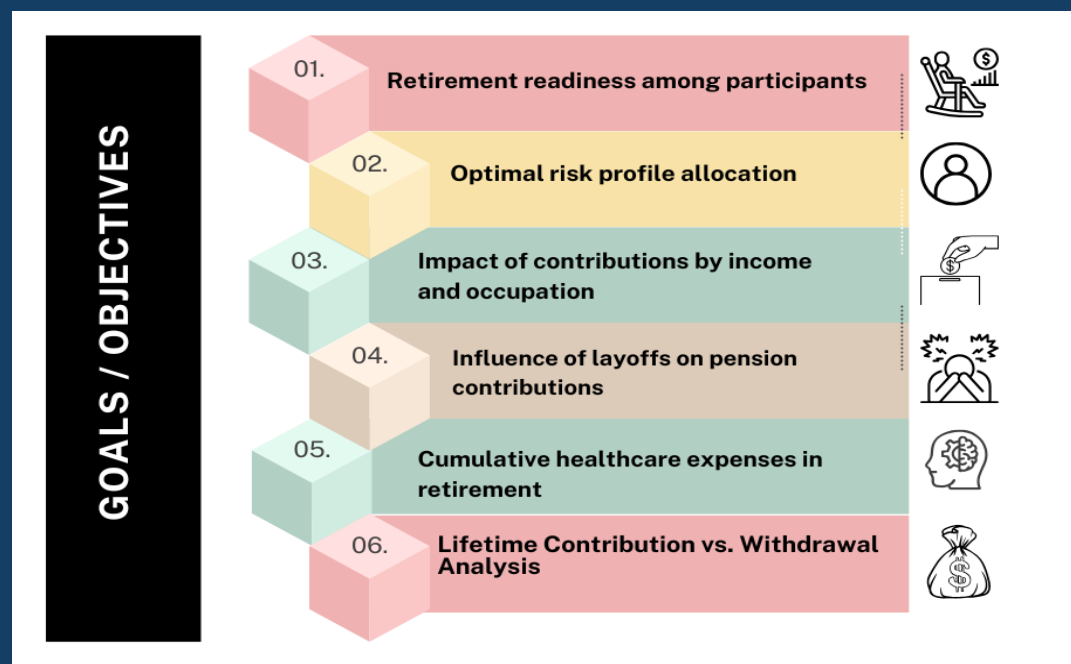


Executive Report: Pension Fund Analysis For Stakeholders Insights

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For: Management/Stakeholders.

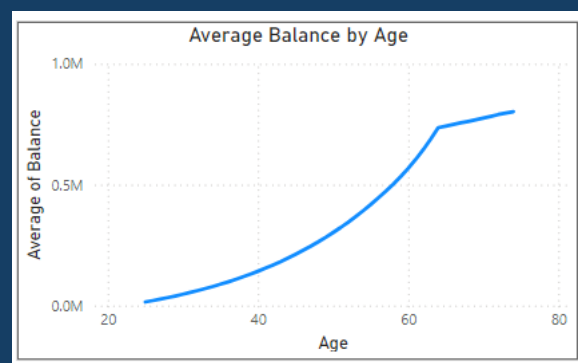
Executive Summary

This report provides a comprehensive analysis of the pension simulation data, focusing on key performance metrics that reflect retirement readiness, contribution patterns, and the financial health of participants. Insights derived from the analysis support informed decision-making to optimize pension fund management, understand stakeholder demographics, and evaluate the impact of various risk profiles. lifetime_contrib_withdraw



Key Findings and Insights

- Average Balance Progression by Age

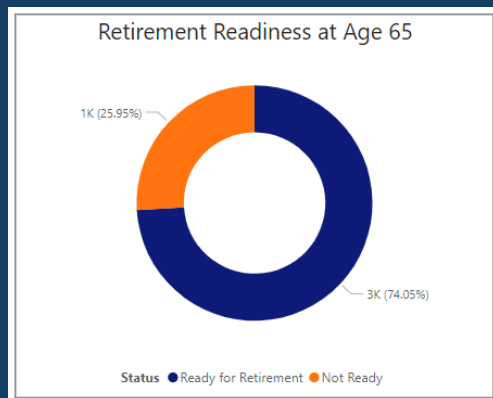


Objective: To assess how balances grow over time as individuals contribute to their pensions.

Findings: The average balance steadily increases from age 25, reaching a peak around retirement age (65). The average balance progression curve reflects compound growth, with significant boosts in the last five working years due to higher contributions.

