LIFE INSURANCE

Europe's Retirement Crisis Is an Opportunity for Insurers and Asset Managers

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Europe faces a retirement savings crisis hiding in plain sight. Public pension systems, the bedrock of retirement security for hundreds of millions of Europeans, are structurally unsustainable. By 2045, the ratio of working-age people to retirees will compress from roughly three workers per retiree today to fewer than two per retiree. Average replacement rates for public pensions will fall.

The amount of income that retirees receive after leaving the workforce will decrease. This is not a forecast. It is simple arithmetic.

Yet private retirement savings—a source of income that could significantly close the gap—remain chronically underdeveloped. Although most Europeans are anxious about retirement, they are doing little about it, largely because no one is starting the conversation. Awareness of private savings products is low. Advisors are not reaching out. The demand is there, but the market is failing from lack of activation.

To understand how retirement savings providers, including life insurers and asset managers, can best answer consumer needs, BCG surveyed 6,000 Europeans across France, Germany, Italy, and Spain. Our findings challenge conventional wisdom on multiple fronts. The greatest barrier to entry is behavioral, not financial; the prize for private pension providers extends far beyond offering a core savings product; and winning in this market requires undertaking a fundamental shift from product provider to trusted retirement partner across the customer's lifetime.

To address this opportunity and overcome the behavioral barrier, retirement savings providers should revise their go-to-market strategy in four ways:

- Reposition from savings provider to trusted retirement partner through early engagement with customers at key life moments.
- Use agentic AI to provide personalized guidance and build a credible value-for-money proposition.
- Deliver value during the critical transition to retirement by deploying advisors and consolidation tools at the moments when customers need them most.
- Capitalize on the trust built over decades to unlock post-retirement value through decumulation solutions, protection products, and partnerships across the silver economy.

The Demographic Challenge

Europe's population is aging, its workforce is shrinking, and the public pension system—a pay-as-you-go system through which today's workers fund today's retirees—is struggling to keep up. The situation will only get worse. By 2045, the replacement rate for earnings-related public pensions—the average new pension as a share of the average gross wage at retirement—will fall by an average of 4 percentage points across the EU, from 45% in 2022 to 41% by 2045.

In short, Europeans can no longer afford to rely solely on their governments for a meaningful retirement income, and many are likely to lack the means to live comfortably once they retire. Yet few people in Europe have chosen to invest in a personal pension product. According to the European Insurance and Occupational Pensions Authority, just 18% of European consumers own one.

Judging by these results, countries in the EU lag significantly behind the UK and the US. Government data in the UK shows that just 16% of working-age adults in that country actively contributed to a personal pension during the two-year period from 2023 to 2024. But that statistic understates the UK's advantage over the EU in private pension funding. Automatic enrollment, launched in 2012, now covers about 80% of the country's employees, giving the UK the continent's deepest defined-contribution market. Standalone personal pensions are modest precisely because automatic enrollment has absorbed the mass-market savings that such pensions once captured. For its part, the US stands apart, with 44% of US households owning an individual retirement account (IRA) as of mid-2024, according to the Investment Company Institute. Employer-sponsored defined contribution plans such as 401(k) plans, under which employees regularly contribute a set amount of their salary or wages and employers often match those contributions, also play a central role in retirement savings in the US.

Recent Reform Efforts

In hopes of improving their current situation, policymakers in the EU's four most populous countries—France, Germany, Italy, and Spain—have begun efforts to reform their retirement savings markets.

France's long underdeveloped pensions market found real momentum after the government enacted the 2019 loi PACTE, which consolidated retirement savings into the *Plan d'Epargne Retraite* and reignited inflows. Nevertheless, the market remains small as a proportion of household savings and modest next to life insurance. As of 2025, private retirement savings assets under management (AuM) stood at just €317 billion, composed of €152 billion in individual pension plans and €165 billion in company-sponsored plans. Still, we estimate that private retirement savings AuM may grow annually at around 7% through 2035, highlighting the market's significant growth potential.

Germany's retirement savings market is larger. But its more conservative customers favor capital protection and guaranteed products, and life insurers have long dominated the market. As of 2024, private retirement savings AuM stood at €1.54 trillion, comprising €1,064 billion in individual pension plans and €475 billion in company-sponsored plans, both of which are on a trajectory to grow at around 2.6% per year through 2035. The country's *Altersvorsorgereform,* set to come into effect in January 2027, will change the rules, removing the guaranteed capital maintenance requirement, shifting competition onto cost and performance, and opening the market to asset managers—changes that should increase consumer demand.

