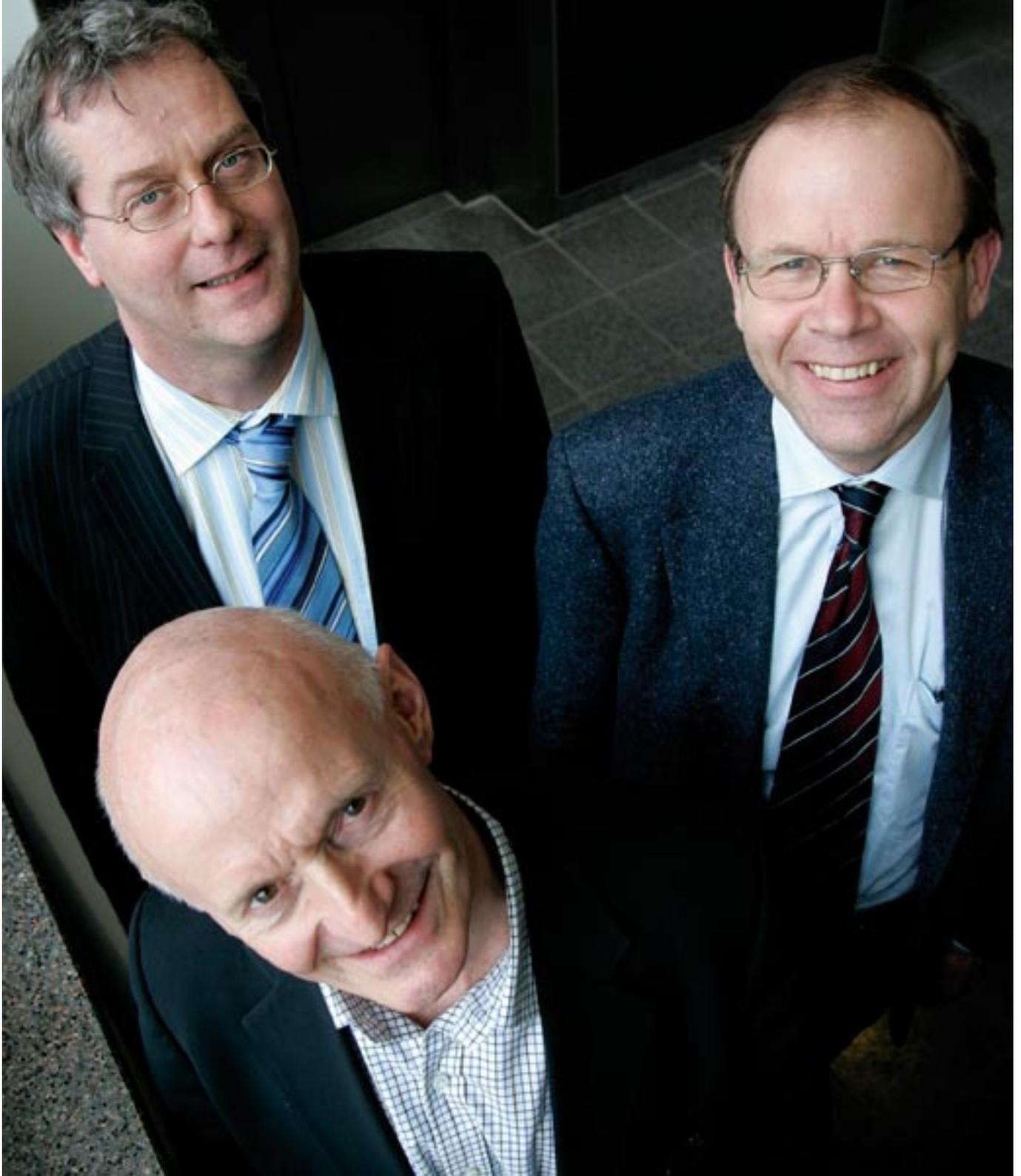
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Netspar's first year of existence has been exciting. The inaugural event, on 30 March 2005, was a conference attended by economists and pension experts from throughout the country. The conference featured a stellar line-up including Jim Poterba, from the Massachusetts Institute of Technology (MIT), and the Dutch Prime Minister and chairman of the Dutch Innovation Platform, Jan Peter Balkenende, who delivered the keynote address. Netspar thus hit the ground running, and has established itself as the right initiative at the right time, now that the Dutch pension and insurance sectors face several important challenges.

### **Three pillars**

In its first year Netspar organized a range of activities that combined the organization's three basic tenets (pillars): fundamental research, education and the exchange of knowledge between academic and non-academic partners.

#### *Fundamental research*

Netspar has established three research programs aimed at examining the micro-, meso- and macro aspects of pensions and the aging of society. Three teams of core researchers were created. In total, some sixty senior and junior researchers have been involved in research projects ranging from the determinants of early retirement to analyses of the solvency rules imposed by the new framework for the supervision of pension funds (FTK), and from optimal asset allocation and risk sharing over the life cycle to intergenerational solidarity. Researchers presented their research plans and first research results at tri-weekly Pension Days in Tilburg.

In addition, Netspar has been instrumental in establishing cooperation between the Statistics Netherlands (CBS) and Netspar partners to improve the data infrastructure that is required for analyzing individual behavior in relation to retirement and retirement provisions.

#### *Education*

Human capital occupies center stage in Netspar's education program, which comprises its second basic pillar. In particular, Netspar accumulates human capital by educating young students in a new master's (MSc) program on the economics and finance of aging. An important landmark was the NVAO (Netherlands-Flanders Accreditation Organization) accreditation of the MSc program in November 2005.

#### *Knowledge exchange*

One of Netspar's primary roles is to facilitate the exchange of information between the academic community and our non-academic partners. During our first year, this was accomplished in a variety of ways, including workshops, pension days and conferences—some of which were organized in cooperation with or hosted by Netspar's corporate partners. These events brought together some of the leading researchers and practitioners in the field of pensions and aging.

#### **Public recognition**

Among its accolades, Netspar was recognized in 2005 by the Innovation Platform as an important catalyst for innovation (in the 'emerging key area' of pensions and social insurance) and by the Minister of Education, Culture and Science as a Societal Top Institute (Maatschappelijk Topinstituut, MTI, in Dutch).

#### **Moving forward**

As we go forward, Netspar will confront increasing challenges. Large focused-research projects will be initiated in April 2006, and the new master's program will begin in September 2006.

This annual report provides a wealth of information on Netspar's activities upto April 2006 as well as plans for the future. I hope that you enjoy reading this report as much as I have enjoyed participating in Netspar's first year of activities.

*Theo Nijman*

*Chairman, Board of Scientific Directors*

Photo left page: scientific directors Theo Nijman (left), Lans Bovenberg (right) and Arie Kapteyn (front)



Name **Guus Wouters**  
 Position **Managing Director Pensions, Interpolis**  
 Netsparlink **Member Advisory Board**

***“ Only a true free-market economy can raise enough income to create and sustain a healthy pension system ”***

*Most inspiring country regarding pensions*

'I'm much inspired by several countries in Eastern Europe; they've yet to develop their pension system – which is practically non-existent in Poland, the Czech Republic, Slovakia and Romania. They can still choose between systems that rely on taxing the young (similar to the system in Germany and France) or those (like our Dutch system) that rely on raised capital funds, which are much more durable and less dependent on the economic situation. So, for me the Eastern European countries provide a host of opportunities to make our solutions to pensions a lot more common throughout Europe, thereby strengthening the position of our system.'

*Netspar*

'... provides our organization with the most needed results of fundamental scientific research. There's no other institution that has devoted itself solely to explore the world of pensions.'

*Partners*

'... should use Netspar's advice to increase their own expertise on pensions. Since Netspar's knowledge on pensions is second to none, it would be a bit awkward not to make use of it.'

*Solidarity and a free market for pensions: in equilibrium?*

'A truly free market can be driven by ambitious folks, but even they need a resting point somewhere down the line and will seek to secure a base that will stay there no matter what: their pension. On the other hand, only a true free-market economy can raise enough income to create and sustain a healthy pension system.'

*When I can no longer look after myself, I will*

'... install myself on a pensionada beach in Florida, with the assistance of my children (they 're free to spend their holidays there if they wish).'





## Netspar's mission

*Netspar serves as a bridge between social sciences and the financial services sector...*

One of Netspar's goals is to stimulate social innovation in the Netherlands. Whereas the innovation debate often focuses on technological innovation and the need for closer networking between industry and the technical sciences, Netspar links the social sciences to the service sector – the financial sector and the public sector, in this case. Indeed, innovation is no mere technical matter, and should be seen in a broader social context. Various developments, such as aging, the feminization of work and the spread of information technology, call for changes in the way societies are organized. This social innovation aims at maintaining durable social protection for the elderly, while at the same time protecting and enhancing the talents of people and sharing risks efficiently.

Pensions, aging and retirement are of considerable societal and business interest, and also offer exciting research opportunities. In these areas, a strong network between the government, the financial services sector, and universities and other knowledge institutes can therefore add value.

*...between universities and disciplines...*

Netspar builds bridges not only between academia and the financial services sector, but also within academia. It brings together researchers from disparate areas to share their expertise. Fundamental research is an international affair in which ever-increasing competition calls for specialization and focus. Netspar encourages researchers from various disciplines to work together in a single subject area in order to improve quality and generate excitement about their research. These disciplines include economics and econometrics as well as sociology and psychology. Indeed, economists increasingly recognize that their traditional model of rational and self-interested individuals needs amendments from sociology and psychology. Moreover, social norms play a key role in determining intergenerational solidarity and retirement- and savings decisions.

*...and within the financial services- and pension sectors*

All three 'pillars' of the Dutch pension system – the government providing the basic pension, pension funds providing occupational pensions and insurance companies selling individual products – participate in Netspar. As a public-private partnership, Netspar is thus uniquely positioned to build links within the pension and insurance sectors. By enabling the va-

rious participants to network with each other and to discuss longer-term strategic issues, Netspar aims to strengthen mutual trust, open channels of communication, and build common visions. Netspar also helps to strengthen the presence of the Dutch pension and insurance sector in European debates on pension reforms.

### Facilitating innovation

Netspar plays a key role in stimulating innovation. The Dutch Minister of Education recognized this in June 2005 with a €5 million grant to the National Science Foundation (NWO) to support Netspar. In this way, the government matched the financial support of the pension and insurance industry, which at an earlier stage had decided to supplement the seed money of the NWO Spinoza premium of Lans Bovenberg. The Minister also designated Netspar as one of three 'Societal Top Institutes' (Maatschappelijk Topinstituut, MTI, in Dutch). In addition, in 2005 the Innovation Platform selected pensions and social insurance as an 'emerging key area' (een opkomend sleutelgebied, in Dutch) for innovation in the Netherlands.

## Netspar's core values

*From inaugural speech of Lans Bovenberg, Netspar founder, on March 30, 2005*

"Netspar, born on March 30, 2005, is a healthy, prosperous girl with three main character traits. First of all, she is independent. Although she adores her parents, she is not afraid to question their arguments. As a female, she has a somewhat different perspective on the life cycle than her brothers within her male-dominated pension family. Rather than taking strong positions herself, she always likes to bring balance into the debate by putting forward the key trade-offs: sketching the playing field, and leaving it to others to take policy positions on that field. Her independence is closely related to her intellectual interests. This should not come as a surprise, since the NWO

(National Science Foundation) conceived her. Netspar realizes that she can maintain her independence only if her analyses are supported by scientific evidence that can be reproduced and tested by her scholarly family. Her final main character trait is sociability and, related to that, a willingness to listen to the arguments of others. Netspar likes to bring people together so that they can learn from each other's knowledge, experiences and perspectives. She is also quite open-minded, in that she is not committed to one particular world-view. She loves economics, but she also has a keen interest in sociology and psychology."



Name **Aart Jan de Geus**  
 Position **Minister of Social Affairs  
 and Employment**  
 Age **50**

*“A system where a group of people can choose voluntarily to organize solidarity between themselves... would come close to an equilibrium between solidarity and a free-market system”*

*Most inspiring country regarding pensions*

'The Netherlands. In the Dutch pension system social partners carry full responsibility for the substance of the pension schemes. In recent years they have proven to be highly adaptive to change. With recent reforms of Dutch pension schemes, social partners reacted very adequately to financial and economic developments. I'm confident that they will continue to do that in the future.'

*Netspar*

'... helps to strengthen the bridge between researchers, pension funds and the policy-makers of my ministry. It is good that Netspar brings all of these groups together. In my opinion, the mere fact of being involved in a high-ranked research institute in the field of old age and pensions should be beneficial to all partners.'

*Solidarity and a free market for pensions: in equilibrium?*

'In their most pure manifestation, solidarity and a free-market system for pensions are difficult to reconcile, and the benefits of neither of them will be optimized. However, a system where a group of people can choose voluntarily to organize solidarity between themselves, to get this self-chosen solidarity supported by legal measures, and where administration and investment are in general contracted out on the free market, would come close to an equilibrium between solidarity and a free-market system. This happens to be the Dutch pension system.'

*When I can no longer look after myself, I will*

'...go to a retirement home.'





## 2005: A year of new beginnings

### **Netspar's primary activities**

Just as the Dutch pension system, Netspar rests on three 'pillars' or tenets: fundamental research, education, and knowledge exchange between academic and non-academic partners in the private and public sectors.

### *Research*

Netspar has initiated three research programs that examine the micro-, meso- and macro aspects of pensions and aging. On a micro level, we explore the behavior of individual households in labor and capital markets within a life-cycle context. On a meso level, we investigate the role of pension funds and insurance companies in facilitating risk sharing within and between generations. On a macroeconomic level, we analyze linkages between labor-, capital- and commodity markets— including the relationship between retirement decisions, the flexibility of the labor market and incentives to accumulate human capital.

In order to ensure that we meet the needs of our partners, Netspar has instituted an open bidding process to determine the distribution of Netspar's research funding. Program coordinators select research projects on the basis of scientific quality and the relevance of the proposals to Netspar's research goals. As a result of this competitive process, Netspar formed three teams of core researchers in 2005: a senior team consisting of about 50 experienced researchers; a junior team comprised of ten assistant professors who recently obtained their PhDs; and a third team of seven PhD candidates. In addition, 20 prominent foreign scientists whose work focuses on pensions and aging are associated with Netspar as international fellows. In the future, the number of junior researchers and PhD candidates is expected to increase.

Various Netspar researchers presented their first research plans and results at tri-weekly Pension Days in Tilburg. In February and March 2006, they presented the results of their research during the first year. These researchers were given the opportunity to apply for one-year funding extensions. Also other researchers were invited to apply for funding. Further information on the research projects funded in 2005 is available elsewhere in this report.

### *Education*

Human capital is central to Netspar's education program. Netspar accumulates human capital by

educating young students in a new master's (MSc) program on the economics and finance of aging. By attracting foreign students, Netspar not only benefits from the infusion of new academic talent, but also helps other countries to build robust pension systems in the process. This MSc program was initiated in 2005, when the accreditation process was started and some courses were offered as electives. Netspar achieved an important milestone in November 2005, when the Netherlands-Flanders Accreditation Organization (NVAO) granted accreditation to the new MSc program.

### *Knowledge exchange*

During its first year, Netspar employed a variety of means to disseminate knowledge between academia and our non-academic partners. Representatives from our non-academic partners participate in the Pension Days, which enables them to play an active role in the research program. During two semi-annual two-day workshops, foreign academic specialists shared the results of their research, and prominent Dutch policymakers presented their perspectives on policy issues. In addition, Netspar researchers have presented their views at numerous events organized by Netspar partners, and have initiated several projects in collaboration with practitioners in the pension sector.

To celebrate Netspar's first anniversary, a meeting was held with key players in the Dutch pension and insurance sectors to discuss the future of the Dutch pension system and the future role of Netspar. Additional information on these events is presented elsewhere in this report.

### **Other activities**

One of Netspar's stated goals is to facilitate the availability of data for empirical research on aging and pensions. In this connection, Statistics Netherlands (the Dutch statistical bureau; CBS) and Netspar have agreed to collaborate on improving the availability of micro data on pension rights. At the same time, a pilot program was started to allow researchers to access administrative data from their workplaces. The collaboration between Statistics Netherlands and Netspar should facilitate linking survey information to administrative data, which may help to achieve the dual objectives of providing better data to improve understanding about how public policy, in general, and pension policy, in particular, affects individual behavior, and decreasing the administrative costs associated with gathering these data.

## Netspar, a Dutch Societal Top Institute



Netspar has been appointed as one of the Dutch Societal Top Institutes (MTI: Maatschappelijk Topinstituut, in Dutch). A Societal Top Institute combines excellent scientific research with active involvement in the most important questions facing society.

**Maria van der Hoeven**, the Dutch Minister of Education, Culture and Science, about her motivation to create and finance the Societal Top Institutes:

“A Societal Top Institute is all about promoting science aimed at addressing important societal problems. In the Netherlands, we have the tendency to view innovation in a limited way—as if it were a technological prerogative. Yet, we need also societal innovation. In fact, they actually need each other: innovation involves both technological and social factors. In its approach, Netspar emphasizes respect for enduring values such as solidarity and respect between generations and trust among individuals. What I find most interesting is that Netspar resists the tendency to exclude these issues from the strict bounds of science.”

