2027-2031 Knowledge Agenda

This Knowledge Agenda outlines the strategic research themes for the 2027-2031 Netspar Action Plan – which are aimed at addressing existing and future issues in the area of pensions, aging, and retirement. The primary focus is on scientific insights that can contribute to future-proof pensions in the Netherlands. The Knowledge Agenda is meant to serve as a guide, rather than as a fully developed research plan. Concrete research topics will be formulated and prioritized in coordination with the Netspar partners over the course of the Action Plan. The Knowledge Agenda will be reassessed halfway through the Action Plan period and modified when necessary – to ensure that the contents remain relevant and aligned with developments in society at large and in the pension industry.

The Knowledge Agenda has five main themes, consisting in part of traditional Netspar topics that remain as relevant as ever and in part of new topics garnering extra attention as a result of developments around pensions, aging, and retirement. These main themes are related and affected by 'connecting' themes such as legislation and regulation. Two of those connecting themes (technology and international context) are mentioned explicitly because of their prominent role in the debates in academia and practice.

Main theme 1:

Pension system in the short and long term

The implementation and evaluation of the transition to the Future Pensions Act (Dutch: Wet toekomst pensioenen) will continue well past 2028. The new pension system impacts the position and decisions of different groups of pension participants. A new balance between individual choice, collective risk sharing, and solidarity affects the identity of the pension system, which could have consequences in terms of trust in the system and overall public support. This raises the question of what an appropriate governance structure is that accommodates the changing roles of participants, social partners, and supervisory agencies. In the long term, structural issues concerning the aging population, collectivity, labor relations (collective bargaining agreements), market structure (consolidation, competition), and the viability of the three pension pillars will remain relevant. The relation between the first, second, and third pillar will continue to evolve, as will access to these pillars. Specific attention will be paid to the increase in the retirement age and other potential changes in the first pillar. Also included in the scope of this first theme is further research into an 'optimal' pension system, whereby examples from other countries can provide valuable insights.

Main theme 2:

Financial markets, investment policy, and societal role

Strategic asset allocation and risk management will continue to be important policy areas where developments in academia and pension practice can reinforce each other. Besides traditional focus areas such as interest, inflation, and liquidity risks, there will be greater emphasis on geopolitical uncertainties, climate risks, and preserving the purchasing power of pensions under the Future Pensions Act. One trend that will endure is pension providers taking the preferences of participants (such as their risk attitudes and sustainability preferences) into account. Challenges include measuring those preferences effectively, translating heterogeneous preferences into collective investment policy, and the growing polarization within society and among participants. In terms of responsible investment, there will be a greater emphasis on measuring (data quality) and assuring effectiveness: engagement versus exclusion, private investments and additionality, impact measurement, and avoiding greenwashing. Furthermore, there is a growing discussion about the potential role of the pension industry in addressing societal challenges such as the energy transition, the housing crisis, and national security issues – and how such a role relates to fiduciary duty.

Main theme 3:

Demographics, labor, and health

The aging population, rising life expectancy, and shrinking labor force are putting pressure on the current system and critically affect retirement, the labor market, and the economy. People's longevity increases, but not everybody reaches retirement age in good health. Differences in healthy life expectancy lead to inequalities and influence discussions about a flexible retirement age. Technological developments and aging skill sets increase the risk of unemployment in older adults. Advancing long-term employability is important for keeping people working longer and in good health. At the same time, the disability insurance system is being strained by the aging population and increasing health disparities. Migration and international labor mobility also have an impact on the labor market and pension savings. Addressing the interlinked challenges in the areas of retirement, labor, health, and housing requires a comprehensive approach. Greater insight is needed into solution pathways, such as how promoting better health, supporting informal caregivers, and phased retirement can contribute to a future-proof labor market in which everyone can remain active as long as possible.

Main theme 4:

Customization, communication, and choice guidance

The new pension system calls for a focus on activation, communication, and choice guidance, where possible tailored to the preferences and circumstances of heterogeneous groups of participants. Customization can contribute to people's trust, engagement, and a firmer grip on their financial future by providing an environment in which people are not getting lost in complexity, but are rather given a greater sense of agency. That raises the question how demographic, behavioral, and literacy information can be used to appropriately cluster participants for the benefit of providing clear, personalized communication; for example, about the consequences of certain choices and about uncertain pension outcomes (bearing in mind legal requirements). Communication influences activation and behavior, and choice architecture can be an important tool for minimizing decision stress without undermining autonomy. Choice guidance (with a particular attention to the division of responsibilities among organizations within the pension domain) also touches upon comprehensive financial planning, such as in the relation between income, housing, and healthcare. New technology can support data analysis and choice guidance, as long as it is embedded in a sound legal and ethical framework .

Main theme 5:

Adequacy and inequality

There is growing attention to pension adequacy and to participants who may find themselves in a vulnerable position due to the interaction of multiple factors (intersectionality), such as self-employed workers, women, migrants, low-income groups, individuals with limited financial/digital/statistical literacy, informal caregivers, and people experiencing cognitive decline. Such vulnerability is exacerbated in cases where these factors are interconnected and links to financial debt problems and broader financial well-being. Developing effective measures to address this requires a clear picture of both the risk factors and the mitigating factors affecting pension outcomes in the first, second, and third pillar. A relevant issue is what policy instruments (such as mandatory participation or collective schemes) can lower barriers to saving for retirement and decrease the retirement savings gap. A related topic concerns the gender pension gap and the impact of unpaid work, career breaks, and the gender pay gap. The impact of the survivors pension reform also requires further investigation. It is important for policy, new pension and retirement products, and choice guidance to accommodate a diversity of circumstances and contribute to pension adequacy.

Connecting theme:

Technology, data, and innovation

Technology – in particular, artificial intelligence (AI) – offers opportunities for the pension industry within each of the five main themes. Examples include more efficient administration, better risk management, and more data-driven decision-making. Within investment policy, the possibilities for collecting and analyzing vast quantities of data can be useful for assessing risk and other aspects such as sustainability and impact. There are also opportunities for improving communication and choice guidance; for instance, by providing more personalized information or automated advice. However, research into the most effective applications of AI and other technological innovations in the pension industry is still in its infancy. The use of such technology and systems is only legitimate within clear ethical, legal, and societal boundaries. Furthermore, ensuring data quality, cybersecurity, and digital sovereignty are relevant issues for a trustworthy pension system.

Connecting theme:

Europe, policy, and international context

There is a growing awareness in the Dutch pension industry about the potential impact of changes in the international context that transcend the five main themes. These include European discussions about, e.g., auto enrollment, investment regulations, cross-border pensions, and changes in regulation (such as revisions to IORP II and Solvency II, and the Savings & Investment Union). Comparisons between pension systems in Europe can lead to tensions, but can also provide valuable lessons. Influential reports published in the Netherlands and elsewhere (e.g., Draghi, Letta, WRR, Van Zwol) delineate long-term scenarios whose impact on the Dutch pension industry is still only partially clear. Geopolitical and macroeconomic developments such as budgetary policy, interest rates, and global political risks can have a significant impact on investment policy (incl. home bias, weighting of U.S. investments, and alternative investments such as infrastructure and innovation).