Italy's retirement savings market has not seen a reform comparable to France's or Germany's. Automatic enrollment in personal supplementary pension funds via a silent assent mechanism has existed since 2007, and successive governments have made incremental adjustments to that program rather than introducing structural changes. The most meaningful recent development is the 2026 budget law, which tightens the opt-out window from six months to 60 days and extends the mechanism to job changers who have already enrolled in a fund. Most substantively, it makes employer contributions portable for the first time, a measure that could gradually open the market to asset managers and insurers competing on cost and performance. As of 2024, Italy’s total private retirement savings AuM stood at €243 billion, made up of €99 billion in individual pension plans and €144 billion in company-sponsored plans, and we expect AuM in these two segments to grow around 3.8% per year and 2.0% per year, respectively, through 2035.

Spain's private retirement savings market is the smallest of the four countries covered here, and its reform efforts have been the most uneven. Individual plans, heavily concentrated in bank distribution networks, dominate the market. Occupational coverage, meanwhile, remains restricted in practice to large companies. The central reform effort, Law 12/2022, created Simplified Occupational Pension Plans and a new Publicly Promoted Employment Pension Fund, with the stated ambition of expanding occupational coverage from 2 million workers to 13 million workers by the end of the decade. Progress has been mixed, however. Simplified plans are gaining traction, but the publicly promoted vehicle has yet to attract any participants or assets, and its governance faces significant challenges. As of 2025, total private retirement savings AuM stood at €163 billion, including €122 billion in individual plans and the remaining €41 billion in company-sponsored plans. AuM in these two segments should grow by an estimated 3.0% and 4.2% per year, respectively, through 2035.

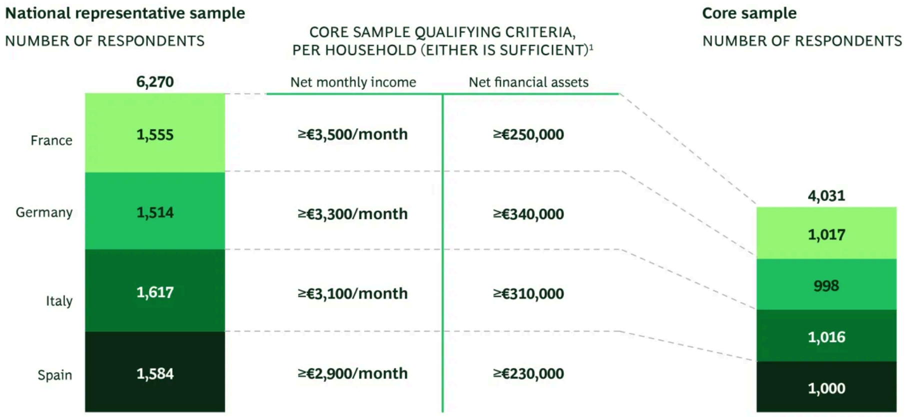
By encouraging people in France, Germany, Italy, and Spain to increase their retirement wealth, these reforms could help them ensure a more secure retirement while increasing AuM in both individual and company-sponsored plans. That would create a valuable source of long-term capital to support Europe's economic growth.

To gain a better understanding of the needs and expectations of people in the four countries who are considering retirement, the reasons why so few have invested in personal pension products, and the ways in which life insurers and asset managers can tailor retirement savings products to meet their customers’ needs, we conducted an in-depth survey of Europeans in those countries. The survey included a demographically broad sample of respondents to ensure that the results were nationally representative where relevant. (See the sidebar, “Survey Demographics.”)

– Survey Demographics

We surveyed more than 6,000 respondents across France, Germany, Italy, and Spain—or around 1,500 per country—spanning a broad range of household income profiles and levels of investable assets. (See the exhibit.)

The Core Sample Targets Households That Have High Income or Significant Assets



Source: BCG 2025 Survey on Pension Savings.
[1]The core sample comprises households exceeding at least one of two country-specific thresholds: the 15th percentile of net household income, or the 20th percentile of net real estate assets plus financial savings.

The analysis presented in this report focuses primarily on a core sample of approximately 1,000 mass-affluent respondents per country, a key market for private retirement savings products across Europe. We included the remaining respondents to ensure nationally representative statistics where relevant.

In addition, we carried out 61 individual qualitative interviews and four group sessions covering young professionals, established professionals, near-retirees, and retirees across the entire baseline sample. This enabled us to dive more deeply into the hopes and concerns of both the general population and the core group of respondents.

Our goal was to determine how and where retirement savings providers should compete. This involved asking respondents to identify the factors that trigger their decisions about retirement, the variables that drive engagement and disengagement, the considerations that influence their choice of advisors, and the inducements that would encourage them to save more.