Source: Netspar News

### *International activities*

Prior to its official launch, Netspar was involved in a conference at Tilburg University in January 2005 to examine the importance of social science research in the research program of the European Commission. Key European researchers joined representatives from the European Parliament, the European Commission, the European pension and insurance industry, and the US National Institute of Aging (NIA). Participants signed the ‘Declaration of Tilburg’, which stressed that Europe, which has the oldest population in the world as well as rich institutional and cultural diversity, should take the lead in research on aging. Not long after this, the SHARE project, which gathers panel data on individuals aged 50 years and above in several European countries, was funded for 12 Million Euros by the EU. Netspar’s micro research benefits substantially from the participation in SHARE.

Netspar researchers also participated in other international research and policy activities, including a conference in Brussels organized by the European Commission on Confronting Demographic Change: A New Solidarity Between the Generations. In addition, Lans Bovenberg served as one of four experts helping the European Commission to follow up on the call by European leaders at the Hampton Court Summit of December 2005 to formulate a European response to demographic change.

## Macro

### Intergenerational risk sharing

A major research area in the macro group involves the macroeconomic implications of intergenerational risk sharing. Coen Teulings examined how pension funds can facilitate intergenerational risk sharing. Roel Beetsma, Peter Broer and Lans Bovenberg started to build models that show how various pension deals can contribute to intergenerational risk sharing, and how these risk-sharing arrangements may affect the macro economy in general equilibrium through their impact on various prices, including the price of risk. In this connection, Roel Beetsma and Lans Bovenberg are beginning to explore the potential role of monetary policy and nominal pension contracts in facilitating intergenerational risk sharing. This sets the stage for considering potential conflicts between countries with different pension systems about monetary policy within a monetary union. Willem Heeringa is exploring how pay-as-you-go systems and wage-indexed bonds can help individuals to better diversify risks. Eduard Ponds developed the tool of value-based generational accounting in order to investigate which generations gain and lose in economic value from various risk-sharing arrangements. Enrico Perotti investigated pension contracts as the outcome of an explicit political decision-making process.

### Aging and the macro economy

An important part of the macro program concerns the impact of demographic shocks on the macro economy. Ben Heijdra incorporated the Gompertz-Makeham law of mortality in overlapping-generations models of small open economies. Using this framework, he started to explore how increasing longevity impacts the macro economy through its effect on education and retirement decisions. In the near future, he intends to investigate endogenous fertility decisions, thereby exploring the relationships between human capital formation (achieved both by rearing kids and by investing in oneself), longevity and retirement. Fertility decisions are the main theme of the work of Bas van Groezen and Lex Meijdam. They analyzed the externalities from raising children in economies with pay-as-you-go pension systems. In this setting, they established a case for child support to internalize the positive externality from higher fertility on the contribution base for pay-as-you-go pensions. In future work, they plan to explore the efficacy of various types of child support, taking into account both distributional considerations and the impact on female labor supply and human capital formation.

### International implications of pensions

The international implications of pension systems are another important theme in the macro program. Yvonne Adema, Lex Meijdam and Harrie Verbon showed that the international spillovers from moving from a pay-as-you-go system to a funded system might differ between the short- and the long run. Whereas such a move may hurt other countries in the short run, it tends to benefit them in the long run. In a similar vein, the international spillovers from various demographic shocks were also explored. In the future, they plan to introduce monetary policy and public debt in the analysis so that international spillovers can also arise through changes in inflation rates. Sweder van Wijnbergen assessed the experience with pension reform around the world. More on his research can be found in the profile on Sweder van Wijnbergen elsewhere in this report.

The significance of the degree of international tradability of commodities for the macroeconomic implications of pension reform and aging was explored in two separate studies (by Thijs Knaap and also by Harrie Verbon and Lex Meijdam). These analyses show that the lack of tradability of commodities makes capital funding less effective in protecting the old against the macroeconomic effects of aging. Moreover, it tends to benefit younger generations through wage pressure at the time the old-age dependency ratio is the highest. Clemens Kool and Harry Huizinga explored the role of international capital markets in facilitating international consumption smoothing and diversification of risk. Sylvester Eijffinger explored how the lessons of bank supervision could be applied to the supervision of insurance companies and pension funds. He also investigated whether the increased integration of financial markets in Europe calls for more coordination between national supervisors. Both Roel Beetsma and Sylvester Eijffinger explored how the Stability and Growth Pact should account for pension liabilities and pension reforms.

### Optimal redistribution

Ruud de Mooij and Egbert Jongen considered the role of the welfare state in redistributing between individuals, providing social insurance and helping individuals to smooth consumption over the life cycle. Jan Boone and Lans Bovenberg looked into the optimal taxation of lifetime income. They show that temporary income shocks should be taxed at a higher rate than permanent shocks if individuals are rather risk-averse and the government does not feature strong preferences for redistribution. Lans Bovenberg

and Peter Sørensen explored the optimal interaction between redistributive income taxation and social insurance. To alleviate the costs of redistribution, incomplete disability insurance turns out to be optimal. Bas Jacobs worked on the role of educational and labor-market policy in protecting vulnerable groups.

## Meso

### Risk management and solvency regulations

The implications of the new accounting standards and solvency rules that have been imposed, or will be imposed shortly (FTK, IFRS, Solvency II), continue to be a major concern in the pension and insurance sector. Not surprisingly, a considerable part of the finance research in 2005 has been devoted to this topic. Asset Liability Modeling, and the issue to what extent optimal long-run investment decisions differ from optimal short-run investing, have been considered by Peter Vlaar, Frank de Jong and Peter Schotman, among others. Hans Schumacher discussed the time consistency of Value-at-Risk (VaR) constraints like the ones that are imposed in the FTK. André Lucas outlined pitfalls in the industry practice to derive optimal premium and asset allocation rules under VaR constraints using standard dynamic programming techniques. Theo Nijman discussed the pros and cons of the Standardized Approach advocated by the Dutch pension supervisor (DNB/PVK).

### Market valuation

The new accounting and solvency rules impose valuation at market value. The implications of market valuation have been analyzed in a book edited by Niels Kortleve, Eduard Ponds and Theo Nijman. Dirk Broeders and Theo Nijman discussed valuation of conditionally indexed liabilities. Market valuation is not at all straightforward if an asset or liability has exposure to non-traded risk factors such as wage inflation or longevity risk. Frank de Jong developed solutions to this problem. The new theme initiated by Joost Driessen and Antoon Pelsser combines actuarial approaches with techniques from financial economics to consider valuation and risk management. This will be a joint project with Rob Kaas and Marc Govaerts, who concentrated on the case of comonotonic risks in 2005.

### Optimal risk exposure and risk sharing for individuals

A number of researchers have contributed to the literature on optimal pension contracts. Bas Werker and Theo Nijman considered the optimal long-term

portfolio choice among stocks, as well as inflation-linked and nominal bonds for investors endowed with a stream of labor income indexed for inflation. Moreover, they worked on optimal annuity demand when the agent has access to nominal, inflation-linked as well as equity-linked annuities. Frank de Jong and Peter Schotman investigated optimal investing for the long run, and initiated a theme related to optimal choice from the perspective of the individual.

### Solidarity and DB versus DC systems

Generational accounting and the benefits of DB versus DC systems (and vice versa) have also attracted the interest of researchers in the finance group. Frank de Jong and Eduard Ponds modelled the value of intergenerational transfers within pension funds. Theo Nijman and Ralph Kojien started a project with Lans Bovenberg on the welfare implications of intergenerational solidarity and DB versus DC schemes, allowing for kinked preference specifications that reflect loss aversion relative to an a priori specified benchmark (70% of annual income). Joachim Inkmann reported evidence that UK employers compensate for changes in the value of accrued pension rights, implying that the sum of wage and fringe benefits is unaffected.

### Financial literacy and individual choice

Clemens Kool, Henriette Prast and Maarten van Rooij worked on financial literacy and the preference for choice options in the pension deal. They documented that participants typically indicate that they have low pension expertise and are reluctant to choose. In the new theme that was initiated by Peter Schotman the costs and benefits of choice options will also be a central topic for research.

### Investing in alternatives

Institutional investors invest substantially in alternative investment classes such as real estate, commodities and hedge funds. Piet Eichholtz has analyzed the characteristics of real estate investments over a very long sample period. Frans de Roon analyzed trading strategies in commodity futures, and both Marno Verbeek and Jenke ter Horst analyzed the performance of hedge funds. Feico Drost investigated volatility trading and option pricing. Kees Koedijk and Rob Bauer worked on the costs and benefits of Socially Responsible Investment (SRI) strategies.

### Longevity risk

Changes in life expectancies are of central importance in pricing pension rights. Moreover, longevity risk is important in risk management and pricing. Although

micro longevity risk diversifies away, changes in survival probabilities for groups of participants (macro longevity risk) do not. Bertrand Melenberg and Anja de Waegenare, among others, analyzed models of macro longevity risk.

## Micro

The micro program in Netspar studies issues of retirement, financial decision-making, and health on the basis of individual information. Often that information is based on self-reports made in surveys, but sometimes it comes from administrative sources. Netspar has entered into an agreement with Statistics Netherlands to facilitate the combination of administrative information with survey information (i.e. based on self-reports). Alternatively, we may also ask subjects to carry out certain tasks under controlled circumstances— for example, in a laboratory with a limited number of participants. Increasingly experiments are also performed at a larger scale— for instance, using Internet panels like the CentER panel at Tilburg University. The micro program of Netspar uses all these kinds of information.

### Financial decisions

Rob Alessie is using data from the Socio-Economic Panel to study the home ownership and wealth holdings of Dutch elderly households. He finds strong generational effects in the homeownership rate and housing net worth. Older generations also tend to give up their home at some point to become a renter. The probability for the elderly to have a mortgage has recently increased significantly.

In an environment of increased individual choice, an important question is to what extent individuals are able to make good financial decisions. Rob Alessie, Maarten van Rooij (DNB) and Annamaria Lusardi (Dartmouth College) find that the financial literacy of respondents to the DNB Household Survey (DHS) is rather limited and significantly related to stock-market participation. The research program on financial literacy started relatively recently, and we expect a considerable number of papers shedding light on financial literacy, financial decision-making and how this affects people's financial well-being in old age. The same questionnaire administered to the DHS will also be administered to respondents of the RAND Internet Panel in the US, which is expected to generate additional insight in factors determining financial literacy and outcomes of financial decisions. >

Name **Wouter E. Tol**  
Position **Managing Director, ABN AMRO Bank**  
Netsparlink **Member Partner Council**  
Age **51**

*“There is, in my view, a negative correlation between increased free-market operations and solidarity, and as such there is no equilibrium”*



*Most inspiring country regarding pensions*  
'The Netherlands, because we are the leader in the field of pensions.'

*Netspar*  
'Apart from the academic added value and the tremendous knowledge base value, Netspar is a great networking platform.'

*Partners*  
'Optimize the offered networking opportunity!'

*Solidarity and a free market for pensions: in equilibrium?*  
'Solidarity is under pressure due to demographic changes, employees changing jobs more frequently, etc. There is, in my view, a negative correlation between increased free-market operations and solidarity, and as such there is no equilibrium.'

*When I can no longer look after myself, I will*  
'...install myself on a pensionada beach in Florida.'



1. The Hague, February 4, 2004: Maria van der Hoeven (Minister of Education) hands over the Spinoza prize to Lans Bovenberg (Netspar)
2. Formal Founding of Netspar, October 19, 2004: Inge van Hoek (ING) signing the Netspar banner
3. Formal Founding of Netspar, October 19, 2004: Rob Bauer (ABP) signing the Netspar banner
4. Workshop Aging Society, January 17 and 18, 2005: Lambert van Nistelrooij (member European Parliament)
5. Workshop Aging Society, January 17 and 18, 2005: Richard Suzman (National Institute of Aging USA)
6. Opening Conference, March 30, 2005: Lans Bovenberg (Netspar)
7. Formal founding of Netspar, October 19, 2004: Netspar, a piece of cake? Lans Bovenberg (Netspar, l), Guus Wouters (Interpolis) and Hein van Oorschot (Tilburg University)
8. Opening conference, March 30, 2005: Jan Peter Balkenende (Prime Minister) debating with students
9. Opening Conference, March 30, 2005: Roderick Munsters (ABP)
10. Opening Conference, March 30, 2005: A drink and a chat, Coen Teulings (University of Amsterdam/ CPB, r)
11. Workshop Aging Society, January 17 and 18, 2005: Alexander Rinnooy Kan (ING Group)
12. Erry Stoové, Chair Advisory Board Netspar (SVB)



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Name **Joep J.P. Schouten**  
 Position **Chairman of the Executive  
 Board of Directors, Cordares**  
 Netsparlink **Member Advisory Board**  
 Age **58**



*“Outsource  
 your research  
 questions to  
 Netspar”*

*Most inspiring country regarding  
 pensions*

'The Netherlands: the best there is!'

*Netspar*

'... saves the costs of an in-house research  
 department'

*Partners*

'Outsource your research questions to  
 Netspar.'

*Solidarity and a free market for pensions:  
 in equilibrium?*

'Defined Benefit + average premium: yes  
 Defined Contribution: only if there is  
 enough compensation'

*When I can no longer look after myself, I  
 will*

'...hire a private nurse.'

- > Rob Alessie, Stefan Hochguertel and Arthur van Soest study the non-take-up of tax-favored savings plans. The tax-favored nature of the employer-sponsored savings plans (ESSPs) is so large that standard economic theory implies that not buying the asset or buying less than the maximum tax-favored amount is in most cases sub-optimal. Alessie, Hochguertel and Van Soest find that in the initial years, about 80% of all employees had access to ESSPs, but only 67% of those with access actually bought them. They find that part of the non-take-up can be explained by liquidity constraints. Still, liquidity constraints cannot explain the full non-take-up rate, and only 19% of those who do not take-up an ESSP report liquidity constraints as the main reason.

Jan Potters and Eline van der Heyden did experimental work on financial decision-making, while Peter Kooreman and Henriette Prast analyzed the impact of labeling of income streams on expenditures. All these projects will extend our understanding of the nature of financial decisions related to retirement provisions.

#### **Retirement**

To understand individual decisions regarding retirement and to gauge the possible effects of future policies, Van Soest, Kapteyn and Zissimopoulos have conducted a 'stated-preference experiment' in which respondents to the DHS are presented with a number of hypothetical choices. The simulations indicate that people in the Netherlands resist the idea of continuing to work full-time after the age of 65, even with substantial financial incentives. Many, however, would be happy to continue working part-time after age 65, if given the option to gradually reduce hours worked by 40% before retiring completely.

A completely different approach is taken in a sequence of studies by the team of Gruber and Wise, who use institutional variation across countries to study the effect of incentives on retirement. Teams from some 14 countries (De Vos and Kapteyn form the Dutch team) participate in the project. The various studies invariably find substantial effects of financial incentives on retirement.

#### **Health and work disability**

Kapteyn, Smith and Van Soest study why workers in different countries exhibit such large differences in self-reported work disability. The authors utilize a vignette methodology to evaluate how people within and across countries set thresholds that result in labeling some people 'work disabled'. On the basis of

surveys conducted in both the Netherlands and the US, they find that a large part of observed differences in reported work disability stems from the fact that residents of the two countries use different response scales in assessing whether they have a work disability.

Kalwij and Vermeulen study labor force participation behavior of elderly individuals in Europe on the basis of data drawn from the first wave of SHARE. They find that the multi-dimensional nature of the health condition of individuals is of major importance when studying its effect on labor force participation. The results indicate that in most countries participation would increase considerably if every individual aged 50–64 would be in perfect health. Moreover, the declining health condition with age explains much of the decline in male and female participation rates with age.

Health effects and aging will also be extensively studied in the new theme 'Income, health and work across the life cycle' that is initiated by Maarten Lindeboom and Eddy van Doorslaer.

## Interview



Name Sweder van Wijnbergen  
 Background Professor of Economics, University of Amsterdam, and former Secretary-General, Ministry of Economic Affairs  
 Netsparlink Senior researcher Netspar  
 Age 54

## Sweder van Wijnbergen: “International comparative research is still insufficient”

Sweder van Wijnbergen, professor of Economics at the University of Amsterdam and senior researcher at Netspar, is one of Netspar's principal investigators on macro issues. His research is focused on assessing the experience with pension reform in the developing world over the past two decades. Common problems, solutions, and experiences, as well as country-specific case studies are addressed. What is his view on the relevance of Netspar's research?

