

APOLLO

The growing retirement crisis: Households not saving enough

Torsten Slok, Rajvi Shah, and Shruti Galwankar
tslok@apollo.com

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Unless otherwise noted, information as of March 2026

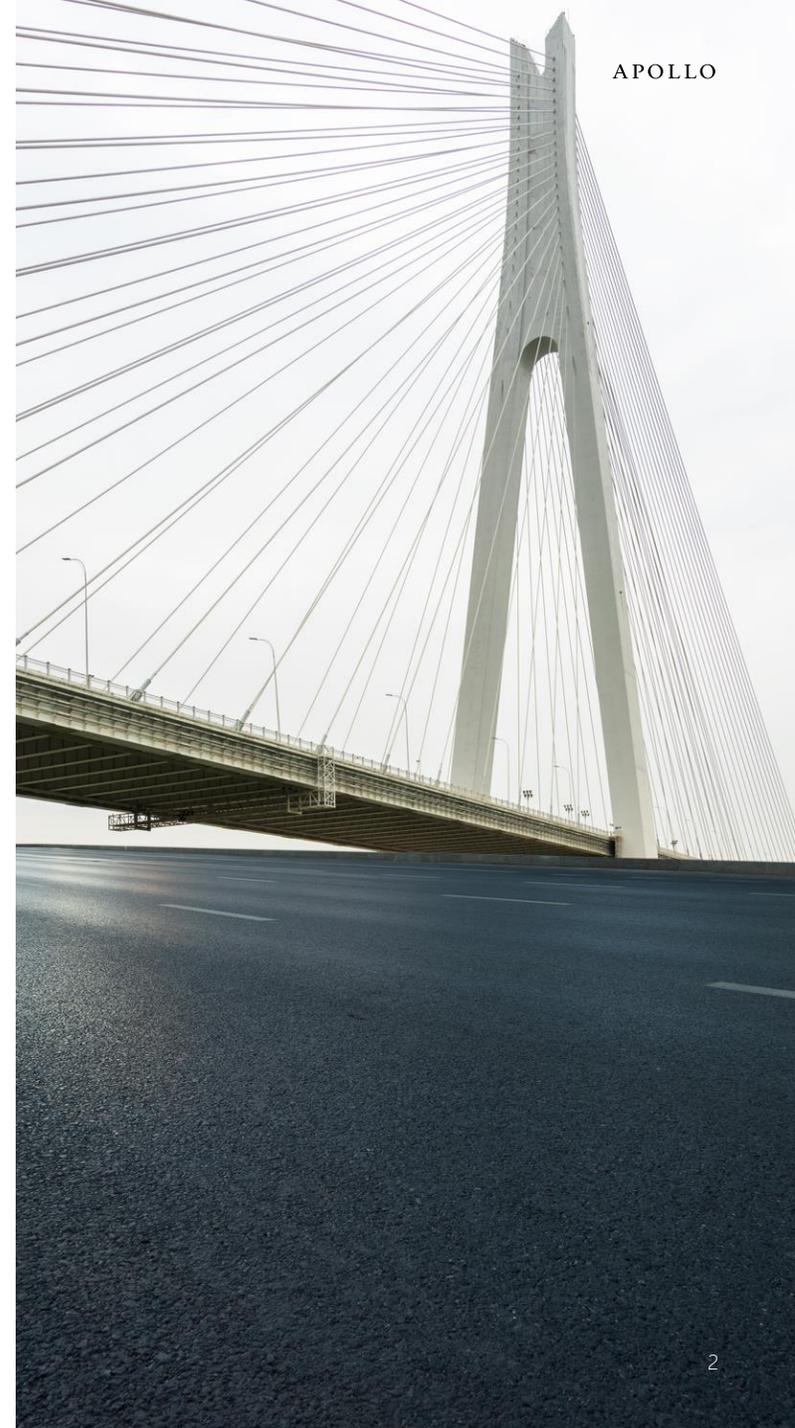
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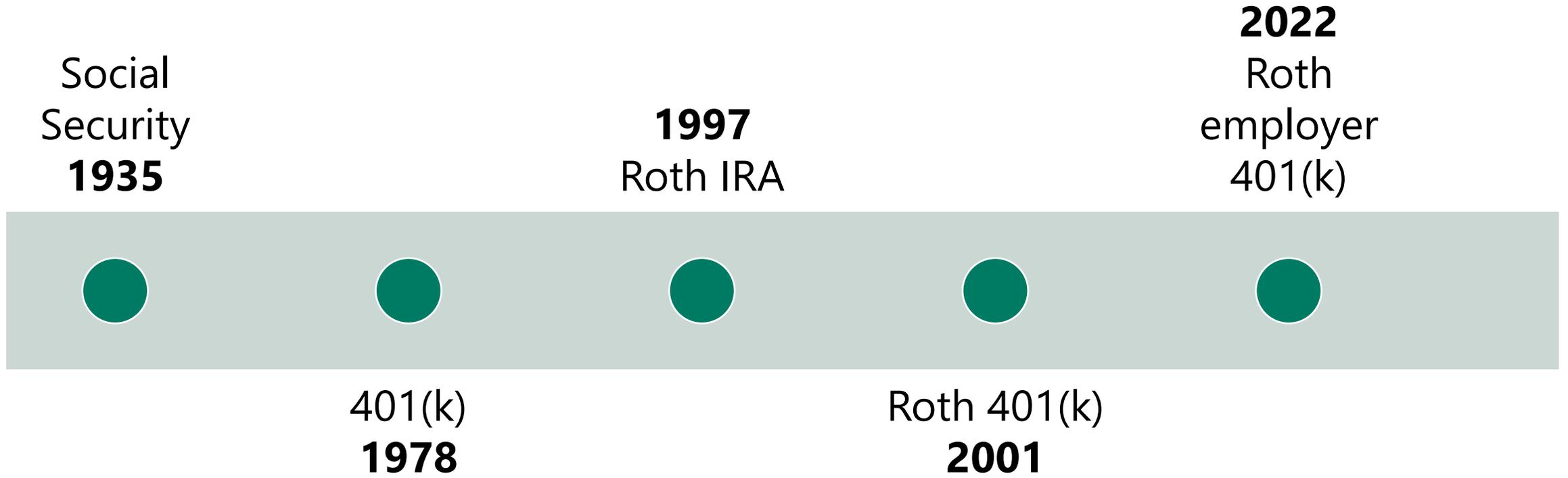
Ten facts about retirement savings

1. The US population is aging
2. 18% of the US population is 65 years or older. In 2050 it will be 23%.
3. 54 million retired workers receive social security benefits
4. More retirees get money from social security than from a pension
5. \$48trn in total US retirement assets
6. \$30trn in private and public retirement funds
7. \$10trn in 401(k) accounts
8. \$5.7trn in 401(k) mutual fund assets
9. The average 401(k) balance is \$148,000, and more than half of 401(k) balances are in equities
10. The global population age 65 and over will rise from 800mn today to 1.6bn by 2050

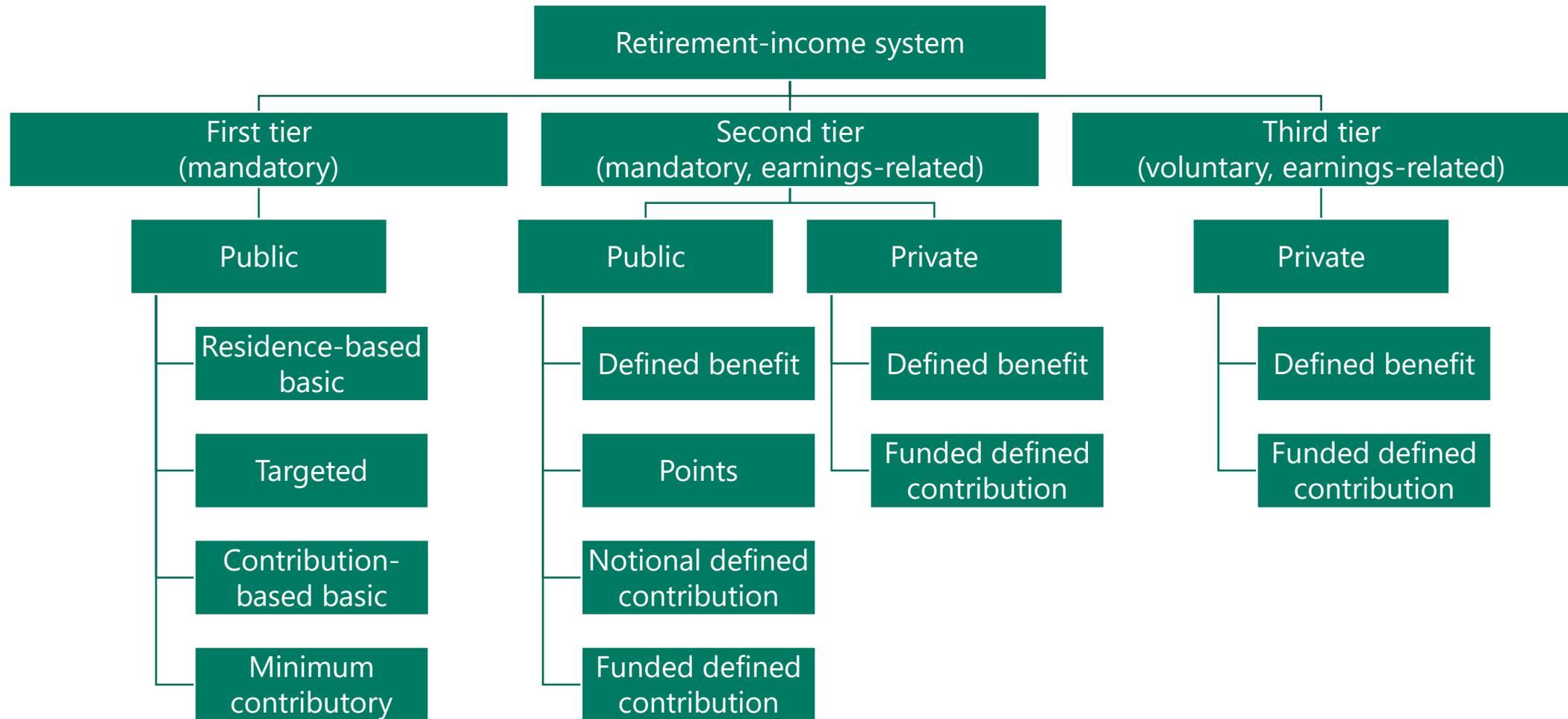
Bottom line: More retirement savings are needed, and better retirement products are needed.

