BCG Retirement News Roundup

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Boomershine Consulting Group (BCG) provides this monthly news roundup of highlighted significant articles from the retirement industry – for clients and friends. Retirement plan news has become increasingly pertinent for many audiences these days, including:

- Retirement Plan Sponsors – addressing both private and public sector issues
- Employers – dealing with complicated decision making for their plans
- Employees – educating the Boomer generation that is nearing retirement
- Industry Practitioners - helping to understand and resolve today's significant challenges

We review numerous industry news services daily and will include a collection of timely and significant articles each month concerning compliance, actuarial plan costs (including assumption debates), plan design change issues and benefit trends, as well as other related topics. If you would like to discuss any of these issues, please contact us.

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Public Sector/Government Plans

Older-worker rate highest since 1962 19 percent of Americans 65 and over still working

More Americans age 65 and over are still punching the clock, and the last time the percentage was this high was when John F. Kennedy was in the White House.

Last month, 19 percent of Americans age 65 and over were still working, according to government data released Friday. That's the highest rate since 1962, and it caps a long trend higher since the figure bottomed out at 10 percent in 1985.

As America grows older and as life expectancy gets longer, some workers keep heading to the office because they like it and still feel engaged. But many others are continuing to work for a simpler, darker reason: They can't afford not to.

More than a quarter of workers age 55 or older say they have less than $10,000 in savings and investments, according to the latest retirement confidence survey by the Employee Benefit Research Institute. Perhaps because of slim nest eggs, nearly a third of workers in that age group say they expect to work until at least 70, if they retire at all.

Older workers still heading for jobs may also be the lucky ones. Many older Americans would like to work but say they can't find a job, whether because they lack the skills or because employers are looking for someone younger. The unemployment rate for workers age 65 and over was 3.7 percent last month. That's a tick higher than its median over the last 30 years, though it's down from earlier this year.

The numbers may rise still higher, critics say.

Congress this past week voted to overturn a federal rule designed to help states give more workers access to retirement savings plans.

Several states have been pushing to create their own plans to get more workers into plans like a 401(k) that automatically deduct savings from each paycheck. Low-income workers tend to have much less access to savings plans through their jobs.

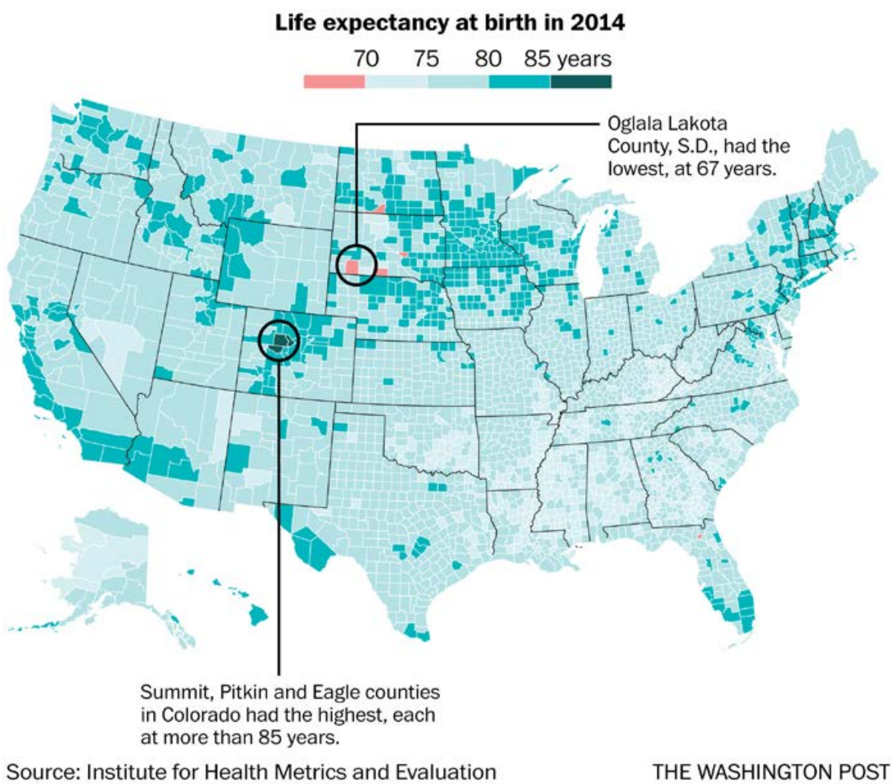
Republicans and players in the investment industry, though, argue that the state-run plans could end up being much more expensive than imagined and would water down safeguards in place to protect investors.