### *What is your main research activity at Netspar?*

‘My first half-year at Netspar was spent teaching a pension course, but recently I have completed proposals for two research projects. The first explores the relationship between demographics, the labor market and the sustainability of the pension system. The fiscal sustainability of pensions is threatened by the diminishing number of people that are contributing to the system, in combination with the growing number that are receiving pensions. We would like to know what is causing this imbalance: the demographic factors or trends on the labor market such as, for example, the diminished participation of older workers, high unemployment, the difference in participation between men and women, etc. In a survey of OECD countries we compare demographic trends, labor market trends and health factors, and the influence of these factors on the fiscal sustainability of pensions. Who says, for example, that an elderly population is also a more expensive population? World Bank research suggests that this is not the case. We would like to gain more insight into this. Another issue in this connection is how the health of individuals is related to longer life expectancy. Can we then expect people to work longer, for example? Finally, we will investigate the extent to which pension systems encourage early retirement.

The second project explores pension systems in China, where they're dealing with a convoluted pension system inherited from the communist past. Their problems have been exacerbated by an accelerated aging-population problem, a result of China's one-child policy. Little attention has been given to either that problem, or to the differences between the major urban areas and the rural areas. Due to migration of young people from the rural areas to cities, the aging of the population is felt keenly in rural areas, where there are no pension plans. Although the research for this project will be carried out in the Netherlands, we will seek cooperation with a university in Shanghai, where a great deal of pension research is already taking place. For the time

being, we will use demographic data from the official Chinese statistical bureau.’

### *To whom is this research most relevant?*

‘The research is of interest, I think, to all Netspar partners— although the government can benefit particularly from the experience of the various OECD countries. Compared with these countries, the Netherlands has a relatively robust pension system— although some of these countries are further along than we are with regard to experimenting with reform. We can turn this to our benefit. Netspar partners will find the study highly relevant. Also the partners with financial interests in China will probably be intrigued by the China project. There is still insufficient international comparative research being done into pension reform.’

### *Can we learn from the experience in other countries? Which countries?*

‘The Netherlands has an effective and well-structured pension system. Still, we are heading toward a system that resembles more closely that in the US, with a public-sector first pillar topped off with a flexible benefit system. Individual employees are thus exposed to greater risk than they now seem to realize. OECD countries can also learn from developing countries, where already a number of monumental reforms have taken place. What problems are connected with these reforms, what kind of transition costs are involved with a transition to capital funding, and what kind of solutions, for example, can be found for these transition problems? I think that there is much to learn with regard to supervision in the various countries. No research in this area has yet been done.’

### *What, in your opinion, is the most important issue in Netspar's research?*

‘I think it's important to use a broad perspective in approaching the issues surrounding pensions. My interests lie particularly with the relationship between demography, the labor market and healthcare. Thus, don't limit yourself to researching only the attributes of pension systems, but also explore the labor market, healthcare and the interactions between them. The combination makes for pragmatic research that is relevant to policymakers. Another research angle I find important involves financial aspects. Individuals nowadays are being saddled with greater levels of risk, and long-standing guarantees are breaking down. It then becomes important which investment strategies can be brought

to bear in order to manage the risks or to shift them elsewhere. It is a new problem, since the risks all used to be managed through the defined-benefit system.'

*What is your view when you take a look at bridging the gap between science, policy and politics handled at Netspar? What is the key to successful participation/cooperation?*

'We need to bridge the various disciplines— to be aware of each other's strengths, of the restrictions under which each of us needs to operate. We need to coordinate communication so that we understand each other, and respect the various goals each of us is pursuing within the big picture. A network such as Netspar can contribute both to better research and to greater understanding of the problems and the possible solutions— for both politicians and policymakers; Netspar can do this by bringing together the various players into a dialogue and creating the possibilities for that dialogue to flourish.'

*Do you have any tips for the partners how to benefit from Netspar's research?*

'They would benefit even more by more actively participating in the research projects themselves, in addition to their role in seminars and workshop discussions.'

***“Individuals are being saddled with more and more risk, and long-standing guarantees are breaking down”***



1. Formal founding of Netspar, October 19, 2004: The partners of Netspar and the board of directors. A unique mega-collaboration between private and public institutions
2. Pension Workshop, June 7 and 8, 2005: Wouter Bos, Leader Labor Party
3. Pension Workshop, June 7 and 8, 2005: Frans Beerling (Cordares) interviewed by Jet de Ranitz (Netspar)

4. Pension Workshop, June, 7 and 8, 2005: Olivia Mitchell (University of Pennsylvania)
5. Pension Workshop, June, 7 and 8, 2005: Axel Börsch Supan (University of Mannheim)
6. Pension Day, September 9, 2005: Panel discussion with Casper de Vries (Erasmus University Rotterdam, I), Ivo Arnold (Nyenrode), Tjerk Kroes (SZW), Klaas Knot (DNB) and Lans Bovenberg (Netspar)

7. Pension Day, November 24, 2005: Onno Ruding (former Minister of Finance)
8. National Innovation Event, December 7, 2005: Joep Schouten (Cordares, I) and Jan Nijssen (ING, r)
9. National Innovation Event, December 7, 2005: Panel discussion with Jan Nijssen (ING), Karel Noordzij (PGGM), Joep Schouten (Cordares) and Lans Bovenberg (Netspar), moderated by Herman Wijffels (SER)



- 10. National Innovation Event, December 7, 2005: Karel Noordzij (PGGM) and Jan Peter Balkenende (Prime Minister)
- 11. Pension Workshop, January 18 and 19, 2006: L. to r. Richard Blundell (University College London), Lans Bovenberg (Netspar), Gerrit Zalm (Minister of Finance), Peter Schotman (Maastricht University) and Jeffrey Brown (University of Illinois)
- 12. Voorburg, February 15, 2006: Gosse van der Veen, (CBS) and Lans Bovenberg, signing the CBS-Netspar agreement on administrative data

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## Interview



Name Norma Coe  
 Background MIT (Massachusetts Institute of Technology), Cambridge MA  
 Netsparlink Tenure Tracker  
 Age 32

## Norma Coe: "Policy is the best motivation for research"

In 2005 Netspar recruited seven young top-notch researchers on the job market in Philadelphia (USA). These researchers, who have just received their PhD degree at top US and European institutions, have been appointed to tenure-track positions at one of the participating universities. Netspar buys research time from this university, and the university guarantees the availability of a tenured position after five years. All seven researchers are involved in the research activities of Netspar. An interview with one of them: Norma Coe.

### *What is your main research activity at Netspar?*

'My research examines the interaction between insurance coverage, personal behavior and health. Prior to joining Netspar, I completed a project that examined how changes in the withdrawal rules from defined-contribution pension plans in the United States affected individual savings decisions. Later, I shifted my focus to long-term care insurance, or insurance coverage for elderly care provided when a person can no longer care for himself. My first project in this arena examined the effect of the means-tested long-term care insurance program in the US on household savings decisions. I am continuing this line of research, examining how the public and the private long-term care insurance markets interact in the US. I hope to expand this research to European countries as well, since there is large variation between countries with respect to how this type of insurance is provided—through government programs, private insurance markets, or family-provided insurance. My latest research projects examine the health consequences of retirement decisions. I think that this is an increasingly important and interesting issue as pension plans and governments debate potential changes in the rules surrounding the early retirement- and normal retirement ages.'

### *To whom will this research be most relevant, and in what way will they benefit from this knowledge?*

'I think my research is most relevant to governments and other agents that provide insurance— in the form of long-term care insurance, health insurance or pensions. I hope that insurance providers, whether private companies or governments, will use my research to help them design better insurance. The more we know about the benefits and costs of the current policies, the better we can design systems in the future that can increase overall wellbeing.'

### *What is your view on the interaction between science and policy? Is it difficult (but exciting) to translate academic knowledge into policy applications?*

'I believe that policy is the best motivation for research. Before attending graduate school, I worked at the US Treasury department, where I had the opportunity to see the policymaking process 'up close and personal'. There are an incredible number of smart and dedicated people in the process who make the best decisions with the best information they have available. Unfortunately, the best information available is rarely complete information, and this is where research is needed. I think that Netspar provides a great bridge between policymakers and researchers, with opportunities for both parties to learn from each other.'

### *What do you think of the tenure-track system? Is it worthwhile? Does it work well?*

'I think that the tenure-track system is an extremely attractive offering at Netspar. While the standards are high, knowing them ahead of time makes setting goals for the next five years much easier. I believe that the tenure-track system is one of the many policies that will keep Netspar competitive in the academic world by attracting productive junior faculty.'

### *What were your highlights in 2005?*

'My highlights in 2005 were graduating with my PhD from MIT, moving to the Netherlands, and starting a new job that I am extremely excited about. I'm looking forward to what 2006 holds.'

### Other young top talents at Netspar:

**Lieven Baele** Ghent University  
**Katherine Carman** Harvard, Cambridge MA  
**Joachim Inkmann** LSE, London  
**Bas Jacobs** EUI, Florence  
**Frederic Vermeulen** KU Leuven  
**Gema Zamarro** Cemfi, Madrid





## Master's in Science Program Economics and Finance of Aging

### Introduction

Netspar has established a Master's in Science (MSc) program Economics and Finance of Aging at Tilburg University. One of Netspar's main goals is to increase the awareness of practitioners at financial institutions of the macro- and microeconomic implications of aging and the policies of their institutions. Establishing the MSc program in Economics and Finance of Aging is one of the ways in which Netspar will attempt to achieve this goal. The one-year MSc program aims at providing students with scientific knowledge on the economics and finance of aging and with the skills and tools to help improve further the quality of decision-making by pension funds, insurance companies and other organizations in the public and private sector concerned with pensions, aging and retirement. The program will officially start in September 2006— although selected courses were offered in fall 2005 and spring 2006.

### Accreditation

A proposal for this new program was submitted to the Netherlands and Flanders Organization for Accreditation (NVAO) in April 2005. In October 2005, a committee of experts selected by NVAO visited Tilburg University and discussed the new program with staff and faculty of Netspar and the Faculty of Economics and Business Administration (FEB), including the professors of the courses that had been offered in previous terms, and representatives of Netspar's non-academic partners from both the public and private sectors. Based on this review, the NVAO committee concluded that there is a need for graduates with broad scientific training in several economic disciplines that play a role in the problems of aging to build a bridge between the various disciplines. In April 2006 the Ministry of Education, Culture and Science fully accredited the MSc, which is the last step in the official accreditation process.

### Drawing on existing infrastructure

The MSc degree will be offered by the Tilburg University FEB, and will benefit from the infrastructure and internal quality control procedures in place there. All courses will be taught in Tilburg, with English as the language of instruction. The educational director and professors will be selected from among Netspar participants, both at Tilburg University and other economics and business faculties in the Netherlands. MSc students will benefit from Netspar's contacts with its non-academic partners (pension funds, insurance companies, government ministries, and other pension-related organizations), which provide

opportunities for contacts with professionals in the field, internships, guest lectures and other activities.

### Preparing for 'real-world' careers

This MSc program provides students with solid and broad scientific training in the macro- and microeconomics of aging and pensions. Students will become acquainted with the primary issues and the economic models that are used to address them; will learn to think through the micro-, macro- and institutional aspects and the relationships between them; and will learn how economic theories can be tested empirically and how economic models and arguments can be developed to aid decision-making by financial institutions and governments. The program, which is taught by internationally renowned researchers, includes state-of-the-art scientific work from the recent literature in the field. The aim is not so much to prepare graduates for academic careers, but rather to equip them for careers in insurance companies or pension funds or related organizations, where research staff employs scientific methods to develop long-term policies.

### Application prerequisites

Although the program is geared toward students with a bachelor's degree in Economics, Econometrics or Finance, candidates with similar qualifications will be allowed to apply. Applicants will be judged on an individual basis. The goal is to admit a good mixture of Dutch and foreign students. Employees of Netspar partner companies who have the appropriate prerequisites are welcome to participate in the program or in selected courses.

### Program

The table on the right-hand side provides an overview of the program. The first semester consists of mandatory core courses in the relevant disciplines. The second semester is split into two parts. In the first part, students will select two courses from among several offered; possibilities include more advanced courses in one of the core disciplines (micro, macro, finance) and related disciplines, such as healthcare and sociology. The second part of the spring semester will be devoted to the Master's thesis, which will account for 30% of the total study load (18 ECTS, about 12 weeks).

In 2006, preparations will be finalized; students will be actively recruited in the Netherlands and abroad; and the complete program will commence in the fall.

### MSc Program in Economics and Finance of Aging

#### Semester 1:

- Introduction to Economics and Finance of Aging
- Empirical Research in Pension and Retirement Economics
- Microeconomics of Insurance and Redistribution
- Investment Analysis of Aging and Pensions I
- Macroeconomics of Pensions and Aging

#### Semester 2:

- Two courses from the following four:
  - Dynamic Models of Retirement, Savings and Consumption Behavior
  - Health and Sociology of Aging
  - Investment Analysis of Aging and Pensions II
  - Topics in Economics and Finance of Aging: two modules out of the following four:
    - Actuarial Sciences: Life Insurance
    - Retirement and Taxation
    - General Equilibrium Models
    - Seminar Economics and Finance of Aging
- Thesis



1. Formal founding of Netspar, October 19, 2004: Rob Bakker (Netspar) and Eduard Ponds (ABP and Netspar)
2. Formal Founding of Netspar, October 19, 2004: Rob Bakker (Netspar) and Maarten Dijkshoorn (Achmea)
3. Opening Conference, March 30, 2005: Luis Viceira (Harvard University)
4. Opening Conference, March 30, 2005: Peter Nijkamp (I): chairman of the Governing Board of NWO (Netherlands Organisation of Scientific Research)
5. Formal Founding of Netspar, October 19, 2004: Symbolic signing of the contracts by the sponsors
6. Pension Day, September 9, 2005: Casper de Vries (Erasmus University Rotterdam)
7. Some of the members of the Netspar Scientific Council: Back: Theo Nijman (I) and Lans Bovenberg. Front from l. to r.: Luis Viceira (Harvard University), Olivia Mitchell (University of Pennsylvania), Axel Börsch Supan (University of Mannheim) and Arie Kapteyn (Netspar/RAND)
8. Pension Day, November 24, 2005: Bernard Casey (Cass Business School, London)



9. Opening Conference, March 30, 2005: James Poterba (Massachusetts Institute of Technology)

12. Netspar's first anniversary, March 30, 2006: Lans Bovenberg (l) and Theo Nijman drinking a toast

10. Formal Founding of Netspar, October 19, 2004: Adrie Moons (Ministry of Social Affairs) and Erry Stoové (SVB)

11. Formal Founding of Netspar, October 19, 2004: Theo Verhallen (Tilburg University, l), Arie Kapteyn (Netspar and RAND, m) and Lex Hoogduin (Robeco, r)

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## Dialogue with partners

During its first year, Netspar helped to disseminate knowledge between its academic and non-academic partners in a variety of ways. For example, representatives from the non-academic partners participate in Pension Days, held in Tilburg once every three weeks. All of our partners are thus able to play an important role in the research program.

In conjunction with Erasmus University, Netspar organized a special Pension Day on the new Dutch supervisory framework for pension funds (Financieel Toetsingskader, FTK, in Dutch). Representatives from the financial services sector nationwide attended this event. Not long after this event, the application of the supervisory framework was postponed for one year. Could there have been a causal link between this decision and the pension mini-workshop?

In October, the Pension Day was devoted to measuring the contribution of occupational pension funds to intergenerational risk sharing. The interaction between practitioners and academics helped to clarify the key issues and to formulate an agenda for future research on this crucial issue.

### Semi-annual workshops

During two semi-annual two-day workshops, prominent foreign pension experts shared the results of their research with workshop participants, while key policymakers presented their perspectives on relevant policy issues. Olivia Mitchell, of the University of Pennsylvania (The Wharton School), and Axel Börsch-Supan, of the University of Mannheim (Mannheim Research Institute for the Economics of Aging), taught at the first workshop, which was held in June at ING headquarters in Amsterdam. Mitchell focused on the US experience with individual choice, and Börsch-Supan addressed the macroeconomic implications of aging in Europe. Wouter Bos, leader of the Dutch Labor Party (currently the main opposition party in the Dutch Parliament), delivered the keynote address on the future of the welfare state. In outlining his economic platform, he made a strong case for adopting the Scandinavian model of the welfare state.

The second workshop was organized by Maastricht University in January 2006. Jeffrey Brown, of the University of Illinois, talked about annuity markets, transaction costs associated with individual choice, and reforms in the US Social Security system. Richard Blundell, of University College London, presented empirical research on the impact of the UK pension and healthcare system on saving and retirement

decisions. Gerrit Zalm, the Dutch Minister of Finance, delivered the keynote address on the costs and benefits of increasing individual choice in pension policy. Although as a free-market politician he typically favors individual choice, he cautioned that in the area of pensions some restrictions on individual choice might be required to reduce transaction costs.

### Other collaboration

To celebrate the first anniversary of Netspar, key players in the Dutch pension and insurance sectors met to discuss the future of the Dutch pension system and the role of Netspar. In addition, Netspar representatives and several of its partners attended the innovation event held by the Dutch Innovation Platform in Maarssen on December 7. Netspar also helped to coordinate efforts of the pension and insurance industry to convince the Innovation Platform, which is chaired by the Dutch Prime Minister, to designate pensions and insurances as a 'key area' (sleutelgebied, in Dutch) for innovation in the Dutch economy.