Overview

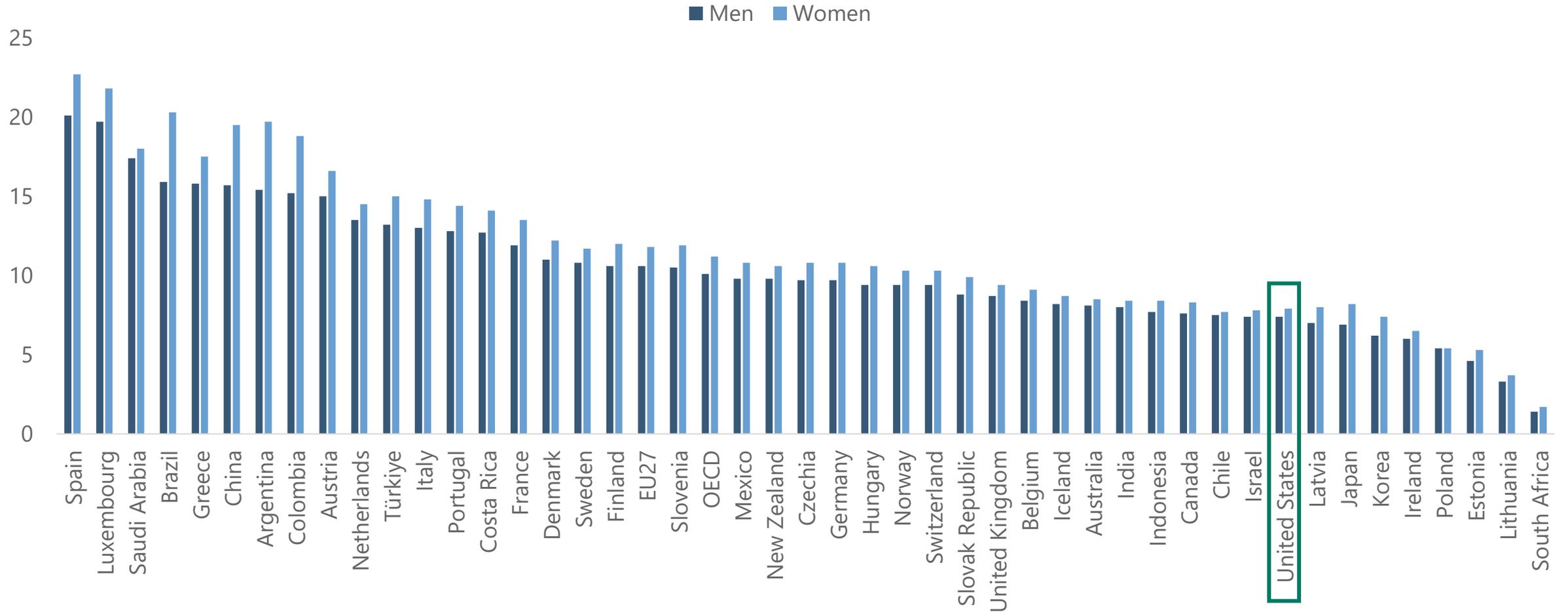
The history of the US retirement system



Different types of retirement-income

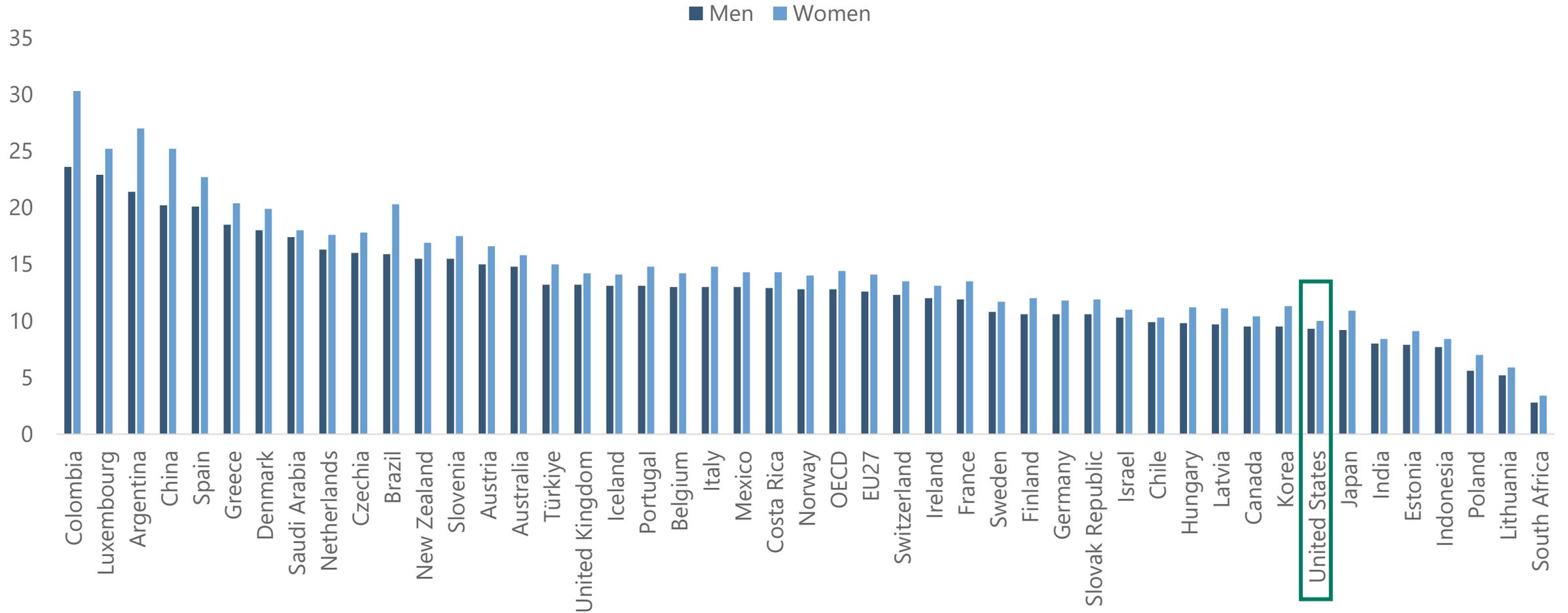


Gross pension wealth for average earners by gender, multiple of annual earnings



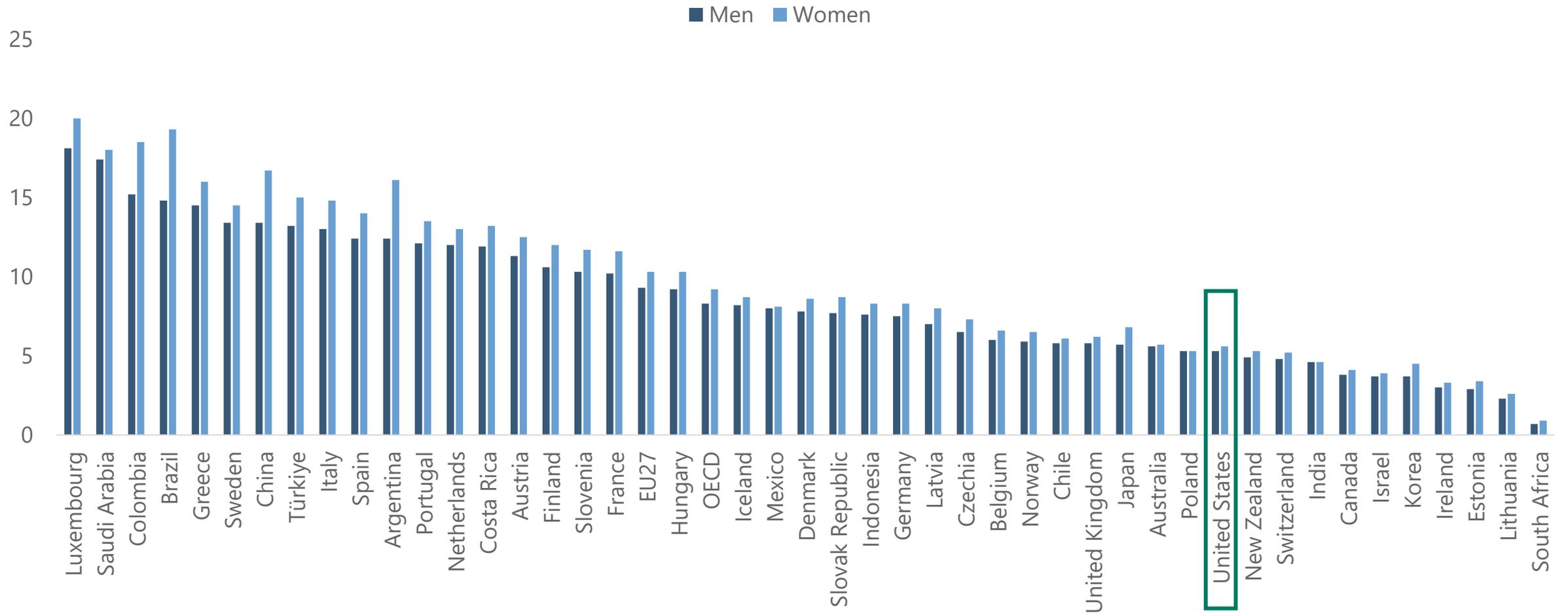
Source: OECD, Apollo Chief Economist. Note: Pension wealth – a measure of the stock of future discounted flows of pension benefits – takes account of these factors. It can be thought of as the lump sum needed at the retirement age to purchase, without paying any fees, an annuity giving the same flow of pension payments as that promised by mandatory retirement-income schemes. Since women’s life expectancy is longer than men’s, pension wealth for women is higher in all countries.

Gross pension wealth for lower earners by gender, multiple of annual earnings



Source: OECD, Apollo Chief Economist. Note: Pension wealth – a measure of the stock of future discounted flows of pension benefits – takes account of these factors. It can be thought of as the lump sum needed at the retirement age to purchase, without paying any fee, an annuity giving the same flow of pension payments as that promised by mandatory retirement-income schemes. Since women’s life expectancy is longer than men’s, pension wealth for women is higher in all countries.

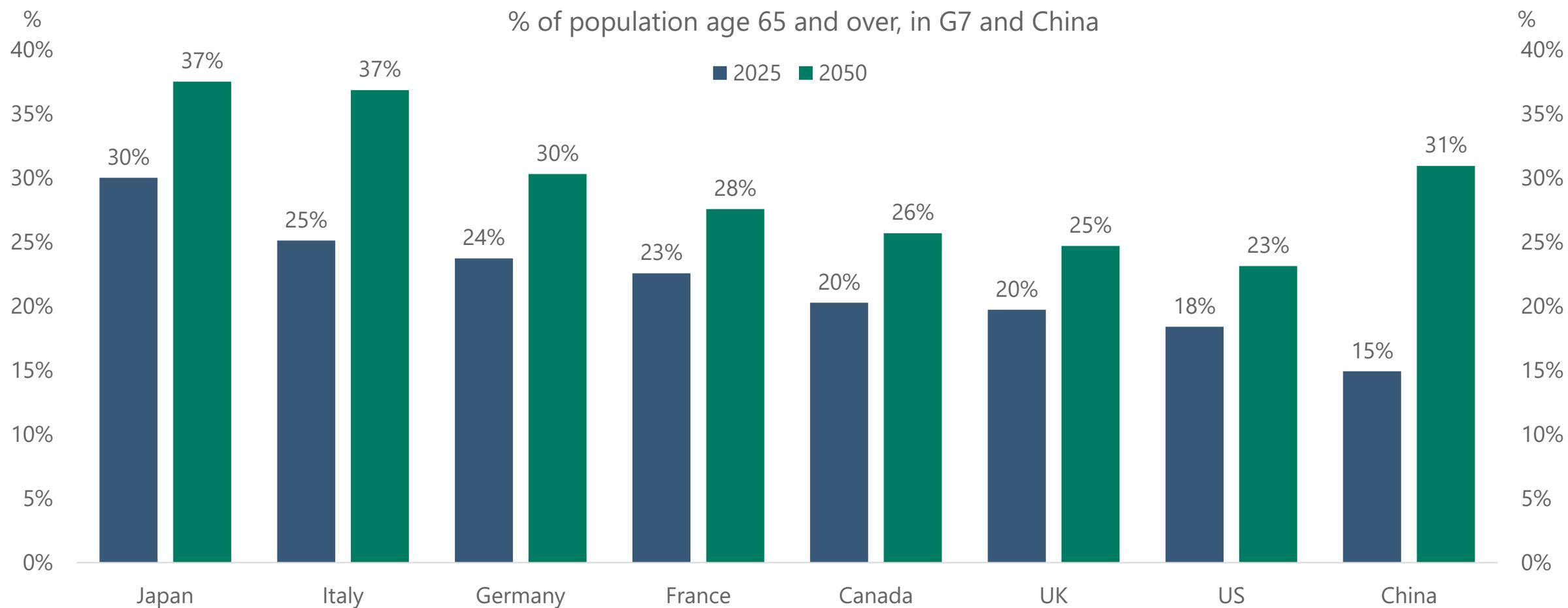
Gross pension wealth for high earners by gender, multiple of annual earnings



Source: OECD, Apollo Chief Economist. Note: Pension wealth – a measure of the stock of future discounted flows of pension benefits – takes account of these factors. It can be thought of as the lump sum needed at the retirement age to purchase, without paying any fee, an annuity giving the same flow of pension payments as that promised by mandatory retirement-income schemes. Since women's life expectancy is longer than men's, pension wealth for women is higher in all countries.