U.S. life expectancy varies by more than 20 years from county to county

Life expectancy is rising overall in the United States, but in some areas, death rates are going conspicuously in the other direction. These geographical disparities are widening, according to a report published Monday in JAMA Internal Medicine.

Life expectancy is greatest in the high country of central Colorado, but in many pockets of the United States, life expectancy is more than 20 years lower, according to the report from the University of Washington's Institute for Health Metrics and Evaluation.

"Life expectancy in many places in this country is declining. It's going backward instead of forward," said Ali Mokdad, a co-author of the report and a professor at the university. "These disparities are widening, so this gap is increasing."



People are less likely to live longer if they are poor, get little exercise and lack access to health care, the researchers found. Mokdad said the quality and availability of that health care — for example, access to screening for signs of cancer — has a significant effect on health outcomes. The United States, he said, needs to rethink how it delivers medical care, with a much greater investment in prevention, and a more holistic approach to creating healthy communities.

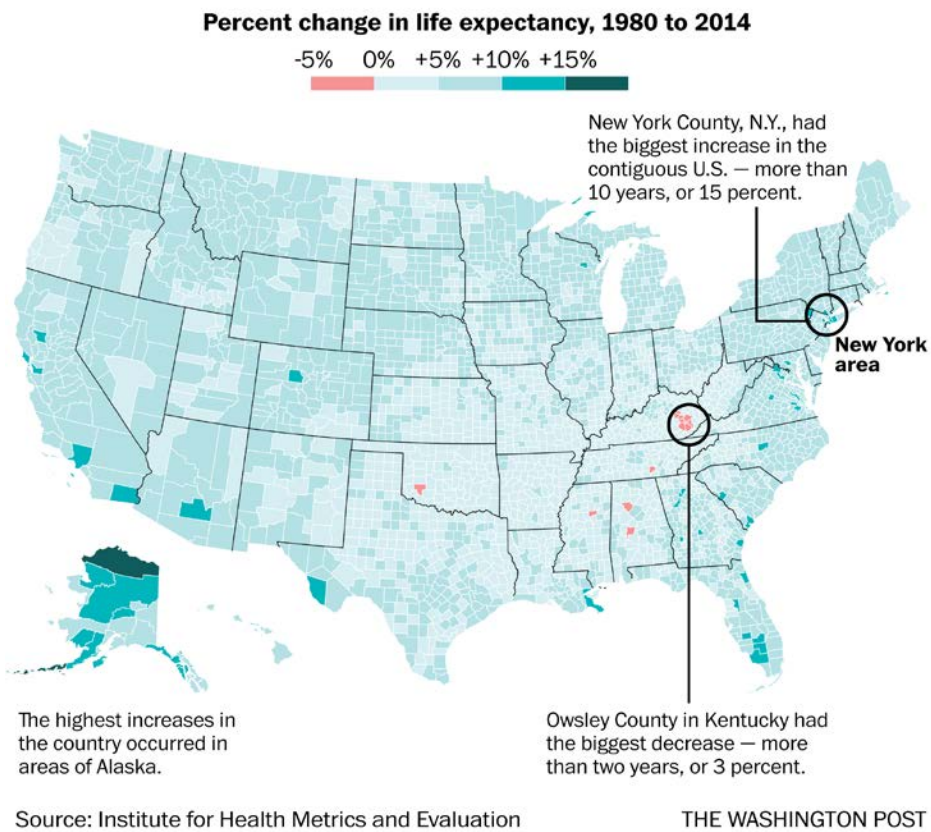
Andrew Cherlin, a professor of sociology and public policy at Johns Hopkins University, said that the increasing inequality in death rates at the county level is troubling. “But it’s unclear from this study what has caused it,” said Cherlin, who was not part of the research team. "It’s hard to separate out the consequences of lower incomes, unhealthy conditions such as obesity, less access to health care providers, and of healthier people moving out of some counties.”