The Opportunity

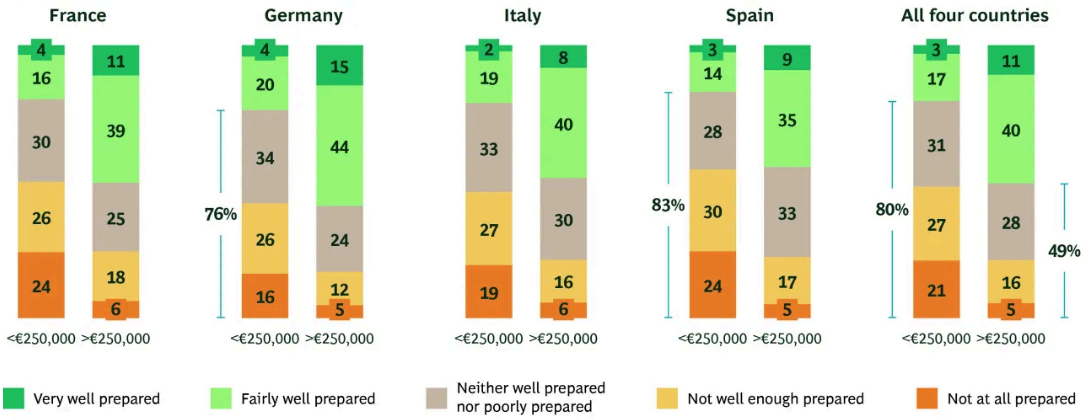
Few Europeans have contributed to private retirement funds, and most survey respondents say that they feel unprepared for retirement. Across the entire baseline sample, 80% of those with less than €250,000 in combined financial and real estate assets (ranging from 76% in Germany to 83% in Spain) do not feel well-prepared for retirement. (See Exhibit 1.) Even among respondents with more than €250,000 in combined financial and real estate assets, nearly half share this concern.

EXHIBIT 1

Preparation for Retirement Correlates with Value of Household Assets, but Even Many of the Most Affluent Don't Feel Well Prepared

Self-evaluation of retirement preparation by wealth (% of respondents)

NATIONAL REPRESENTATIVE SAMPLE RESPONDENTS UNDER 65 YEARS OLD



Source: BCG 2025 Survey on Pension Savings.
Note: Question: "Thinking about what you've done so far (information, planning, saving…), how well prepared do you feel for your retirement?" National representative sample (weighted); 65+ age band excluded. Sample sizes (include only respondants under 65 years old): France, n = 1,301; Germany, n = 1,137; Italy, n = 1,368; Spain, n = 1,362. "Wealth" is defined as financial and net real estate assets. Because of rounding, not all bar segment totals add up to 100%.

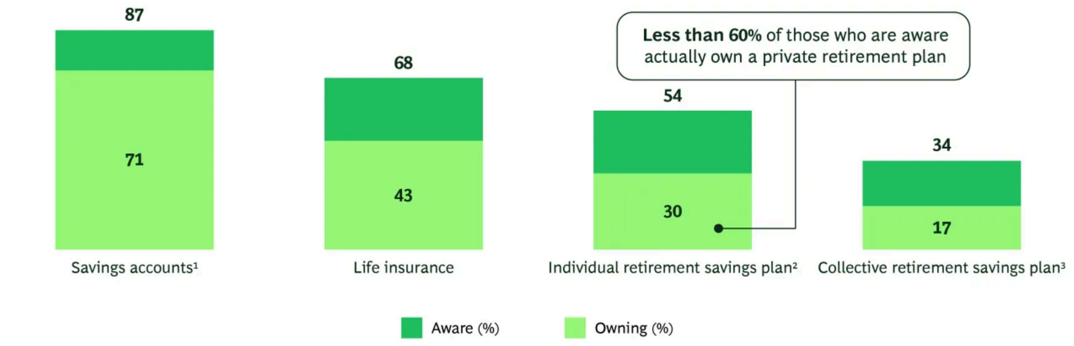
At the same time, awareness of private pension solutions remains critically low across Europe. Survey respondents in the core group across all four countries report high ownership rates for both savings accounts and life insurance. Yet even within this cohort—the most promising target market for private retirement plans—just 54% are aware that private solutions are available. And less than 60% of those who are aware of them actually own one. (See Exhibit 2.)

EXHIBIT 2

Both Awareness and Ownership of Private Pension Products Are Low, Even Among the Core Respondents

Awareness and ownership of private saving products (% of respondents)