## Beyond April 2006

Netspar faces new challenges and opportunities in 2006. Most importantly, Netspar plans to invest in the development of improved channels for the dissemination of knowledge and increased involvement by international researchers. Instrumental in addressing these challenges are the following: publication and discussion of Netspar's reference papers; the development of sector-oriented courses designed for professionals working in the pension- and insurance sectors; the appointment of fellows who have substantial professional experience in the Dutch pension- and insurance sectors; and high-profile conferences and workshops. Interaction with international researchers will be improved through an active visitors program and the organization of major international academic conferences.

### Reference papers

Reference papers will outline the implications of new developments in the academic literature for policy questions faced by Netspar's partners. The reference papers will be discussed twice a year (in the spring and the fall) during one-day panel meetings. Representatives from academic and non-academic partners, as well as international academics, will act as discussants at these panel meetings. All partners will have the opportunity to comment on the contents of the papers during a six-week period following the panel meetings. Foreign researchers will write a substantial share of these reference papers.

An editorial board consisting of both academics and practitioners will select the topics of the reference papers, select and consult with authors, and ensure that the reference papers meet the highest quality standards. Chairing the editorial board is Rick van der Ploeg (European University Institute, Florence). Other academic members include Henk Don (University of Amsterdam), Peter Kooreman (Groningen University), and Marno Verbeek (Erasmus University, Rotterdam). Partners will be represented by Karin Bitter (Interpolis), Tom Steenkamp (ABP) and Maarten Camps (Ministry of Social Affairs and Employment).

### PAR Academy

An additional vehicle to simulate knowledge exchange between academics and practitioners are courses developed in cooperation with Maastricht University that are specifically aimed at professionals in the field. These courses will complement those taught in the MSc program, which are also open to qualified employees of the Netspar partners. Netspar will develop these courses in conjunction with

international experts, and will invite lecturers from a variety of countries to present their views on relevant topics. Rob Bauer (Maastricht University) will act as Netspar coordinator for this project, named Pensions, Aging and Retirement (PAR) Academy.

### Fellows

Netspar also expects to benefit from the advice of three fellows who have substantial experience in the Dutch pension- and insurance sectors and who were instrumental in getting Netspar off the ground: Dick de Beus (ex-PGGM), Jean Frijns (ex-ABP) and Jan Nijssen (ex-ING). One of their roles is to give their views on how Netspar can best facilitate interaction between academia and practitioners. Both the Advisory Board and the Partner Council will continue to play an essential role in these activities.

### Conferences and workshops

In 2005, all Pension Days and workshops were targeted at a fairly broad audience, in order to stimulate interaction among different groups of Netspar participants and to ensure a broad perspective for the research program. In the next stage of Netspar's development, such meetings will be supplemented with more narrowly focused meetings of specialists.

Additional events planned for the future include an international academic conference in cooperation with the Center for Economic Policy Research (CEPR) and an annual policy conference. The 2006 annual policy conference will focus on the future of the welfare state and will be organized in partnership with the Dutch CPB Netherlands Bureau for Economic Policy Analysis and the Dutch Social Economic Council (SER). Speakers will include renowned academics, such as Jim Heckman (Chicago) and Esping Anderson (Barcelona), as well as key Dutch policymakers, including Wouter Bos, (leader of the Dutch labor party) and Aart Jan de Geus (Minister of Social Affairs and Employment).

In 2007, the annual conference will address pension supervision and will be organized in conjunction with the Dutch Central Bank (DNB) and the International Organization of Pension Supervisors (IOPS).

Peter Diamond (MIT) and Michael Hurd (RAND) will teach the June 2006 workshop, organized in collaboration with PGGM in Zeist.

### International focus

International researchers bring to the table considerable expertise and fascinating research – both



Name Rick van der Ploeg  
 Position Prof. of Economics European  
 University Institute, Florence  
 Chairmen Editorial Board  
 Netsparlink

“The reference papers aim to give the state of the art in the most exciting issues involving saving, aging and finance. They bridge the gap between practice, theory and econometrics, conclude with a critical evaluation of the latest scientific insights, and typically also offer policy recommendations. They benefit from detailed comments from both practitioners and academic referees, and are published together with a summary of the discussion held during the reference papers meetings.”

of which are relevant to Netspar's objectives. In the near future, Netspar will make funding available for research projects and reference papers by international researchers. In 2006, funding will be set aside for program coordinators to invite foreign experts in relevant fields of study. In addition, theme coordinators can devote part of their budgets to fund foreign researchers and foreign visitors. At the same time, we will explore additional opportunities for funding Netspar activities by international organizations that support relevant research, such as the EU and the European Science Foundation.

Furthermore, Netspar plans to expand the Pension Workshops, which are currently two-day events, in order to encourage international researchers to participate and present their work. In another move to encourage participation of foreign researchers, Netspar's theme and program coordinators have made plans to organize longer, more intensive, meetings.

The CEPR conference The Transformation of European Pension Systems is planned for September 2006 in London. The conference will bring leading academics together to discuss both theoretical and empirical work. The organization committee consists of Kees Koedijk (Netspar, Erasmus University), Monika Buetler (CEPR, Sankt Gallen) and Tito Boeri (CEPR, Milan).

## Entrepreneurship, commitment and coherence

Netspar's challenge in its first half year was to set up the Netspar organization; select the group of key researchers; organize the first meetings; find an appealing structure for interaction and dissemination; initiate the educational program; and bring all this into balance. An important new strategic element was introduced in the fall: themes. Netspar's themes are intended to stimulate entrepreneurship, commitment and coherence.

### **Entrepreneurship in research, education and dissemination**

Entrepreneurship involves academic researchers taking initiative as theme coordinators to design research projects that are both exciting from an academic point of view and relevant to Netspar's non-academic partners. Researchers on the work floor are better positioned to forge valuable networks and devise interesting research topics than those who are further removed from the actual research process or who do not specialize in a given research area. Indeed, in a knowledge industry such as academia, most information resides on a decentralized level. Moreover, competition between various theme groups helps to generate more information as to which initiatives work and which do not.

Netspar grants theme coordinators a substantial budget of €1 million. The theme coordinators have considerable discretion in allocating these funds within the limits of their budget plans. This amount of money should be sufficient to fund the research time of two PhD candidates for a four-year period, four senior researchers for a three-year period, and two tenure-track assistant professors for a six-year period. Competition for funding is expected to stimulate creativity and entrepreneurship, as teams vie to devise research projects that fulfill Netspar's three basic pillars: fundamental research, education and dissemination of knowledge to Netspar's non-academic partners. Each theme should contribute to all three of these basic tenets.

### **Commitment of researchers and universities**

The themes enable researchers and their universities to showcase themselves, thereby increasing their commitment to Netspar. In many cases, one or two universities will form the center of the diverse activities within a theme. Themes thus help to avoid possible conflicts that could otherwise result from dual commitments to the faculty with which the researchers are affiliated, on the one hand, and to Netspar, on the other. The respective universities may

'sweeten the pot' – and thereby possibly improve their chances of selection – by providing matching funds. In any case, the dean of the faculty with which the theme coordinator is affiliated must support the theme application.

### **Coherence**

Netspar's themes help to generate coherence in the overall research program. In Netspar's initial phase, an important objective was to stimulate academic researchers to conduct research on pensions, aging and retirement and to present a broad overview of the relevant issues. As time goes on, however, these research activities should become more coherent and increase in scale and intensity, resulting in greater focus, depth and mass. The themes are designed to achieve those goals. In fact, in addition to recruiting senior and junior researchers and PhD candidates, the theme coordinator must also provide focus and direction. The theme coordinators are the intellectual leaders of Netspar.

### **Selection process**

The scientific directors actively solicit proposals and comment on the draft proposals in order to ensure that the applications fit Netspar's overall objectives. Both the Scientific Council and the Partner Council evaluate the final theme proposals. The Scientific Council is made up of renowned international academic researchers; the Partner Council has representatives from the non-academic partners from the public sector, pension funds and insurance companies. In involving both the Scientific and Partner Councils in the selection process, Netspar ensures that the themes not only meet rigorous academic standards, but also are of interest to the non-academic partners – all of which is in keeping with Netspar's primary mission of building bridges between academia and practitioners in the private and public sectors. Once the themes have been selected, Netspar's scientific directors will evaluate the performance of the theme coordinators annually to ensure that they continue to keep their commitments and maximize the contributions of the theme to Netspar's mission.

### **The first three themes**

All themes run for a period of three years. Each year, three new themes will be selected, and every year one-third of the themes will be replaced by new ones. The first three themes were selected in December 2005, and will begin work on April 1, 2006.

*Theme***Valuation and Risk Management for Insurance Companies and Pension Funds****Theme coordinators**

*Antoon Pelsser (University of Amsterdam; from 1-9-2006 onwards) and Joost Driessen (University of Amsterdam; until 1-9-2006)*

**Senior researchers**

*Peter Boswijk (University of Amsterdam), Marc Goovaerts (University of Amsterdam and KU Leuven), Rob Kaas (University of Amsterdam), Coen Teulings (University of Amsterdam)*

Pension and insurance sectors are facing unprecedented challenges at the beginning of the 21st century: Equity markets have fallen dramatically, interest rates are at historical lows, and people are living longer than ever before. At the same time, new tools are becoming available to address these challenges. Actuaries and actuarial science therefore need to enhance their skill-sets. The management of financial risks together with 'classical' actuarial risks is an area requiring further research.

**Finance meets actuarial science**

This theme is designed to stimulate research precisely in the area where finance and actuarial science meet. The primary application of this theme is risk management and asset and liability management by pension funds and insurance companies, focusing on internal risk management and external supervision and regulation.

Pension funds and insurance companies face risks that are difficult to manage and hedge: the markets for these risks are either nonexistent or incomplete. Direct examples are inflation risk and longevity risk. Even equity-price risk and interest-rate risk are not perfectly 'hedgeable'. However, managing and hedging these risk factors are essential to the risk management of pension funds and insurance companies. Although both pension funds and insurance companies face interest-rate risk and longevity risk for their liabilities, each is confronted by unique challenges related to the nature of the liabilities. Insurance liabilities are explicit contracts with the policyholders that establish the amount of money to be paid in each specific circumstance. In contrast, the contracts offered by pension funds are much less explicit. To illustrate, most pension funds express the intention to maintain wage indexation, but pension funds retain the discretion to change the indexation policy over time.

**Regulatory revisions**

The theme aims to investigate several issues related to the management of the risks faced by pension funds and insurance companies. First, the theme focuses on the valuation of pension and insurance contracts. International developments in accounting regulation and insurance supervision require that companies report their insurance- and pension liabilities on a fair-value basis. However, the standard theory of derivatives pricing cannot be applied to establish the fair value of insurance- and pension liabilities since the insurance risks are typically not

traded on financial markets. The standard actuarial literature considers the pricing of only pure insurance risks, and ignores financial market risks, which can also lead to unfair valuation. The project aims at reconciling 'actuarial' and 'financial' pricing methodologies in order to establish fair valuation of insurance- and pension liabilities. For pension funds, the incompleteness of the contract also must be valued. For example, the valuation of conditional indexation policies is essential, and requires realistic models of inflation rates and the term structures of real and nominal rates. Further, valuation of derivatives embedded in the investments (hedge funds, private equity, and corporate bonds) requires detailed attention. Hedge funds are known to use option-type strategies, while private equity funds and corporate bonds feature embedded put options on the value of the underlying projects.

**Market risk, inflation risk and longevity risk**

Appropriate risk management requires models describing the stochastic nature of market risk, inflation risk and longevity risk. Several research questions are relevant here. First, how do the returns of different asset classes correlate, and to what extent do these correlations increase in bear markets? Second, is it advisable to hedge the downside of long-term market risk using put options? Third, which instruments can be used to hedge inflation risk: nominal bonds, real bonds, real estate investments or commodity-related instruments? Fourth, how does the liquidity of these instruments affect hedging strategies? The markets for inflation-indexed bonds are currently quite small and illiquid. A pension fund therefore faces a trade-off between the liquidity and hedging properties of such assets. Fifth, can a market for life annuities help individuals and pension funds to hedge longevity risk, despite the problems associated with adverse selection? In this connection, securitization of longevity risk (for example, through longevity bonds) may be useful to transfer this risk from pension funds to other capital market participants. Finally, how much does intergenerational risk sharing help to diversify some of these risks over time?

**Appropriate and coherent measures**

The research theme also examines the appropriate measurement of the risks faced by pension funds and insurance companies. Given the increased interest in alternative investments such as hedge funds and private equity funds, which often exhibit asymmetric payoff profiles, risk measures should account adequately for this asymmetry. Moreover, in the face of a

potential conflict between short-term and long-term risk management, it is important to explore multi-period risk management. In particular, long-term risk management decisions with intermediate monitoring should be based on multi-period measures of risk that are dynamically consistent. This is relevant for internal risk management as well as for external supervision and regulation of pension funds and insurers. In addition, efficient ways to calculate risk measures are investigated using techniques based on comonotonic risks. Finally, how the choice of risk measures affects investment choices will be explored. For example, to what extent should pension funds and insurers change their asset allocation if short-term risk is high while long-term risk is expected to be relatively low?

Name **Roderick Munsters**  
 Position **Chief Investment Officer, ABP**  
 Netsparlink **Partner contact**  
 Age **42**



**"Partners should articulate clearly what they expect from Netspar"**

*Most inspiring country regarding pensions*

'Canada inspires me, because it has some forward-looking thinkers and practitioners on pensions.'

*Netspar*

'... as a platform for innovation, it's still in its infancy. Nevertheless, it is a provider of ideas on pension contract and investment strategy.'

*Partners*

'... should articulate clearly what they expect from Netspar. Furthermore, they should stimulate participation in Netspar workshops and develop a proactive policy to influence research topics and expected output.'

*Solidarity and a free market for pensions: in equilibrium?*

'We used to have equilibrium between solidarity and a free-market system in the Netherlands. New regulations, politics and the pensions area itself have neglected this lately.'

*When I can no longer look after myself, I will*

'...hire a private nurse, if my pensions and savings are high enough to afford this.'

*Theme***Income, Health and Work across the Life Cycle****Theme coordinators**

Maarten Lindeboom (VU Amsterdam) and Eddy van Doorslaer (Erasmus University, Rotterdam).

**Senior researchers**

Gerard van den Berg (VU Amsterdam), Han Bleichrodt (Erasmus University), Bas van der Klaauw (VU Amsterdam), Owen O'Donnell (Erasmus University), Katie Carman (Tilburg University), Norma Coe (Tilburg University), Tom van Ourti (Erasmus University), France Portrait (VU Amsterdam)

In recent decades, most OECD countries have achieved significant improvements in both the average life-span and the quality of life of their populations. The growing life expectancy of most Western populations entails many new challenges. If aging simply implied an expansion of the healthy and productive lifespan, it would not be considered the challenge that it is today. Unfortunately, much of the expansion consists of an increase in the number of years in declining health, accompanied by greatly increased healthcare needs and associated expenditures. As a result, most OECD countries face formidable new challenges for their largely publicly financed healthcare systems and for the optimal balance between active working life and the post-retirement, care-dependent years. Major dilemmas with respect to the sustainability of current retirement and disability programs, and the affordability of equitable healthcare systems, need to be addressed.

**Healthcare accessibility**

This program aims to improve our understanding of affordable health insurance and healthcare delivery arrangements and the degree to which solidarity is feasible and sustainable. Of central interest is the relationship between income and health, which are closely associated and unequally distributed. Cross-country comparisons suggest that the degree of inequality in access to healthcare often depends on the way each society protects the income and health of its non-active portion of the working-age population. While we know that health- and income inequalities exist and are related, much less is known about their underlying causes and the effects of institutions and policy interventions.

Most of the significant shocks with regard to health and income are incurred at later stages of the life cycle, i.e. just before or after retirement age, which makes these stages particularly relevant for studying the way in which income and health interact, and how this varies with different institutional arrangements regarding income- and health protection.

**Before retirement:****health, income and labor force participation**

Labor force participation rates of older workers have declined dramatically over the past decades. There is a consensus that financial incentives factor strongly in retirement decisions, and that the availability and generosity of social security and retirement schemes have induced many older workers to retire early. This program aims to clarify the causal role of health in

labor supply decisions taken by older workers, the consequences of poor health for living standards, and the (lagged) reverse impact of income and work on later health outcomes.

Although it is generally believed that those in the labor force are in better health than those not in paid employment, the mechanisms driving this association are not fully understood. Certainly, poor health may restrict the labor capacity of workers and may induce people to retire early. But poor health may also limit a person's enjoyment of leisure activities, which would make retirement less attractive. Moreover, outcomes at later ages are not isolated from earlier health- and labor market events.

**The consequences of life choices on health**

Throughout their lifetimes, people are exposed to adverse health shocks: they may lose their jobs and make choices that affect their work- and health outcomes. These choices involve the decision to work for a specific employer, to participate in early-retirement programs or personal savings plans, to purchase private health insurance etc. With regard to how these choices are made, the institutional context is relevant, as are past and current health issues and expectations of a person's own health and longevity (and that of his or her partner). This sub-project focuses on the role of institutions and policy interventions in determining health- and work outcomes at later ages. For instance, most OECD countries have recently implemented new retirement programs, with the explicit aim of extending the working lives of older workers. Unknown as yet are the behavioral responses and the consequences for the health outcomes of future cohorts.