The global population is aging

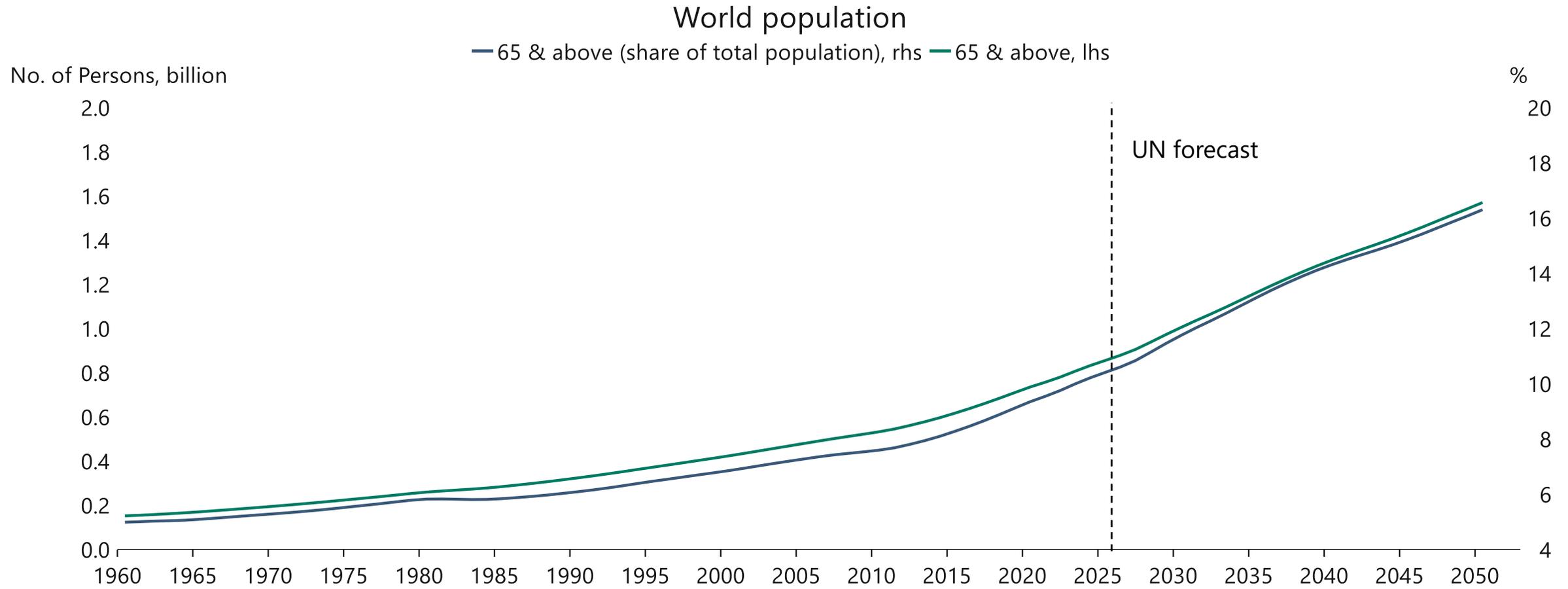
More retirees in all major countries



Projected life expectancy at 65 for the period 2050-55



The global population age 65 and over will rise from 0.8bn to 1.6bn by 2050: Significant need for retirement savings and new retirement products

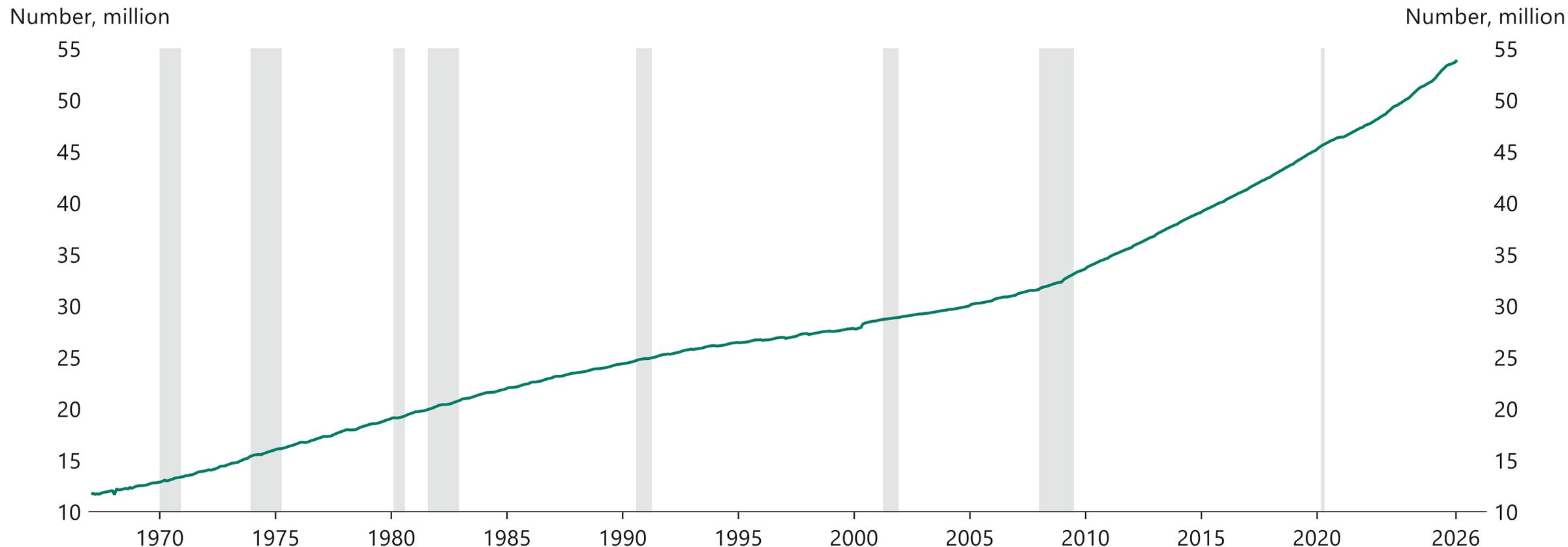


Source: World Bank, Macrobond, Apollo Chief Economist

The US retirement system

54 million retired workers receive social security benefits

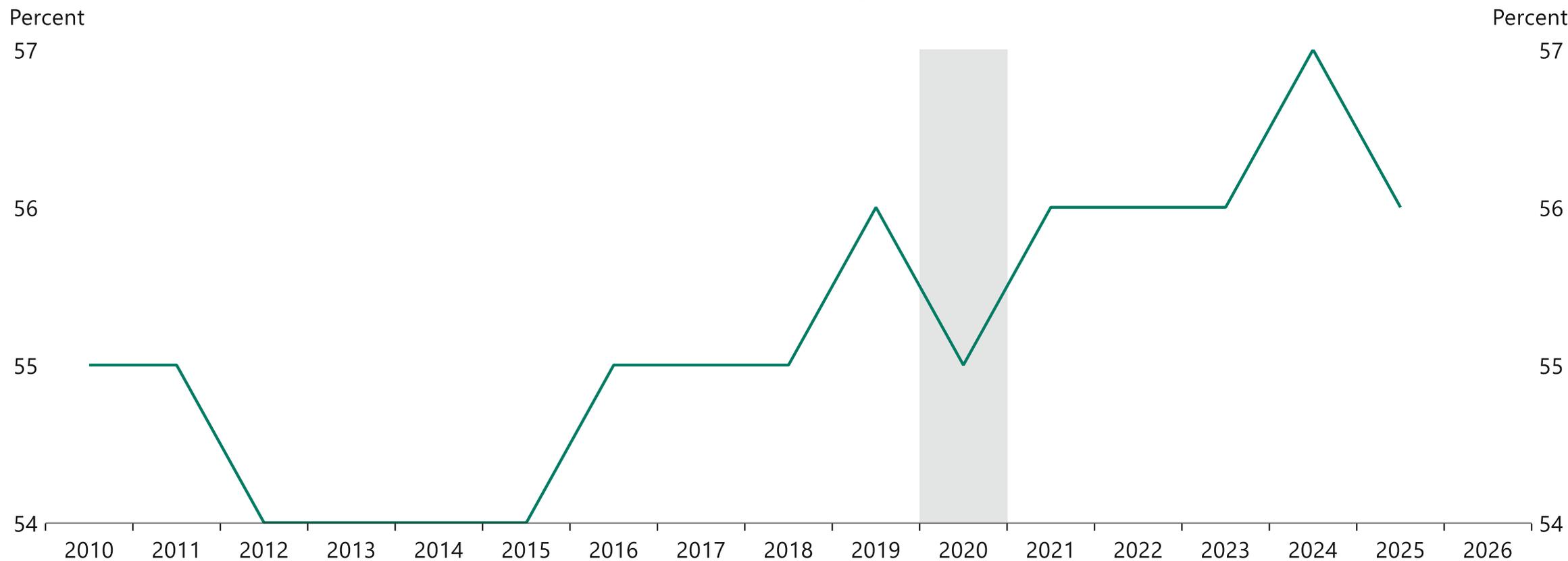
Social Security Recipients: Retired Workers



Source: U.S. Social Security, Macrobond, Apollo Chief Economist

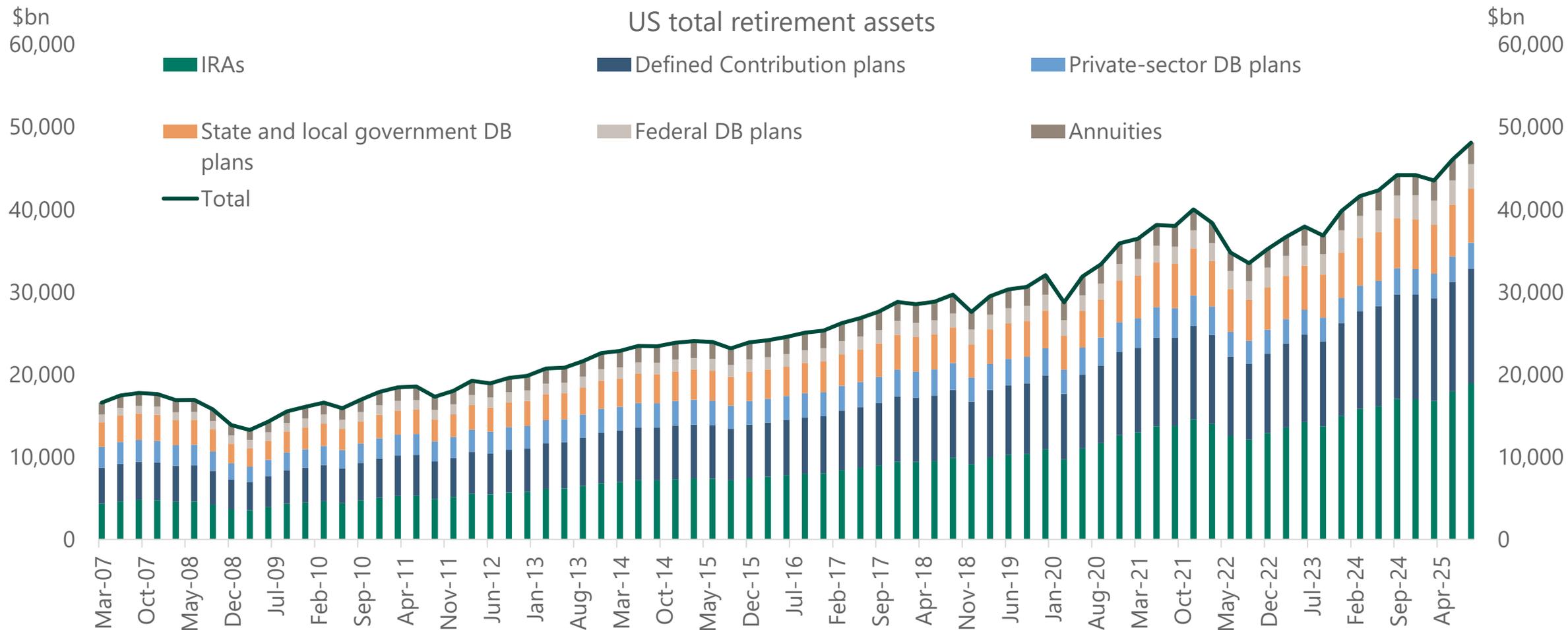
Retirement benefit participation in the US