CORE SAMPLE RESPONDENTS

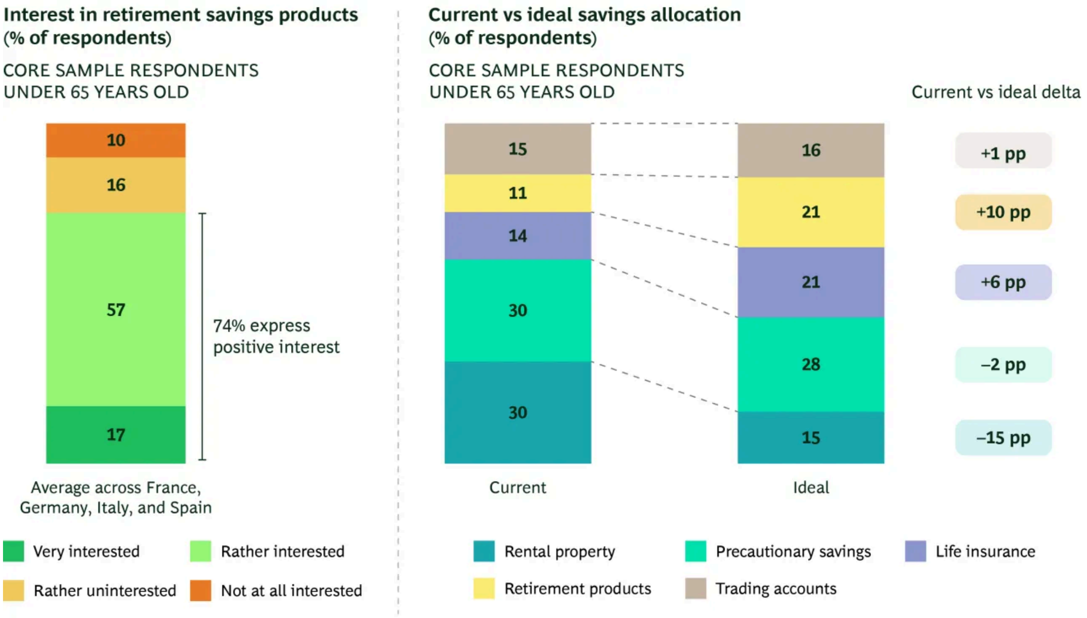


Source: BCG 2025 Survey on Pension Savings.
Note: Questions: "Do you know the following savings or investment products?" and "And do you personally have one or more of the following savings or investment products?" Core sample sizes: France, n = 1,017; Germany, n = 998; Italy, n = 1,016; Spain, n = 1,000.
[1]Savings accounts: France (Livrets A, LDDS, bancaires…); Germany (Sparkonten); Italy (Conti di risparmio – Conti deposito/Libretti di risparmio); Spain (Cuentas de ahorro).
[2]Individual pension plans: France (retraite ind.); Germany (Riester, Rürup, private pension savings); Italy (PIP, Fondo pensione aperto con sottoscrizione ind.); Spain (PPI).
[3]Collective pension plans: France (retraite coll.); Germany (bAV); Italy (Fondo pensione negoziale o preesistente, o fondo pensione aperto collettivo aziendale); Spain (PPE, PPES, FPEPP).

Once presented with the range of features that private plans offer, core respondents under the age of 65 across all four markets express positive interest in them. In fact, once fully informed, these respondents say that they would increase their retirement savings allocation by an average of 10 percentage points. (See Exhibit 3.)

EXHIBIT 3

Once Informed, More Than Two-Thirds of the Core Group Expressed Interest in Retirement Products and Would Increase Their Allocation



Source: BCG 2025 Survey on Pension Savings.
Note: Questions: "For this research, we need a view of people's allocation of financial assets. For each of the following accounts or investments indicate approximately how much money you have on them?" and "What would be, in your opinion, the ideal distribution of your savings between the different types of investments, considering your preferences, your objectives, including preparing for retirement: i. Precautionary savings, ii. Life insurance, iii. Retirement savings plans, iv. Equity savings, v. Rental property." Core sample sizes (include only respondents under 65 years old): France, n = 861; Germany, n = 780; Italy, n = 877; Spain, n = 868. pp = percentage points. Because of rounding, not all bar segment totals add up to 100%, and not all deltas equal the expected difference between the two segment values given.

Clearly, there is considerable latent demand for these products. Indeed, more than 90% of respondents in the core group say that they would welcome hearing from retirement planning advisors at certain life moments. Yet insurance brokers, insurance company agents, banks, and financial advisors have been slow to promote retirement products to consumers. More than four out of five respondents who have discussed such products with advisors say that they had to initiate the contact themselves.

In short, the barrier to boosting private retirement uptake in Europe is not demand; it is the lack of communication between retirement product providers and consumers.

What Do Consumers Want?

Despite the relatively low level of consumer awareness of private retirement plans, respondents across Europe have strong feelings about where they would go for retirement advice, and what features they would expect from their plans.

