

# News Release

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## **HONG KONG PEOPLE CONCERNED POOR HEALTH WILL AFFECT THEIR RETIREMENT, HSBC SURVEY SHOWS**

*\*\*\* Only 22% of Hong Kong retirees said their current level of health is good at their age \*\*\**

*\*\*\* 61% of working age people are uncertain about their healthcare expenditure when they retire \*\*\**

HSBC's report, *The Future of Retirement Healthy new beginnings*, reveals Hong Kong working age people and retirees are concerned that poor health will affect them in retirement. They are particularly concerned about their financial well-being (38%), level of physical activity (37%), mobility (37%) and ability to take care of themselves (36%).

The survey of more than 18,000 people in 17 countries worldwide found that only 22% of retirees in Hong Kong describe their personal health as good for their age, while 18% of working age people rate their health as good for their age, which are both the lowest globally. The global average shows 45% of retirees and 42% of working age people say their health is as good for their age.

Retirees in Hong Kong are more likely to feel their overall health has got worse since retiring. Thirty-nine per cent of retirees in Hong Kong said their health got worse since they retired, the second highest globally.

Many pre-retirees aged 45 or above who would like to retire, but 33% of them are unable to, of which 62% say they would struggle financially as they are not saving enough. The majority (61%) of working age people are also unable to predict how much they are likely to spend on healthcare in retirement.

Candy Yuen, CEO of HSBC Insurance Hong Kong, said: "It is important for us to estimate the corresponding retirement expenditures according to our own spending habits and different needs in life, and have a financial plan in place to prepare us for a stable and comfortable retirement life. For those who have a financial plan in place, be sure that you have also included the medical and healthcare costs which can take up a large portion of retirement savings."

"Pre-retirees should make sure their retirement savings can cover their daily retirement expenditures as well as healthcare and medical expenditures. Medical insurance would be a good option for providing financial support to retirees for any unpredictable medical expenditure. They should also review their medical insurance plan and coverage at different life stages and when their health condition changes."

This information is issued by

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The majority of working age people (80%) and retirees (70%) agree that they face barriers that prevent them from leading a healthier lifestyle. Over a third (38%) of pre-retirees in Hong Kong say that being too busy with work commitments prevents them from leading a healthier lifestyle; while 30% cite a lack of free or leisure time as a barrier. For retirees, 33% say existing poor health or other medical conditions can be a barrier to prevent them from leading a healthier lifestyle.

Pre-retirees expect some life events would make retirement saving more difficult, their top five are: having poor health (68%), partner becoming ill (55%), buying a home (49%), caring for elderly parents (41%) and sending children to university (36%).

Working age people should think ahead and seek professional advice on financial planning as early as possible. The wealth management section of HSBC's Hong Kong website also offers the general public online analysis for retirement planning. Customers may enter their age, current monthly income, expenditure, savings, and information about their MPF — as well as their expected living costs in retirement — into our online tool, which will then immediately provide an estimate on retirement cost. This should help them to create a suitable retirement plan. HSBC Retirement Monitor<sup>1</sup> serves as a tool that can help Hong Kong people forecast their spending during retirement.

HSBC Insurance also provides an array of products and services that enable customers to save and prepare for retirement. Customers should select suitable solutions after a thorough assessment of their own needs, goals and risk appetite.

### **Tips for improving financial well-being in retirement**

#### **1. Start saving for an earlier retirement**

Improve your chances of retiring when you want to, by starting your retirement saving as early as possible. The earlier you plan and save, the more flexibility you have and can enjoy the benefit of compounding from your investment returns to reach your financial goals.

#### **2. Plan for a longer, more active retirement**

Ensure you have a financial plan in place to make the most of this new chapter in your life. Everyone has his or her own spending habits and different needs in life. To secure a comfortable retirement and good quality of life for yourself and your family members, you need to take personal responsibility for your own retirement plan and to review such plan regularly.

### **3. Aim for a healthier retirement**

Don't wait until you have stopped working to take active steps to improve your health. Many people experience a period of improved health and more active lifestyle in early retirement. However, this resurgence can often be followed by a period of frail retirement, when health begins to decline. So it is important to have a financial plan in place to help provide for every eventuality in later life - whether this is funding a more active lifestyle during early retirement, or paying for increased healthcare in later retirement.

### **4. Consider how your healthcare needs may change in retirement**

Consider your financial obligations throughout retirement and make sure that potential healthcare needs are included in your plan. In addition to general day-to-day expenditures, retirees should always keep aside a separate reserve fund for non-recurring expenses and additional spending on healthcare.

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#### **Notes to editors:**

1. For more details or to download the latest "HSBC Retirement Monitor", please visit the HSBC Retirement Monitor website: <http://www.hsbc.com.hk/retirementmonitor>

#### **The Future of Retirement**

The Future of Retirement is a world-leading independent research study into global retirement trends, commissioned by HSBC. It provides authoritative insights into the key issues associated with ageing populations and increasing life expectancy around the world. This report, *Healthy new beginnings*, is the twelfth in the series and represents the views of more than 18,000 people in 17 countries and territories worldwide (Argentina, Australia, Brazil, Canada, China, Egypt, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom, United States). The findings are based on a nationally representative survey of people of working age (25+) and in retirement, in each country or territory. The research was conducted online by Ipsos MORI September and October 2015, with additional face-to-face interviews in Egypt and the UAE.

Since The Future of Retirement programme began in 2005, more than 159,000 people worldwide have been surveyed.

For more information about The Future of Retirement, visit [www.hsbc.com](http://www.hsbc.com)

#### **The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 48 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 6,100 offices in 72 countries and territories in Asia,

Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world's largest banking and financial services organisations.

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