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