Retirement benefits participation in the US

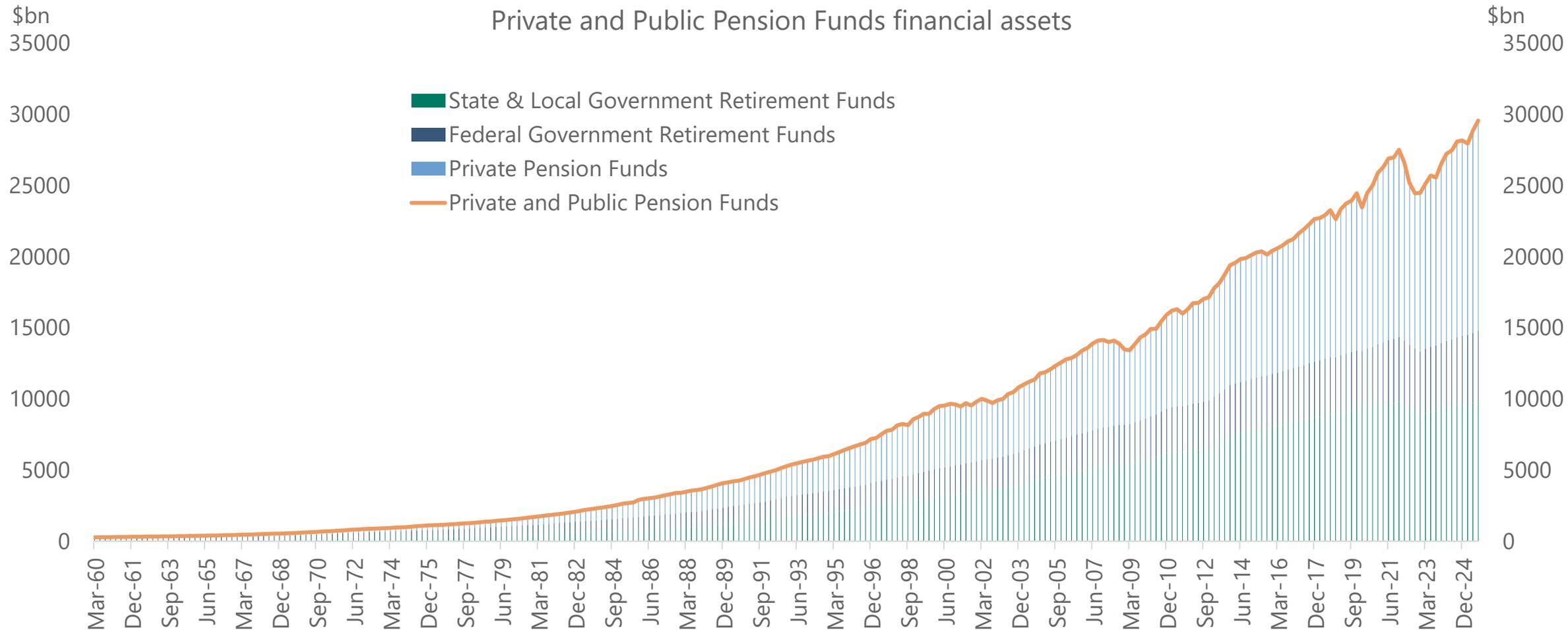


Source: U.S. Bureau of Labor Statistics (BLS), Macrobond, Apollo Chief Economist

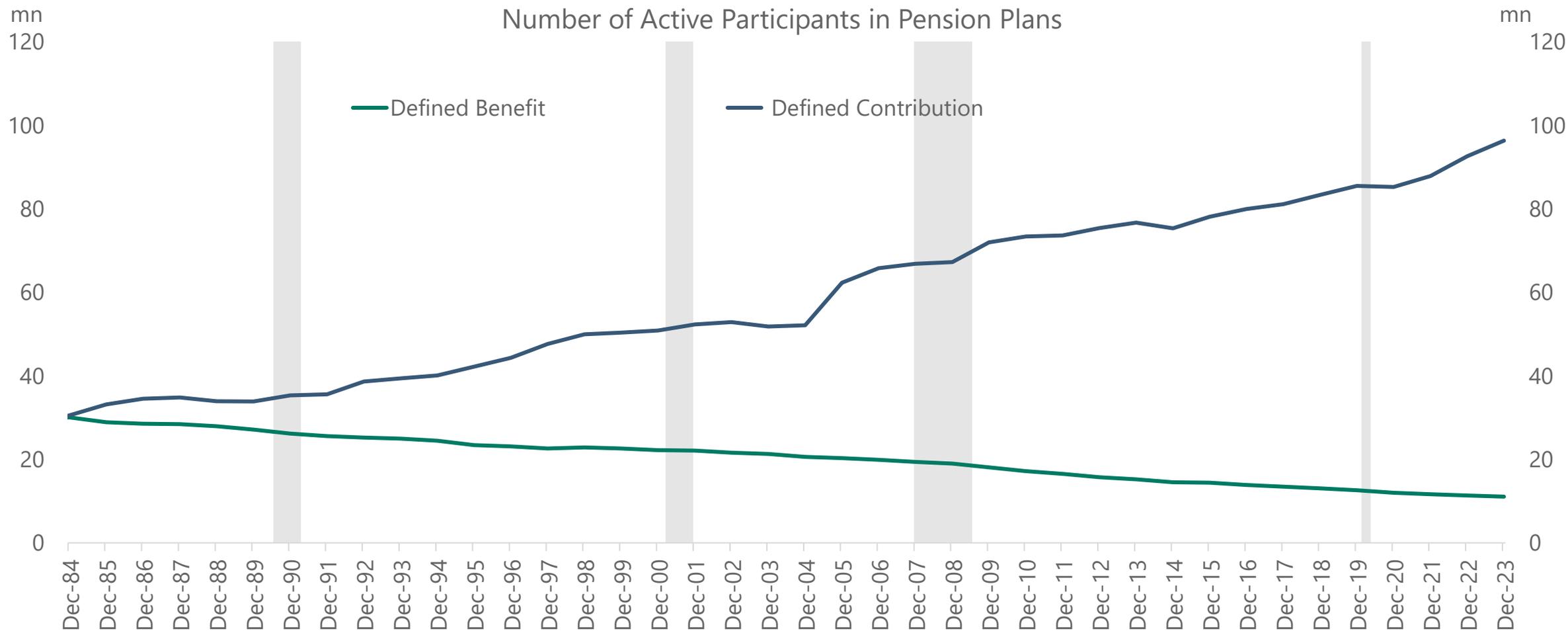
\$48trn in US retirement assets



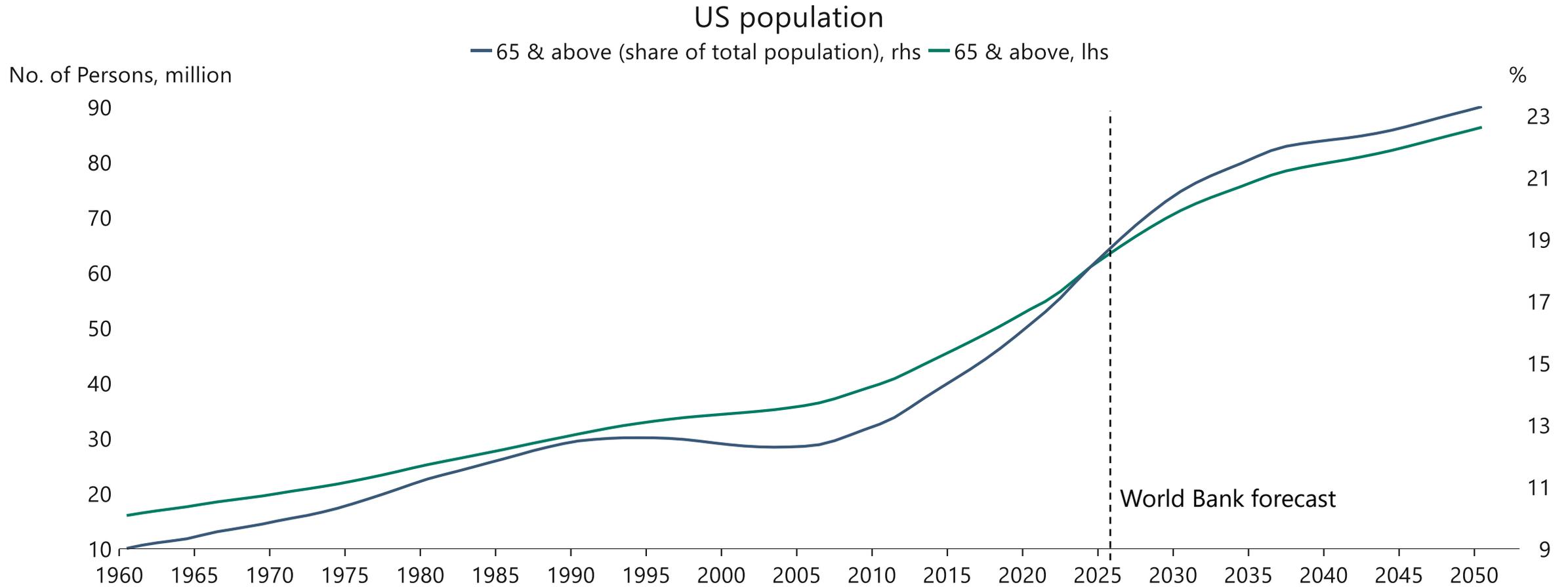
\$30trn in private and public retirement fund assets



Significant increase in the number of defined contribution plans



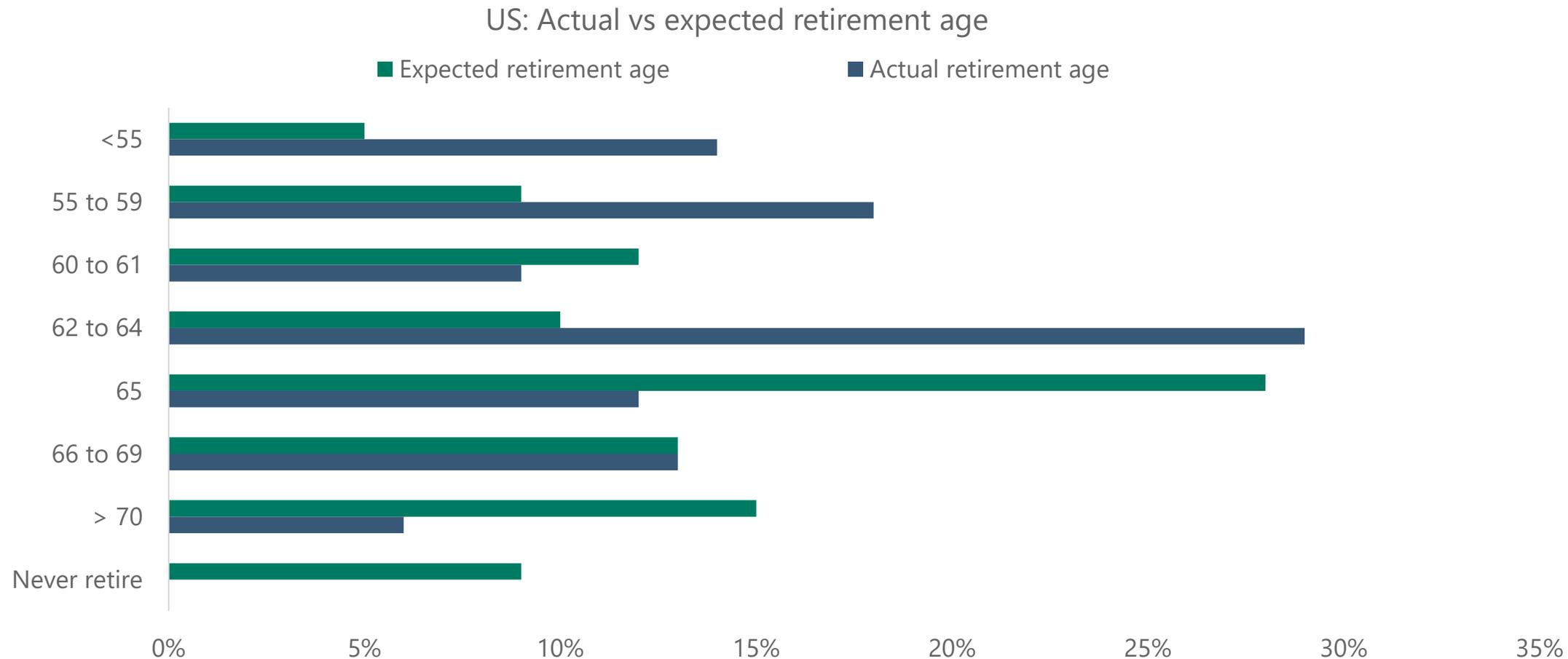
US: Age 65 and over population to reach 23% of total population by 2050



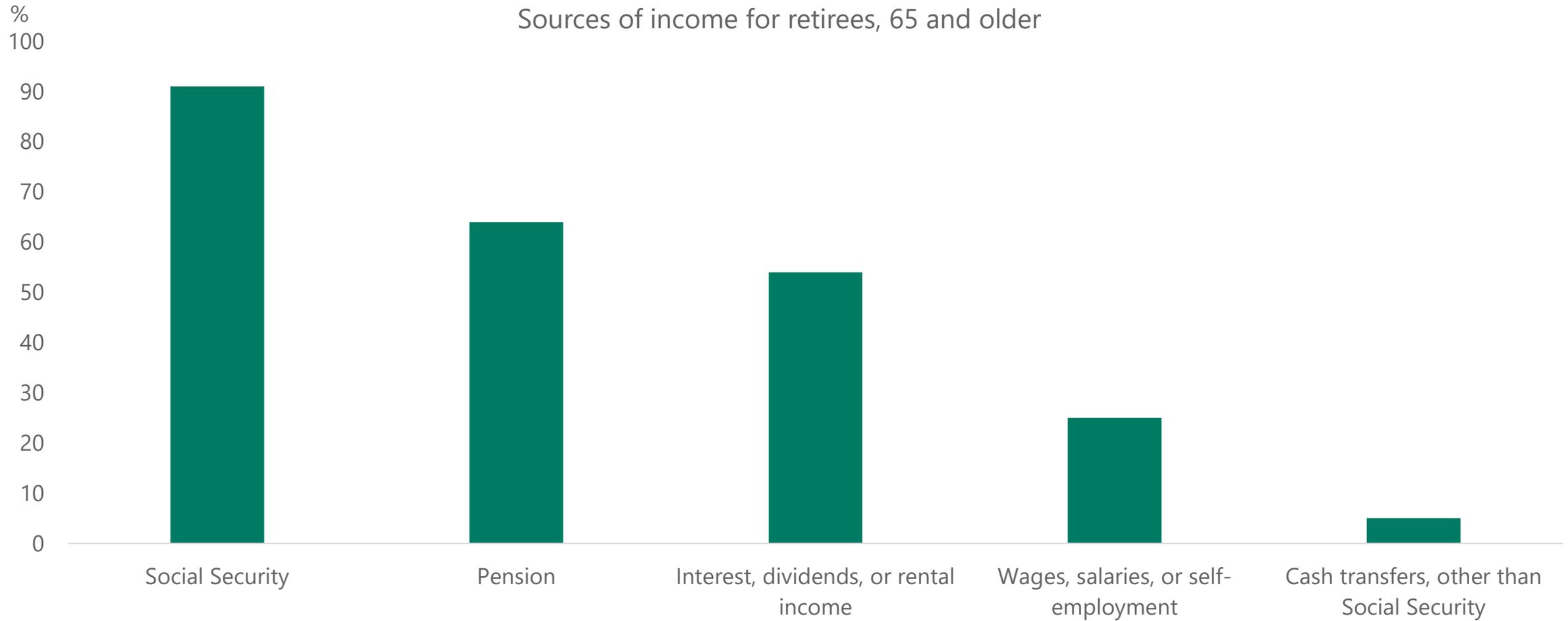
Source: World Bank, Macrobond, Apollo Chief Economist