The new research echoes other findings in recent years that show that the United States is failing to keep up with improvements in longevity seen in other affluent nations. In 2013, researchers described what they called a “health disadvantage” in the United States when compared to peer countries. More recent research has focused on “diseases of despair” that have contributed to a dramatic spike in death rates among midlife working-class whites.

Mokdad said countries such as Australia are far ahead of the United States in delivering preventive care and trying to curb such harmful behaviors as smoking. “Smoking, physical inactivity, obesity, high blood pressure — these are preventable risk factors,” Mokdad said.
“We are falling behind our competitors in health. That is going to impact our productivity; that’s going to take away our competitive edge when it comes to the economy,” Mokdad said. “What we’re doing right now is not working. We have to regroup.”

The Institute for Health Metrics and Evaluation researchers looked at death certificates from 1980 through 2014. Among the places with sharply increased life expectancy and lower deaths over that period are the District of Columbia and Loudoun County, Va. — where life expectancy is up 12.8 and 12.4 percent, respectively. Fairfax County has the lowest all-cause death rate in the metropolitan Washington region, significantly lower than the national average.

Of the 10 counties where life expectancy has dropped the most since 1980, eight are in Kentucky. The other two are in Oklahoma and Alabama. The report includes an interactive map of death rates county by county (and sometimes by city, when a city is not part of a county). The areas with the worst mortality metrics include central Appalachia, the Mississippi Delta and areas in the Dakotas with large Native American populations.



The list of counties with the most improved life expectancy includes a number of remote locations in Alaska, including the North Slope and the Aleutian Islands, and the boroughs of Manhattan (a.k.a. "New York County") and Brooklyn (Kings County), as well as San Francisco. An earlier study from the same research institute showed a huge disparity in the death rate from lung cancer. Summit County in Colorado, home to ski resorts and the town of Breckenridge, had almost no lung cancer mortality — a death rate of 11 per 100,000 population in 2014. The county with the highest rate, 231 per 100,000, was rural Union County, Fla., a small county that is home to a large prison population.

Christie Vetoes Plan to Spin Off Police and Fire Pensions

Gov. Chris Christie on Monday vetoed bipartisan legislation to spin off the management of the pension fund for police officers and firefighters, describing it as a shoddily designed plan that could soak New Jersey taxpayers.
The bill, S3040, would have broken off the Police and Firemen's Retirement System from the overall $71 billion pension fund for public workers. New Jersey currently pools all the assets from five state-run pension funds and invests all the money through the Treasury Department and the state Investment Council, a board made up of union officials and administration appointees.
The police and fire fund is one of the healthiest in the mix, with $26 billion in assets and $11 billion in unfunded liabilities as of last June. Separating it would have sharply reduced the overall pension system's assets and funded ratio, potentially dragging down the other funds for teachers, judges, office workers and others at a time when New Jersey is already in a pension crisis.

Police and fire unions argued that they should be able to make their own decisions on where to invest their retirement funds, adding that state officials had played "gimmicks" and shorted pension payments for years, reducing the value of their retirement accounts. Christie said the legislation went much farther, allowing union officials to reduce members' pension contributions and restore cost-of-living adjustments frozen since 2011. Such moves would undo some of the cost-cutting moves he enacted for the pension system in his first term, jeopardizing retirees' livelihoods, Christie said.
"I understand that police and firefighters (and, for that matter, all current and future pensioners) have concerns with the fiscal health of the pensions systems. I share them," Christie wrote in a veto message. "But I refuse to repeat the mistakes of prior governors and legislatures who enacted pension legislation without ensuring appropriate safeguards for taxpayers nor securing significant concessions from labor. I refuse to hand PFRS a blank check, while handing the taxpayers the deposit slip."

Christie rewrote the bill and sent it back to the Legislature for consideration. His changes would allow the police and fire unions to spin off their pension fund — provided they kept in place the benefit reductions Christie instituted in his first term, assumed more risk for their investment decisions, established a board with equal membership from unions and the administration, and subjected that board to New Jersey's transparency laws.

Christie in addition recommended that lawmakers cap sick-leave payouts for retiring public workers at $7,500. He previously vetoed a bill capping such payouts at $15,000 because he said the practice should be abolished entirely.