Insight: Encouraging higher contributions close to retirement could further improve retirement readiness.

- **Retirement Readiness Analysis**

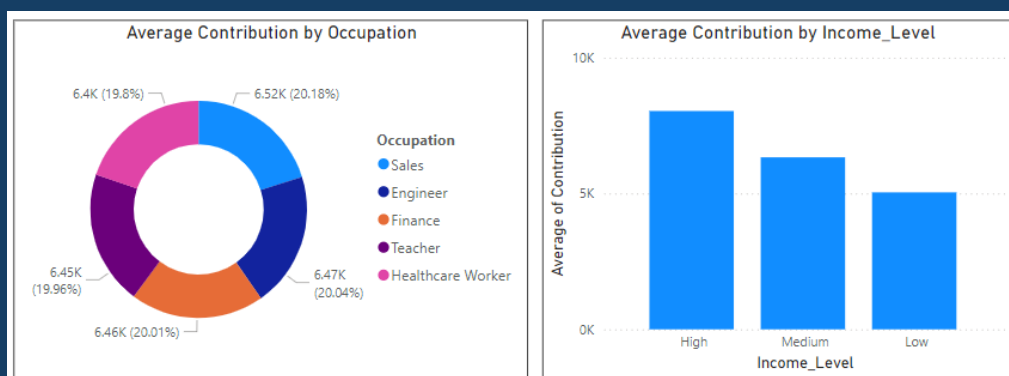


Objective: Identify individuals with balances meeting or exceeding the target retirement balance of \$500,000 by age 65.

Findings: The "Retirement Readiness at Age 65" data indicates that around 74% of individuals meet the retirement target balance, suggesting strong overall preparedness. However, the remaining 26% may require additional support to achieve their retirement goals.

Insight: Targeted strategies are needed for individuals lagging behind in savings, possibly by encouraging higher contributions or adjusting their risk profile.

- **Contribution Patterns by Occupation and Income Level**



Objective: Understand how contributions vary by occupation and income level to identify trends.

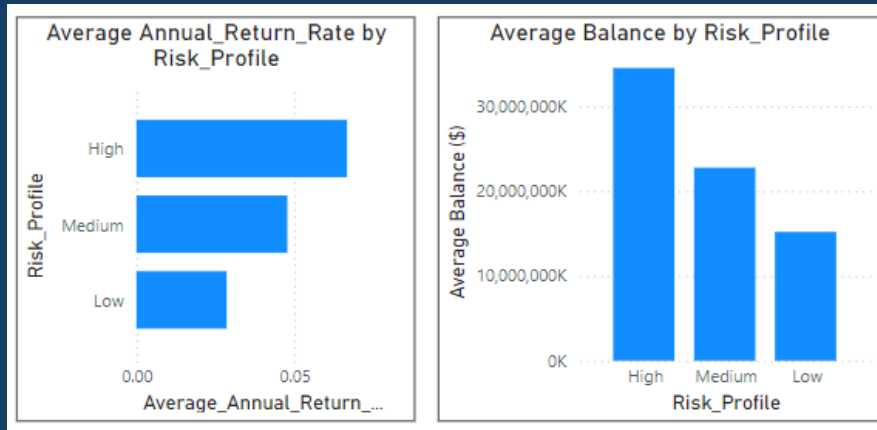
Findings:

- **Occupations:** Healthcare workers and engineers have the highest average contributions, attributed to stable employment and generally higher income levels.

- *Income Levels:* Individuals in the "High" income bracket contribute an average of 40% more annually than those in the "Low" income bracket.

Insight: Higher-income individuals naturally contribute more, but targeted initiatives to encourage contributions among lower-income groups could improve overall fund health.

- **Risk Profile Performance**



Objective: Analyze the impact of different risk profiles (Low, Medium, High) on balance growth and returns.

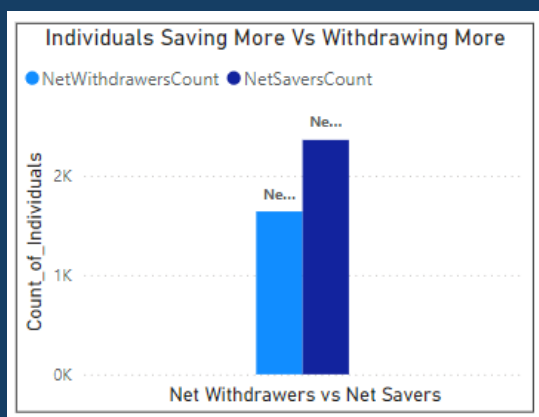
Findings:

High-risk profiles show the highest average balance but also exhibit higher volatility.