70% of retirees retiring before 65

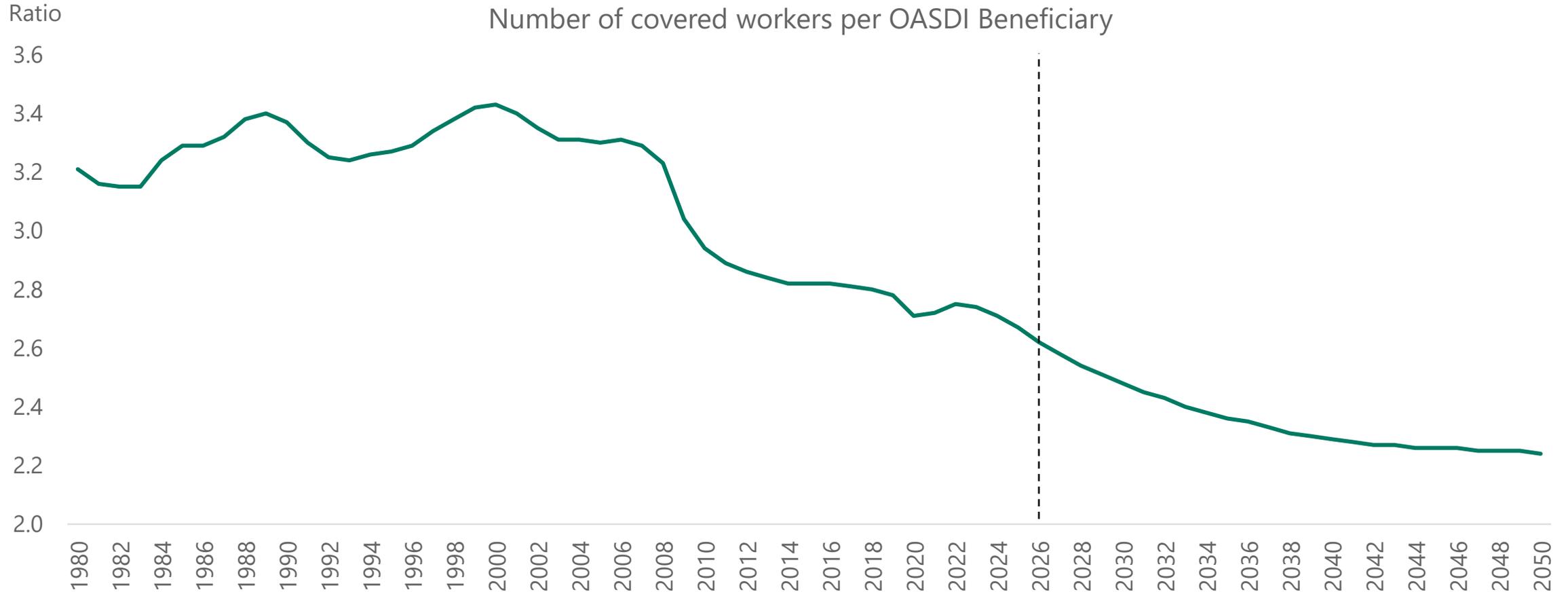
%



US: Sources of income for retirees

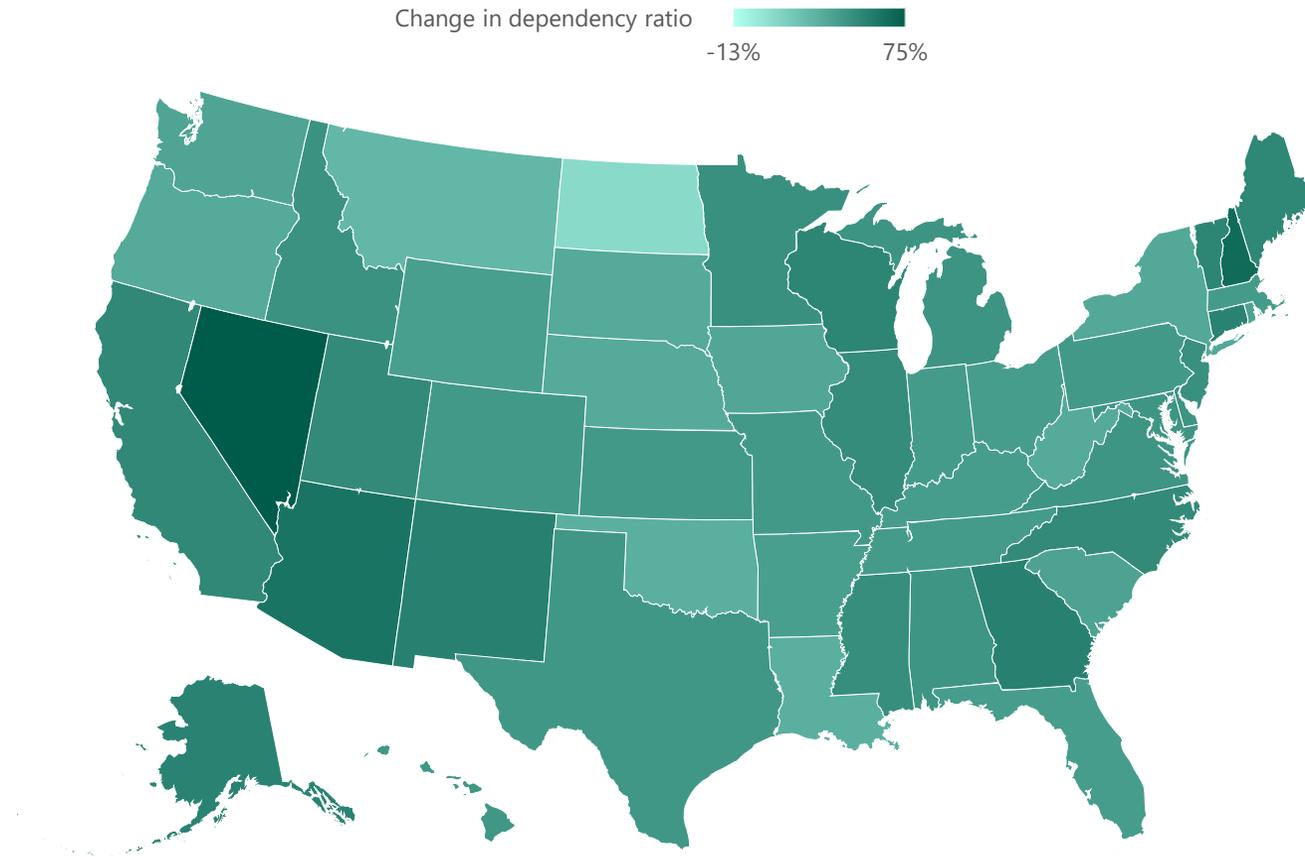


Number of workers contributing to the OASDI program growing more slowly than the number of beneficiaries receiving monthly payments



Source: Social Security Administration, The 2024 OASDI Trustees Reports, Apollo Chief Economist. Note: OASDI is a social insurance program that pays monthly benefits to qualified retired and disabled workers and their dependents or survivors.

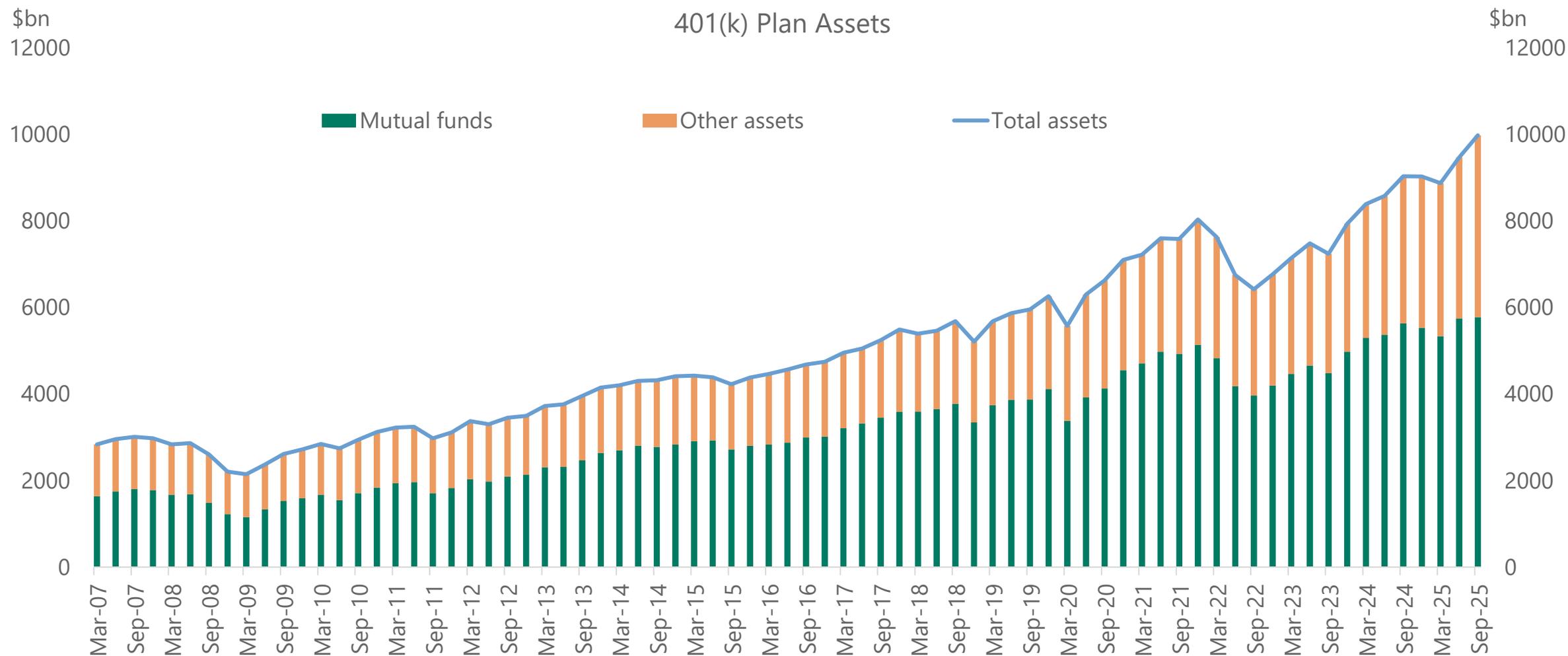
Ratio of households with people age 65 and older to those of working age is expected to grow by 46% nationally over years