In a joint statement, Robert Fox of the Fraternal Order of Police, Pat Colligan of the Policemen's Benevolent Association, and Ed Donnelly of the Firefighters' Mutual Benevolent Association, described Christie's recommended changes as "poison pills" and said "the veto is the final proof, if proof were needed, that he is intent on destroying the pension system before his term is complete."

Christie's office kept moving the goalposts during negotiations before the bill reached his desk, the union leaders said, adding that they will try again after the governor leaves office in January.

"Sadly, he has decided that saying yes to improving PFRS would ruin his record of robbing the hard-working men and women of law enforcement and the fire service of their livelihoods and their future retirements," they said. "The fact remains that our pension system is worse off since Chris Christie took office. The value of our pensions has dropped."

Senate President Steve Sweeney (D-Gloucester), the lead sponsor of the legislation, said it's not uncommon for private-sector and public-worker unions in other states to manage their own funds. Police and fire union officials in New Jersey have a good record of managing their financial affairs and pensions, he said, and deserved more control.

"The governor's rejection of this legislation is extremely disappointing," Sweeney said in a statement. "The police and fire unions have responsibly funded their pensions over the years, even as the state withheld payments and as local governments took pension holidays."
Michael J. Darcy, executive director of the League of Municipalities, welcomed Christie's veto and noted that under the terms of S3040, taxpayers were on the hook for any shortfalls stemming from missed investment targets.

"It's not equitable for our property taxpayers to carry all the risk with little control and that's why putting our taxpayers on equal footing is vital," he said.

"The governor's recommendations not only improve the existing proposal, but he has also advanced important sick pay reform to offer further taxpayer protections," said John Donnadio, executive director of the New Jersey Association of Counties.

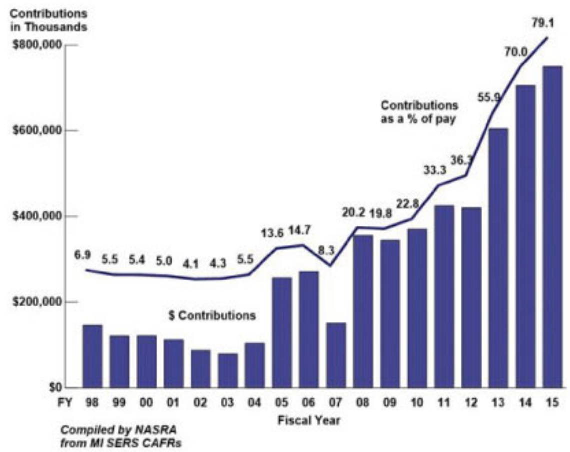
Gordon MacInnes, president of the liberal think tank New Jersey Policy Perspective, wrote in a tweet that "Christie's conditional veto of the police/firefighter pension bill should be applauded for catching risky changes."

Closing a Pension Plan Increases Costs for Taxpayers

Michigan lawmakers are at it again. During last year's lame duck session, legislators in Michigan attempted to force through a bill to close the pension plan for teachers and public school employees – the Michigan Public Schools Employee Retirement System (MPSERS). They ended up dropping the bill due to a strong backlash from working families across the state. Now, they are trying, again, to do the exact same thing. Michigan should already know, though, that closing a pension plan decimates retirement security for public employees and increases costs for taxpayers.

In 1997, Michigan closed the Michigan State Employees' Retirement System (MSERS), the pension plan for state employees. All new hires were forced into a 401(k)-style retirement system. Twenty years later, the employees participating in the new 401(k)-style plan are falling behind in saving for retirement. In January, the Michigan Office of Retirement Services reported that the median account balance for employees in the 401(k)-style plan was $37,600 total. This falls far short of what these working men and women will need to retire with security and dignity.

In addition to severely undermining the retirement security of state employees, closing MSERS also dramatically increased costs for the state and taxpayers. As the following chart shows, employer contributions to MSERS have risen sharply, from $145 million to $750 million, in the years since the plan was closed to new hires in 1997. This has occurred even as the payroll base has declined by more than $1 billion. Closing a pension plan does nothing to eliminate an unfunded liability, so the state still has to pay off that existing liability. Without new employees paying into the pension fund, the system must switch to more conservative investments that earn lower returns.



