

## **Aging and saving in Europe**

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### **Abstract**

This paper analyzes the link between aging and saving starting from some stylized facts. Europe offers a wide spectrum of institutional arrangements in terms of pension systems and also very diverse financial and insurance markets. Recent changes, both in terms of pension reforms and in terms of market liberalization may provide explanations for the trends observed in household saving. While it is not possible to attribute precise amounts of saving to each motive, it is clear that saving for retirement plays a crucial role, hence the relationship between saving, aging and pension policies stems naturally from household behavior. This paper focuses the attention on the issue of substitutability between private wealth and pension wealth and reviews the empirical literature existing in Europe. There exists a few studies and the evidence is even more mixed than in the US. However, precisely because the European population is aging, because there exist differences in pension programmes across European countries and because many changes are taking place due to pension reforms, Europe may provide the ideal ground for research in this area.