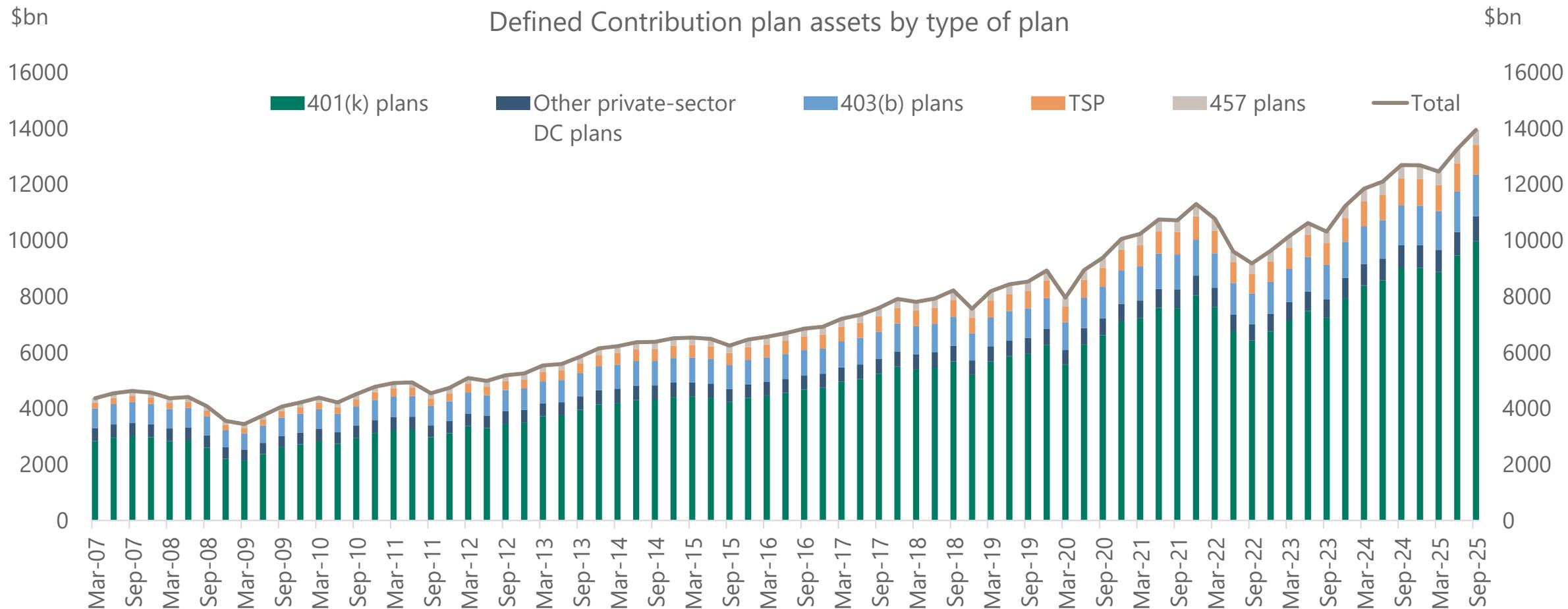
Source: Study by Econsult Solutions conducted May 2023, The Pew Charitable Trusts, Apollo Chief Economist.

The 401(k) system

Total 401(k) assets: \$10trn

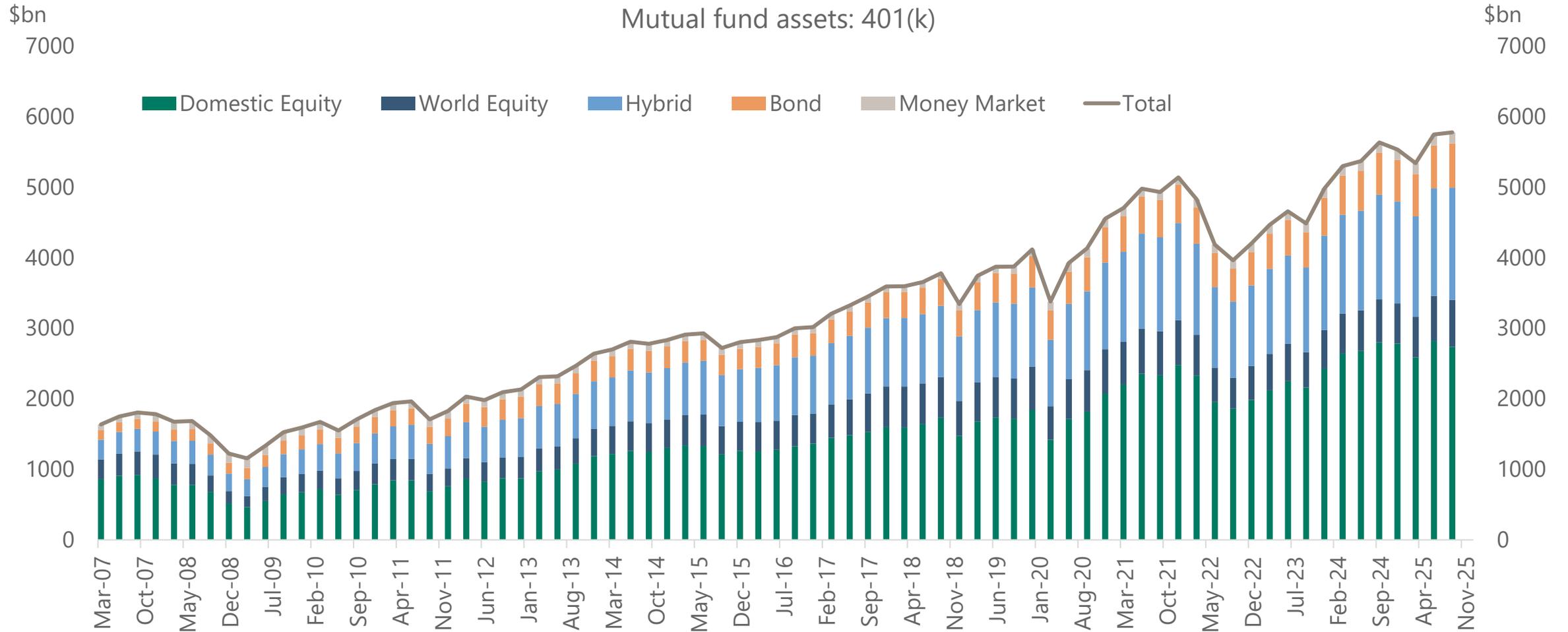


401(k)s make up a significant share of defined contribution plan assets

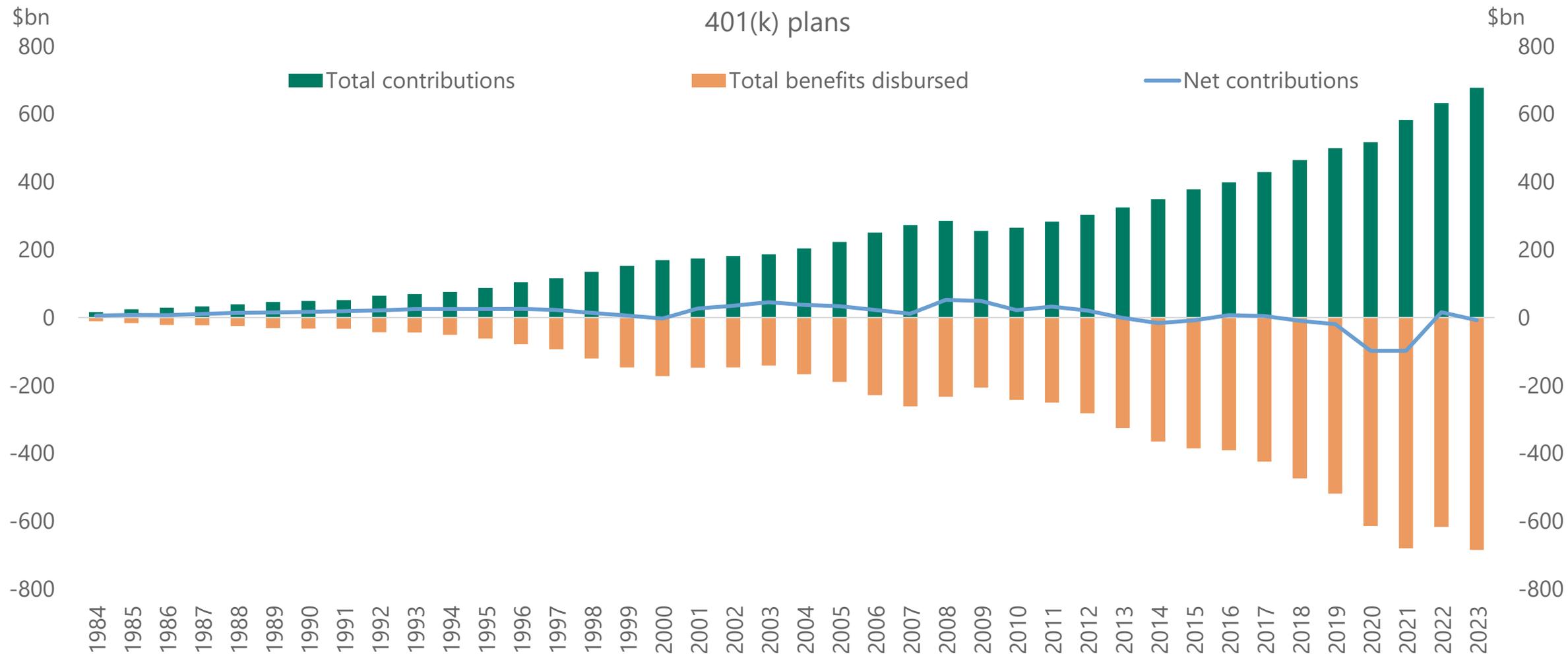


Source: ICI, Apollo Chief Economist

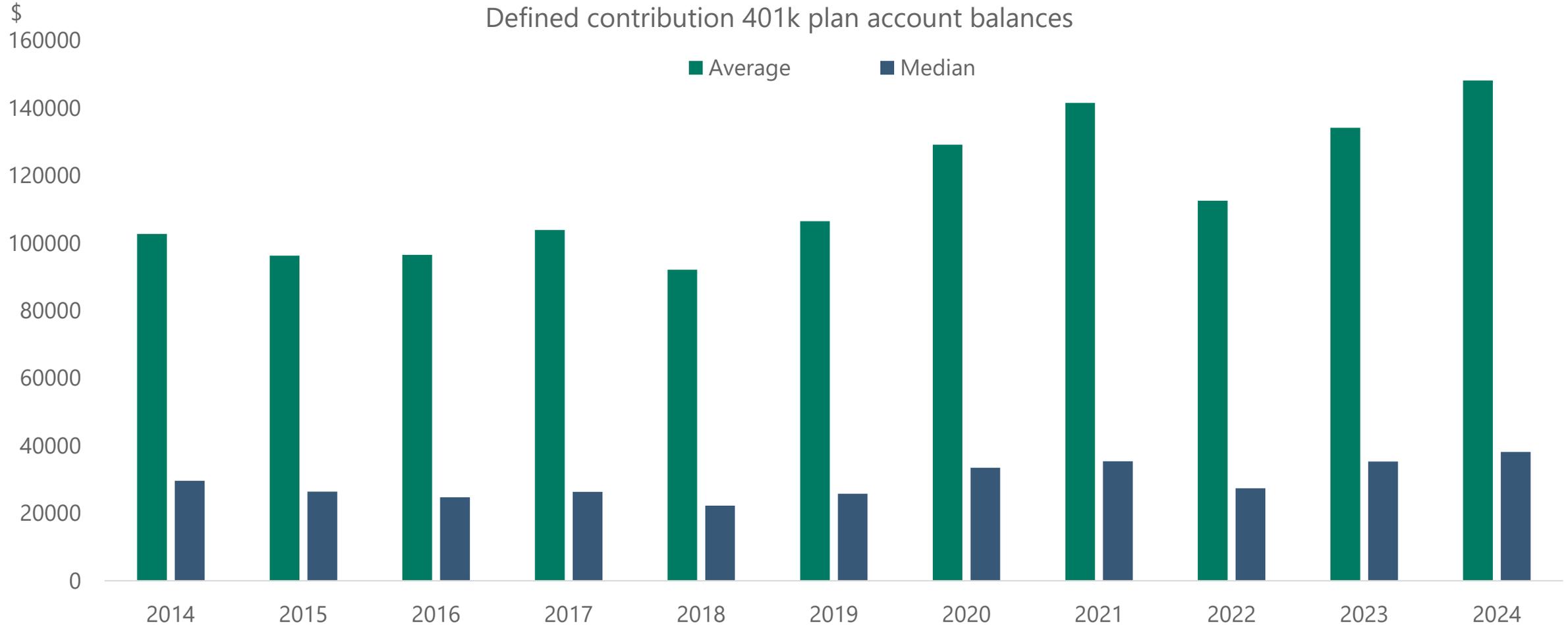
Total mutual fund 401(k) assets: \$5.7trn