Pension funds succeed because they can invest on an infinite time horizon. With new employees constantly joining and paying into the system as older employees retire and begin to withdraw benefits, pension funds can balance risk and reward in their investments and create an optimal investment portfolio. However, when the plan is closed, there are no new employees paying into the system. Eventually, the number of retired employees withdrawing benefits begins to dramatically overwhelm the number of active employees continuing to pay into the system. This undermines the ability of the pension fund to invest ideally. This is why Michigan's costs have skyrocketed, even though no new employees have joined MSERS in twenty years.

Closing MPSERS would be repeating the same mistakes that were made when MSERS was closed. Significant reforms were made to MPSERS several years ago when the plan was changed from a purely defined benefit model to a hybrid defined benefit-defined contribution model. Michigan legislators should allow those changes to take effect and start to work, rather than taking an unnecessary vote to undermine retirement security for teachers and increase costs for taxpayers.

https://protectpensions.org

Contributions to Public Pensions Experience Significant Gains in 2016

Employer pension contributions made by state and local governments increased by 6.5 percent or $8.5 billion while earnings on investments dropped by $105.7 billion to $49.9 billion, according to the U.S. Census Bureau's newly released report.

"The 2016 Annual Survey of Public Pensions found that total contributions were $191.6 billion in 2016, increasing 6.6 percent from $179.7 billion in 2015. Government contributions accounted for the bulk of them, $140.6 billion in 2016, increasing 6.5 percent from $132.0

billion in 2015, with employee contributions at $51.0 billion in 2016, climbing 7.1 percent from $47.7 billion in 2015," according to Phillip Vidal, chief, Pension Statistics Branch.

The other component of total revenue — earnings on investments — declined 67.9 percent to $49.9 billion in 2016, from $155.5 billion in 2015. Earnings on investments include both realized and unrealized gains, and therefore reflect market fluctuations.

In 2016, the total number of beneficiaries of state and local government pensions increased

3.3 percent to 10.3 million people, (from 10.0 million in 2015 and 9.9 million people in 2014). The benefits they received rose 5.4 percent to $282.9 billion in 2016, from $268.5 billion in 2015.

Meanwhile, total assets decreased 1.6 percent to $3.7 trillion in 2016, from $3.8 trillion in 2015.

https://www.census.gov

Private Sector

Impact of Mortality Change on U.S. Single Employer Pension Plan Funding

In December 2016, the Internal Revenue Service (IRS) issued proposed updated mortality tables starting in 2018 for minimum funding requirements for single employer defined benefit pension plans.[1] This study estimates the impact of the proposed change on the single employer pension system as a whole; the impact on individual plans may differ. Here are highlights of the research:

The proposed mortality tables increase liabilities and reduce funded status:

- On a funding basis, estimated aggregate 2018 Funding Target liabilities increase 2.9% from $2.278 trillion to $2.343 trillion, and the estimated cost of current year benefit accruals (normal cost) increases 1.6%, from $49.6 billion to $50.4 billion.

    - The estimated aggregate unfunded Funding Target would increase 35%, from $63 billion to $85 billion.

    - Estimated aggregate minimum required contributions for 2018 would increase 11% from $7.1 billion to $7.9 billion. Note that many plan sponsors have been contributing considerably more than the minimum amount required. Assuming that recently exhibited contribution patterns continue, 2018 contributions would rise about 4%, from $94 billion to $98 billion.

- For PBGC premiums, estimated aggregate 2018 Premium Funding Target liabilities would increase 3.1%, from $2.679 trillion to $2.763 trillion.

    - The estimated aggregate unfunded Premium Funding Target (also known as unfunded vested benefits) would increase 24%, from $217 billion to $268 billion.
    - Estimated PBGC premiums for 2018 would increase 12% because of the mortality change, from $8.6 billion to $9.6 billion, assuming that actual contributions follow recently exhibited patterns.

- Analysis illustrates that, in the end, it costs less to fund expected longevity directly than to pay amortized losses that arise from undervaluing it.

United States: Department of Labor's New Fiduciary Rule Will Go Into Effect June 9th

The Department of Labor has announced that the new fiduciary conflict of interest rule and related exemptions will begin taking effect on June 9, 2017, ending speculation of further delay. At the same time, the Department announced a relaxed enforcement standard for the rest of 2017. See our blog post on the delayed effective date here.