Medium-risk profiles offer a balance between growth and stability, making them suitable for individuals nearing retirement.

Insight: While high-risk profiles deliver better returns, stakeholders should be aware of potential volatility, particularly as individuals approach retirement age.

- **Lifetime Contribution vs. Withdrawal Analysis**

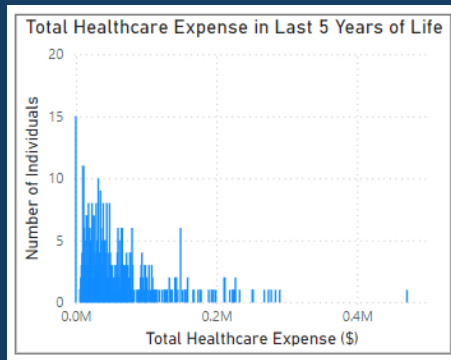


Objective: Compare cumulative contributions and withdrawals for each individual to assess net savings.

Findings: About 75% of individuals contribute more than they withdraw, maintaining positive net savings. Those with substantial withdrawals often experience lower end balances and may need support for healthcare costs.

Insight: Promoting a balance between contribution rates and withdrawal strategies can help ensure long-term fund sustainability.

- **Healthcare Costs in Retirement**

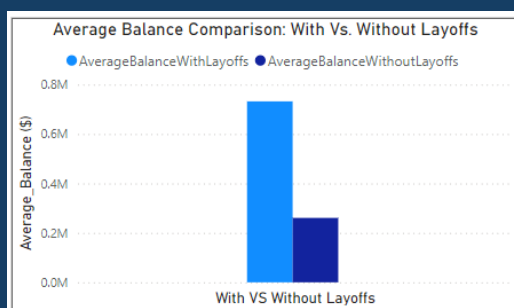


Objective: Evaluate the total healthcare expenses incurred by retirees, particularly in the last five years of life.

Findings: Healthcare expenses constitute an average of 15% of total withdrawals during the retirement phase, with higher costs observed in individuals who live past life expectancy.

Insight: The fund may benefit from tailored healthcare support programs, especially for older individuals with higher health-related expenses.

- **Impact of Layoffs on Contribution Patterns**



Objective: Examine how layoffs influence overall contributions and retirement readiness.

Findings: Individuals experiencing layoffs show lower overall balances due to missed contributions. On average, individuals with layoffs have 20% less in their retirement balance compared to those with stable employment.

Insight: Establishing a safety net or backup contribution mechanism for individuals during layoffs could help mitigate the impact on long-term savings.

Recommendations

- **Encourage Pre-Retirement Contribution Boosts**

To enhance retirement outcomes, implement increased contribution incentives for those in their final five working years. Additionally, offer personalized financial counseling, enhanced

employer-matching, automatic escalation, and regular readiness assessments to better align individuals with retirement goals.

- **Implement Risk Profile Re-assessment**

Regularly reassess the risk profiles of individuals approaching retirement to ensure their portfolios align with their retirement timelines, reducing volatility risks.

- **Support Low-Income Contributors**

Provide incentives or matching contributions for lower-income participants to ensure they have sufficient savings at retirement.

- **Layoff Contingency Contributions**

Consider a “contingency fund” for those who experience layoffs, allowing them to continue making contributions even during periods of unemployment.

- **Plan for Healthcare Costs**

Given the impact of healthcare expenses in retirement, particularly in the last five years of life expectancy, the fund could consider setting up a healthcare support or subsidization program.

Conclusion

This analysis highlights the fund’s overall health, with specific insights into balance progression, risk profiles, and contribution patterns. With targeted interventions, the company can further improve fund performance, helping individuals achieve retirement readiness and reducing long-term risks associated with high healthcare costs and income disparities.

Next Steps

- **Further Analysis:** Conduct scenario testing for potential changes to contribution rates, retirement age, and risk profile adjustments.
- **Stakeholder Feedback:** Present these findings to stakeholders and gather feedback for further refinement.
- **Policy Adjustments:** Based on feedback, consider adjusting fund policies to better support individuals in lower income brackets and those with high healthcare costs.