Contribution vs distribution for 401(k) plans

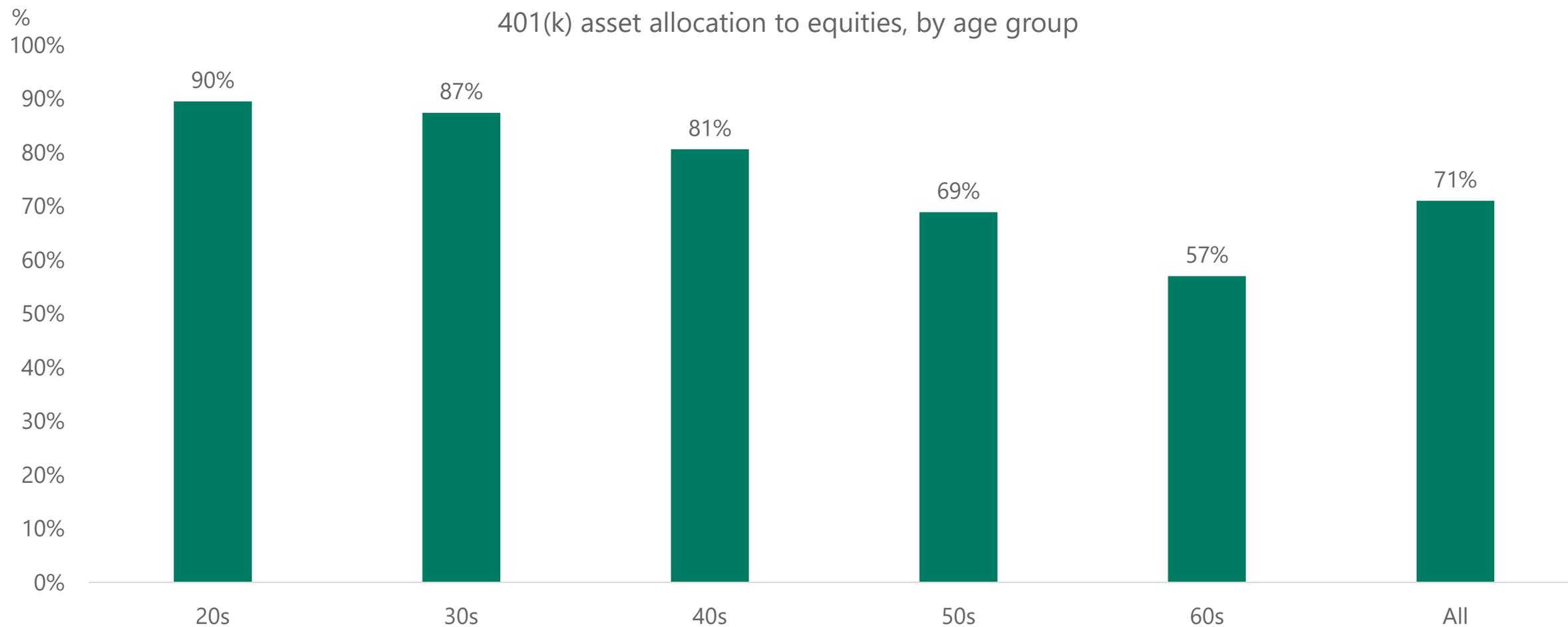


Median balance in defined contribution 401k plans: \$148,000



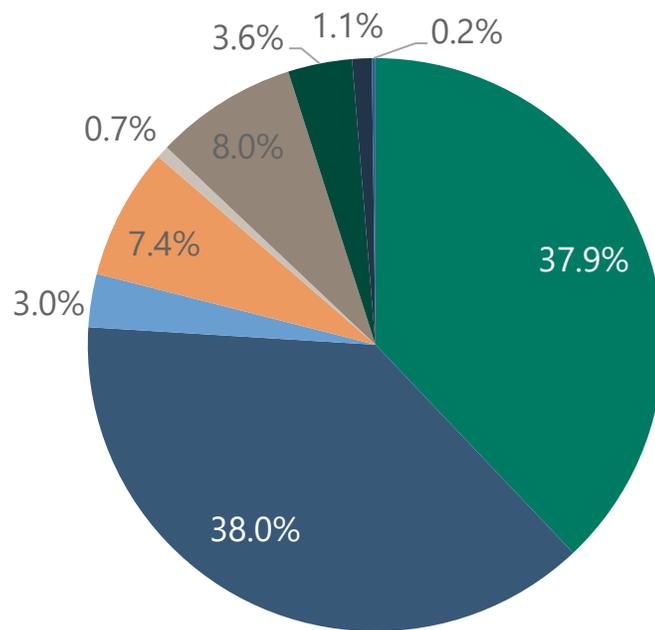
Retirement asset allocation

401(k) plans are overweight equities



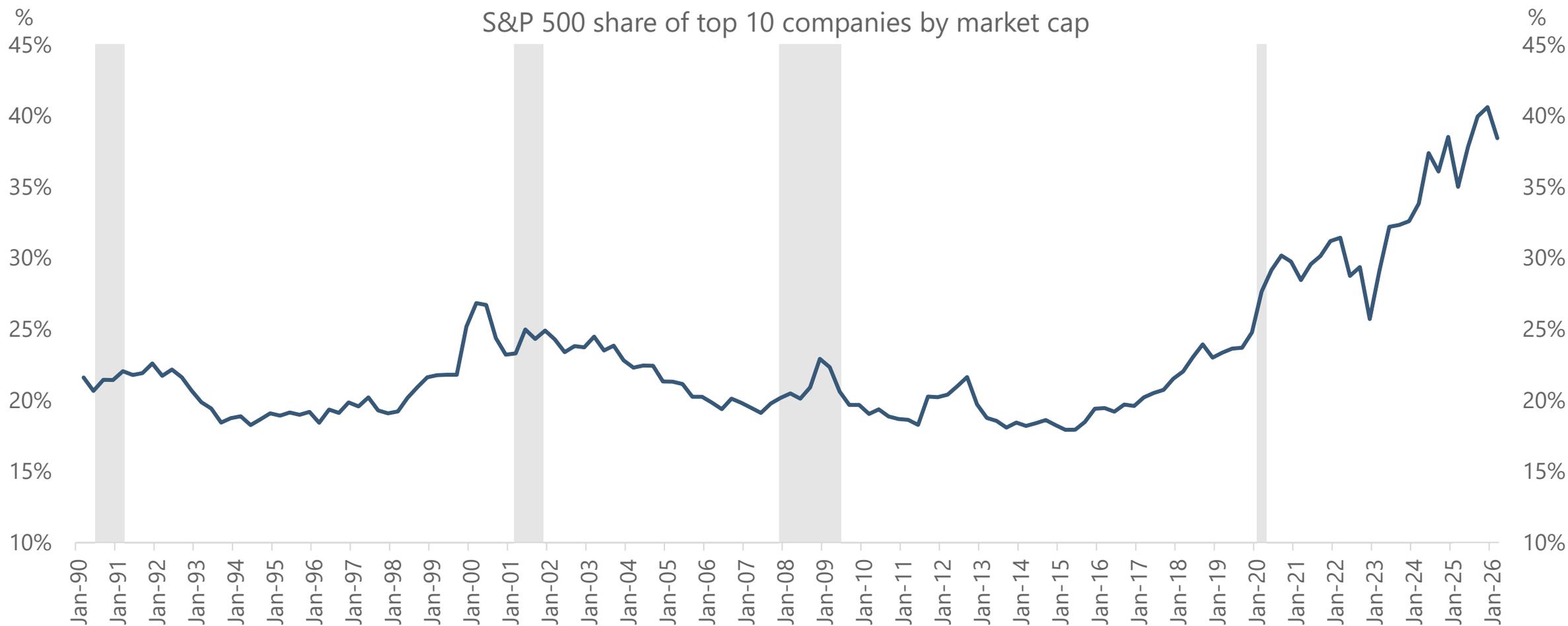
Average asset allocation in 401(k) plans

Average Asset Allocation of 401(k) Plan Accounts



- Equity funds
- Target date funds
- Non target date balanced funds
- Bond funds
- Money funds
- GICS and other stable value funds
- Company stock
- Other
- Unknown

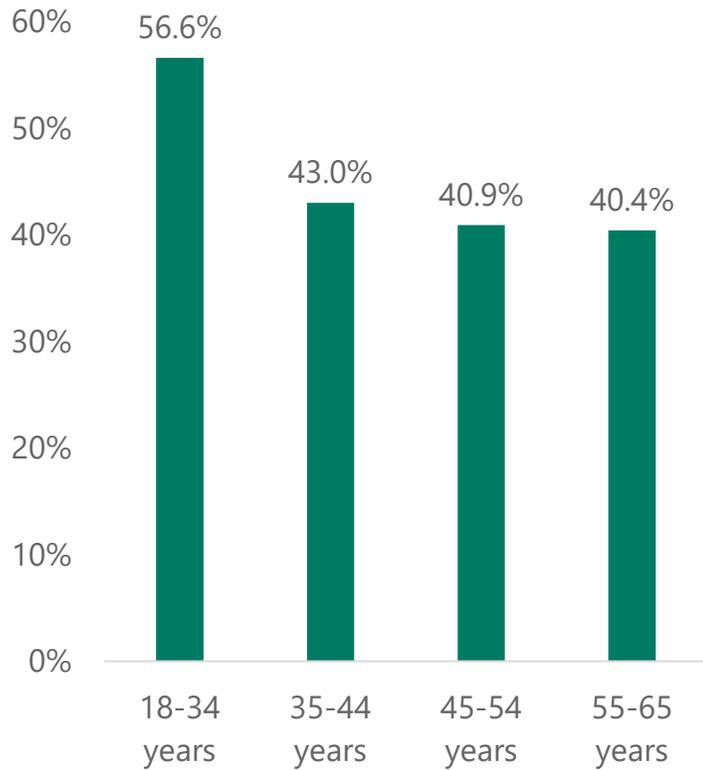
The concentration in the S&P500 is more and more extreme



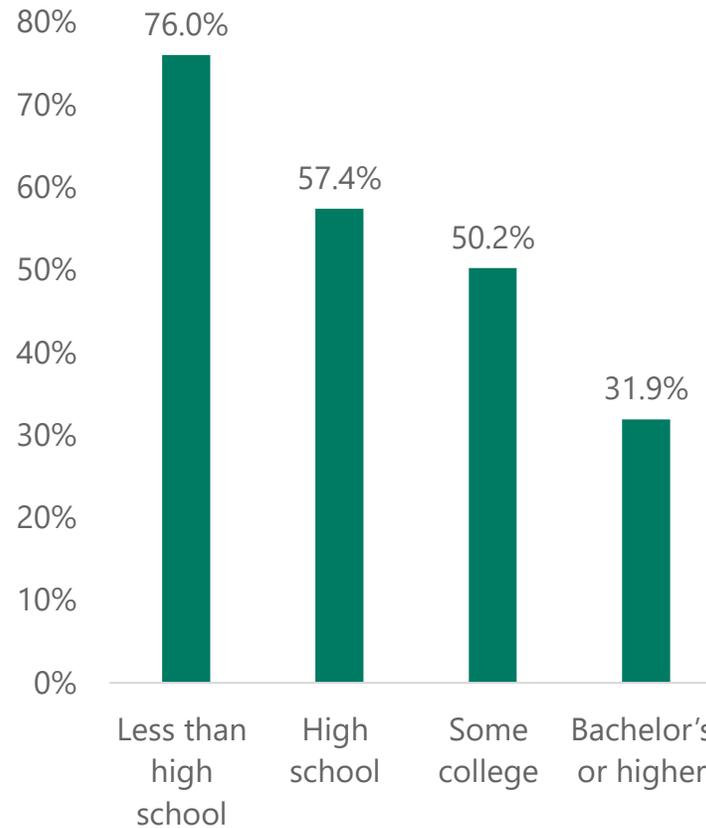
New retirement products needed

Who is not covered by a workplace retirement plan?