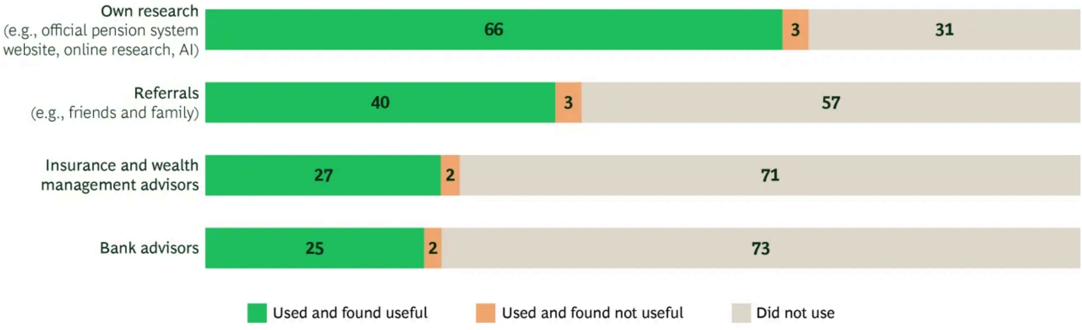
For example, two-thirds of respondents say that they seek retirement information on their own through online or AI research, and 40% say that they turn to friends and family. (See Exhibit 4.) Strikingly, respondents greatly prefer these sources to traditional professionals such as bank agents, insurance agents, and tax advisors.

EXHIBIT 4

Research and Personal Referrals Are the Primary Sources of Retirement Information

Sources used for information on retirement preparation (% of respondents)

CORE SAMPLE RESPONDENTS



Source: BCG 2025 Survey on Pension Savings.
Note: Question: "What have you personally done to learn about retirement and prepare for it?" Percentages shown are the response averages across France, Germany, Italy, and Spain. Core sample sizes (include only people who declared that they had started considering their retirement preparation): France, n = 783; Germany, n = 794; Italy, n = 783; Spain, n = 708.

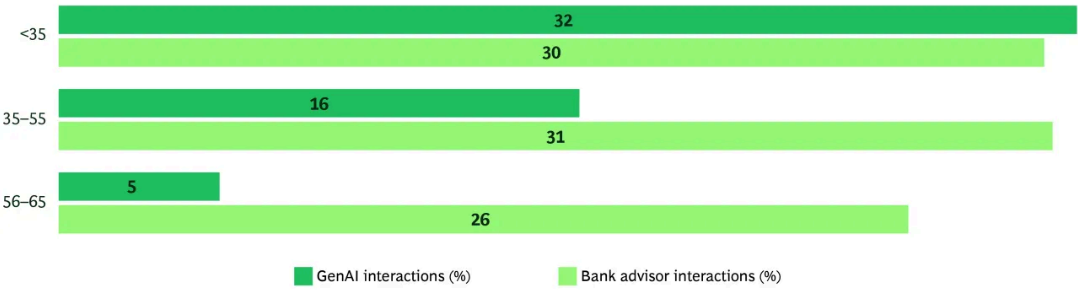
The shift is sharpest among those under 35, a cohort whose use of GenAI already exceeds their use of professional advisors. The signal for retirement product providers is clear: the next generation is forming its initial retirement decisions through AI and digital channels without the involvement of human advisors. (See Exhibit 5.)

EXHIBIT 5

All Age Groups Show Some Interest in AI, but Those Under 35 Prefer It to Bank Advisors

Interactions about retirement with GenAI and banks by age (% of respondents)

CORE SAMPLE RESPONDENTS



Source: BCG 2025 Survey on Pension Savings.
Note: Question: "What have you personally done to learn about retirement and prepare for it?" Percentages shown are the response averages across France, Germany, Italy and Spain. Core sample sizes (include only people who declared that they had started considering their retirement preparation): France, n = 783; Germany, n = 794; Italy, n = 783; Spain, n = 708.

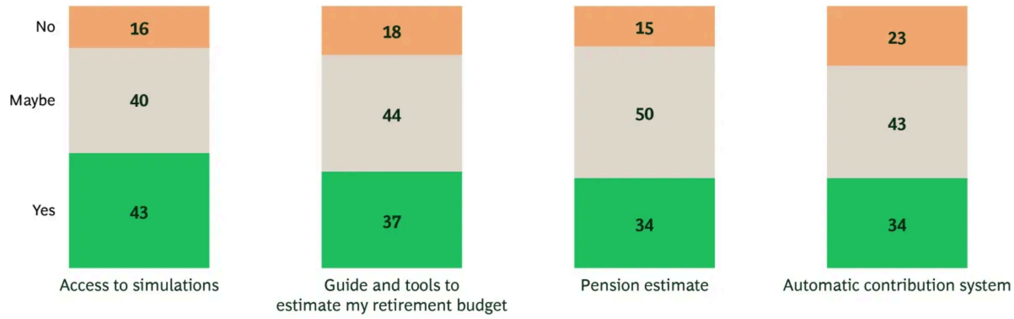
When asked what support mechanisms would help them save more, more than one-third of respondents point to access to simulation and retirement planning tools. Almost as many respondents say that pension estimators and automatic contribution systems calibrated to their bank balances would be helpful. (See Exhibit 6.)