The effect of the Department's announcement is that the new standard for when communications rise to the level of fiduciary advice will go into effect at 11:59 p.m. on June 9th. After that time, service providers who are deemed to provide investment advice for example, by suggesting a particular investment or strategy, or recommending a rollover will be subject to ERISA's duties of prudence and loyalty, as well as ERISA's prohibited transaction rules.

This is the first time that ERISA's requirements of prudence and loyalty will expressly apply for advisers to IRAs, HSAs, and other non-ERISA accounts that are subject to the prohibited transaction rules under the Internal Revenue Code. At least for now, however, there will continue to be no private right of action against advisers to non-ERISA accounts for breach of the duty of prudence or loyalty. The consequence of non-compliance will be a self-reporting excise tax under Section 4975 of the Internal Revenue Code.

Between now and the end of the year, the Department will continue to review the fiduciary rule and related exemptions. The Department announced that it intends to publish a Request For Information and that it will be receptive to comments related to the new rule's requirements. Secretary Acosta has also indicated (in a Wall Street Journal op-ed) that the Department is hoping to collaborate with the Securities and Exchange Commission on a more uniform standard.

Through the end of the year, the Department "will not pursue claims against fiduciaries who are working diligently and in good faith to comply with the fiduciary duty rule and exemptions, or treat those fiduciaries as being in violation of the fiduciary duty rule and exemptions." This relaxed approach to enforcement is consistent with the Department's emphasis on compliance rather than penalties.

Department of Labor's New Fiduciary Rule Will Go Into Effect June 9th

Risk Mitigation & Early Warning Questions and Answers

As part of posting our updated Risk Migration & Early Warning Program information, we asked stakeholders for feedback. Below are some Questions and Answers for the most common questions and comments we received.

1. Did PBGC's December 2016 updated content signify an expansion of the Early Warning Program to include credit deterioration?

A: No. PBGC has not expanded the program or changed the monitoring criteria or the processes involved.

A change in a plan sponsor's credit quality does not trigger an Early Warning Program review. But if announcement of a transaction does trigger a review, PBGC generally includes credit quality as part of the analysis along with other information. We have made modifications to the Risk Mitigation & Early Warning webpage to make that clear.

2. How does PBGC use credit rating information in the Early Warning Program?

A: When PBGC reviews transactions, we generally consider the credit ratings of plan sponsors along with other information such as plan funding to determine whether pensions may be at increased risk. If the sponsor is highly rated or the transaction does not result in a downgrade, it is less likely PBGC will contact the sponsor about the transaction.

3. If the program didn't change, why did PBGC issue an update?

A: Over the years, PBGC has received feedback from stakeholders that plan sponsors don't understand how the program works or when PBGC is likely to contact them. Our update increases transparency to the process, expands the description of the program, and replaces outdated references to pension funding law and terminology. It does not change the program. As part of the update we also, for the first time, published the standard information request that we send to plan sponsors.

4. The monitoring criteria reference a participant count of 5,000 or more or an underfunding threshold of $50 million or more. Does PBGC apply these thresholds on a plan-by-plan basis or on an aggregate controlled group basis?

A: PBGC applies the participant count and underfunding monitoring criteria on an aggregate controlled group basis.

5. What are the potential outcomes of a PBGC review of a transaction under the Early Warning Program?

A: The following describes various outcomes of PBGC Early Warning Program reviews:

PBGC completes an internal review of the transaction and determines it poses no risk to the insurance program or participants, and the issue is closed without contacting the plan sponsor. Reviews resolved in this way make up the bulk of Early Warning Program activity (approximately two-thirds of reviewed transactions).

If upon review of a transaction, PBGC identifies potential increased risks, we contact the plan sponsor to learn more and request certain information about the sponsor and its pension plan(s). Following discussions with the sponsor and review of the information, if PBGC concludes that the transaction will not present an increased risk of loss to participants or the insurance program, then the review is closed.

6. If the issue is still open, PBGC and the plan sponsor begin negotiating protections for the pensions and the sponsor chooses to make additional pension contributions outside of an agreement with PBGC.

