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## Seminar invitation

# Pension Promises: The Solvency Effects of Low Interest Rates

Joshua Rauh

Stanford University

Professor Joshua Rauh from Stanford University is the receiver of Skandia's 2016 research award on "Long-Term Savings" for his contributions with relevance for banking, insurance, and financial services.

The Swedish House of Finance, in cooperation with Skandia, is pleased to invite practitioners and academics to a seminar.

In this seminar, Professor Rauh will discuss the impact of low interest rates on the solvency of pension systems and their sponsors in the US and Europe. Conventional wisdom suggests that declines in global interest rates help borrowers. Yet there is one type of borrowing that is strongly disadvantaged by falling interest rates: the borrowing from employees undertaken by defined benefit pension sponsors when the funding assets are not matched to the liabilities. For some types of borrowers, such as US municipalities with large unfunded liabilities, lower interest rates may on net have a negative impact on the borrower's solvency. The seminar is followed by a Q&A, moderated by Professor Magnus Dahlquist.

In order to increase knowledge of how long-term savings contribute to a sustainable society the Thule Foundation at Skandia supports research in the area. The Foundation provides graduate and postgraduate scholarships, master and bachelor thesis awards, and, as in the present case, a research prize for outstanding researchers.

**Date: Thursday November 10, 2016; 15.00–17.00**

**Place: The Swedish House of Finance, Drottninggatan 98, 4th floor**

Refreshments and snacks are served in connection with the seminar. There is no registration fee for the seminar. However, we have a limited number of seats and therefore require advance registration. **Please register by emailing [conference@houseoffinance.se](mailto:conference@houseoffinance.se) no later than November 3.**

Welcome!