Projected demographic changes in industrialized countries will reduce the share of the working-age population. Analyses based on standard OLG models predict that these changes will increase the capital-labor ratio. Hence, rates of return to capital decrease and wages increase, which has adverse welfare consequences for current middle-aged asset-rich agents. This paper addresses two important endogenous adjustments channels to dampen these detrimental effects of demographic change: investing abroad and endogenous human capital formation. Our quantitative finding is that openness has a relatively mild effect. In contrast, endogenous human capital formation in combination with profound changes in pension policy - fixing contribution rates and increases in the retirement age - have strong effects. Maximum welfare losses of demographic change for households alive in 2010 decrease from 6.5.