**After retirement:****health, income and healthcare costs**

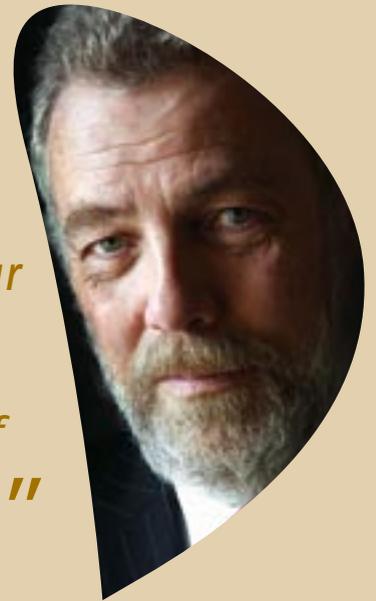
After retirement, the question of ensuring adequate access to quality medical care becomes no less pressing. Because of comorbidity and the need for long-term care, the distribution of healthcare among the elderly is often even less equitable than is the case at a younger age. The access problem is exacerbated by the fact that wealth at this age tends to be less equally distributed than in the population at large. We need a better understanding of the most important mechanisms in order to address the issue of how the public/private mix of insurance and delivery arrangements affect the demand for private insurance, the use of health services, and the distribution of health and healthcare access by income.

## NETSPAR THEMES

This project will document the effect of changes in the healthcare finance- and delivery system on the demand for private insurance, access to care for different groups in the population, and inequality in health and healthcare among the elderly. In examining healthcare policy, we need to understand the factors driving (long-term) care use and costs. This requires information on the determinants of need for care, care demand and unit care costs, and the response of healthcare institutions. Exogenous changes in the healthcare system (such as the recent Dutch health insurance reform) and cross-country institutional differences will be explored to examine the impact of alternative arrangements on access to care and on the financial position of the elderly.

Name Tom Wansbeek  
 Position Dean, Faculty of Economics,  
 University of Groningen  
 Netsparlink Member Advisory Board, Netspar  
 Age 59

*“ I hope that the non-academic partners of Netspar have the patience required to wait for the pay-offs of Netspar's research ”*



*Most inspiring country regarding pensions*  
 'I have no academic expertise in this field, so I don't really have an opinion.'

*Netspar*  
 'As a sister faculty, we appreciate Netspar's eagerness to share its means with colleagues across the country, and we are actively trying to increase our cooperation.'

*Partners*  
 'Academic research, including Netspar's, is fundamental research. It pays off hugely, but that takes time. I hope that the non-academic partners of Netspar have the patience required to wait for the pay-offs of Netspar's research.'

*Solidarity and a free market for pensions: in equilibrium?*  
 'More individual choice as to pension level and retirement age is desirable.'

*When I can no longer look after myself, I will*  
 'Brrrr. I hope that my wife still loves me by then.'

## Theme

# Private Retirement Provision



**Theme coordinator**  
Peter Schotman  
(Maastricht University)

**Senior researchers**  
Rob Bauer (Maastricht University, ABP), Piet Eichholtz (Maastricht University), Frank de Jong (Tilburg University), Bas Werker (Tilburg University)

### The third 'pillar'

The provision of retirement income has long been dominated by mandatory arrangements with little room for individual choice. However, individual choice is becoming increasingly important within collective defined-benefit arrangements. Moreover, individual schemes with more scope for individual discretion are sometimes proposed, including private retirement and life-cycle accounts based on defined contributions. In any case, in addition to collective pension rights, households build up private savings and investments in financial assets, housing and human capital. These developments place more responsibility on individuals to make informed decisions about retirement savings and investments. People must be able to estimate not only how much wealth they will need to accumulate by the time they retire, but also what risks are involved. To execute their plans, they will invest in mutual funds, or use the services of intermediaries, such as insurance companies and pension funds.

### Three broad issues

The purpose of this theme is to investigate three broad issues:

1. What is the optimal investment portfolio for households at various ages, taking into account housing and labor income?
2. How efficient are various institutional providers, such as mutual funds and pension funds, in providing investment products for households?
3. Do people have the capacity to make rational decisions about retirement?

### Optimal portfolio allocations

This is a booming research area focusing on the optimal composition of portfolios for investors with long investment horizons. Optimal composition refers to the allocation within a portfolio among stocks, bonds, risk-free savings and other assets. In this research program we will endeavor to augment the existing literature with practical applications.

A crucial issue is the effect of home ownership on asset allocation. The net value of a house (value minus mortgage) often exceeds the value of the household's financial assets, suggesting a significant effect on asset allocation. The choice of mortgage type is one of the most important decisions that a household makes— but scientific research on optimal mortgage choice is still lacking. One of our research aims is to fill this gap. To answer these questions, we need more insight into the long-term relationship between

returns and risks on various investments and retirement savings.

Two such risks involve inflation and interest rates. The former affects real wealth, while the latter affects the value of annuities purchased at retirement. Which investment strategies can hedge these risks? A third important risk is the wage level. Individuals usually prefer a retirement income that keeps pace with the general wage level. However, investment assets that exactly track wage developments typically do not exist. The question is what investment strategy should the individual (or the pension fund manager) employ in an environment with wage risk? Finally, we plan to investigate the robustness of retirement investment portfolios in an uncertain economy. A portfolio that is based on a specific model may perform poorly in an alternative, but plausible, environment. Is it possible to devise a reliable strategy that will perform reasonably well in a variety of scenarios and yet is robust with respect to model risk?

### The efficiency of institutional pension providers

Recent evidence suggests that defined-contribution (DC) retirement schemes provided by pension funds in the US are more cost effective than the mutual fund industry as a whole. A possible explanation is that there is a natural alignment between the interests of DC plan executives (agents) and plan members (principals). The presumed rationale for establishing pension funds is not fee-based profitability for a third-party, but the provision of employee retirement income. There is a natural incentive for pension funds to maximize net returns, rather than expenses. In the mutual-fund industry, managers have the (legal) option to extract wealth from their clients for their own benefit (due to the informational asymmetry between them). Are pooled DC schemes inherently more cost effective than mutual funds? Do mutual funds have more and different agency problems than pooled DC products? What are the performance consequences?

### Household financial investment decisions

Existing research in behavioral finance casts doubt on the rationality of individual long-term investment decisions. This suggests that providing unrestricted individual choice in pension products may not be a good idea, and supports mandatory funded pensions, with default investment strategies. Yet, there is a risk that such policies exclude products that cater to individual needs and limit competition, resulting in

inefficiencies in pension provision. Striking the right balance between free and limited choice is one of the chief policy challenges in the pension field. A related issue is whether or not it is possible to educate private investors in these matters. There is an obvious link with Netspar's micro program, featuring a wealth of information about individual savings decisions that can be extended to investment decisions in financial markets.

Name **Olivia S. Mitchell**  
 Position **Professor at Wharton School,  
 University of Pennsylvania**  
 Netsparlink **Member Scientific Council**



*"There is no one perfect plan for all time and all countries"*

*Most inspiring country regarding pensions*  
 'Many countries have interesting elements; most recently, I have been working in Chile where, 25 years ago, the national old-age system was converted into a program based on funded defined-contribution accounts.'

*Netspar*  
 'I am delighted to be able to share international perspectives with Netspar and its affiliates.'

*Solidarity and a free market for pensions: in equilibrium?*  
 'Every country must continually seek its own balance between welfare and insurance-based systems. A pure welfare program has deleterious incentive effects, while a pure insurance-based program can be critiqued on equity grounds. There is no one perfect plan for all time and all countries.'



Name Hanne de Glas  
Position student in the MSc in Economics  
at Tilburg University

*"People I know are concerned that they are going to have to work hard in the future to pay for the pensions of a huge number of retirees"*

Hanne chose *Introduction to the Economics and Finance of Aging* as an elective course.

"I think that the subject of population aging is interesting to almost everyone—also young people. People I know are concerned that they are going to have to work hard in the future to pay for the pensions of a huge number of retirees. I was curious to see what kind of solutions economics is offering, and this course has given me a lot of insight into that. I had always thought, for example, that the amount that you have to pay each month you would actually get eventually; now, I know that it's a lot more complicated.

What I especially liked about the course was the small-group focus. We worked in small groups and wrote papers together. Each group, for example, had to study the pension system of a particular country and then make a presentation. Our group handled Sweden, a country with an innovative approach to population aging and pensions. Through the presentations you learned something about each country, and saw the theory put into practice.

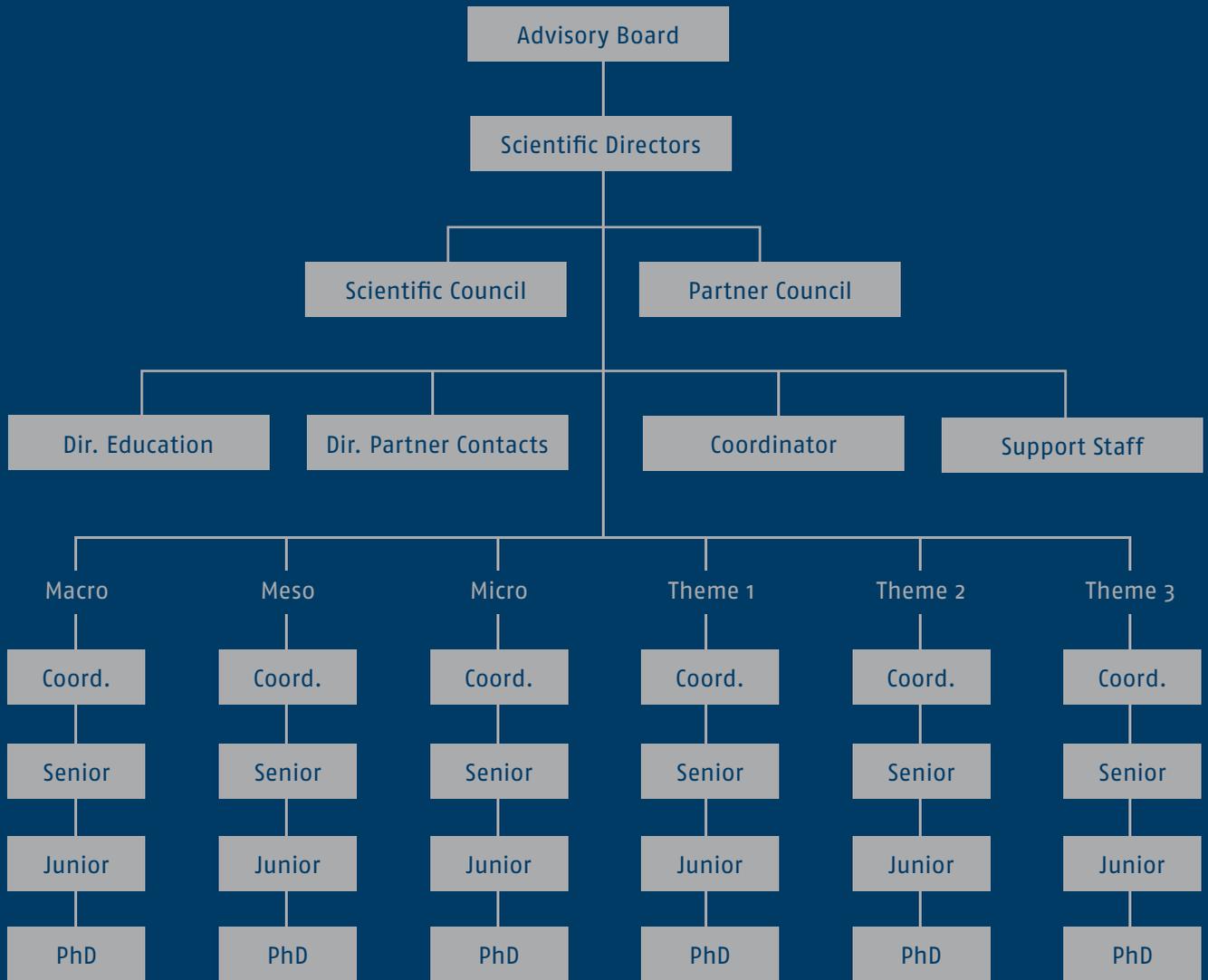
All in all, this course was an enjoyable and informative taste of the new master's in the Economics and Finance of Aging."





# Supplements

# Netspar Organization



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**Mr.Dr. Hans Bosselaar**  
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**Wouter Tol**  
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**Prof.dr.ir. Arie Kapteyn**  
**Prof.dr. Theo Nijman (Chair)**

## Director of Education

**Prof.dr. Arthur van Soest**

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## Coordinator

**Drs. Martijn van Gruijthuisen**

## Support Staff

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**Sabrina Corsen** (Secretary)

**Sylvia van Drogenbroek** (Secretary)

**Lizeth van der Heijden** (Secretary)

**Fred Hoogeland** (Policy Officer)

**Lenie Laurijssen** (Team Leader Secretarial Office)

**Margreet Punt** (Communications Officer)

## Program coordinators

### Macro

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*Erasmus University Rotterdam*

**Prof.dr. Coen Teulings**  
*University of Amsterdam*

### Meso

**Prof.dr. Frank de Jong**  
*Tilburg University*

**Prof.dr. Peter Schotman**  
*Maastricht University*

### Micro

**Prof.dr. Rob Alessie**  
*Utrecht University*

**Prof.dr. Matthijs Kalmijn**  
*Tilburg University*

**Prof.dr. Maarten Lindeboom**  
*VU Amsterdam*

## Junior researchers



## Macro

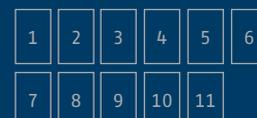
- 1 **Dr. Bas Jacobs**  
*Tilburg University*
- 2 **Dr. Bas van Groezen**  
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- 3 **Dr. Katie Carman**  
*Tilburg University*
- 4 **Dr. Norma Coe**  
*Tilburg University*
- 5 **Dr. Thijs Knaap**  
*Utrecht University*

## Meso

- 6 **Dr. Joachim Inkmann**  
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- 7 **Dr. Lieven Baele**  
*Tilburg University*

## Micro

- 8 **Dr. Christiaan Monden**  
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- 9 **Dr. Frederic Vermeulen**  
*Tilburg University*
- 10 **Drs. Jannes de Vries**  
*Tilburg University*
- 11 **Dr. Gema Zamarro**  
*Tilburg University*



## Macro senior researchers



- 1 **Prof.dr. Roel Beetsma**  
*University of Amsterdam*  
Monetary Policy and Pension systems in the EU
- 2 **Prof.dr. Jan Boone**  
*Tilburg University*  
Optimal Tax Policy, Retirement Decisions and Redistribution
- 3 **Prof.dr. Lans Bovenberg**  
*Tilburg University*  
Optimal Tax Policy, Retirement Decisions and Redistribution  
Risk in General Equilibrium Models and Pension Policy  
Optimal Life-time Income Taxation
- 4 **Dr. Peter Broer**  
*CPB*  
Risk in General Equilibrium Models and Pension Policy
- 5 **Prof.dr. Sylvester Eijffinger**  
*Tilburg University*  
Financial Supervision in Europe  
Stability and Growth Pact, Demographic Developments and Pensions
- 6 **Prof.dr. Ben Heijdra**  
*University of Groningen*  
Non-traded goods, Aging, and Pensions in Open Economies
- 7 **Dr. Willem Heeringa**  
*DNB*  
Optimal pension funding: a portfolio approach
- 8 **Prof.dr. Harry Huizinga**  
*Tilburg University*  
Financial Market Development and Institutional Investors  
Public Pension guarantees and Moral Hazard
- 9 **Drs. Egbert Jongen**  
*CPB*  
Dealing with Labour Market Risk in The Netherlands
- 10 **Prof.dr. Kees Koedijk**  
*Erasmus University Rotterdam*  
Risk and Return of Sustainable Investing
- 11 **Prof.dr. Clemens Kool**  
*Utrecht University*  
International Capital Flows, Net Foreign Assets and Real Exchange Rates  
Private Pension Investments: a Behavioral Finance Approach
- 12 **Prof.dr. Lex Meijdam**  
*Tilburg University*  
Aging, Pensions and Fertility  
The International Spillover Effects of Aging and Pension Systems
- 13 **Prof.dr. Ruud de Mooij**  
*CPB*  
Reinventing the welfare state
- 14 **Prof.dr. Enrico Perotti**  
*University of Amsterdam*  
The Political Economy of Pension Reform
- 15 **Dr. Eduard Ponds**  
*ABP*  
Generational Fairness and Sustainability of Funded Defined Benefit Plans
- 16 **Prof.dr. Coen Teulings**  
*University of Amsterdam (CPB as of May 2006)*  
Social Insurance, Pension Funds and Life-cycle Saving
- 17 **Prof.dr. Harrie Verbon**  
*Tilburg University*  
The International Spillover Effects of Aging and Pension Systems
- 18 **Prof.dr. Sweder van Wijnbergen**  
*University of Amsterdam*  
Pension Reform Around the World