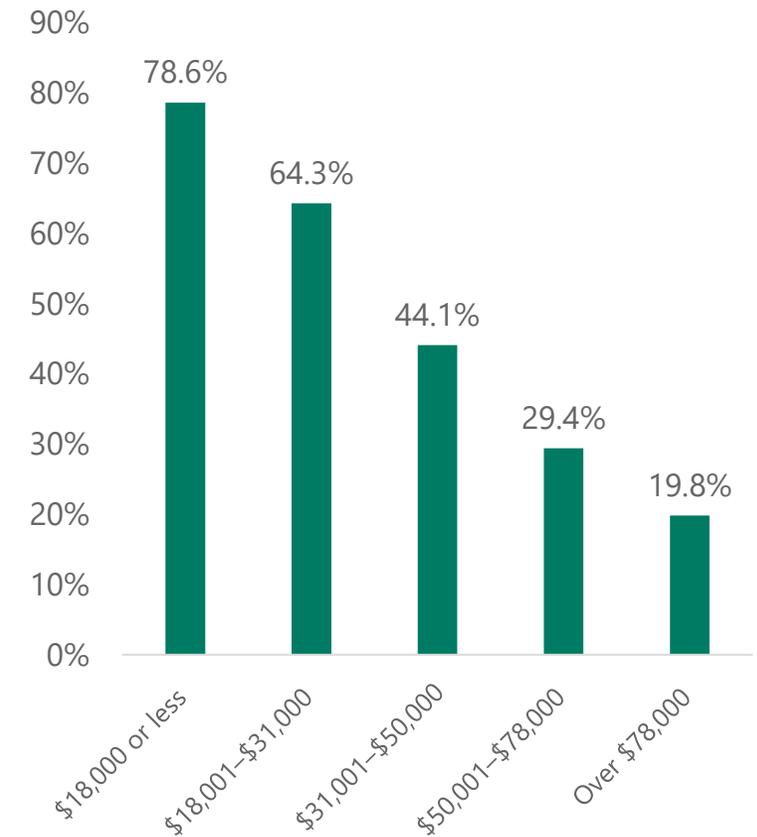
Nearly half of American workers ages 18-64 in the private sector do not have retirement plan



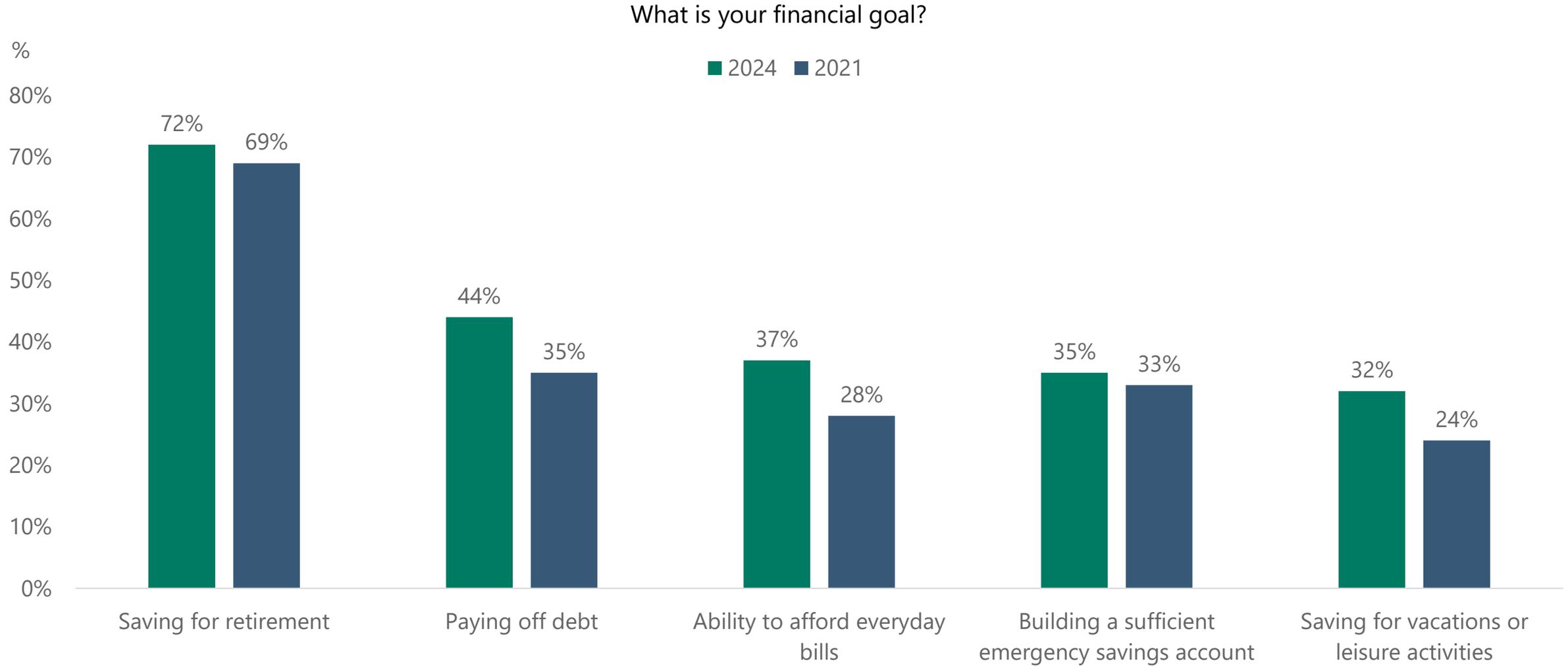
Workers at all education levels lack a plan



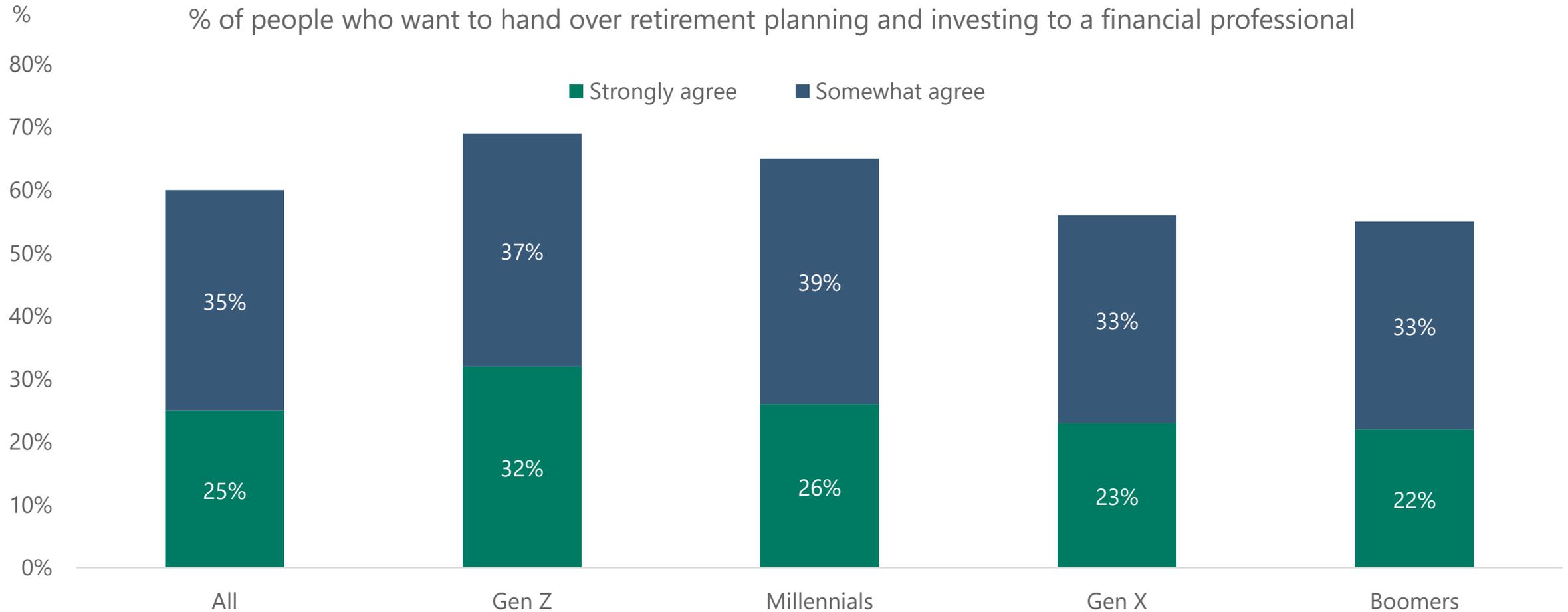
Employees at all earnings levels do not have access to a plan



Retirement is the most common financial goal

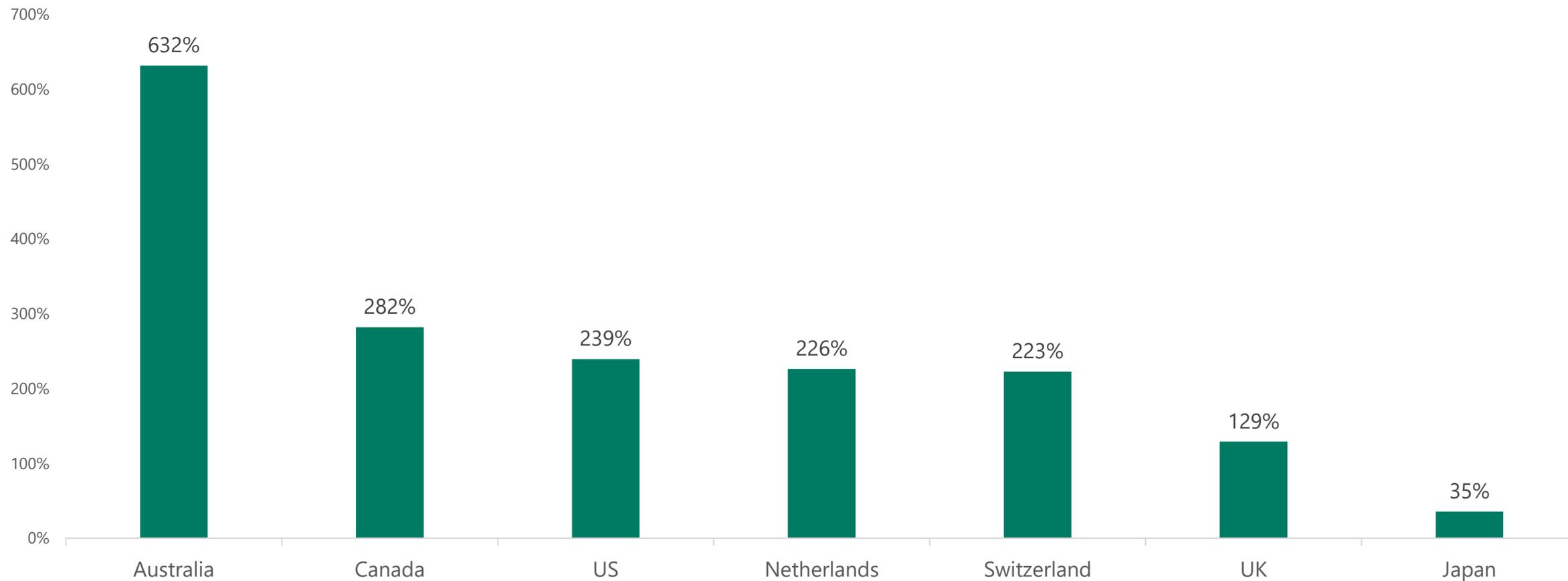


Most people want to hand over retirement planning to a financial professional



Australia has the world's 54th largest population, but the fourth largest retirement system

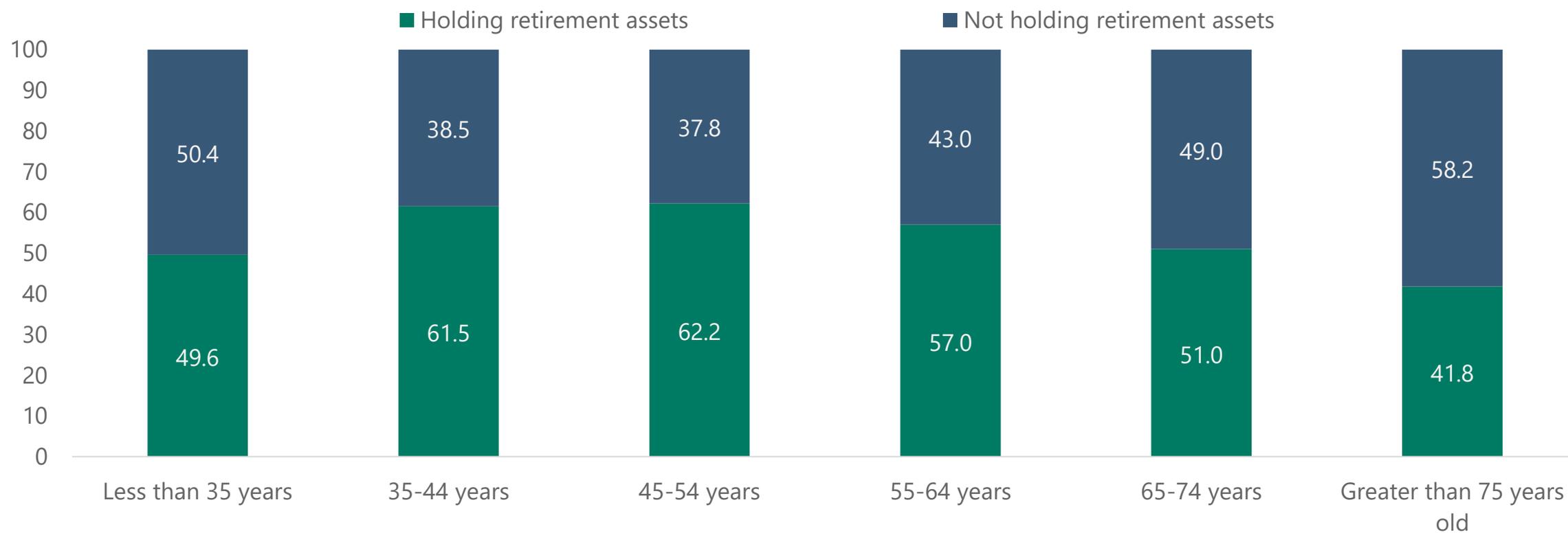
Change in assets among biggest retirement systems from 2002 to 2022



Older people holding fewer retirement assets

%

Percentage of families holding retirement assets by age of head of the household





Torsten Slok, Ph.D.

Chief Economist

Apollo Global Management

tslok@apollo.com

Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D. in Economics and has studied at the University of Copenhagen and Princeton University.