EXHIBIT 6

Respondents Had Strong Feelings About the Elements of a Retirement Program That Would Help Them Save More for Retirement

Assessment of retirement program elements (% of respondents)

CORE SAMPLE RESPONDENTS



Source: BCG 2025 Survey on Pension Savings.
Note: Question: "Could the following elements help you save more for retirement?" Core sample sizes: France, n = 1,017; Germany, n = 998; Italy, n = 1,016; Spain, n = 1,000. Because of rounding, not all bar segment totals add up to 100%.

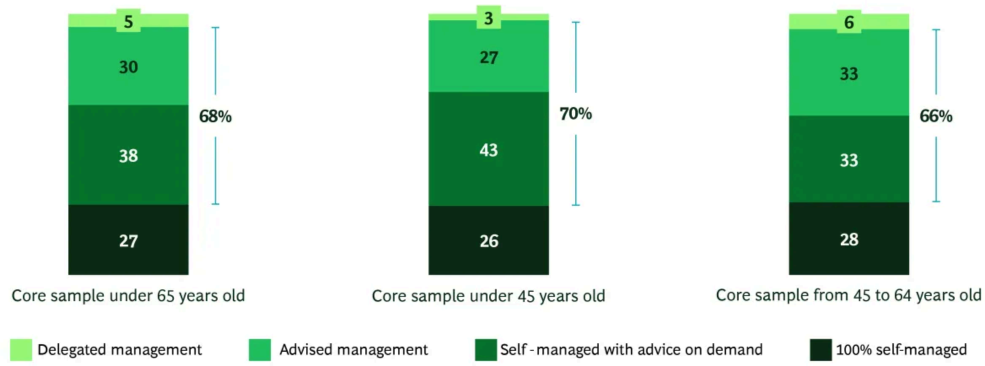
When it comes to retirement savings management, around 65% of under-65 respondents in France, Italy, and Spain say they prefer self-managed options, a proportion that rises to 77% in Germany. Despite this expressed inclination toward self-managed online offerings, however, interest in some form of advice remains strong, especially among respondents in the 45-to-64-year-old age group, almost 40% of whom find advised or delegated solutions appealing. (See Exhibit 7.) Yet even among younger respondents, 43% express interest in online solutions that include an offering of advice on demand.

EXHIBIT 7

Most Nonretirees Prefer Self-Management, but Two-Thirds of Them Are Interested in Advice of Some Kind

Preferred service or advice model for retirement savings management (% of respondents)

CORE SAMPLE RESPONDENTS UNDER 65 YEARS OLD

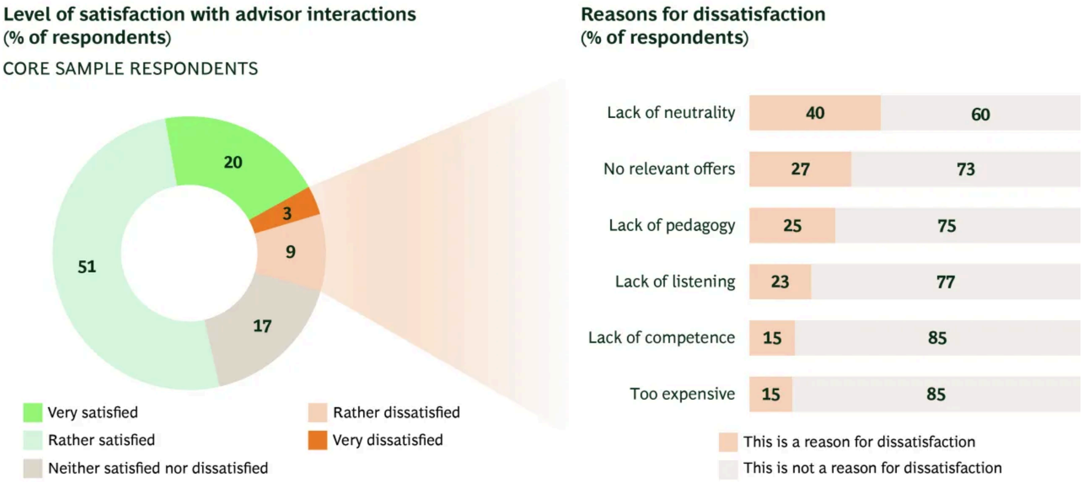


Source: BCG 2025 Survey on Pension Savings.
Note: Question: "If you could choose between the following options to manage your retirement savings, which would you pick?" Core sample sizes (include only respondents less than 65 years old): France, n = 861; Germany, n = 780; Italy, n = 877; Spain, n = 868. Core sample sizes (include only respondents less than 45 years old): France, n = 424; Germany, n = 426; Italy, n = 457; Spain, n = 430. Core sample sizes (include only respondents 45 to 64 years old): France, n = 437; Germany, n = 354; Italy, n = 420; Spain, n = 438. Because of rounding, not all bar segment totals add up to 100%.