1	2	3	4	5	6	7	8	9
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## Meso senior researchers



- |   |   |  |
|---|---|--|
| <p>1 <b>Dr. Joost Driessen</b><br/><i>University of Amsterdam</i><br/>Pension Investments in Corporate Bonds</p>                                | <p>8 <b>Prof.dr. André Lucas</b><br/><i>VU Amsterdam</i><br/>Preference Specification for Pension Funds</p>   | <p>15 <b>Dr. Peter Vlaar</b><br/><i>DNB</i><br/>Interest Rate Modelling for Pension Fund Asset and Liability Management<br/>Optimal Investment Policy for Pension Funds and the Impact of Regulation</p> |
| <p>2 <b>Dr. Feico Drost</b><br/><i>Tilburg University</i><br/>Portfolio Insurance and Crash Risk</p>  | <p>9 <b>Prof.dr. Bertrand Melenberg</b><br/><i>Tilburg University</i><br/>Portfolio Choice and Equilibrium Pricing under Loss Aversion</p>          | <p>16 <b>Dr. Anja de Waegenaere</b><br/><i>Tilburg University</i><br/>Measurement and Management of Longevity Risk</p>   |
| <p>3 <b>Prof.dr. Piet Eichholtz</b><br/><i>Maastricht University</i><br/>Effects of the Aging Population on Real Estate Markets</p>             | <p>10 <b>Prof.dr. Theo Nijman</b><br/><i>Tilburg University</i><br/>Advantages and disadvantages of Participation in Collective Pension Schemes</p> | <p>17 <b>Prof.dr. Bas Werker</b><br/><i>Tilburg University</i><br/>Hedging Inflation Risk</p>  |
| <p>4 <b>Prof.dr. Marc Goovaerts</b><br/><i>University of Amsterdam</i><br/>Determination of Financial Insurance Streams based on Commonotoc</p> | <p>11 <b>Prof.dr. Frans de Roon</b><br/><i>Tilburg University</i><br/>Portfolio Choice and Asset Pricing including Economic Risk Factors</p>        |  |
| <p>5 <b>Dr. Jenke ter Horst</b><br/><i>Tilburg University</i><br/>Performance Evaluation of Hedge Funds</p>                                     | <p>12 <b>Prof.dr. Peter Schotman</b><br/><i>Maastricht University</i><br/>Long Term Investing with Persistent Risk Factors</p>                      |  |
| <p>6 <b>Prof.dr. Frank de Jong</b><br/><i>Tilburg University</i><br/>Valuation of Intergenerational Pension Deals</p>                           | <p>13 <b>Prof.dr. Hans Schumacher</b><br/><i>Tilburg University</i><br/>Valuation at Market Value</p>   |  |
| <p>7 <b>Prof.dr. Rob Kaas</b><br/><i>University of Amsterdam</i><br/>Determination of Financial Insurance Streams based on Commonotoc</p>       | <p>14 <b>Prof.dr. Marno Verbeek</b><br/><i>Erasmus University Rotterdam</i><br/>Performance Persistence and Money Flows</p>                         |  |

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## Micro senior researchers



- 1 **Prof.dr. Rob Alessie**  
*Utrecht University*  
How Social Security and Pension Wealth Affect Household Savings Choice Planning, Financial Literacy, and Household Wealth: Evidence from the Netherlands
- 2 **Prof.dr. Gerard van den Berg**  
*VU Amsterdam*  
Long Run Effects of Economic Conditions on health and mortality
- 3 **Dr. Hans Bloemen**  
*VU Amsterdam*  
Private wealth and exit from the labor force
- 4 **Dr. Eline van der Heijden**  
*Tilburg University*  
The Relationship between Risk Attitudes and Time Preferences
- 5 **Dr. Kène Henkens**  
*NIDI*  
Late-life Labor Market Careers of Households
- 6 **Prof.dr. Matthijs Kalmijn**  
*Tilburg University*  
Aging in a Life Course Perspective Late-life labor market careers of households
- 7 **Prof.dr.ir. Arie Kapteyn**  
*Tilburg University*  
Understanding Economic Decisions in Old Age
- 8 **Prof.dr. Peter Kooreman**  
*University of Groningen*  
Default and Labelling Effects in Savings and Consumption Decisions: a Field Experiment
- 9 **Prof.dr. Maarten Lindeboom**  
*VU Amsterdam*  
Health, Work, and Well-being before and after retirement
- 10 **Prof.dr. Jan Nelissen**  
*Tilburg University*  
Micro-simulation of Transitions In and Out of the Labor force
- 11 **Prof.dr. Jan Potters**  
*Tilburg University*  
Measuring the Degree of Solidarity in Pension Systems and Social Insurance The Relationship between Risk Attitudes and Time Preferences
- 12 **Prof.dr. Henriëtte Prast**  
*Tilburg University and DNB*  
Default and Labelling Effects in Savings and Consumption Decisions: a Field Experiment
- 13 **Prof.dr. Fred van Raaij**  
*Tilburg University*  
Consumer Financial Planning and (il)literacy
- 14 **Drs. Maarten van Rooij**  
*DNB*  
Private Pension Investment: a Behavioral Finance Approach Planning, Financial Literacy, and Household Wealth: Evidence from the Netherlands
- 15 **Prof.dr. Arthur van Soest**  
*Tilburg University*  
Comparing Work Disabilities across Countries Expectations and Realizations of Retirement Benefits Savings, Portfolio Choice, and Retirement
- 16 **Dr. Klaas de Vos**  
*Tilburg University*  
Pension Systems and Retirement

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# Netspar Output: Discussion Papers and Drafts

*Netspar discussion papers are available on Netspar's website. The other output that is listed is available through draft versions only.*

Bovenberg, A.L., T. Boeri, B. Coeure, A. Roberts (2006), **Dealing with the new giants.**

Bovenberg, A.L., P. Sorensen (2006), **Individual savings accounts and the life cycle approach to social insurance.**

Bovenberg, A.L., H. Uhlig (2006), **Pension systems and the allocation of macroeconomic risk.**

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Bovenberg, A.L., R. Beetsma (2006), **The macroeconomics of pensions and intergenerational risksharing.**

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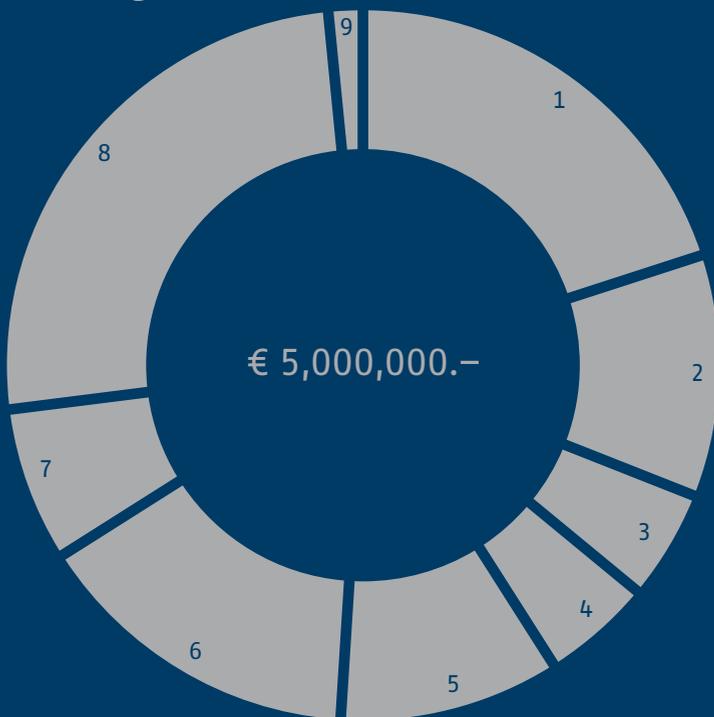
# Budget & Funding 2006

## Budget



- 1. Conferences & Reference Papers - 7%
- 2. Data & Visitors - 4%
- 3. Operation Costs - 11%
- 4. Unforeseen - 3%
- 5. Senior Researchers & Board of Directors - 34%
- 6. Junior Researchers - 13%
- 7. PhDs & MPhils - 5%
- 8. Themes - 20%
- 9. Education - 3%

## Funding



- 1. Tilburg University - 20%
- 2. Other Universities - 11%
- 3. NWO Spinoza - 5%
- 4. GAK Institute Foundation - 5%
- 5. Pension Funds - 10%
- 6. Insurance/Banking Institutions - 15%
- 7. Public Institutions - 7%
- 8. Innovation Platform - 26%
- 9. Other - 1%

## January 17, 2005

	<i>Aging Society</i>	14.30	Round I: Parallel workshops
09.45	Opening of the conference <b>Hein van Oorschot</b> (President of the Executive Board of Tilburg University)		Workshop I: <i>Aging Society</i> The social security and pensions systems of five European countries will be analysed: – UK: <b>David Blake</b> (Pensions Institute, Cass Business School, London): <i>Population aging: issues facing the UK's pension systems</i> – Poland: <b>Marek Góra</b> (Warsaw School of Economics): <i>The Polish pension reform</i> – Germany: <b>Axel Börsch-Supan</b> (MEA Mannheim): <i>Reforming an un-sustainable public pension system: the German case</i> – Denmark: <b>Anders Grosen</b> (Arhus Business School): <i>The crisis in the Danish Life Insurance companies</i> – The Netherlands: <b>Lans Bovenberg</b> (Netspar, Tilburg University): <i>Pension reform in the Netherlands</i>
10.00	<i>Outline of the European political ambitions with regard to the economic and social issues aging society, security, multicultural society and market liberalisation</i> <b>Lambert van Nistelrooij</b> (Member of the European Parliament)		Workshop II: <i>European Security</i>
10.25	<i>Introduction to the workshop Aging Society, sustainable pension solutions for Europe</i> <b>Jan Nijssen</b> (ING Group) and <b>Richard Suzman</b> (National Institute of Aging in the US) will give a brief outline of the various challenges with regard to the greying society and its impact on social security and pension systems.		Workshop III: <i>A multicultural European Society</i>
11.25	Coffee and tea break		Workshop IV: <i>Structuring markets through regulation: the case of vertical separation</i>
11.40	Introduction to the workshop <i>European Security</i> , <b>Cyrille Fijnaut</b> (Tilburg University)		
12.10	Introduction to the workshop <i>A multicultural European Society</i> <b>Chaibong Hahm</b> (Director of the Division of Social Science, Research and Policy at UNESCO)	16.00	Coffee and tea break
12.35	Introduction to the workshop <i>Structuring markets through regulation: the case of vertical separation</i> <b>Jens Arnbak</b> (chairman of OPTA, the Dutch Telecommunication and Post Regulatory Authority)	16.15	Continuance of the parallel workshops
13.00	Lunch at Tilbury's	17.30	Drinks and Dinner at Willem II Stadion in Tilburg <b>Hugo Backx</b> (City of Tilburg) and <b>Onno Hoes</b> (Deputy Governor of the Province of Noord-Brabant) will hold speeches during dinner.

## January 18, 2005

09.30	Round II: Parallel workshops Aging Society
	Session A: Chairperson: <b>Frank de Jong</b> (Netspar and University of Amsterdam)
	<b>Paula Lopes</b> (London School of Economics)* and <b>João F. Cocco</b> (London Business School): <i>Defined benefit or defined contribution? An empirical study of pension choices</i> Discussant: <b>Peter Schotman</b> (Netspar and Maastricht University)
	<b>Coen Teulings</b> (Netspar and University of Amsterdam)* and <b>Casper de Vries</b> (Erasmus University Rotterdam): <i>Generational accounting, solidarity and pension losses</i> Discussant: <b>Theo Nijman</b> (Netspar and Tilburg University)
	Session B: Chairperson: <b>Jan Boone</b> (Netspar and Tilburg University)
	<b>Axel Börsch-Supan*</b> , <b>Alexander Ludwig</b> and <b>Joachim Winter</b> (Mannheim Research Institute for the Economics of Aging): <i>Aging, pension reform, and capital flows: A multi-country simulation model</i> Discussant: <b>Peter Broer</b> (Netspar and Central Planning Bureau)
	<b>Arie Kapteyn</b> (Netspar, Tilburg University and RAND)*, <b>James P. Smith</b> (RAND) and <b>Arthur van Soest</b> (Netspar, Tilburg University and RAND): <i>Self-reported work disability in the US and the Netherlands</i> Discussant: <b>Guiglelmo Weber</b> (University of Padua)
10.30	Coffee and tea break

<p>11.00 Continuation of the parallel workshops</p> <p>Session A: Chairperson: <b>Lex Meijdam</b> (Netspar and Tilburg University)</p> <p><b>Phil Davis*</b> and <b>Yuwei Hu</b> (Brunel University): <i>Is there a link between pension-fund assets and economic growth? – A cross-country study</i> Discussant: <b>Harrie Verbon</b> (Netspar and Tilburg University)</p> <p><b>Lans Bovenberg</b> (Netspar and Tilburg University) and <b>Thijs Knaap</b> (Netspar and Utrecht University)*: <i>Aging, funded pensions and the Dutch economy</i> Discussant: <b>Hans Fehr</b> (University of Wuerzburg)</p> <p>Session B: Chairperson: <b>Kees Koedijk</b> (Netspar and Erasmus University)</p> <p><b>Guiglelmo Weber*</b> and <b>Loriana Pellizzon</b> (University of Padua): <i>Are household portfolios efficient. An analysis conditional on housing</i> Discussant: <b>Bas Werker</b> (Netspar and Tilburg University)</p> <p><b>Tito Boeri</b> (Bocconi University, Milan)* and <b>Agar Brugiavini</b> (University of Venice): <i>Pension reforms and gender differences in career gaps</i> Discussant: <b>Pierre Pestieau</b> (University of Liege)</p>	<p>14.45 Continuation of the parallel workshops</p> <p>Session A: Chairperson: <b>Bas Werker</b> (Netspar and Tilburg University)</p> <p><b>Franck Amalric</b> (University of Zürich): <i>Pension funds, corporate responsibility, and sustainability</i> Discussant: <b>Kees Koedijk</b> (Netspar and Erasmus University Rotterdam)</p> <p><b>Frank de Jong</b> (Netspar and University of Amsterdam)*, <b>Jiajia Cui</b> (University of Amsterdam) and <b>Eduard Ponds</b> (University of Amsterdam): <i>Intergenerational transfers within funded pension schemes</i> Discussant: <b>Paula Lopes</b> (London School of Economics)</p> <p>Session B: Chairperson: <b>Peter Kooreman</b> (Netspar and University of Groningen)</p> <p><b>Carl Emmerson</b> (Institute for Fiscal Studies, London)* and <b>Richard Disney</b> (University of Nottingham): <i>Public pension reform in the United Kingdom: what effect on the financial well-being of current and future pensioners</i> Discussant: To be announced</p> <p><b>Matias Eklöf*</b> and <b>Daniel Hallberg</b> (Uppsala University): <i>Private alternatives and early retirement</i> Discussant: <b>Arthur van Soest</b> (Netspar, Tilburg University and RAND)</p>	<p>16.15 Continuation of the parallel workshops</p> <p>Session A: Chairperson: <b>Arthur van Soest</b> (Netspar, Tilburg University and RAND)</p> <p><b>Thomas Post*</b>, <b>Helmut Gründl</b> (Humboldt University, Berlin), and <b>Hato Schmeiser</b> (University of Münster): <i>Normative modelling of retirement decisions: an application to family self-insurance</i> Discussant: <b>Peter Kooreman</b> (Netspar and University of Groningen)</p> <p><b>Mario Padula</b> (University of Salerno)*, <b>Renata Bottazzi</b> (University College London) and <b>Tullio Jappelli</b> (University of Salerno): <i>Retirement expectations, pension reforms and their impact on private accumulation</i> Discussant: <b>Rob Alessie</b> (Netspar and Utrecht University)</p> <p>Session B: Chairperson: <b>Jan Potters</b> (Netspar and Tilburg University)</p> <p><b>Hans Fehr*</b> and <b>Christian Habermann</b> (University of Wuerzburg): <i>Risk sharing and efficiency implications of alternative social security arrangements</i> Discussant: <b>Lex Meijdam</b> (Netspar and Tilburg University)</p> <p><b>Theo Nijman</b> (Netspar and Tilburg University) and <b>Ralph Koijen</b> (Tilburg University)*: <i>Valuation and risk management of inflation sensitive pension rights</i> Discussant: <b>Joachim Inkmann</b> (London School of Economics)</p>
<p>12.00 Lunch at Tilbury</p>	<p>15.45 Coffee and tea break</p>	<p>17.30 Buffet at Tilbury</p>
<p>13.30 Information and discussion on European research cooperation related to pension and retirement</p>		

