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Topic A. Investment Strategies and Risk Management

Corporate Pension Plans and the Stress Testing in Personal Finance

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In this paper, corporate pension plans are considered from the viewpoint of balance sheets of individual members, instead of balance sheets of sponsoring companies as usually discussed. Stress testing, usually used as an ERM tool, is illustrated to be useful in considering personal lifetime balance sheets, because it shows clearly the consequence of company stock holdings and funding deficits upon participants of private pension plans.

Keyword: corporate pension, personal finance, stress testing, ERM