Following negotiations with PBGC, the sponsor and PBGC enter into an Early Warning Program agreement to protect the sponsor's pension plan(s).

7. How does a plan sponsor know when PBGC has decided to close an Early Warning review?

A: PBGC sends a close-out letter to the plan sponsor.

8. How does the Early Warning Program help protect the interest of workers and retirees?

A: PBGC's first mission is to encourage the continuation and maintenance of pension plans. Agreements that PBGC reaches with plan sponsors are designed to improve plan funding and make pension promises more secure. Improved plan funding can make it more likely that a pension plan will continue to provide full benefits to plan participants.

In the event that an underfunded pension plan terminates, a previous agreement with PBGC may provide security that enables the agency to improve its recovery on the plan's shortfall. Higher recoveries enable PBGC to pay additional benefits to participants when plan assets and recoveries are sufficient to fund benefits that exceed the guarantee limits.

9. How does the Early Warning Program help protect the interests of premium payers?

A: PBGC uses premium monies paid by pension plan sponsors to fund insurance losses caused by the termination of underfunded pension plans. The Early Warning Program helps premium payers by avoiding or mitigating losses.
Does PBGC use information provided in filings made under section 4010 of ERISA to open an Early Warning Program review?

A: No. We don't use information provided under section 4010 to open reviews, and the filing of a section 4010 report is not a trigger for the Early Warning Program. If PBGC has already opened a review of a transaction and we have recent 4010 information, we may be able to rely on it instead of requesting the standard package of actuarial information. Likewise, we may use the financial data provided under 4010 in our analysis so the plan sponsor need not provide it again.

https://www.pbgc.gov

Kentucky retirees fighting to keep their pensions

They have spent their lives building a retirement, but now thousands of Kentucky retirees are fighting to keep their pensions.

Right now, thousands of retirees are in danger of losing more than half their pensions. One of them, Charlies Weible, retired in 1999 after more than 40 years behind the wheel of a semi.

"The insurance was good, everything was good, and then all of a sudden, the bottom falls out of everything," he said.

Weible is one of thousands of Kentucky retirees who are part of the Central State Pension Fund now facing painful cuts.

"I paid into that pension for 42 years," he said.

On Tuesday, dozens of retirees took their concerns to the Teamsters Local 89 Union Hall.

"You have tens of thousands of teamsters who are at risk of losing 60 percent or more of their pensions," Kentucky Congressman John Yarmuth said.

Congressman Yarmuth was invited to share what's being done in Washington to keep that from happening. He said lawmakers are trying to pass the Keep Our Pension Promises Act, which would generate $38 billion and keep Kentucky's pension plan from sinking.

"This is something that should be a top priority of government to make good on the promises that were made to these hard workers," Yarmuth said.

With so much at stake, it didn't take long for tempers to flare Tuesday when political parties were mentioned.

"I don't want to hear about Democrats and Republicans," Norb Wafzig said. "I want to hear what you're going to do to help me."

Wafzig is a retired UPS driver and said instead of fighting, lawmakers need to unite and find a solution.

"It is not a partisan blame but right now," Yarmuth responded. "We need a bipartisan fix."

And if the fix doesn't come, some retirees could lose more than just part of their pensions.

"That would devastate me," Wafzig said. "I'd be living with my daughter."

And Weible said he would be in the same boat.