\* indicates who presents in case of several authors

## March 30, 2005

	<i>Opening conference Netspar</i>	15.30	Break
	Academic lectures, YZ-1	16.00	
09.30	<b>Axel Börsch-Supan</b> (MEA, University of Mannheim): <i>Macroeconomic implications of aging on global labor and capital markets</i>	16.25	Debate Between students and Prime Minister
10.30	<b>Louis Viceira</b> (GSBA Harvard University): <i>The term structure of the risk return trade-off</i>	17.00	Drinks
11.30	Break		
12.00	<b>Olivia Mitchell</b> (Director of the Pension Research Council, The Wharton School, University of Pennsylvania): <i>Challenges facing US retirement programs</i>		
13:00	Lunch in foyer of building Y		
13:45	Welcome by Board of directors Netspar		
14.00	<b>Hein van Oorschot</b> (President of the Executive Board of Tilburg University)		
14.05	<b>Lans Bovenberg</b> (Director Netspar): <i>Netspar as private-public partnership</i>		
14.20	<b>Roderick Munsters</b> (Chief Investment Officer of ABP): <i>Safeguarding Dutch Pensions: possible Netspar research issues</i>		
14.35	<b>Alexander Rinnooy Kan</b> (Executive Board of ING Group): <i>Meeting individual needs from collective strengths</i>		
14.50	<b>James Poterba</b> (MIT): <i>Individual decision making and risk in DC pension plans: Evidence from the US</i>		
15.25	Presentation of the Efact Honorary Award		

## March 28, 2006

	<i>Netspar Anniversary Meeting: Meeting with the Stakeholders</i>
	Chairman: <b>Dick de Beus</b>
13.30	Welcome
14.00	Opening by <b>Dick de Beus</b>
14.10	<i>Lasting pension contracts: about old values and new ways</i> by <b>Lans Bovenberg</b>
15.00	Discussion
15.30	Break
16.00	<i>Intergenerational solidarity. State of affairs</i> by <b>Coen Teulings</b>
16.45	Discussion
17.15	<i>Netspar: State of affairs and evaluation first year</i> by <b>Theo Nijman</b>
18.00	Drinks in Restaurant Auberge du Bonheur
19.00	Dinner and discussion
21.30	Closing

## April 27, 2006

	<i>Annual conference: Closing the gap between science, policy and politics: reinventing the welfare state</i>	15.30	Session IV: <i>Aging, retirement &amp; pensions</i>
09.00	Registration and coffee		Lecture 5 <b>Arie Kapteyn:</b> <i>Early retirement policies and patterns</i> Discussants: <b>Peter Kooiman, Harry Garretsen</b>
09.30	Session I: <i>Migration &amp; globalization</i> Chairman: <b>Casper van Ewijk</b>		Lecture 6 <b>Sweder van Wijnbergen:</b> <i>Pension reform in Europe</i> Discussants: <b>Assar Lindbeck, Bart van Riel</b>
	Lecture 1 <b>Tito Boeri:</b> <i>Migration</i> Discussants: <b>Rick van der Ploeg, Paul Tang</b>		Lecture 7 <b>Ed Westerhout:</b> <i>Aging &amp; pension reform in the Netherlands</i> Discussants: <b>Eduard Ponds, Chris Driessen</b>
	Lecture 2 <b>Tony Atkinson:</b> <i>The welfare state in a global market</i> Discussants: <b>André de Jong, Cees Oudshoorn</b>		
11.30	Coffee break		
		17.45	Closing and drinks
12.00	Session II: <i>Individualization and skill formation</i>		
	Lecture 3 <b>Peter Sørensen, Lans Bovenberg:</b> <i>Individual savings accounts and the lifecycle approach to social insurance</i> Discussants: <b>Tjerk Kroes, Paul de Beer</b>		
13.00	Lunch		
14.00	Session III: <i>Individualization and skill formation (continued)</i> Chairman: <b>Theo Nijman</b>		
	Lecture 4 <b>James Heckman, Bas Jacobs:</b> <i>Policies to foster human capital in Europe</i> Discussants: <b>George Gelauff, Coen Teulings</b>		
15.00	Coffee break		

## April 28, 2006

08.30	Coffee
09.00	Session V: <i>Comparing welfare states</i> Chairman: <b>Marko Bos</b>
	Lecture 1 <b>Gösta Esping-Andersen:</b> <i>The Anglo-Saxon, continental European, Scandinavian and Mediterranean welfare states and the labor market</i> Discussants: <b>Marcel Canoy, Maarten Camps</b>
	Lecture 2 <b>Torben Andersen:</b> <i>The Scandinavian model</i> Discussants: <b>Lars Jonung, Paul Schnabel</b>
11.00	Coffee break
11.30	Session VI: <i>The future of the welfare state in the Netherlands</i>
	Lecture 3 <b>Ruud de Mooi:</b> <i>Reinventing the welfare state</i> Discussants: <b>Ton van der Wist, Anton Hemerick</b>
12.30	Lunch
13.30	Policy Session I: <i>Political economy of the welfare state</i> Chairman: <b>Peter Lieshout</b>
	<b>Kees Goudswaard</b> Discussant: <b>Tony Atkinson</b>
	<b>Wouter Bos</b> Discussant: <b>Assar Lindbeck</b>
	<b>Aart Jan de Geus</b> Discussant: <b>James Heckman</b>
15.30	Coffee break
16.00	Policy Session II: <i>Panel discussion on the future of the welfare state</i> <b>Tito Boeri, Tony Atkinson, Torben Andersen, Peter Sørensen, James Heckman, Gösta Esping-Andersen and Assar Lindbeck</b>
17.00	Closing and drinks

## April 21, 2005

- 09.00 Registration and coffee
- 09.30 Welcome by **Theo Nijman**
- 09.45 **Keith Ambachtsheer** (KPA Advisory Services and Rotman School of Management, University of Toronto): *The Dutch Pension Model: Will it Sink or Swim?*
- 10.45 Break
- 11.15 **Jan Kuné** (Netspar, ABP and University of Amsterdam): *The basics of Pension Finance*
- 11.45 **Antoon Pelsser** (Netspar, ING and Erasmus University): *Challenges for risk management of insurers*
- 12.45 Lunch break
- 14.00 **Lans Bovenberg** (Netspar and Tilburg University): *The economics of pensions; an introduction*
- 15.30 Break
- 16.00 **Sweder van Wijnbergen** (Netspar and University of Amsterdam): *Pension Reforms in Emerging Markets*
- 17.30 Drinks and buffet

## May 12, 2005

- 09.15 Registration and coffee
- Room EZ-4:
- 09.45 **Theo Nijman** (Tilburg University and Netspar): *The nFTK and the management of market risk for pension funds and insurers*
- 11.00 Break
- 11.30 Parallel session 1 (room EZ-4):  
**Peter Schotman** (Netspar and Maastricht University): *Long Term Investments with Persistent Risk Factors*  
Discussant: **Clemens Kool** (Utrecht University and Netspar)
- Anja de Waegenare** (Netspar and Tilburg University): *Measurement and Management of Longevity Risk*  
Discussant: **Eduard Ponds** (ABP and Netspar)
- 11.30 Parallel session 2 (room EZ-9):  
**Arthur van Soest** (Tilburg University and Netspar): *Expectations and realizations of retirement benefits*  
Discussant: **Matthijs Kalmijn** (Tilburg University and Netspar)
- Ben Heijdra** (Netspar and University of Groningen): *Non-traded Goods, Aging, and Pensions in Open Economies*  
Discussant: **Harrie Verbon** (Tilburg University and Netspar)
- 13.00 Lunch
- 14.00 Parallel session 1 (room EZ-4):  
**Henriëtte Prast** (Tilburg University, De Nederlandsche Bank and Netspar): *Risk-return preferences in the pension domain: are people able to choose?*  
Discussant: **Fred van Raaij** (Netspar and Tilburg University)
- Hans Schumacher** (Tilburg University and Netspar): *Valuation at Market Value*  
Discussant: **Peter Schotman** (Maastricht University and Netspar)
- 14.00 Parallel session 2 (room EZ-9):  
**Jan Potters** (Tilburg University and Netspar): *Measuring the Degree of Solidarity in Pension Systems and Social Insurance*  
Discussant: **Thijs Knaap** (Utrecht University and Netspar)
- Peter Kooreman** (University of Groningen and Netspar): *Default and Labeling Effects in Savings and Consumption Decisions; a Field Experiment*  
Discussant: **Klaas de Vos** (Tilburg University and Netspar)
- 15.30 Break
- 16.00 Room EZ-4:  
**Frank de Jong** (University of Amsterdam and Netspar): *Investing for the long run: the role of return predictability*
- 17.30 Drinks and buffet

## June 23, 2005

- 09.15 Registration and coffee
- 09.30 **Arthur van Soest** (Tilburg University and Netspar): *The Microeconomics of the retirement decision*
- 10.30 **Annamaria Lusardi** (Dartmouth College, Preparing for Retirement): *Planning and the Effectiveness of Financial Education*
- 11.00 Break
- 11.30 Parallel session 1:  
**Peter Vlaar** (De Nederlandsche Bank and Netspar): *Palmnet and the New Supervisory Rules (nFTK)*  
Discussant: **Feike Drost** (Tilburg University and Netspar)
- Bas Werker** (Tilburg University and Netspar): *Hedging Inflation Risk*  
Discussant: **Joost Driessen** (University of Amsterdam and Netspar)
- 11.30 Parallel session 2:  
**Enrico Perotti** (University of Amsterdam and Netspar): *The Political Economy of Pension Reform*  
Discussant: **Coen Teulings** (University of Amsterdam and Netspar)
- Harry Verbon** (Tilburg University and Netspar): *The International Spillover effects of Aging and Pension Systems*  
Discussant: **Sweder van Wijnbergen** (University of Amsterdam and Netspar)
- 13.00 Lunch
- 14.00 Parallel session 1:  
**Marno Verbeek** (Erasmus University and Netspar): *Hedge Funds: Flows, Performance and Smart Money*  
Discussant: **Hans Schumacher** (Tilburg University and Netspar)
- Fred van Raaij** (Tilburg University and Netspar): *Consumer Goal Planning, Precommitment and Pensions*  
Discussant: **Maarten van Rooij** (De Nederlandsche Bank and Netspar)
- 14.00 Parallel session 2:  
**Harry Huizinga** (Tilburg University and Netspar): *Domestic and international finance: how do they affect consumption smoothing?*  
Discussant: **Willem Heeringa** (De Nederlandsche Bank and Netspar)
- Roel Beetsma** (University of Amsterdam and Netspar): *Monetary Policy and Pension Systems in the EMU*  
Discussant: **Peter Broer** (Central Planning Bureau and Netspar)
- 15.30 Break
- 16.00 **Coen Teulings** (Netspar and University of Amsterdam): *Asymmetric and non-verifiability based principal agent models*
- 16.30 **Casper van Ewijk** (Netspar and Central Planning Bureau): *Intergenerational risk sharing in Dutch DB pensions*
- 17.30 Drinks and buffet

(Note: In this building break-out rooms are available where you can work, have computer access etc.)

## Sept. 9, 2005

- 09.00 Registration and coffee
- 09.50 Opening, **Onno Steenbeek** (ABP and Erasmus University Rotterdam)
- 10.00 *Macro-economic effects of the FTK (New Supervisory Rules)*, **Casper van Ewijk** (Central Planning Bureau, University of Amsterdam and Netspar)
- 10.30 *Macro conditions for regulation of pension funds*, **Dirk Schoenmaker** (Ministry of Finance, VU Amsterdam) and **Bruno de Haas** (Ministry of Finance)
- 11.00 Break
- 11.15 *Insecurity on value stability: indexation policy of pensionfunds*, **Jaap Bikker** (DNB) and **Peter Vlaar** (DNB and Netspar)
- 11.45 *Policy alternatives and the FTK: the ABP case*, **Olaf Sleijpen** (ABP), **Roy Hoevenaars** (ABP and Maastricht University) and **Onno Steenbeek**
- 12.15 Lunch (Carousel)
- 13.30 Opening afternoon program, **Lans Bovenberg** (Netspar and Tilburg University)
- 13.45 *Economic scenario's in the FTK world*, **Gerlof de Vrij** (ABP) and **Frans Kuijt** (PGGM)
- 14.15 *European inflation and the issuing of index-linked loans*, **Ivo Arnold** (Nyenrode Business University)
- 14.45 Break
- 15.00 Panel discussion, chaired by **Fieke van der Lecq** (ESB en EUR)
- Panel members:  
**Lans Bovenberg** (Netspar and Tilburg University), **Klaas Knot** (DNB Dutch Central Bank), **Tjerk Kroes** (Ministry of Social Affairs), **Casper de Vries** (Erasmus University Rotterdam), **Sweder van Wijnbergen** (University of Amsterdam and Netspar)
- 16.15 Drinks (Faculty Club)

## October 6, 2005

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	<i>Welfare Effects of Intergenerational Solidarity</i>	14.45	<b>Casper van Ewijk</b> : <i>What we don't know about intergenerational risk sharing</i> Discussants: <b>Guus Boender</b> , <b>Coen Teulings</b> and <b>Frank de Jong</b>
	Location: Tilburg University		
09.00	Coffee		
		15.30	Break
09.25	Introduction		<i>Where do we stand</i>
09.30	<b>Jan Tamerus</b> (PGGM): <i>Generational welfare versus fairness in PGGM's pension deal</i> Discussant: <b>Theo Nijman</b> (Tilburg University and Netspar)	16.00	<i>Where do we stand</i> Chairman: <b>Lans Bovenberg</b> Members panel discussion: <b>Cees Dert</b> (ABN AMRO), <b>Eduard Ponds</b> (ABP, Netspar), <b>Sweder van Wijnbergen</b> (UVA, Netspar)
10.15	<b>Otto van Hemert</b> (University of Amsterdam): <i>Optimal intergenerational risk sharing</i> Discussant: <b>Peter Broer</b> (Central Planning Bureau and Netspar)	17.00	Drinks and buffet
11.00	Break		
	<i>Four views on intergenerational solidarity</i>		
11.30	<b>Guus Boender</b> (Ortec): <i>Solidarity Issues</i> Discussants: <b>Coen Teulings</b> (University of Amsterdam and Netspar), <b>Frank de Jong</b> (Tilburg University) and <b>Casper van Ewijk</b> (Central Planning Bureau)		
12.15	<b>Coen Teulings</b> (University of Amsterdam and Netspar): <i>Generational accounts and differences in optimal allocation rules per cohort</i> Discussants: <b>Frank de Jong</b> , <b>Casper van Ewijk</b> and <b>Guus Boender</b> (Ortec)		
13.00	Lunch		
14.00	<b>Frank de Jong</b> : <i>The value of intergenerational transfers within funded pension schemes</i> Discussants: <b>Casper van Ewijk</b> , <b>Guus Boender</b> and <b>Frank de Jong</b>		

## November 3, 2005

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- 09.00 Coffee
- Parallel session 1(room EZ-7):
- Room EZ-9:
- 09.45 **Joachim Inkmann** (Tilbury University and Netspar): *Compensating Wage Differentials for Defined Benefit and Defined Contribution Occupational Pension Scheme Benefits*  
Discussant: **Bertrand Melenberg** (Tilburg University and Netspar)
- 10.30 Break
- Parallel session 1 (room EZ-7):
- 11.00 **Sylvester Eijffinger** (Tilburg University and Netspar): *The European Central Bank and Financial Supervision*  
Discussant: **Roel Beetsma** (University of Amsterdam and Netspar)
- 11.45 **Lex Meijdam** (Tilburg University and Netspar): *Growing old and staying young: Population policy in an aging economy*  
Discussant: **Peter Broer** (Central Planning Bureau and Netspar)
- Parallel session 2 (room EZ-9):
- 11.00 **Bertrand Melenberg** (Tilburg University and Netspar): *Portfolio Choice and Equilibrium Pricing under Heterogeneity*  
Discussant: **Peter Schotman** (University of Maastricht and Netspar)
- 11.45 **Joost Driessen** (University of Amsterdam and Netspar): *Liquidity Risk Premia in Corporate Bond Markets*  
Discussant: **Hans Schumacher** (Tilburg University and Netspar)
- 12.30 Lunch
- 13.30 **Piet Eichholtz** (University of Maastricht and Netspar): *The inflation protection from home ownership: a long run prospective*  
Discussant: **Marno Verbeek**, Erasmus University and Netspar
- 14.15 **Eduard Ponds** (ABP and Netspar): *Generational fairness and sustainability of funded defined benefit Plans*  
Discussant: **Peter Vlaar** (De Nederlandsche Bank and Netspar)
- Parallel session 2 (room EZ-9):
- 13.30 **Klaas de Vos** (Tilburg University and Netspar): *Retirement in the Netherlands in international perspective*  
Discussant: **Ruud de Mooij** (Central Planning Bureau and Netspar)
- 14.15 **Thijs Knaap** (Utrecht University and Netspar): *Feedback in the Netherlands: aging, general equilibrium effects and paying down the debt*  
Discussant: **Harrie Verbon** (Tilburg University and Netspar)
- 15.00 Break
- Room EZ-9:
- 15.30 **Sybille Grob** (DNB): *Labour market participation of aging workers*  
Discussant: **Arthur van Soest** (Tilburg University and Netspar)
- 16.15 **Frederic Vermeulen** (Tilburg University and Netspar): *'Labour force participation of the elderly in Europe'*  
Discussant: **Rob Alessie** (Utrecht University and Netspar)
- 17.00 Drinks and buffet