Respondents are equally clear about what they don't want. Although most say they are happy with their interactions with professional advisors, 12% say they are not. The top reason for dissatisfaction, cited by 40%, is perceived lack of impartiality. (See Exhibit 8.) That number is 15 percentage points higher than the figure for lack of clear, simple explanation of options and 17 percentage points higher than the figure for lack of listening.

EXHIBIT 8

Lack of Neutrality Is the Primary Reason for Dissatisfaction with Advisors



Source: BCG 2025 Survey on Pension Savings.
Note: Questions: "How satisfied were you with your interactions with advisor" and "If dissatisfied, why?" Core sample sizes (include respondents who used a bank, insurance, or wealth management advisor): France, n = 332; Germany, n = 395; Italy, n = 317; Spain, n = 358.

A Range of Opportunities

The survey also examined the needs and expectations of members of the core cohort who are nearing retirement age or are already retired, including saving and spending advice, and adjacent needs such as insurance and wealth management. These results highlight opportunities for life insurers to deepen long-term customer relationships by addressing a broader set of retirement, protection, and wealth-management needs.

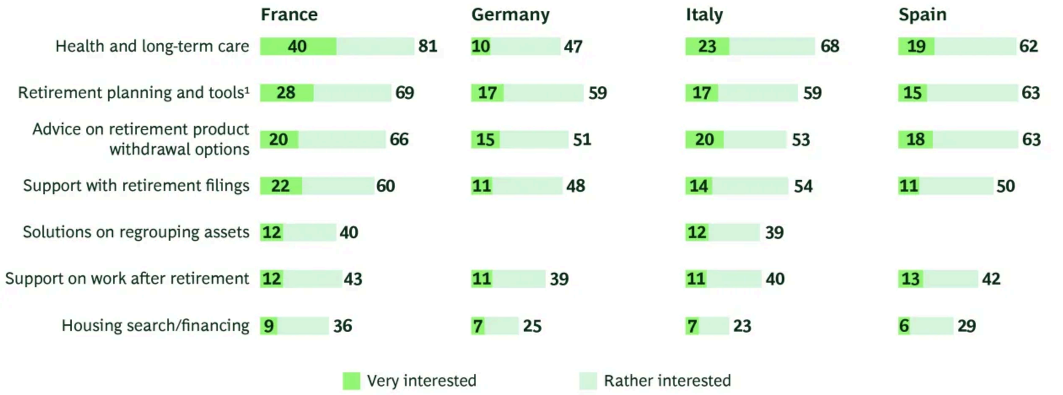
For example, more than half of respondents who are nearing retirement say that they would be interested in advice on decumulation—the process of withdrawing funds from private plans after they retire. (See Exhibit 9.) A further key concern of those nearing retirement involves various types of health insurance and long-term care. More than 45% say that they are interested in supplementary health coverage, a proportion that rises to 81% in France, due to the structure of the country's health insurance system. Another issue of interest is support for post-retirement employment and housing.

EXHIBIT 9

People Approaching Retirement Are Looking for Advice and a Range of Other Services

Anticipated retirement needs (% of respondents)

CORE SAMPLE RESPONDENTS WHO EXPECT TO RETIRE WITHIN 5 YEARS



Source: BCG 2025 Survey on Pension Savings.
Note: Question: "You plan to retire in the coming years. Would you be interested in the following services or products?" Core sample sizes (include only respondents who expect to retire within 5 years): France, n = 369; Germany n = 357; Italy, n = 223; Spain, n = 227.
[1]Including holistic retirement planning, budgeting guides and tools, and savings management adjustment.

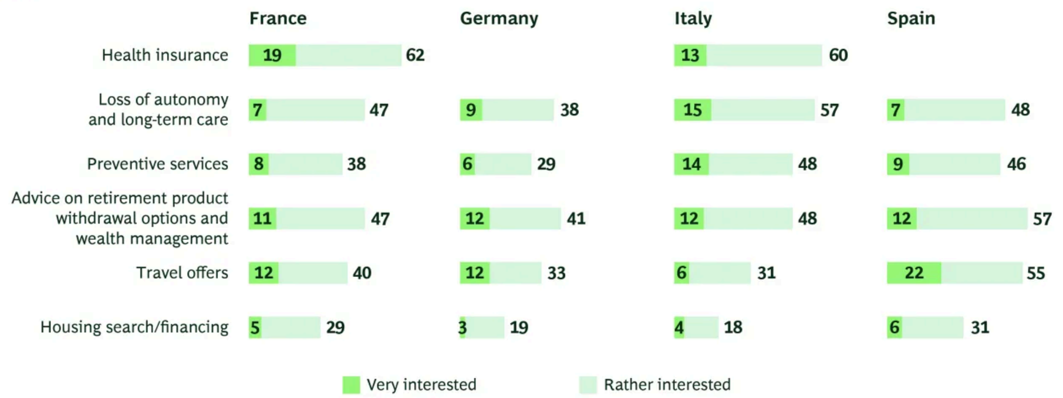
Once retired, people's needs change. Although health-related concerns remain important after retirement, overall interest in such offerings tends to decline slightly compared with the pre-retirement period, as does interest in retirement and savings solutions. (See Exhibit 10.) And just half of retirees say that they would appreciate receiving either wealth management advice or ongoing financial guidance, although this result also varied considerably by country, from a low of 41% in Germany to a high of 57% in Spain.