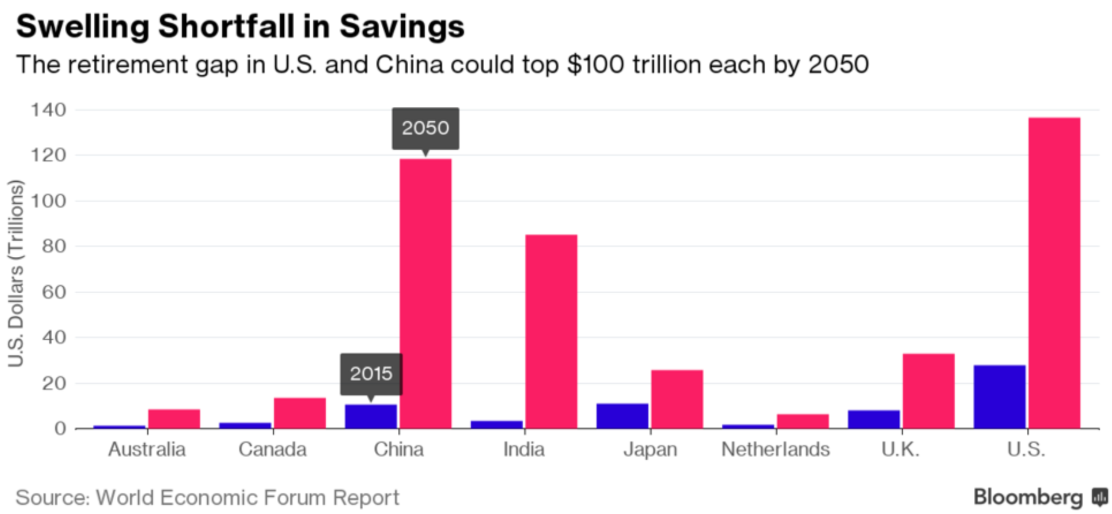
"I'd probably have to move from where I live, because I couldn't afford to live there," he said.

Yarmuth said the Keep our Pension Promises Act has already been introduced in the Senate.

World's Major Economies to Come up $400 Trillion Short on Retirement Savings

Longer life spans and disappointing investment returns will help create a $400 trillion retirement-savings shortfall in about three decades, a figure more than five times the size of the global economy, according to a World Economic Forum report.

That includes a $224 trillion gap among six large pension-savings systems: the U.S., U.K., Japan, Netherlands, Canada and Australia, according to the report issued Friday. China and India account for the rest.



Employers have been shifting away from pensions and offering defined-contribution plans, a category that includes 401(k)s and individual retirement accounts and makes up more than 50 percent of global retirement assets. That heaps more risk onto the individuals, who often face a lack of access to the right options as well as the resources to understand them, according to the World Economic Forum report. Stock and bond returns that have trailed historic averages in the past decade have also contributed to the gap.

“We’re really at an inflection point,” Michael Drexler, head of financial and infrastructure systems at the World Economic Forum, said in a phone interview. “Pension underfunding is the climate-change moment of social systems in the sense that there is still time to do something about it. But if you don’t, in 20 or 30 years down the line, society will say it’s a huge problem.”

A shortfall of about $400 trillion could be reached by 2050, the World Economic Forum said. The figure is derived from the amount of money government, employers and individuals would need to provide each person with a retirement income equal to 70 percent of his or her annual earnings before leaving the workforce.

The gap is partially driven by an aging world population. Life expectancy has risen on average by about a year every five years since the middle of the last century, and half of babies born in the U.S. and Canada in 2007 may live to 104, according to the report. In Japan, the figure is 107 years.

The World Economic Forum said its calculations are based on publicly available data on government programs such as Social Security in the U.S.; employer-based contributions and individual savings. It assumed that workers would retire between the ages of 60 and 70.

Solutions Exist

Governments can ease the financial burden by increasing the target retirement age. People would also benefit from improved financial education and services.
“A lot of the good solutions already exist somewhere in the world. Just no one has figured them out all together,” Drexler said. “There’s almost no new invention necessary.”

The defined-benefit plans that have fallen out of favor enjoyed advantages including shared risk and an investment manager to oversee allocations, according to the report. And those pension plans often had better collective bargaining power, Drexler said. Some countries are taking steps. The Netherlands and Canada both have collective retirement systems for defined-contribution plans. That’s helped individuals pool risks and reduce fees, the World Economic Forum said.

The group warned that the savings shortfall is growing at a rate of $3 trillion each year in the U.S. The shortfall might climb at an annual rate of 7 percent in China and 10 percent in India, which have rapidly aging populations, growing middle classes and a higher percentage of workers in informal sectors.

“What I’m really hoping will happen is that actions will be taken and will be taken now,” said Jacques Goulet, president of health and wealth at Mercer, a consulting firm that collaborated on the report. “There are three key stakeholders in here. There are governments, companies or employers, and individuals. And frankly the problem here is of such magnitude, that we need the engagement of all three in order to address it. That’s very important.”

The World Economic Forum is a not-for-profit foundation known for organizing an annual gathering in Davos, Switzerland.