## November 24, 2005

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| 09.15 | Coffee  | Parallel session 1 (room EZ-5):   |
| 09.40 | Room EZ-5:<br>Opening by <b>Theo Nijman</b>   | 13.30 <b>Peter Broer</b> (CPB and Netspar):<br><i>Macroeconomic risk in general equilibrium and pension policy</i><br>Discussant: <b>Bas Jacobs</b> (Tilburg University and Netspar)  |
|       | Parallel session 1 (room EZ-5):   |   |
| 09.45 | <b>Roy Hoevenaars</b> (ABP and Maastricht University): <i>Strategic Asset Allocation with Liabilities: Beyond Stocks and Bonds</i><br>Discussant: <b>Joachim Inkmann</b> (Tilburg University and Netspar) | 14.15 <b>Frans de Roon</b> (Tilburg University and Netspar): <i>Consumption Risk and Expected Futures Returns</i><br>Discussant: <b>Bertrand Melenberg</b> (Tilburg University and Netspar)   |
| 10.30 | <b>Robert Rusconi</b> (SEI Investments): <i>The South African Old Age System in the Process of Reform</i><br>Discussant: <b>Sweder van Wijnbergen</b> (University of Amsterdam and Netspar)               | Parallel session 2 (room EZ-6):   |
|       | Parallel session 2 (room EZ-6):   |   |
| 09.45 | <b>Wim van Oorschot</b> (Tilburg University): <i>Deservingness perceptions and conditionality of solidarity among citizens of European welfare states</i>   | 13.30 <b>Aat Liefbroer</b> (NIDI and Netspar): <i>The organisation of the life course in Europe: Content and background of a questionnaire module for the European Social Survey</i><br>Discussant: <b>Rob Alessie</b> (Utrecht University and Netspar) |
|       |   | 14.15 <b>Kène Henkens</b> (NIDI and Netspar): <i>The process of retirement: A dynamic and multiactor perspective</i>  |
| 10.30 | <b>Matthijs Kalmijn</b> (Tilburg University and Netspar): <i>Intergenerational solidarity: The Netherlands Kinship Panel Study</i>  | 15.00 Break   |
| 11.15 | Break   | Room EZ-5:  |
|       | Room EZ-5:  | 15.30 <b>Norma Coe</b> (Tilburg University and Netspar): <i>Long-term care insurance in the US</i><br>Discussant: <b>Maarten Lindeboom</b> (VU Amsterdam and Netspar)   |
| 11.45 | <b>Onno Ruding</b> (Centre for European Policy Studies): <i>Aging requires action: longer work and more saving</i>  | 16.15 <b>Bernard Casey</b> (City University London): <i>How will we provide and pay for long-term care?</i><br>Discussant: <b>Eddy van Doorslaer</b> (Erasmus University)   |
| 12.30 | Lunch   | 17.00 Drinks and buffet   |

## December 15, 2005

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09.10	Coffee	13.00	Lunch
09.25	Opening door <b>Theo Nijman</b>	14.00	Parallel session 1:
09.30	<b>Rob Alessie</b> (Utrecht University and Netspar): <i>Wealth portfolios of Dutch households: a cohort analysis</i> Discussant: <b>Frederic Vermeulen</b> (Tilburg University and Netspar)		<b>Peter Vlaar</b> (DNB and Netspar): <i>The impact of regulation on optimal pension fund policy</i> Discussant: <b>Bas Werker</b> (Tilburg University and Netspar)
10.15	<b>Frank de Jong</b> (University of Amsterdam and Netspar): <i>Valuation of pension liabilities in incomplete markets</i>		<b>Norbert Hari</b> (Tilburg University): <i>Longevity Risk in Pension Annuities</i> Discussant: <b>Dirk Broeders</b> (DNB)
11.00	Break	14.00	Parallel session 2:
11.30	Parallel session 1:  <b>Bas van de Groezen</b> (Utrecht University and Netspar): <i>International Capital Mobility: Remedy or Palliative for the Aging Problem?</i> Discussant: <b>Thijs Knaap</b> , Utrecht University and Netspar  <b>Eline van de Heijden</b> (Tilburg University and Netspar): <i>Socioeconomic background variables and the extent of myopic loss aversion</i>		<b>Maarten van Rooij</b> (DNB and Netspar): <i>Financial Literacy and Retirement Planning: Evidence from the Netherlands</i> Discussant: <b>Theo Nijman</b> (Tilburg University and Netspar)  <b>Leon Bettendorf</b> (Erasmus University): <i>Aging and the relative price of nontradeables</i> Discussant: <b>Ben Heijdra</b> (University of Groningen and Netspar)
		15.30	Break
11.30	Parallel session 2:  <b>Lieven Baele</b> (Tilburg University and Netspar): <i>Structural versus Temporary Factors in Country and Industry Risk</i> Discussant: <b>Joost Driessen</b> (UVA and Netspar)  <b>Dirk Broeders</b> (DNB): <i>Valuation of Conditional Pension Liabilities and Guarantees under Sponsor Vulnerability</i> Discussant: <b>Eduard Ponds</b> (ABP and Netspar)	15.45	<b>Maarten Lindeboom</b> (VU Amsterdam and Netspar): <i>The effect of intensified screening on inflow in the Disability program</i> Discussant: <b>Norma Coe</b> (Tilburg University and Netspar)
		16.30	<b>Katie Carman</b> (Tilburg University and Netspar): <i>The Impact of Divorce and Widowhood on Health</i> Discussant: <b>Eddy van Doorslaer</b> (Erasmus University)
		17.15	Drinks and buffet

## February 16, 2006

10.00	Coffee	Parallel session Macro:	16.00	Parallel session Macro:	
	Parallel session Macro	13.30	<b>Bas van Groezen</b> (Utrecht University and Netspar): <i>Growing old and staying young: population policy in an aging closed economy</i> Discussant: <b>Harrie Verbon</b> (Tilburg University and Netspar)	<b>Ruud de Mooij</b> (CPB and Netspar): <i>Reinventing the welfare state</i> Discussant: <b>Sylvester Eijffinger</b> (Tilburg University and Netspar)	
10.30	<b>Peter Broer</b> (CPB and Netspar): <i>Risk in General Equilibrium and Pension Policy</i> Discussant: <b>Paul de Hek</b> (Central Planning Bureau and Netspar)	14.30	<b>Willem Heeringa</b> (DNB and Netspar): <i>Optimal pension funding: a portfolio approach</i>	Parallel session Meso: <b>Marc Goovaerts, Rob Kaas</b> (University of Amsterdam and Netspar): <i>Comonotonic approximations for optimal portfolio selection problems</i> Discussant: <b>Anja de Waegenare</b> (Tilburg University and Netspar)	
11.30	<b>Ben Heijdra</b> (University of Groningen and Netspar): <i>A life cycle overlapping-generations model of the small open economy</i>	Parallel session Meso:	13.30	<b>Piet Eichholtz</b> (University of Maastricht and Netspar): <i>Long Run Economic Effects on the Housing Market, Amsterdam 1550-1998</i> Discussant: <b>Fabio Braggion</b> (Tilburg University)	
	Parallel session Meso:	10.30	<b>Marno Verbeek</b> (Erasmus University and Netspar): <i>A portrait of hedge fund investors: flows, performance and smart money</i> Discussant: <b>Bas Werker</b> (Tilburg University and Netspar)	Parallel session Micro: <b>Gerard van den Berg</b> (VU Amsterdam and Netspar): <i>Inequality in individual mortality and economic conditions earlier in life</i> Discussant: <b>Arie Kapteyn</b> (Tilburg University and Netspar)	
11.30	<b>Andre Lucas</b> (VU Amsterdam and Netspar): <i>Dynamic Asset Allocation using Decision Rules and Simulation/Optimization: a Caveat</i> Discussant: <b>Peter Vlaar</b> (DNB and Netspar)	14.30	<b>Hans Schumacher</b> (Tilburg University and Netspar): <i>Time consistency conditions for acceptability measures, with an application to tail value at risk</i> Discussant: <b>Dirk Broeders</b> (DNB)	17.00	Drinks & dinner buffet
	Parallel session Micro:	Parallel session Micro:	13.30	<b>Jan Nelissen</b> (Tilburg University and Netspar): <i>The impact of various policy measures on employment in the Netherlands</i> Discussant: <b>Frederic Vermeulen</b> (Tilburg University and Netspar)	
10.30	<b>Arthur van Soest</b> (Tilburg University and Netspar): <i>Vignettes and self-reports of work disability in the US and the Netherlands</i> Discussant: <b>Maarten Lindeboom</b> (University of Amsterdam and Netspar)	14.30	<b>Maarten Lindeboom</b> (VU Amsterdam and Netspar): <i>Income, health and work across the life cycle</i> Discussant: <b>Kene Henkens</b> (Nidi and Netspar)		
11.30	<b>Matthijs Kalmijn</b> (Tilburg University and Netspar): <i>Intergenerational solidarity / Life course effects</i> Discussant: <b>Katie Carman</b> (Tilburg University and Netspar)	15.30	Break		
12.30	Lunch				

## March 9, 2006

10.00	Coffee	Parallel session	Parallel session
	Parallel session		
10.30	<b>Kees Koedijk</b> (Erasmus University and Netspar): <i>Sustainable development: a new role for institutional investors</i>	13.30 <b>Eduard Ponds</b> (ABP and Netspar): <i>Generational accounting applied to pension funds</i> Discussant: <b>Coen Teulings</b> (University of Amsterdam and Netspar)	15.30 <b>Ronald Mahieu</b> (Erasmus University): <i>An analysis of the adequacy of pension fund investment portfolios</i>
11.30	<b>Harry Huizinga</b> (Tilburg University and Netspar): <i>Domestic and international finance: how do they affect consumption smoothing?</i> Discussant: <b>Peter Broer</b> (CPB and Netspar)	14.30 <b>Stefan Hochguertel</b> (VU Amsterdam): <i>Self-employment and retirement</i>	16.00 <b>Bertrand Melenberg</b> (Tilburg University and Netspar): <i>Ambiguity, no arbitrage, coherence and artificial financial markets</i> Discussant: <b>Ronald Mahieu</b> (Erasmus University)
	Parallel session	Parallel session	Parallel session
10.30	<b>Peter Schotman</b> (University of Maastricht and Netspar): <i>Long memory and the term structure of risk</i> Discussant: <b>Ralph Koijen</b> (Tilburg University)	13.30 <b>Joost Driessen</b> (University of Amsterdam and Netspar): <i>Explaining the level of credit spreads: option-implied jump risk premia in a firm value model</i> Discussant: <b>Bertrand Melenberg</b> (Tilburg University and Netspar)	15.30 <b>Christiaan Monden</b> (Tilburg University and Netspar): <i>Health and inequality from a household and life course perspective</i> Discussant: <b>Katie Carman</b> (Tilburg University and Netspar)
11.30	<b>Frank de Jong</b> (Tilburg University and Netspar): <i>Research overview 2005/2006</i>	14.30 <b>Theo Nijman</b> (Tilburg University and Netspar): <i>Finance pillar review &amp; plans</i>	16.30 <b>Jan Rouwendal</b> (VU Amsterdam): <i>Financial Risks of Elderly Owner-occupiers</i>
	Parallel session	Parallel session	17.00 Drinks & dinner buffet
10.30	<b>Enrico Perotti</b> (University van Amsterdam and Netspar): <i>Political Origins of Pension Funding</i> Discussant: <b>Sylvester Eijffinger</b> (Tilburg University and Netspar)	13.30 <b>Hans Bloemen</b> (VU Amsterdam and Netspar): <i>The impact of wealth on job exit rates of elderly workers in the Netherlands</i> Discussant: <b>Arthur van Soest</b> (Tilburg University and Netspar)	
11.30	<b>Lex Meijdam, Harrie Verbon</b> (Tilburg University and Netspar): <i>Beggar Thy Thrifty Neighbour: The International Spillover Effects of Pensions and Aging</i> Discussant: <b>Lans Bovenberg</b> (Tilburg University and Netspar)	14.30 <b>Arie Kapteyn</b> (Tilburg University and Netspar): <i>Micro pillar review &amp; plans</i>	
		15.00 Break	
		Parallel session	
12.30	Lunch	15.30 <b>Bas Jacobs</b> (Tilburg University and Netspar): <i>Title to be announced</i>	
		16.30 <b>Lans Bovenberg</b> (Tilburg University and Netspar): <i>Macro pillar review &amp; plans</i>	

# Programs Netspar Pension Workshops

## June 7, 2005

Venue: *Amsterdamse Poort*,  
*PR Centrum*, Bijlmerplein 888,  
Amsterdam

- 09.30 Registration and coffee
- 10.15 Welcome by **Theo Nijman**
- 10.30 **Olivia Mitchell** (The Wharton School, University of Pennsylvania): *Pension and Retirement Saving Accumulation*
- 12.00 Lunch break
- 13.00 **Axel Börsch-Supan** (MEA, University of Mannheim): *PAYG pensions: Nature and Problems*
- 14.30 **Olivia Mitchell** (The Wharton School, University of Pennsylvania): *Perspectives on Pension Plan Investments*
- 16.00 Tea break
- 16.30 **Axel Börsch-Supan** (MEA, University of Mannheim): *Micro-effects of PAYG systems*
- 18.00 Drinks
- 19.00 Dinner at ING Amsterdamse Poort

## June 8, 2005

Venue: *ING House*, Amstelveense-  
weg 500, Amsterdam

- 08.30 Reception
- 09.00 **Olivia Mitchell** (The Wharton School, University of Pennsylvania): *Sensible Retirement System Payout Design and Practice*
- 10.30 Coffee break
- 11.00 **Axel Börsch-Supan** (MEA, University of Mannheim): *Political Economy of PAYG Systems and their Reforms*
- 12.30 Lunch
- 13.30 Coffee, reception new guests for policy oriented part
- 13.45 Welcome by **Jan Nijssen** (ING)
- 14.00 **Olivia Mitchell** (The Wharton School, University of Pennsylvania): *Lessons for Industry from the US 401(k) Plan Experience*
- 14.45 **Axel Börsch-Supan** (MEA, University of Mannheim): *Macro-effects of Pension Reform*
- 15.30 Tea break
- 16.00 **Wouter Bos** (Parliament): *Aging and the Future of our Welfare State*
- 17.30 Drinks

## January 18, 2006

Venue:  
Chateau St. Gerlach, Joseph Corneli  
Allee 1, 6301 KK Valkenburg

Speakers:  
**Richard Blundell** (University  
College London), **Jeffrey Brown**  
(University of Illinois, Urbana-  
Champaign)

- 09:00 Registration and coffee
- 09:30 Welcome by **Peter Schotman**
- 09:40 **Jeffrey Brown: Pension plan design and portfolio decisions**
- 11:10 Break
- 11:30 **Richard Blundell: Modeling Pension Incentives and the Pattern of Retirement**
- 13:00 Lunch break
- 14:00 **Jeffrey Brown: Insuring longevity risk in public and private Pensions**
- 15:30 Break
- 16:00 **Richard Blundell: The Balance Between Defined Benefit, Defined Contribution, and State Provision**
- (Touring cars will be available at 17:30 hrs. to bring you to the city center of Maastricht)*
- 19:00 Dinner at Hotel-Restaurant Mabi

## January 19, 2006

Venue:  
Chateau St. Gerlach, Joseph Corneli  
Allee 1, 6301 KK Valkenburg

Speakers:  
**Richard Blundell** (University  
College London), **Jeffrey Brown**  
(University of Illinois, Urbana-  
Champaign)

- (Touring cars will depart from the city center of Maastricht at 07:30 hrs)*
- 08:30 **Jeffrey Brown: Does public insurance crowd-out private insurance? The case of end-of-life medical expenditures**
- 10:00 Coffee break
- 10:30 **Richard Blundell: Retirement Savings and Savings Incentives**
- 12:00 Lunch
- (Touring cars will be available at 13:30 hrs. to bring you to Maastricht University)*

Venue:  
Faculty of Economics and Business  
Administration, Maastricht Univer-  
sity, Tongersestraat 53, 6211 LM  
Maastricht.

Speakers:  
**Gerrit Zalm** (Minister of Finance,  
The Netherlands), **Richard Blun-  
dell** (University College  
London), **Jeffrey Brown** (University  
of Illinois, Urbana-Champaign)

- 14:00 **Jeffrey Brown: The U.S. Social Security reform debate: politics and policy**
- 14:45 **Richard Blundell: Extending Working Live**
- 15:30 Coffee break
- 16:00 Keynote Address on *The Dutch Pension System: the state of affairs and dilemmas* by **Gerrit Zalm** (Minister of Finance/Vice Minister President, The Netherlands) followed by discussion.
- 18:00 Drinks

## Colophon

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