EXHIBIT 10

Demand for Advice and Adjacent Services Remains Strong Among Retirees, Although Interest Varies by Country

Needs related to the life of a retiree (% of respondents)

CORE SAMPLE RESPONDENTS WHO ARE RETIRED



Source: BCG 2025 Survey on Pension Savings.
Note: Question: "Would you be interested, or would you have been interested since your retirement, in the following services and offers?" Core sample sizes (include only retired respondents): France, n = 177; Germany, n = 203; Italy, n = 113; Spain, n = 124.

The decline in interest in this area probably reflects the fact that many retirees have already decided how to manage their retirement income. Even so, for a large percentage of retirees, advisory needs persist throughout the decumulation stage, suggesting that retirement product providers can develop successful long-term, high-value relationships with retirees if managed actively.

How Should Retirement Product Providers Respond?

Given our survey's findings about what customers want, how should life insurers and asset managers translate those expectations into a winning business model? The answer does not lie in responding to each demand in isolation. Instead, it lies in redesigning the entire customer relationship around the retirement life cycle. Successfully doing so involves progressing through a four-step transformation process, from early engagement to post-retirement value capture:

1. Reposition from savings provider to trusted retirement partner. Many prospective customers are anxious about retirement but lack clear information, so it's important to inform them and put them at ease. Engage with customers early to lead the retirement planning conversation. Then develop long-term relationships through proactive outreach at key life moments. A promotion or an inheritance, for example, is the perfect trigger to revisit retirement income and tax optimization.

2. Build a credible value-for-money proposition. As AI-powered tools and digital technologies improve, customers can compare offerings more easily than ever. That makes value for money the key battleground. Customers can quickly compare providers on their net-of-fee performance, the availability and impartiality of their advice, and the breadth of their investment options. AI can also help meet these higher expectations by enabling more personalized guidance, streamlining operations, and lowering costs, thereby allowing providers to improve both the customer experience and the value they deliver.

3. Deliver value during the critical retirement transition. Retirement age is the moment when customers are both most anxious and most willing to pay for guidance. That's when life insurers and asset managers should deploy advisors to promote simple, effective decumulation solutions and then provide tools and guidance to help retirees consolidate their various retirement savings plans. Because most people's savings are fragmented across multiple accounts, plans, and asset types, an insurer that can effectively simplify customers' financial lives can earn their long-term trust and become their primary retirement partner.

4. Build on trust to support customers throughout retirement. The trust that pension providers build over decades creates a strong foundation for supporting customers as their financial needs change during retirement. Developing a high degree of trust requires working with clients at all ages and wealth levels over the long term. This in turn enables advisors to provide timely, tailored solutions to help clients achieve their evolving financial goals. Although retirees may be done earning, they are not done spending. Providers can better support retirees through partnerships with companies that offer a range of services across the silver economy, from home-care services to senior living facilities and tourism platforms for older adults.

Conclusion

The retirement savings market in Europe is large, underserved, and structurally destined to grow. The demographic shift is locked in. The income gap at retirement will widen. The only remaining questions are which providers will succeed in closing the retirement savings gap—and how.

The results of our survey unambiguously illuminate the strategic imperative for life insurers and asset managers: this is not a product gap to fill; it is a relationship to own. Customers across France, Germany, Italy, and Spain are anxious, lacking in good information, and hungry for guidance. Interest surges to over 70% the moment a product conversation begins. The barrier is not demand; it is initiative. Providers that reach customers first with clear, impartial guidance will build the deepest trust and the most durable relationships.

The winners will be those that move beyond asset management and reposition themselves as full life-cycle retirement partners, engaging early, advising impartially, delivering seamless digital experiences, and extending into decumulation, protection, and the broader silver economy. That repositioning requires thoughtful choices about product, advice model, digital capability, and the customer segments that matter most.

The market will not wait. Public pension shortfalls will deepen, the savings gap will widen, and customer anxiety will grow. Providers that act now with the right proposition, the right model, and the right sense of urgency will define the competitive landscape for a generation.

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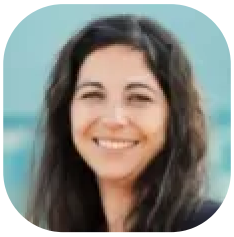

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